Universal registration document

Including the annual financial report

Pernod Ricard

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Universal registration document

Including the annual financial report

Pernod Ricard

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French language version of this Universal Registration Document was filed on 20 September 2023 with the French Financial Markets Authority (Autorité des Marchés Financiers – AMF), the competent authority under Regulation (EU) no. 2017/1129, without prior approval pursuant to Article 9 of the Regulation. The Universal Registration Document may be used for the purposes of an offer of securities to the public or an admission of securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary as well as all amendments made to the Universal Registration Document, and then this documentation is approved by the AMF pursuant to Regulation (EU) no. 2017/1129. This is a translation into English of the Annual Financial Report/URD of the Company issued in French and it is available on the website of the Issuer. The official version of the Universal Registration Document 2022-2023 was prepared in European Single Electronic Format (ESEF) and filed with the AMF. It is available on the website of the Company and of the AMF.

Alexandre Ricard

Chairman and CEO

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

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

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

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

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

A business with a soul

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

We're a company with a unique culture and engaged teams – a business with a soul. While connected by our shared mindset, we also take pride in our individualism. We celebrate our differences every day – our diversity of talents, perspectives, and personalities. It's a critical ingredient in the power of conviviality.

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

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

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

Our share gains in most markets demonstrate the desirability of Pernod Ricard's leading portfolio of premium brands as well as the relevance of our strategy and business model. Building on our sustainability and responsibility roadmap, and with the support of advanced technology and data, we are pursuing our transformation at a steady pace. The new Executive Committee recently appointed will ensure we do not deviate from our planned trajectory. As we face an environment likely to remain uncertain in FY24, I remain fully confident in Pernod Ricard's ability to deliver on our medium-term objectives.

Strengthening our portfolio

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

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

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

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

Our vision for the future

We are organised to take full advantage of the changing global wines and spirits landscape. We have the right portfolio, the right route to market and distribution, and the right culture and people to succeed and create value across every part of our business.

But we can do even better.

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

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

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

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

Making a real difference

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

Every Pernod Ricard product takes its character from the land where it is grown and the people who make it. We manage our business for the long term – for future generations – and climate change and building a "future-fit" business are our most pressing concerns.

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

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

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

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

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

1

Presentation of the Group

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KEY TAKEAWAYS

"FY 2023 was another year of very strong, balanced, profitable and responsible growth for Pernod Ricard. I am particularly pleased that our outstanding operational performances went hand in hand with solid financial results, key to sustaining the long-term growth of our brands." **Alexandre Ricard**

FINANCIAL PERFORMANCE

Excellent full-year financial delivery

€12,137m
Net Sales

Organic	+13% ↑
Reported	+10% ↑

€3,348m
PRO

Organic	+11% ↑
Reported	+11% ↑

€2,262m
Group Share of Net Profit

+13% ↑

€9.11
EPS

+11% ↑

2.7x
Net Debt / EBITDA

+0.3x ↑

€1,431m
Free Cash Flow

-21% ↓

NON-FINANCIAL PERFORMANCE

Sustainability & Responsibility amplifying performance and strengthening business resilience

94%
of markets having implemented at least one local or global responsible drinking initiative(1)

36%
of women in Top Management(2)

82%
of affiliates with a regenerative agriculture or biodiversity programme

98%
of recyclable, compostable or reusable packaging(1)

-12%
in GHG emissions Scopes 1 & 2 (absolute value)(3)

76
employee engagement score(4)

No. 1 worldwide
in Premium spirits
(No. 2 worldwide in wine & spirits)

+20,600
employees

Our brands distributed in
160+ countries

Americas
€3,481m Net Sales
29% of sales | **+11%** sales growth

Europe
€3,465m Net Sales
29% of sales | **+17%** sales growth

Asia / Rest of the World
€5,191m Net Sales
42% of sales | **+11%** sales growth

(1) FY 2023 – for the period from 1 July 2022 to 30 June 2023. (2) Internal definition: Band C and above. (3) Reduction between FY 2018 (the baseline year) and FY 2023. (4) 1 point above Glint's FMCG benchmark.

1.1 World No. 2 in wine & spirits

1.1.1 Corporate profile

Pernod Ricard is a world leader in the wine & spirits industry. Created by the merger of Pernod and Ricard in 1975, the Group boasts unrivalled expertise in product manufacturing, brand development and global distribution. Pernod Ricard generated consolidated net sales of €12,137 million in FY 2023.

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

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

Our vision

We unlock the magic of human connection by bringing good times from a good place.

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

Our mission

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

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

Our ambition

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

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

1.1.2 Our competitive advantages

A unique portfolio of wine & spirits brands

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

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

We have acquired and developed an unrivalled distribution network, with a presence in over 160 countries, including 75 with our own sales force. Our network spans both off-trade markets (supermarkets, specialist shops) and on-trade channels (bars, restaurants, wine merchants, etc.), as well as direct-to-consumer sales (e-commerce and concept store). Our ability to control our global distribution network is a powerful driver of agility, helping us to stay tightly aligned with consumer needs.

A strong corporate culture and shared values

Our more than 20,600 employees around the world are driven by the same culture of conviviality. This inclusive and purposeful ethos is both what makes us stand out and how we attract and retain talent. It is based on four key values: our passion for challenge, unapologetic authenticity, grounded in the real and connected beyond borders.

An agile, consumer-centric player

We have designed our organisation to be as close as possible to consumers and thus respond quickly to emerging trends. We constantly develop new distribution models – The Whisky Exchange is one recent example – and harness digital tools and appropriate channels to continuously improve our understanding of consumers. Our matchless Consumer Insights department, meanwhile, increases the relevance of our marketing campaigns and brand development, while identifying tomorrow's consumer trends. It also draws inspiration from our affiliates and guides them at the same time.

1.1.3 Our value creation chain

Enabling convivialité

Our people

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

20,600+
employees[1]

Our portfolio

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

240+
brands

Our global presence

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

75
countries with our own sales force[1]

Our expertise

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

96
operation sites[1]

Our terroirs

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

350+
terroirs

Creating convivialité

Knowledge

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

Innovation

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

Creating sustainable...

Sourcing

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

Underpinned by

The Conviviality Platform

The Conviviality Platform focuses on 6 defined growth opportunities and our existing competitive advantages with new technologies to deliver on our mission.

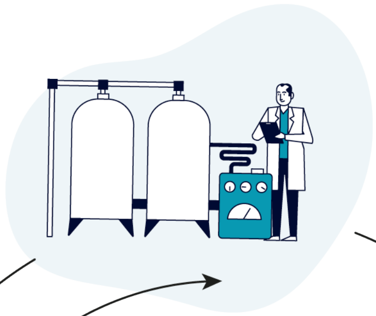
Management and governance

Our governance structure which encourages efficient engagement, direct dialogue, and faster decision making.

See section 2. Corporate governance

(1) *At 30 June 2023.*
(2) *International Wine & Spirit Research (IWSR) world Top 100.*
(3) *Organic growth.*
(4) *Cumulative figure since 2019.*

The value of convivialité



Production

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

Distribution

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

... & responsible moments

Marketing

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

Our Sustainability & Responsibility roadmap

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

See section 3. Sustainability & Responsibility

Robust risk management

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

See section 4. Risk management

Employees

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

76
I Say 2022 score attributed by employees recognising Pernod Ricard as a great place to work

Consumers & customers

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

18
of our brands are in the Top 100 worldwide[2]

Shareholders & investors

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

+11%
PRO in FY 2023[1][3]

Farmers & suppliers

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

10,506
farmers empowered, trained or supported[4]

Communities & society

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

94%
of markets with a global or local responsible drinking initiative

Planet

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

18%
greenhouse gas emissions (Scope 3) reduction in intensity since FY 2018

1.2 Our history

1.2.1 From 1975 to 2023

Since its creation in 1975 following the merger of the Pernod and Ricard companies, the Pernod Ricard Group has worked to expand its brand portfolio and geographical reach, making acquisitions while pursuing organic growth. Today, Pernod Ricard is the world number two in wine and spirits.

1975

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

1988

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

1993

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

2001

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

2003

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

2005

Acquisition of Allied Domecq, doubling the Group's size to make it the world's No. 2 wine and spirits company, with brands including Mumm and Perrier-Jouët champagnes, Ballantine's whisky, Kahlúa and Malibu liqueurs, and Beefeater gin.

Membership of the International Alliance for Responsible Drinking (IARD, formerly ICAP[1]).

2007

Roll-out of a warning for pregnant women on all bottles marketed by the Group in every country in the European Union.

2008

Acquisition of Vin & Sprit, owner of Absolut vodka.

2010

Adhesion to the United Nations CEO Water Mandate.

2011

Upgrade of the Group's credit rating to investment grade.

Launch of Responsib'All Day, an annual social engagement volunteer event involving the Group's entire workforce.

2012

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

2015

Appointment of Alexandre Ricard as Chairman & CEO.

2016

Acquisition of the super premium gin Monkey 47.

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

Fiftieth anniversary of the Institut Océanographique Paul Ricard.

2017

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

2018

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

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

2019

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

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

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

2020

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

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

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

2021

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

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

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

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

Acquisition of leading online spirits retailer The Whisky Exchange.

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

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

2022

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

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

2023

Acquisition of a majority stake in Código 1530 Ultra Premium and Prestige tequila, Skrewball Super Premium flavoured whiskey, and Ace Beverage Group, the Canadian leader in ready-to-drink alcoholic beverages.

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

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

Issue of a first sustainability-linked loan for €2.1 billion.

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

(1) International Center for Alcohol Policies.
(2) United Nations.

1.2.2 Significant events in FY 2023

13 October 2022

Increase of the minority stake in Sovereign Brands' portfolio of super premium wines and spirits. Strengthening the long-term partnership formed in September 2021, this additional investment will enable Pernod Ricard to consolidate its position in the United States, the world's leading spirits market. It is part of the Group's strategy to further enhance its consumer-centric portfolio and invest in high-potential categories.

8 December 2022

Significant investment over five years to build a state-of-the-art distillery for Jefferson's in Marion County, Kentucky (United States). The new distillery will be carbon-neutral and feature ageing warehouses and a visitors' centre that will welcome whiskey aficionados on the historic South Trail of Kentucky Bourbon. This investment confirms the Group's strategy of supporting the strong growth of its premium American whiskey portfolio.

17 October 2022

Acquisition of a majority stake in Código 1530, a range of Ultra Premium and Prestige tequilas. This partnership will allow Pernod Ricard to strengthen its offering of ultra premium agave-based spirits in the US market, and accelerate the development of Código, which is already available within 50 US states and over 30 international markets.

21 March 2023

Acquisition of a majority stake in Skrewball, the first super premium peanut-butter-flavoured American whiskey. Coming on the back of 2022's successful launch of Jameson Orange in the flavoured whiskey category, this transaction is a further illustration of the Group's long-standing consumer-centric premiumisation strategy.

5 May 2023

Signing of the first sustainability-linked loan for €2.1 billion. The terms of the facility are linked to a reduction in the Group's greenhouse gas emissions on operated sites, and a reduction in its water consumption per unit of alcohol produced at distilleries. It represents further progress in our strategy to integrate sustainable development factors into our operations and financial approach.

10 May 2023

Investment in start-up ecoSPIRITS via the Group's venture capital fund, Convivialité Ventures. ecoSPIRITS specialises in low-carbon, low-waste distribution systems for the premium wine and spirits industry. This approach is perfectly in line with Pernod Ricard's objectives to reduce its carbon emissions.

13 June 2023

Acquisition by our Canadian affiliate Corby of a 90% stake in Ace Beverage Group (ABG). As the largest independent player in the Canadian ready-to-drink (RTD) alcoholic beverage market, ABG will enable Corby to add scale in the extremely dynamic Canadian RTD market. Corby will have a path to full ownership of ABG through two call options on the remaining shares, exercisable in 2025 and 2028.

1.3 Our business

1.3.1 Our brand portfolio

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

No.1 worldwide in Premium spirits

No.2 worldwide in wine & spirits

Over €1bn invested to complement our portfolio in attractive categories in North America and continued focus on priority, Premium+ brands

240+ brands

Most active year of portfolio management in a decade

Consumer-centricity fuelling innovation and driving consistent brand investments

1.3.1.1 Strategic International Brands

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

1.3.1.2 Prestige Brands

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

1.3.1.3 Strategic Wines

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

1.3.1.4 Specialty Brands

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

1.3.1.5 Strategic Local Brands

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

OUR HOUSE OF BRANDS

STRATEGIC INTERNATIONAL BRANDS

63% of Net Sales | **+11%** organic growth compared to FY 2022

SPECIALTY BRANDS

6% of Net Sales | **+8%** organic growth compared to FY 2022

STRATEGIC WINES

4% of Net Sales | **-2%** organic growth compared to FY 2022

STRATEGIC LOCAL BRANDS*

18% of Net Sales | **+10%** organic growth compared to FY 2022

* *At the date of publication of this Universal Registration Document, Clan Campbell has been sold and is no longer included in the Pernod Ricard brand portfolio.*

1.3.2 Our geographical footprint

1.3.2.1 Our business segments

Favourable underlying drivers

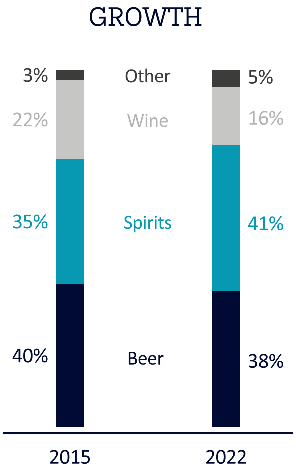
Pernod Ricard benefits from a combination of favourable underlying demographic and consumption drivers, despite a volatile global environment shaped in particular by heightened geopolitical tension, climate change, supply chain disruptions and inflationary pressure.

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

- an increase in the legal drinking age (LDA) population, with average growth of 1.3% between 2020 and 2025[(1)]; and
- the expansion of the middle class in many growing economies, with internal estimates predicting an additional 7 million "affluent" consumers and 20 million middle-class people per year in China, and 20 million more people of legal drinking age per year in India.

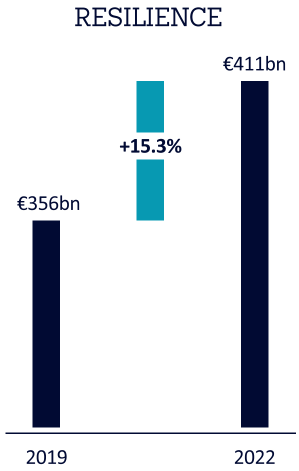
Pernod Ricard is also reaping the rewards of the highly buoyant wine and spirits market, where consumption is growing steadily around the world. In 2022, spirits were the most consumed category of alcoholic beverages, accounting for 41% of the total, compared with 35% in 2015 (in value terms). The global spirits market grew by 15.3% between 2019 and 2022 (€411 billion). Lastly, the market is shifting towards higher-end products year after year, with premium brands outgrowing standard brands.

Consumption



Comparison of the split
in category weight in 2015 and 2022
(in value terms)

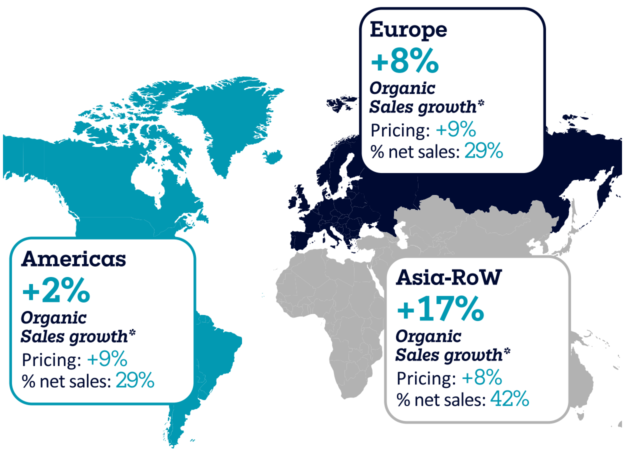
Change in the volume of premium+ international
spirits versus total spirits (across all price bands)
between 2015 and 2022 (100 = 2015)



Change in the world
spirits market
between 2019 and 2022
(in value terms)

Source: PRMV 2023 (Pernod Ricard Market View).

1.3.2.2 Our competitive positioning



* *Including Travel Retail.*

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

In recent years, we have witnessed a boom in small independent brands, particularly in the gin, vodka and white spirits categories. Forging partnerships notably with these businesses is one of the objectives of our M&A roadmap.

(1) *Source: United Nations, latest forecasts available for 2019.*

Strong, diversified growth across all spirits categories

Category	Weight in FY 2023 Net Sales	Weight in net sales growth	Organic growth	Pricing
Scotch Whisky	22%	34%	+17%	Low double digit
Irish Whiskey	12%	13%	+11%	Low double digit
Cognac & Brandy	16%	17%	+11%	High single digit
Vodka	8%	8%	+11%	High single digit
Gin	5%	4%	+8%	High single digit
Indian Whiskies	9%	10%	+11%	Mid single digit

1.3.3 Our business: From Grain to Glass

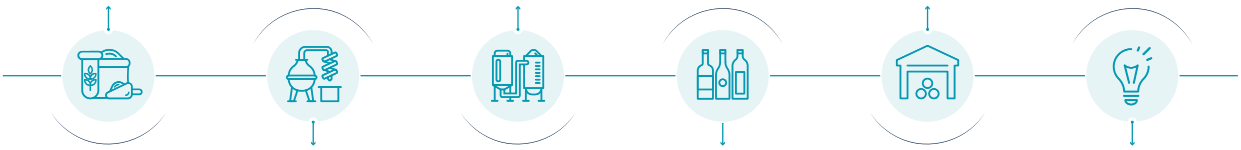
Pernod Ricard has long-standing expertise in manufacturing its iconic brands. From sourcing ingredients to bottling spirits, the Group harnesses sophisticated, finely tuned processes and know-how to manufacture its products.

Pernod Ricard's From Grain to Glass approach to production covers:

Purchase of raw materials
of diverse agricultural origin, grown to high levels of quality with particular typicities and profiles, on terroirs benefiting from unique climates, soil types, ecosystems, expertise and other specificities

Blending
an essential step to ensure that the quality of our products is consistent year after year, as climate conditions influence annual harvests

Logistics/Distribution
a stage during which our products are stored and then transported to end markets for delivery to our customers and consumers



Transformation
of the ingredients into alcohol, using fermentation, distillation and ageing processes based on historical and empirical know-how, in accordance with stringent quality and manufacturing standards

Packaging
carried out mainly at our bottling sites

Innovation
to offer consumers new flavours and consumption experiences

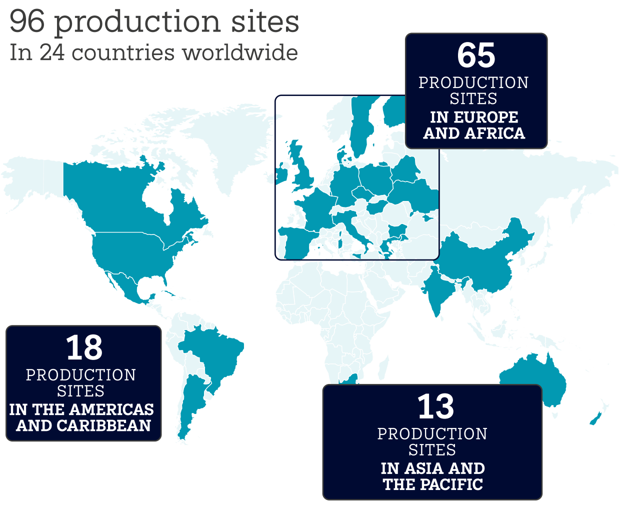
1.3.3.1 Sourcing our ingredients

Our iconic products are manufactured from over 100 raw materials produced or purchased in around 70 countries. These mainly include cereals such as wheat, barley, rye, maize, rice and sorghum, which are used to make our whiskies, vodkas and other neutral spirits. We also source sugar cane (for our rums and liqueurs), sugar beets, grapes, agave and the aromatic ingredients that give our products their unique flavour (coffee, coconut, star anise, juniper, orange, gentian, etc.).

Our ingredients originate from more than 350 terroirs, some of which are directly run by Pernod Ricard, notably in France, Mexico, New Zealand, Australia, China, California and Argentina, where we notably own vineyards. This approach allows us to control our supply and experiment with new regenerative agriculture techniques.

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

1.3.3.2 Manufacturing at Pernod Ricard



We have 96 self-owned production sites (excluding co-packers), including 65 in Europe and in Africa, 18 in the Americas and 13 in Asia-Pacific. These sites host 38 distilleries, 53 bottling facilities and 22 wineries, with some sites home to multiple activities.

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

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

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

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

1.3.3.3 Our distribution network

Pernod Ricard is present in over 160 countries, with its own sales forces and distribution affiliates in 75 countries. Its distribution network includes off-trade and on-trade sales channels, as well as a growing proportion of direct-to-consumer sales to create closer ties with customers. Our route to market – this unparalleled, directly operated distribution network – enables Pernod Ricard to offer an optimal customer experience, gain in-depth market knowledge and control its brands' image.

The September 2022 creation of a new operating unit, bringing together The Whisky Exchange, Drinks & Co and Bodeboca, illustrates our ambition to consolidate our leadership in direct-to-consumer premium products and experiences.

The Group has a global reach. Our products are widely distributed in emerging markets, and we are the market leader in India[2] and China[3]. This means we are well positioned to benefit from the industry's strong growth drivers in these regions. China and India are among the world's largest markets for spirits.

Lastly, we are also looking to reduce our energy footprint. To this end, we recently teamed up with ecoSPIRITS to roll out an innovative closed-loop ecoTotes distribution system in Singapore. This first pilot project aims at reducing carbon emissions from packaging and transport activities by over 60% compared with conventional bottled distribution.

1.3.3.4 Marketing our products responsibly

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

During FY 2023, Pernod Ricard continued its initiatives to promote responsible drinking through:

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

(2) *Source: IWSR India (Operating segments).*
(3) *Source: IWSR China (Cognac, Whisky excluding Japanese & American, Vodka).*

1.3.4 An innovative Group

Innovation, one of our founding values, is embedded in our DNA. It is what fuels our strategy and our actions, from liquids to packaging through consumer experiences. We leverage our innovation hubs, our partnerships and acquisitions, and our Consumer Insights department to launch innovative, sustainable and high-quality new products, categories, services and experiences.

Our innovations are divided into three categories: core, adjacent and breakthrough.

In FY 2023, for example, we:

- strengthened our partnership with Sovereign Brands, one of the most innovative spirits brand builders in the United States, by significantly increasing our minority stake;
- developed new products such as Altos Margarita Classic Lime, a ready-to-serve (RTS) beverage that combines Altos Plata tequila, triple sec, natural lime flavouring and agave syrup;
- created and launched new packaging, including the first Absolut Paper Bottle, made from 57% paper and 43% recycled plastic, in the United Kingdom. The pilot project is a major milestone in Absolut's strategy to create a fully bio-based bottle, thereby reducing its carbon emissions.

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

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

Our 2030 Good Times from a Good Place S&R strategy is embedded in all our activities, from grain to glass. Built on four pillars (Nurturing Terroir, Valuing People, Circular Making, and Responsible Hosting) and 33 key targets, this roadmap addresses both the needs and expectations of our consumers, and the material S&R risks facing the Group. Each pillar sets ambitious commitments for 2030 in line with the United Nations Sustainable Development Goals (SDGs), with key milestones for 2025. This commitment is essential to securing our long-term success, business resilience and legacy, while limiting our impact on natural resources.

Four years after its launch, we have already achieved – or even exceeded – some of our objectives, and we are doing everything we can to meet the remaining targets. We listen carefully to our stakeholders and closely monitor changes in the world around us so that we can adjust and strengthen our S&R commitments in line with our strategy. In November 2020, for example, a CSR Committee was created to support the Board of Directors on these issues, and executive compensation and annual bonuses are now indexed to S&R performance. These commitments also led to the creation of a new position at management level at the start of FY 2023 – Executive Vice President Corporate Communication, S&R and Public Affairs – to bolster our governance. In addition, several sustainability-linked bonds have been issued since 2022.

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

During FY 2023, we made further progress in all areas of our S&R roadmap.

VALUING PEOPLE	CIRCULAR MAKING	NURTURING TERROIR	RESPONSIBLE HOSTING
FY 2023: 1.3% **FY 2022: 0.9%** Ensure gender pay equity (<1%) across the business	**FY 2023: -12%** **FY 2022: +1%** Reduce Scope 1 and 2 GHG emissions by 54% (in absolute value) vs FY 2018 by 2030	**FY 2023: 34%** **FY 2022: 31%** Produce or source 100% of all key raw materials in line with sustainable agriculture specifications by 2030	**FY 2023: 12,300** **FY 2022: 6,383** Train 10,000 bartenders in all aspects of S&R via the Group's The Bar World of Tomorrow programme by 2030
FY 2023: 36% **FY 2022: 35%** Achieve a gender balanced (40-60%) Top Management by 2030	**FY 2023: -18%** **FY 2022: -8%** Reduce intensity of Scope 3 GHG emissions by 50% vs FY 2018 by 2030	**FY 2023: 10,506** **FY 2022: 9,933** Empower, train or support 5,000 farmers through regenerative agriculture & biodiversity programmes by 2030	**FY 2023: 95.5%** **FY 2022: 95%** Comply (95%) with the International Alliance for Responsible Drinking (IARD) Digital Guiding Principles (DGPs) by 2024
50% reduction in lost time accident frequency rate since FY 2020 with the ambition to move towards zero lost time accidents by 2025 (employees and temporary staff)	**98%** Ensure all packaging is recyclable, reusable, or compostable by 2025	**FY 2023: 82%** **FY 2022: 73%** of our affiliates have implemented a regenerative agriculture or biodiversity programme	**FY 2023: 94%** **FY 2022: 93%** of Group markets have implemented at least one local or global responsible drinking initiative

1.4 Our governance and organisational structure

55.7 years	58.3%	58.3%	42.8%	9
average age	independent Directors(1)	women(1)	non-French Directors	meetings

Alexandre Ricard
Chairman & CEO

DIRECTORS

Wolfgang Colberg

Cesar Giron

Société Paul Ricard (2)

Veronica Vargas

INDEPENDENT DIRECTORS

Patricia Barbizet
Lead Independent Director

Virginie Fauvel

Ian Gallienne

Anne Lange

Philippe Petitcolin

Namita Shah

Kory Sorenson

DIRECTORS REPRESENTING EMPLOYEES

Carla Machado Leite

Brice Thommen

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

Five Board Committees

Audit Committee	*Compensation Committee*	*Nominations and Governance Committee*	*Strategic Committee*	*CSR Committee*
3 members	4 members	3 members	6 members	3 members
67% independent Directors	100% independent Directors	67% independent Directors	67% independent Directors	67% independent Directors
4 meetings	5 meetings	4 meetings	1 meeting	3 meetings
100% attendance rate	95% attendance rate	100% attendance rate	100% attendance rate	100% attendance rate

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

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

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

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

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

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

It replaces the previous system, which was made up of:

- a five-member Executive Board, which reviewed decisions related to Group affairs. It also steered and coordinated the major transformation projects and organised the work of the Executive Committee;
- a 16-member Executive Committee, which helped to define the Group's strategy and played an essential coordinating role between Headquarters and the affiliates, and among the affiliates themselves. The Executive Committee was also responsible for overseeing the Group's business activities and ensuring that its main policies were applied.

1.5 Our strategy and associated targets

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

- an efficient growth model, combining the industry's most comprehensive brand portfolio, the most extensive route to market and a strong corporate culture;
- active management of our brand portfolio. The Group brings new brands on board quickly and efficiently, while optimising its existing portfolio;
- sustainable and responsible growth;
- consumer-centricity, as our consumers inspire the continuous improvement of our products; and
- the Conviviality Platform, which leverages the power of data and new technologies to get more from our core business, while pioneering new avenues of growth.

1.5.1 Building the fundamentals of our success around a strong culture

1.5.1.1 Mindset for Growth: fostering a collective culture of conviviality

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

Our more than 20,600 employees are proud ambassadors of our culture of conviviality. Together, they work to bring to life the Group's vision of *Créateurs de convivialité* (creators of conviviality) and thereby drive performance.

1.5.1.2 Transform & Accelerate

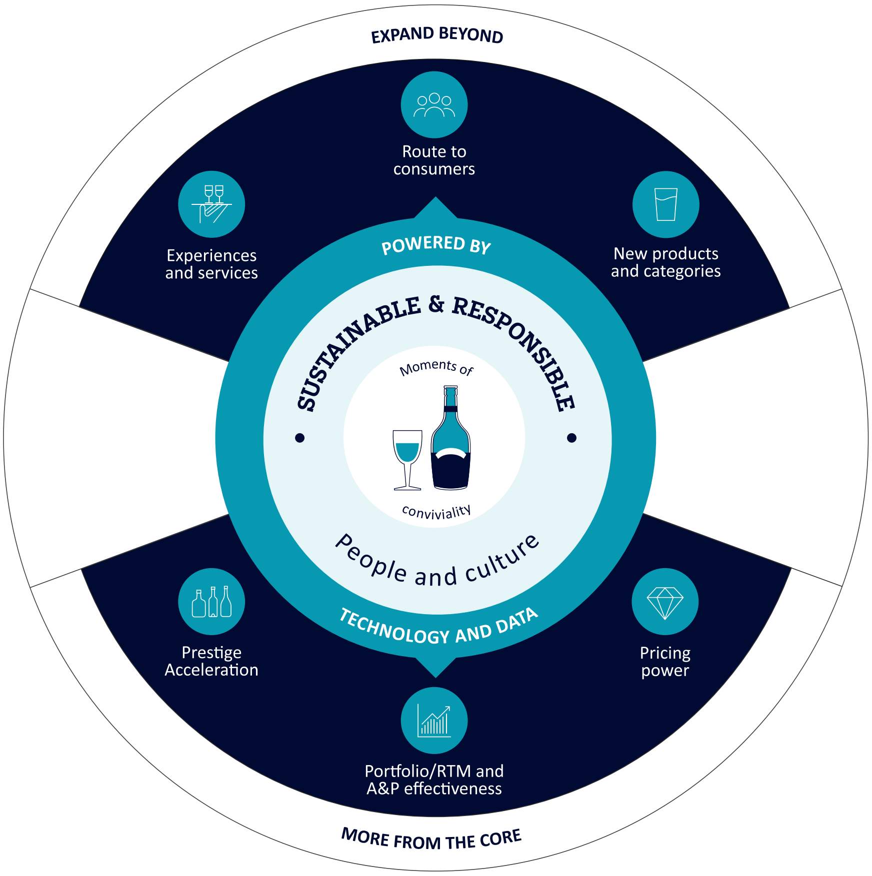
2019 saw the launch of our second three-year strategic plan, Transform & Accelerate. It was aimed at accelerating our profitable growth with an emphasis on efficiency and effectiveness.

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

1.5.2 Accelerating our digital transformation with the creation of the Conviviality Platform

Launched in 2022, Pernod Ricard's Conviviality Platform sums up our growth model, which combines competitive advantages and new technologies. The Conviviality Platform leverages the power of data and new technologies to strengthen the Group's fundamentals (More from the Core), while pioneering new avenues of growth (Prepare the Future).

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



1.5.2.1 Strategic priorities for the next three years: Transform & Accelerate

The Conviviality Platform is the Group's growth model for the next decade. But over the next three years, Pernod Ricard is targeting strategic priorities to adapt to the deep-seated, lasting changes in supply chains and consumption patterns around the world.

New technologies: a new competitive advantage for accelerated, data-driven growth

Data (collected in compliance with legal and regulatory requirements) and ethically developed artificial intelligence (AI) are the keys to understanding the needs of our consumers and analysing our business performance. By improving our tools, we can offer the right product, to the right consumer, at the right price in every market and on every occasion. In this way, we can better anticipate trends, increase speed and agility in decision-making, and empower our employees to work with greater autonomy.

To bring this new phase to fruition, we have recruited 150 experts and launched a major training programme to up-skill our staff. Our sales and marketing teams, for example, have access to AI and data analytics software to improve their efficiency and enable them to better understand consumer preferences. Our Maestria brand portfolio management tool, based on consumer demand segmentation, allows us to activate the right brands at the right time and in the right place, thanks to an in-depth understanding of "moments of consumption". In addition, the Matrix, D-Star and Vista Rev-Up tools are aimed at optimising efficiency within our sales and marketing teams in the face of increasingly fragmented consumer demand and a growing number of brands.

Continuing to get more value out of our existing portfolio

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

Activating more brands with the right level of investment

We use our in-house tool, the House of Brands, to ensure optimum resource allocation across all our markets. Along with our in-depth knowledge of local trends, the Maestria tool helps us define an appropriate investment strategy and allocate the right amount of marketing and communication resources according to each brand's profile. It also ensures we strike the right balance between our short-, medium- and long-term objectives, while building brands capable of standing out in our key regions.

Maximising our pricing power

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

Growing our positions within the Prestige market

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

Pioneering new avenues of growth to prepare the future

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

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

1.5.2.2 Medium-term objectives

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

The Group's medium-term ambitions are:

1. net sales growth in the upper end of a range of between 4% and 7%, and an organic operating margin expansion of +50 / +60 bps;
2. a priority focus on revenue growth management, dynamically optimised via Key Digital Programmes (KDPs);
3. continuous improvement in operational efficiencies, building on the Group's culture of excellence;
4. advertising and promotion (A&P) expenses consistent at around 16% of net sales, with the ratio dynamically optimised through KDPs for improved return on investment;
5. disciplined investments in structure costs, allowing the Group to pursue priority investments while maintaining an agile organisation, with the aim of keeping any increase in these costs lower than that of net sales;
6. confirmation of our financial priorities (while maintaining an investment grade rating), namely: (i) continue to invest in future organic growth, particularly through strategic inventories and capital expenditure, (ii) pursue active portfolio management and value-creating M&A transactions, (iii) maintain a dividend payout ratio of around 50% of net profit from recurring operations, with the aim of increasing the dividend each year, and (iv) carry out share buybacks.

2

Corporate governance

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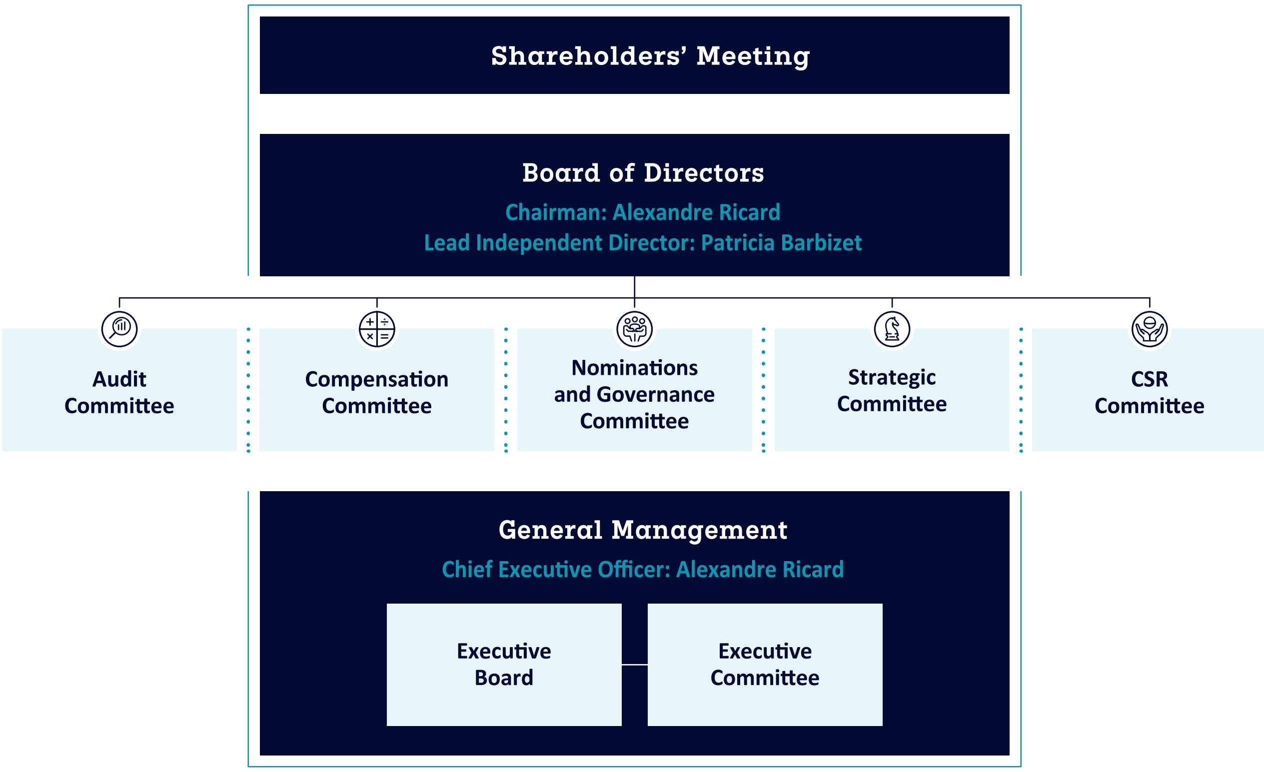
This section sets out the Board of Directors' report on corporate governance as required by Article L. 225-37 of the French Commercial Code *(Code de commerce)*.

It describes, in the context of the preparation of the financial statements for FY 2023, the conditions governing the preparation and organisation of the work performed by the Board of Directors and its Committees, the powers entrusted to the Chairman and CEO, the principles and rules used to determine compensation and other benefits granted to the Corporate Officers, and the compensation policies applicable to the Chairman and CEO and to the Directors, in accordance with Articles L. 22-10-8 and L. 22-10-9 of the French Commercial Code, and provides the other information required pursuant to Articles L. 22-10-10, L. 22-10-11 and L. 225-37 *et seq.* of the French Commercial Code.

This report was prepared on the basis of the work carried out by several different departments of the Company, in particular the Group Legal, Internal Audit and Human Resources Departments. It was approved by the Board of Directors on 30 August 2023, following the examination by the Board's Committees of the sections relating to their respective areas of competence and was provided to the Statutory Auditors.

2.1 Our governance

2.1.1 Governance framework and structure as of 30 June 2023



2.1.1.1 Reference Corporate Governance Code: the AFEP-MEDEF Code

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

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

2.1.1.2 Governance structure

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

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

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

The Company has also put in place a number of guarantees to help the Chairman and CEO perform his duties as Chief Executive Officer. In FY 2023, he was supported by two management bodies: (i) the Executive Board, which approved all major decisions concerning the running of the Group, and (ii) the Executive Committee, which ensured coordination between headquarters and the affiliates, in accordance with the Group's decentralised model. As at the date this Universal Registration Document was published, changes have been made to the management structure. The Chairman and CEO is now assisted by the Executive Committee (ExCom) and the Executive Leadership Team (ELT), which are enhanced and strengthened management bodies.

A balance of powers ensured by a balanced governance structure

Powers of the Chairman and CEO

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

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

Limitation on the powers of the Chairman & CEO

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

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

On 10 November 2022, the Board of Directors authorised the Chairman & CEO, for a period of one year, to grant pledges, sureties or guarantees in the name of the Company up to an overall limit of €100 million, and for an unlimited amount to tax and customs authorities. As authorised by law, at its meeting on 27 April 2022, the Board of Directors extended this authorisation in order to exclude from the aforementioned ceiling the Group's affiliates, for which there is also no limit.

Role, responsibilities and activity report of the Lead Independent Director

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

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

- calls Board of Directors' meetings at her own initiative or in the absence of the Chairman and CEO;
- is consulted on the agenda of Board meetings and may propose any additional items on said agenda;
- chairs meetings of the Board of Directors in the absence of the Chairman & CEO;
- leads the process of assessing the operating procedures of the Board of Directors and reports on this assessment to the Board;
- takes action to prevent any conflicts of interest;
- ensures compliance with the rules of the AFEP-MEDEF Code and the Board's Internal Rules and Regulations[1];
- calls and chairs the Executive Sessions;
- ensures that Directors have the necessary resources to carry out their duties under the best possible conditions, and that they are provided, in a reasonable manner, with the level of information appropriate to the performance of their duties;
- reviews shareholders' requests relating to corporate governance and ensures that they are answered; and
- meets with the Company's investors and shareholders.

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

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

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

Employee representation on the Board

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

The Group's Management structure

General Management

As at the date this Universal Registration Document was published, changes have been made to the management structure. The Chairman & CEO is now assisted by the Executive Committee (ExCom) and the Executive Leadership Team (ELT), which are enhanced and strengthened management bodies. At 1 July 2023, the Company's general management function was carried out by the Executive Board, which included the Chairman & CEO. The Executive Board was the permanent body responsible for coordinating the Group's management. The information described below therefore concerns the financial year beginning 1 July 2022 and ending 30 June 2023.

Membership of the Executive Board at 30 June 2023:

- **Alexandre Ricard,** Chairman & CEO, Corporate Officer;
- **Hélène de Tissot,** Executive Vice President Finance & IT;
- **Anne-Marie Poliquin,** Executive Vice President Legal and Compliance;
- **Maria Pia De Caro**, Executive Vice President Operations;
- **Christian Porta,** Managing Director, Global Business Development;
- **Cédric Ramat,** Group Executive Vice President Human Resources;
- **Conor McQuaid,** Executive Vice President Corporate Communication, S&R and Public Affairs.

During FY 2023, the Executive Board prepared, examined and validated all decisions concerning the operation of the Group and submitted them to the Board of Directors when its approval was necessary. It also organised the work of the Executive Committee.

The Internal Audit Department reports to the Chairman and CEO.

For information purposes, the Executive Board met weekly.

The Executive Committee

As stated above, the information relating to the Executive Committee and described here was valid until 1 September 2023.

The Executive Committee was the Group's overarching management body that used to bring together the members of the Executive Board and the Chair of the Company's direct affiliates.

The Executive Committee was responsible for the coordination between the headquarters and the affiliates, as well as between the affiliates themselves (Brand Companies and Market Companies). Under the authority of General Management, the Executive Committee was responsible for the conduct of the Group's activities and the implementation of its main policies.

In this role, the Executive Committee, notably :

- examined the Group's activity and any differences compared to the business plan;
- expressed its opinion on the setting of objectives (income statement, debt and qualitative objectives);
- periodically conducted brand strategy reviews;
- analysed the performance of the network of Market Companies and Brand Companies and proposed the necessary organisational adjustments; and
- validated and monitored the Group's main policies (Human Resources, best marketing and sales practices, Quality, Safety, Environment (QSE) policy, corporate social responsibility, etc.).

It met between eight and eleven times a year.

Membership of the Executive Committee at 30 June 2023 was :

- the members of the Executive Board;
- the CEOs of the Brand Companies:
  - Chivas Brothers, Jean-Étienne Gourgues, Chairman & CEO,
  - Martell Mumm Perrier-Jouët, Cesar Giron, Chairman & CEO,
  - Pernod Ricard Winemakers, Bryan Fry, Chairman & CEO,
  - Irish Distillers Group, Nodjame Fouad, Chairwoman & CEO,
  - The Absolut Company, Stéphanie Durroux, Chairwoman & CEO;
- the CEOs of the Market Companies:
  - Pernod Ricard North America, Ann Mukherjee, Chairwoman & CEO,
  - Pernod Ricard Asia, Philippe Guettat, Chairman & CEO,
  - Pernod Ricard Europe, Middle East, Africa and Latin America, Gilles Bogaert, Chairman & CEO,
  - Pernod Ricard Global Travel Retail, Mohit Lal, Chairman & CEO,
  - Pernod Ricard France, Philippe Coutin, Chairman.

2.1.2 Composition of the Board of Directors and its Committees

2.1.2.1 Summary of the composition of the Board and its Committees

55.7 years	58.3 %	58.3%	42.8%	9
average age	independent Directors(1)	women(1)	non-French Directors	meetings

At 30 June 2023

			Age	Gender	Nationality	Number of shares	Number of terms of office in listed companies	Date first appointed	Term expires	Length of service on the Board	BOARD COMMITTEES: Audit	Compensation	Nominations and Governance	Strategic	CSR
EXECUTIVE CORPORATE OFFICER		**Alexandre Ricard** *Chairman and CEO*	51	M	French	186,050	1	29/08/2012	2024 AGM	11				★	
INDEPENDENT DIRECTORS		**Patricia Barbizet** *Lead Independent Director*	68	F	French	3,160	1	21/11/2018	2026 AGM	5		●	★		★
INDEPENDENT DIRECTORS		**Virginie Fauvel**	49	F	French	263	1	27/11/2020	2024 AGM	3				●	
INDEPENDENT DIRECTORS		**Ian Gallienne**	52	M	French	1,000	4	09/11/2012	2026 AGM	11		●		●	
INDEPENDENT DIRECTORS		**Anne Lange**	55	F	French	1,000	3	20/07/2016	2025 AGM	7			●	●	
INDEPENDENT DIRECTORS		**Philippe Petitcolin**	70	M	French	310	0	08/11/2019	2023 AGM	4	★			●	
INDEPENDENT DIRECTORS		**Namita Shah**	54	F	Indian	230	1	10/11/2021	2025 AGM	2					●
INDEPENDENT DIRECTORS		**Kory Sorenson**	54	F	British	1,000	1	06/11/2015	2023 AGM	8	●	★			
DIRECTORS		**Wolfgang Colberg**	63	M	German	1,076	3	05/11/2008	2024 AGM	15	●				
DIRECTORS		**Cesar Giron**	61	M	French	7,349		05/11/2008	2024 AGM	15			●		
DIRECTORS		**Société Paul Ricard**(2)	60	F	French	28,290,055		09/06/1983	2025 AGM	40				●	
DIRECTORS		**Veronica Vargas**	42	F	Spanish	9,820		11/02/2015	2025 AGM	8					●
DIRECTORS REPRESENTING EMPLOYEES		**Carla Machado Leite**	58	F	Portuguese	N/A(3)		17/11/2022	17/11/2026	1					
DIRECTORS REPRESENTING EMPLOYEES		**Brice Thommen**	44	M	Swiss	N/A(3)		13/12/2021	13/12/2025	2		●			
Number of meetings in FY 2023											4	5	4	1	3
Attendance rate											100%	95%	100%	100%	100%
% independent Directors											67	100	67	67	67

Committees: Audit, Compensation, Nominations and Governance, Strategic, CSR; ★ Chairman/Chairwoman; ● Member

(1) *Directors representing employees are not taken into account for calculating the percentages of independence and gender balance in accordance with the AFEP-MEDEF Code and Article L. 225-27-1 of the French Commercial Code respectively.*
(2) *Société Paul Ricard is permanently represented by Patricia Ricard Giron.*
(3) *The Directors representing employees are not required to hold a minimum number of Company shares.*

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

During FY 2022

The Shareholders' Meeting of 10 November 2022 renewed, for a period of four years expiring at the end of the Shareholders' Meeting to be held in 2026 to approve the financial statements for FY 2026, the terms of office as Directors of Patricia Barbizet and Ian Gallienne.

During FY 2023

As the terms of office as Directors of Kory Sorenson and Philippe Petitcolin are due to expire at the close of the Shareholders' Meeting of 10 November 2023, this Shareholders' Meeting will be asked (in the 4th and 5th resolutions), in accordance with the recommendations of the Nominations and Governance Committee, to renew their terms of office as Directors for a term of four years expiring at the close of the Shareholders' Meeting to be held in 2027 to approve the financial statements for FY 2027.

Kory Sorenson brings to the Board her extensive experience in finance, audit and mergers and acquisitions gained in various positions within international companies. Philippe Petitcolin brings to the Board his in-depth knowledge of financial matters and his experience as CEO of a listed company.

In addition, the Board of Directors has decided, on the recommendation of the Nominations and Governance Committee, to propose the appointment of Max Koeune as a new Director (6th resolution), for a term of four years, expiring at the close of the Shareholders' Meeting to be held in 2027 to approve the financial statements for FY 2027.

The Nominations and Governance Committee and the Board of Directors reviewed Max Koeune's situation and particularly appreciated his extensive know-how in the FMCG sector, his in-depth understanding of consumer behaviour, and his experience as CEO of a company that is a global leader in its sector.

Following a review, they also confirmed that he meets the AFEP-MEDEF independence criteria adopted by the Company.

Max Koeune

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

If the shareholders approve the above recommendations, at the close of the Shareholders' Meeting of 10 November 2023, the Board of Directors would comprise, on a transitional basis, 15 members (including two Directors representing employees), of which eight independent Directors (61.5%)(2) and seven women (53.8%)(2), in accordance with the recommendations of the AFEP-MEDEF Code and the French law on balanced representation of women and men on Boards of Directors and gender equality in the workplace. Additionally, seven Directors would be of foreign nationality (including the Directors representing employees).

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

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

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

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

In accordance with the French law of 22 May 2019 on business growth and transformation (PACTE law) and the Company's Articles of Association(3), the number of Directors representing employees depends on the total number of Directors on the Board. Given the composition of the Board of Directors, there have been two Directors representing employees since 2018. One is appointed by the Group Committee (France) and the other by the European Works Council.

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

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

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

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

(2) Directors representing employees are not taken into account for calculating the percentages of independence and gender balance in accordance with the AFEP-MEDEF Code and Article L. 225-27-1 of the French Commercial Code respectively.
(3) The Articles of Association can be consulted on the Company's website (www.pernod-ricard.com).
(4) The Internal Rules and Regulations can be consulted on the Company's website (www.pernod-ricard.com). They may be amended at any time by the Board of Directors.
(5) This requirement and recommendation concerning Directors' shareholdings are not applicable to Directors representing employees.

Selection process for members of the Board of Directors

Profile	Candidates	Selection	Appointment
The Nominations and Governance Committee (NGC) defines a suitable profile based on a diversity policy, with a focus on: • experience; • expertise; • independence; • gender balance; and • nationality. The specific needs and expectations of the Board of Directors are also taken into account.	• A list of shortlisted candidates is compiled with the assistance of a director search firm. • Interviews are held with the candidates to assess their independence, availability, motivation and fit with the Group's values.	• The NGC recommends one or more candidates to the Board for appointment. • The Board reviews the various profiles.	• The Board, on the recommendation of the NGC, submits the selected candidate's appointment to the Shareholders' Meeting for approval.

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

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

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

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

Continuous training for Directors

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

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

In FY 2023, Carla Machado Leite, Brice Thommen and Veronica Vargas attended training courses at the *Institut Français des Administrateurs* (IFA), respectively entitled "Being an employee director", "The Compensation Committee" and "The Board and CSR".

Since the end of FY 2023, the Directors have participated in a full-day training event devoted to strategic issues, in particular in relation to the climate change risks and opportunities that could have an impact on the Group over a timeframe extending beyond those usually addressed when drawing up the Group's three-year plans.

Succession plan

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

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

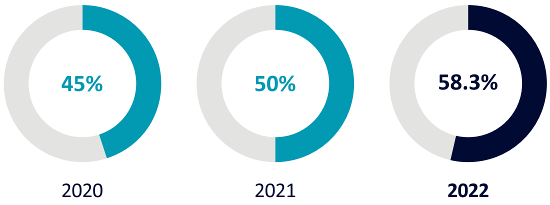
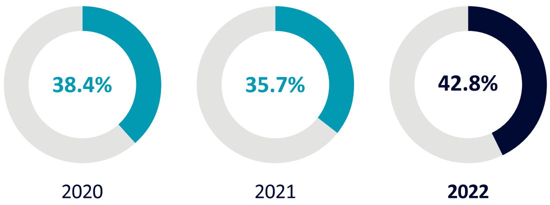
The Nominations and Governance Committee works in close collaboration with General Management in order to ensure overall consistency of the succession plan and continuity in key positions. In order to make sure that the succession plan for the Group's management bodies is prepared in the best way possible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

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

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

A diversity policy ensuring balanced composition of the Board

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

Criteria	Targets	Implementation and results achieved over the financial year
Composition of the Board of Directors **Independence of Directors** **Age of Directors**	Balanced representation of women and men on the Board of Directors	**Representation of women[1] on the Board** Gradual increase: 
	Guidelines to be issued in order to ensure the best possible balance by seeking complementary profiles from both an international and diversity perspective, in terms of nationality, expertise and experience, including international	**Directors with foreign nationality:** Change since 2020: 
		Expertise: • While the expertise of the members of the Board corresponds to the Group's strategic challenges (see Section 1, subsection 1.5 "Our strategy and related objectives"), Pernod Ricard is pursuing its efforts to continuously improve its Board. • In FY 2022, the Shareholders' Meeting renewed the terms of office of Patricia Barbizet and Ian Gallienne as Directors, in view of (i) Patricia Barbizet's experience in general management and her valuable expertise in the luxury goods and retail sectors, corporate governance and CSR, and (ii) Ian Gallienne's experience as a diligent and demanding investor. • At the Shareholders' Meeting to be held on 10 November 2023, shareholders will be asked to (i) renew the terms of office as Directors of Kory Sorenson and Philippe Petitcolin, particularly in view of their financial expertise, and (ii) appoint Max Koeune as a new Director, who would bring to the Board his expertise in consumer behaviour and his experience as CEO of a group that is a global leader in its sector.
	Appointment of one or two Director(s) representing employees (see Article 16 of the Articles of Association[2])	Two Directors representing employees since the Shareholders' Meeting of 21 November 2018. These terms of office were recently renewed: • one appointed by the Group Committee (France) on 25 November 2021; and • one appointed by the European Works Council on 17 November 2022.
	50% independent Directors (see Article 10.3 of the AFEP-MEDEF Code) + significant representation of independent Directors (see Article 3 of the Internal Rules and Regulations[3])	At the end of the Shareholders' Meeting of 10 November 2023, and on a transitional basis, 61.5% of the Directors would be considered independent.
	No more than one-third of Directors older than 70 (see Article 18, paragraph 4 of the Articles of Association[2])	Target achieved – the average age on the Board at 30 June 2023 was 55.7.

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

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

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

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

Independence of Directors

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

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

The AFEP-MEDEF independence criteria are the following:

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

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

N/A: Not applicable.
X means the Director fulfils the independence criterion concerned.
(1) The reappointments of Kory Sorenson and Philippe Petitcolin as Directors are subject to the approval of the Shareholders' Meeting of 10 November 2023.
(2) Given the passive crossing of the 10% voting rights threshold by GBL in February 2017 by virtue of automatic acquisition of double voting rights, the Nominations and Governance Committee and the Board of Directors examined this specific independence criterion and, in order to qualify Ian Gallienne as an independent Director, they established that GBL does not participate in the control of Pernod Ricard and does not intend to do so, that GBL has no relation with any other shareholder or the Ricard family, the Group's reference shareholder, and that there are no potential conflicts of interest that could compromise his freedom of judgement.
(3) Patricia Ricard Giron has been the permanent representative of Société Paul Ricard, a Director, since 21 December 2021.
(4) In accordance with the AFEP-MEDEF Code, the Directors representing employees are not taken into account when calculating the percentage of independent Directors on the Board of Directors.

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

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

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

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

- GBL has no relation with any other shareholder or the Ricard family, the Group's reference shareholder;
- Ian Gallienne does not chair any of the Board Committees and is not a member of the Nominations and Governance Committee; and
- GBL does not intend to ask for the appointment of other Directors to sit on the Board.

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

- crossing the threshold of 10% of voting rights is not likely to create a conflict of interest;
- there is no significant business relationship between GBL and Pernod Ricard or its Group that could create a conflict of interest that could compromise Ian Gallienne's freedom of judgement;
- GBL's entry into the Company's capital was made independently of any agreement with Pernod Ricard or the Ricard family;
- GBL has the reputation of being a diligent and demanding investor whose interests are aligned with those of all shareholders;
- there is no agreement between GBL and Pernod Ricard or the Ricard family relating to the presence of Ian Gallienne or one or more GBL representatives on the Board of Directors. The presence of Ian Gallienne is justified by his experience and his judgement, which are beneficial to the Board of Directors; and
- Ian Gallienne is not in a position to impose his views on the Board of Directors, which has 14 members (including the Directors representing employees).

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

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

After consideration and review of the AFEP-MEDEF Code criteria set out above, at its meeting on 19 July 2023, in accordance with the recommendation of the Nominations and Governance Committee, the Board confirmed that seven out of the 12 Directors (excluding the Directors representing employees) are deemed to be independent: Patricia Barbizet, Virginie Fauvel, Anne Lange, Kory Sorenson, Namita Shah, Ian Gallienne and Philippe Petitcolin, representing more than half of the Board of Directors (58.3%), as required by the AFEP-MEDEF Code.

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

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

A diversified and balanced Board of Directors

As indicated in the Board of Directors' diversity policy, this balanced representation has been achieved gradually. At the close of the Shareholders' Meeting of 10 November 2023, if the proposed resolutions are approved the Board of Directors will comprise, on for a transitional period, 15 members, including seven women (53.8%), which complies with the recommendations of the AFEP-MEDEF Code and the law on balanced representation of women and men on Boards of Directors and gender equality in the workplace.

Nationality of Directors

The composition of the Board of Directors must be diverse, reflecting, as far as possible, the different geographical areas in which the Group operates. At the close of the Shareholders' Meeting of 10 November 2023, if the proposed resolutions are approved seven Directors will be of foreign nationality (including the Directors representing employees).

Age of Directors

In accordance with the Company's Articles of Association, the average age of the Directors at 30 June 2023 was 55.7.

2.1.2.5 Additional information on members of the Board of Directors

2.1.2.5.1 Directors' profiles

Age: 51

Nationality: French

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

Number of shares held at 30 June 2023: 186,050

Alexandre Ricard

Chairman and CEO

COMMITTEES:

PROFILE

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

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

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2023

Within the Group

French companies

- Permanent representative of Pernod Ricard, member of the Supervisory Committee of Pernod Ricard Europe, Middle East and Africa
- Director of Martell & Co

Non-French companies

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

Outside the Group

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

OFFICES THAT HAVE EXPIRED IN THE LAST FIVE YEARS

Within the Group

- Manager of Havana Club Know-How SARL (Luxembourg)
- Director of Havana Club Holding SA (Luxembourg)
- Director of Champagne Perrier-Jouët

(1) Listed company.

Committees

Audit	Compensation	Nominations and Governance	Strategic	CSR	Chairman/ Chairwoman

Age: 68

Nationality:
French

Business address:
Témaris
& Associés
40, rue François Ier
75008 Paris
(France)

Number of shares held at 30 June 2023:
3,160

Patricia Barbizet

Lead Independent Director

COMMITTEES:

PROFILE

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

In 1989, she joined the Pinault Group as Chief Financial Officer and in 1992 she became Chief Executive Officer of Artémis, the Pinault family's investment company, a position she held until 2018. From 2014 to 2016, she was also CEO & Chairwoman of Christie's International and chaired the Investment Committee of Strategic Investment Fund (SIF) from 2008 to 2013. She is currently Chairwoman of the Cité de la Musique – Philharmonie de Paris, Chairwoman of Temaris & Associés, and a Director of Colombus.

In April 2018, she was appointed Chairwoman of the Supervisory Board of Investissements d'Avenir France 2030. She was Chairwoman of the French High Committee on Corporate Governance *(Haut Comité de Gouvernement d'Entreprise)* from 1 November 2018 to 30 June 2023. On 1 July 2023, she became Chairwoman of the French association of large corporations, AFEP.

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

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2023

- Director of Colombus
- Chairwoman of Témaris et Associés
- Chairwoman of Zoé SAS
- Chairwoman of the Cité de la Musique – Philharmonie de Paris
- Director of ArcelorMittal[1]
- Director of CMA CGM

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

- Director of AXA[1]
- Director of TotalEnergies[1]
- Director of Fnac-Darty[1]
- Vice-Chair of the Board of Directors of Kering[1]
- Director of Peugeot SA[1]
- Chief Executive Officer of Artémis
- Chief Executive Officer of Christie's International Plc (United Kingdom)
- Director of Yves Saint Laurent
- Chairwoman of the HCGE

(1) Listed company.

Committees

Audit | Compensation | Nominations and Governance | Strategic | CSR | Chairman/Chairwoman

Wolfgang Colberg

Director

COMMITTEES:

Age: 63

Nationality:
German

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

Number of shares held at 30 June 2023:
1,076

PROFILE

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

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

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

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2023

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

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

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

(1) Listed company.

Committees

Audit	Compensation	Nominations and Governance	Strategic	CSR	Chairman/ Chairwoman

Virginie Fauvel

Independent Director

COMMITTEES:

Age: 49

Nationality:
French

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

Number of shares held at 30 June 2023:
263

PROFILE

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

In September 2020, she became Chief Executive Officer of Harvest SAS, a software publisher specialising in financial and wealth management consulting.

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

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2023

- Chief Executive Officer of Harvest SAS
- CEO of Holding Winnipeg (the holding company of Harvest)
- Director of Numeum (merger of Syntec and Tech In)
- Director of Plastic Omnium(1)

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

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

(1) Listed company.

Committees

Audit | Compensation | Nominations and Governance | Strategic | CSR | Chairman/Chairwoman

Ian Gallienne

Independent Director

COMMITTEES:

Age: 52

Nationality:
French

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

Number of shares held at 30 June 2023:
1,000

PROFILE

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

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

Ian Gallienne has been a Director of Groupe Bruxelles Lambert since 2009, Imerys since 2010, SGS since 2013, Adidas since 2016 and Webhelp since 2019.

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

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2023

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

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

- Director of Frère-Bourgeois Holding SA (Belgium)

(1) Listed company.

Committees

Audit | Compensation | Nominations and Governance | Strategic | CSR | Chairman/Chairwoman

Cesar Giron

Director

COMMITTEES:

Age: 61

Nationality:
French

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

Number of shares held at 30 June 2023:
7,349

PROFILE

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

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

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

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

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

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2023

Within the Group

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

Outside the Group

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

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

- Chairman of FEVS

Committees

Audit	Compensation	Nominations and Governance	Strategic	CSR	Chairman/ Chairwoman

Anne Lange

Independent Director

COMMITTEES:

Age: 55

Nationality: French

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

Number of shares held at 30 June 2023: 1,000

PROFILE

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

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

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

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2023

- Director of Orange[1]
- Director of Inditex[1] (Spain)
- Director of Peugeot Invest[1]

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

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

(1) Listed company.

Committees

Audit	Compensation	Nominations and Governance	Strategic	CSR	Chairman/ Chairwoman

Philippe Petitcolin

Independent Director

COMMITTEES:

Age: 70

Nationality: French

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

Number of shares held at 30 June 2023: 310

PROFILE

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

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

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

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

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

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2023

- Director of EDF
- Member and Chairman of the Supervisory Board of Diot-Siaci TopCo
- Chairman of KNDS

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

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

(1) Listed company.

Committees

Audit | Compensation | Nominations and Governance | Strategic | CSR | Chairman/Chairwoman

Age: 60

Nationality :
French

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

Number of shares held by Patricia Ricard Giron at 30 June 2023:
9,653

Number of shares held by Société Paul Ricard at 30 June 2023:
28,290,055

Patricia Ricard Giron

Permanent representative of Société Paul Ricard*, Director

COMMITTEES: Strategic

PROFILE

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

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

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2023

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

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

None

* *Unlisted company, shareholder of Pernod Ricard.*

Committees

Audit	Compensation	Nominations and Governance	Strategic	CSR	Chairman/ Chairwoman

Namita Shah

Independent Director

COMMITTEES:

Age: 54

Nationality:
Indian

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

Number of shares held at 30 June 2023:
230

PROFILE

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

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

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

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2023

- Member of the Executive Committee of TotalEnergies SE[1]
- Chairwoman of the TotalEnergies Corporate Foundation
- Chairwoman of Albatros
- Director of TotalEnergies Électricité et Gaz de France
- Director of Adani Total Private Limited

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

None

(1) Listed company.

Committees

Audit | Compensation | Nominations and Governance | Strategic | CSR | Chairman/Chairwoman

Kory Sorenson

Independent Director

COMMITTEES:

Age: 54

Nationality:
British

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

Number of shares held at 30 June 2023:
1,000

PROFILE

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

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

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

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2023

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

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

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

(1) Listed company.

Committees

Audit | Compensation | Nominations and Governance | Strategic | CSR | Chairman/Chairwoman

Veronica Vargas

Director

COMMITTEES:

Age: 42

Nationality:
Spanish

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

Number of shares held at 30 June 2023:
9,820

PROFILE

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

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

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

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

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

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

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2023

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

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

None

Committees

Audit | Compensation | Nominations and Governance | Strategic | CSR | Chairman/Chairwoman

Carla Machado Leite

Director representing employees

Age: 58

Nationality: Portuguese

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

Number of shares held at 30 June 2023: N/A[1]

PROFILE

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

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

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

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

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2023

None

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

None

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

Committees

Audit | Compensation | Nominations and Governance | Strategic | CSR | Chairman/ Chairwoman

Brice Thommen

Director representing employees

COMMITTEES:

Age: 44

Nationality:
Swiss

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

Number of shares held at 30 June 2023:
N/A[(1)]

PROFILE

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

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

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

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

MAIN OFFICES AND POSITIONS HELD AT 30 JUNE 2023

None

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

None

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

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

Committees

Audit | Compensation | Nominations and Governance | Strategic | CSR | Chairman/Chairwoman

2.1.2.5.2 Declarations by the members of the Board of Directors

Directors' Code of Ethics

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

Moreover, at its meeting on 16 February 2011, the Board of Directors adopted a Code of Ethics to prevent insider trading and misconduct in line with the applicable legal obligations and in particular to comply with European market abuse regulations. This Code was updated on 31 August 2022.

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

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

Conflicts of interest

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

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

To the Company's knowledge and at the date hereof, except as described in the "Shareholders' agreements" subsection below, the members of the Board of Directors and General Management have not agreed to any restrictions concerning the disposal of their stake in the share capital of the Company, other than those included in the Internal Rules and Regulations[8] and the Code of Ethics.

In accordance with the Board's Internal Rules and Regulations[8] and in order to prevent any risk of conflict of interest, each member of the Board of Directors is required to declare to the Board of Directors, as soon as they become aware of such fact, any situation in which a conflict of interest arises or could arise between the Company's corporate interests and their direct or indirect personal interests, or the interests of a shareholder or group of shareholders that they represent.

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

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

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

Procedure to identify regulated agreements

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

Shareholders' agreements

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

Services agreements

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

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

CORPORATE OFFICERS' INTERESTS IN THE COMPANY'S SHARE CAPITAL (AS AT 30 JUNE 2023)

Members of the Board of Directors	Number of shares at 30 June 2023	Percentage of share capital at 30 June 2023	Number of voting rights at 30 June 2023	Percentage of voting rights at 30 June 2023
EXECUTIVE CORPORATE OFFICERS				
Alexandre Ricard (Chairman and CEO)	186,050	0.07%	205,709	0.07%
DIRECTORS				
Wolfgang Colberg	1,076	NM	2,152	NM
Cesar Giron	7,349	NM	7,349	NM
Société Paul Ricard, represented by Patricia Ricard Giron(1)	35,964,503	14.07%	62,438,609	20.41%
Veronica Vargas	9,820	NM	9,820	NM
INDEPENDENT DIRECTORS				
Patricia Barbizet (Lead Independent Director)	3,160	NM	3,160	NM
Virginie Fauvel	263	NM	263	NM
Ian Gallienne	1,000	NM	2,000	NM
Anne Lange	1,000	NM	1,000	NM
Philippe Petitcolin	310	NM	310	NM
Namita Shah	230	NM	230	NM
Kory Sorenson	1,000	NM	1,000	NM
DIRECTORS REPRESENTING EMPLOYEES(2)				
Carla Machado Leite	-	NM	-	NM
Brice Thommen	-	NM	-	NM

NM: Not material.

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

(2) In accordance with the law, Directors representing employees are not required to hold a minimum number of Company shares.

SUMMARY OF TRANSACTIONS INVOLVING PERNOD RICARD SECURITIES CARRIED OUT BY CORPORATE OFFICERS IN FY 2023 (ARTICLE 223-26 OF THE AMF GENERAL REGULATION)

First name, surname, company name	Title	Financial instrument	Type of transaction	Date	Price (€)	Amount of transaction (€)
Alexandre Ricard	Chairman and CEO	Shares	Pledge of shares	21/10/2022	176.85	0
		Shares	Acquisition	02/11/2022	177.874	44,468.50
		Shares	Vesting of performance shares	22/11/2022	187.40	2,005,367.40
		Shares	Pledge of shares	17/03/2023	203.20	0
Cesar Giron	Director	Shares	Vesting of performance shares	22/11/2022	187.40	236,873.60
Namita Shah	Director	Shares	Acquisition	16/03/2023	200.80	12,048
		Shares	Acquisition	18/05/2023	211.60	12,696
		Shares	Acquisition	15/06/2023	203.00	12,180
Société Paul Ricard	Director	Shares	Acquisition	06/06/2023	201.2553	4,999,986.67

2.1.3 Structure and operating procedures of the Board of Directors

The operating procedures of the Board of Directors are set forth in the legal and regulatory provisions, the Articles of Association and the Board's Internal Rules and Regulations adopted in 2002 and most recently amended by the Board of Directors at its meeting on 19 July 2023. The Board's Internal Rules and Regulations specify the rules and operating procedures of the Board, and supplement the provisions of the relevant laws and regulations and the Articles of Association. In particular, they set out the applicable rules on diligence, confidentiality and disclosure of possible conflicts of interest.

2.1.3.1 Activities of the Board of Directors in FY 2023

14
members

58.3%
independent Directors

9
meetings in FY 2023

99.21%
attendance rate

Main activities in FY 2023

The Board of Directors met nine times during FY 2023. The main work carried out by the Board of Directors during the meetings it held was as follows:

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

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

Group results:
- the Board of Directors prepared the Combined Shareholders' Meeting held on 10 November 2022 and, in particular, approved the draft resolutions that were submitted to the vote of the shareholders;
- the Board of Directors set the amount of the dividend paid for FY 2022 at €4.12 per share, it being specified that an interim dividend had been paid on 8 July 2022 in the amount of €1.56 per share. The payment of the balance was decided by the Board on 10 November 2022;
- the Board of Directors approved the interim and annual financial statements of the Group and Pernod Ricard SA for FY 2023, with the support of the recommendations of the Audit Committee and the Statutory Auditors. The Board of Directors also prepared the interim and annual management reports. The Board was informed that no regulated agreements had been entered into during the financial year; and
- the quarterly, interim and annual financial communications were submitted to the Directors, in particular the draft presentations and releases on the Group's results to the market.

Compensation policy:
- on the recommendation of the Compensation Committee and in accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors established the Chairman and CEO's FY 2023 compensation policy to be submitted for the approval of the Shareholders' Meeting (10th resolution) and evaluated his FY 2023 variable compensation without him being present.

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

Share buybacks:
- the Directors approved the cancellation of 3,929,205 shares purchased under the share buyback programme announced in August 2019 and continued during FY 2023. The Board, as authorised by the Shareholders' Meeting of 10 November 2022, decided to cancel 2,315,622 Pernod Ricard shares and, consequently, placed on record the reduction of Pernod Ricard's share capital to €396,229,186.15, divided into 255,631,733 shares with a par value of €1.55 each.

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

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

2.1.3.2 Board of Directors' meetings

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

Board meetings are called by the Chairman. The notice of the Board meeting, sent to the Directors at least eight days before the date of the meeting, except in the event of a duly substantiated emergency, must include the agenda and state where the meeting will take place, which will be, in principle, the Company's registered office. Board meetings may also be held by video conference or other means of telecommunication, under the conditions provided for in the applicable regulations and the Internal Rules and Regulations.

Since FY 2017, the Directors hold a session at least once a year, in the absence of the Directors from Group Top Management (Executive Sessions). The purpose of these Executive Sessions is to assess the operating procedures of the Board of Directors and the performance of the Executive Corporate Officer, and to review his succession plan. One Executive Session was held in FY 2023.

2.1.3.3 Directors' attendance at Board and Committee meetings during FY 2023

During FY 2023, the Board of Directors met nine times with an attendance rate of 99.21%. The average duration of the meetings was approximately three hours and fifteen minutes.

	Board of Directors	Audit Committee	Nominations and Governance Committee	Compensation Committee	Strategic Committee	CSR Committee
Alexandre Ricard	9/9				1/1	
Patricia Barbizet	9/9		4/4	5/5		3/3
Wolfgang Colberg	9/9	4/4				
Virginie Fauvel	9/9				1/1	
Ian Gallienne	9/9			5/5	1/1	
Cesar Giron	9/9		4/4			
Anne Lange	9/9		4/4		1/1	
Philippe Petitcolin	9/9	4/4			1/1	
Société Paul Ricard (represented by Patricia Ricard Giron)	9/9				1/1	
Namita Shah	8/9					3/3
Kory Sorenson	9/9	4/4		5/5		
Veronica Vargas	9/9					3/3
DIRECTORS REPRESENTING EMPLOYEES						
Maria Jesus Carrasco Lopez(1)	5/5			3/4		
Carla Machado Leite(2)	4/4					
Brice Thommen(3)	9/9			1/1		
AVERAGE ATTENDANCE RATE	**99.21%**	**100%**	**100%**	**95%**	**100%**	**100%**

N/A: Not applicable.

(1) Five meetings of the Board of Directors and four meetings of the Compensation Committee took place prior to 5 December 2022, the date on which the term of office of Maria Jesus Carrasco Lopez as a Director representing employees ended.

(2) Following the appointment of Carla Machado Leite as a Director representing employees on 17 November 2022, four meetings of the Board of Directors were held in FY 2023.

(3) One meeting was held after 15 February 2023, when Brice Thommen was appointed a member of the Compensation Committee.

2.1.3.4 Information provided to the Directors

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

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

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

2.1.3.5 Assessment of the Board of Directors

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

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

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

During FY 2021, a formal assessment of the operating procedures of the Board of Directors and its Committees was carried out with the support of an external firm specialising in governance, which, on the basis of formalised interview guidelines, conducted interviews with each of the Directors.

In FY 2023, Patricia Barbizet, the Lead Independent Director, conducted an internal assessment of the Board's operating procedures on the basis of individual interviews with each Director. She presented the results of this assessment to the Nominations and Governance Committee and the Board of Directors.

During the assessment, the Directors stated that, in view of the respective levels of maturity of the members of the management team and the Board of Directors, a larger proportion of Board meetings should be devoted to discussing the most strategic issues for the Group.

2.1.4 Structure and operating procedures of the Board Committees

The Board of Directors delegates responsibility to its specialised Committees for the preparation of specific topics that are subject to its approval.

Five Committees handle subjects in the area for which they have been given responsibility and submit their opinions and recommendations to the Board: the Audit Committee; the Nominations and Governance Committee; the Compensation Committee; the Strategic Committee, and the CSR Committee.

2.1.4.1 Audit Committee

3 members	67% independent Directors	4 meetings in FY 2023	100% attendance rate

Composition	**At 31 August 2023, the Audit Committee comprised:** **Chair:** • Philippe Petitcolin (Independent Director) **Members:** • Wolfgang Colberg (Director) • Kory Sorenson (independent Director) Two of the three Directors who are members of the Audit Committee are independent Directors (67%), in line with the 67% independence rate recommended in the AFEP-MEDEF Code. The members of the Audit Committee were specifically chosen for their expertise in accounting and finance, based on their academic and professional experience. The Internal Regulations of the Audit Committee were revised and approved at the Board of Directors' meeting of 8 February 2017. **The Audit Committee met four times in FY 2023, with an attendance rate of 100%.**
Main activities in FY 2023	In accordance with its Internal Regulations and in conjunction with the Statutory Auditors and the Company's Consolidation, Treasury and Internal Audit Departments, the work of the Audit Committee focused primarily on the following issues: • review of the main provisions of French and foreign legislation or regulations, reports and commentaries with regard to corporate governance, risk management, internal control and audit matters; • review of the interim financial statements at 31 December 2022 during the meeting held on 14 February 2023; • review of the consolidated financial statements at 30 June 2023 (at the meeting held on 29 August 2023): the Audit Committee met with Management and the Statutory Auditors in order to discuss the financial statements and their reliability for the whole Group. In particular, it examined the conclusions of the Statutory Auditors and the draft financial reporting presentation to the markets; • monitoring of the Group's cash flows and debt; • risk management: the Group's main risks were regularly presented in detail to the Audit Committee; • review of internal control: the Group sent its affiliates a self-assessment questionnaire to evaluate whether their internal control system is adequate and effective. Based on the Group's internal control principles and in compliance with the French Financial Markets Authority (AMF) reference framework for risk management and internal control and its application guide published in 2007 and updated in July 2010, this questionnaire covers corporate governance practices, operational matters and IT support. Responses to the questionnaire were documented and reviewed by the Regions and the Group's Internal Audit Department. An analysis of the responses was presented to the Audit Committee at its meeting held on 29 August 2023; • examination of the internal audit reports: in addition to the audits and controls carried out by the various affiliates on their own behalf, 38 internal audits were performed in FY 2023 by the internal audit teams (including IT audits). A full report was drawn up for each audit covering the types of risks identified – operational, financial, legal and strategic – and how they are managed. Recommendations are issued when deemed necessary. These are summarised for the Audit Committee, which is also regularly advised on the progress made in implementing the recommendations from previous audits; • monitoring of the reappointment process for one of the two Statutory Auditors. The Audit Committee proposed the reappointment of Deloitte & Associés at the meeting held on 6 December 2022; and • approval of the Group internal audit plan for FY 2024 at the meeting held on 6 June 2023. The audit plan was prepared and approved, taking into account the Group's main risks.

2.1.4.2 Nominations and Governance Committee

3 members | 67% independent Directors | 4 meetings in FY 2023 | 100% attendance rate

Composition	**At 31 August 2023, the Nominations and Governance Committee comprised:** **Chair:** • Patricia Barbizet (Lead Independent Director) **Members:** • Cesar Giron (Director) • Anne Lange (independent Director) Two out of the three Directors who are members of the Nominations and Governance Committee are independent Directors (67%), a higher proportion than the 50% recommended in the AFEP-MEDEF Code. Alexandre Ricard, Chairman and CEO, works in conjunction with the Committee on matters relating to the appointment of Directors, in accordance with the AFEP-MEDEF Code. **The Nominations and Governance Committee met four times in FY 2023, with an attendance rate of 100%.**
Main activities in FY 2023	The main activities of the Nominations and Governance Committee during the financial year included: • a review and recommendations to the Board of Directors on the composition of the Board and its Committees (appointments and reappointments); • annual review of the Board members' independence (questionnaires sent to each Director, review of the significance of disclosed business relationships, specific criteria related to the passive crossing of the 10% voting rights threshold); • annual review of the Group's Talent Management policy and presentation of the succession plans for Group Top Management; • annual review of Pernod Ricard SA's policy on diversity, gender equality in the workplace and fair pay; • monitoring and reporting of the annual self-assessment of the operating procedures of the Board of Directors and its Committees; • proposals to improve the operating procedures of the Board of Directors and its Committees; and • proposals to improve corporate governance information published in the Universal Registration Document.

2.1.4.3 Compensation Committee

4 members | 100% independent Directors | 5 meetings in FY 2023 | 95% attendance rate

Composition	**At 31 August 2023, the Compensation Committee comprised:** **Chair:** • Kory Sorenson (independent Director) **Members:** • Ian Gallienne (independent Director) • Patricia Barbizet (Lead Independent Director) • Brice Thommen (Director representing employees) All of the Directors who are members of the Compensation Committee[1] are independent Directors (100%), a higher proportion than the 50% recommended in the AFEP-MEDEF Code. **The Compensation Committee met five times in FY 2023, with an attendance rate of 95%.**
Main activities in FY 2023	Further details of the work of the Compensation Committee are provided in subsection 2.6 "Compensation report". During FY 2023, the members of the Compensation Committee analysed notably market practices and trends concerning the compensation of the Chairman and CEO and the Directors, the variable compensation criteria and communication on the compensation policy.

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

2.1.4.4 Strategic Committee

6 members | 67% independent Directors | 1 meeting in FY 2023 | 100% attendance rate

Composition	**At 31 August 2023, the Strategic Committee comprised:** **Chair:** • Alexandre Ricard (Chairman and CEO) **Members:** • Ian Gallienne (independent Director) • Anne Lange (independent Director) • Philippe Petitcolin (independent Director) • Société Paul Ricard represented by Patricia Ricard Giron (Director) • Virginie Fauvel (independent Director) Four out of the six Directors who are members of the Strategic Committee are independent Directors (67%) (the AFEP-MEDEF Code does not make any recommendations regarding the independence rate for strategic committees). **The Strategic Committee met once in FY 2023, with an attendance rate of 100%.** All the Directors may, upon request, and even if they are not members of the Committee, participate in meetings of the Strategic Committee.
Main activities in FY 2023	During FY 2023, targeted presentations were given, focusing on key markets or categories for the Group.

2.1.4.5 CSR Committee

3 members | 67% independent Directors | 3 meetings in FY 2023 | 100% attendance rate

Composition	**At 31 August 2023, the CSR Committee comprised:** **Chair:** • Patricia Barbizet (Lead Independent Director) **Members:** • Veronica Vargas (Director) • Namita Shah (independent Director) Two out of the three Directors who are members of the CSR Committee are independent Directors (67%) (the AFEP-MEDEF Code does not make any recommendations regarding the independence rate for CSR committees). **The CSR Committee met three times in FY 2023, with an attendance rate of 100%.**
Main activities in FY 2023	During FY 2023, the CSR Committee's main activities included: • presentation of the Group's preliminary work on climate scenarios; • information on regulatory changes, in particular the EU Taxonomy; • information on expected changes in terms of sustainable packaging strategy at Pernod Ricard; • a presentation of the Group's decarbonisation strategy; • a full review of the "Responsible Hosting" pillar of the Sustainability & Responsibility roadmap and the work carried out by the teams during the year, as well as short- and medium-term action plans; • a report on the Responsib'ALL Day, the Group's annual event for employees devoted to CSR.

2.2 Financial authorisations and delegations

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

These authorisations and delegations were granted by the Shareholders' Meetings of 10 November 2021 and 10 November 2022 for periods of 18, 26 or 38 months. They will expire on 9 January 2024, 9 May 2024 or 9 January 2025.

2.2.1 General financial authorisations and delegations

Type of delegation or authorisation	Maximum nominal amount of issue(s) of debt securities	Maximum nominal amount of capital increase(s) resulting from the issue(s), immediately or in the future (excluding adjustments)	Use of existing authorisations during the financial year ended 30/06/2023	Features/terms
Issue of ordinary shares and/or securities granting access to the share capital with Pre-emptive Subscription Rights (15th resolution of the 10/11/2021 Shareholders' Meeting (AGM))	€12 billion*	€134 million	None	The amount of capital increases carried out under the 16th, 17th, 18th, 19th, 20th, 21st, 24th and 25th resolutions of the 10/11/2021 AGM will be included in the overall ceiling of €134 million set in this 15th resolution. The nominal amount of debt securities issued under the 16th resolution of the 10/11/2021 AGM will be included in the ceiling of €12 billion set in this 15th resolution. These amounts may be increased by a maximum of 15% if an issue is oversubscribed (17th resolution).
Issue of ordinary shares and/or securities granting access to the share capital, without Pre-emptive Subscription Rights, by way of a public offer other than those referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code (16th resolution of the 10/11/2021 AGM)	€4 billion*	€41 million	None	Issues of shares and securities granting access to the share capital will be included in the ceilings provided for in the 15th resolution of the 10/11/2021 AGM. All of the capital increases carried out under the 17th, 18th, 19th, 20th, 24th and 25th resolutions will be included in the €41 million ceiling set in this 16th resolution. These amounts may be increased by a maximum of 15% if an issue is oversubscribed (17th resolution).
Issue of equity securities and/or securities giving access to equity securities to be issued, without Pre-emptive Subscription Rights, by way of a public offer referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code (formerly referred to as a private placement) (18th resolution of the 10/11/2021 AGM)	€4 billion*	€41 million	None	Will be included in the ceilings set for capital increases in the 15th and 16th resolutions of 10/11/2021 AGM. These amounts may be increased by a maximum of 15% if an issue is oversubscribed (17th resolution).
Issue of equity securities and/or securities granting access to the share capital as consideration for contributions in kind granted to the Company (19th resolution of the 10/11/2021 AGM)	N/A	10% of the share capital at the time of issue	None	Will be included in the ceilings set for capital increases in the 15th and 16th resolutions of the 10/11/2021 AGM.
Issue of shares and/or securities granting access to the share capital, immediately or in the future, in the event of a public offer initiated by the Company (20th resolution of the 10/11/2021 AGM)	N/A	10% of the share capital at the time of issue	None	Will be included in the ceilings set for capital increases in the 15th and 16th resolutions of the 10/11/2021 AGM.
Capitalisation of premiums, reserves, profits or other items (21st resolution of the 10/11/2021 AGM)	N/A	€134 million	None	Will be included in the overall ceiling set for capital increases in the 15th resolution of the 10/11/2021 AGM.

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

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

Type of delegation or authorisation	Date of the delegation or authorisation (resolution)	Term	Expiry of the delegation or authorisation	Maximum amount authorised	Use of existing authorisations during the financial year ended 30/06/2023	Features/terms
Performance shares	10/11/2021 AGM (22nd)	38 months	09/01/2025	1.5% of the share capital at the date of the Board of Directors' decision to grant	212,473 (0.08% of the share capital)	Independent ceiling (sub-ceiling for Executive Corporate Officers of 0.08% of the share capital, included in the 1.5% ceiling).
Grant of free shares to certain Group employees	10/11/2021 AGM (23rd)	38 months	09/01/2025	0.5% of the share capital at the date of the Board of Directors' decision to grant	56,978 (0.02% of the share capital)	Ceiling of 0.5% of the share capital.
Issue of shares or securities granting access to share capital, reserved for members of company saving plans, without Pre-emptive Subscription Rights	10/11/2021 AGM (24th)	26 months	09/01/2024	2% of the share capital at the date of the AGM, combined ceiling with the 25th resolution of the 10/11/2021 AGM	None	Will be included in the ceilings set for capital increases in the 15th and 16th resolutions of the 10/11/2021 AGM.

2.2.3 Authorisations relating to the share buyback programme

Type of securities	Date of authorisation (resolution)	Term	Expiry of the authorisation	Maximum amount authorised	Use of existing authorisations during the financial year ended 30/06/2023	Features/terms
Share buybacks	10/11/2022 AGM (12th)	18 months	09/05/2024	10% of share capital	(1) €750m	Maximum purchase price: €320
Cancellation of treasury shares	10/11/2021 AGM (14th)	26 months	09/01/2024	10% of share capital	None	N/A

(1) A summary of the transactions carried out by the Company during FY 2023 as part of the share buyback programme is shown below in subsection 2.3 "Share buyback programme".
N/A: Not applicable.

2.3 Share buyback programme

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

Transactions carried out by the Company related to its own shares during FY 2023 (1 July 2022 – 30 June 2023)

Authorisations granted to the Board of Directors

At the Combined Shareholders' Meeting of 10 November 2021, the Company's shareholders authorised the Board of Directors to buy or sell the Company's shares for a period of 18 months as part of a share buyback programme. The maximum purchase price was set at €280 per share and the Company was not authorised to purchase any more than 10% of the shares making up its share capital; additionally, the number of shares held by the Company could not, at any time, exceed 10% of the shares comprising its share capital.

At the Ordinary Annual Shareholders' Meeting of 10 November 2022, the shareholders granted the Board of Directors a further 18 month authorisation to trade in the Company's shares under the same conditions with a maximum purchase price set at €320 per share. This authorisation superseded, with effect from 10 November 2022, the unused portion of the authorisation granted at the Shareholders' Meeting of 10 November 2021.

Pursuant to these authorisations, the liquidity agreement compliant with the AMAFI Code of Ethics, which was entered into with Rothschild Martin Maurel with effect from 1 June 2012 and replaced by the agreement signed on 23 September 2019, was tacitly renewed on 1 June 2023 for a period of one year. The funds initially allocated to the management of the liquidity agreement amounted to €5,000,000.

The authorisation granted by the Shareholders' Meeting of 10 November 2022, which was still in force at the date this document was filed, will expire on 9 May 2024. At the Shareholders' Meeting of 10 November 2023, the shareholders will be invited to authorise the Board of Directors to trade in the Company's shares under a new share buyback programme, as described below, under "Description of the new share buyback programme to be submitted for authorisation at the Annual Shareholders' Meeting of 10 November 2023".

Position at 30 June 2023	
% of Company shares held directly and indirectly	0.92
Number of shares held	2,363,986
Number of shares cancelled in the last 24 months	2,315,622
Par value	3,664,178.30
Gross carrying amount	€146,896,974.31
Portfolio market value*	€478,470,766.40

* *Based on the closing price at 30 June 2023, i.e., €202.40.*

SUMMARY AT THE FY 2023 REPORTING DATE

The following table details the transactions carried out by the Company in its own shares within the scope of the share buyback programme during FY 2023.

	Total gross movements from 01/07/2022 to 30/06/2023									Open positions at 30/06/2023			
	Liquidity agreement		Transactions carried out outside the scope of the liquidity agreement							Open purchase positions		Open sale positions	
Transactions	Purchase	Sale	Purchase of securities	Call options purchased	Call options exercised	Exercise of the cancellation clause	Sale of securities	Sale and repurchase agreements	Transfers[1]	Call options[2]	Forward purchases	Put options	Forward sales
Number of shares	168,916	168,916	3,833,035	90,000	112,077	-	-	-	244,958	303,000	-	-	-
Maximum term	-	-	-	16/10/2025	28/11/2022	-	-	-	-	16/10/2025	-	-	-
Average price *(€)*	191.79	191.96	200.13	-	-	-	-	-	125.23	-	-	-	-
Average strike price *(€)*	-	-	-	186.85	162.79	-	-	-	-	180.65	-	-	-
Amount *(€)*	32,396,789.35	32,424,577.39	767,102,560	16,816,500.00	18,245,014.83	-	-	-	30,676,539	54,736,950.00	-	-	-

(1) *Transfers of treasury shares.*
(2) *American call options.*

Under the share buyback programme authorised by the Shareholders' Meeting of 10 November 2022 and implemented by the Board of Directors, 3,740,560 shares were bought back at the weighted average price of €200.4. These shares were cancelled.

Pursuant to the authorisations granted at the Shareholders' Meeting of 10 November 2022, at its meeting on the same date the Board of Directors set up a performance share grant plan. In connection with this plan, an option-based hedging arrangement was entered into for 90,000 shares by acquiring the same number of three-year American call options. The Company also purchased 92,475 shares at the price of €187.82, as well as 112,077 shares through the exercise of American call options. The 112,077 Pernod Ricard SA shares resulting from the exercise of the American call options, which serve to cover the various plans making up the overall share allocation plan, were sold off-market to an investment services provider at an average price of €162.79.

A number of shares acquired on the stock market in previous financial years were reallocated to cover various stock option or performance share plans and the 90,000 American calls exercisable for the same number of Pernod Ricard shares were allocated to cover part of these stock option and performance share allocation plans.

Treasury shares constitute reserves covering the various stock option and performance share grant plans still in force. During the period, the following transfers were made within these reserves of treasury shares: 176,575 shares were granted to beneficiaries of the 21 November 2018 performance share plan (at the end of the four-year vesting period), 64,224 shares were transferred to cover the rights of beneficiaries who had exercised stock options, and 4,159 shares were transferred to cover early release events as provided for by law.

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

- purchased 168,916 shares for a total amount of €32,396,789.35; and
- sold 168,916 shares for a total amount of €32,424,577.39.

Distribution of treasury shares by purpose at 30 June 2023

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

Description of the new share buyback programme to be submitted for authorisation at the Annual Shareholders' Meeting of 10 November 2023

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

As the authorisation granted by the Shareholders' Meeting of 10 November 2022 allowing the Board of Directors to trade in the Company's shares is due to expire on 9 May 2024, a resolution will be proposed at the Shareholders' Meeting of 10 November 2023 (14th resolution – see Section 8 "Annual Shareholders' Meeting" of this Universal Registration Document) to grant a further authorisation to the Board of Directors to trade in the Company's shares at a maximum purchase price of €330 per share, excluding acquisition costs.

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

As the Company may not hold more than 10% of its share capital, and given that it held 2,363,986 shares (i.e., 0.92% of the share capital) at the time of the last declaration relating to the number of shares and voting rights held (i.e., at 30 June 2023), the maximum number of shares that could be bought back would be 23,199,187 (i.e., 9.07% of the share capital), unless it sells or cancels shares it already holds.

The purpose of the share buybacks and the uses that may be made of the shares repurchased in this manner are described in detail in the 14th resolution to be put to the vote of the shareholders on 10 November 2023. The share buyback programme would enable the Company to purchase its own shares, either directly or indirectly, for the purpose of:

(i) granting or selling the shares to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law, in particular by granting stock options or as part of employee profit-sharing plans; or

(ii) fulfilling the Company's commitments under financial contracts or options with cash payments relating to changes in the stock market price of Company shares, granted to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law; or

(iii) granting free shares to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates, in accordance with the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code, it being specified that the shares may be allocated, in particular, to a company savings plan in accordance with the provisions of Article L. 3332-14 of the French Labour Code; or

(iv) retaining and subsequently tendering the shares (in exchange, as payment or otherwise) in connection with external growth transactions, subject to a limit of 5% of the number of shares comprising the share capital; or

(v) delivering the shares upon the exercise of rights attached to securities granting access to the share capital through redemption, conversion, exchange, presentation of a warrant or in any other manner; or

(vi) cancelling all or some of the shares bought back, under the conditions provided for in Article L. 22-10-62 paragraph 4 of the French Commercial Code and in accordance with the authorisation to reduce the share capital granted by the Shareholders' Meeting of 10 November 2022 in the 12th resolution, which is valid until 9 January 2024; or

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

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

The number of Company shares purchased may be such that:

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

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

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

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

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

This authorisation would be valid for a period of 18 months from the Shareholders' Meeting of 10 November 2023 and would cancel, as from this same date, any unused portion of the authorisation to trade in the Company's shares granted to the Board of Directors in the 12th resolution of the Shareholders' Meeting of 10 November 2022.

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

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

2.4.1 Capital structure of the Company

The Company's capital structure is shown in the table "Breakdown of share capital and voting rights at 30 June 2023" in Section 9 "Information on the Company and its share capital", subsection 9.2, "Information on the share capital".

Threshold crossings declared during FY 2023 are also shown in the table entitled "Breakdown of share capital and voting rights at 30 June 2023" in Section 9 "Information on the Company and its share capital" of this Universal Registration Document, subsection 9.2, "Information on the share capital".

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

The Company's Articles of Association[12] provide for a limit on voting rights. This mechanism is described in subsection 2.5.3 "Voting conditions" below.

In addition, certain shares of the Company have double voting rights as described in subsection 2.5.3 "Voting conditions" below.

2.4.3 Agreements between shareholders of which the Company is aware

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

(12) *The Articles of Association can be consulted on the Company's website (www.pernod-ricard.com).*

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

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

2.4.5 Other factors

Amendments to the Company's Articles of Association[13] are made in accordance with the applicable legal and regulatory provisions in France.

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

2.5 Shareholders' Meetings and attendance procedures

The procedures that shareholders are required to follow in order to attend Shareholders' Meetings are set out in Article 32 of the Company's Articles of Association[13].

The shareholders meet every year at the Shareholders' Meeting.

2.5.1 Notice to attend meetings

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

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

2.5.2 Participation in Shareholders' Meetings

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

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

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

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

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

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

(13) *The Articles of Association can be consulted on the Company's website (www.pernod-ricard.com).*

2.5.3 Voting conditions

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

Restriction on voting rights

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

Double voting rights

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

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

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

Disclosure thresholds provided for in the Company's Articles of Association

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

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

2.5.4 Modification of shareholders' rights

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

2.6 Compensation report

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

The Company's compensation report for the financial year ended 30 June 2023 is presented below.

During FY 2023, Pernod Ricard demonstrated the consistency of its strategy for long-term sustainable growth by delivering a very strong annual performance in a normalising environment.

FY 2023 was particularly characterised by:

- 10% organic sales growth, driven by all the regions and categories of our brand portfolio;
- protection of the gross margin ratio in an unprecedented inflationary context, in particular thanks to a strong positive 9% price/mix effect, linked above all to significant price increases;
- market share gains in most countries;
- solid progress on the Sustainability & Responsibility roadmap;
- a significant acceleration in both organic (Capex and strategic inventories) and external investments in high-potential brands.

The Company's Compensation Committee comprises four members, three of whom are independent and one member representing employees. During the financial year, Maria Jesus Carrasco Lopez, the Director representing employees, was replaced by Brice Thommen. The Committee and the Board thank Maria Jesus Carrasco Lopez for her contribution to Compensation Committee meetings, and welcome Brice Thommen.

The role of the Compensation Committee is to review and propose to the Board of Directors the compensation to be paid to the Executive Corporate Officer(s), as well as measures relating to their retirement schemes and any other benefits granted to them. For this purpose, the Compensation Committee assesses the rules governing the determination of the variable portion of the compensation of the Executive Corporate Officer(s) annually and ensures that the criteria applied are in line with the Company's short-, medium- and long-term strategic goals. It also ensures consistency between the compensation policy of the Executive Corporate Officer(s) and members of the Executive Committee. The Compensation Committee proposes to the Board of Directors the long-term incentive plan grant policy and, in particular, the conditions of these grants applicable to the Company's Executive Corporate Officer(s). Finally, it validates the information given to the shareholders on the compensation of the Executive Corporate Officer(s) (in particular the compensation policy and the components of compensation submitted to the vote of the shareholders as part of the "Say on Pay").

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

In FY 2023, the Compensation Committee met five times and made recommendations to the Board of Directors on the following main topics:

- compensation due to the Chairman & CEO for FY 2023;
- compensation policy for the Chairman & CEO for FY 2024 and adjustment of variable compensation criteria in line with Group strategy;
- directors' compensation;
- draft resolutions submitted to the Shareholders' Meeting of 10 November 2023;
- corporate governance report, compensation of administrative and management bodies, equity ratios.

For FY 2024, as per as our annual practice, the compensation of Alexandre Ricard was reviewed and compared with that of his main competitors and CAC 40 companies. Throughout the year, the Compensation Committee closely follows regulatory and market developments with the support of consulting agencies in addition to feedback from our shareholders. The results of this analysis enable the Board of Directors to assess whether the structure and main components of the proposed policy are in line with market practices.

For the purposes of its assessment, the Board of Directors takes into consideration:

- Alexandre Ricard's excellent performance;
- the size, scope and complexity of the Company's global business in its current and projected configuration;
- the current strategic plan and initiatives;
- the growing importance of ESG issues;
- aligning compensation with shareholders' interests.

The Executive Corporate Officer's compensation policy is reviewed when their term of office is renewed, unless during their mandate there is a significant change in their scope of responsibility, the emergence of a significant gap in relation to the market, or another exceptional event.

Following the analysis carried out in FY 2023, the Board of Directors, on the recommendation of the Compensation Committee, proposed that the Executive Corporate Officer's compensation policy be reapplied. Alexandre Ricard's compensation is balanced, adapted to his responsibilities, his performance and the Company's excellent results.

To best align the Group's developing strategic priorities with the Executive Corporate Officer's annual compensation, the Board of Directors, on recommendation of the Compensation Committee, proposes to make certain modifications to the variable compensation criteria. With regard to financial criteria, it is proposed to replace one of the two cash criteria with a profitability criterion to reflect the sustainable and profitable growth objective. With regard to non-financial criteria, a significant increase in the proportion of criteria linked to the Group's ESG objectives is proposed to reflect the importance given to these challenges by the Group.

Fundamental principles of the compensation policy

The Board of Directors relies on general guiding principles, established within the framework of the AFEP-MEDEF Code recommendations, to determine, review and implement its compensation policy. In doing so, it ensures that the compensation policy is consistent with the principles of compliance, comparability, competitiveness, comprehensiveness, motivation, performance, intelligibility and balance. This is reflected as follows:

What we do
Align the compensation of the Executive Corporate Officer with the short- and long-term interests of shareholders
Balance short- and long-term compensation, discouraging short-term risk-taking without compromising long-term results
Monitor the compensation levels and structures observed in CAC 40 companies and our main competitors on an annual basis
Seek the assistance of an independent external consulting firm
Implement performance criteria linked to the Group's long-term strategy, taking CSR issues into account
Expect high standards in terms of shareholding and capital ownership for Executive Corporate Officers
Ensure that the Executive Corporate Officer's compensation policy is consistent with the compensation policy for Group employees, and in particular that of Executive Committee members

Rewarding performance

Large proportion of the Executive Corporate Officer's compensation subject to performance conditions

Target total compensation *including supplementary pension scheme*

27% Fixed compensation	30% Target variable compensation	43% Long-term incentives

73% Compensation with performance conditions

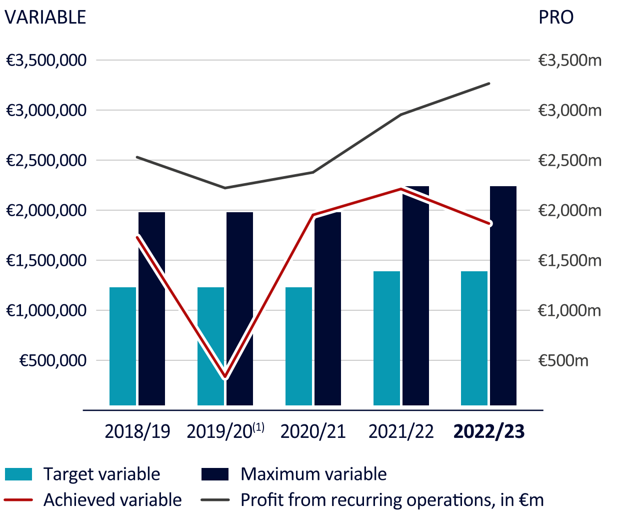
Maximum total compensation *including supplementary pension scheme*

22% Fixed compensation	41% Target variable compensation	37% Long-term incentives

78% Compensation with performance conditions

Ambitious short- and long-term performance objectives

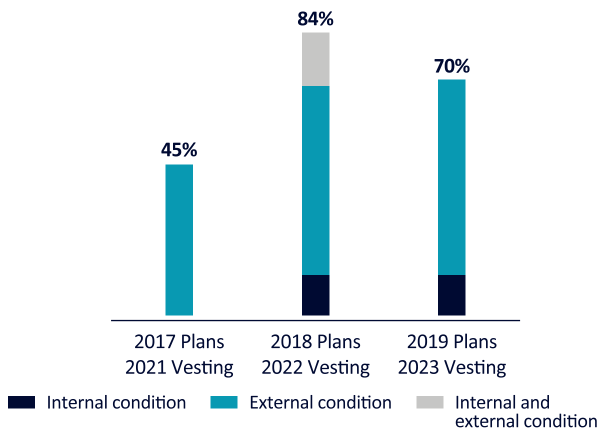
Executive Corporate Officer's achievement of performance conditions for annual variable compensation in line with Group results



(1) *Variable compensation for 2019/20 strongly impacted by the repercussions of Covid-19 on the Group's financial results*

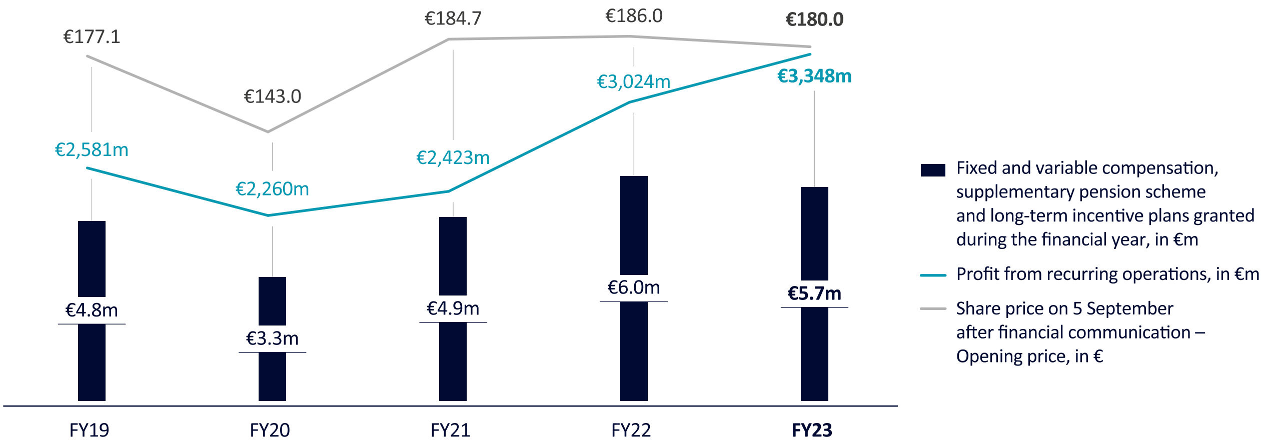
Vesting rates for long-term incentive plans

Executive Corporate Officer's plans



Aligning the interests of the Executive Corporate Officer and shareholders

Change in the Executive Corporate Officer's compensation in line with Group strategy



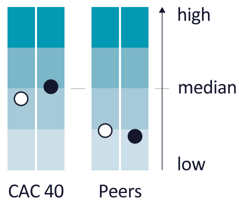
Ensuring the Executive Corporate Officer's compensation is market-competitive

Comparison panels

CAC 40 panel: comprising all CAC 40 companies.

Peer panel: comprising the following international companies: AB InBev, Brown Forman, Campari, Carlsberg, Coca-Cola, Constellation Brands, Danone, Diageo, Heineken, LVMH, PepsiCo and Rémy Cointreau.

Market positioning of the Executive Corporate Officer's compensation



Alexandre Ricard

○ Target cash compensation
(fixed compensation + target variable compensation)

● *Target total compensation*
(target cash compensation + long-term incentive plans)

2.6.1 Components of the compensation paid during or awarded for FY 2023 to Alexandre Ricard, Chairman & CEO (9th resolution)

The components of the compensation paid during or awarded for FY 2023 to Alexandre Ricard, Chairman & CEO, were approved by the Board of Directors at its meetings of 31 August 2022, 19 October 2022 and 30 August 2023 on the proposal of the Compensation Committee. The total compensation set complies with the compensation policy as approved by the Shareholders' Meeting of 10 November 2022 (9th resolution), and in particular concerning the relationship between the amounts of variable compensation and the assessment of both the short- and long-term performance of the Company, to which the Chairman & CEO has made a significant contribution.

SUMMARY OF THE COMPENSATION PAID DURING OR AWARDED FOR FY 2023 TO THE CHAIRMAN & CEO

€1,250,000	€1,890,625	€1,874,741	€699,916	€6,552
Fixed compensation	Annual variable compensation	Long-term incentive plan(1)	Pension (50% in shares and 50% in cash)	Company car

(1) IFRS valuation.

"SAY ON PAY" TABLE RELATING TO THE COMPENSATION PAID DURING OR AWARDED FOR FY 2023 TO THE CHAIRMAN & CEO

Components of compensation	Amounts paid during FY 2023	Amounts awarded during FY 2023	Remarks
Fixed compensation	€1,250,000	€1,250,000	**Reminder of the FY 2023 policy: For FY 2023,** Alexandre Ricard's gross annual fixed compensation was set at €1,250,000 by the Board of Directors on the recommendation of the Compensation Committee. **For FY 2023:** Alexandre Ricard received fixed compensation in the amount of €1,250,000.
Annual variable compensation	€2,250,000	€1,890,625	**Reminder of the FY 2023 policy:** The purpose of the annual variable compensation is to compensate the performance achieved during the financial year by the Executive Corporate Officer in terms of the annual performance objectives set by the Board of Directors in accordance with the Group's strategy. Its amount may vary between 0% and 110% of his fixed compensation if the quantitative and qualitative objectives are achieved (target level) and may rise to a maximum of 180% in the event of exceptional financial and non-financial performance in relation to the objectives. **For FY 2023:** At its meeting on 30 August 2023, the Board of Directors, on the recommendation of the Compensation Committee and after approval of the financial elements by the Audit Committee, assessed the amount of the variable portion of Alexandre Ricard's compensation for FY 2023. Considering the quantitative and qualitative criteria set by the Board on 19 October 2022 and the achievement levels recorded at 30 June 2023, the amount of this variable portion was assessed as follows: • For the quantitative criteria, the variable portion amounted to 112.25% of Alexandre Ricard's annual fixed compensation, versus a target of 80% and a maximum of 150%. • For the qualitative criteria, the variable portion amounted to 39% of Alexandre Ricard's annual fixed compensation, versus a target of 30% and a maximum of 45%. Consequently, the total amount of Alexandre Ricard's variable compensation as Chairman & CEO was set at €1,890,625, i.e., 151.25% of his annual fixed compensation for FY 2023 (vs a target of 110%). His variable compensation for FY 2022 and FY 2021 represented 180% of his annual fixed compensation.
Multi-year variable compensation	N/A	N/A	Alexandre Ricard does not receive any multi-year variable cash compensation.
Compensation as Chairman of the Board of Directors	N/A	N/A	Alexandre Ricard does not receive any compensation in his capacity as Chairman of the Board of Directors.
Exceptional compensation	N/A	N/A	Alexandre Ricard does not receive any exceptional compensation.

Components of compensation	Amounts paid during FY 2023	Amounts awarded during FY 2023	Remarks

Grant of performance shares		13,062 performance shares (total IFRS value: €1,874,741)	**Reminder of the FY 2023 policy:** grant of performance shares subject to the following principles:
			• grant of a maximum amount of 150% of the annual fixed compensation of the Executive Corporate Officer;
			• grant subject to a three-year vesting period and the following performance conditions:
			  • 50% of the grant (in value terms) subject to an internal performance condition based on a criterion relating to profit from recurring operations,
			  • 30% of the grant (in value terms) subject to a relative external performance condition (TSR versus a panel of peers),
			  • 20% of the grant (in value terms) subject to an internal performance condition based on four CSR criteria (water, carbon, responsible drinking and people).
			During FY 2023: At its meeting on 10 November 2022, the Board of Directors decided, on the recommendation of the Compensation Committee, to grant Alexandre Ricard: 13,062 performance shares (i.e., approximately 0.005% of the Company's share capital), all subject to the performance conditions mentioned above and described in the 2021-2022 Universal Registration Document, paragraph "Performance conditions" of subsection 2.8.2 (pages 77 and 78), of which:
			• 7,533 performance shares (i.e., approximately 0.003% of the Company's share capital) fully subject to internal performance conditions;
			• 5,529 performance shares (i.e., approximately 0.002% of the Company's share capital) fully subject to the external performance condition.
			Based on IFRS value, this grant represents 150% of his annual fixed compensation.
			The same presence condition applies to Alexandre Ricard as that applicable to the other beneficiaries of the Company's long-term incentive plans.
			It should be noted that the Executive Corporate Officer is subject to lock-in obligations in respect of shares resulting from the exercise of stock options and the vesting of performance shares (described in the 2021-2022 Universal Registration Document, in the paragraph "Lock-in period" in subsection 2.8.2 (page 78)).

Welcome bonus or compensation for termination of office	No payment	No payment	Details of the non-compete clause and the forced departure clause are set out in the 2021-2022 Universal Registration Document, in the paragraph "Policy on deferred commitments" in subsection 2.8.2 (page 79).

Supplementary pension scheme		€349,916 (total IFRS value of performance shares with internal and external performance conditions)
		€350,000 (payment in cash of 10% of the annual fixed and variable compensation)
			Reminder of the FY 2023 policy: at its meeting on 31 August 2022, the Board of Directors decided that the Executive Corporate Officer would receive additional annual compensation in respect of the supplementary pension scheme equal to 20% of his annual fixed and variable compensation, half of which in the form of a grant of performance shares (10%) and half in cash (10%).
			During FY 2023:
			• Grant of:
			  • 1,406 performance shares, subject to internal performance conditions, and
			  • 1,032 performance shares subject to an external performance condition.
			The performance and presence conditions applicable to these grants are the same as those provided for in the Group's overall performance share grant plan in force on the grant date (described in the 2021-2022 Universal Registration Document, in the paragraph "Performance conditions" of subsection 2.8.2 (pages 77 and 78)).
			Based on the same principle as for grants of performance shares, Alexandre Ricard is subject to lock-in obligations (see above);
			• €350,000 cash payment, which Alexandre Ricard has undertaken to invest, net of social security contributions and tax, in investment vehicles dedicated to financing his supplementary pension.

Collective healthcare and welfare schemes			Alexandre Ricard is covered by the collective healthcare and welfare schemes offered by the Company under the same terms as those applicable to the category of employees under which he is classified for the purposes of determining his welfare benefits and other additional components of his compensation.
Other benefits	€6,552		Alexandre Ricard has a company car.

N/A: Not applicable.

Breakdown of the achievement levels of the annual variable compensation criteria

QUANTITATIVE CRITERIA: TARGET 80% AND MAXIMUM 150%

Objective	Target	Maximum	FY 2023 results	Achievement level	Board of Directors' assessment
Achievement of budgeted profit from recurring operations	20%	37.5%	€3,348m	37.5%	Maximum achieved
Achievement of budgeted Group share of net profit from recurring operations	20%	37.5%	€2,340m	37.5%	Maximum achieved
Achievement of budgeted recurring free cash flow	20%	37.5%	€1,653m	22.45%	Performance above target
Rate of cash conversion for profit from recurring operations	20%	37.5%	76.4%	14.8%	Performance below target

QUALITATIVE CRITERIA: TARGET 30% AND MAXIMUM 45%

Objective	Target	Maximum	Achievement level	Board of Directors' assessment
Maintain the gross margin ratio through a sound revenue growth management (RGM) policy	15%	22.5%	22.5%	Overperformance – Maximum achieved
Continue to implement the second phase of the Transform & Accelerate strategic plan	5%	7.5%	7.5%	Overperformance – Maximum achieved
Demonstrate leadership by deploying the Group's purpose (*raison d'être*) "Unlock the magic of human connection by bringing Good Times from a Good Place"	5%	7.5%	4%	Performance below target
Grow sales (in value terms) in the United States in line with the US market and ensure smooth integration of new acquisitions	5%	7.5%	5%	Performance at target

Description of the criteria

Quantitative criteria

Achievement of budgeted profit from recurring operations, adjusted for the effects of exchange rates and changes in the scope of consolidation. This criterion, intended to provide an incentive to exceed the target for profit from recurring operations, is one of the key elements of the Group's decentralised structure. This concept of commitment to the budgeted level of profit from recurring operations helps bring together all of the structures, which are rewarded based on the achievement level of their own targets for profit from recurring operations. This criterion rewards the management performance of the Executive Corporate Officer.

Achievement of budgeted Group share of net profit from recurring operations, adjusted for the effects of exchange rates and changes in the scope of consolidation. This criterion takes into account all of the Group's financial data that fall under the Executive Corporate Officer's responsibility for the financial year and thus align his compensation with that of the shareholders.

Achievement of budgeted recurring free cash flow, adjusted for the effects of exchange rates and changes in the scope of consolidation. This criterion measures the Group's financial performance and value creation.

Rate of cash conversion for profit from recurring operations, adjusted for the effects of exchange rates and changes in the scope of consolidation. The inclusion of this criterion in the calculation of the variable portion of the Executive Corporate Officer's compensation is in line with the Group's strategy by rewarding good cash management on a stand-alone basis.

Qualitative criteria

Maintain the gross margin ratio through a good revenue growth management (RGM) policy: **overperformance** – maximum achievement at 22.5% based on the following elements:

Protection of the gross margin ratio in an unprecedented inflationary context, in particular thanks to the strong commitment of Top Management and two major initiatives:

- very dynamic RGM, leading with price in most regions;
- continuous optimisation of operational efficiencies, and cost management in the inflationary context.

Continue implementing the second phase of the Transform & Accelerate strategic plan with the deployment in main markets (USA, China, India, France) of the "Conviviality Platform" roadmap, based on digital transformation acceleration and organisational adaptation: overperformance – maximum achievement at 7.5% based on the following elements:

- new governance and simplification of the organisation to support the implementation of the Transform & Accelerate strategic plan;
- successful steering of Key Digital Programs (KDPs) supported by the successful internalisation of Digital and Artificial Intelligence skills. Large deployment scope of these KDPs, in particular in the four key markets;
- impactful communication and external collaboration to maximise the resonance of the Conviviality Platform (partnership with JC Decaux, joint venture with Fever, etc.);
- implementation of new processes/tools allowing optimised management of financial performance, combining the definition of a strategic framework and planification on the basis of the operating cycle.

Demonstrate leadership both internally and externally through the deployment of the Group's *raison d'être* "Unlock the magic of human connection by bringing Good Times from a Good Place" with a specific focus on Health and Safety indicators: achievement below target at 4% based on the following elements:

- Health and Safety: indicators improving compared to FY 2022. Significant top management focus and initiatives deployed over the fiscal year (training rolled out at Group level, dedicated campaigns, etc.) expected to accelerate achievement of targets in FY 2024;
- Climate: various initiatives conducted, especially internally, with, for example, dedicated days with the Board of Directors and the Executive Committee;
- Communication: ramp-up of communications explaining the progress made on the Group S&R roadmap (press, social media) and launch of two sustainable financing initiatives (bond issue in October 2022 for €1.1 billion and syndicated loan in April 2023 for €2.1 billion, both ESG linked).

Growth in sales value in the United States in line with the US market and good integration of new acquisitions: achievement at target at 5% based on the following elements:

- performance globally in line with the US market with market share gains in most brands and categories of the portfolio (Irish/North American whiskeys, Single Malts, Malibu and Kahlua);
- most active year of portfolio management in a decade: over €1 billion invested to complement our portfolio in attractive categories in North America and continued focus on priority, premium+ brands (Skrewball, Codigo, Sovereign Brands, etc.).

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

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

€	FY 2022	FY 2023
Compensation due for the financial year(1)	3,506,552	3,147,177(2)
Value of multi-year variable compensation awarded during the financial year	N/A	N/A
Value of options granted during the financial year(3)	N/A	N/A
Value of performance shares granted during the financial year	1,874,744	1,874,741
Value of performance shares granted during the financial year in respect of the supplementary pension scheme(4)	322,815	349,916
Supplementary cash payment in respect of the supplementary pension scheme(4)	323,000	350,000
TOTAL	**6,027,111**	**5,721,834**

N/A: Not applicable.
(1) This total includes the use of a company car.
(2) The amount of the annual variable compensation due for the year will be subject to the ex-post vote of shareholders.
(3) No stock options were granted for FY 2023.
(4) Annual component equal to 10% of fixed and variable compensation as from FY 2022.

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

	FY 2022		FY 2023	
€	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation	1,250,000	1,250,000	1,250,000	1,250,000
Annual variable compensation(1)	2,250,000	1,980,000	1,890,625(3)	2,250,000
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Compensation as Chairman of the Board of Directors	N/A	N/A	N/A	N/A
Benefits in kind(2)	6,552	6,552	6,552	6,552
TOTAL	**3,506,552**	**3,236,552**	**3,147,177**	**3,506,552**

N/A: Not applicable.
(1) The annual variable compensation due in respect of the prior year is paid in the current year.
(2) Company car.
(3) The amount of the annual variable compensation us due for the year will be subject to the ex-post vote of shareholders.

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

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

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

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

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

Plan date No. 34	Number of shares grant during the period	Value of shares according to the method used for the consolidated financial statements (IFRS)	Vesting date	Availability date	Performance conditions
10/11/2022	7,533	€1,312,331	11/11/2025	11/11/2025	Average achievement of the annual targets in respect of profit from recurring operations (PRO) (actual/budget) in the current and subsequent two years (three consecutive years) + achievement of Group CSR criteria (carbon, water, responsible drinking and people).
10/11/2022	1,406(1)	€244,941	11/11/2025	11/11/2025	
10/11/2022	5,529	€562,410	11/11/2025	11/11/2025	Positioning of the overall performance of the Pernod Ricard share (TSR) compared with the TSR of a panel of 12 companies over three years.
10/11/2022	1,032(1)	€104,975	11/11/2025	11/11/2025	

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

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

No. 30 Plan date	Number of shares that became available during the financial year	Vesting conditions
21/11/2018	4,101(1)	Average annual achievement of the target for Group profit from recurring operations (PRO) in the current and subsequent two years (three consecutive years), adjusted for the effects of exchange rates and changes in the scope of consolidation.
21/11/2018	491(2)	
21/11/2018	5,456(3)	Average annual achievement of the target for Group profit from recurring operations (PRO) in the current and subsequent two years (three consecutive years), adjusted for the effects of exchange rates and changes in the scope of consolidation. Positioning of the overall performance of the Pernod Ricard share (TSR) compared to that of the Panel of 12 peers over a period of three years following the grant under the plan.
21/11/2018	653(4)	

(1) 4,269 shares were initially granted (the internal performance condition was 96.07% achieved).

(2) Granted under the supplementary pension scheme subject to internal performance conditions. 511 shares were initially granted (the internal performance condition was 96.07% achieved).

(3) 6,842 shares were initially granted (the internal performance condition was 96.07% achieved, then 83% of the shares vested based on the external performance condition (sixth place in the panel)).

(4) Granted under the supplementary pension scheme subject to an external performance condition. 819 shares were initially granted (the internal performance condition was 96.07% achieved, then 83% of the shares vested based on the external performance condition (sixth place in the panel)).

Summary table of Alexandre Ricard's multi-year variable compensation

Alexandre Ricard has never received any multi-year variable compensation.

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

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

In the 10th resolution of the Shareholders' Meeting of 10 November 2023 (see Section 8, "Shareholders' Meeting" of this Universal Registration Document) the shareholders will be asked to approve the following elements of the compensation policy for the Executive Corporate Officer.

This report, which was prepared under the supervision of the Compensation Committee, does not make any substantial changes to the compensation policy previously approved by 89.72% of the shareholders at the 10 November 2022 Shareholders' Meeting.

Compensation structure

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

- cash compensation comprising a fixed portion and an annual variable portion directly related to his individual performance and contribution to the Group's performance; and
- stock compensation in the form of a grant of shares whose vesting is notably subject to the achievement of performance conditions, with a view to aligning the Executive Corporate Officer's interests with those of shareholders.

Fixed compensation	€1,250,000
Variable compensation	Target: 110% – Max: 180% (Financial criteria: target 80%/max 150% – Non-financial and qualitative criteria: target 30%/max 45%)
Long-term incentive plan	Max 150% of annual fixed compensation, subject to performance conditions
Supplementary pension scheme	20% of fixed and variable compensation (10% in performance shares and 10% in cash)
Deferred commitments	Non-compete clause + forced departure clause: combined maximum of 24 months' compensation (fixed and variable)
Multi-year/exceptional variable compensation	Any multi-year variable compensation or exceptional compensation must be precisely communicated and justified None currently
Other	Company car/collective healthcare and welfare schemes

Potential change of governance

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

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

Annual fixed compensation

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

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

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

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

As a reminder, on 31 August 2021, the Board of Directors decided, on the proposal of the Compensation Committee, to increase Alexandre Ricard's annual fixed compensation to €1,250,000, given the very high quality of his performance since his appointment in 2015 and in order to more closely align his compensation with the median practice of CAC 40 companies.

Alexandre Ricard's gross annual fixed compensation will be maintained at €1,250,000 for FY 2024.

Compensation as Chairman of the Board of Directors

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

Annual variable compensation

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

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

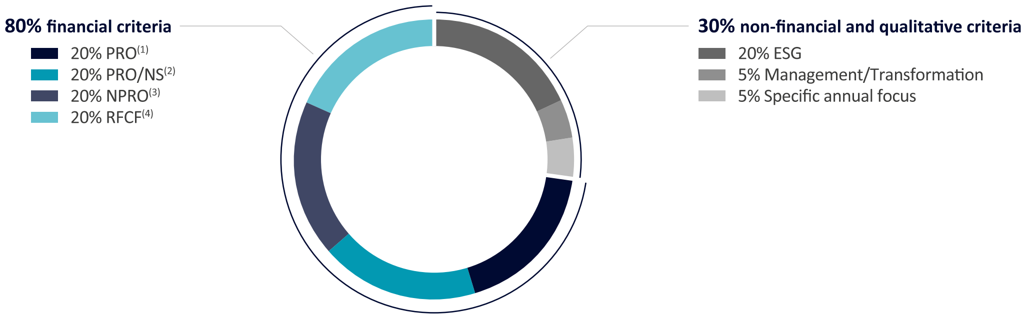
The variable portion of the Chairman & CEO's compensation is expressed as a percentage of annual compensation. It may vary between 0% and 110% if the objectives are achieved (target level) and may rise to a maximum of 180% in the event of exceptional performance in relation to the objectives.

The variable portion is determined on the basis of financial, non-financial and qualitative criteria, in line with the Company's strategy. For this reason, on the recommendation of the Compensation Committee, the Board of Directors has decided this year to adjust the variable compensation criteria for the Chairman & CEO.

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

Performance criteria

The performance criteria are reviewed regularly to ensure they are in line with the Company's long-term strategy and may be amended on an occasional basis. For FY 2024, the Board of Directors, on the recommendation of the Compensation Committee, proposed that the following criteria be defined:



(1) *Achievement of the annual target for Group profit from recurring operations.*
(2) *Achievement of the annual target for the ratio of Group profit from recurring operations to net sales.*
(3) *Achievement of the annual target for Group share of net profit from recurring operations.*
(4) *Achievement of the annual target for Group recurring free cash flow.*

FINANCIAL CRITERIA: TARGET 80% AND MAXIMUM 150%

	Target	Maximum
Achievement of the annual target for Group profit from recurring operations (PRO)	20%	37.5%
Achievement of the annual target for the ratio of Group profit from recurring operations to net sales (PRO/NS)	20%	37.5%
Achievement of the annual target for Group share of net profit from recurring operations (NPRO)	20%	37.5%
Achievement of the annual target for Group recurring free cash flow (RFCF)	20%	37.5%

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

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

In any event, the Executive Corporate Officer's variable compensation (based on financial, non-financial and qualitative criteria) may not exceed 180% of his annual fixed compensation.

Description of the criteria

Financial criteria

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

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

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

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

Non-financial and qualitative criteria

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

Performance levels

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

Termination of office

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

Payment method

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

Long-term incentive policy: grant of performance shares

The Board of Directors considers that share-based compensation mechanisms, which are also set up for other key functions of the Company, are particularly appropriate for the position of Executive Corporate Officer, given the level of responsibility of the position and his ability to contribute directly to long-term corporate performance in a way that is aligned with shareholders' interests.

In addition, the Board of Directors ensures that the performance conditions are consistent with those applied to the Group's senior managers, particularly the members of the Executive Committee.

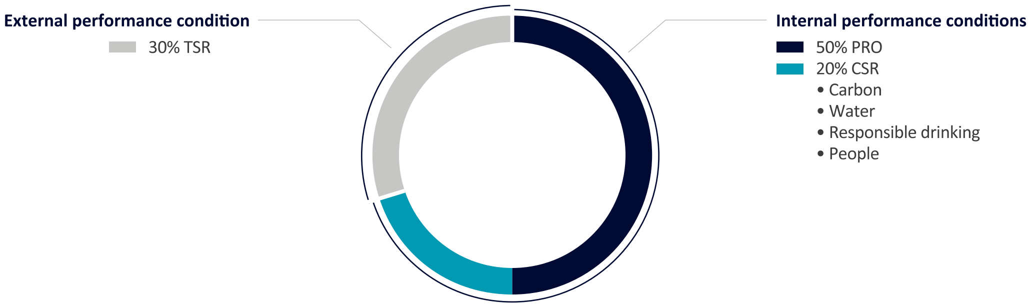
During FY 2023, the Board of Directors reaffirmed its desire to give key personnel an interest in the performance of Pernod Ricard shares, and at its meeting on 10 November 2022, it decided to introduce a share grant plan (with or without performance conditions depending on the categories of beneficiaries). The Board's aim is to continue to align the interests of Pernod Ricard employees with those of its shareholders by encouraging them to hold shares of the Company. Around 800 employees were beneficiaries under these plans, making it possible to target not only executives in management positions, but also to retain young high-potential managers (Talents) in all of the Group's subsidiaries around the world.

The conditions of the performance share grant plan for FY 2024, as described below, will be similar to those applicable for the previous financial year as approved in the 22nd resolution of the Shareholders' Meeting of 10 November 2021.

Performance conditions

The performance shares granted to the Chairman & CEO will have a three-year vesting period and will be subject to the following performance conditions:

BREAKDOWN OF PERFORMANCE CONDITIONS BY VALUE



Performance condition	Relative weighting	Description of the criterion	Performance assessment methods
PRO (profit from recurring operations)	50% of the grant (IFRS value)	Average annual achievement of the Group's profit from recurring operations (PRO) objective over three consecutive financial years, adjusted for the effects of exchange rates and changes in the scope of consolidation	• average ≤0.95: 0% of the shares • average between 0.95 and 1: straight-line increase between 0% and 100% of the shares • average ≥1: 100% of the shares
TSR (total shareholder return)	30% of the grant (IFRS value)	Positioning of the overall performance of the Pernod Ricard share (TSR) compared to that of the Panel of 12 peers[(1)] over a period of three years following the grant under the plan	• below the median (8th to 13th position): 0% of the shares • at the median (7th position): 66% of the shares • 6th, 5th or 4th position: 83% of the shares • 3rd, 2nd or 1st position: 100% of the shares
CSR (corporate social responsibility)	20% of the grant (IFRS value)	Achievement of the following criteria assessed over a period of three consecutive financial years (including that during which the shares were granted): • **carbon:** implementation of the roadmap to reduce direct CO_2 emissions generated by our sites (Scopes 1 & 2) in order to reduce carbon emissions by 54% in absolute terms by 2030 ; • **water:** implementation of the roadmap aimed at reducing water consumption in our distilleries by 20.9% by 2030; • **responsible drinking:** Pernod Ricard's strategic brands will launch marketing campaigns focused on responsible drinking, with the aim of ramping this up each year over the next five years; • **people:** objective of achieving gender balance in our Top Management (at least 40% of each gender) by 2030.	• none of the objectives achieved: 0% of the shares • 1 objective achieved: 25% of the shares • 2 objectives achieved: 50% of the shares • 3 objectives achieved: 75% of the shares • 4 objectives achieved: 100% of the shares

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

Maximum grant amount

Throughout the current term of office of the Executive Corporate Officer, the maximum annual grant of performance shares (in IFRS value) to the Executive Corporate Officer is limited to 150% of his gross annual fixed compensation. This maximum grant was set when the compensation policy was last reviewed and took the following into account:

- the practices of CAC 40 and beverage sector companies (the Panel used for assessing the external performance condition); and
- the challenging nature of the performance conditions.

In addition, the maximum amount of performance shares granted to the Executive Corporate Officer is limited to 0.08% of the Company's share capital at the grant date of the performance shares, as indicated in the resolutions approved at the Shareholders' Meeting of 10 November 2021 (22nd resolution).

Lock-in period

The Board of Directors requires the Executive Corporate Officer:

- to hold a number of shares in registered form until the end of his term of office, corresponding to:
  - in respect of stock options: 30% of the acquisition gain, net of social security contributions and taxes, resulting from the exercise of the stock options, and
  - in respect of performance shares: 20% of the volume of the performance shares that actually vest;
- to undertake to buy, when the performance shares vest, a number of additional shares corresponding to 10% of the vested performance shares; and
- once the Executive Corporate Officer holds a number of registered Company shares that matches more than three times his gross annual fixed compensation, the above-mentioned lock-in obligation will be reduced to 10% for both stock options and performance shares and the Executive Corporate Officer will no longer be required to acquire additional shares. If, in the future, the registered holdings fall below the ratio of three times, the above-mentioned lock-in and acquisition requirements will once more apply.

Presence condition and termination of office

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

Hedging

In accordance with the Code of Ethics, (the latest version of which was approved by the Board of Directors on 31 August 2022), and the AFEP-MEDEF Code, the Executive Corporate Officer has formally undertaken not to use hedging mechanisms either for stock options granted under previously established plans or shares resulting from the exercise of these options, or for performance shares received from the Company, until the end of the lock-in period set by the Board of Directors.

Supplementary pension scheme

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

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

- half (corresponding to 10% of his annual compensation) in the form of the grant of performance shares, the number of which is determined based on the IFRS value of the shares on the grant date and which must be approved by the Board of Directors each year. The performance, presence and lock-in conditions that will apply to these grants are the same as those provided for in the Group's general performance share grant plan in effect on the grant date; and
- half (corresponding to 10% of his annual compensation) in cash. It is specified that the Executive Corporate Officer will undertake to invest the cash component of this additional compensation, net of social security contributions and tax, in savings products dedicated to financing his supplementary pension.

Policy on deferred commitments

Forced departure clause

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

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

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

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

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

Non-compete clause

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

In accordance with the AFEP-MEDEF Code:

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

Multi-year compensation

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

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

Exceptional compensation

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

Also in accordance with the AFEP-MEDEF Code (Article 26.4), if a new Executive Corporate Officer is recruited externally, the Board of Directors may also decide to pay an amount (in cash or shares) to compensate the new Executive Corporate Officer for all or part of any loss of compensation (excluding retirement benefits) related to leaving their previous position. This compensation may not exceed the amount lost by the person in question.

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

Other benefits

Company car

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

Collective healthcare and welfare schemes

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

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

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

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

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

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

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

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

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

2.6.3 Components of compensation paid during or awarded for FY 2023 to Corporate Officers (11th resolution)

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

Out of the aggregate amount of €1,250,000 authorised by shareholders at the Shareholders' Meeting of 27 November 2020, a total of €1,086,000 in compensation was awarded to Directors in FY 2023, in accordance with the rules set out in subsection 2.6.4 below. As a reminder, the Chairman & CEO does not receive any compensation for his duties as a Director.

	FY 2022		FY 2023	
Board members	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Patricia Barbizet	172,000	180,000	176,000	172,000
Wolfgang Colberg	88,500	89,500	93,000	86,000
Virginie Fauvel	55,333	56,833	65,000	61,000
Ian Gallienne	95,000	104,000	99,000	95,000
Cesar Giron	73,000	77,000	77,000	73,000
Anne Lange	95,500	102,000	99,500	95,500
Philippe Petitcolin	101,000	109,000	101,000	97,000
Société Paul Ricard represented by Patricia Ricard Giron[(1)]	61,000	69,000	65,000	61,000
Namita Shah	36,667	8,167	69,000	65,000
Kory Sorenson	123,500	127,000	126,500	121,000
Veronica Vargas	81,000	80,500	85,000	81,000
Maria Jesus Carrasco Lopez[(2)]	15,000	15,000	7,500	15,000
Stéphane Emery[(3)]	7,500	15,000	N/A	N/A
Carla Machado Leite[(4)]	N/A	N/A	7,500	N/A
Brice Thommen[(5)]	7,500	N/A	15,000	15,000
TOTAL	**1,012,500**	**1,033,000**	**1,086,000**	**1,037,500**

N/A: Not applicable.
(1) Permanent representative of Société Paul Ricard, Director.
(2) Until 5 December 2022, the end-date of her term of office as a Director representing employees.
(3) Until 13 December 2021, the end-date of his term of office as a Director representing employees.
(4) From 17 November 2022, the date of his appointment as a Director representing the employees.
(5) From 13 December 2021, the date of his appointment as a Director representing the employees.

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

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

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

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

Fixed compensation

Cesar Giron receives gross fixed compensation for his duties as Chairman & CEO of Martell Mumm Perrier-Jouët which amounted to €523,368 for FY 2023.

Variable compensation

In his capacity as Chairman of a direct subsidiary and member of the Executive Committee, Cesar Giron receives gross variable compensation for which the quantitative criteria are based on (i) the financial performance of the entity he manages and, (ii) the Group's results, with a view to strengthening solidarity and collegiality between the various company Chairmen/Chairwomen who sit on the Executive Committee.

Cesar Giron is also assessed on the basis of individual qualitative criteria.

The variable portion of his compensation is expressed as a percentage of the annual fixed portion. It may reach 70% of his gross fixed compensation if the quantitative and qualitative objectives are achieved (target level) and can rise to a maximum of 105% in the event of exceptional performance in relation to the objectives. The criteria are reviewed regularly and may be amended on an occasional basis.

During FY 2023, he received gross variable compensation of €428,305 in October 2022 relating to FY 2022, i.e., 85% of his fixed compensation for FY 2022.

Exceptional compensation

No exceptional compensation was paid during or awarded for FY 2023.

Grant of performance shares

On 10 November 2022, the Board of Directors authorised a global performance share grant plan.

Under this plan, Cesar Giron received the following grant:

- 1,356 shares subject to an external performance condition (IFRS value: €137,932.32); and
- 1,848 shares subject to internal performance conditions (IFRS value: €321,941.95).

The details of the overall performance share grant policy are shown below (pages 78-80 of this Universal Registration Document).

Severance benefits

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

Supplementary pension scheme

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

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

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

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

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

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

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

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

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

In accordance with the provisions of Article D. 22-10-16 of the French Commercial Code, at 30 June 2023, the estimated gross amount of the annuity potentially paid under the defined-benefit pension scheme for Cesar Giron would amount to €189,173 per year.

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

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

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

Collective healthcare and welfare schemes

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

Other benefits

Cesar Giron had the use of a company car in FY 2023.

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

Fixed compensation

Patricia Ricard Giron receives gross fixed compensation for her position as Chairwoman of the Paul Ricard Oceanographic Institute, which amounted to €74,866 for FY 2023.

Variable compensation

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

During FY 2023, Patricia Ricard Giron received gross variable compensation of €8,595 for FY 2022.

Amounts received in respect of employee profit-sharing plans

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

During FY 2023, Patricia Ricard Giron received €592 under the incentive profit-sharing plan and €17,605 under the statutory profit-sharing plan.

Collective healthcare and welfare schemes

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

Other components of compensation

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

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

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

Methods for allocating the compensation budget for FY 2023 to individual Directors

Directors' annual compensation comprises a fixed portion set at €20,000, with an additional €6,000 for members of the Audit Committee and €5,000 for members of the Strategic Committee, the Compensation Committee, the Nominations and Governance Committee, and the CSR Committee. The Chair of the Audit Committee receives an additional sum of €14,000, and the Chairs of the Compensation Committee, the Nominations and Governance Committee, and the CSR Committee each receive an additional €8,500.

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

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

Furthermore, in order to take account of distance constraints, an additional premium of €1,500 is paid to Directors who are not French tax residents, when they attend Board and/or Committee meetings. Directors who take part in Board meetings by video conference or conference call are not eligible for this additional amount.

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

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

Of the €1,250,000 authorised by the Shareholders' Meeting of 27 November 2020, total compensation of €1,086,000 was awarded to the Directors in respect of FY 2023, in accordance with the rules set out above.

For FY 2024, a proposed aggregate amount of €1,350,000 will be submitted to the approval of the Shareholders' Meeting, with an increase in the fixed compensation for the Board of Directors from €20,000 to €25,000 per year.

Potential change of governance

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

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

Global long-term incentive policy

In FY 2023, the Board of Directors reaffirmed its commitment to giving key employees a stake in the performance of Pernod Ricard shares and decided to set up a performance share grant plan for management-level employees and a share grant plan without performance conditions for high-potential young managers ("Talents") as well as for attracting new talents.

The Board's aim is to continue to align the interests of Pernod Ricard employees with those of its shareholders by encouraging them to hold shares of the Company. Around 800 employees were beneficiaries under these plans for FY 2023, making it possible to target not only executives in management positions, but also to retain the "Talents" in all of the Group's subsidiaries around the world.

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

- for high-potential young managers ("Talents"): grant of shares without performance conditions;
- for executives holding management positions: grant of shares subject to internal performance conditions, introducing a CSR criterion in addition to the internal financial performance criterion. The conditions applicable to this grant are as follows:

Performance condition	Description of the criterion	Performance assessment methods
PRO (profit from recurring operations)	Average annual achievement of the Group's profit from recurring operations **(PRO)** objective over three consecutive financial years, adjusted for the effects of exchange rates and changes in the scope of consolidation	• average ≤ 0.95: 0% of the shares • average between 0.95 and 1: straight-line increase between 0% and 100% of the shares • average ≥ 1: 100% of the shares
CSR (corporate social responsibility)	Achievement of the following criteria assessed over a period of three consecutive financial years (including that during which the shares were granted): • **carbon:** implementation of the roadmap to reduce direct CO_2 emissions generated by our sites (Scopes 1 & 2) in order to reduce carbon emissions by 54% in absolute terms by 2030 ; • **water:** implementation of the roadmap aimed at reducing water consumption in our distilleries by 20.9% by 2030; • **responsible drinking:** Pernod Ricard's strategic brands will launch marketing campaigns focused on responsible drinking, with the aim of ramping this up each year over the next five years; • **people:** objective of achieving gender balance in our Top Management (at least 40% of each gender) by 2030.	• none of the objectives achieved: 0% of the shares • 1 objective achieved: 25% of the shares • 2 objectives achieved: 50% of the shares • 3 objectives achieved: 75% of the shares • 4 objectives achieved: 100% of the shares

- for the members of the Executive Committee: grants subject to internal performance conditions (described above) and external performance conditions, as described below:

Performance condition	Description of the criterion	Performance assessment methods
TSR (total shareholder return)	Positioning of the overall performance of the Pernod Ricard share (TSR) compared to that of the Panel of 12 peers[(1)] over a period of three years following the grant under the plan	• below the median (8th to 13th position): 0% of the shares • at the median (7th position): 66% of the shares • 6th, 5th or 4th position: 83% of the shares • 3rd, 2nd or 1st position: 100% of the shares

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

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

Grant of performance shares with an external performance condition

The number of performance shares with an external performance condition granted by the Board of Directors on 10 November 2022 to members of the Executive Committee (including the Executive Corporate Officer) amounted to 29,467 (excluding shares linked to the supplementary pension scheme).

Grant of performance shares with internal performance conditions

The total number of performance shares granted by the Board of Directors on 10 November 2022 was 196,068 (excluding shares linked to the supplementary pension scheme) and they were all subject to the two internal performance conditions described above: one relating to profit from recurring operations and the other to the Group's Corporate Social Responsibility (CSR) performance.

Grant of shares without performance conditions

The number of shares without performance conditions granted by the Board of Directors on 10 November 2022 was 56,978.

HISTORY OF STOCK OPTION GRANTS – SITUATION AT 30 JUNE 2023 (TABLE 8 OF THE AMF TEMPLATE)

	LTIP 2015	LTIP 2016	LTIP 2017	LTIP 2018	LTIP 2019	LTIP 2020
Plan number	27B	28B	29B	30B	31B	32B
Date of authorisation by Shareholders' Meeting	06/11/2015	06/11/2015	06/11/2015	06/11/2015	08/11/2019	08/11/2019
Date of Board of Directors' meeting	06/11/2015	17/11/2016	09/11/2017	21/11/2018	08/11/2019	27/11/2020
Type of options	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase
Total number of shares that can be subscribed or purchased	278,575	150,008	124,050	109,492	131,864	136,711
of which by Corporate Officers of Pernod Ricard SA	28,200	39,445	32,050	32,006	28,831	29,891
of which by Alexandre Ricard	20,700	31,400	25,050	26,143	22,545	23,374
of which by César Giron	7,500	8,045	7,000	5,863	6,286	6,517
Commencement date for exercise of options	07/11/2019	18/11/2020	10/11/2021	22/11/2022	09/11/2023	28/11/2024
Expiry date	06/11/2023	17/11/2024	09/11/2025	21/11/2026	08/11/2027	27/11/2028
Subscription or purchase price *(€)*(1)	102.80	105.81	126.53	137.78	162.79	154.11
Number of shares subscribed or purchased	167,492	70,180	23,753	7,016	0	0
Total number of stock options cancelled or lapsed(2)	96,068	32,183	46,797	23,483	48,980	0
of which those of Alexandre Ricard	7,038	5,338	8,517	4,444	7,665	0
of which those of César Giron	2,550	1,368	2,380	997	2,137	0
Stock options outstanding	15,015	47,645	53,500	78,993	82,884	136,711

N/A: Not applicable.

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

(2) Options cancelled after the beneficiaries failed to meet the continuous service and/or performance conditions. During FY 2023, 42,694 stock options granted under the 8 November 2019 plan were cancelled in application of the external performance condition (66% of the options initially granted).

At 30 June 2023, there were 414,748 stock purchase options outstanding, representing approximately 0.16% of the Company's share capital. All these options are "in the money" (closing Pernod Ricard share price on 30 June 2023: €202.4).

There are currently no stock subscription options outstanding, i.e., options exercisable for new Pernod Ricard shares.

STOCK OPTIONS GRANTED TO AND EXERCISED BY THE TEN EMPLOYEES (OTHER THAN CORPORATE OFFICERS) RECEIVING AND EXERCISING THE HIGHEST NUMBER OF OPTIONS DURING FY 2023 (TABLE 9 OF THE AMF TEMPLATE)

	Number of options granted/shares subscribed or purchased	Weighted average price *(€)*	Plans
Options granted during the financial year by the issuer and any other Group company to the ten employees of the issuer and any such Group company, receiving the highest number of options	No stock options were granted in FY 2023		
Options granted by the issuer or any other Group company exercised during the financial year by the ten employees of the issuer and any such Group company exercising the highest number of options	24,203	115.91	06/11/2015 17/11/2016 09/11/2017 21/11/2018

HISTORY OF GRANTS OF PERFORMANCE SHARES – SITUATION AT 30 JUNE 2023 (TABLE 10 OF THE AMF TEMPLATE)

	LTIP 2018	LTIP 2019	LTIP 2020	LTIP 2021	LTIP 2022
Plan number	30A, 30C	31A, 31C	32A, 32C	33A, 33B, 33C	34A, 34B, 34C
Date of authorisation by Shareholders' Meeting	06/11/2015	08/11/2019	08/11/2019	10/11/2021	10/11/2022
Date of Board of Directors' meeting	21/11/2018	08/11/2019	27/11/2020	10/11/2021	10/11/2022
Number of performance shares granted	341,313	269,474	270,838	237,306	284,951
of which to Corporate Officers of Pernod Ricard SA	14,356	12,566	12,436	16,349	18,704
of which to Alexandre Ricard	12,441	10,570	10,358	13,520	15,500
of which to César Giron	1,915	1,996	2,078	2,829	3,204
Vesting date of the performance shares	22/11/2022	09/11/2023	28/11/2024	12/11/2024	11/11/2025
End date of share lock-in period	22/11/2022	09/11/2023	28/11/2024	12/11/2024	11/11/2025
Performance condition	Yes	Yes	Yes	Yes except plan 33B	Yes except plan 34B
Number of performance shares cancelled[1]	162,560	121,801	26,507	7,410	2,634
of which those of Alexandre Ricard	1,740	2,219	-	0	0
of which those of César Giron	651	679	-	0	0
Number of performance shares vested[2]	177,664	1,414	1,010	1,188	1,321
Number of performance shares not vested[3]	0	146,259	242,846	226,761	280,996

The shares granted are subject to performance conditions (with the exception of those granted under plans 33B and 34B) and a presence condition. The vesting of the shares is subject to the achievement of the performance conditions and the presence of the beneficiaries within the Group at the vesting date.

(1) Performance shares cancelled after the beneficiaries ceased to meet the presence condition (through resignation or redundancy) or failed to meet the performance conditions. During FY 2023, 66% of the shares granted under the 2019 plan were confirmed following the exceptional adjustment to the internal performance condition decided by the Board of Directors (they remain subject to the presence condition until 9 November 2023). For the Executive Corporate Officer, who had not benefited from the exceptional adjustment, the cap of 66% does not apply and the internal performance condition recorded is 100%. For the shares subject to an external performance condition granted in 2019 to Alexandre Ricard, the external performance condition was confirmed at 66% of the amounts initially granted.

(2) Granted shares that have vested and been transferred to the beneficiaries. For plans still in the vesting period, the number of vested shares indicated corresponds to shares transferred in advance to the heirs of deceased beneficiaries.

(3) For the 2018, 2019 and 2020 plans, the internal performance condition was assessed in full. For the 2020 plan, the external performance condition applicable to the Executive Corporate Officer will be assessed in November 2023. For the 2021 and 2022 plans, the internal performance condition will be assessed at the end of FY 2024 and FY 2025 respectively.

PERFORMANCE SHARES GRANTED TO THE TEN EMPLOYEES (OTHER THAN CORPORATE OFFICERS) RECEIVING THE MOST PERFORMANCE SHARES AND SHARES VESTING FOR THOSE EMPLOYEES IN FY 2023

	Number of shares granted/vested	Value of the shares[1] *(€)*	Plans
Shares granted during the financial year by the issuer and any other Group company to the ten employees of the issuer and any such Group company receiving the highest number of shares	36,385	101.72 (external condition) 174.21 (internal condition)	10/11/2022
Shares vested during the financial year for the ten employees of the issuer and any other Group company for whom the highest number of shares vested	11,482	128.82	21/11/2018

(1) Value of shares according to the method used for the consolidated financial statements (IFRS).

Pernod Ricard has not issued any other options exercisable for shares to its Executive Corporate Officers or the top ten employees of the Company and any other Group companies granting options.

Employee profit-sharing plans

All employees of the Group's French companies are covered by statutory and voluntary profit-sharing agreements based on the results of each specific entity. In line with the Group's decentralised structure, the terms and conditions of each of these agreements are negotiated at the level of each entity concerned.

Similarly, outside France, the Group encourages all of its subsidiaries to implement local agreements enabling employees to share in the profits of the entity to which they belong.

Profit-sharing agreements of this type exist in countries including Ireland and the United Kingdom: in each of these countries, employees may potentially receive Pernod Ricard shares based on their entity's annual results.

Provisions for pension benefits

Details of the total amounts recorded as provisions or otherwise recognised by the issuer for the payment of pensions are set out in Note 4.7 – Provisions to the consolidated financial statements.

Equity ratios between the compensation of Alexandre Ricard, Chairman & CEO, and the average and median compensation of the Company's employees

Information concerning the ratios between the compensation of the Chairman & CEO and the average and median compensation of the Company's employees is presented below in accordance with the provisions of Article L. 22-10-9 of the French Commercial Code.

Calculation method

The average and median compensation amounts were calculated on a full-time equivalent basis for the Company's employees other than the Chairman & CEO.

This compensation, taken into account on a gross basis, includes the following components: fixed compensation, annual variable compensation paid, additional payments under the defined-contribution supplementary pension scheme, employee savings schemes, benefits in kind and long-term incentive plan valued at their fair value at the grant date, as recognised in the consolidated financial statements in accordance with IFRS 2. This valuation corresponds to a historical value at the grant date as calculated for accounting purposes. It does not represent a current market value, nor the value that could be received by the beneficiary if the shares granted to them vest, especially in view of the fact that it is possible that the performance conditions will not be met.

The scope of employees included only covers employees who were present continuously for two consecutive financial years. For part-time employees, compensation has been calculated on the basis of full-time equivalents.

The ratios and annual changes in compensation were calculated on the basis of the gross compensation components paid during or awarded for the current year (and therefore includes the variable compensation and profit-sharing due in respect of the prior year). The legal scope of this information covers Pernod Ricard SA. In addition, in accordance with recommendation 27.2 of the AFEP-MEDEF Code, the ratios are also disclosed for a broader scope, representative of the Group's business in France and including Pernod Ricard SA and all direct and indirect subsidiaries located in France.

The table below was drawn up taking into account the template issued by the AFEP in its guidelines updated in February 2021.

TABLE OF RATIOS DISCLOSED IN ACCORDANCE WITH SECTIONS I. 6° AND 7° OF ARTICLE L. 22-10-9 OF THE FRENCH COMMERCIAL CODE

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Change (%) in the compensation of Alexandre Ricard, Chairman & CEO(1)	+19%	+5%	-33%	+80%	+6%
INFORMATION FOR THE SCOPE OF THE LISTED COMPANY					
Change (%) in average employee compensation	-0.4%	+7.8%	+2.9%	+18.5%	+10.1%
Change (%) in median employee compensation	-1.2%	+4.5%	+2.1%	+18.5%	+7.8%
Ratio compared to average employee compensation	40.17	39.12	25.38	38.60	37.02
Change (%) compared to the previous financial year	+19.0%	-2.6%	-35.1%	+52.1%	-4.1%
Ratio compared to median employee compensation	67.43	67.68	44.31	67.38	66.02
Change (%) compared to the previous financial year	+20.0%	+0.4%	-34.5%	+52%	-2%
ADDITIONAL INFORMATION FOR THE EXTENDED SCOPE					
Change (%) in average employee compensation	-0.5%	+6.4%	+0.6%	+4.5%	+8.9%
Change (%) in median employee compensation	+0.1%	-2.9%	+4.2%	+6.1%	+6.1%
Ratio compared to average employee compensation	64.49	63.71	42.24	72.87	70.65
Change (%) compared to the previous financial year	+19.1%	-1.2%	-33.7%	+72.5%	-3%
Ratio compared to median employee compensation	83.15	89.86	57.58	97.81	97.41
Change (%) compared to the previous financial year	+18.4%	+8.2%	-36.0%	+69.9%	-0.4%
COMPANY PERFORMANCE					
Profit from recurring operations	2,581	2,260	2,423	3,024	3,348
Change (%) compared to the previous financial year(2)	+8.7%	-13.7%	+18.3%	+19.0%	+11.3%

NC: Not calculable.

(1) Factors related to the compensation of the Chairman & CEO explaining the changes in the ratios:
- *FY 2019: increase in the fixed compensation and payment of the annual variable compensation for FY 2018 for which the achievement rate was 161%;*
- *FY 2020: payment of the annual variable compensation for FY 2019 for which the achievement rate was 159%;*
- *FY 2021: impact of the Covid-19 crisis on the FY 2020 variable compensation paid during FY 2021;*
- *FY 2022: increase in the fixed compensation and payment of the annual variable compensation for FY 2021 for which the achievement rate was 180%;*
- *FY 2023: payment of the annual variable compensation for FY 2023 for which the achievement rate was 151.25%.*

(2) Organic growth, adjusted for the effects of exchange rates and changes in the scope of consolidation.

Compensation of Executive Committee members

The Compensation Committee members are kept regularly informed of changes in the compensation of members of the Executive Committee. They ensure consistency between the compensation policy for Executive Corporate Officers and the members of the Executive Committee and the integration of CSR criteria in their variable compensation.

In their regular reviews of the various components of compensation, the members of the Compensation Committee pay particular attention to ensuring that the policy applied to the Executive Corporate Officer is consistent with that applied to the Group's principal senior managers both in France and internationally.

The compensation of the members of the Executive Board (excluding the Chairman & CEO), which is set by Executive Management, comprises an annual fixed portion, plus a variable portion representing an attractive incentive, for which the criteria are largely based on the Group's financial performance, as is the case for the Executive Corporate Officer. Qualitative criteria based on individual performance are also applied to this variable compensation.

The Chairmen/Chairwomen of the Group's direct subsidiaries who are members of the Executive Committee also receive compensation comprising a fixed portion, which is set in proportion to individual responsibilities, plus a variable portion, for which the quantitative criteria depend on (i) the financial performance of the entity they manage, and (ii) the Group's results with a view to strengthening solidarity and collegiality. The Chairmen/Chairwomen are also evaluated using individual qualitative criteria.

The same performance indicators therefore apply to all of the key players in the Group's business development through the structure of their annual variable compensation and the method used to assess it.

For a number of years, all members of the Executive Committee, including the Executive Corporate Officer, have also been evaluated based on the implementation of Corporate Social Responsibility (CSR) projects.

Total fixed compensation awarded to the members of the Executive Committee, including the Executive Corporate Officer, amounted to €8.6 million for FY 2023 (compared with €7.9 million for FY 2022). In addition to this, variable compensation of €8.4 million was paid in FY 2023 in respect of FY 2022 (compared with €8.3 million paid in FY 2022).

The total recurring expense in respect of pension obligations for members of the Executive Committee, including the Executive Corporate Officer, was €4.1 million in the financial statements for the year ended 30 June 2023 (compared with €3.7 million for the year ended 30 June 2022). The difference between the two financial years is due to the addition of a new member to the Executive Committee.

2.7 Non-discrimination policy and diversity in Top Management

The non-discrimination policy is based on reliable and consistent global talent identification and management processes, as well as succession planning focused on performance and potential. Considerable effort has been made over the past few years to ensure the quality and objectivity of the assessment. The "TransfoHRm" HR Strategy announced in 2018 is inherently a diverse-centric strategy ensuring that key processes such as talent development and management are fair, objective, consistent and equitable. This strategy resulted in the implementation of the "Let's Talk Talent" programme, a global performance and talent management process based on an objective assessment of performance and potential, used for calibration and powered by the Workday platform. This process aims to ensure the greatest consistency across all affiliates globally in performance assessment, personal development and career advancement for all the Group's employees.

Moreover, in the wake of the global "Better Balance" initiative, a key global area of focus has been to continue accelerating gender balance in senior leadership positions, at a global level. In addition, objectives have been defined for the Group's Management bodies, identified as the "Top 500"[15] employees, and a series of actions have been taken to help achieve these objectives[16].

In 2019, Pernod Ricard's Board of Directors, on the recommendation of the Nominations and Governance Committee, established binding objectives within its Sustainability & Responsibility roadmap relating to diversity in the Group's management bodies: by 2030, Pernod Ricard's Top Management will have to include a minimum of 40% of each gender.

All the initiatives undertaken by Pernod Ricard in favour of diversity and inclusion are essential to reach these targets. They lay the foundations of more equitable, diverse and inclusive processes for attracting & growing a diverse talent pipeline globally at Pernod Ricard.

The Group's initiatives are showing tangible progress, as the programmes implemented have delivered the following results:

- for the Executive Committee, the proportion of women increased from 7% to 35.3% between 2015 and 2023; and
- for the "Top 500", the proportion of women rose from 19% to 36% between 2015 and 2023.

The diversity policy and the results obtained are presented annually to the Board of Directors by Senior Management.

(15) *The "Top 500" comprised 457 employees in 2015, 498 in June 2022 and 618 in June 2023.*
(16) *Please refer to section 3 Sustainability & Responsibility, especially subsection 3.5.1.1. Diversity & Inclusion for more information on the Group's D&I actions and policy within management bodies".*

3

Sustainability & Responsibility

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AT A GLANCE

This year, the Group reached key milestones, while ambitious programmes launched in recent years gathered momentum. What follows is an overview of key achievements and a brief outlook on the year to come for each of the four pillars of the 2030 S&R Roadmap.

VALUING PEOPLE

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

We launched a new Diversity & Inclusion (D&I) framework with four objectives – talent management, workplace culture, innovation, and reputation – which sets global ambitions and objectives. New comprehensive programmes on health, safety and wellbeing are being deployed across industrial and non-industrial environments.

We seek to build on the foundations we have laid the ground for a more holistic approach to our employees' and other stakeholders' wellbeing, ensuring D&I and Health & Safety agendas are joined up.

-50%
in lost time accident frequency since FY20

Recognised by Forbes as one of
2022
World's Best Employers

WOMEN AMONG TOP MANAGEMENT
36% (1)

CIRCULAR MAKING

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

We are working on reducing greenhouse gas (GHG) emissions and adapting our business to ensure resilience in the context of climate change, notably by working with our suppliers to improve the quality of our reporting. We also strengthened our climate-related risks and opportunities assessment with extensive work done to evaluate the vulnerability of our resources and business resilience.

We are investing in major innovations to lower carbon emissions linked to distillation and packaging, and implementing programmes to deliver on water management commitments.

Water consumption (intensity[2])
-8.1% (3)

GHG EMISSIONS
Scope 1+2 (absolute emissions): -12%
Scope 3[4] (intensity[5]): -18%

Recyclable, reusable or compostable **packaging**
98%

NURTURING TERROIR

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

Having already performed a complete risk mapping of our 60 priority terroirs, we reached a new milestone by completing the risk mapping of all key agricultural raw materials (150 terroirs).

We are accelerating the implementation of practices that will ensure sustainable sourcing through certification and mitigation plans. We favour a regenerative agriculture approach which is inherently holistic, taking the entire ecosystem into account: plants, soil, water, carbon, biodiversity, and livelihoods.

82% of our affiliates have implemented a regenerative agriculture or biodiversity programme

10,506
FARMERS EMPOWERED, TRAINED OR SUPPORTED[6]

Produce or source all key raw materials[7] in line with sustainability standards
34%

RESPONSIBLE HOSTING

We are committed to promoting responsible alcohol consumption and have a role to play in combatting the harmful use of alcohol. We work with stakeholders to achieve real change and continuously strengthen our responsible business practices.

Our brands have started to introduce digital labels on their bottles and roll out responsible drinking campaigns to engage with our consumers directly and help them make responsible choices. Our local and global responsible drinking initiatives such as Drink More Water have gained momentum and helped deliver responsibility-focused messages, while our bartending programme 'Bar World of Tomorrow' surpassed its objective of training 10,000 bartenders on sustainable and responsible bar practices.

The Group will keep conveying responsible messages to consumers by leveraging the power of its brands and implementing large-scale responsible drinking initiatives worldwide.

94% Group markets have implemented a global or local responsible drinking initiative

41%
of our products with a digital label[8]

TRAINED AND EMPOWERED BARTENDERS SINCE FY20
12,310

(1) Band C and above - balanced teams considered achieved with a range of 40-60% men and women. (2) Compared to FY18 baseline. (3) Per unit of distilled alcohol. (4) SBT reporting scope. (5) tCO_2e per € of profit from recurring operations. (6) Cumulative figure since 2019. (7) Defined by annual spend. (8) Informing consumers on product contents, potential health risks, and how to enjoy them responsibly.

3.1 Our Sustainability & Responsibility (S&R) strategy at a glance

3.1.1 A strategy built on a long-standing commitment

Pernod Ricard's commitment to Sustainability and Responsibility (S&R) reaches far back in the Group's history. Its founder Paul Ricard was an early philanthropist who created the Paul Ricard Oceanographic Institute in 1966 in reaction to rising industrial pollution in the Mediterranean Sea. The Group has carried its founder's vision from the beginning, taking a proactive stance to address social and environmental challenges, both present and future.

Doing so requires a holistic approach as ESG challenges are, by nature, interconnected. Launched in 2019, the Pernod Ricard 2030 S&R roadmap "Good Times from a Good Place" operates on this principle, embedding sustainable and responsible thinking at the core of the Group's *modus operandi*.

In times defined by "polycrisis", shaped by pandemics, extreme weather events, wars, and social conflicts around the world, this approach matters more than ever to ensure the resilience of Pernod Ricard's business.

Today, Pernod Ricard is committed to investing in a net-zero future and accelerating the transition to regenerative agriculture while innovating to adopt more circular solutions. In its approach to these challenges, the Group puts diversity and fairness first, and seeks to empower people across its supply chain while pursuing its wide range of actions promoting responsible alcohol consumption.

About this section

This section represents the non-financial performance reporting segment of the present Universal Registration Document. In line with Pernod Ricard's commitments towards transparency and accountability, it features a comprehensive dashboard of ESG indicators in subsection 3.3, most notably those pertaining to the Group's S&R roadmap commitments. These indicators are contextualised and further detailed in the subsequent subsections, which follow an Environmental, Social, and Governance structure. This structure is simpler to consult and helps to prepare regulatory alignment with future requirements. The consideration given to presenting this information reflects the Group's intent to continuously implement best practices wherever possible, up to and including disclosure, an ongoing process to be reinforced in the future.

3.1.2 A year of S&R at Pernod Ricard

FY23 marked a turning point for S&R at Pernod Ricard. The Group reached key milestones, while ambitious programmes launched in recent years gathered momentum. What follows is an overview of key achievements and a brief outlook on the year to come for each of the four pillars of the 2030 S&R roadmap: Nurturing Terroir, Valuing People, Circular Making, and Responsible Hosting.

Nurturing Terroir

Pernod Ricard is highly dependent on natural ecosystems and ingredients: all the Group's brands come from nature in some 350 terroirs[1] around the world. The Group is committed to nurturing every terroir, inclusive of local communities, and aims to address the challenges of climate change and biodiversity loss to ensure quality ingredients now and for generations to come.

Having already performed a complete risk mapping of its 60 priority terroirs in FY21, the Group reached a new milestone in FY23 by completing the risk mapping of its 150 terroirs that contain key agricultural raw materials[2].

In FY24, the Group will be accelerating its implementation of practices that will ensure sustainable sourcing through certification and mitigation plans. Pernod Ricard favours a regenerative agriculture approach which is inherently holistic, taking the entire ecosystem into account: plants, soil, water, carbon, biodiversity, and livelihoods.

Valuing People

Pernod Ricard is committed to creating a safe, fair, and inclusive environment where sharing warmth, care, and respect are the standard for engaging and empowering people everywhere, within the Company and throughout its value chain.

These commitments gained momentum during FY23. Notably, the Group launched its global Diversity & Inclusion framework, which involves detailed KPIs to translate four objectives – talent management, workplace culture, innovation, and reputation – into improved business performance.

For FY24 and beyond, the Group seeks to evolve its Health & Safety paradigm, laying the foundations for a more holistic approach in supporting and protecting its employees and stakeholders. New comprehensive programmes focusing on health, safety, and wellbeing, including mental health, are being deployed across industrial and non-industrial environments (including head offices, sales teams, etc.) and will continue to evolve in the coming years.

(1) *Pernod Ricard defines a terroir as the supply of one agricultural raw material from one specific location, at least at the country level.*
(2) *Key agricultural materials are defined by annual spend (98%).*

Circular Making

The world’s finite resources are under immense pressure. Pernod Ricard is committed to minimising resource use at every step in its value chain by imagining, producing, and distributing products and experiences in more optimised and circular ways. The Group’s business is vulnerable to the impact of climate change on its activities and value chain, therefore mitigation and adaptation to climate change is a major focus of Pernod Ricard’s environmental policy. The biggest challenge lies in the Group’s supply chain, with the sourcing of natural ingredients and packaging. The Group is working on reducing greenhouse gas (GHG) emissions and adapting its business to ensure resilience in the face of climate-related risks.

In FY23, Pernod Ricard worked to improve the quality of its carbon emissions assessment, working closely with its suppliers to collect specific emissions factors for 20% of its Scope 3 GHG emissions. The Group also undertook an upgrade of its climate-related risks and opportunities assessment with extensive work done to evaluate the vulnerability of its resources and resilience of its business.

In FY24, the Group will be investing in major innovations to lower carbon emissions linked to distillation and packaging, and implementing programmes to deliver on its water management commitments.

Responsible Hosting

Pernod Ricard is committed to promoting responsible alcohol consumption and has a role to play in combatting the harmful use of alcohol. To this end, the Group works with stakeholders to achieve real change and continuously strengthens its responsible business practices.

In FY23, Pernod Ricard continued its effort to meet its major consumer information commitment of adding a QR code to every bottle redirecting to dedicated digital label, an innovative way of sharing relevant and up-to-date information with consumers to help them make responsible choices. Moreover, the Group continued to deliver responsibility-focused messages to consumers, with notable success including the Drink More Water campaign reaching since its launch over 400 million people online and 9 million people through on-the-ground activations in 60 countries, as well as five marketing campaigns by iconic brands. Over 12,300 bartenders were trained on sustainable and responsible practices through the Group’s Bar World of Tomorrow programme.

In FY24, the Group will keep conveying responsible messages to consumers by leveraging the power of its brands and implementing large-scale responsible drinking initiatives worldwide.

3.2 Our grain-to-glass strategy in line with our vision “Créateurs de convivialité”

3.2.1 A S&R strategy embedded in the Group’s business

The Pernod Ricard S&R roadmap covers all Group activities, from grain to glass. The Group’s S&R ambition sits at the heart of its mission to “unlock the magic of human connection by bringing Good Times from a Good Place.” For Pernod Ricard, S&R is a key business driver and is proving an important lever to accelerate its transformation by driving innovation, giving purpose to its brands, attracting talent, and bringing to life a vision of a more convivial world.

Pernod Ricard’s Manifesto

“*Créateurs de convivialité*: true to Pernod Ricard’s founding spirit, the Group has been bringing people together since its beginning, inviting them to share privileged moments and forge new friendships every day through our world-class portfolio of premium wines and spirits.

We are passionate hosts, a family of exceptional people who are committed to fighting alcohol misuse and creating a better way of living and working together, bringing good times today and for generations to come.

We are respectful guests, who care for and strive to protect and nurture the terroirs and environments in which we live. We partner with local farmers and respect local communities to benefit our planet, our consumers and business.

We bring good times from a good place, to create a more convivial world, a world without excess.”

3.2.2 Building sustainable & responsible relationships with our stakeholders across the value chain

FIGURE 1 – PERNOD RICARD'S STAKEHOLDERS

* *Non Governmental Organisation*

Pernod Ricard's 2030 S&R roadmap addresses the material risks facing its business along with consumer concerns and is aligned with the United Nations (UN) Sustainable Development Goals (SDGs). In FY23, the Group became a sponsor of the SDGs integration, a sign of its commitment to the UN Global Compact and a further illustration of the ambitious measures put in place to promote the SDGs.

The Group's roadmap sets ambitious commitments based on a 2030 timeline in line with the SDGs, with milestones set in 2025. The strategy primarily contributes to 8 SDGs, though it addresses 14 SDGs across the Group's entire value chain.

The S&R roadmap is the result of a long process of interviews and consultations with over 300 internal and external stakeholders and experts globally. Over 20 workshops were held with representatives of Brand Companies, Market Companies, Regions, HQ, and the Top Management team.

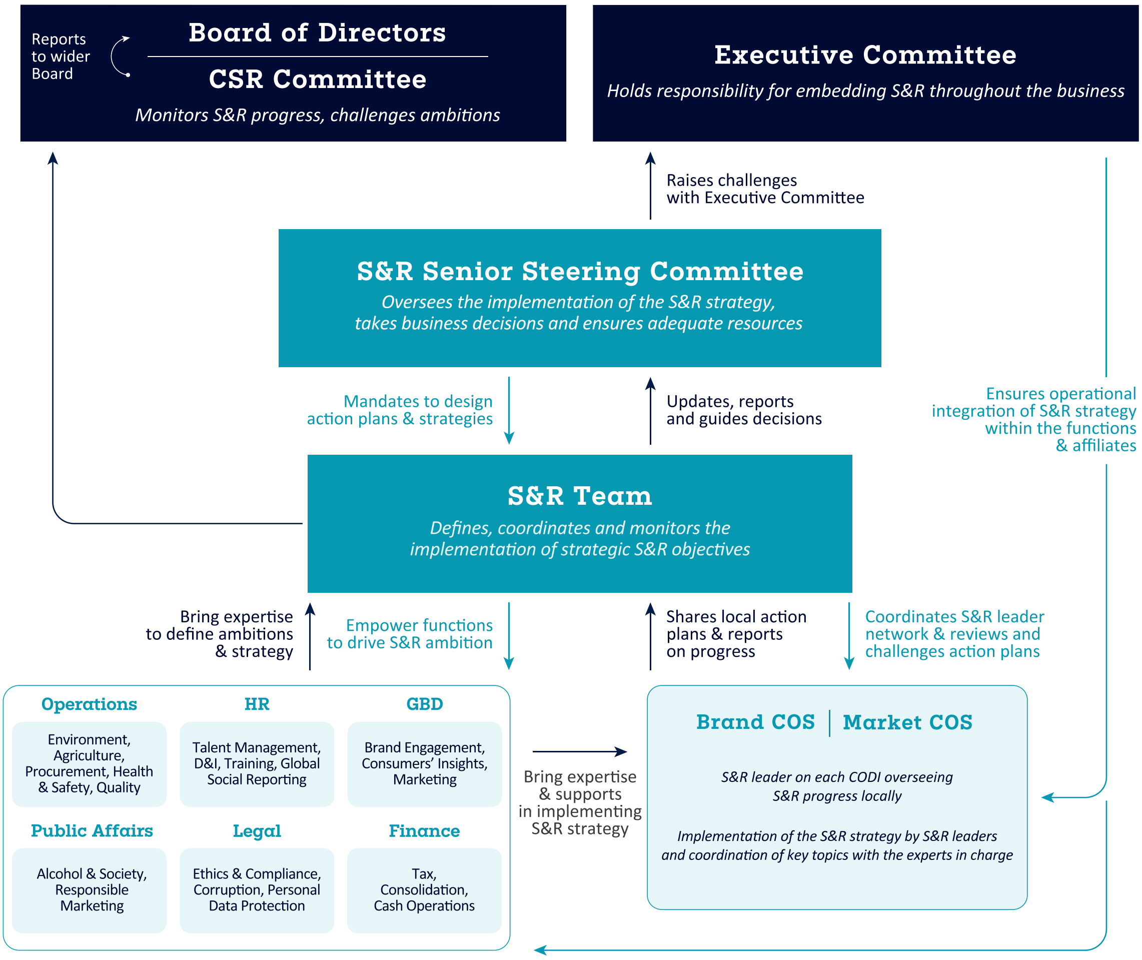
The Group closely monitors its commitments, objectives, and performance indicators. It reviews, challenges, and adapts its strategy and related roadmap according to its progress and the surrounding context. This ensures long-term consistency between the Group's growing ambitions and its impact, while enabling new, more effective monitoring tailored to the expectations of the various stakeholders.

3.2.3 A robust & engaged governance structure

A robust governance structure has been established to ensure the S&R roadmap is fully implemented throughout the Group, identifying specific responsibilities and clear reporting lines at each level, from the affiliates right up to the Board of Directors S&R Committee.

Since July 2022, Conor McQuaid has occupied the position of Executive Vice President (EVP) Corporate Communications, S&R and Public Affairs at Top Management level, sitting on the Executive Committee and the S&R Senior Steering Committee. This newly created role strategically leads and brings together these three global functions. Pernod Ricard's governance as a whole has quickly risen to sustainability challenges, with an executive team that is mobilised to develop the Group's resilience with respect to ESG issues. The creation of the Senior Steering Committee demonstrates the core position S&R takes in the Group's business, placing these questions at the highest level of decision-making.

FIGURE 2 – GROUP S&R GOVERNANCE



BOARD OF DIRECTORS – S&R COMMITTEE
Meets three times per year to monitor the Group's progress, challenges the ambition of the S&R strategy and raises awareness of long-term sustainability trends. The Board then identifies priority areas for action and which relevant issues to incorporate into strategic plans and budgets at operational levels. Reports to the wider Board.
EXECUTIVE COMMITTEE
The Executive Committees ensures that the Group's operations are carried out properly and that its main policies are applied, including the sustainability strategy which is one of the Company's top priorities. It is thus ultimately accountable for Pernod Ricard's performance against the S&R strategic goals. Two Executive Committees per year focus on S&R strategy, reviewing progress and approving crucial decisions on sustainability, including climate change.
S&R SENIOR STEERING COMMITTEE
Chaired by the CEO, the 13 members of the S&R Senior Steering Committee meet four times a year to oversee the advancement of the sustainability strategy's implementation, ensure proper resourcing and raise challenges to the Executive Committee: CEO, Managing Director GBD, Group EVP Human Resources, EVP Finance & IT, EVP Global Operations, EVP Corporate Communication, S&R and Public Affairs, Group General Counsel and Compliance Officer, Chief Sustainability Officer, VP Global Public Affairs and Alcohol in Society, Group Operations Director, Global Marketing & Commercial Director, Group Communications Director, Global SVP Investors Relations and Treasury.
S&R TEAM
The S&R team is responsible for the Group's S&R strategy and for reviewing all action plans by affiliates and brand companies to ensure alignment. It also empowers functions at the Headquarters level to become centres of expertise on S&R issues, ensures the Group's S&R strategy is embedded into business processes and practices, and monitors the Group's S&R progress.
HQ FUNCTIONS
The Headquarters functions bring expertise to define ambitions & strategy, drive the coordinated implementation of the S&R Strategy, report progress to the S&R team and support the S&R Steering Committee.

3.3 Non-financial performance statement

The following subsections feature detailed information on Pernod Ricard's S&R policies and performance, including a dashboard listing all relevant KPIs. While the Group's S&R strategy is holistic in both approach and scope as described above, this information is hereafter classified according to an Environmental, Social, and Governance (ESG) structure rather than according to the four pillars of Pernod Ricard S&R roadmap. This evolution from previous iterations of the present Universal Registration Document aims to:

- provide yet more transparency concerning the Group's performance by adopting a common frame of reference for all readers;
- facilitate consultation of single items for readers seeking specific information;
- anticipate alignment with forthcoming regulation, notably the CSRD[3].

(3) *Corporate Sustainability Reporting Directive.*

3.3.1 Pernod Ricard ESG performance dashboard

The dashboard below lists Pernod Ricard's various S&R commitments and provides KPIs relating to each target. For more information on a given commitment, associated policies, and KPIs, refer to the relevant subsection of the present section indicated in the "Reference" column.

TABLE 1 – ESG KPIs DASHBOARD

Commitment	Target year	Performance target	Performance in FY22	Performance in FY23	Progress status	Reference URD 23
NURTURING TERROIR (E)						
Cover all key agricultural raw materials[1] by risk mapping	2022	100%	98%	100%		3.4.2.2
Produce or source all key raw materials[1] in line with sustainability standards	2030	100%	31%	34%		3.4.2.3
Implement in all direct affiliates a regenerative agriculture or biodiversity programme linked to priority terroirs	2030	100%	73%	82%		3.4.2.4
Test local models for regenerative farming systems in the Group's vineyards in 8 wine regions[2]	2025	8	5	7		3.4.2.4
Empower, train or support farmers **(S)**	2030	5,000[2]	9,933	10,506		3.5.2.2
VALUING PEOPLE (S)						
Ensure gender pay equity across the business	Ongoing	<1%[3]	0.9	1.3		3.5.1.1.1
Achieve a gender balanced[4] Top Management[5]	2030	40-60%	35 %	36 %		3.5.1.1.1
Offer all employees at least one training session during the FY	Ongoing	100%	91%	99%		3.5.1.2.3
Offer all employees at least one future-fit training session every 3 years	2030	100%	-	21%		3.5.1.2.3
Become "best in class" in the Wines & Spirits industry for Health & Safety: moving towards zero accidents[6]	2025	Towards 0 accidents	70	60		3.5.1.3.1
Support all medium and high-risk suppliers through a mitigation plan[7]	2025	Mitigation plans	-	-		3.5.2.1
Align with the United Nations Guiding Principles (UNGPs) on Human Rights **(G)**	2025	Alignment	-	-		3.6.3
CIRCULAR MAKING (E)						
Reduce Scope 1 and 2 GHG emissions by 54% (in absolute value) vs FY18	2030	-54%	+1%	-12%		3.4.1.5.3
Use only renewable electricity on production sites and in administrative offices	2025	100%	81%	75%		3.4.1.5.3
Reduce financial intensity *(tCO_2e/€ of profit from recurring operations)* of Scope 3 GHG emissions[8] by 50% vs FY18	2030	-50%	-8%	-18%		3.4.1.5.3
Reduce overall water consumption intensity *(per unit of distilled alcohol)* by 20% vs FY18	2030	20%	-10.7%	-8.1%		3.4.3.1
Replenish water in watersheds for production sites and dedicated copackers located in high-risk areas	2030	100%	59.7%	58.3%		3.4.3.1
Apply eco-design principles (directives on sustainable packaging and point of sale material) to all NPD	2022	Compliance	-	-		3.4.3.2.1
Ensure all packaging is recyclable, reusable, or compostable	2025	100%	-	98%		3.4.3.2.1
Reach 50% of post-consumer recycled content for glass	2025	50%	-	35%		3.4.3.2.1
Reach 25% of post-consumer recycled content in PET bottles	2025	25%	17%	17%		3.4.3.2.1
Certify 100% of cardboard and paper used according to standards ensuring sustainable forest management	2025	100%	47%	43%		3.4.3.2.1
Reduce by 5% the weight of virgin plastic used vs FY20	2025	-5%	-8%	-27%		3.4.3.2.1

Commitment	Target year	Performance target	Performance in FY22	Performance in FY23	Progress status	Reference URD 23
Pilot R&D projects on circular distribution of Wine & Spirits	2030	5	1	2	On plan	3.4.3.2.1
Support recycling in key markets with low recycling rates(9)	2030	9	-	4	On plan	3.4.3.2.1
Ban single-use plastic in point of sale materials	2021	100%	100%	100%	Achieved	3.4.3.2.1
Ensure all point of sale material spend is recyclable, reusable or compostable	2025	100%	95%	98%	On plan	3.4.3.2.1
RESPONSIBLE HOSTING (S)						
Maintain all Group employees trained on alcohol & responsible drinking (through MOOC)	Ongoing	100%	94%	94%	On plan	3.5.1.4
Train sales staff and brand ambassadors on responsible sale of alcohol	2025	100%	-	19%	On plan	3.5.1.4
Train bartenders on all aspects of S&R through the Group's 'Bar World of Tomorrow' programme	2030	10,000	6,383	12,310	Achieved	3.5.2.3
Feature the three responsible drinking logos on all Pernod Ricard products	2024	100%	-	41%	On plan	3.5.3.1
Feature a digital label on all Pernod Ricard products informing consumers on product contents, potential health risks, and how to enjoy them responsibly	2024	100%	-	41%	On plan	3.5.3.1
Have no complaint upheld against Group marketing campaigns	Ongoing	0	0	1	In progress	3.5.3.2.1
Comply with the IARD Digital Guiding Principles (DGPs)	2024	95%	95%	95.5%	Achieved	3.5.3.2.1
Reach full completion rate on the e-learning(10) for the Code for Commercial Communications	N/A	100%	82%	80%	On plan	3.5.3.2.1
Implement age-gating on all Direct-to-Consumer (D2C) Pernod Ricard websites	2022	100%	100%	100%	Achieved	3.5.3.2.2
Roll out at least 12 marketing campaigns(2) (by strategic brands) to promote responsible drinking behaviour among consumers	2027	12	1	5	On plan	3.5.3.3
Contribute to at least one global or local responsible drinking initiative to fight alcohol misuse in all Group markets	2025	100%	93%	94%	On plan	3.5.3.4
Obtain the Responsible Host certification for Group brand homes	2025	100%	-	Self-assessment	On plan	3.5.3.4
Raise awareness of responsible drinking for visitors through Responsible Host certified brand homes	2030	10M	-	-	On plan	3.5.3.4

In progress *On plan* *Achieved*

(1) Defined by annual spend.
(2) Cumulative figures.
(3) External service providers consider a < 1% pay gap to be equivalent to 0 and in line with best practices.
(4) A team is considered balanced when it achieves a 40 to 60% share of men/women.
(5) Internal definition: Band C and above.
(6) Employees and interim staff.
(7) The internal risk mapping tool is used for all suppliers providing dry goods (packaging), wet goods (agricultural raw material), point of sale material and the terroirs risk mapping tool for key agricultural raw materials and priority terroirs.
(8) SBT reporting scope: packaging & POS, agricultural raw material and transportation.
(9) India, USA, Canada, China, France, Brazil, Spain, South Africa and Poland.
(10) Employees with a permanent contract, at least three months' seniority and belonging to a relevant job family.

3.3.2 Pernod Ricard sustainability risks & opportunities

In line with Directive 2014/95/EU on non-financial reporting as transposed into French law[4], Pernod Ricard publishes a "Non-Financial Statement". This regulation requires the Group to disclose its business model and information on key non-financial risks in this statement. These include risks related to the environment, employment, society, Human Rights, tax evasion[5], and corruption.

- For more information on Pernod Ricard's business model see Section 1.
- For more information on the Group's key non-financial risks see subsections 3.3.2.1 and 3.3.2.2 below.
- For more information on the Group's key risks see section 4. Risk management.

3.3.2.1 Presentation of the risk mapping methodology

Updated in FY21, the Group's risk mapping presents and classifies the risks based on their potential impact and probability of occurrence across the Group's activities[6]. Some of these risks are specific to sustainability. To ensure such risks and any opportunities are properly identified and mapped, Pernod Ricard uses the following methodology:

- Every three years, the main risks faced by Pernod Ricard are:
  - i. mapped by direct affiliates and HQ functions, and
  - ii. then consolidated at HQ level by the Group's Internal Audit Department;
- the same Group risk mapping methodology and tool are used to identify the main sustainability risks for the "Non-Financial Performance Statement";
- these sustainability risks are subject to in-depth analysis led by the S&R Department through research, competitive benchmarking, and internal and external stakeholder dialogue (see subsection 3.2.2 Building sustainable & responsible relationships with our stakeholders across the value chain). Other key HQ experts, including operations, legal, HR, public affairs, and finance, were also involved in confirming the top 13 risks and opportunities;
- the identified sustainability risks and opportunities were then cross-referenced with the 2021 Group Risk Mapping for confirmation and to ensure consistency with the Group's major risks listed in Chapter 4;
- the resulting thirteen non-financial risks and opportunities were subsequently presented to, and signed off, by the S&R Senior Steering Committee and the Board of Directors' S&R Committee.

3.3.2.2 Definition of the key sustainability risks & opportunities

Like any company, Pernod Ricard may be exposed to external or internal risks while also potentially benefiting from opportunities. It is thus essential to identify such potential risks and opportunities and ensure the roll-out of adequate action and/or mitigation plans.

What follows is a list of the 13 relevant key sub-risks that have been identified and their definitions, as well as opportunities where applicable.

Given the nature of Pernod Ricard's activities, the Group does not consider "tax evasion" to be a major non-financial risk. It was therefore not deemed necessary to explore it in this "Non-Financial Statement". Nevertheless, "tax evasion" is discussed in subsection 3.7.2 "Tax policy".

Risk category & description	Chapter 3 subsections
LEGAL AND REGULATORY RISKS	
Responsible supply chain Description: Beverage industry supply chains are inherently diverse and fragmented due to the multiplicity and diversity of actors, from agriculture to merchandising. As such, Pernod Ricard may be legally involved with suppliers whose practices do not comply with Human Rights (child labour, forced/bonded labour, health and safety, etc.); environmental standards (CO_2 emissions, toxic emissions etc.); or compliance and business regulations (corruption, fraud etc.). Potential impacts on the Group: Reputational damage, financial loss and legal liabilities.	3.5.2.1 Procuring responsibly 3.6.3 Acting for human rights
Sustainable agricultural supply chain Description: Agricultural practices in Pernod Ricard's supply chain may have various negative effects on the environment (soil degradation, poor water quality and availability, CO_2 emissions, biodiversity loss and deforestation) and the human rights of farmers or local communities (remuneration of farmers, health and safety, child or forced labour, land grabbing). Potential impacts on the Group: Reputational damage, legal liabilities.	3.4.2 Preserving nature & biodiversity
Anti-corruption & antitrust Description: Given the international scope of its activities, Pernod Ricard may be exposed to compliance issues related to anti-corruption laws and other regulations. This may be in its own operations or through its supply chain. Potential impacts on the Group: Reputational damage, criminal fines.	3.6.2.1 Preventing corruption and anti-competitive practices 3.6.2.2 Preventing influencing practices

(4) *Article R. 225-105 of the French Commercial Code.*
(5) *Pursuant to Act No. 2018-898 on combating fraud.*
(6) *The Group's major risks and the process for identifying them are described in Section 4.*

Risk category & description	Chapter 3 subsections
Data privacy Description: The digital transformation of its activities and the increasing number of regulations may result in Pernod Ricard facing compliance issues related to data protection regulations[1] and failing to protect the personal data of its consumers. Potential impacts on the Group: Reputational damage, legal liability, financial loss.	3.6.2.3 Personal data protection
Harmful use of alcohol by consumers Description: Pernod Ricard's reputation may be impacted by consumers' misuse of alcohol. Its activities may also be impacted by ongoing anti-alcohol sentiment or excessive and/or punitive regulations. Potential impacts on the Group: Lower revenues and profits without effectively reducing the harmful use of alcohol	3.5.1.4 Educating employees on alcohol and responsible drinking 3.5.3 Raising consumer awareness on responsible drinking 3.6.2.2 Preventing influencing practices
Excessive and/or punitive alcohol regulations implemented by Government to tackle harmful alcohol use Description: Such regulations may be spurred by harmful use of alcohol by consumers. The Group's activities may also be impacted by anti-alcohol sentiment or excessive and/or punitive regulations[2]. Potential impacts on the Group: Lower revenues and profits without reducing the harmful use of alcohol. *Opportunity:* *Pernod Ricard's Premiumisation ambition is about drinking less but better. This supports its responsible drinking goal. The Group's digital marketing drive enables better targeted advertising. This allows even better self-regulation and prevents the inadvertent exposure of minors or non-drinkers.*	
RISKS RELATING TO BUSINESS ACTIVITIES	
Talent management Description: Pernod Ricard may have difficulties attracting and retaining skilled people it needs due to: the competitive talent market; changes in the aspirations of younger generations; new global work outlook as a consequence of a) the pandemic and b) the future of work that may require a new set of skills or skill-scarcity in specific domains. Potential impacts on the Group: Reputational damage, operational difficulties, reduced financial performance. *Opportunity:* *Diversity and inclusion are a strategic priority for Pernod Ricard. Its goal is to have management teams and a workforce that reflect the diversity of its consumers globally. This will be achieved by fostering an inclusive organisational culture; creating an environment of equity, engagement and empowerment that facilitates everyone's involvement in support of its business strategy.*	3.5.1.1 Diversity & Inclusion (D&I) 3.5.1.2 Supporting our employees to grow
Working conditions and Health & Safety at work Description: Pernod Ricard's employees and contractors in production sites may be exposed to occupational injuries[3] or potentially permanent disability and death due to industrial processes or as a result of major industrial accidents or natural disasters. In addition, repeated lockdowns and remote working measures may have caused disruptions in the social ties and work-life balance of employees. Potential impacts on the Group: Reputational damage, operational difficulties, reduced financial performance.	3.5.1.3 Health, safety & wellbeing 3.5.1.4 Educating employees on alcohol and responsible drinking 3.6.3 Acting for human rights
INDUSTRIAL AND ENVIRONMENTAL RISKS	
Quality, food safety and product compliance Description: Pernod Ricard's product quality may be subject to an undetected deterioration (toxic contamination, alteration of taste, introduction of foreign objects into the bottles etc.). Potential impacts on the Group: Health hazards, reputational damage, financial liabilities and product recalls.	3.6.1 Ensuring quality, food safety & product compliance
Physical risks of climate change & environmental damage for Pernod Ricard production sites and suppliers Description: Severe weather events or natural disasters may damage physical assets at production sites. Moreover, rising temperatures and changing seasons may alter industrial processes and the availability of ingredients. Pernod Ricard might be slow to react to such climate change and fail to adapt its supply chain. Moreover, climate change may alter crop quality and areas of production leading to increased prices or even the inability to source in a specific area or produce a specific brand. These phenomena may also damage suppliers' physical assets and affect the quality, quantity and geographical location of agricultural raw materials, resulting in operational disruptions. Potential impacts on the Group: Financial losses and operational disruptions.	3.4.1 Mitigating and adapting to climate change 3.4.2 Preserving nature & biodiversity

Risk category & description	Chapter 3 subsections
Greenhouse gas (GHG) emissions Description: Due to the industrial nature of its activities and fast-changing environmental regulations, Pernod Ricard may fail to be fully compliant with new regulations and respond to stakeholder expectations. Moreover, distilleries emit GHG through the energy they use. Pernod Ricard may be impacted by energy supply and price volatility. Potential impacts on the Group: Reputational damage, operational disruptions. *Opportunity:* *By reducing energy consumption and associated GHG emissions and by building an offsetting and insetting strategy for its residual carbon emissions, Pernod Ricard can reduce its operating costs and anticipate carbon regulations in a volatile market.*	3.4.1 Mitigating and adapting to climate change 3.4.3.3 Environmental management systems
Water management & Waste management Description: Pernod Ricard's most water-intensive activities may impact water availability in certain areas, causing operational disruption and financial losses. This is especially true in water-stressed areas. Potential impacts on the Group: Operational disruptions and financial losses. *Opportunity:* *By implementing a water efficiency & virtuous circular mindset, Pernod Ricard could minimise waste at each step of its value chain and help preserve natural resources.*	3.4.3 Using resources responsibly 3.4.3.1 Preserving water resources 3.4.3.2 Circularity: limiting and eliminating waste
Packaging and point of sale material lifecycle management Description: Packaging and point of sale material are some of the Group's most carbon-intensive activities. They generate large quantities of post-consumer waste. Inadequate sustainable packaging policies or innovation might limit Pernod Ricard's ability to attract clients and consumers. The lack of recycling infrastructure or consumer awareness in some markets might hinder the Group's efforts to address packaging end-of-life locally. Potential impacts on the Group: Reputational damage, financial loss. *Opportunity:* *By minimising waste at each step of its packaging life cycle and exploring the use of alternative distribution mechanisms, Pernod Ricard can preserve natural resources and reduce costs.*	3.4.3.2 Circularity: limiting and eliminating waste

(1) General Data Protection Regulation, California Consumer Privacy Act, etc.
(2) Restrictions on sales and marketing, availability of its products, increased taxes and duties.
(3) Burns, physical trauma, falls, toxic inhalation, etc.

3.4 Our environmental sustainability

Pernod Ricard is highly dependent on natural ecosystems: all the Group's brands come from nature, in some 350 terroirs around the world. All the Group's activities, such as sourcing, production or packaging, require natural resources and impact these ecosystems by generating carbon emissions and waste. Therefore, environmental sustainability is crucial to Pernod Ricard and its many stakeholders in the face of climate change, biodiversity loss, and resource overexploitation. Having embedded S&R at the core of its business, Pernod Ricard is committed to act in the long-term along its supply chain to foster a resilient, regenerative, and circular business model. In FY23, the Group made significant progress in evaluating the vulnerability and future-readiness of its business and resources in the light of the latest scientific evidence and consumer insights. These efforts form the basis of this section, which develops the following topics:

(i) mitigating & adapting to climate change;

(ii) preserving nature & biodiversity;

(iii) using resources responsibly.

3.4.1 Mitigating and adapting to climate change

Climate change is one of the most urgent challenges facing this generation, and Pernod Ricard's business is particularly vulnerable to its impacts on terroirs, impacting yields and quality of raw materials. Moreover, Pernod Ricard generates emissions contributing to climate change in a range of ways:

- directly, by using fossil fuels on sites (Scope 1) and consuming electricity that generates GHG emissions (Scope 2);
- indirectly, through upstream and downstream activities (agricultural raw materials, packaging, logistics, etc.) (Scope 3).

Mitigating and adapting to climate change is a major area of focus for Pernod Ricard's environmental policy. The Group is working on reducing the CO_2 equivalent emissions generated throughout its supply chain and on adapting its business to ensure resilience to climate-related risks.

3.4.1.1 Alignment with TCFD recommendations

For greater transparency, and to put its operations in perspective with the reality of climate change and its consequences, Pernod Ricard follows the recommendations of the WRI[7]/WBCSD[8] GHG Protocol for carbon accounting, and of the Task Force on Climate-related Financial Disclosure (TCFD) for climate risk assessment and disclosure. These guidelines provide a framework to disclose exposure, share information concerning the Group's mitigation plans, and assess the Group's effective response to climate-related risks. Regarding the setting of climate targets, the Group is committed and aligned to SBTi guidance. For more information on Pernod Ricard's reporting in accordance with TCFD recommendations in FY23 and where areas of improvement remain, refer to subsection 3.8.2 "Task-Force on Climate related Financial Disclosures (TCFD) reporting recommendation alignment table".

3.4.1.1.1 Next steps in the Group's reporting approach

Pernod Ricard follows TCFD recommendations to inform stakeholders of its climate-related risks and how these are being managed in the short, medium, and long-term. Due to the wide geographical footprint of Group operations, it is crucial to monitor and analyse the impacts of climate change at a regional level. One of the Group's primary objectives is to make the management of climate change-related risks and opportunities an essential component of its operating model across its organisation.

Pernod Ricard will continue to develop its assessment of climate-related risks and opportunities, improve the quality of its scenario modelling and impact quantification, and to further embed its approach to risk management and mitigation throughout the organisation. The Group will continue to improve its strategic responses to the changing future outlined in the latest IPCC[9] report. For instance, the Group's analysis involved a first consistent screening of climate-related risks and opportunities. This first iteration could not tackle the highly complex modelling task of analysing compound and cascading risks, as this analysis approached each risk separately without including retroactive feedback loops (*e.g.*, the way repeated, combined heatwaves compounded by water scarcity can increase the risk of facility business disruption). In the near future, the Group will integrate a wider compound view into its future exercises. Additionally, thoroughly quantifying the financial impacts at stake remains a work in progress, and the methodologies used in this process are undergoing constant improvement.

3.4.1.1.2 Disclaimers concerning risks and scenario-led analysis

The scope of this TCFD section focuses on the main risks and includes forward-looking statements based on current high-level estimates and assumptions about anticipated events and other variables.

Climate scenarios are developed by combining information on future GHG emissions, corresponding atmospheric concentrations, and other factors such as economic activities, emission reduction policies, and technological changes. These projections of future events and the scenario analyses that follow are based on publicly available information as well as information held by Pernod Ricard. Although the Group strives to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will remain so in the future. These analyses are performed using sophisticated climate models based on assumptions and variables that, given the level of uncertainty related to climate modelling, may or may not materialise in the coming decades. Many of these assumptions relate to factors that are beyond Pernod Ricard's ability to control or precisely estimate, such as future market and economic conditions, the behaviours of other market participants, changes in consumer preferences, costs of raw materials, interest-rate and exchange-rate fluctuations, changes in tax rates, changes in law, and the actions of government regulators.

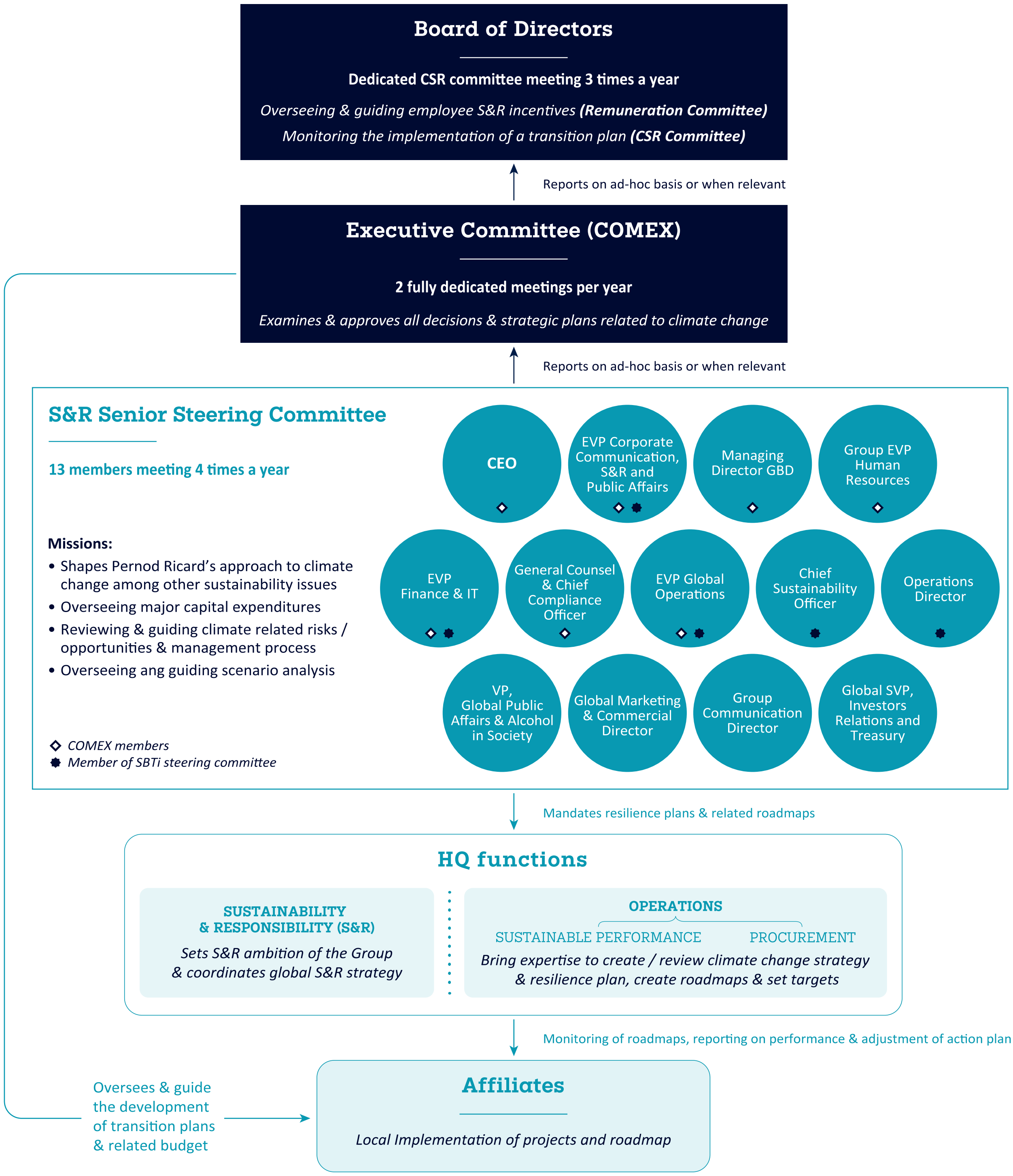
(7) *WRI: World Resources Institute.*
(8) *WBCSD: World Business Council for Sustainable Development.*
(9) *IPCC: Intergovernmental Panel on Climate Change.*

3.4.1.2 Climate governance

Pernod Ricard has a governance and organisational structure to ensure that climate change issues are fully incorporated into its strategy.

3.4.1.2.1 Board oversight and management role in assessing and managing climate-related risks and opportunities

FIGURE 3 – PERNOD RICARD CLIMATE GOVERNANCE STRUCTURE



A specialist headquarters team is responsible for creating, driving and overseeing the integration and engagement of the global S&R strategy at a corporate level. Each affiliate has a Sustainability Lead to ensure that sustainability risks and opportunities are embedded into their strategies and that performance is monitored. Moreover, the Procurement, Operations, and S&R corporate functions include teams of experts focused on the Group's sustainability agenda, which includes climate-related matters. Their activities include overseeing the execution of the roadmaps and developing relevant policies and procedures e.g., carbon reduction, responsible sourcing, sustainable CapEx, and defining metrics (scope and calculation methodologies). For more information on the Group's governance instances relating to sustainability issues (including climate), refer to subsection 3.2.3 "A robust & engaged governance structure".

In FY23, the Group expanded its climate governance by creating two new and temporary bodies:

- the **Net Zero Strategy Steering Committee** is a project committee tasked with designing an ambitious yet realistic Net-Zero 2050 pathway that is compliant with the latest SBTi Corporate Net-Zero standard and the SBTi's new FLAG Guidance for integrating agricultural emissions. More specifically, the Committee is charged with revising the Group's carbon targets by exploring pathways and assessing feasibility based on projected growth as well as internal and external levers. Sponsored by three Executive Committee members (EVP Finance & IT, EVP Global Operations and EVP Corporate Communication, S&R and Public Affairs), it includes the Operations, Procurement, and S&R Directors;
- the **TCFD Taskforce** was created as part of the Group's first climate scenarios exercise in FY23. It brings together a cross-functional team providing expertise on each separate topic related to climate issues (agriculture, glass and packaging, industrial sites operations, finance, legal, risks, etc.) to better inform decision-making. The Taskforce was notably involved in selecting the main climate risks described in subsection 3.4.1.4 "Pernod Ricard climate risk strategy" and related detailed assessments.

The Group also held the **Climate Leadership Day**, an executive-level event on climate-related issues. This first-of-its-kind event brought together the Executive Committee members to discuss and agree on initiatives with large-scale potential to improve the Group's climate resilience and implementation roadmaps relating to high-priority climate-related issues. Topics of discussion on the agenda included resilience of agricultural raw materials to climate change, decarbonisation of operations and supply chains, as well as appropriate governance and operating models to implement them.

3.4.1.2.2 Executive remuneration related to climate change performance

The qualitative criteria of the Chairman and CEO's annual variable compensation include deploying the "Good Times from a Good Place" strategy and implementing S&R projects.

In terms of Long Term Incentives, performance shares vesting is subject to internal performance conditions, including a non-financial criterion in addition to the internal financial performance criterion. One of the four objectives to meet this criterion is to implement the roadmap towards achieving Scope 1&2 SBT-aligned GHG emissions reduction targets on the Group's own sites by 2030. This is applicable to performance shares granted to the Chairman and CEO and to all the Top Executives.

3.4.1.3 Pernod Ricard approach to risk management

3.4.1.3.1 Integrated monitoring of climate risks and opportunities

Climate-related risks and opportunities are identified as part of the Group's global risk mapping. The global risk mapping, based on local risks identified by Group affiliates and on functional risks identified by Group functions, is updated every three years by the internal audit team. This team reports to the Chairman and CEO, and also presents its results to the Executive Committee and the Audit Committee. The Group's major risks are monitored annually. For more information on the Group's major risks, refer to Section 4 "Risk Management".

FIGURE 4 – 19 CLIMATE RISKS AND OPPORTUNITIES IN PERNOD RICARD RISK UNIVERSE

PHYSICAL RISKS

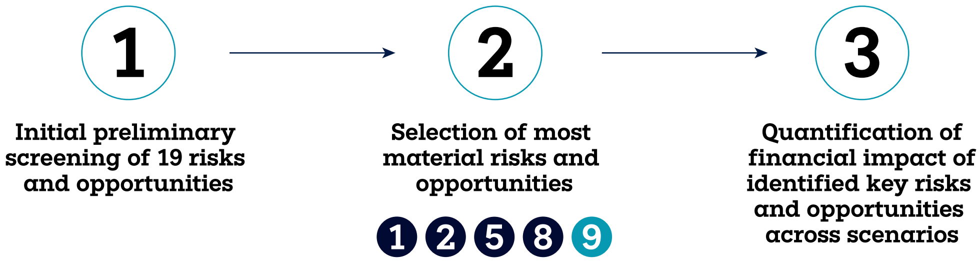
1. Impact of water, drought and temperature variability on agricultural raw materials
2. Impact of the degradation of key ecosystem services on raw materials
3. Impact of climate change leading to migration of workers
4. Impact of climate change on safety and workability
5. Impact of climate change on resources usage conflicts
6. Impact of water stress on operations and dry goods suppliers
7. Impact of heat stress on operations
8. Impact of extreme events on operations and logistics

TRANSITION RISKS

9. Increase of carbon pricing mechanisms and ETS* strengthening coverage along Pernod Ricard’s value chain
10. Strengthening of other climate-related regulations
11. Increasing customer expectations regarding responsible products
12. Increased concern or negative feedback of employees and other stakeholders on Pernod Ricard’s activities
13. Increasing investor expectations on business climate performance

OPPORTUNITY

14. Optimization of energy usage and consumption
15. Development of alternative materials through rethinking, reuse and recycling
16. Increase of low carbon energy sourcing
17. Development of regenerative agriculture practices and strengthening of wet goods suppliers' climate resilience
18. Strengthening of dry goods suppliers’ and subcontractors’ climate resilience
19. Market shares gains induced by an increased demand for products or services oriented towards an increased sustainability



* *Emissions Trading System*

To integrate climate-related risks and opportunities within Pernod Ricard's multidisciplinary, company-wide risk management process, the Group started by identifying all potentially relevant risks and opportunities across its operations and value chain, upstream and downstream.

Climate risks have been identified based on the work of a panel of TCFD Taskforce members. A risks and opportunities universe was defined following a multi-criteria analysis based on the likelihood and severity of impacts, weighted by all representatives during ad-hoc TCFD workshops. The highlighted risks during these preliminary steps were then assessed in terms of qualitative gradation scale, physical units impacts, and/or financial impacts, depending on the risk considered. The results of the analysis of climate-related risks and opportunities were then integrated into the Group's global risk mapping.

Environmental risks and their mitigation plans are under the responsibility of the EVP Global Operations. The Group's environmental roadmap also encompasses environmental action plans for the main environmental risks. At Brand level, each Brand Owner with manufacturing activities is required to implement an ISO 14001 certified Environment Management System for its production activities, and therefore has identified the impacts and risks of its activities on the environment, climate change being one of the most material. At site level, local Business Continuity Plans that include climate change-related considerations are periodically updated and reviewed.

3.4.1.4 Pernod Ricard climate risk strategy

3.4.1.4.1 Identifying climate-related risks and opportunities

Use of scenario analysis in the present disclosure

In FY23, the Group conducted its first scenario analysis for a selection of climate risks following the TCFD recommendations using various narratives. These are all-encompassing prospective views used to guide the decision-making process, which are further refined into physical scenarios and transition scenarios for operational purposes. They integrate both internal (growth rate, business evolution, Pernod Ricard's decarbonation strategy, etc.) and external drivers (regulations & policies, technological improvements, etc.).

Three IPCC scenarios - Representative Concentration Pathways (RCPs) - focused on physical impacts have been considered when assessing physical climate risks and Pernod Ricard activities exposure:

Scenario RCP2.6 (+1.5°C by 2100)
Scenario RCP4.5 (+2.4°C by 2100)
Scenario RCP8.5 (+4°C by 2100)

These three scenarios were used to derive gross financial estimates, before considering any impact of mitigation measures. These results will inform the implementation of Pernod Ricard's resilience plan. External data providers were used regarding agricultural impacts (through FAO[10] portals) and ad hoc climate-related extreme events (such as water stress and coastal/riverine flooding from the WRI Aqueduct data platform), all aligned with the RCP4.5 and RCP8.5 scenarios. Physical risks related to the reduced availability of raw materials and the impacts on operations of climate-related events have been considered using those physical scenarios.

For the transition risks and opportunities studied, two NGFS[11] scenarios were used and further customised to provide a comprehensive view of the evolution of energy-related drivers (energy mix per geography, carbon price, the evolution of emission factors, developments in energy efficiency, etc.):

NGFS "Delayed Transition" (+1.6°C by 2100)
NGFS "Net Zero 2050" (+1.4°C by 2100)

Two transition narratives were drawn from this that differ in policy reaction, steepness, and homogeneity across geographical areas, while ensuring to keep a stringent below 1.5°C scenario. This difference was translated into divergent carbon price pathways and policy implementation rate, for instance, across time horizons and geographies, which led to differentiated outcomes per scenario.

It must be noted that scenario analysis is a process identifying and assessing the potential implications of a range of plausible future states under conditions of uncertainty. Scenarios are hypothetical constructs and are not designed to deliver precise outcomes or forecasts. Instead, scenarios provide a way for Pernod Ricard to consider how the future might look if certain trends continue or certain conditions are met.

(10) FAO: Food and Agriculture Organisation.
(11) NGFS: Network of Central Banks and Supervisors for Greening the Financial System.

3.4.1.4.2 Table of identified climate-related risks and opportunities

Climate-related risks and horizon	Area of business impacted	Potential financial impact and magnitude of impact	Impact on the Group's strategy and financial planning
TRANSITION RISKS			
Policy and legal			
Long-term risk: • Increase of carbon pricing mechanisms and ETS strengthening coverage along Pernod Ricard's value chain (risk #9) • Strengthening of other climate related regulations (risk #10)	**Supply chain & Operations**	**Medium impact:** • Regulations may have an impact on direct costs should, for example, the Group be required to buy carbon quotas. In Europe, the Group's four largest distilleries are subject to the EU-ETS • Indirect impacts may occur through the cost of compliance with new regulations and increases in raw material prices (especially for glass manufacturing, which is energy-intensive)	Pernod Ricard takes measures to reduce GHG emissions: • directly at production sites through energy efficiency and renewable energy • indirectly with its suppliers and by optimising the logistics chain
Reputation			
Long-term risk: • Rising customer expectations regarding responsible products (risk #11) • Rising concerns or negative feedback among employees and other stakeholders regarding Pernod Ricard's activities (risk #12)	**Products & Services Operations**	**Medium impact:** • The Group believes a shift in consumer preferences might lead to a fall in market share • Reputational damage *e.g.*, in the event of negative media coverage • This may reduce its ability to attract and retain talents	• The risk of shifting consumer preferences is factored into the Group's marketing strategy. For example, Pernod Ricard's eco-design policy aims to make products more sustainable (see subsection 3.4.3.2 "Circularity: limiting and eliminating waste") There is also a dedicated tool and research performed by the consumer insights team • Internal engagement strategy from communication, to e-learnings, workshops and events such as Responsib'All Day
FINANCING AND VALUATION RISKS			
Long-term risk: • Increasing investor expectations on business climate performance (risk #13)	**Finance**	**Medium impact:** • This could reduce the Group's access to capital due to increased expectations of investors	• The Group includes ESG updates in its investor relations and progressively reports in line with the TCFD Framework
PHYSICAL RISKS			
Chronic			
Long-term risks: • Impact of water, drought, and temperature variability on agricultural raw materials (risk #1) • Impact of the degradation of key ecosystem services on raw materials (risk #2) • Impact of climate change leading to migration of workers (risk #3) • Impact of climate change on safety and workability (risk #4) • Impact of climate change on conflicts tied to resource usage (risk #5) • Impact of water stress on operations and dry goods suppliers (risk #6) • Impact of heat stress on operations (risk #7)	**Supply chain & Operations**	**High impact:** • The financial implications of agricultural supply chain disruption could be significant. It could lead to higher prices for raw materials • It could also increase instability in the local workforce and reduce availability due to migration, increase accidentology, and reduce labour productivity due to the degradation of workers' livelihoods • Water stress may lead to disruptions in water-intensive activities (*e.g.*, distilleries, bottling), as well as heatwaves on operations (*e.g.*, temperature regulation of spirits and wine maturation processes)	• To face extreme variability in weather patterns, the Group uses hedging to limit the extent of seasonal volatility due to climate factors • The Group supports more resilient regenerative agricultural systems (see subsection 3.4.2.4 "Regenerative agriculture & biodiversity programmes") • It also includes environmental factors in its Pernod Ricard Supplier Standards and Responsible Procurement process as well in its Key Sustainable Agriculture Principles (see subsections 3.4.2 "Preserving nature & biodiversity" and 3.5.2.1 "Procuring responsibly") • Water management is a significant component of the Group's environmental strategy (see subsection 3.4.3.1 "Preserving water resources")
Extreme			
Long-term risk: • Impact of extreme events (fire, hurricanes, flooding, etc.) on operations and logistics (risk #8)	**Supply chain & Operations**	**High impact:** • This risk could lead to the loss of a strategic industrial site. The impact could result in a significant operating loss and hence a sharp drop or prolonged shut-down in the supply of certain products. This might prevent the Group from meeting consumer demand	Implementation of preventive measures and physical protection systems: • audit of industrial sites along with insurers • establishment of business continuity management systems

Climate-related risks and horizon	Area of business impacted	Potential financial impact and magnitude of impact	Impact on the Group's strategy and financial planning
RESOURCE EFFICIENCY OPPORTUNITY			
Short-term opportunity • Optimisation of energy usage and consumption (opportunity #14) • Development of alternative materials through rethinking, reusing, and recycling (opportunity #15)	**Supply chain & Operations**	**Medium impact:** • Efficiency programmes can reduce operating costs and provide the Group with a competitive advantage • Alternative materials and low carbon energy sourcing can reduce dependence on limited natural resources and exposure to carbon pricing, and increase the optimisation of logistics	• Climate change is an important part of one of the key pillars of the Group's S&R roadmap. The Group will continue to roll out energy efficiency programmes (see subsection 3.4.1.5 "Ensuring business resilience through a decarbonisation roadmap") • The lower operating costs are factored into financial planning
ENERGY SOURCE OPPORTUNITY			
• Increase of low carbon energy sourcing (opportunity #16)	**Supply chain & Operations**	**High impact:** • Alternative materials and low carbon energy sourcing can reduce dependence on limited natural resources and exposure to carbon pricing, and increase the optimisation of logistics	• Production sites consistently increase their operational energy efficiency through frequent investments, detailed energy analysis and consumption monitoring (see subsection 3.4.1.6.3 "Carbon footprint reduction initiatives on Scopes 1 and 2 emissions")
RESILIENCE OPPORTUNITY			
Long-term opportunity • Development of regenerative agriculture practices and strengthening of wet goods suppliers' climate resilience (opportunity #17) • Strengthening of dry goods suppliers' and subcontractors' climate resilience (opportunity #18)	**Supply chain & Operations**	**Medium impact:** • Establishing cooperative relationships with suppliers is a source of value creation but also of innovation	• The Group supports more resilient regenerative agricultural systems (see subsection 3.4.2.4 "Regenerative agriculture & biodiversity programmes")
PRODUCTS AND SERVICES OPPORTUNITY			
Short-term opportunity • Market share gains induced by increased demand for products or services oriented towards greater sustainability (opportunity #19)	**Product & Services**	**High impact:** • This will generate new product and service offerings. The Group believes this might result in greater market share	• Innovation and digital are considered strategic priorities; different entities are working on innovative projects

The 19 risks and opportunities in the risk universe have been prioritised following a materiality analysis based on two criteria:

- the probability of occurrence;
- the severity of the financial impact such an occurrence would generate.

High-priority risks were then subjected to in-depth analysis under various future climate scenarios and time horizons. The Group conducted assessments for its own sites and those of key suppliers and logistics and over three timeframes – short-term (2030), medium-term (2040), long-term (2050):

- Pernod Ricard sites underwent high-level analysis of the risks to which they are likely to be exposed; those of either greatest strategic importance or at greatest risk received more detailed assessments;
- supply chain and logistics (factories and warehouses of key suppliers and key agricultural commodities) were analysed to determine those that might be exposed to physical risk in the future.

3.4.1.4.3 Assessment of risks

Following the method described above, the most material risks were selected from the list of highly-rated risks, and summarised into three encompassing priority risks (see table below). Other risks and opportunities identified as potentially material are monitored and will be further assessed during the next stages of the TCFD analysis.

Risk category	Risk from risk universe
Agricultural raw materials availability shortage *Physical chronic risk*	Risk n°1: Impact of the climate change on agricultural raw materials procurement
	Risk n°2: Additional/mitigated impact of climate change depending on alternative levels of soil quality and ecosystem preservation
	Risk n°5: Impact of climate change on resources usage conflicts
Business interruption risks on production sites *Physical acute risk*	Risk n°8: Impact of extreme events on operations & logistics
Carbon price mechanisms strengthening *Transition risk*	Risk n°9: Impact of carbon pricing strengthening along the value chain

Agricultural raw materials availability shortage

Scope and methodology

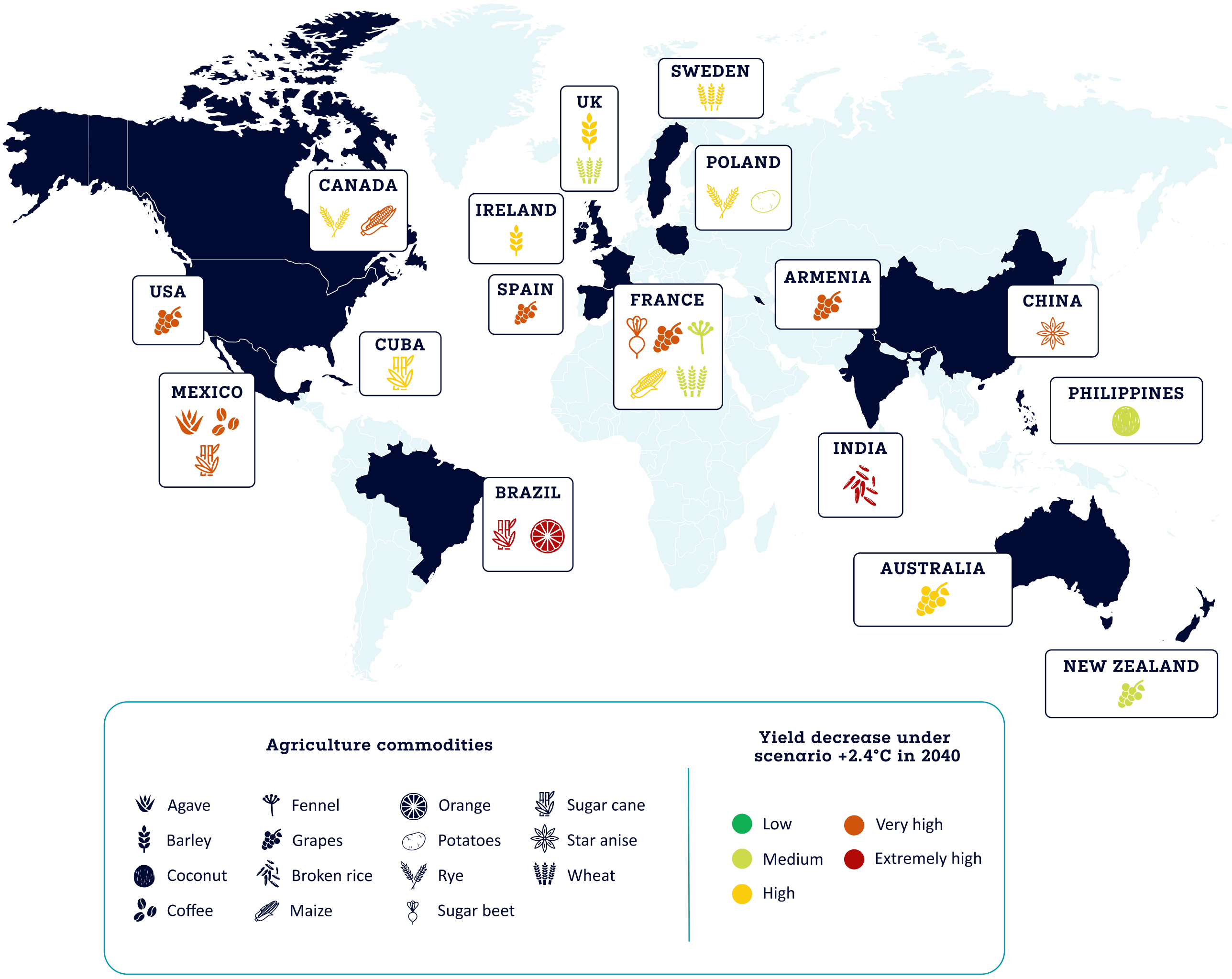
Approximately 80% of FY21 agricultural raw material purchases were selected for the analysis. A total of 16 commodities and their derived products in 34 terroirs were selected for in-depth analysis.

The FAO GAEZ-type[12] agroclimatic portal[13] was used to obtain yield variations (t/ha) per region and commodity studied according to different horizons and scenarios. A distinction between yield variations due to pure agroclimatic factors and variations due to soil quality and degradation was made to drive the Group's response plan. The outcomes are undergoing an assessment process to translate them into financial impacts in the upcoming disclosures.

Key findings

The analysis results show that agricultural crop yields are significantly impacted in 2040, Indian and Brazilian terroirs being the most exposed (see figure below).

FIGURE 5 – EVOLUTION OF AGRICULTURAL CROP YIELDS BY TERROIR BETWEEN 2021 AND 2040 UNDER THE RCP4.5



(12) GAEZ: Global Agro-Ecological Zones.
(13) https://www.fao.org/gaez/en.

Carbon price mechanisms strengthening

All results are displayed across three time horizons (2030, 2040, 2050) and three different scenarios.

All Pernod Ricard European and UK-located operations are already subject to carbon pricing mechanisms, directly through Pernod Ricard's own operations, as well as indirectly through its suppliers' increased costs that further pass on these cost increases to the Group. The continued recent spikes in EU and UK carbon allowance prices, as well as the expansion of the implemented and planned EU-ETS[14] to most major countries, adding to cross-border international mechanisms such as CBAM[15], Corsia (for air emissions) and IMO[16] (maritime emissions) could all form a major financial risk for Pernod Ricard. These trends are further supported by IEA[17] and NGFS transition scenarios confirming the need to bind ubiquitous carbon mechanisms at a sound level to reach emissions pathways aligned with 1.5°C or even a 'well below' 2°C scenario (WB2DS).

Scope and methodology

The analysis covers both direct impacts related to Pernod Ricard Scopes 1 and 2 emissions, and indirect impacts related to Scope 3 emissions for the following emission sources: agricultural raw materials, dry goods, upstream and downstream transportation. As such, the analysis covers 100% of Scopes 1 and 2 emissions and 85% of Scope 3 emissions, based on the FY22 Pernod Ricard carbon footprint.

Based on two transition scenarios outputs (NGFS "Delayed Transition" and "Net-Zero 2050" scenarios), Pernod Ricard modelled the impact of carbon price evolution through various scenarios and time horizons on its business, including both direct operations (Scopes 1 and 2 emissions). Three prospective drivers were considered:

- carbon price (€/tCO_2e);
- carbon mechanisms coverage rate *(i.e.*, the share of emissions that is truly subject to non-free allowance and is being taxed per activity – glass sector, transportation, etc.);
- supplier carbon pass-through rate (*i.e.*, suppliers' ability to pass their increased operating costs on to Pernod Ricard by raising their own prices).

The Group's FY22 carbon footprint was distinguished into different geographies based on affiliate and suppliers' locations, to differentiate between several carbon price and coverage rate pathways. Carbon price prospective values were taken from the above-listed public transition scenarios outputs in 2030, 2040 and 2050.

Key findings

In all scenarios, carbon policies will continue to differ between mature markets (OECD[18]) and the rest of the world, resulting in wide variations in carbon prices by geography.

Carbon prices are expected to reach their highest levels in the "Delayed Transition" scenario, wherein most of the transition is led by regulatory strengthening (contra the "Net-Zero 2050" scenario, wherein regulatory strengthening is lower due to international cooperation).

Business interruption risks on production sites: focus on water scarcity and heatwaves

The scenarios used for the current analysis are IPCC RCP climate scenarios RCP4.5 and RCP8.5. RCP2.6 has been discarded from the analysis as being the less stringent and meaningful from a physical risk assessment perspective.

The increased severity and frequency of extreme weather events induced by climate change will impact Pernod Ricard's operations and industrial facilities, leading to direct damage to stock and content as well as to periods of business disruption periods. Given the nature of the Group's business, cyclones and flooding, as well as extreme heatwaves and water stress, constitute the most material hazards. While Pernod Ricard has already adapted and prepared to cyclones and flooding events through appropriate business continuity plans, construction design, and repeated monitoring, dealing with water scarcity and heatwaves remain the main challenge to deal with. For more information regarding the Group's commitments, policies, and programmes relating to water management, see subsection 3.4.3.1 "Preserving water resources".

Scope and methodology

The scenarios were used to determine the exposure level of a selection of 117 sites considered as most impactful for the Group (54 Group-owned production sites and 63 supplier and co-packers facilities) to four hazards: cyclones, flooding, heatwaves, and water stress. This made it possible to analyse the relationship between the intensity of these hazards and the asset and stock value at risk, or the loss of production they would generate. This analysis was performed for several scenarios, time horizons, climate hazards, by type of site (distillery, bottling, warehouse) and by Group affiliate. As mentioned, Pernod Ricard chose to focus on water scarcity and heatwaves in this year's report as they represent the most material impacts.

The impacts of drought & water stress events are highly complex since they depend both on climate-related factors (*i.e.*, the intensity & frequency of drought events) and socioeconomic factors (*i.e.*, the level of pressure put on available water resources). To define water stress levels, Pernod Ricard used the outputs provided by the WRI Aqueduct data platform, at a catchment level. Water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Higher values indicate more competition among users, and hence a higher risk of water shortage and business disruption in case of major drought event.

The impact of heatwaves can be translated in terms of labour productivity, using climate indicators quantifying the level of heat stress caused by heatwaves on people. While there is extensive literature on the impacts related to heat stress on people and labour productivity, papers diverge highly as there is no clear consensus depending on the sector, activity type, geography, etc.

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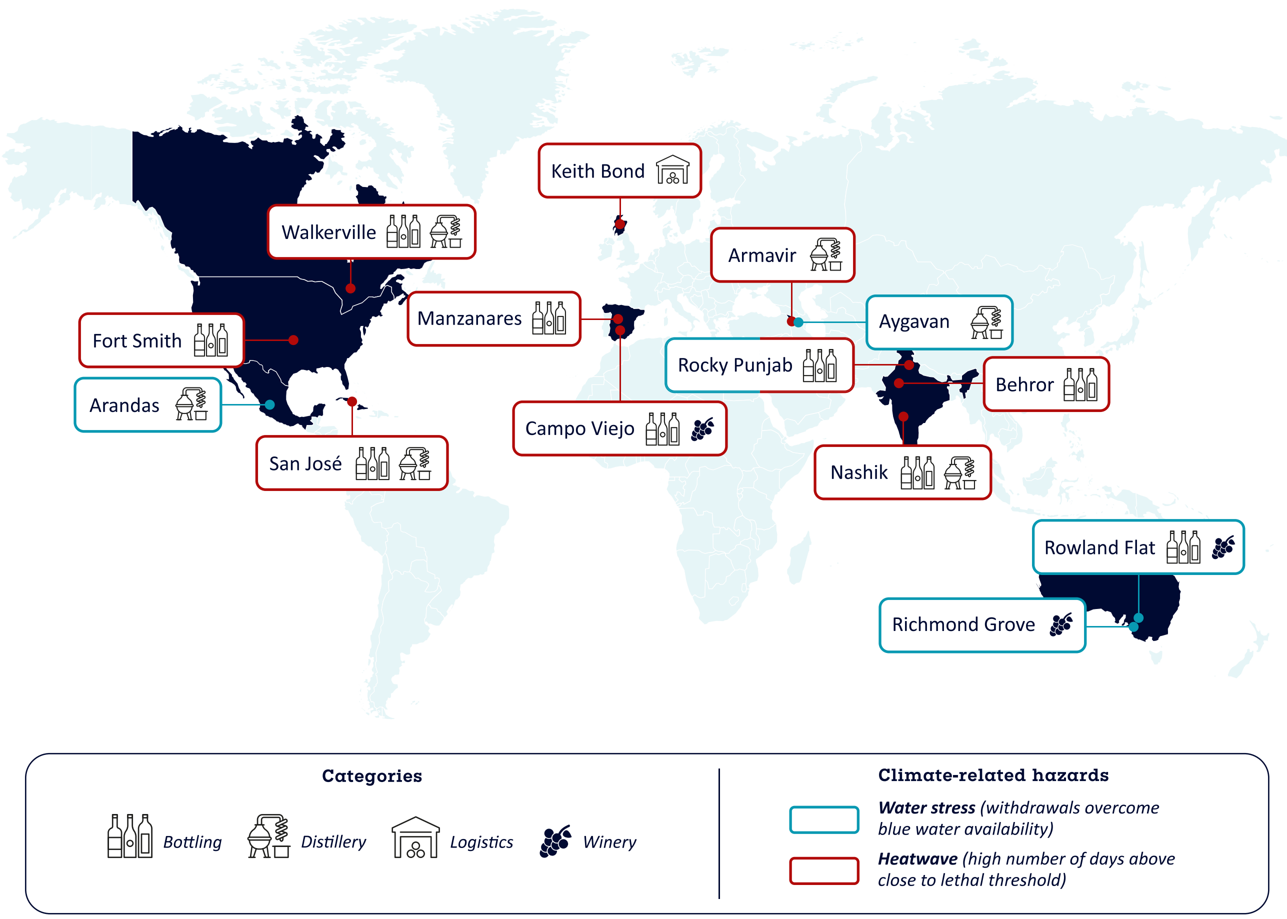
(14) *ETS: the European Union's Emissions Trading System.*
(15) *Carbon Border Adjustment Mechanism.*
(16) *International Maritime Organisation.*
(17) *International Energy Agency.*
(18) *OECD: Organisation for Economic Cooperation and Development.*

Key findings

FIGURE 6 – PERNOD RICARD SITES HIGHLY EXPOSED TO CLIMATE-RELATED HAZARDS BY 2040 (RCP4.5 SCENARIO: +2.5°C BY 2100)



Business interruptions in facilities could halt part of the Group's supply chain for related Brands and products, and thus reduce its production. 27 of the 117 sites selected for the analysis are highly exposed to at least one extreme event (flooding, cyclones, water stress, heat wave), 70% of which are located in India. Currently, based on analyses performed through the WRI Aqueduct data platform, 12 facilities along the Group's value chain are located in highly water-stressed areas. This figure could increase up to 13 facilities by 2040 following an RCP8.5 scenario, highlighting the need to continue adaptation planning efforts and to integrate water management policies into Group operations.

	Water stress		Heatwaves	
Scenario	RCP4.5	RCP8.5	RCP4.5	RCP8.5
Annual potential production volume loss due to business interruption in 2040 (k9Lcs)	2,244	2,244	1,850	7,134

3.4.1.5 Ensuring business resilience through a decarbonisation roadmap

3.4.1.5.1 A transition plan in action

In June 2019, the Science-Based Targets (SBT) initiative approved Pernod Ricard's GHG emission reduction targets. These are aligned with a "well-below-2°C" scenario for Scopes 1 and 2 emissions and the 2°C scenario for the target intensity of the Scope 3 emissions. In July 2021, Pernod Ricard joined "Business Ambition for 1.5°C" to align its climate mitigation objectives with the Paris Agreement: to achieve net-zero global emissions by 2050 at the latest to limit global warming to 1.5°C. Through this commitment, the Group revised its Scopes 1 and 2 targets, which are now aligned with 1.5°C, and is revising its near-term ambitions in accordance with new SBTi recommendations defined by the Net-Zero Standard, the FLAG[19] guidance and the GHG protocol – Land Sector and Removals.

A decarbonisation roadmap has been defined for all Group production sites. This is based on major CapEx projects and renewable energy initiatives implemented at the main Group distilleries. On Scope 3, the Group is working alongside its main suppliers and building lasting relationships to accelerate their decarbonisation pathways, through e.g., co-constructing roadmaps and conducting pilots.

For more information on the Group's carbon footprint, see subsection 3.4.1.6 "Overview of Pernod Ricard's carbon footprint".

To achieve these objectives, the Group has launched actions addressing each of its main emission sources.

Scopes 1 and 2 – Production site emissions

The reduction of emissions from production sites relies mainly on two levers:

- **improving energy efficiency**;
- **using low-carbon energy sources**.

For more information, see subsection 3.4.1.6.3 Carbon footprint reduction initiatives on Scopes 1 and 2 emissions.

Scope 3 – indirect GHG emissions

The Group is undertaking initiatives to reduce its main Scope 3 emissions, namely:

- **agricultural raw materials;**
- **packaging and point of sale materials;**
- **logistics & transport.**

This involves not only in-house innovation efforts, but also a strong commitment to suppliers. For more information, see subsection 3.4.1.6.4 "Carbon footprint reduction initiatives on Scope 3 emissions".

3.4.1.5.2 An adaptation plan in action

Agricultural raw materials procurement adaptation plan

Pernod Ricard's adaptation plan is mainly based on the Group's policies in support of regenerative agriculture and biodiversity preservation.

Implementing regenerative agricultural practices and using technical and technological tools helps increase local resilience to climatic events. Pernod Ricard is scaling up and extending its regenerative viticulture pilot projects, which are already underway in eight wine regions around the world. The Group also supports similar projects with its grain suppliers, with ongoing research and collaboration efforts to encourage sustainable practices. Various levers are considered:

- establishing a diversified and resilient cropping system;
- selecting and managing climate resistant grape varieties;
- agricultural practices that maintain and improve soil health;
- reducing and optimising the amount of water needed for agricultural production;
- supporting and training farmers on regenerative agriculture practices;
- varietal selection targeting resilience and resistance.

For more information on the Group's policies related to terroirs, see subsection 3.4.2 "Preserving nature & biodiversity".

Preserving water resources

To preserve water resources in its direct operations, the Group focuses its efforts on two main drivers: reducing water consumption by implementing solutions to save, reuse, and recycle water and supporting water replenishment in high-risk watersheds. For the next few years, the Group has consolidated the water reduction roadmaps from the main contributing affiliates and identified associated investment plans to achieve its 2030 targets. It must:

- reduce water consumption, particularly in water-stressed areas;
- support replenishment in water-stressed basins where production sites operate;
- preserve water quality by monitoring pollutants released by production sites;
- fully comply with evolving environmental regulations.

For more information on Pernod Ricard's commitments related to water management, see subsection 3.4.3.1 Preserving water resources.

3.4.1.5.3 Measures and objectives

To ensure it has the means to meet its targets and new regulatory obligations, Pernod Ricard has set up a robust governance structure dedicated to Sustainability & Responsibility issues as well as detailed targets. Reporting and monitoring tools covering all the indicators in all Group affiliates make it possible to check on its progress and ensure all the involved functions are aligned in achieving these objectives.

Indicators related to transition risks

As defined in the TCFD guidance and other regulatory framework requirements, the following indicators are monitored regularly, enabling the Group to assess and manage climate change risks, guide the definition of its low-carbon strategy, and increase transparency and accountability to its stakeholders:

- energy consumption and mix, see subsection 3.4.1.6.2 "Breakdown of Pernod Ricard's energy consumption";
- Scope 1, 2, 3 and total GHG emissions, see subsection 3.4.1.6 "Overview of Pernod Ricard's carbon footprint";
- GHG financial intensity;
- GHG removals in own operations and the value chain.

[19] *Released by SBTi during FY23, the Guidance requires submitting separate FLAG and non-FLAG targets. More information: Forests, Land and Agriculture – Science Based Targets.*

Indicators related to physical risks

- water efficiency on own operations vs. targets, see subsection 3.4.3.1.1 "Water use in operations & wastewater";
- number of sites under high/very-high water stress levels, see subsection 3.4.3.1.2 "Water resources preservation strategy";
- number of terroirs assessed under risk terroir mapping, see subsection 3.4.2.2 "Mapping the Group's terroirs".

Pernod Ricard's environmental objectives, whether directly or indirectly related to climate change, are detailed in the subsequent pages of this section:

- carbon footprint reduction targets are displayed below;
- water-related targets are listed in subsection 3.4.3.1 "Preserving water resources";
- agricultural raw materials related targets (risk mapping, certification, programmes, etc.) are listed in subsection 3.4.2 "Preserving nature & biodiversity".

Policy	Commitment	Target year	Performance target	FY22	FY23	Progress status
2030 S&R roadmap	Reduce Scopes 1 and 2 GHG emissions by 54% (in absolute value)[1] vs FY18	2030	-54%	+1%	-12%	On plan
Integrated in green financing	*Reach FY25 Scopes 1 and 2 reduction target*	*2025*	*220,000 tCO_2e*	*301,706 tCO2e*	*263,223 tCO2e*	On plan
	Reach FY30 Scopes 1 and 2 absolute emissions target	*2030*	*138,000 tCO_2e*			
2030 S&R roadmap	Use only renewable electricity on production sites and in administrative offices	2025	100%	81%	75%	In progress
	Reduce financial intensity[2] of Scope 3 GHG emissions by 50% vs FY18	2030	-50%	-8%	-18%	On plan

(1) Aligned with 1.5°C, which goes beyond the initial target of 30% reduction submitted to SBTi in 2019.
(2) tCO_2e per € of Profit from Recurring Operations; SBT reporting scope: Purchased Goods (agricultural raw materials and packaging) and Transportation, excluding POS data (not available for FY23).

3.4.1.6 Overview of Pernod Ricard's carbon footprint

The Group's overall carbon footprint in FY23 amounted in total to 4,789,432 tonnes of CO_2e (Scopes 1, 2 and 3, all GHG types included), of which 263,223 came from the direct use of energy (Scopes 1 and 2) and 4,526,209 were related to upstream and downstream activities (Scope 3).

GHG emissions	Unit	FY18	FY22	FY23
Scope 1 direct GHG emissions	tCO_2e	250,542	273,580	232,381
Scope 2 indirect GHG emissions (Market-based)	tCO_2e	47,429	28,127	30,842
Scope 2 indirect GHG emissions (Location-based)	tCO_2e	91,685	68,555	73,348
Scope 1 + Scope 2 GHG emissions[3]	tCO_2e	297,971	301,706	263,223
Scope 3 GHG emissions (all other indirect emissions) - based on generic emissions factors[4]	tCO_2e	3,873,667	4,484,878	4,526,209
Scope 3 GHG emissions (all other indirect emissions) - based on supplier specific emission factors[4]	tCO_2e	*N/A*	4,344,355	4,345,176
Total GHG emissions (Scopes 1, 2 and 3)[3] [4]	tCO_2e	4,171,638	4,786,585	4,789,432
Scope 1 and 2 GHG emissions intensity[3]	tCO_2e/klPA	1.28	1.05	0.88
Scope 3 emissions compared to SBT targets - based on generic emissions factors [1] [4]	tCO_2e	3,402,022	4,031,786	3,942,187
SBT Scope 3 GHG emissions intensity[1][2][3][4]	tCO_2e/€m	1,443	1,333	1,177

(1) SBT scope limited to Purchased Goods (agricultural raw materials and packaging) and Transportation, representing 87% of Scope 3 GHG emissions.
(2) tCO_2e per € of Profit from Recurring Operations.
(3) Using market-based data for Scopes 1 & 2, generic emission factors for Scope 3.
(4) POS related emissions were excluded from FY23 footprint due to tracking difficulties. In FY22 they accounted for 1.3% of the total footprint.

Pernod Ricard's GHG emissions across the value chain are mostly related to:

- the production of raw materials from agricultural origin (49%);
- the production of packaging - mainly glass - (25%).

These are followed by emissions from:

- transportation (8%);
- acquisition of fixed assets (9%);
- energy used on production sites (Scope 1 + Scope 2) (5%);
- other activities such as employee commuting (4%).

3.4.1.6.1 Breakdown of Pernod Ricard's carbon footprint by category

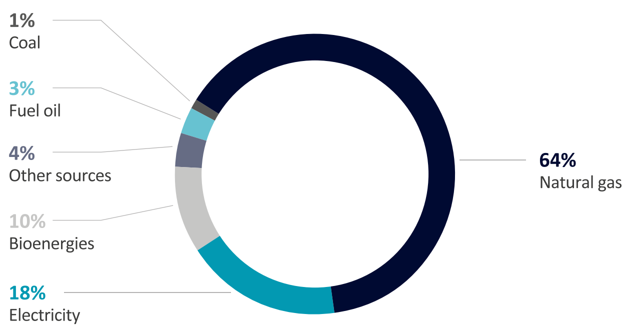
	FY23 emissions (tCO_2e)	% of total
Purchased goods (raw materials from agricultural origin) - based on generic emissions factors	2,343,136	49%
Purchased goods (packaging) - based on generic emissions factors	1,217,542	25%
Capital goods (CapEx)	408,807	9%
Fuel-&-energy-related activities	64,871	1%
Upstream transportation and distribution	123,028	3%
Waste generated in operations	820	0%
Business travel	18,946	0%
Employee commuting	34,315	1%
Upstream leased assets	29,783	1%
Total Upstream Scope 3 GHG emissions	**4,241,248**	**89%**
Downstream transportation and distribution	258,481	5%
End-of-life	26,480	1%
Total Downstream Scope 3 GHG emissions	**284,961**	**6%**
Total Scope 3 GHG emissions	**4,526,209**	**95%**
Total Scopes 1 and 2 GHG emissions	**263,223**	**5%**
TOTAL GHG EMISSIONS	**4,789,432**	**100%**

3.4.1.6.2 Breakdown of Pernod Ricard's energy consumption

Energy	**Unit**	**FY23**
PRODUCTION SITES		
Total electricity	MWh	296,003
% renewable electricity	%	79%
Total biofuels	MWh	162,347
Total renewable energy	MWh	399,988
Total energy	MWh	1,607,476
Energy consumption per unit	MWh/kIPA	5.4
ADMINISTRATIVE SITES		
Total electricity	MWh	23,123
% renewable electricity	%	28%
Total biofuels	MWh	968
Total renewable energy	MWh	7,368
Total energy	MWh	27,766
PRODUCTION & ADMINISTRATIVE SITES		
% renewable electricity	%	75%
% renewable energy	%	25%

FIGURE 8 –BREAKDOWN OF ENERGY CONSUMPTION BY ACTIVITY

FIGURE 9 –SOURCES OF ENERGY USED BY PRODUCTION SITES



3.4.1.6.3 Carbon footprint reduction initiatives on Scopes 1 and 2 emissions

Scopes 1 and 2 – Production site emissions

On production sites, the Group is working on two fronts:

- **improving energy efficiency:** operationally, production sites are continuously improving their energy efficiency by monitoring consumption and performing in-depth energy assessments as well as regular investments. The rationale is to set energy-efficiency targets and launch programmes to reduce consumption (*i.e.*, renewing processes, new technologies, etc.). Several large sites have implemented ISO 50001 certified energy management systems;
- **using low-carbon energy sources:** the Group is working to reduce fossil fuel usage and switch to renewable energy, with the aim of using 100% renewable electricity by 2025 (either through direct sourcing or Renewable Electricity Certificates).

This year, as part of the acceleration of its carbon reduction roadmap, the Group has consolidated reduction opportunities with projected investments in its production sites that contribute the most emissions to achieve Scopes 1 and 2 targets. The main actions involve:

- replacing boilers with high energy efficiency units;
- steam recycling through mechanical vapour recompression (MVR) technology;
- switch from fossils fuels to biofuels and biomass at distilleries;
- installing on-site solar panels; and
- renewable electricity procurement and green certificates.

Pernod Ricard India contributed highly to FY23 Scope 1&2 reduction, thanks to the switch from coal to biomass, allowing 31,108 tonnes CO_2e reduction between FY22 and FY23.

The share of renewable electricity used this year decreased from 81% in FY22 to 75% in FY23. This is linked to contract related issues in offices in England and to increased electricity consumption in Canada, a consequence of a switch from gas to electricity in the energy mix. Solutions have been identified and both of these will be addressed in FY24.

To encourage these transitions, the Group uses an internal carbon price (shadow cost of carbon) to prioritise low carbon CapEx projects by improving the economic business case compared to a pure economic analysis. In FY23, the price used has been €80 per tonne of CO_2 equivalent.

Pernod Ricard invests for carbon neutrality in its distilleries

The Group has made major investments to lead the way on low-carbon whiskey and whisky production in Ireland and Scotland. Two of the Group's major Brand Companies are investing in breakthrough emissions reduction technologies: **Irish Distillers** is investing €300 million with plans to use mechanical vapour recompression (MVR) at the Midleton distillery in County Cork, Ireland, and **Chivas Brothers** is allocating €100 million including for using bioenergy in two single malt distilleries in Scotland. These projects aim to deliver carbon neutral operation by end of 2026 thanks to drastic emissions reduction and offsetting the residual balance.

To leverage the growth of its premium **American Whiskey** portfolio, the Group is investing $250 million for a distillery and ageing facilities in Marion County, Kentucky, which aims to be carbon neutral. The facility is also expected to be the first distillery of its size in the U.S. to achieve LEED certification, an internationally recognised sustainability framework for healthy, efficient, carbon and cost saving environmentally friendly buildings. The distillery and warehouses will include such low carbon technologies as electrode boilers powered by certified renewable electricity, enabling the distillery to not use fossil fuels during bourbon production.

Compared to FY22, the Scope 1&2 GHG emissions reduced by 13% in absolute value, while the carbon intensity of direct activities (measured by the Scopes 1 and 2 emissions per kl of alcohol distilled) improved by 16% versus FY22 and 31% compared to the FY18 base year. Achievements made in FY23 reflect the efforts initiated by the Group in the recent years to reach its 2030 target.

Embedding sustainability into Group financing and incentive plans

Having successfully issued its inaugural sustainability-linked bond (SLB) for an aggregate amount of €750 million and a seven year maturity in FY22, Pernod Ricard continued integrating sustainability commitments to its operations and financing strategy in FY23.

This included two **sustainability-linked financings** which, in line with the Group's first SLB, feature targets linked to its commitments to reduce absolute GHG emissions (Scopes 1 and 2) and decrease water consumption per unit in distilleries:

- in October 2022, the Group issued its second **SLB**, for an aggregated principal amount of €1.1 billion across a six-year €600 million tranche and a 10-year €500 million tranche;
- in May 2023, the Group signed its first sustainability-linked **Revolving Credit Facility (RCF)** totalling €2.1 billion to refinance its existing facility expiring in June 2024. This new credit facility has been committed to by 22 banks, with an initial maturity at April 2028, and includes two one-year extension options.

Moreover, the Group added criteria to its **long-term incentives plan**, which were extended in FY22 to include KPIs relating to carbon reduction (scope 1 & 2), diversity & inclusion, responsible drinking, and water consumption.

For more information on Pernod Ricard's long-term incentives plan, please refer to Section 2 of the present document, subsection 2.6.5 "Other aspects of the compensation policy".

For more information on Pernod Ricard's credit agreements, including sustainability-linked bonds and the Euro Medium Term Notes (EMTN) programme updated in October 2022 and June 2023, please refer to Section 5 of the present document, subsection 5.6.2 "Financing contracts".

3.4.1.6.4 Carbon footprint reduction initiatives on Scope 3 emissions

Scope 3 – Engaging with suppliers

Pernod Ricard firmly believes in the value of collaboration and recognises that addressing Scope 3 GHG emissions requires collective action and a holistic approach. As such, the Group is actively engaging with its suppliers to create a more sustainable future for its industry and the planet. It prioritises building strong partnerships to develop effective strategies for carbon reduction based on the following core principles:

- **improving the quality of primary CO_2 data across Pernod Ricard's supply chain.** The Group understands that accurate and comprehensive data is the foundation for informed decision-making. Closely collaborating with suppliers encourages them to refine their data collection processes and provides the Group with a clearer understanding of their carbon emissions. This, in turn, makes it possible to identify areas of improvement and develop targeted initiatives to reduce their environmental impact;
- **providing suppliers with the necessary tools and resources to measure their carbon footprint effectively.** Not all suppliers may benefit from the same level of expertise or have access to advanced measurement techniques. The Group thus provides support by sharing best practices and deploying user-friendly measurement tools, which enhances suppliers' capabilities when it comes to assessing their carbon footprint and identifying reduction opportunities;
- **open and collaborative discussions with suppliers.** The Group complements these data-driven approaches with a strong emphasis on ensuring suppliers have a platform to exchange ideas, share experiences, and set ambitious CO_2 reduction targets in collaboration with the Group. Involving suppliers in decision-making processes ensures their expertise and perspectives are considered and leads to exploring innovative and more ambitious projects with significant impact potential;
- **a commitment to pushing the boundaries and exploring new possibilities.** Pernod Ricard firmly believes this is key to true sustainability, and strives to embrace ambitious projects that challenge the status quo – whether they concern implementing renewable energy sources, optimising transportation logistics, or adopting circular economy principles.

Scope 3 – Agricultural sourced materials

Agricultural sourced materials are the main contributor to the carbon footprint of Pernod Ricard's value chain. Given the inherent reliance of its products on agriculture, establishing and supporting improved agricultural practices is a strategic priority for the Group. The Group has been running regenerative viticulture pilot projects in its own vineyards to test new practices. It is also working with suppliers of agricultural raw materials to establish the best pathways to lower carbon emissions and increase carbon sequestration within the terroirs.

In these endeavours, the first step is to identify the baseline by collecting specific emission factors for the Group's main contributors and then to identify carbon emission drivers. Specific studies were conducted in FY23 to better understand local situations, as was the case in India regarding broken rice as well as specific emissions related to fertilizers. The second step involves modelling decarbonisation pathways based on less emissions-intensive practices, alongside practices to improve carbon removal.

Agricultural materials are a highly challenging area when it comes to supporting change. Chief among these challenges will be to limit the risk carried on the return and to gradually implement less-emitting practices. As such, the Group integrates economic considerations from the start of discussions in order to finance the transition (tests, training, financing of new equipment or inputs) as well as premiums aimed at encouraging and then compensating for any additional production costs.

Scope 3 – Packaging and point of sale materials

Packaging and point of sale materials (promotional items) account for the second-largest share of GHG emissions in Pernod Ricard's value chain. To reduce their carbon impact, the Group focuses on:

- enhancing its eco-design approach to packaging, mainly focusing on weight reduction and increasing recycled content;
- collecting primary data on its suppliers' carbon footprint to achieve a better understanding of its makeup, pinpoint issues, and develop relevant action plans to address them;
- encouraging suppliers to produce CO_2 reduction roadmaps aligned with the Group's Scope 3 Science-Based Target;
- as per its CO_2 reduction roadmap, implementing joint actions with suppliers to reduce emissions connected to their manufacturing operations (see subsection 3.4.3.2 Circularity: limiting and eliminating waste);
- exploring new technologies and innovative low-carbon methods to meet Group packaging production requirements;
- exploring alternative packaging and distribution models.

Scope 3 – Logistics & transport

Pernod Ricard seeks to optimise land transport by:

- improving vehicle loading;
- adjusting schedules;
- using multi-modal options whenever possible (train, barge, etc.);
- using alternative biofuels for truck transportation and more efficient vehicles.

Pernod Ricard uses the EcoTransIT World software solution to accurately calculate its logistics CO_2 emissions, using a data-modelled methodology. This allows the Group to achieve quality routing accuracy, and a clearer picture of its logistics providers' transport performance. Adopting reliable carbon emission tracking is key for decision-making processes in order to select the best transport mode, route, carrier, and/or port for each leg of a shipment's journey.

Implementing logistics emissions tracking within Pernod Ricard Brand companies

In Europe, **Wyborowa** selected during FY23 a multimodal transport option using rail on the pre- and post-carriage legs for the delivery of finished products from Poland to Mexico that resulted in a 31% reduction of CO_2 emissions, and a 21% increase in product shipped and cost optimisation.

The Absolut Company is a member of the Clean Shipping Project and uses the Clean Shipping Index, a convenient tool to contrast port and fairway fees, and choose more sustainable shipping alternatives.

Martell Mumm Perrier Jouët is a partner of TransOceanic Wind Transport (TOWT), a sailing transport company that has been implementing low-carbon sailing transport logistics solutions since 2011.

3.4.2 Preserving nature & biodiversity

All Pernod Ricard products take their character from the land where they were grown. The Group is committed to nurturing every terroir and its biodiversity, in a manner meeting the challenges of climate change, to secure quality ingredients now and for generations to come. As such, the Group works hand in hand with farmers, suppliers, and communities (see subsection 3.5.2.2 "Supporting farmer communities") to develop sustainable and regenerative agriculture practices in its terroirs, including its own vineyards. These practices aim to:

- protect ecosystems, enhance biodiversity and natural capital (wild or cultivated) by preserving habitats and trophic chains;
- reduce greenhouse gas emissions and explore potential carbon sinks within Pernod Ricard agricultural chains, which also involves adapting crops and agricultural practices.

This subsection covers the following topics relating to Pernod Ricard's endeavours in this area:

- the Group's agricultural footprint;
- mapping the Group's terroirs;
- sustainable sourcing & certification;
- regenerative agriculture & biodiversity programmes.

3.4.2.1 Pernod Ricard's agricultural footprint

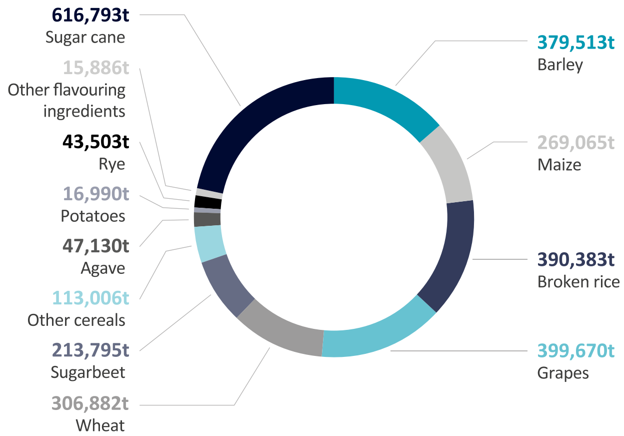
Pernod Ricard produces and sources more than 100 natural ingredients from around 60 countries. Each ingredient is grown in a terroir defined by its unique climate conditions, soil type, ecosystems, and know-how specific to local people and communities.

PERNOD RICARD AGRICULTURAL FOOTPRINT

Terroirs	Ingredients
350+ terroirs in ~60 countries	Around 100 natural ingredients sourced

~376,000 hectares total estimated footprint, of which directly operated by Pernod Ricard:
• 1,406 hectares used for agave crops in Mexico;
• 5,399 hectares dedicated to vineyards in eight different terroirs:
  • New Zealand: 45.8%
  • Australia: 24.1%
  • France: 12.1%
  • Argentina: 9.%
  • Spain: 5.6%
  • China: 2%
  • USA: 1%
  • Canada: 0.2%
	Around 2,830,000 tonnes of raw agricultural materials sourced, including: grains[(1)], grape, sugar cane, agave and sugar beet, and flavouring ingredients[(2)].

FIGURE 10 – PERNOD RICARD AGRICULTURAL FOOTPRINT



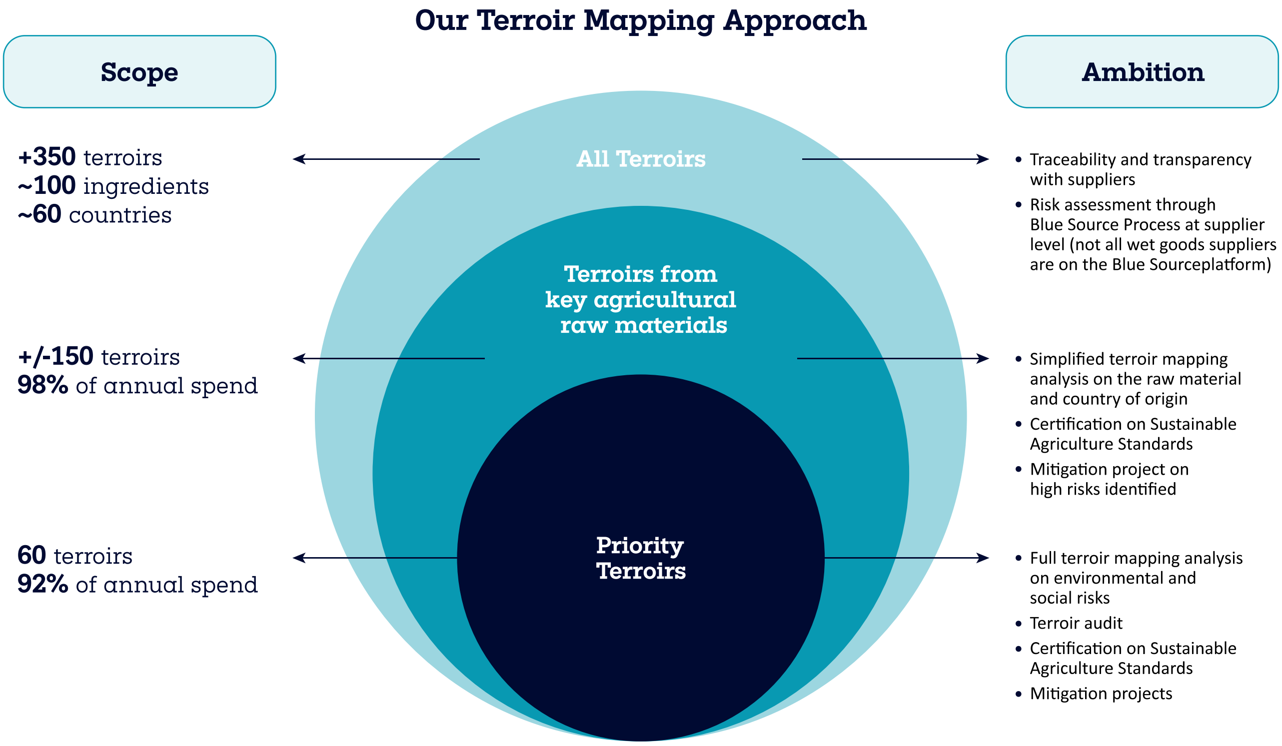
(1) Wheat, barley, rye, maize, rice, sorghum.
(2) Coffee, coconut, fennel, star anise, liquorice, juniper, coriander, gentian and orange.

3.4.2.2 Mapping the Group's terroirs

Policy	Commitment	Target year	Performance target	FY22	FY23	Progress status
2030 S&R roadmap	Cover all key agricultural raw materials (annual purchases) by risk mapping	2022	100%	98%	100%	Achieved

To manage risks within agricultural supply chains, address its duty of care and achieve its ambition of nurturing terroirs, the Group has implemented a three-level action plan. The action plan helps with the mapping of the various terroirs to achieve traceability, assess environmental and social risks to these terroirs, and implement sustainability programmes, according to their level of importance.

FIGURE 11 – PERNOD RICARD NURTURING TERROIRS ACTION PLAN

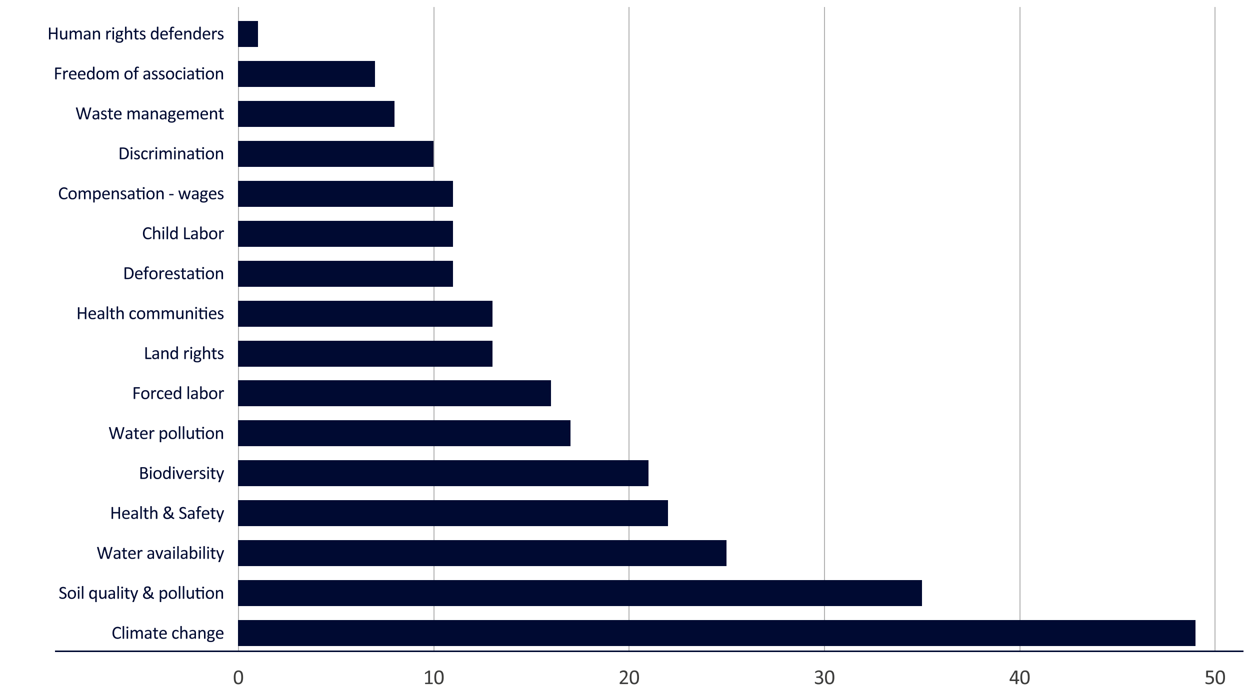


Since FY21, 60 terroirs have been identified as strategic priorities under the action plan as they account for the largest share of Group annual purchases (92% of annual spend) and represent key or iconic raw materials. All terroirs thus identified have been subject to a full risk-mapping analysis exploring environmental and social issues:

- 28 were assessed as high potential risk;
- 18 were found to be medium potential risk; and
- 14 were judged to be low potential risk.

Learnings from the terroir risk mapping process highlight crop sensitivity to the effects of climate change (notably high sensitivity to drought) and its impact on ecosystems (biodiversity, soil and water) and on communities.

FIGURE 12 – FREQUENCY OF POTENTIAL RISKS IN THE GROUP'S PRIORITY TERROIRS



These assessments also cover another global issue that is closely linked to climate change, that of deforestation, which is often induced by the kind of agricultural expansion that might occur within the Group's terroirs. While Pernod Ricard is not involved in operations that contribute the most to deforestation, analysis is underway to more accurately identify sensitive areas. This will enable the Group to implement policy and plans to combat deforestation jointly with suppliers.

In FY23, the Group continued its in-depth review of strategic terroirs, having achieved its goal of 100% of key agricultural raw materials covered by risk mapping by end of 2022.

3.4.2.3 Sourcing ingredients sustainably

Policy	Commitment	Target year	Performance target	FY22	FY23	Progress status
2030 S&R roadmap	Produce or source all key raw materials[(1)] in line with sustainability standards[(2)]	2030	100%	31%	34%	On plan

(1) Defined by annual spend.

(2) Standards defined by Group benchmarks & affiliates.

Pernod Ricard's terroirs are linked to key issues of environmental and social vulnerability, such as land use change, biodiversity erosion due to pollution, land competition between food production, energy production, carbon storage, and human rights and working conditions. As such, the Group is fully committed to implementing sustainable sourcing practices that ensure it does not contribute to any of these risks, and that it creates positive impacts and mutual benefits for terroirs and local communities. To this end, Pernod Ricard aims to certify all its key raw materials according to recognised sustainability standards. The Group developed a benchmarking tool to help select the best standards, in line with its Sustainable Agriculture Key Principles, while also allowing affiliates to develop their own standards with their local partners to best account for local specificities. All chosen standards must undergo verification by third parties and are selected to cover most of the high and medium risks identified through terroir risk mapping.

During FY23, the Group worked with its terroirs to identify tailored certifications, taking into account local cultures, work habits and the potential for transforming practices. Moreover, Pernod Ricard updated and published its Sustainable Agriculture Key Principles. This document guides all affiliates with a set of best practices related to landscape management, biodiversity, plant health and soil life, water, Human Rights, and relations with suppliers. It also covers all the various contexts and agricultural systems as part of a continuous improvement process.

Sustainable sourcing and nature preservation partnerships

In FY23, the Group became a member of the Union for Ethical BioTrade (UEBT), a non-profit association promoting “sourcing with respect”, to support sustainability for flavouring ingredients.

Next steps and future commitments

The challenge for the next few years will be to accelerate the implementation of sustainable agriculture certifications for all terroirs from key agricultural raw materials and to identify alternatives where this is not possible. Pernod Ricard will work with local NGOs to ensure that the risks are under control.

3.4.2.4 Regenerative agriculture & biodiversity programmes

Policy	Commitment	Target year	Performance target	FY22	FY23	Progress status
2030 S&R roadmap	Implement in all direct affiliates a regenerative agriculture or biodiversity programme (supply chains or landscape, usually addressing both agriculture and biodiversity) linked to priority terroirs	2030	100%	73%	82%	On plan
	Test local models for regenerative farming systems in the Group’s vineyards in 8 wine regions to increase soil carbon capture & share knowledge with the industry (cumulative)	2025	8	5	7	On plan

The Group’s core business is inextricably linked to well-functioning ecosystems. As disruptions to one component (e.g., soil, water, climate, landscape) directly impacts the others, Pernod Ricard pays close attention to ecosystems’ constitutive parts to better understand the mechanisms at work and restore natural balances.

It is in this spirit that the Group intends to gradually move away from conventional models to reduce pressure on resources and promote regenerative agricultural models to generate positive outcomes.

Pernod Ricard & regenerative agriculture

Regenerative agriculture is a holistic system that aims to maximise positive impacts on climate, ecosystems, and biodiversity as well as on the well-being of agricultural communities. It involves combining agroecological practices at the field, farm, and landscape level to improve the health and natural fertility of the soil, restore ecosystems, and improve water retention capacity and water stress resistance. In the long term, this model also aims to reduce GHG emissions and increase carbon storage.

A defining feature of regenerative agriculture is that it is people-centric: it aims to provide health and a balanced life for farming communities as well as long-term economic viability. In turn, this improves the overall resilience of the terroir, and secures ingredient yields and quality of ingredients.

In practical terms, this translates to a range of farming practices, such as:

- regular crop rotation;
- planting cover crops to protect soils;
- sustainable water management;
- minimising chemical fertiliser usage;
- diversifying landscapes and crops;
- minimising soil disturbance;
- fostering equitable relationships.

For Pernod Ricard, regenerative agriculture and nature regeneration are a joint solution at terroir level to address major areas of impact, including climate change mitigation and adaptation, biodiversity, water balance, and community inclusivity.

To support this journey on priority terroirs, Pernod Ricard decided to join the **French PADV** (*Pour une Agriculture Du Vivant*) movement. Using its regeneration index, the Group measured the starting point of its partner farms and then put in place drivers to improve the resilience of the terroirs. In 2021, the Group became the first corporate partner of the **IUCN**[20] “Agriculture and Land Health initiative”, which aims to build a global movement for sustainable and regenerative agriculture (businesses, experts, academia and international organisations). In FY23, Pernod Ricard joined the **Organisation for Biodiversity Certificates** as a founding member, alongside partners including the French Natural History Museum and Carbone4. The organisation aims to design a biodiversity index by comparing the state of an ecosystem to its pre-perturbation state, to quantify and certify “biodiversity gains”.

Since FY20, 19 regenerative agriculture & biodiversity programmes had been launched cumulatively of which 7 in the Group’s vineyards.

(20) *International Union for the Conservation of Nature.*

Pernod Ricard Brand & affiliates regenerative agriculture programmes

Martell cognac and Mumm and Perrier-Jouët champagnes

Following a comprehensive diagnosis of the two French terroirs, Martell Cognac and Mumm and Perrier-Jouët Champagnes set up a pilot programme to explore three main areas: soil life, plant health and nutrition, and landscape management. Working with expert agroecologists, the programme involves training the Group's own winegrowers as well as its partners on better understanding the complexity of natural ecosystems and how they can transition to more sustainable practices.

Irish distillers

Pernod Ricard Irish Distillers & Heineken Ireland have just launched a three-year collaboration project to support 15 malting barley farmers adopt regenerative agricultural practices on their farms. Emphasis on knowledge-sharing and involvement of key players including malting company Boortmalt and global non-profit Earthworm Foundation.

Pernod Ricard India Foundation

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

Next steps & future commitments

Through its pilot projects, the Group is only just starting the transition towards resilience. The next steps will aim at developing regenerative agriculture on a large scale. One of the main challenges will be to support the change in farmers behaviours by providing them with agronomic and financial solutions, as well as supporting them through the learning curve and sharing.

3.4.3 Using resources responsibly

The world's finite resources are under massive pressure and the traditional linear production model has reached its limits. Circularity is one of Pernod Ricard's key priorities, with the Group especially focusing on:

- preserving and restoring water resources used for the Group's operations;
- designing circular packaging and fostering circular distribution models;
- minimising & recovering the Group's production waste.

Such a shift will see fewer resources consumed, less waste generated, and ultimately reduce Pernod Ricard's environmental impact and carbon emissions.

3.4.3.1 Preserving water resources

Policy	Commitment	Target year	Performance target	FY22	FY23	Progress status
2030 S&R roadmap	Reduce overall water consumption intensity (per unit of distilled alcohol) by 20% vs FY18	2030	-20%	-10.7%	-8.1%	In progress
Integrated in green financing	*Reduce the water consumption intensity in distilleries only (per unit of distilled alcohol) by 20.9% vs FY18*	*2030*	*-20.9%*	*-6.2%*	*-3.7%*	*In progress*
2030 S&R roadmap	Replenish water in watersheds for production sites and dedicated copackers located in high-risk areas	2030	100%	59.7%	58.3%	In progress

Water is an essential component of the products manufactured by Pernod Ricard. From irrigating crops to processing raw materials, distilling, blending *eaux-de-vie* and formulating products, water is involved at every stage of a product's life cycle.

The Group thus faces several challenges. It must:

- reduce water consumption in its operations;
- support replenishment in water-stressed basins where production sites and co-packers operate;
- preserve water quality by monitoring pollutants released by production sites;
- fully comply with evolving environmental regulations.

Pernod Ricard partnerships for water conservation and management

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

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

Regarding the agricultural supply chain, the drip irrigation technique is used in all irrigated vineyards operated by the Group. This reduces the water used to what is strictly necessary. Moreover, given the predominance of agricultural raw materials in Pernod Ricard's water footprint, the Group works locally with the affiliates' suppliers to establish sustainable agriculture standards that minimise water consumption (see subsections 3.4.2.4 Regenerative agriculture & biodiversity programmes and 3.4.3.1.2 Water resources preservation strategy).

3.4.3.1.1 Water use in operations & wastewater

Water use in vineyards

Pernod Ricard sources grapes from 17 wine-growing countries, seven of which have vineyards directly operated by the Group.

As perennial crops, vineyards are particularly sensitive to the effects of climate change and in particular droughts, fires or even frost. The trend towards the increasing frequency and severity of such events has been confirmed over the past three years in the Group's vineyards. In FY23 the water consumption of the Group own vineyards amounted to 9.6 million m^3, a significant decrease compared to previous years thanks to the use of precision farming tools like drip irrigation systems. Improving the resilience of vines to water scarcity will be at the heart of pilot programmes on regenerative viticulture.

Overview of the Group's water use in operations

To reduce direct water consumption at production sites, the Group focuses its efforts on two main drivers:

- improving systems to measure and monitor water use;
- implementing solutions to save, reuse and recycle water.

The Group's Long-Term Incentives Plan (LTIP) includes CSR criteria, one of them being linked to the implementation of the water roadmap (*i.e.*, a 20.9% reduction in water consumption intensity in distilleries by 2030 compared to FY18). In FY23, there is a slight increase of water intensity in distillery (+2.7% compared to FY22), mainly due to the integration of new sites in the reporting, the last sites integrated having a higher water intensity than the Group average.

TABLE 2 – PERNOD RICARD PRODUCTION SITES WATER CONSUMPTION AND PERFORMANCE

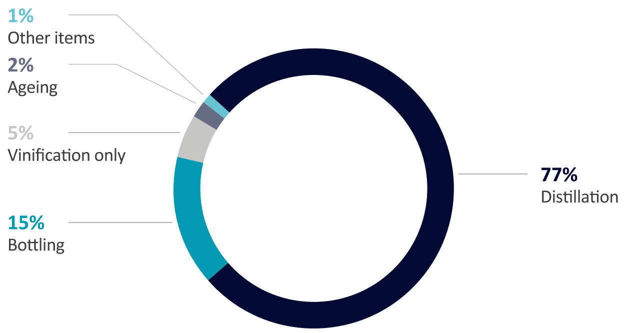
	Unit	FY18	FY22	FY23
Total water abstraction	m^3	25,011,450	27,223,807	28,099,389
Total water consumption (all production sites)	m^3	5,824,258	6,420,226	6,860,194
Total water consumption (distilleries only)	m^3	4,427,980	5,128,123	5,472,409
Water consumption intensity (all production sites)	m^3/klAA	25.0	22.4	23.0
Water consumption intensity (distilleries only)	m^3/klAA	19.0	17.8	18.3
Total waste water released	m^3	4,390,900	4,972,026	5,448,061

Note: Total water consumption FY18 baseline has been revised this year to reflect an updated calculation in one of the production sites, affecting all FY18 values in this table (total & intensity).

TABLE 3 – ORIGIN OF THE WATER CONSUMPTION AT PRODUCTION SITES (m^3)

	FY23 (all areas)	Of which areas with high water stress
Water consumption from groundwater or springs	2,749,520 (40%)	308,372
Water consumption from river, dam, lake or other source	1,946,456 (28%)	335,848
Water consumption from public network	2,164,217 (32%)	198,660

FIGURE 13 – BREAKDOWN OF WATER CONSUMPTION PER ACTIVITY AT PRODUCTION SITES



Water accounting methodology

Pernod Ricard's water accounting covers water usage at production sites entitled to the environmental reporting in the current fiscal year (see definition in subsection 3.9.1 Methodology note on non-financial reporting). Water consumption related to Pernod Ricard's directly operated vineyards is not included in the consolidated data.

Treatment of wastewater

Production sites are fitted with various technologies depending on wastewater quality requirements[21] to reduce the pollutants released into the natural environment. They also ensure that water discharged by production sites does not damage surrounding ecosystems or other natural resources. The Group is also exploring innovative projects for recycling effluents from treated wastewater.

This year:

- 80% of waste-water was discharged into a public sewage system;
- 14% was discharged into the environment following treatment; and
- 6% was recycled for vineyard irrigation.

Next steps and future commitments

The Group will continue to launch water reduction initiatives at production sites, mainly at large distilleries. In FY24 a major reduction programme is scheduled at Midleton distillery.

3.4.3.1.2 Water resources preservation strategy

As water resources are unevenly distributed, risk levels vary depending on the location of the Group's production sites and dedicated co-packing activities. To better understand and identify priorities, sites have been categorised as extremely high-risk, high-risk and low-medium risk, using an internal Water Risk Index calculated with indicators from the Aqueduct Water Risk Atlas Tool (see definition in subsection 3.9.1 Methodology note on non-financial reporting). The Group aims to replenish the water used by its production sites in high-risk areas through local projects to preserve the water ecosystems. This led to support for watershed management by:

- improving access to safe water and sanitation;
- promoting sustainable water use; and
- integrating water resource management among communities.

Area's risk level	Pernod Ricard situation
Extremely high-risk	9 company-owned sites (India, Armenia, Mexico and China). 7.5% of the Group's total water consumption.
High-risk	7 company-owned sites (Armenia, Australia, Spain and France). 4.8% of the Group's total water consumption.
Medium-risk	24 company-owned sites. 9.2% of the Group's total water consumption.
Low-risk	53 company-owned sites. 78.5% of the Group's total water consumption.

Sites	FY23 Water consumption (m^3)	FY23 Water credits (m^3)	Level of replenishment completion
Company-owned sites	842,295	506,536	60 %
Dedicated co-packers	142,030	67,030	47 %
TOTAL	**984,325**	**573,566**	**58 %**

The water resource preservation strategy has been rolled out to sites in "extremely high-risk" and "high-risk" areas.

In FY23, 1,809,999m^3 of water were returned to the environment thanks to "replenishment" projects. The methodology used to calculate water returned to the environment for each project is verified by a third party/external expert for each project. Out of this quantity, 58% was considered as compliant with the Group replenishment objective (returned in the same watershed where water consumption occurred).

Pernod Ricard India has implemented multiple watershed protection and restoration projects, with over 150 projects completed since 2015, such as ponds with recharge wells and tanks development. It is actively engaged with communities to support water conservation and provide or improve access to safe water and sanitation. Seven Indian dedicated co-packers located in high-risk areas are covered by the Group's water resource preservation strategy.

(21) *Such as aerobic, anaerobic treatments, filtration, etc.*

In Armenia, Yerevan Brandy Company developed a project intended to reduce drinking water wastage in Yerevan City. Pernod Ricard Mexico has joined a collaborative project led by the Beverage Industry Environmental Roundtable (BIER) called “Charco Bendito” in the Guadalajara basin to improve water availability and eliminate unsustainable water use with reforestation and restoration actions. In China, Helan Mountain initiated a project in the Yinchuan Baohu Wetland Park to implement water efficiency and reduction measures such as the reparation of leaking pipelines and the installation of drip-irrigation systems. In FY23, Pernod Ricard France and España have been investigating water replenishment projects to be implemented in FY24.

3.4.3.2 Circularity: limiting and eliminating waste

Circularity is among the Group’s key priorities. Pernod Ricard is committed to evolving its business towards a circular making model that fosters reduction, reuse, and recycling. Such a shift will see fewer resources consumed, less waste generated and ultimately reduce Pernod Ricard’s environmental impact.

3.4.3.2.1 Group packaging & POS circularity performance

Policy	Commitment	Target year	Objective	FY22	FY23	Progress status
2030 S&R roadmap	Ensure all packaging to be recyclable, reusable, or compostable	2025	100%	-	98%	On plan
	Certify 100% of cardboard and paper used according to standards ensuring sustainable forest management(1)	2025	100%	47%	43%	In progress
	Reach 50% of post-consumer recycled content for glass	2025	50%	-	35%	In progress
	Reach 25% of post-consumer recycled content in PET bottles	2025	25%	17%	17%	On plan
	Reduce by 5% the weight of virgin plastic used vs FY20	2025	-5%	-8%	-27%	Achieved
	Apply eco-design principles (directives on sustainable packaging and point of sale material) to all New Product Development (NPD)	2022	100%	-	-	In progress
	Pilot R&D projects on circular distribution of Wine & Spirits	2030	5	1	2	On plan
	Support recycling in key markets with low recycling rates	2030	9	-	4	On plan
	Ban single-use plastic in point of sale materials	2021	100%	100%	100%	Achieved
	Recyclable, reusable or compostable point of sale materials	2025	100%	95%	98%	On plan

(1) Since FY23, cardboard gift boxes are included in the reporting. They were not included in FY22 data.

The environmental impact of the Group’s activities begins with product, packaging & point of sale (POS) material design and continues throughout the life cycle. The packaging and POS material development phases represent a key means of minimising end of life waste and reducing the Group’s environmental footprint. For this reason, Pernod Ricard adopts circular design principles when designing new packaging and POS materials.

Glass and cardboard are the main materials used (more than 90% of total weight). Plastic packaging accounts for less than 5% of primary packaging and Pernod Ricard strives to limit the quantities used, as illustrated by the Group’s commitments to the New Plastics Economy vision of the Ellen MacArthur Foundation, of which the Group is a signatory and partner.

FIGURE 14 – BREAKDOWN OF THE WEIGHT OF PACKAGING

3.4.3.2.2 Programmes & partnerships to collect packaging for recycling and reuse

Pernod Ricard aims to play a key role in defining industry standards for the circularity of packaging. Pernod Ricard also participates in local packaging collection and recycling schemes to address packaging end-of-life. The internal sustainable packaging and POS guidelines underpin the Group's ambition and design-for-recycling guidelines for packaging and POS materials. While the Group is pushing for the respect of the guidelines through regular training of packaging team and central expertise support to affiliates, the Group is looking for a system to measure applicability at scale. The Sustainable Packaging guidelines are based on the five eco-design principles described below.

Eco-design Principles	Definitions	Achievement examples over the past years
Rethink	Think outside the box to challenge the need for each packaging component and POS and explore new circular solutions.	• **The Absolut Company** has launched its first paper-based bottle in UK in partnership with Paboco, and has been working on the second generation in order to minimise the use of plastics in its structure • **Pernod Ricard France** has replaced its plastic blister used on the Ricard flask by a 100% cardboard holder • **Perrier-Jouët** has replaced its classic cardboard giftbox by paper pulp material for its Belle Epoque Cocoon edition champagne. The box is 93% lighter, FSC® approved and including 5 % of vine shoots from France • For a significant range of Pernod Ricard products, the Group has decided to ban the use of gift boxes starting from 2023 on some categories
Reduce	Optimise the design to reduce size and weight. Limit the number of items, nothing unnecessary.	• To reduce the overall weight of its glass bottle portfolio Pernod Ricard has set maximum glass bottle weight by Premiumness level to be applied for any new bottle development • **Pernod Ricard Winemakers** (Australia & New Zealand) removed multimaterial hoods on 8 sparkling wine references
Reuse	Move away from single-use to keep packaging and POS reusable as long as possible. POS should be designed to be reused for the same purpose.	• **Imperial Blue** and **Royal Stag** bottles in India are being collected from bars and restaurants before being washed, refilled and reused by consumers. Pernod Ricard India works continuously to improve this system and its reuse rate • EcoSPIRITS circular distribution system launched in Asia for **Absolut**, **Beefeater** and **Havana Club** (Hong-Kong and Singapore), to be expanded in FY24
Recycle	Design packaging & POS with a recyclable mindset: using mono-materials when possible and avoiding non-separable material solutions, choosing recyclable materials only and checking if there is a recycling collection bin for this item in the main markets of use and existing recycling infrastructure.	• Non-recyclable wooden box used for **Midleton Very Rare** whisky has been replaced by a recyclable FSC cardboard box
Respect	Ensure materials are responsibly sourced, with recycled content and sustainable origins.	• The Group requires an new PET bottles to meet a minimum of 25% rPET content, which led to an average of 17% rPET reached in FY23

Pernod Ricard's involvement to support recycling & reuse around the world

Most packaging waste produced by the Group's activities is generated after final consumption of products. The key issue is therefore to improve waste sorting solutions for consumers so that packaging can be recycled or reused. Pernod Ricard has set up or joined various programmes worldwide to improve recycling:

- **Europe**: Group contribution of around €11.7 million to national schemes designed to improve the collection and recycling of domestic packaging, including glass;
- **United States**: it joined the "Glass Recycling Coalition" to foster efficient and economically viable recycling channels by involving all players in the chain (glass manufacturers, bottlers, recycling service providers, etc.);
- **Brazil**: it joined the "Glass is Good" project, designed to increase the glass recycling rate by involving all industry players.

Projects are currently being explored with local partners in nine key markets (India, US, Canada, China, France, Brazil, Spain, South Africa and Poland) to increase glass collection and recycling.

Pernod Ricard's venture capital fund, Convivialité Ventures has taken a minority share in ecoSPIRITS, a circular economy technology startup focusing on low carbon, low waste distribution systems for the premium wine and spirits industry. In March 2022, the Group launched its first pilots in Asia (Hong Kong and Singapore) with Absolut vodka, Beefeater gin and Havana Club rum.

3.4.3.2.3 Reducing waste in Group operations & improving recycling on industrial sites

Policy	Commitment	FY22	FY23
Waste management ambition	Zero tonnes of waste sent to landfill at production level	112 tonnes*	132 tonnes

** FY22 data has been corrected, reflecting a reporting mistake in one affiliate*

Limiting waste across the production chain and at end-of-life is an integral part of Pernod Ricard's circular economy approach. The Group's policy is focused on limiting food waste and eliminating landfill waste, ensuring all waste generated on industrial sites is recycled.

The Group takes steps to minimise food waste throughout its value chain:

- in upstream agriculture, this involves reusing by-products from food production to produce alcohol *e.g.* broken rice in India or sugarcane molasses in Cuba;
- in developed countries, where the Group sources most of its agricultural raw materials, the quality of infrastructure plus short supply routes prevent products such as cereals from perishing;
- at production sites, the majority of waste generated by the transformation of raw agricultural materials (*e.g.* spent grains, vinasse and grape pomace) is reused to make animal feed, biogas, farm compost, or for other industrial purposes;
- at the consumer level, waste generation is very low as wine & spirits have a long shelf life and Group packaging is designed to last until the product is fully consumed.

Production sites mostly generate non-hazardous waste (hazardous waste represent 1% of total waste generated). Non-hazardous waste includes:

- packaging waste (glass, paper, cardboard and plastics);
- waste from the transformation of agricultural raw materials not recovered as by-products (grape marc, stalks, lees, etc.);
- waste produced by the site's activities (sludge from treatment plants, office waste, green waste, etc.).

Hazardous waste includes products used for site operations (chemical product containers, used oils, solvents, electrical and electronic waste, neon tubes, batteries, etc.).

To achieve Pernod Ricard's overall waste reduction goals, affiliates are pursuing efforts to reduce the quantity of waste generated and to identify recycling and energy recovery processes. The Group will continue to identify appropriate treatment processes locally for hazardous waste requiring the use of a specific treatment process to prevent environmental risks.

This year, the total quantity of non hazardous waste sent to landfill has slightly increased with newly integrated acquisitions, reaching 119 tonnes. Hazardous waste landfilled amounts to 13 tonnes. Overall, 77 industrial sites out of 93 have achieved zero waste to landfill. It remains a significant reduction from the 10,253 tonnes in FY10, and the result of the Group's zero-waste-to-landfill policy implemented across all production sites.

TABLE 5 – BREAKDOWN OF GROUP HAZARDOUS & NON-HAZARDOUS WASTE GENERATION (TONNES)

	Unit	FY23
NON-HAZARDOUS WASTE		
Total non-hazardous waste recycled	t	32,974
Total non-hazardous waste incinerated	t	2,201
Total non-hazardous waste landfilled	t	119
TOTAL QUANTITY OF NON-HAZARDOUS WASTE	**t**	**35,293**
HAZARDOUS WASTE		
Total hazardous waste recycled	t	320
Total hazardous waste incinerated	t	57
Total hazardous waste landfilled	t	13
Total hazardous with other treatment	t	79
TOTAL QUANTITY OF HAZARDOUS WASTE	**t**	**469**
TOTAL WASTE(1)		
Total waste landfilled	t	132
% of waste recycled	%	93%
TOTAL WASTE	**t**	**35,762**
ORGANIC BY-PRODUCTS(2)		
TOTAL QUANTITY OF ORGANIC BY-PRODUCTS	**t**	**1,209,259**

(1) Excluding waste generated in the construction and demolition activities.
(2) Organic by-products are secondary or incidental products deriving from the manufacturing process which can be sold or used for the production of other products, or transformed into biogas. These are not considered as waste.

3.4.3.3 Environmental management systems

Pernod Ricard strives to implement strong environmental management systems (EMS) throughout the business. Based on the ISO 14001 Environmental Management Systems criteria, these EMS are the cornerstones of the Group's strategy and help with:

- tackling long-term environmental risks;
- reducing Pernod Ricard's environmental impact; and
- seizing opportunities at every level.

These EMS are designed to disseminate the Group's environmental standards throughout the business and embed environmental considerations into its management practices, which in turn helps manage risks and create a more circular business.

Pernod Ricard EMS operate along the following principles:

(i) the Headquarters' Sustainable Performance Division oversees and coordinates measures at Group level by:
   a. setting shared goals,
   b. monitoring performance,
   c. circulating guidelines with minimum requirements,
   d. sharing best practices.

   Each Brand Company is required to evaluate its performance against these requirements annually. Where necessary, compliance action plans must be implemented;

(ii) Pernod Ricard's activities, both for the Brand Companies and the Market Companies, must comply with the environmental requirements outlined in the Group's environmental guidelines:
   a. affiliates are accountable for complying with local legal requirements. They must also report any local incidents or non-compliance to Headquarters,
   b. affiliates are accountable for assessing their long-term risks. They must thus identify ways of reducing their own environmental impact and apply the Group's policy locally;

(iii) major production sites are required to be ISO 14001 certified. In FY23, 86% of production sites were ISO 14001 certified (covering 99.5% of production);

(iv) Group employees and administrative sites are required to follow the "S&R Office" guidelines regarding different topics such as green offices, governance, energy, water, waste and business travel.

In FY23, 16 environmental incidents were reported to local authorities. This includes all possible potential impacts from an industrial site. This year, eight incidents were related to spillage or leakage events, either of alcohol or waste water affecting soils or water. The other reported incidents were considered as minor (e.g., smoke release due to equipment dysfunction). A root cause analysis was conducted for all these events and corrective action plans drawn up. Operational procedures are in place to prevent and control various forms of spillage, and limit their impact on the environment.

	FY22	FY23
% of production sites certified ISO 14001	92(1)	86(2)
Number of environmental incidents reported to authorities	7	16

(1) Covering 99.6% of production.
(2) Covering 99.5% of production.

3.5 Our social sustainability

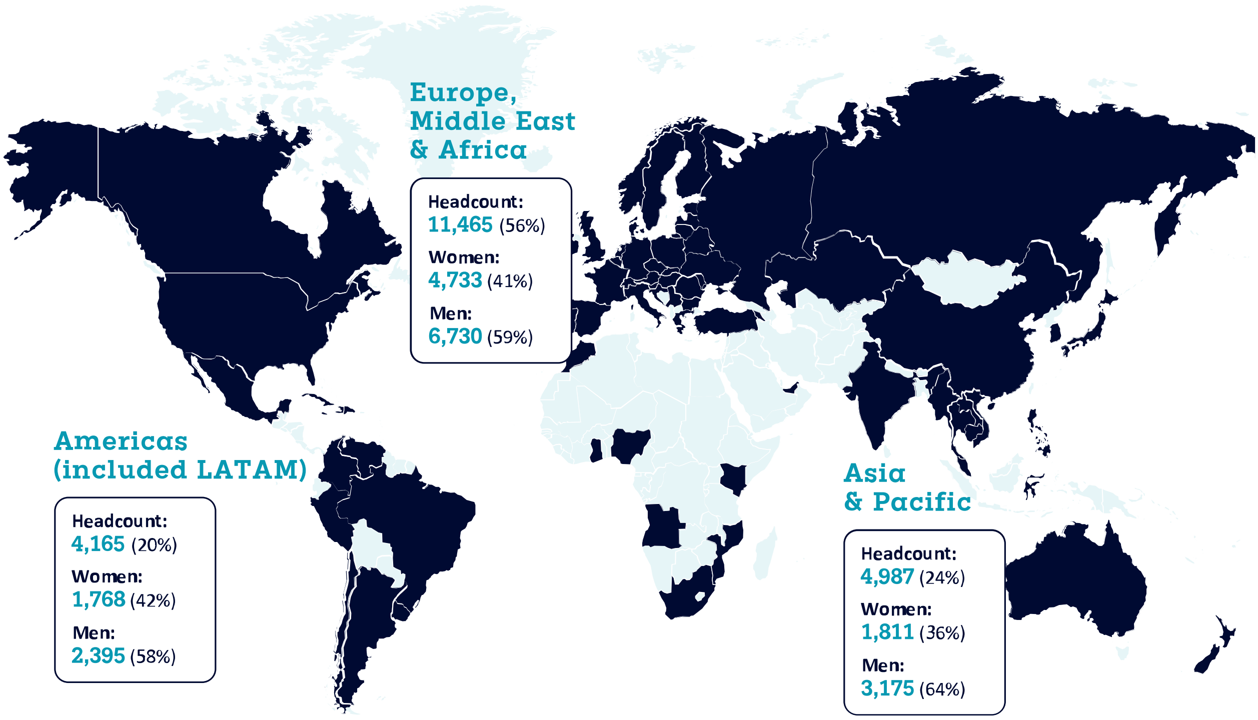
True to its vision of "*Créateurs de convivialité*", Pernod Ricard believes in sharing, warmth, care, and respect for people everywhere – employees, consumers, communities. The Group is committed to creating a diverse, inclusive, healthy, safe, and responsible environment for its own employees, and those throughout its value chain. This section explains how Pernod Ricard puts these commitments into practice by:

- supporting its employees, including through engagement & development;
- promoting a responsible supply chain with lower risks and empowered stakeholders;
- ensuring consumers are well-informed and preventing the harmful use of alcohol.

3.5.1 Fostering the best work environment for our employees

Pernod Ricard employs 20,617 people around the world.

TABLE 6 – PERNOD RICARD EMPLOYEES WORLDWIDE AS OF 30 JUNE 2023



TOTAL:	Headcount:	Women:	Men:
	20,617 (100%)	8,312 (40%)	12,300 (60%)

Scope definition: permanent contracts i.e. regular employees, and fixed-term contracts, i.e. temporary employees, seasonal & casual employees (excluding interns, trainees, apprentices unless otherwise specified).

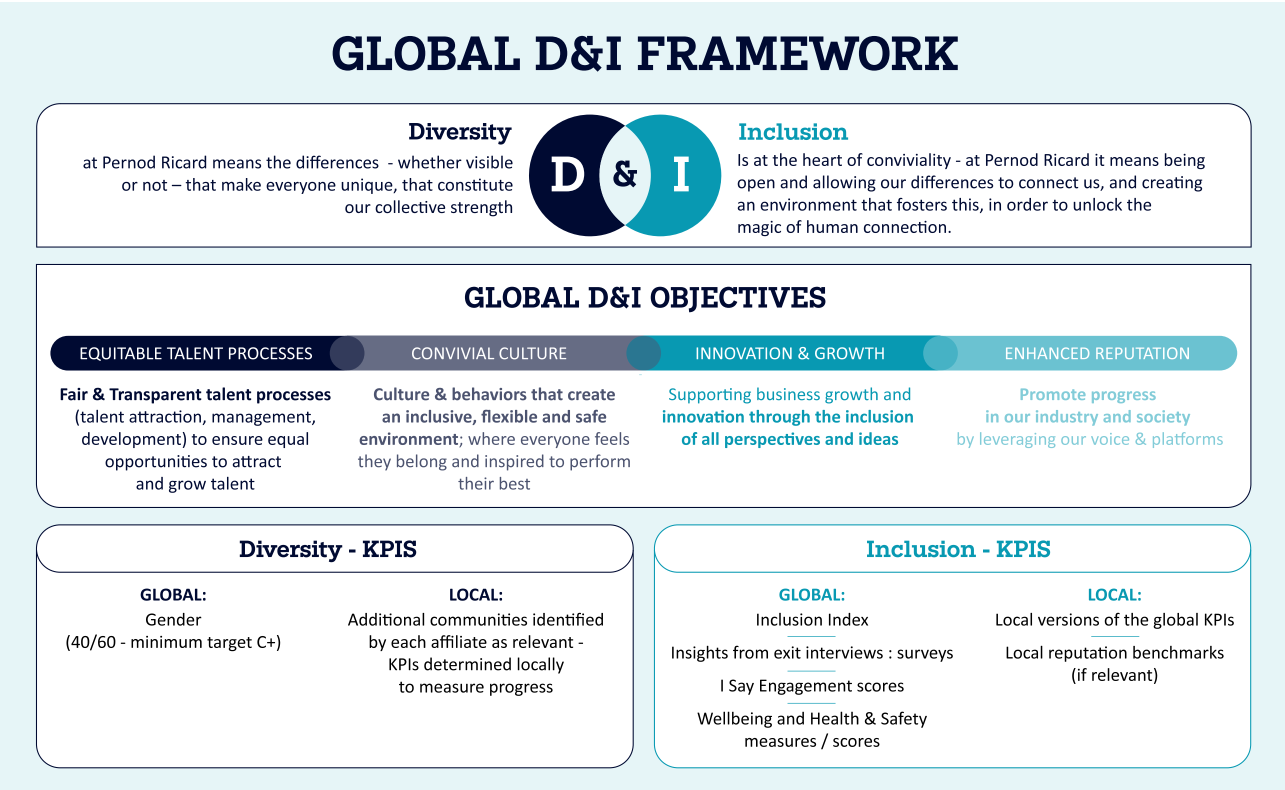
3.5.1.1 Diversity & Inclusion (D&I)

Pernod Ricard views diversity as a source of prosperity and strives to foster an inclusive culture where everyone is valued for who they truly are, and drive collective performance through their combined experiences, perspectives, and uniqueness. Moreover, as a consumer-oriented company, the Group believes that its employees must reflect the world in which it operates and the diversity of its consumer base. As such, Pernod Ricard is committed to a strong Diversity & Inclusion (D&I) agenda, and to creating an environment where its teams feel valued, heard, and safe in order to thrive. This agenda has kept gathering momentum in recent years with initiatives such as "Better Balance for Better Business".

Last year, as part of the Group's D&I Commitment, the Group formed a Global D&I Council. This diverse group representing different affiliates comprises global top senior executives with the objective of accelerating the Group's global D&I journey while acting as global ambassadors of this commitment.

FY23 marked a new impulse for these commitments, notably with the launch of the Group's global Diversity & Inclusion Framework. It allows Market and Brand Companies to share a common D&I ambition and global objectives, while empowering all affiliates and respecting local specificities and business needs in their respective markets. This framework is comprehensive, driving D&I directly in the Group's ways of working, complete with detailed KPIs to provide direction with regards to its four global priorities – equitable talent processes, convivial culture, innovation & growth and enhanced reputation – translated into improved business performance. This complements the work already achieved by management in local affiliates to establish their own D&I agendas and plans.

FIGURE 15 – PERNOD RICARD D&I FRAMEWORK



As measuring progress and employee experience are key to the continuous improvement of the D&I journey, Pernod Ricard also added an Inclusion Index to “I Say”, the Group’s annual employee feedback survey (see subsection 3.5.1.2.5 Employee engagement). The question “I feel a sense of belonging at my affiliate” scored 77 in I Say 2022 (+4 vs. Glint’s Global External Benchmark).

Furthermore, in December 2022, a D&I Maturity Self-Assessment was launched at affiliate level with support from a global D&I consultancy firm. The objective was to provide affiliates with a methodology that would give further insights and data (at local and global level), in order to identify strengths and relative opportunity areas of focus that could be leveraged to enrich local and/or global D&I roadmaps and action plans.

Using assessment scores, each affiliate was given a “D&I Maturity” rating based on how their scores compare to Pernod Ricard overall. The results showed that 76% of affiliates are classified as ‘Building’ and ‘Leading’, as opposed to ‘Early’.

Affiliates were then able to access insights & resources from the external D&I expert to allow them to put in place action plans based on their maturity level to continue accelerating their local D&I agendas. The Assessment also provided the opportunity for best practice sharing and leveraging consultants’ expertise in D&I to receive insights and inspiration through quarterly group consulting/best practice sharing sessions with the consultants and other affiliates at similar maturity levels.

3.5.1.1.1 Gender diversity

Policy	Commitment	Target date	Objective	FY22	FY23	Progress status
2030 S&R roadmap	Gender pay equity[(1)]	Ongoing	1	0.9	1.3	On plan
2030 S&R roadmap / Long Term Incentive Plans	Gender balanced[(2)] Top Management[(3)]	2030	40-60%	35 %	36 %	On plan

(1) Fixed-term and permanent contracts only (excluding Cuba and Comex, excluding seasonal and casual contracts).
(2) Balanced teams considered achieved with a range of 40-60% men and women.
(3) Internal definition: Band C and above.

The Group’s D&I strategy goes beyond representation in the sense that it strives to ensure everyone is treated in a fair and equitable way. For example, in terms of **gender pay equity**, the Group has conducted a global initiative involving an annual audit of over 70 countries since FY19. This initiative aims to identify the behavioural drivers and roots causes of gender pay gaps to ensure pay equity across the Group through a long-term systematic compensation review. Following the results of these audits, all Group affiliates have been implementing gender pay equity initiatives over the years. The strategy has consisted of adjusting the lowest salaries (negative outliers) to achieve a reduction in pay gap globally. Beyond merely adjusting remuneration, affiliates have also included other actions in their **Gender Pay Equity strategy**, including in terms of hiring policies, promotion & retention strategies, employee assessment and development, pay for performance linkage, review of any bias in their talent management and performance management process. Thanks to this set of initiatives, the results have demonstrated significant improvement at Group level over the past few years, allowing to maintain a gap around 1% this year.

In keeping with these commitments, Pernod Ricard’s D&I strategy also directly tackles **talent management and development**. It is firmly embedded in the annual global strategic talent review process and succession planning. It is a strategic business priority for senior management, not merely the Company’s responsibility, and it is also a key enabler to growing a diverse global talent pipeline. These talent processes focus on assessing, identifying and preparing the future leaders in the business with a D&I angle in mind.

Furthermore, the “TransfoHRm” HR Strategy announced in 2018 is inherently a diverse-centric strategy ensuring that key processes such as **talent development and management** are fair, objective, consistent and equitable. From TransfoHRm, Let’s Talk Talent was born as a consistent global performance and talent management process based on an objective assessment of performance and potential, with a common language and methodology across all affiliates. As part of this programme, Managers and HR are supported and trained in performance evaluation and calibration to ensure common understanding, objectivity, and consistency in the way that it is applied across the business. These global processes are designed to overcome the traditional pitfalls of talent management practices, and ensure diversity and inclusion continues to be promoted throughout the Group while also making sure all employees benefit from equal opportunities for a successful and fulfilling career at Pernod Ricard.

From a **generational diversity** perspective, the Group is also committed to attracting and hiring young talents on various development contracts (*i.e.*, apprenticeships, training, etc.). The Group also recruits and develops young graduates through VIE (international volunteers in industry) and international young graduate programmes, such as the Jameson International Graduate Programme.

Pernod Ricard sponsors the **Youth Action Council** (YAC)[(22)] with the objective to create a direct link between the next generation of employees and consumers and the Group’s Top Management to bring shared value to Pernod Ricard.

(22) Founded in 2013, YAC is a think tank comprising nine employees under 30. They are asked to provide Top Management with their generation’s view on the Group’s strategic issues. YAC has a three-year mandate to develop cross-company initiatives such as the “Green Office Challenge” and “Talent 4 Talent”.

Corporate partnerships for Diversity & Inclusion

Pernod Ricard has increased its visibility in the diversity sphere by actively participating in the main event at the Global Women's Forum in Paris since 2018, through presenting speakers, sending delegates and sponsoring the event).

In September 2022, Pernod Ricard became a Gold Partner of LEAD Network (Leading Executives Advancing Diversity), a non-profit group that aims to attract, retain and advance women in the retail and consumer goods industry in Europe through education, leadership, networking and business development.

In March 2023, Pernod Ricard signed the UN's Women Empowerment Principles, a set of principles offering guidance to business on how to advance gender equality and women's empowerment in the workplace, marketplace, and community.

Examples of Pernod Ricard affiliates promoting D&I

Pernod Ricard North America has added DEI[1] requirements for their agencies, with the objective to:

- diversify the teams that work on its business to better reflect consumers;
- strive to better represent customers in creative work;
- diversify their respective suppliers.

Pernod Ricard Asia HQ is empowering women and under-represented groups through the #IAmRemarkable workshop, celebrating their achievements in the workplace and beyond.

Pernod Ricard India has introduced the back2spirit campaign, a "returnship" programme for women on a career break, to support their professional growth and development.

Pernod Ricard Winemakers has put a focus on flexible working and parental leave. Their Family Friendly Workplaces approved Parental Leave Policy, allowing all parents to access flexible working arrangements. The affiliate implemented a targeted awareness campaign and policy improvements, which resulted in a 25% increase in men taking parental leave over a two-year period.

The Absolut Company ran introspective workshops for managers to reflect on behaviours that contradict the D&I Ambition, TAC Values, and Pernod Ricard's Leadership Attributes. The company continued working on unconscious bias and conducted a full day of training on Inclusive Leadership with Franklin Covey as part of all the affiliate Leadership Academy (People Managers Training).

[1] DEI: Diversity, Equity and Inclusion.

REPRESENTATION OF WOMEN AT 30 JUNE (PERMANENT CONTRACTS)

Number and %	FY22	FY23
Group employees	7,088 (39%)	7,741 (40%)
Non-managers	3,767 (35%)	4,022 (35%)
Managers	3,321 (45%)	3,719 (46%)
Top management (19% in 2015)	194 (35%)	220 (36%)

BREAKDOWN OF POSITIONS WITH PERMANENT CONTRACTS FILLED BY WOMEN

Number and %	FY22	FY23
Internal transfers	208 (39%)	243 (54%)
External hires	1,480 (48%)	1,479 (44%)

This breakdown reflects the Group's strong presence in countries where the labour market is male-dominated, such as India where men represent 82% of the workforce. However, the proportion of women amongst managers has been constantly rising over the last decade, from 30% in FY12 to 46% in FY23.

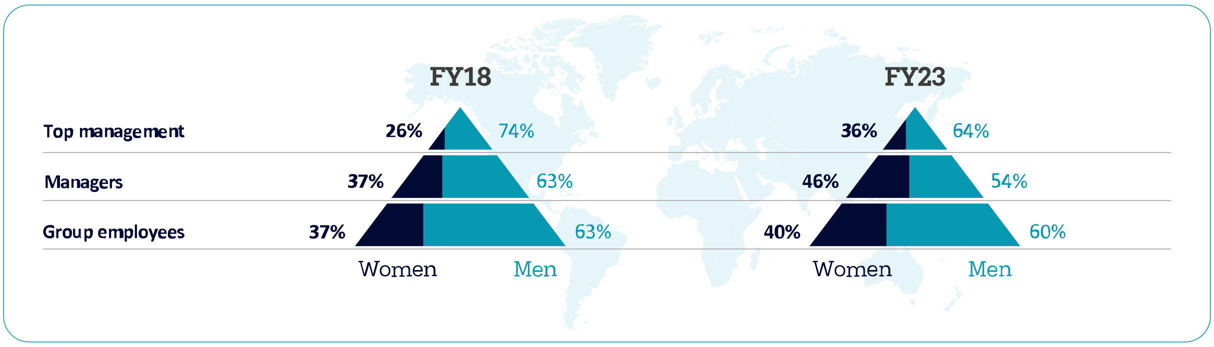
Pernod Ricard is committed to welcoming and developing talents of all ages and generations. As careers are becoming longer, each generation has a key role to play in the business success and the Group is proud to have a well-balanced workforce in term of age. Its mission is to unlock the magic of human connection and as a result, four generations co-exist in the workplace, bringing intergenerational value to all.

TABLE 7 – BREAKDOWN OF PERNOD RICARD EMPLOYEES AS OF 30 JUNE 2023

	AVG Age	Total (1)	18 to 25	26 to 35	36 to 45	46 to 55	56 to 65	66 and More
Pernod Ricard Group	**42**	**19,421**	**3.9%**	**32.8%**	**32.6%**	**20.9%**	**9.3%**	**0.5%**
Female	41	7,741	49.0%	46.3%	37.8%	34.4%	32.7%	38.6%
Male	43	11,678	50.9%	53.7%	62.2%	65.6%	67.3%	61.4%

(1) Permanent contracts only.

FIGURE 16 – PROGRESSION OF GENDER REPRESENTATION AT PERNOD RICARD



Pernod Ricard continues to work on gender diversity and parity across the Company, designing and implementing internal programmes and processes to accelerate the development of diverse talents globally (see subsections 3.5.1.2.2 Talent management and 3.5.1.2.3 Training our employees).

3.5.1.1.2 Hiring & employability of workers with disabilities

Pernod Ricard's commitment to a welcoming and inclusive environment entails striving to ensure its workplace culture, environment and ways of working are as adapted as can be to the needs of each employee. Where workers with disability are concerned, affiliates' compliance with local laws is the starting point, not the end goal of the policy. A number of initiatives across the Group are helping to make work environments friendlier to workers with disabilities, including:

- adapting premises and investing in appropriate equipment;
- providing training;
- raising employee awareness;
- conducting joint projects with specialised establishments;
- participating in dedicated forums; and
- recruiting workers with disabilities.

In line with local needs and requirements, affiliates also put in place relevant initiatives for accessibility. For example, in the UK, employers are obliged within reason to make sure that disabled workers have the same access to everything involved in doing and keeping their job as a non-disabled workers.

These measures are starting to have an impact but there is more to do. In France for example, the share of employees with a declared disability reached 3.5% in 2022.

Group partnerships favouring employability of workers with disabilities

Pernod Ricard's Global Purchasing IT team partners with vocational rehabilitation centres[(1)], which are institutions providing a regulated protected work environment to workers with disabilities as well as medical, social, and training support.

In France, Pernod Ricard seeks to facilitate access to its job opportunities for workers with disabilities by advertising careers and open positions on the website of the Agefiph public organisation dedicated to developing inclusivity.

(1) Établissements ou services d'aide par le travail (ESAT) as codified by French law.

3.5.1.1.3 Actions to counter discrimination & unconscious bias

KPIs in the Group's new D&I global framework account for gender at the global level but also provide space for each affiliate to identify local communities that are relevant to include, with the corresponding actions and KPIs to measure progress towards a more diverse and inclusive workplace.

Sample actions from Group affiliates against discrimination

Pernod Ricard's French affiliates launched a partnership with Mozaik RH, a foundation to provide equal opportunities to all talents, especially those coming from French priority neighbourhoods. The Group promotes job opportunities on their platform to increase access to talents from all backgrounds. In FY23, they also underwent several training sessions, including on:

- recruiting without discrimination, as part of the Go Beyond Unconscious Bias Manager Program;
- inclusive leadership and communication.

To scale up and train a majority of hiring managers in France, the Group is also currently developing some e-learning capsules on recruitment with some practical exercises.

Irish Distillers' commitment to better understanding the richness of neurodivergent individuals and becoming a more inclusive workplace began with a "Lunch & Learn" session during their inaugural Diversity & Inclusion week in May 2022. Following the positive feedback, they developed a programme called Becoming Neurodiverse Smart, which includes:

- bespoke workshops for People Managers;
- four "Lunch & Learn" sessions for all employees exploring the diagnostic process, approaching disclosure and accommodation conversations in the workplace, familiarising employees with neurodiversity language, and raising awareness;
- confidential 1-1 coaching sessions with an external coach to support neurodivergent colleagues and their managers in navigating workplace environments.

Around the world, Pernod Ricard employees are organised in a wide network of Employee Resources Groups (ERGs), where employee-led peer groups help foster a diverse, inclusive workplace. These function as cultural advocates, allies, ambassadors, and partners in building open forums to share experiences and celebrate cultural movements across communities. Each Group has its own focus, such as[23]:

- raising awareness on **LGBTQIA+** causes and supporting inclusion: PRISM (Pernod Ricard North America), PRIDE (Chile), Fluid (UK), PR-ide (France), True Colours (The Absolut Company), PRIDE (Pernod Ricard Winemakers);
- supporting the integration of **international communities**: Expats in France (France), Se habla espagnol (France), PaRa Amigos (North America), First Nations (Pernod Ricard Winemakers);
- supporting **gender balance** in the IT industry: Women in tech;
- supporting **women and allies**: Libra (UK), Womxn (North America).

As a way to measure relevant D&I indicators and employee engagement, the Group has various feedback tools implemented over the past few years: I Say Employee feedback survey (capturing Inclusion Index), global Wellbeing Pulse Survey, Onboarding & Exit surveys, and the D&I Maturity Self- Assessment for all affiliates.

(23) *List of a few examples, this is a non-exhaustive list.*

3.5.1.2 Supporting our employees to grow

The Group's strategy for talent attraction, development and retention relies on providing good working conditions, a favourable remuneration policy and benefits, all while supporting people in developing their skills and building successful careers. Talent management is and will remain a key strategic business priority for the Group. As such, the Pernod Ricard S&R roadmap includes key commitments to ensure long-term employability through comprehensive access to training and development opportunities.

3.5.1.2.1 Quality of employee experience

Compensation policy

Group Senior Management's compensation is overseen by HQ, whereas each affiliate manages its policy locally while upholding a set of common rules. These include developing a performance culture and offering compensation that is competitive locally, leveraging external benchmarking and compensation data. This also involves setting up straightforward, meaningful, and motivating compensation packages. Total payroll is discussed in Note 3.5 *Expenses by type* in Section 6 "Annual consolidated financial statements". This year, payroll accounted for 12.43% of net sales.

Performance culture: employee profit-sharing policies

Performance is encouraged through favourable profit-sharing and incentive policies. A gross amount of €50 million was paid under such plans to over 7,592 employees, to which contributions[24] of over €7.7 million were added. Moreover, share-based long-term incentive plans policy (such as allocating performance shares or restricted shares for example) were once again implemented in FY23 for over 750 employees worldwide.

In 2019, the Group launched its first ever Employee Share Ownership Plan called "Accelerate". The second edition of the Plan was rolled out in 2022 in 24 markets (covering around 80% of Group employees and the initiative once again proved highly successful, with an overall sign-up rate of 45.7%). In 2021, the Group launched Pay for Performance directly linking reward and recognition to performance. This helps building a high-performance culture across the organisation, allowing managers to differentiate the reward and recognition received by their teams based on their contribution and performance both on the "What" and the "How" of their deliverables.

	FY22	FY23
Total gross amount paid under profit-sharing and incentive plans	€42 million	€50 million

Welfare protection and health insurance

In line with the Group's commitment, all employees are offered a welfare protection plan covering major risks (death and invalidity). Some choose not to be covered or are covered by their spouse's employer.

Number and %	FY22	FY23
Employees covered by a welfare protection plan (death and invalidity) with a benefit equivalent to at least one year of the employee's fixed annual salary	94.2%	93.4%
Employees benefitting from health insurance	98.1%	98.2%

Promoting wellbeing & quality of life in the workplace

The Group is committed to offering employees good working conditions and as such it is engaged in upgrading and accommodating workspaces wherever possible. The Group believes its office spaces should offer an opportunity to showcase the belief that humans need to come together in person to create convivial moments. In the years following the Covid-19 pandemic, the value of this human connection is understood all the better.

Like many of the Group's offices, Pernod Ricard's global flagship in Paris, The Island, embodies a "conviviality by design" approach. It was designed to offer the best work environment by incorporating different styles of workspaces and workstations, and giving employees the flexibility to choose. Employees also have access to a range of specialists, activities, fitness equipment and other services, in line with the Group's broader commitment to health and wellbeing. The Island received HQE certifications ('Excellent') for its construction and exploitation recognising that it adheres to the highest environmental and employee wellbeing criteria.

3.5.1.2.2 Talent management

Pernod Ricard's people development strategy is anchored in the Group's Leadership Attributes, which were rolled out across the organisation in 2020.

Leadership Attributes

The Leadership Attributes represent the leadership behaviours Pernod Ricard needs to ensure its future success. They are embedded in its global Human Resources strategy through various leadership assessment and development programmes: annual performance appraisals, 360 feedback surveys, coaching and mentoring. All these processes and programmes help Pernod Ricard's employees grow their leadership skills and be better prepared to master challenges and drive change to deliver its business goals.

In FY23, 236 employees participated in the 360 feedback assessments with an overall satisfaction rate of 92%. Furthermore 168 people attended LeadUp and Blenders development programmes, which fully embed the Leadership Attributes.

TransfoHRm/Workday

The Group-wide HR strategy TransfoHRm is powered by a single Group-wide HR management system, the global digital platform Workday, introduced in 2018. This has been very successful in helping manage the key group HR processes in a consistent way across all the affiliates. Pernod Ricard has been able to quantify the return on investment:

- having streamlined business processes;
- established a common language;
- created unified and reliable information worldwide.

It has significantly improved HR efficiency, facilitating decision-making so as to put the right talent in the right positions with the right skills at the right time in their career. Employees and their managers now have a robust and reliable tool to access information about their position, career path, compensation and performance & development information. Employees are fully empowered to be proactive with their career development. Through comprehensive roadmap planning and a new partnership with IBM for end-user support and technical upgrades, Pernod Ricard kept investing toward a software-powered transformation of Human Resources management.

(24) *Additional sum paid to employees for investments in the Company savings plan.*

Pernod Ricard is committed to introducing additional functionality to support the ongoing improvement of the employee experience. In 2023, the onboarding journey was fully revamped through an onboarding process as well as the digitalisation of the candidate offer and employment contract. Another example is the global release of a Compensation Hub, a new one-stop shop for employees to fully understand their total reward and benefits whatever their affiliate.

To enhance end-user adoption, improve efficiency, and gather bottom-up feedback from all over the Group, Pernod Ricard implemented the Workday Adoption Programme initiative, a combination of best practices workshops, user-centric analyses through common Key Process Indicators, and detailed feedback sessions. Launched in five major affiliates, each session of the Adoption programme was wrapped up with dedicated action plans which successfully fed the quarterly construction of the Product Roadmap. Following its success in FY23, corresponding initiatives will be expanded in FY24.

Although many initiatives focused on employee and end-users experience, the Group kept on investing in dedicated modules to support the business and streamline the needs in resources to ensure sustainable performance. The deployment of the Workday Adaptive Insight module has been expanding during the whole fiscal year 2023, which allows Human Resources to forecast, plan and manage employee-related costs as these represent the largest overhead.

These ambitious initiatives will ensure that HR effectively embeds the new ways of working and proactively partners and supports managers & employees to co-create their unique experience at Pernod Ricard.

Let's Talk Talent

Let's Talk Talent is a global talent management and development framework shared across all affiliates thanks to a common language to assess performance and potential. This assessment focuses not only on "what" has been achieved, but also on "how" achievements were obtained, in line with the Leadership Attributes. This enables Pernod Ricard to assess, provide feedback and develop teams, identifying the skills, competencies and behaviours that are needed to support the strategic plans whilst fostering a diverse, high-performing culture. This process, along with the learning agility assessment of individual growth potential, forms the basis for identifying and developing talent within the Company for career development and succession planning.

As part of this Let's Talk Talent process, the Company fosters a culture of continuous feedback between supervisors and employees. Pernod Ricard offers employees opportunities and resources to grow and empowers them to take steps to advance their careers and to develop within the business.

Next steps & future commitments

Upcoming developments in talent management include **Project Horizons**, a global project to combine technology with career and development opportunities into a truly employee-centric approach. Horizons will leverage an AI-powered platform, Talent Marketplace, to match employees' professional and personal skills with career and development opportunities at Pernod Ricard.

3.5.1.2.3 Training our employees

Policy	Commitment	Target date	Objective	FY22	FY23	Progress status
2030 S&R roadmap	Develop employability throughout employees' working lives: offer all employees at least one training session during the FY	2030	100%	91%	99%	On plan
2030 S&R roadmap	Develop employability throughout employees' working lives: offer all employees at least one future-fit training session every 3 years	2030	100%	-	21%	In progress

Pernod Ricard University

Pernod Ricard's learning offering is built around co-creation, blended learning and dynamic upskilling initiatives using a 70/20/10 approach to employee development. Pernod Ricard University actively partners with the business and HR Departments to:

- identify Learning & Development (L&D) needs; and
- design programmes with high-end institutions, consultants and internal experts.

The global learning offer is based on a mix of formats – approximately 80% online and hybrid, and 20% in-person. This mix helps the Group to enhance its own strategic delivery through:

1. adequate response to the demand for more customisation, accessibility & convenience using an "anytime, anywhere" approach;
2. the breadth and depth of the offer to address the varying needs across the organisation, functions and locations, and the life stage and growth aspirations of individual employees;
3. inclusive and purposeful development opportunities to help all employees keep up with the changing world, technology advancement and generational differences.

In 2023, the key focus was placed on the following areas.

- **Digital upskilling,** with two main initiatives:
  - "D-Passport Season 3", focused on increasing knowledge of tech innovation and digital trends for Top Management and key customer- and consumer-facing roles;
  - Next-Generation Marketing, a programme based on external benchmarking and rapid upskilling for digital marketing excellence for the entire marketing community;
- **Leadership For Growth,** involving internal customised programmes (Mixers, Shakers, Finance Leaders of Tomorrow) along with a broad portfolio of external programmes from leading academic institutions;
- **Accelerating self-learning & continuous development,** by using a global learning platform (Coursera) for both developing existing skills and learning new ones to enhance performance and career growth;
- **Enhancing functional capabilities,** focusing on prioritised areas with specific programmes in Procurement, S&OP, Supply Chain and Manufacturing, Finance.

Acting as true growth catalysts, the Group's holistic offering and L&D customisation efforts effectively contribute to the transformation of the organisation into a more agile, digitally-savvy, innovative and consumer centric one, led by future-fit leaders and capable and engaged employees.

In line with the Group's strategic priorities, the focus in FY24 will be on completing digital marketing upskilling, introducing an holistic HR programme emphasising data and people analytics, mindset for change, and deep expertise-building for functional roles, Prestige programmes in Commercial & Marketing, along with enhanced learner experience through better structured, curated, and automated learning journeys with the introduction of the talent marketplace.

Number and %	FY22	FY23
% of the payroll invested by the Group in training	1.5%	1.6%
Number of employees trained(1)	17,103	20,154
% of total workforce trained(1)	91%	99%
Training hours(1)	423,129	463,179
Average number of hours of training received by training beneficiaries(1) per year	25	23
% of employees who received at least one performance review(2)	91%	93%

(1) Fixed-term, permanent contracts and apprentice.
(2) Permanent contracts.

Leadership Assessment and Development programmes

The Group has developed a full range of leadership assessment and development programmes in response to Pernod Ricard's business goals and to better prepare talents and future leaders.

In FY23, 27 participants took part in "Blenders", a global assessment and development programme for Top Management to assess them against the Group's Leadership Model and support them in their careers and development. The main objective is to create space for leaders to reflect and then put in place tailored development plans to enhance their growth and development.

The Group has also established global leadership assessment and development centres ("LeAD UP") via an external provider. These help assess skills and leadership potential, identify strengths and development opportunities, develop people with high potential and better prepare talents for future leadership roles. The goal is to encourage all employees to take ownership of their careers. The "LeAD UP" programme offers two-day sessions in which participants conduct one-on-one interviews, tests and case studies. They also receive in-depth feedback and participate in development sessions. In FY23, over 144 participants took part in these development programmes with over 65% of participants being women.

3.5.1.2.4 Social dialogue

The Group has a long tradition of social dialogue and promotes freedom of association in every country in which it operates. In addition, it firmly believes in the importance of providing a working environment with optimal working conditions:

EU Works Council

With over 50% of its employees based in the EU, the Group has mainly focused its efforts on EU employee representatives. This council brings together one or more representatives from every affiliate within the EU with over 50 people. It had a total of 23 representatives in FY23.

The EU Works Council meets at least once a year. A Select Committee, elected by their peers, of five members from five different countries, meets at least once a year. The Select Committee may act on its own initiative in response to any social measure that might be taken within the EU involving at least two countries in which Pernod Ricard has local teams. To share information, content is co-written by delegates and the HR Department annually and published on the intranet.

The France Group Committee meets once a year. It brings together employee representatives appointed by the largest trade unions in the French affiliates. The purpose of this meeting is to review the Group's business activities, together with an analysis of employment trends and forecast changes for the year ahead.

The Group Committee and the EU Works Council are chaired by the Group Chairman & CEO, Alexandre Ricard, and moderated by the HR Department.

Signing of labour agreements

Affiliates sign roughly 189 agreements annually with a range of social partners worldwide. This encourages improved social dialogue. The number of agreements signed reflects changes in local legislation.

The agreements signed by affiliates during the past year mainly covered:

- compensation and profit-sharing;
- Group welfare schemes;
- remote working; and
- occupational health and safety.

Number and %	FY22	FY23
Number of agreements signed with social partners	170	189
Number of affiliates signing at least one company-wide agreement during the year	30	101

Group partnership: social dialogue

Pernod Ricard officially signed the Global Deal in FY20. This is a multi-stakeholder partnership intended to address challenges in the global labour market and enable everyone to benefit from globalisation. It aims to encourage governments, businesses, unions and other organisations to make commitments to enhance social dialogue and promote joint solutions. The deal entails idea-sharing, joint projects, lessons learned and policy advice. It also promotes concrete initiatives and voluntary commitments. Pernod Ricard affiliates in partner countries will have access to their own local platforms.

3.5.1.2.5 Employee engagement

Pernod Ricard has a very high level of employee engagement, evidenced since the beginning of the "I Say" Global Employee Engagement Survey. It was reinvigorated in 2021 with **I Say 2.0**, leveraging digital and data in partnership with Glint and moving to an annual global survey.

In FY23, the Group rolled out the seventh edition of **I Say**, a revised survey empowering managers and HR to leverage advanced analytics and insights to better understand employee needs. It also allows them to more quickly roll out action plans to address the improvement areas identified. **I Say** is supported by a digital platform from which managers and HR are able to extract results and build targeted action plans. The results can then be benchmarked against Glint's data from external organisations.

- Highest ever participation rate (87%) since the Group launched its first global survey in 2011.
- Pernod Ricard's employees said they are happy to work at their affiliate (+1 percentage point vs. I say 2021, +1 vs Glint's Food&Bev benchmark).
- The majority of the Group's employees would recommend Pernod Ricard as a great place to work, with a score of 76 (+1 vs Glint's global external benchmark, +3 vs. Glint's Food&Bev benchmark).

These sentiments have been mirrored externally as well, as Pernod Ricard has been included in the ranking of Forbes' World's Best Employers 2022.

In FY23, the Group also launched the second edition of the **wellbeing pulse survey** to gather more in-depth feedback from employees on issues like their perception of their work-life balance and how they managed stress.

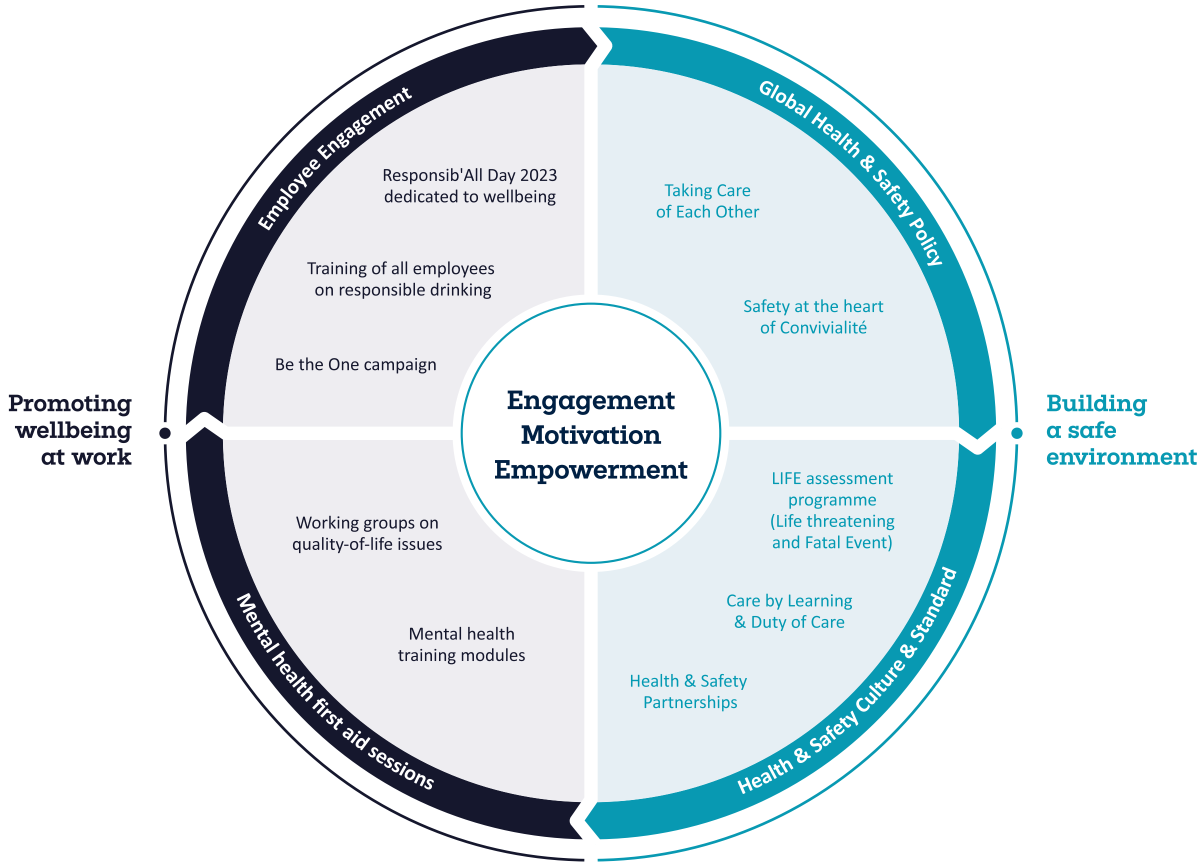
Following the pandemic, wellbeing and engagement continue to be important areas of focus.

	I Say			Wellbeing pulse survey	
Scores	**2022 Pernod Ricard**	**Global Benchmark**	**Food&Bev benchmark**	**2022**	**2023**
Wellbeing [My affiliate takes a genuine interest in employees' wellbeing]	**71**	**71**	**70**	**67**	**70**
Overall Engagement score	**76**	**74**	**74**	**-**	**74**
eSat [How happy are you working at your affiliate?]	*75*	*74*	*74*	*74*	*73*
Recommend [I would recommend my affiliate as a great place to work]	*76*	*75*	*73*	-	*74*

Number and %	FY22	FY23
Total departure rate*(1)	14.3%	14.1%
Number of resignations*	1,657	1,618
Voluntary departure rate*(2)	9.4%	8.5%
Absenteeism rate**	4.1%	3.7%

(1) The rate of total departure is calculated by dividing the number of departures by the average workforce with permanent contracts.
(2) The rate of voluntary departure is calculated by dividing the number of resignations by the average workforce with permanent contracts.
** Permanent contracts.*
*** Fixed-term and permanent contracts.*

3.5.1.3 Health, safety & wellbeing



Pernod Ricard constantly strives to build a healthier and safer workplace for employees and contractors. Pernod Ricard's approach to Health & Safety (H&S) is underpinned by the "*Créateurs de convivialité*" vision. Standards and processes are developed to manage employee and onsite contractor activities, from risk assessment to the implementation of mitigation measures, including on-field assessments.

As of FY23, a comprehensive H&S approach has been taken, covering everything from physical to mental health, for those working in an industrial environment as well as administrative (offices) and sales representatives.

3.5.1.3.1 Building a safe environment

Policy	Commitment	Target date	Objective	FY22	FY23	Progress status
2030 S&R roadmap	Become "best in class" in the Wines & Spirits industry for Health & Safety: moving towards zero accidents (employees and temporary staff)	2025	Moving towards zero lost time accidents	70	60	On plan

Global H&S policy

The Group is committed to developing a culture in which everyone has a role to play and where employees take ownership by sharing responsibility for their own safety and that of their co-workers.

This vision was turned into a Global Health & Safety Policy called "Taking Care of Each Other" in 2019. The strategic priorities to achieve Pernod Ricard's goals are :

- **Culture**: to develop a culture where safety is at the heart of *Convivialité*;
- **Leadership**: to develop leadership through engagement, motivation and empowerment;
- **Performance**: to improve business performance through excellence in Health & Safety.

This policy was approved by Pernod Ricard's Chairman, Chief Executive Officer, the Executive Committee and the Board of Directors. The Group Operation EVP oversees the implementation of the Group's Health and Safety policy. The management of the local affiliates is responsible for its implementation.

H&S Culture

Delivering on this vision requires management systems. In this regard, the Group's industrial sites are required to be OHSAS 18001/ISO 45001 certified. In addition, Pernod Ricard is committed to, and actively fosters, a H&S culture in which everyone is involved in taking care of each other. To drive this change, third-party audits on safety culture and standards compliance are being rolled out across the major production sites. Each audit gives rise to an assessment of the site's maturity, and an action plan to move to the next level on the maturity scale.

To address high risk situations, Pernod Ricard continuously defines new standards. In FY23, LIFE (Life threatening and Fatal Event) requirements have been developed, covering a wide range of activities (including work at height, chemicals, confined spaces, explosive environments, hazardous gases, fire & evacuation, equipment safety, forklifts, racks & pallets, truck loading/unloading, truck fleets, work permits, and hazardous energy). Specific risks related to sales and head office activities are being tackled through LIFE requirements related to these functions (including responsible drinking, driving, ergonomics, risk assessment, safe events, contractors management, and emergency planning).

All affiliates have implemented prevention measures following a self-assessment of their local practices both on industrial and non-industrial sites. A LIFE assessment programme performed by third parties is currently underway both on industrial and non-industrial sites.

H&S is fundamentally an area of prevention and awareness-raising and the Group aims to deepen its H&S culture through engagement, motivation, and empowerment. As such, the Pernod Ricard training programme "Care by Learning" continues to be rolled out through a pre-defined sequence of modules. In FY23, over 170 Safety Champions from affiliates industrial sites have undertaken a train-the-trainer programme while 100% of the Pernod Ricard population was trained through a mandatory e-learning "Duty of Care" launched at Group level.

Moreover, the Group continued implementing its roadmap by, for example:

- extending reporting platform functionalities to ensure collection and analysis of safety events across the whole Group;
- deploying the Taking Care of Each Other programme (awareness and assessment) beyond industrial sites.

Pernod Ricard H&S partnerships

Pernod Ricard is actively engaged with H&S networks to share best practices and has increased its visibility in this sphere by attending and presenting at various events and conferences, including:

- **People Sustainability the Future:** conference in London, December 2022;
- **OneWISH** (Women in Safety and Health) global event in support of International Women's Day, March 2023.

Since FY20, the Group's H&S efforts have resulted in a more than 50% reduction in lost time accident frequency rate (-57%) (employees and temporary staff).

Workplace accidents and % of sites certified	FY21	FY22	FY23
Number of workplace accidents with lost time[(1)]	68	70	60
Frequency rate[(1)(2)]	3.6	3.4	2.6
Severity rate[(1)(3)]	143	83	125
Number of fatalities[(1)]	0	0	0
% of production sites OHSAS 18001/ISO 45001 certified	91%	91%	86%

(1) Employees with interim, fixed-term and permanent contracts.
(2) Frequency rate = number of non-fatal workplace accidents with lost time × 1,000/total number of employees and interim staff expressed in full time equivalents.
(3) Severity rate = number of days of absence for workplace accidents × 1,000/total number of employees and interim staff expressed in full time equivalents.

The accident severity rate has increased by 30% compared to last FY, mainly due to LTA occurred in FY22 with days lost in FY23, as well as to Slip, Trip and Fall accidents.

3.5.1.3.2 Promoting wellbeing at work

In line with its "**Taking Care of Each Other**" vision, Pernod Ricard believes in a strong connection between H&S and wellbeing, as both are equally supported by a thriving culture of interdependence and mutual support between individuals, teams, and functions. Moreover, there is clear evidence that enhancing wellbeing (broadly defined) makes employees less accident/hazard prone. The Group considers that giving a strong impulse to mental health leads to a virtuous circle benefiting every person in terms of wellbeing and motivation, which can radiate through the company and ultimately drive business in a sustainable way.

These beliefs and commitments were made concrete in FY23 through several initiatives.

Be the One

For the World Day for Safety and Health at Work, on the 28th of April, the Group launched a major campaign, **"Be the One"** to care, to flag, to notice, etc. This campaign acknowledges that accidents start with small details. Easy overlooked, many small factors can lead to risk and accidents if they are not identified and addressed. "Be the One" thus aims to help employees identify hazards, change their habits, and foster a sense of caring about safety, but also about people. Through this new campaign, the Group is laying the foundations of a more holistic approach to preserving the mental, moral, and physical health of its employees.

Mental Health First Aid

In keeping with same, Pernod Ricard began deploying **"mental health first aid" sessions** in France, a programme already deployed in other affiliates such as Pernod Ricard Winemakers in Australia while leading working groups on quality-of-life issues. The next steps involve expanding a network focused on mental wellbeing and peer-to-peer support at the Group HQ level to formally widen the Health & Safety scope to include mental health.

Responsib'All Day

Moreover, this year's **Responsib'All Day**, the annual event during which all employees dedicate a day to the Group's S&R strategy, was focused on the topic of wellbeing. It included activities delivered by experts and non-profit organisations on how to take better care of oneself and others, from a mental, social, and physical perspective. Some affiliates chose to focus on activities relating to responsible drinking, complementing Group initiatives to protect employees and ensure they are ambassadors of responsible drinking.

3.5.1.4 Educating employees on alcohol and responsible drinking

Policy	Commitment	Target date	Objective	FY22	FY23	Progress status
2030 S&R roadmap	Maintain all Group employees trained on alcohol and responsible drinking through the MOOC[1]	Ongoing	100%	94%	94%	On plan
2030 S&R roadmap	Train sales staff and brand ambassadors on responsible sale of alcohol[2]	2025	100%	-	19%	On plan

(1) Employees with a permanent contract, at least three months' seniority and equipped with a professional device.

(2) Employees with a permanent contract, at least three months' seniority and belonging to a relevant job family (Brand Education, Business Development, Commercial Capability, Field Sales, Sales Management, Hospitality, Point of Sales Activation, and Retail Excellence).

Pernod Ricard's employees are the primary and best ambassadors for responsible drinking. The Group enlists its employees worldwide with the common goal of reducing the harmful use of alcohol and promoting a conscious approach to drinking alcohol.

Online training on alcohol & responsible drinking

Launched in 2020 and translated into 21 languages, Pernod Ricard's online training provides information on alcohol and alcohol-related risks to enable employees to make informed decisions as to whether to drink alcohol and how to drink responsibly.

The training also embeds the Group's Global Responsible Drinking Charter. The Group expects all employees to comply with this Charter as a breach could present a risk to the health, safety, and well-being of employees and third parties.

This training has been made compulsory for all Group employees worldwide. Same as last year, in FY23, the Group almost achieved its target by maintaining 94% of its active employees trained on responsible drinking and has committed to keeping this target on a yearly basis.

Training of sales staff and brand ambassadors on the prevention of alcohol-related risks

Pernod Ricard's sales staff and brand ambassadors are at the frontline of the Group's business. Because of their job, they might find themselves in challenging situations related to alcohol consumption. To this end, the Group has also been rolling out this past year a dedicated training programme to prevent alcohol-related risks amongst employees of relevant job families. Throughout this training, they learn how to identify alcohol-related risks, prevent potentially conflictual situations, and behave in a professional and safe manner.

To effectively implement the training, a series of train-the-trainer sessions were organised this year to onboard senior sales management, who will further cascade and facilitate this education within their teams to reach the Group's objective.

3.5.2 Empowering people throughout our value chain

From grain to glass, the Group is committed to ensuring sustainable and responsible practices at every level. To this end, Pernod Ricard has committed to implementing resilient and sustainable practices, by building strong and fair business relationships centred on S&R with farmers, suppliers and its partners in the hospitality sector, including bartenders.

3.5.2.1 Procuring responsibly

Policy	Commitment	Target date	Performance target	Progress status
2030 S&R roadmap	Support all medium and high-risk suppliers[1] through a mitigation plan	2025	Implement mitigation plans for suppliers identified as risky through the Group risk analysis	In progress

(1) The internal risk mapping tool is used for all suppliers providing dry goods (packaging), wet goods (agricultural raw material), point of sale material and the terroirs risk mapping tool for key agricultural raw materials and priority terroirs.

Pernod Ricard relies on many suppliers across its supply chain, from farming and manufacturing through to distribution and merchandising. This means the Group's environmental and social impact is inextricably linked to its suppliers and it is crucial for the Group to build strong relationships with them to drive change.

3.5.2.1.1 Product & services supply

Pernod Ricard's objectives are to:

- have precise knowledge of the sustainability impacts and supply chain risks and collaborate with key suppliers to reduce the impact and accelerate improvements;
- expand Responsible Procurement and due diligence process across the supply chain with a focus on critical suppliers (high-risk and spend).

Pernod Ricard's responsible procurement actions are driven by the following main policies:

- Pernod Ricard's Code of Business Conduct establishes rules for balanced and healthy relationships with suppliers as well as the basic sustainability principles. It is available in French, English and Spanish;
- suggested sustainability provisions for contracts. These are available in English, French, Spanish, Portuguese and Mandarin.

The Responsible Procurement process (named Blue Source) applies throughout the Group and is supported by Top Management. Affiliates are responsible for its application and monitor any suppliers or subcontractors identified as risky.

The Blue Source process includes as of today half of Pernod Ricard's affiliates and is implemented for the following perimeter:

- Dry Goods (packaging);
- Wet Goods (agricultural raw material);
- Point Of Sale material.

3.5.2.1.2 Supplier Standards

The **Blue Source process**, which is implemented throughout the Group, allows affiliates to apply the Responsible Procurement strategy locally with their suppliers and subcontractors:

Supplier Standards are to be signed by all suppliers, either directly on the Partner Up platform for the suppliers that are in the scope (see subsection 3.9.1 "Methodology note on non-financial reporting") or electronically and saved locally by each entity.

The aim is to increase awareness around:

- Human Rights and labour law,
- health & safety,
- environmental impact,
- responsible drinking,
- integrity and fair business practices.

This document was updated in 2019 and includes commitments pertaining to "respecting land and water rights of communities", "environmental regulations", "animal welfare", and "tax evasion".

Moreover, the Group took the opportunity of introducing Supplier Standards to raise awareness amongst suppliers and encourage them to do likewise. Pernod Ricard will suspend dealings with any direct suppliers (Wet and Dry Goods) and key indirect suppliers (POS/VAPs) who fails to sign the updated version or failed to provide an equivalent commitment.

The Blue Source process also provides the **Risk mapping tool** for each affiliate to identify which suppliers (Wet and Dry Goods, POS/VAPs) and subcontractors should be assessed first according to set criteria regarding:

- production or service;
- size;
- country footprint;
- net sales;
- dependence of the supplier on the affiliate;
- annual expenditure;
- critical nature of the product;
- social, environmental and supply chain risks of the supplier.

Supplier's risks are reanalysed every three years for low-risk suppliers, two years for medium risk and every year for high-risk suppliers.

3.5.2.1.3 Sustainability assessment and audits

Pernod Ricard asks for reassessments of its high and medium-risk suppliers in order to identify areas for improvement and review the effectiveness of their action plans. Such assessments include:

- sustainability assessment using the EcoVadis platform around four key topics: environment, labour, ethics and supply chain;
- social and ethical audit standards in line with the SMETA (Sedex Members Ethical Trade Audit) standards and any other similar audits covering the same criteria of analysis.

For this Blue Source analysis, Pernod Ricard assumes that the risk does not stop at the amount of the expense: due to its activity and location, a supplier with a low expense may be just as much at risk as a supplier with a high expense. Accordingly, expense coverage is not calculated in this analysis.

KEY PERFORMANCE INDICATORS

Number of suppliers	FY22	FY23
Who signed the Supplier Standards(1)	2,049	1,973
Analysed using the risk mapping tool	2,304	2,190
Identified as risky (high or medium risk)	1,852	1,740
Identified as risky and covered by an EcoVadis assessment	318	345
Identified as at risk with production sites covered by an audit in accordance with social, environmental and ethical standards	70	111
Identified as at risk following the results of the assessment/audit (EcoVadis, SMETA) but not having started the implementation of the required mitigation plan	56	43

(1) Trading with a supplier can only commence once they have signed the Supplier Standards. In case of refusal, on-going orders are suspended until signature. In last resort, the supplier is phased out from Pernod Ricard supplier database.

Pernod Ricard makes a number of training tools available to employees on the Group's Responsible Procurement process. These also indicate what actions employees can take to mitigate risks with their suppliers.

For example, Pernod Ricard offers an online learning module covering all fundamental aspects of sustainability and responsibility applied to Procurement which includes interactive explanations of what "buying responsibly" means, why it is an important topic for the Group and how the employees can practice responsible procurement locally. In addition, other trainings are offered in various formats throughout the year, including individual calls with procurement teams, specific workshops and seminars. In order to strengthen Pernod Ricard's affiliates adoption of the Blue Source Process, performance reviews meetings are planned twice a year with each affiliate.

In summary, the Group will take the following steps:

- ask all suppliers, across all categories, to sign up to the Supplier Standards on Partner Up[25] or manually;
- complete an analysis of direct suppliers (Dry Goods and agricultural raw materials) and key indirect suppliers (POS/VAPs)[26];
- explore partnership plans to engage in a multi-stakeholder programme. Pernod Ricard is already working with Bonsucro, a global multi-stakeholder NGO to promote sustainable sugarcane production, processing and trade worldwide;
- train Procurement Managers or functions on Responsible Procurement processes including labour rights and Human Rights considerations;
- expand Responsible Procurement processes to other key indirect categories.

As a signatory of the UN Global Compact (UNGC), Pernod Ricard also participates in various webinars on Human Rights, decent work and living wages.

3.5.2.1.4 The Amazone Project

In FY22, to reinforce the Responsible Procurement programme, the Company launched the "Amazone project", which aims to enhance procurement-related risk management and contribute to delivering on 2030 S&R targets. This project is divided in two phases:

1) a diagnosis phase with the objective to understand the programme maturity, challenge the existing model and get best practices and recommendations adapted to Pernod Ricard organisation;
2) a preparation phase to implement the new Pernod Ricard Responsible Procurement model in FY23 which includes the following workstreams:
   a. **Risk Data Providers**: select and implement external sources and databases for an automated supplier risk rating,
   b. **Risk Mapping Methodology**: review and update the Pernod Ricard's risk mapping methodology and update of supplier risk questionnaires,
   c. **Suppliers onboarding**: review of risk arbitration rules within the Group supplier onboarding process,
   d. **Supplier Standard**: conduct benchmark and review of stakeholder's expectations to identify best practices and gaps,
   e. **Governance**: work on role and responsibilities for the coordination and the implementation of the programme,
   f. **Evaluation and audit strategy**: conduct benchmark and identify best solutions for risk assessment,
   g. **Engagement**: build engagement plan (training, support documentation etc.) externally (for suppliers) and internally (internal stakeholders).

The RFP for the risk data providers has been launched in 2023.

The Risk Mapping Methodology, the Supplier Standard and the Evaluation and Audit strategy have also been reviewed in 2023.

The next steps will be to roll out the first wave of the process with pilot affiliates then to manage the full roll-out of the project scheduled for 2025.

The Amazone project aspires to transform Pernod Ricard Responsible Procurement model in terms of scope, methods, technology used and resources involved.

3.5.2.2 Supporting farmer communities

Policy	Commitment	Target date	Objective	FY22	FY23	Progress status
2030 S&R roadmap	Empower, train or support farmers[1]	2030	5,000	9,933	10,506	Achieved

(1) Cumulative figure.

A terroir is more than the soil and the ingredients it produces: these can only be grown through the local communities and season workers living and working there, whose know-how has been cultivated over generations. To speak of terroirs is to speak of people, communities, and livelihoods, all of which the Group's commitments to Regenerative Agriculture seek to benefit. As such, Pernod Ricard engages with its farmer communities to:

- develop sustainable practices;
- improve livelihoods;
- increase access to health and education; and
- more broadly, empower local populations and increase their resilience.

For this, Pernod Ricard engages with its communities including by working on the ground to understand farmers' behaviours and possible barriers to change and provide solutions and incentives to maximise adoption.

The Group's terroir strategy includes helping new socio-economic models develop, for instance by conducting workshops on production costs linked to the implementation of new practices, and other levers to de-risk agricultural transformation for smallholder communities.

(25) Partner Up is the Pernod Ricard digital platform which allow employees, before signing on a new contract, to quickly and efficiently check that this third party does not raise any ethical compliance red flag.
(26) The following categories are excluded from this analysis: A&P (Advertising & Promotions), IT, Business Services, Travel, Co-packing and Manufacturing (incl. Logistics).

Pernod Ricard partnerships to empower, train, and support farmers

Mexico

In Mexico, Kahlúa works with coffee-producing communities and local NGO Fondo Para La Paz to help them increase their yields without compromising biodiversity. The programme supported new agricultural practices like the planting and development of climate resistant varieties as well as fair compensation, with a specific focus on female empowerment. In FY23, the programme reached an important milestone with the communities now being able to supply all of Kahlua's coffee needs while preserving biodiversity and expanding to other customers.

Ireland

In the south of France, where Irish Distillers source their maize, the Group has enrolled 27 farmers in the regenerative index to identify their areas of progress and transform their practices, such as no or low tillage. As part of this project, the Group is also working to develop a fair economic model to ensure long-term mutual commitments.

3.5.2.3 Training and empowering bartenders

Policy	Commitment	Target date	Objective	FY22	FY23	Progress status
2030 S&R roadmap	Train bartenders on all aspects of S&R through the Group's 'Bar World of Tomorrow' programme, from using fresh ingredients to responsible serving of alcoholic beverages, and waste management	2030	10,000	6,383	12,310	Achieved

The hospitality sector, just like other sectors, has a role to play in the transition to a more sustainable and responsible world. To guide bartenders and bar owners with this transition, Pernod Ricard has created The Bar World of Tomorrow (BWOT).

The BWOT started in 2020 as an online training course, created in partnership with the Trash Collective and the Sustainable Restaurant Association. The course is available worldwide and covers all aspects of S&R from fresh ingredient use to responsible serving of alcoholic beverages to waste management. Directly aligned with the UN SDGs, it focuses on four key areas: ingredients; service; bar; staff.

The free e-learning course is available to all adults of legal-drinking age[27]. It is available in English, French, Spanish, Portuguese, Russian, German, Polish, Turkish and Mandarin. In FY20, a toolkit was shared on how to run training sessions online or in-person on the key principles of the BWOT. This is aimed at guiding S&R leaders, brand ambassadors and/or advocacy colleagues to train bar owners and bartenders. All training sessions are reported to local S&R leaders to report back the number of attendees to HQ.

In addition, several tools were created to share with participants:

- a detailed checklist for bartenders & bar owners;
- cocktail recipes;
- a responsible serving cheat sheet; and
- a "badge" of completion.

With 2,082 bartenders having completed BWOT training on line and 10,228 bartenders trained in person since the creation of the programme (with 5,341 only in FY23), the Group has already surpassed its target to train 10,000 bartenders by 2030. This is the result of a large-scale roll-out of the programme and the efforts of affiliates to train bars, hotel chains and other partners. Moreover, the Group has been able to continue promoting the e-learning while massively expanding face-to-face training since FY22 when the on-trade started to open up again.

Notably, BWOT has seen an evolution in FY23: what began as a training programme for bartenders is truly becoming a broader global movement aiming to create and engage with a community seeking a wider positive impact. Now activated in trade shows and through the Group's new on-trade advocacy programme SIP (Share, Inspire, Pioneer), BWOT is embarking on an ever-growing community and recently launched its own social media channel to further develop the conversation with its bartending community.

Next steps and future commitments

In FY22, the Group announced the development of a BWOT self-assessment tool to help bars and bar managers identify areas for progress and implement new measures within their bars to be more sustainable and responsible. Since then, it has been piloted with customers and is currently being adjusted for implementation in FY24 through the SIP platform.

BWOT & TimeOut partnership for empowerment

The Group partnered with TimeOut to help launch the 'Bar World of Tomorrow' award at their TimeOut Food & Drinks awards and recognise the most sustainable and responsible bars. Building on a previous collaboration between TimeOut and Pernod Ricard Hong Kong, the Group sponsored the 'Bar World of Tomorrow' award in Paris, Madrid and Barcelona in FY23 and this partnership will extend to include other cities in FY24.

[27] *It is hosted on EdApp and UNITAR's (United Nations Institute for Training and Research) EducateAll platform.*

3.5.3 Raising consumer awareness on responsible drinking

Pernod Ricard believes that its products bring people together during genuine, friendly moments of connection and have a valuable place in society. Nevertheless, the Group acknowledges that inappropriate alcohol consumption can cause serious problems for individuals and communities.

Pernod Ricard is fully committed to combating harmful drinking. This stance stems directly from the Group's "*Créateurs de convivialité*" vision to unlock the magic of human connection by bringing good times from a good place, as conviviality is incompatible with excessive or inappropriate drinking. Adult consumers ought to be encouraged to make responsible choices about whether to drink or not, and how much alcohol to drink. Moreover, Pernod Ricard's strategy is one of premiumisation: the Group would like adult consumers to consume high-quality products.

The Group believes collective action is essential to achieve real and positive change and collaborates with its stakeholders, industry peers, governments, and local communities to strengthen its responsible business practices and promote responsible alcohol consumption.

Responsible Drinking Roadmap

Pernod Ricard supports the World Health Organisation's (WHO) goal of reducing harmful drinking by 20% worldwide by 2030[28]. However, the Group does not believe that in itself a cut in average *per capita* consumption supports public health needs, the notion that overall reduction has disproportionate effects on heavy drinkers is not backed up by facts: indeed, pursuing such a strategy has, in the past, led to lower consumption amongst moderate drinkers without a meaningful impact on the populations that drink at harmful levels.

Consequently, the Group's responsible drinking strategy is focused on combating the harmful use of alcohol and aims to achieve this goal in the manner best suited for each target group. It encompasses a wide range of tools, including in-house trainings, self-regulating standards, labelling initiatives, communication campaigns, and evidence-based prevention programmes to find the most effective ways of combating the harmful use of alcohol for each target audience and context.

The Group's Responsible Hosting strategy is coordinated by the Alcohol in Society team within the Public Affairs Department and is implemented through the network of S&R and Public Affairs leaders.

3.5.3.1 Consumer information

Policy	Commitment	Target date	Objective	FY22	FY23	Progress status
2030 S&R roadmap	Feature the three responsible drinking logos on all Pernod Ricard products[1]	2024	100%	-	41%	On plan
	Feature a digital label on all Pernod Ricard products informing consumers on product contents, potential health risks, and how to enjoy them responsibly[2]	2024	100%	-	41%	On plan

(1) Based on the assumption that Responsible Drinking logos and QR codes have been implemented simultaneously.
(2) Calculated based on percentage of renewed labels validated by Brand Companies in "Good to Go" process.

Pernod Ricard strongly believes that providing clear and comprehensive information is key to empowering consumers to make informed and responsible choices regarding the consumption of alcohol. To that end, the Group is committed to providing its consumers with information on the content of its products, the potential health risks associated with alcohol consumption and relevant responsible drinking information.

Responsible drinking logos

In FY23, Pernod Ricard kept working on the implementation of its commitment to feature three responsible drinking logos on all products: an age restriction logo, a logo warning against driving whilst intoxicated, and a logo warning against drinking during pregnancy that the Group has added to labels since 2006.

Implementation guidelines were issued in 2021 and full execution is expected by 2024, in line with the deployment of the QR codes redirecting to the Digital Labels (see below).

Digital Labels

In FY23, continuing its efforts as a proactive player in the industry, Pernod Ricard rolled out its digital labels in Europe across a selection of the Group's strategic international brands. This digital labelling system is designed to better inform consumers about the products they purchase and to enable them to make well-informed and responsible choices when it comes to drinking alcohol.

Every bottle sold by Pernod Ricard will soon include a QR code on its back label. Once scanned with a smartphone, it will redirect consumers to the product's digital label where they will find:

- health information on the potential risks linked to alcohol consumption, as well as links to local public health websites where additional information can be found;
- national low-risk drinking guidelines for the country where the consumer is located;
- the complete list of the product's ingredients and its full nutritional facts table;
- and, in the near future, sustainability information about the product.

The digital labels are geolocated, which enables the consumer to access tailor-made information in local language.

With full rollout by the end of FY24, Pernod Ricard will be the first wine & spirits group to launch digital labels worldwide across its entire portfolio.

(28) *Global target 1.1 of WHO Action plan (2022–2030) to effectively implement the global strategy to reduce the harmful use of alcohol as a public health priority.*

3.5.3.2 Responsible marketing & sales

Pernod Ricard is committed to maintaining high standards of ethical and social responsibility in all its brand communications. It is also committed to fighting underage drinking, including by preventing the online sale and delivery of its products to minors. The Group believes that strong self-regulation is an effective tool for meeting consumer and stakeholder ethical expectations in a rapidly changing media landscape, while at the same time building brand equity.

3.5.3.2.1 Responsible marketing practices

Policy	Commitment	Target date	Objective	FY22	FY23	Progress status
2030 S&R roadmap	Comply with the IARD Digital Guiding Principles (DGPs)	2024	95%	95%	95.5%	Achieved
	Have no complaint upheld against Group marketing campaigns	Ongoing	0	0	1	In progress
	Reach full completion rate on the e-learning[1] for the Code for Commercial Communications	Ongoing	100%	82%	80%	On plan

(1) Employees with a permanent contract, at least three months' seniority and belonging to a relevant job family (Legal, Communication, Public Affairs, S&R, Marketing, and Trade Marketing (except category management).

Pernod Ricard is committed to industry leadership in helping raise standards for responsible marketing of alcoholic beverages. Since 2007, the Group has followed its own Code for Commercial Communications (CCC), which exceeds the requirements of the Advertising and Marketing Communications Code of the International Chamber of Commerce. The Code ensures that the Group's commercial communications do not encourage or condone any kind of irresponsible consumption or misuse.

Pernod Ricard has also applied the same stringent standards to online advertising by implementing Digital Guiding Principles (DGPs) across the most commonly-used platforms (Facebook, Instagram, Twitter, and YouTube) and websites. These include requirements for age-verification, responsible drinking statements, transparency, restrictions on user generated content, and adding forward advice notices. Pernod Ricard is committed to achieving 95% DGP compliance by 2024.

In 2021, 647 URLs were checked through internal monitoring. An external audit in FY22, using both manual and AI checks, covered 1,032 URLs and found Pernod Ricard had achieved 95.3% compliance. The FY23 audit covered 1,127 URLs and found compliance has risen slightly to 95.5%.

Responsible Marketing Panel (RMP)

Created in 2005, the RMP is responsible for the ethical oversight of Pernod Ricard's advertising. Its six members and chair are not supervised by the Marketing Department. The RMP reports to the Executive Committee every month. It is sponsored by two Executive Committee members who are consulted on changes to the Code for Commercial Communications (CCC) and the drafting of implementing guidelines to ensure Pernod Ricard complies with the highest standards of responsible marketing.

All marketing campaigns must be submitted to the RMP, which issues an opinion within seven days. Decisions of the RMP are binding.

In FY23, the RMP assessed 857 requests:

- 626 campaigns of these:
  - 529 campaigns approved with no restrictions,
  - 91 campaigns approved and subject to modifications,
  - 6 campaigns rejected;
- 231 requests for advice.

One complaint was upheld against one of the brands in FY23, for a social media post relating to a small on-premise activation in the UK. This campaign was not reviewed by the RMP prior to submission. The Group has reviewed internal procedures and training in the UK to remedy this.

Sustainability claims

In 2020, the Group updated its CCC, strengthening all guidelines (provision mandating models be over 25 years of age and meet certain requirements). In 2021, it added guidelines regarding product placement to keep raising standards. In 2023, the Group added a new "Sustainability Claims" golden rule and launched its first Sustainability Claims Guidelines, designed to avoid "green/social-washing" or misleading consumers. Every sustainability claim should adhere to five principles:

- **Specificity**: claims must be specific;
- **Reliability**: claims must be truthful, accurate and substantiated;
- **Relevance**: claims must be relevant and proportionate;
- **Clarity**: claims must be understandable for the consumer;
- **Transparency**: claims must be easily accessible and traceable.

Through the CCC, Pernod Ricard will continue to deliver a brand experience centred on conviviality and responsibility that complies with industry commitments and advertising authority requirements. The Group will explore how to accelerate through digital and AI to ensure even stricter control of marketing assets.

Pernod Ricard believes new modes of marketing (*e.g.* gaming, metaverse) call for industry guidelines, and it will engage in constructive dialogue on these issues with all stakeholders.

Industry Partnerships for Responsible Marketing

Pernod Ricard is a founding member of the International Alliance for Responsible Drinking (IARD), the world's leading beer, wine, and spirits producers group. It supports the IARD's commitments on digital marketing, commercial practices and a series of measures to combat underage drinking (more information below).

3.5.3.2.2 Responsible sales

Policy	Commitment	Target date	Objective	FY22	FY23	Progress status
2030 S&R roadmap	Implement age-gating on direct to consumer Pernod Ricard websites	Ongoing	100%	100%	100%	Achieved

The Group endeavours to combat irresponsible sales of alcohol by ensuring that its products are not sold or delivered to minors or intoxicated people, collaborating with other leading industry players. In this capacity, the Group has played a very active role in drawing up the IARD global standards for online alcohol sales and delivery to prevent the online sale and delivery of alcohol to underaged individuals and to reduce harmful alcohol consumption among adults[29]. This directly led to the Group's e-commerce vision of "Profitable and sustainable growth, delivered responsibly". Pernod Ricard and other IARD member companies are working in partnership with 18 prominent global and regional online retailers, and e-commerce and delivery platforms, to deliver these global standards. So far, the Group has shared the standards with the affiliates involved in e-commerce by holding two internal webinars in FY22 to raise awareness on the guidelines, and all Pernod Ricard Direct-to-Consumer sites have been verified as age-gated in FY22.

In FY23, Pernod Ricard led the development of a collective standard for e-commerce in China as well as the roll-out of responsible industry e-commerce initiatives in other Asian markets. In FY24, the Group will introduce mystery shopper checks to verify delivery compliance in key markets and share a best-in-class solution for e-commerce age-gating compliance.

3.5.3.3 Brand Campaigns

Policy	Commitment	Target date	Objective	FY22	FY23	Progress status
2030 S&R roadmap / Long term incentive plans	Roll out at least 12 marketing campaigns* by strategic brands to promote responsible drinking behaviour among their consumers	2027	12	1	5	On plan

** Cumulative figures since FY22.*

Pernod Ricard's commitment to fight alcohol misuse involves actions at every step of the consumer journey. This includes the ways the Group and its affiliates address consumers and society at large, well before the sale of a product. Pernod Ricard believes that marketing can be a force for good by creating social value and helping consumers adopt responsible behaviour regarding alcohol. Brands know how to talk to consumers, and their campaigns can be effective at changing attitudes and making alcohol abuse socially unacceptable.

As such, the Group formally committed to leveraging the creativity of its brands to deliver responsibility-minded messages to consumers through dedicated campaigns.

This commitment has been embraced by Pernod Ricard's Brand Campaigns, with a first responsible drinking campaign in FY22 rolled out by Martell in China. In FY23, four more campaigns were rolled out covering Brazil, China, Singapore, Taiwan, and Ireland.

For example, the Irish Distillers campaign "Jameson. Easy Does It" encouraged people toward more mindful, moderate consumption and reinforced the message that whether you measure, sip, or skip, no one should feel awkward for doing so. Broaching a serious subject in a relatable, and authentic way, is reflecting the attitude of the brand.

[29] *01052022Global-standards-for-online-alcohol-sales-and-delivery.pdf (iard.org).*

3.5.3.4 Responsible drinking initiatives

Policy	Commitment	Target date	Objective	FY22	FY23	Progress status
2030 S&R roadmap	Contribute to at least one global or local responsible drinking initiative to fight alcohol misuse in all Group markets	2025	100%	93%	94%	On plan

Pernod Ricard believes that targeted preventive actions are an effective way of fighting the harmful use of alcohol and keeping alcohol consumption a safe and enjoyable experience. As such, the Group has committed that all its affiliates will contribute to a minimum of either:

(i) one local responsible drinking initiative implemented in partnership with industry peers, civil society, or local authorities; or

(ii) one global responsible drinking initiative developed by the Group.

3.5.3.4.1 Local initiatives

The Group believes that their markets are in a favourable position to identify alcohol-related issues relevant to local context and encourages building strong partnerships with local trade associations for more impactful initiatives. This year, Pernod Ricard contributed to local responsible drinking initiatives in 48 markets. Most of them (around 65%) were implemented in partnership with trade associations.

3.5.3.4.2 Global initiatives

Global initiatives are coordinated from HQ and aim at strengthening the Group's responsible drinking effort by giving markets ready-to-use tools and assets. In FY23, Pernod Ricard implemented two global responsible drinking initiatives in 56 countries:

- DRINK MORE WATER by Responsible Party; and
- Autosobriety Training Programme.

DRINK MORE WATER by Responsible Party

Pernod Ricard is committed to fighting binge drinking around the world, notably through its Responsible Party flagship programme which aims to raise awareness of the risks of binge drinking and reducing harm linked to this dangerous drinking practice. Wholly separate from the Group's brands, the programme has its own visual identity and is based on a peer-to-peer approach.

Originally launched in 2009 in partnership with Erasmus Student Network, the largest European student organisation, its scope has since expanded from students to the young adult population at large and now includes the "DRINK MORE WATER" campaign.

"DRINK MORE WATER" is an innovative campaign launched in 2021 to broaden the programme's scope and reach more young adults during and after the Covid-19 pandemic. Its message, "DRINK MORE WATER", is a clear and universal call to action reflecting a bold campaign that targets Gen Z by speaking their own language.

Since the launch of the program in 2009, it was implemented in 60 countries. The online campaign has proven highly successful, reaching more than 400 million young adults, and the on-the-field programme has reached 9 million young adults through activations during iconic music festivals, carnivals, events, and student parties.

The Group will continue to roll out the "DRINK MORE WATER" campaign across the globe focusing on the philosophy to continue to shake up the status quo and inspire future generations of conscious drinkers. A new edition will be launched during next year and new partnerships are being explored in order to reach new venues, new events and more markets, and to have an even greater impact.

Autosobriety partnership with UNITAR

Pernod Ricard strongly believes that alcohol-related road traffic crashes are preventable and should never happen. And to this end, education is key: people need to understand how alcohol affects the ability to drive in order to make the right choice not to drive while intoxicated.

For the past three years Pernod Ricard has been partnering with the United Nations Institute for Training and Research (UNITAR) on the roll-out of the Autosobriety training programme. This initiative aims to provide road safety stakeholders with educational tools to raise awareness on the risks associated with drinking and driving. The overall objective is to contribute to the UN Global Road Safety Performance Target #9 to halve the number of alcohol-related road traffic injuries and fatalities by 2030.

Autosobriety's main asset is an online educational module covering four topics:

- road crash statistics;
- the impact of alcohol on the ability to drive and relevant risks;
- the legal ramifications of drinking and driving; and
- personal responsibility to avoid drink-driving.

In addition, an augmented reality video was developed to simulate the effects of alcohol on driving and the increasing risks of road accidents.

In FY23, the Autosobriety programme was expanded to six additional countries, bringing the programme to eight countries in total (South Africa, Dominican Republic, Mexico, Ecuador, Poland, Cambodia, China, Vietnam). The Group's partnership with UNITAR was renewed and a comprehensive project roadmap was developed for the upcoming three years.

3.5.3.5 Consumer experience

Policy	Commitment	Target date	Objective	FY22	FY23	Progress status
2030 S&R roadmap	Obtain the Responsible Host certification for Group Brand Homes	2025	100%	-	Self-assessment	On plan
	Raise awareness of responsible drinking for visitors through Responsible Host certified Brand Homes	2030	10M	-	-	On plan

As a responsible host, Pernod Ricard wants to offer its guests safe experiences when enjoying its products. The Group's brand homes are the showcase of its brands and the experiences they offer to their visitors should always be associated with responsible drinking. To that end, the Group is putting in place a Responsible Host accreditation scheme in partnership with the Sustainable Restaurant Association to ensure best-in-class responsible drinking practices in all its brand homes worldwide.

In FY22, the Group had issued its Responsible Host Standards consisting of 19 mandatory criteria and covering topics such as:

- staff training;
- visitor's education on responsible drinking;
- responsible serving of alcohol;
- responsible tasting practices; and
- safe return home.

In FY23, Pernod Ricard's brand homes performed a first self-assessment of their compliance with the Responsible Host Standards and put in place necessary remedies. As a next step, they will be audited by Sustainable Restaurant Association through mystery shoppers to obtain their Responsible Host Certificate.

3.6 Our sustainable governance

Responsibility is part of Pernod Ricard's values. As such, the Group is committed to being a leader in sustainability in the Wine & Spirits industry, setting high performance targets for itself while striving for transparency and accountability in its reporting. These commitments are expressed by the highest levels of Group management, from the dedicated ESG committee to direct involvement with the Executive Board and decision-making. As part of ensuring the right level of knowledge and leadership on ESG matters, the Group dedicated two specific learning sessions to accelerate engagement on these topics.

The first was "Beyond Transform & Accelerate". In 2023, the Group organised a meeting at Board level to address more forward-looking and long term issues with a three-fold session which focused on climate change, the future of crops and the possible futures anticipated for the world in the next 30/40 years.

The second was Climate Leadership Day: In 2023, the Group held Climate Leadership Day with its Executive Committee members to discuss and agree on initiatives with large-scale potential for increasing the Group's climate resilience and implementation roadmaps in relation to high-priority climate-related issues.

FY23 shows that Pernod Ricard is truly gaining momentum at every level of the Group on these issues.

3.6.1 Ensuring quality, food safety & product compliance

Pernod Ricard aims to provide only the highest quality of products to its customers and thus places particular importance on consumer health and safety. These commitments drive the Group's significant efforts to prevent the risks associated with alcohol misuse (see subsection 3.5.3 Raising consumer awareness on responsible drinking) as well as its stringent and proactive food safety policy covering product design, sourcing, and manufacturing.

3.6.1.1 Product safety control

The method implemented for consumer product safety control is that of Hazard Analysis Critical Control Point (HACCP), which aims to identify all potential points of risk in the manufacturing process in order to set up appropriate preventive measures.

Pernod Ricard ensures its operations comply with internationally recognised standards, with all Brand Companies producing the Group's Strategic Brands (see Section 1, subsection 1.3.1 "Our Brand Portfolio") being ISO 9001 certified, which represents 100% of the volume produced. Despite the Wines & Spirits segment's lower exposure to food safety risks than others in the food industry, the Group chose to go further by certifying its facilities to the ISO 22000 standard (Food safety management systems). Some facilities are also certified under the FSSC 22000 scheme, an extension of the existing ISO 22000 standard, on a proactive basis.

	FY22	FY23
% of sites ISO 22000/FSSC 22000 certified by June of the fiscal year	78%	75%
% ISO 22000/FSSC 22000 certified in volume produced covering all the Group's strategic brands	100%	100%
% of Brand Companies producing Group's strategic brands certified ISO 9001	100%	100%

3.6.1.2 Quality standards & control

Pernod Ricard foremost priorities are to:

(i) ensure its products comply with applicable regulations in each market; and

(ii) guarantee food safety for consumers.

The Group's industrial activities follow internal quality standards created in-house. They comprise various specific guidelines with the aim of controlling risks such as accidental product contamination or the presence of a foreign body in a bottle. These standards are audited as part of an internal cross-audit process.

Every two months, all affiliates receive a summary of the information gathered by the Group's continuous food law and food safety monitoring, which helps them stay up to date on regulations and food safety risks. The Group also draws up a chemical analysis plan annually for its main products. In FY23, it covered 80 finished products and led to over 3,620 analyses being carried out.

Furthermore, the Group endeavours to ensure full product traceability with regards to GMOs[30], in strict compliance with labelling regulations. Accordingly, all affiliates conduct a risk assessment to identify potential sources of raw materials, taking the necessary steps to ensure their control. Although the distillation stage eliminates the risk that GMO material may be present in distilled products, the Group established supply chains of guaranteed GMO-free products for certain corn-based alcohols in the US and Europe.

3.6.1.3 Consumer complaint tracking & management

The Group uses an in-house system to record and track quality complaints from customers and consumers in real time. Currently, the system is an interactive web tool, Intelex (Loop application), which was launched in FY22 to replace the Complaint Management System (CMS) web tool dating from 2007. The Loop application has been connected to standardised Pernod Ricard public forms on all relevant websites to ensure consumers enjoy easy access to the means of providing feedback. To ensure a rapid response, the system immediately informs the affiliate in question so corrective action can be taken and, in the event of a serious product safety concern, immediately informs the affiliate Top Management and Headquarters as well.

Crisis management procedures exist for each affiliate, particularly for product health risk involving a product recall if necessary. These procedures are subject to regular testing, training for the employees involved, and updates. Quality indicators, including the complaints rate, are regularly presented to Senior Management.

	FY22	FY23
Number of complaints received through the "CMS/Intelex (Loop)" during the fiscal year	3,150	4,517

3.6.2 Acting ethically

3.6.2.1 Preventing corruption and anti-competitive practices

Integrity has long been a core value of Pernod Ricard, alongside the belief that there can be no sustainable business success without it. The Group thus follows zero-tolerance policy with respect to corruption and all related misconduct, not only because it is an ethical requirement but also because it is a necessary precondition of trust with all its stakeholders. To ensure this stance holds true in all Group business dealings, Pernod Ricard Top Management strives to leads by example and offer employees the right tools – including training and digital resources – to facilitate compliance with all relevant ethical and regulatory standards.

3.6.2.1.1 Unambiguous tone from the top

In FY22, Pernod Ricard overhauled its Code of Business Conduct[31], which applies to all Group employees, to make it more practical and easier to use, with a focus on clear messaging. It is endorsed and prefaced by Chairman & CEO Alexandre Ricard, reiterating the fact that a reputation for integrity and professionalism is the cornerstone on which Pernod Ricard was built over decades. These high standards are underpinned by the Group's comprehensive and robust anti-corruption programme, which the Chief Ethics & Compliance Officer is in charge of structuring and promoting.

3.6.2.1.2 Corruption & influence peddling risk mapping update

In FY22, Pernod Ricard updated its Group corruption and influence peddling risk mapping through a wide-ranging project covering the Group's full perimeter and involving more than 1,440 employees and 300 workshops worldwide. The results were presented to the Executive Board, the Executive Committee, and the Audit Committee, to generate a new corruption and influence peddling risk map that is an accurate reflection of the Group's operational and geographical realities. The resulting, comprehensive programme is designed to protect against, detect and assess specific risks, as described below.

Prevention

- **Pernod Ricard's Code of Business Conduct:** offering practical advice on how to behave in real life situations as well as who to contact in case of doubt, the new version of the Code still includes a section covering anticorruption and business integrity in general, but also addresses a wide range of topics, including:
  - competition law,
  - prevention of insider trading and conflicts of interest,
  - health & safety,
  - diversity & inclusion,
  - speaking on social media,
  - data ethics,
  - harassment,
  - bullying,
  - confidentiality,
  - sustainability & responsibility;

(30) *GMO: Genetically Modified Organism.*

(31) *Available on the Group Intranet and website: https://www.pernod-ricard.com/sites/default/files/2022-07/PR_Code%20of%20conduct%20EN%20version%2011052022.pdf.*

- **Group anticorruption policy:** in accordance with the French 2016 Sapin II law, the Policy specifically details the Group's rules to prevent, deter and detect public and private corruption and influence peddling risks. It also provides employees and stakeholders with clear, pragmatic examples of potentially sensitive situations;
- **Prior verification policy:** third parties doing business with Pernod Ricard are subject to a due diligence process to determine their compliance risk profile (low, medium or high), allowing the Group to adjust contractual and operational relationships to mitigate potential risks as appropriate. The procedure sets out various levels of verification, depending on the initial risk assessment of each relationship category, as identified by Pernod Ricard's Sapin II risk mapping on corruption and influence peddling. This due diligence process is implemented *via* "Partner Up", the Group's global web-based platform, where any employee engaging the Group in a business transaction can perform appropriate prior verification on the concerned third parties;
- **Online training:** employees receive training on all chapters of the Code of Business Conduct. A new mandatory e-learning was launched in 2023 to train employees on the updated version of the Code, following a "learning by doing" approach. The deadline for this e-learning completion by the mandatory target audience is 31 December 2023. It also forms a mandatory part of the onboarding pack for new employees. Completion is digitally monitored.

Detection

- **Gifts and Hospitality policy:** approval is required from the Line Manager or the affiliate's designated key contact prior to receiving or offering any gifts or hospitality above a determined amount set at affiliate level;
- **"Gifted!":** the Group set up a dedicated application, accessible on all electronic devices, for employees to declare and seek approval to give or receive gifts and hospitality in accordance with the provisions of the Gifts & Hospitality policy;
- **Whistleblowing policy:** employees and stakeholders are encouraged to speak up about, amongst other things, any potential corruption involving Pernod Ricard activities inside or outside the Company or any matter potentially illegal or contrary to the Pernod Ricard Code of Business Conduct. As per the protections offered to whistle-blowers, alerts can be filed anonymously (where allowed by local legislation) and the Group promotes a clear non-retaliation policy (subsection 3.7.1.3 "Whistle-blower system"). Pernod Ricard's whistleblowing policy is underpinned by "Speak Up", a global whistleblowing line accessible to all worldwide (via the Internet or telephone), 24/7, in a wide variety of languages;
- **Internal control principles:** they apply to all Group affiliates and specify that all Pernod Ricard affiliates must comply, among other things, with the Pernod Ricard Code of Business Conduct and the Procurement Code of Ethics. Each year, Pernod Ricard sends a self-assessment questionnaire to all affiliates wherein they must state whether they are compliant with Group policies. The reliability of the responses is confirmed in a letter of representation signed by the Chief Executive Officer and Chief Financial Officer of each entity.

Control & assessment

- The Ethics & Compliance Team works with the internal audit team to support the compliance audit stream in the annual audit cycle. Finally, internal audit is also tasked with monitoring Group compliance with the rules in place to fight corruption and influence peddling.

Remediation

- Each time a breach of the Code of Conduct rules is confirmed following an internal investigation, a wide range of remediations and mitigating measures may be decided by management, including disciplinary sanctions on any employee responsible for such misconduct. The Group promotes a zero-tolerance policy regarding breaches of internal rules and values and may – in accordance with local labour laws, decide to apply sanctions up to termination of employment.

Prevention of anti-competitive practices

- Pernod Ricard is committed to the public policy goals underpinning Competition law and to acting lawfully in the marketplace. Such concerns are unambiguously addressed in a specific section of the Pernod Ricard Code of Business Conduct, under the label "Compete fairly". The e-learning also includes a section on Competition law.

3.6.2.2 Preventing influencing practices

As part of its proactive approach to issues relating to its sustainability and responsibility commitments – from responsible drinking to sustainable agriculture – and due to its status as a global leader in its industry, Pernod Ricard actively participates in public debates relating to the adoption of laws and regulations that affect its activities. The Group is committed to proceeding with transparency and integrity in all these dealings and, as such, follows a strict policy on lobbying and influencing practices.

Group policy on lobbying is governed by the Code of Business Conduct. Following its update, a mandatory e-learning module was created for employees on the prevention of corruption and bribery. It contains specific rules on dealings with public officials in the chapter related to prevention of corruption. It also draws from more specific professional Codes[32], with which Pernod Ricard complies. Moreover, Pernod Ricard ensures compliance with specific laws & regulations apply across the countries where it operates. For instance, in France, the Group is registered on the list of interest representatives established by the High Authority for Transparency in Public Life[33] and equally for engagement with EU policy makers through the EU Transparency Register[34] It strictly complies with the various national reporting obligations regarding lobbying activities, notably in France, EU and the USA.

(32) *ECPA in Europe, Association pour les Relations avec les Pouvoirs Publics in France, etc.*
(33) *https://www.hatvp.fr/fiche-organisation/?organisation=582041943#%2.*
(34) *https://ec.europa.eu/transparency-register.*

Partnerships for business ethics: Transparency International

Pernod Ricard strives for the best practices regarding transparency, and its detailed reporting practices were positively highlighted by Transparency International in their overview of committed companies.

The Group has been a member of the Forum of Committed Companies of Transparency International France since 2013 and actively supports the work done by the organisation while promoting transparency and integrity regarding lobbying. For instance, it is a signatory to a best practices guide concerning parliamentary lobbying expenditure.

Pernod Ricard is also a proactive signatory of a declaration published on 25 February 2014, alongside seven other companies who are members of the Forum of Committed Companies set up by Transparency International France. This declaration is open to all companies, business federations, professional associations, trade unions and NGOs (members and non-members of Transparency France's Forum) who wish to show leadership through their ethics and corporate social responsibility commitments. This joint declaration on lobbying was strengthened and updated in May 2019, with new signatories reaffirming their commitments(1). As a result of this commitment and relationship, Pernod Ricard expanded the description of its advocacy priorities and positions on its public facing website this year(2). This provides more detail to the public as to the public policy options that Pernod Ricard promotes in its dealings with stakeholders.

(1) https://transparency-france.org/actu/declaration-commune-entreprises-membres-de-transparency-international-france-lobbying.
(2) https://www.pernod-ricard.com/en/our-group/our-role-society.

In the near future, Pernod Ricard aims to continue its close collaboration with Transparency International, and will roll out the revised version of its Code of Business Conduct across the organisation.

3.6.2.3 Personal data protection

Protecting and using personal data with respect is a pillar of the Group's digital transformation. The right handling of personal data constitutes a business opportunity for Pernod Ricard to:

- ensure the accuracy and relevance of the personal data it collects;
- gain a better understanding of consumers;
- develop consumer trust;
- secure brand image; and
- continue to promote its culture of conviviality.

It is also an opportunity to rethink and optimise processes by adopting best practice on personal data retention, rights management, etc.

The regulatory framework for personal data protection that applies to Pernod Ricard is complex and still evolving. Since the General Data Protection Regulation (GDPR) came into force in 2018, many countries and regions have adopted personal data protection laws and regulations, and non-compliance with these rules may expose the Group to sanctions.

3.6.2.3.1 Global data protection strategy & governance

Pernod Ricard has implemented a strong personal data protection strategy and governance. Before the coming into force of GDPR, the Group drafted a comprehensive personal data protection roadmap and works daily on GDPR compliance, in parallel with specific actions to address local requirements where relevant.

The Group DPO (Data Protection Officer) and the Group's personal data protection network enable Pernod Ricard to implement personal data protection compliance actions, implement policies and procedures at local level, and share best practices.

This governance structure involves a wide range of stakeholders, including the Group DPO, personal data protection champions regionally and locally, along with a Personal Data Protection Steering Committee and the various internal business teams (IT, marketing, HR, etc.).

3.6.2.3.2 Employee engagement & upskilling

As a pillar of the Group's digital transformation, personal data protection is a matter that concerns everyone at Pernod Ricard. This is why it places particular focus and effort on:

- legal monitoring;
- employee training (including with Group-wide training as well as both mandatory and tailored subject-specific trainings);
- internal awareness campaigns; and
- more generally on change management.

In FY22, the new version of the Group's Code of Business Conduct featured an updated dedicated section on the respectful use of personal data, featuring guidelines and recommendations for employees to refer to in their day-to-day work. The Group-wide, mandatory employee training related to this Code of Business Conduct now includes both global modules and modules that are tailored to the challenges and specific features of each employee's field of activity. This function-based customisation enables the Group to further data privacy awareness and adoption.

3.6.2.3.3 Custom tools and procedures

The Group has created various custom, user-friendly tools and procedures to ensure personal data protection compliance. These include:

- comprehensive overarching documentation to ensure consistent implementation of personal data protection and common standards. These are based on a global personal data protection policy, adapted to local requirements, along with detailed procedures and toolkits;
- personal data protection by design and by default procedures and processes implemented on new projects, with specific privacy documentation on major projects;
- audit processes and questionnaires to assess the maturity of third parties and compliance level on personal data protection;
- checklists and templates on specific topics such as handling data subject requests or handling potential personal data protection breaches.

3.6.3 Acting for human rights

Policy	Commitment	Target year	Performance target	Progress status
2030 S&R Roadmap	**Human rights:** align with the United Nations Guiding Principles (UNGPs) on Human Rights	2025	Perform due diligence across the Group's operations and strengthen the Group's responsible procurement processes.	In progress

Pernod Ricard values the employees, suppliers, and communities that make up its many stakeholders. The Group also recognises that it has a responsibility and an ethical duty to ensure Human Rights are respected across its worldwide operations and value chain. Doing so requires adhering to internationally recognised standards and addressing any gaps wherever they are found.

3.6.3.1 Global Human Rights Policy

Mindful of the new challenges arising from globalisation, Pernod Ricard introduced its first Global Human Rights Policy in FY19. Jointly developed with numerous internal stakeholders, the policy is structured in three key areas:

- "in our own operations";
- "in the supply chain"; and
- "in our local communities".

The commitments therein have, since FY19, featured in the Pernod Ricard Code of Business Conduct and Supplier Standards.

As a global organisation, Pernod Ricard entrusts its affiliates to adopt, abide, and promote the policy. When visiting affiliates, the Group's cross-functional internal audit teams perform some labour evaluations, and Managing Directors' performance evaluations cover labour matters together with societal and financial performance. Any targets are specific to each affiliate.

In FY21, Pernod Ricard launched an assessment questionnaire through its HR network to embed a UNGPs approach. This reflects its Human Rights policy and was focused on its own employees and internal practices. In addition, there was independent country-level screening and mapping of potential Human Rights risks. With these two tools, the goal was to:

- help affiliates raise awareness;
- identify gaps in relation to the eight commitments to the Group's employees in the Human Right policy; and
- develop appropriate action plans.

Overall, the findings demonstrated the implementation of a number of best practices. The findings also pointed to the need for increased communication and best practice sharing of the Health & Safety and Diversity & Inclusion efforts and roadmaps, and better dissemination of the Group's Human Rights policy and whistleblowing tool, Speak-Up. In FY22, the Group developed and promoted a video on Human Rights and the different Group tools and topics associated to raise employee awareness.

The top priorities identified by affiliates were Health & Safety, Discrimination and Diversity & Inclusion, which demonstrated alignment with the Group's growing efforts in developing roadmaps in these areas (see subsections 3.5.1.1 "Diversity & Inclusion (D&I)", 3.5.1.2 "Supporting our employees to grow", and 3.5.1.3 "Health, safety & wellbeing").

In FY24, the Group intends to extend its impact assessment beyond its own operations to suppliers. This involves identifying salient Human Rights issues, prioritising actions and exploring capacity building.

3.6.3.2 Human rights & labour conditions in supply chains

Human rights considerations feature front and centre of the Group's commitments to a sustainable supply chain, as evidenced by its endeavours in recent years to analyse all its components.

Partnerships for human rights: UN Global Compact

From FY18 to FY22, Pernod Ricard contributed to the UN Global Compact's Decent Work in Global Supply Chains Action platform, an alliance of companies committed to upholding Human Rights and fundamental labour rights and principles. These companies work through their supply chains, taking collective action to foster decent work conditions. This partnership has informed and contributed to the Group's own endeavours regarding the sustainability of its supply chain (see subsection 3.5.2 "Empowering people throughout our value chain").

In FY19, the Group conducted a study based on the Guiding Principles on Business and Human Rights (UNGPs) on its supply chain to identify gaps and improve due diligence on Human Rights over the long term. In FY21, the Group's risk mapping of priority terroirs through a dedicated tool (see subsection 3.4.2.2 "Mapping the Group's terroirs") sought to achieve full traceability, but also to assess environmental and social risks in these terroirs and implement sustainability programmes (see subsection 3.4.2.3 "Sourcing ingredients sustainably").

3.7 Regulated information

3.7.1 Vigilance plan

The cross-reference tables below summarise the information on the Group's duty of care plan and its implementation as required by Article L. 225-102-4 of the French Commercial Code. Some of the information can be found elsewhere in Chapters 3 and 4.

Several departments and working groups are involved in:

1. identifying and monitoring risks associated with the Group's business activities, its main suppliers and subcontractors; as well as
2. implementing and monitoring measures.

The Departments involved are the S&R, Purchasing, HR, Internal Audit, Operations and Legal Departments.

The S&R Senior Steering Committee oversees the implementation of the Group's S&R Strategy and progress towards targets. The role of the S&R Committee within the Board of Directors is to monitor progress on the S&R Strategy, challenge goals and report to the wider Board.

Regarding the monitoring of measures, the Group uses various internal reporting systems and indicators to monitor implementation of the actions taken. The results have already been extensively published and audited in a fully transparent manner in this report (see Sections 2, 3 and 4 in particular).

3.7.1.1 Identifying & Mapping Risks

Pernod Ricard faces a range of internal and external risks in its own operations as well as in its supply chain. The main risks currently identified by the Group, along with the relevant methodology, are discussed under "Risk factors" in section 4 "Risk management". Further discussion can be found at the start of Section 3 under the heading "The main sustainability risks and opportunities". The mapping processes described below were drawn from Pernod Ricard's existing risk management systems. In addition, in line with the requirement to publish a "Non-Financial Statement", the Group has published its main non-financial risks and opportunities in Section 3 "Sustainability & Responsibility".

3.7.1.2 Mitigation measures, evaluation procedures and monitoring systems

GROUP'S OWN OPERATIONS

<table>
<tr><th>Theme</th><th>Risk family</th><th>Mitigation actions and evaluation procedures</th><th>FY23 Key Performance Indicators</th><th>Subsections</th></tr>
<tr><td rowspan="2">Health and safety</td><td>Health and safety at work</td><td>• In FY19, launch of a Global H&S policy and Roadmap "Taking Care of Each Other"
• Production sites required to be OHSAS 180001/ ISO 45001 certified
• Roll-out of the "Care by Learning" programme with over 170 Safety Champions from affiliates trained during the year
• Launch of campaign "Be the One" to help employees change their habits, and foster a sense of caring about safety, but also about people
• In FY23, LIFE (Life threatening and Fatal Event) requirements have been developed, covering a wide range of factors – ongoing LIFE audits by independent third parties on industrial & non-industrial sites</td><td>• 60 workplace accidents with lost time
• 2.6: frequency rate
• 125: severity rate
• 0 fatalities
• 86% of production sites OHSAS 18001/ISO 45001 certified
• 100% of target population trained through a mandatory H&S e-learning "Duty of Care"
• 94% of employees trained through the MOOC on alcohol and responsible drinking</td><td>3.5.1 "Fostering the best work environment for our employees"
3.5.1.3 "Health, safety & wellbeing"
3.5.1.4 "Educating employees on alcohol and responsible drinking"</td></tr>
<tr><td>Product quality for consumers</td><td>• Hazard analysis critical control point
• Brand Companies to be ISO 9001 certified
• Production facilities required to be certified ISO 22000
• Internal quality standards
• Food safety and law monitoring review
• Complaint management system</td><td>• 75% of sites ISO 22000/FSSC 22000 certified
• 100% of ISO 22000/FSSC 22000 certified in volume produced covering all the Group's strategic brands
• 100% of Brand Companies ISO 9001 certified
• 4,517 complaints through the Complaint Management System during the year</td><td>3.6.1 "Ensuring quality, food safety & product compliance"</td></tr>
</table>

Theme	Risk family	Mitigation actions and evaluation procedures	FY23 Key Performance Indicators	Subsections
Health and safety	**Alcohol in society for consumers**	• Evidence-based prevention programmes in partnership with industry peers, civil society, international bodies and local authorities • Pernod Ricard Code on Commercial Communications • IARD Digital Guiding Principles and audit • Responsible Marketing Panel (RMP) • Sustainability Claims • Responsible drinking logos and digital label to be implemented for consumer information • Responsible drinking initiatives to fight harmful drinking • Responsible-drinking Brand campaigns related criteria included in Group's Long-Term Incentives (LTI) plan • Responsible host certification for the Group Brand Homes	• 80% of completion rate on the Code for Commercial Communications e-learning • 95.5% of compliance with IARD Digital Guiding Principles • 857 campaigns reviewed by RMP • 100% of Direct to Consumer sites age gated • 41% of products with a digital label and the three responsible drinking logos • 94% of markets with at least one global or local responsible drinking initiative • 400M young adults reached online and 9M, on-the-field through the Responsible Party programme • 4 brand campaigns launched in FY23	***3.5.3 Raising consumer awareness on responsible drinking*** 3.5.3.1 Consumer information 3.5.3.2 Responsible marketing & sales 3.5.3.3 Brand Campaigns 3.5.3.4 Responsible drinking initiatives 3.5.3.5 Consumer experience ***3.6.2 Acting ethically*** 3.6.2.2 Preventing influencing practices
Environment	**GHG emissions**	• Global Environmental Policy published in FY19 • Improvement of energy efficiency through consumption monitoring and assessment • Climate scenario analysis to better understand the Group vulnerabilities, opportunities and adapt a resilience plan • Internal carbon price (€80/tonnes of CO_2 equivalent) • In FY20, joined the RE100 initiative • In FY22, joined "Business Ambition for 1.5°C" • Initiatives and innovative technologies to achieve Scope 1 and 2 Science Based Targets (SBTs) • Work with suppliers to reduce Scope 3 related emissions through circular design, reuse models and recycling in markets initiatives • Develop regenerative agriculture in own vineyards • Land transport optimisation • Climate-related criteria (Scope 1 and 2 absolute emissions reduction) included in LTI plan	• 4,789,432 tCO_2e total Group carbon footprint • 263,223 tCO_2e emissions on Scope 1 and 2 • 4,526,209 tCO_2e emissions on Scope 3 • 75% of renewable electricity for production sites and administrative offices • 86% of production sites ISO 14001 certified	***3.4.1 Mitigating and adapting to climate change*** 3.4.1.2 Climate governance 3.4.1.3 Pernod Ricard approach to risk management 3.4.1.4 Pernod Ricard climate risk strategy 3.4.1.5 Ensuring business resilience through a comprehensive decarbonisation roadmap 3.4.1.6 Overview of Pernod Ricard's carbon footprint
	Packaging life cycle and footprint	• Eco-design principles (sustainable packaging and POS material) guidelines • Participation in systems for the collection of packaging in support of recycling and reuse • Markets identified to explore local projects on recycling • Since FY21, all promotional items made from single use plastic are banned • Ellen MacArthur signatory and partner	• 2 circular pilot in Asia on-trade with ecoSPIRITS • 17% of post-consumer recycled PET content • 43% of cardboard certified • 35% of post-consumer recycled glass content • 98% of POS reusable, recyclable or compostable	***3.4.3 Using resources responsibly*** 3.4.3.2 Circularity: limiting and eliminating waste

Theme	Risk family	Mitigation actions and evaluation procedures	FY23 Key Performance Indicators	Subsections
Environment	**Water Management**	• Identification of reduction opportunities using best technology • Using systems to measure / monitor water use and to save, reuse and recycle • Follow water balance action plan to select and implement water saving projects • Identification of geographical areas at risk using the Aqueduct Water Risk Assessment tool • Water-related criteria included in LTI plan • Affiliates in India, Armenia, Mexico and China have implemented water replenishment projects	• -8.1% of water consumption reduction per unit produced since FY18 • -3.7% water consumption reduction per unit produced since FY18 in distilleries only. • 58.3% of the total water used in high-risk locations was replenished • 80% of wastewater discharged into public sewerage systems • 14% of wastewater discharged into the environment following treatment • 6% of wastewater recycled for vineyard irrigation	***3.4.3 Using resources responsibly*** 3.4.3.1 Preserving water resources
	Operations' waste management	• Transformation of raw agricultural materials and reuse of by-products. Of these, most is recycled/upcycled to make animal feed, biogas, farm compost, etc. • Identification of appropriate treatment processes locally for hazardous waste to prevent environmental risks	• 2,201 tonnes of non-hazardous waste incinerated • 57 tonnes of hazardous waste incinerated • 93% of waste recycled • 132 tonnes of waste landfilled • 469 tonnes of hazardous waste • 1,209,259 tonnes of organic by-products	***3.4.3 Using resources responsibly*** 3.4.3.2 Circularity: limiting and eliminating waste
Human Rights	**Discrimination & Diversity**	• Ambitious D&I agenda, implemented through initiatives such as "Better Balance for Better Business" • In FY23, D&I council formed to support and drive D&I roadmap. Composed of different affiliates & brand companies' members acting as ambassadors • Global D&I framework driving local action plans following affiliates' assessments • Unconscious bias training in some affiliates • Inclusion of a D&I related objective in LTI plan	• 1.3 pay-gap worldwide • 36% of women in Top Management (band C and above)	***3.5.1 Fostering the best work environment for our employees*** 3.5.1.1 Diversity & Inclusion
	Working conditions	• Global Human Rights Policy • In FY21, Human Rights assessment questionnaire sent to the HR network and independent country-level screening and mapping of potential Human Rights risks • In FY22, development and promotion of an internal video on Human Rights • Pernod Ricard University and other Learning and Development programmes • Let's Talk Talent Performance Management and Development process • Leadership Assessment and Development programme • Social dialogue and company agreements • EU Works Council • Member of the Global Deal • "I Say 2.0" and wellbeing survey	• 99% of total workforce trained • 93% of employees received at least one performance review • 14.1% of turnover • 8.5% of voluntary departure • 3.7% of absenteeism • 93.4% of employees covered by a welfare protection plan (death and invalidity) with a benefit equivalent to at least one year of the employee's fixed annual salary • 98.2% of employees benefiting from health insurance • 76: engagement score I Say • 74: wellbeing pulse survey	3.5.1.3 Health, safety & wellbeing **3.6.3 Acting for human rights**

SUPPLIERS AND SUBCONTRACTOR

Theme	Risk family	Mitigation actions and evaluation procedures	FY23 Key Performance Indicators	Subsections
Health and safety	**Health and safety at work**	• Responsible Procurement Policy covering all purchases of products / services • Code of Business Conduct • Sustainability model clauses for contracts • Sustainable Agriculture Key Principles • Health & Safety policy applying to employees and contractors **Proactive supplier analysis through the Blue Source process and Partner Up:** • Supplier Standards to be signed by all suppliers on Partner Up platform • dealings to be suspended with direct suppliers (Wet/Dry Goods) and key indirect suppliers (POS/VAPs) not signing • risk mapping tool to identify suppliers (Wet and Dry Goods, POS/VAPs) and subcontractors requiring priority assessment • sustainability assessment using EcoVadis to identify areas for improvement and action plans • social and ethical audits following the SMETA standards or other similar audits/standards • in FY21, Responsible Procurement e-learning programme started • Amazone project launched in FY22 to strengthen due diligence process **Focus on agricultural supply chain:** • Terroir mapping analysis to assess environmental and social risk • Farmer training and support • Harmonised GHG calculation methodology developed for cereals, vineyards and distilled products • Mitigation projects for priority terroirs **Example of programmes:** • Malibu working with 500 coconut farmers in the Philippines • Kahlua working with a community of coffee farmers • Irish Distillers working with Heineken Ireland to support 15 malting barley farmers adopt regenerative agricultural practices on their farms	**Number of suppliers:** • 1,973 signed up to the Supplier Standards • 2,190 analysed through the Risk Mapping tool • 1,740 identified as risky (high or medium risk) • 345 identified as risky and covered by an EcoVadis assessment • 111 identified as risky with production sites covered by an audit following social, environmental and ethical standards • 43 identified as risky following an external assessment/audit (Ecovadis, SMETA) but who did not start to implement the required mitigation plan **Focus on agricultural supply chain:** • 100% of key agricultural raw material spend covered by mapping, focussing on priority terroirs • 60 priority terroirs covered by a full risk mapping analysis. Of these, 46 were scored under a high or medium risk level • 34% of key raw materials produced or sourced to selected sustainability standards • 82% of direct affiliates with a regenerative agriculture or biodiversity programme • 10,506 farmers empowered, trained or supported (cumulative number)	***3.4.2 Preserving nature & biodiversity*** 3.4.2.2 Mapping the Group's terroirs 3.4.2.3 Sourcing ingredients sustainably 3.4.2.4 Regenerative agriculture & biodiversity programmes ***3.5.2 Empowering people throughout our value chain*** 3.5.2.1 Procuring responsibly 3.5.2.2 Supporting farmer communities

3.7.1.3 Whistle-blower system

Pernod Ricard encourages a culture of trust, openness, and transparency, where all employees and stakeholders can confidently raise their genuine concerns in relation with the Group's activities. The Group's Code of Business Conduct advocates a "speak up" policy, which calls on all employees and stakeholders to report any ethical concern as they may relate to practices or situations deemed contrary to, or inconsistent with Pernod Ricard's Code, associated policies, or any laws or regulations. The Pernod Ricard Ethics & Compliance team operates a Group-wide system, "Speak-Up", which provides stakeholders a safe and confidential channel to report potential misconduct. It is hosted by an independent third party and available 24/7. Reports deemed to have been filed in good faith are investigated following a preliminary assessment by the Integrity Committee[35].

If the allegations are deemed to be substantiated, the Integrity Committee or its local delegate examines their severity and issues recommendations as to the appropriate mitigation and/or remediation and/or disciplinary measures against the offending party. Moreover, Pernod Ricard has a zero-tolerance policy regarding retaliation against parties who, in good faith, have reported misconduct, made an allegation, or supported an investigation.

The Group has led dedicated workshops with Human Resources Directors and the Legal & Compliance network on how to manage whistleblowing cases and conduct investigations. Such efforts are complemented by global communications campaigns to raise awareness and educate employees on what can be reported and how alerts are processed.

3.7.2 Tax policy

3.7.2.1 A significant contribution to local communities

Pernod Ricard is committed to complying with all applicable laws and regulations in each of the countries where it operates, along with applicable international standards.

In 2023, Pernod Ricard's income tax charge on recurring items (profit from recurring operations and financial result from recurring operations) was €691 million.

In addition to corporate income tax, Pernod Ricard pays and collects numerous other taxes and contributions as part of the Group's economic contribution to the communities in which it operates. These include:

- sales taxes;
- customs and excise duties;
- payroll taxes;
- property taxes;
- and other local taxes specific to each country.

Pernod Ricard's total annual contribution is estimated at around €7.0 billion (unaudited data).

3.7.2.2 Approach to taxation

The Group applies the following principles in tax matters:

- supporting operational activities in compliance with applicable regulations;
- conducting itself with integrity in all tax matters;
- managing tax on both a proactive and efficient basis to preserve and maximise the value generated for the Group and its shareholders.

Pernod Ricard has subsidiaries in more than 70 countries where it operates. Whenever possible, management makes every effort to liquidate any dormant or quasi-dormant subsidiary inherited from past acquisitions. The Group remains vigilant as to the operational and commercial reality of its transactions and refuses to take part in any artificial tax arrangements. The Group will only use tax incentives after considering their impact on its brands, reputation, and S&R. Pernod Ricard especially does not promote tax evasion under any form.

3.7.2.3 Transfer pricing

Pernod Ricard's strategy and organisation are built on a model involving an ongoing relationship between Brand Companies and Market Companies. The Brand Companies generally own, protect and develop the intellectual property. They are also responsible for developing overall brand strategy as well as solutions and ways to activate them. The Market Companies implement this strategy locally. Related-party transactions are done in accordance with the Group's transfer pricing policy, which is based on the arm's length principle[36].

3.7.2.4 An efficient organisation

Pernod Ricard has a team of qualified and well-trained tax and customs specialists, who report to the EVP Finance, IT and Operations. Tax matters are subject to clear internal control principles, which are available to all employees on the Intranet. Processes are in place to prevent tax evasion.

Tax legislation in the countries where Pernod Ricard operates is complex and may be open to interpretation. The Group manages such uncertainties with the support of internal and external tax experts. Tax provisions are measured based on the Group's best estimate using available information[37] and regularly presented to the Audit Committee.

3.7.2.5 Promotion of international transparency

Pernod Ricard is committed to being open and transparent with tax authorities and to disclosing relevant information to enable them to carry out their work. Pernod Ricard places particular importance on working positively, proactively, and transparently with them. This is both to build open and sustainable relationships and to resolve potential disputes quickly. Pernod Ricard complies with country-by-country reporting obligations. The Group also participates in the development of corporate tax policies, tax transparency initiatives and tax legislation through public consultations.

(35) *Said committee includes the following Group-level functions: Legal, Internal Audit, HR and Security, plus any functional expert as required on a case-by-case basis.*
(36) *On terms that would have been agreed between independent parties.*
(37) *In particular that provided by the Group's legal and tax advisors.*

3.7.3 EU Taxonomy

Overview of the EU Taxonomy Regulation

Stemming from the European Commission's Action Plan for Sustainable Finance launched in 2018, the Taxonomy Regulation[38] constitutes an essential component of the European Union's overall efforts to reach the objectives of the Green Deal and make Europe climate-neutral by 2050. By implementing a classification system for sustainable activities, the new regulation aims to redirect capital flows towards a more sustainable economy.

Under the Taxonomy Regulation, technical screening criteria are defined to identify which activities significantly contribute to six major environmental objectives:

(i) Climate change mitigation,

(ii) Climate change adaptation,

(iii) Sustainable use and protection of water and marine resources,

(iv) Transition to a circular economy,

(v) Pollution prevention and control, and

(vi) Protection and restoration of biodiversity and ecosystems.

As of December 31, 2022, reporting businesses shall provide financial information in their Universal Registration Document (URD) on activities that are Taxonomy-eligible (where the activity is covered by the Taxonomy Regulation) and Taxonomy-aligned (where the eligible activity meets the technical screening criteria and businesses comply with the minimum safeguards) under the two climate objectives.

Therefore, Pernod Ricard is required to publish Key Performance Indicators (KPIs) highlighting the proportion of its Taxonomy-eligible and Taxonomy-aligned turnover, capital expenditures ("CapEx") and operating expenditures ("OpEx") resulting from products and services associated with economic activities defined as sustainable in Annexes I & II of the Climate Delegated Acts[39].

Implementation of the EU Taxonomy at Pernod Ricard

In order to ensure Pernod Ricard understanding and compliance with the EU Taxonomy, a dedicated internal taskforce has been created, with experts from all the required teams (S&R, Finance, Operations, Purchasing departments…), who have worked for several months with external help from specialised consultants.

To ensure a collaborative approach to this hybrid project that links finance to growing CSR expectations, the group was led by both financial and S&R teams.

Presentation of the eligibility results

The scope of calculation of the Taxonomy indicators is the consolidated financial perimeter as detailed in Note 7 *Consolidation scope* in subsection 6.6 "Notes to the consolidated financial statements".

Turnover

After conducting the eligibility assessment for the Turnover, one activity contributing to the two climate objectives have been identified: 13.2 Libraries, archives, museums and cultural activities. This activity represents in FY23 less than 1% of Pernod Ricard's total revenue. Given the amount, this revenue is not reported for the FY23 Taxonomy reporting. Additionally, Pernod Ricard's core business, related to the manufacture and sale of beverages, is at present not included in the Climate Delegated Act.

Consequently, the Group's eligible turnover represents 0% of its FY23 consolidated turnover (€12,137 million, see subsection 6.1 "Annual consolidated income statement").[40]

Capital expenditures (CapEx)

Due to the non-eligibility of its revenue-generating activities, Pernod Ricard's eligible CapEx do not include CapEx directly related to its activities. As a result, the analysis is limited to CapEx implemented as "individually sustainable measures", as defined by the Taxonomy Regulation. Total eligible CapEx represent 24.6% of the Group's acquisitions of property, plant and equipment, intangible assets and right-of-use assets (including industrial buildings) in FY23 (€221.5 million eligible on €899 million in total, see Note 4.1 *Intangible assets and goodwill* and note Note 4.2 *Property, plant and equipment* in subsection 6.6 "Notes to the consolidated financial statements").[41]

These eligible investments relate to the following types of activities:

(i) Real estate assets such as brand homes, on-site offices and distilleries (7.1 – Construction of new buildings, 7.2 – Renovation of existing buildings, 7.7 – Acquisition and ownership of buildings),

(ii) Leasing of vehicle fleets (6.5 – Transport by motorbikes, passenger cars and light commercial vehicles),

(iii) Energy efficient equipment (7.3 – Installation, maintenance and repair of energy efficiency equipment),

(iv) Renewable energy technologies (7.6 – Installation, maintenance and repair of renewable energy technologies).

Operating expenditures (OpEx)

The amount of OpEx as defined by the Taxonomy Regulation[42] represents less than 5% of Pernod Ricard's total OpEx in FY23. As a result, it is deemed non-material and exempt from the calculation of the numerator of OpEx KPI as permitted by the regulation[43].

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(38) *Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088. Available here.*
(39) *Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852. Available here.*
(40) *Additional information on the calculation of turnover KPI are in the methodological note (see subsection 3.9.1 "Methodology note on non-financial reporting").*
(41) *Additional information on the calculation of CapEx KPI are in the methodological note (see subsection 3.9.1 "Methodology note on non-financial reporting").*
(42) *Total OpEx consists of (i) direct non-capitalised costs that relate to research and development; (ii) building renovation measures, short-term lease and maintenance and repair, and (iii) any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking of third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.*
(43) *The exemption of OpEx KPI is described in the methodological note (see subsection 3.9.1 "Methodology note on non-financial reporting").*

Alignment

Since the Group's eligible turnover represents 0% of its FY23 consolidated turnover and the Taxonomy OpEx are considered non-material, the alignment assessment has been carried out only for eligible CapEx with a review of the technical screening criteria for each of the activities identified as eligible for its main subsidiaries.

For FY23, total alignment equals 5.4% (€48.5 million)of total CapEx with the following breakdown:

	% of aligned CapEx (ratio of total CapEx)	CapEx type
Alignment ratio	**5.4%**	
Subtotal by activity		
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	0.10%	Electric and plug-in hybrid leased vehicles
7.1 Construction of new buildings	3.79%	Distillery project in Kentucky (US)
7.2 Renovation of existing buildings	0%	No renovation project on at least 25% of the value or surface area of the building
7.3 Installation, maintenance and repair of energy efficiency equipment	0.31%	Projects in the UK, the US and Ireland related to insulation, LED, windows, doors, HVAC, water heating, kitchen and sanitary fittings
7.6 Installation, maintenance and repair of renewable energy technologies	0.03%	1 project in the UK related to solar photovoltaic and heat exchanger / recovery systems
7.7 Acquisition and ownership of buildings	1.18%	Offices rentals in Korea and Dubai

Focus on Jefferson's: FY23 CapEx related to the construction of a distillery in Kentucky for Jefferson's are deemed aligned with the European Taxonomy under the activity 7.1 as "CapEx plan", i.e., part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned within 5 years. The commissioning date is scheduled for July 2024 and the distillery is expected to be carbon neutral, to obtain the LEED certification and to conduct air-tightness and thermal integrity tests.

Substantial contribution criteria

The group has conducted the review of substantial contribution criteria for all identified eligible activities.

For 6.5, only electric and plug-in hybrid vehicles were deemed to meet the substantial contribution criteria related to CO_2 emissions.

In the case of real estate assets, the Group checked compliance with the technical screening criteria and, in particular, for criteria related to nearly zero-energy building (nZEB), the European nZEB averages for houses and offices were used for this exercise for countries outside Europe. When the Energy Performance Certificate (EPC) was not available, the French Top 15% of the most efficient buildings in terms of operational Primary Energy Demand was used.

None of the renovation projects that were identified as eligible to 7.2 were compliant with the substantial contribution criteria for 7.2:

- Either being a major renovation, which implies, according to Directive 2010/31/EU:
  - Total cost of the renovation relating to the building envelope or the technical building systems ≥25% of the value of the building, excluding the value of the land upon which the building is situated;
  - Or more than 25% of the surface of the building envelope undergoes renovation;
  - Or the renovation leads to a reduction of primary energy demand (PED) of at least 30%.

The substantial contribution criteria for 7.3 and 7.6 are, respectively, lists of energy efficient equipment and renewable energy technologies.

Do No Significant Harm adaptation to climate change

For reporting on the contribution to the objective of climate change mitigation, the Group has carried out a Taxonomy-compliant climate risk and vulnerability assessment in 3 steps:

1. Analysis of the exposure of the Taxonomy-eligible activities to physical climate risks.
2. Assessment of physical climate risks according to scenarios RCP2.6, RCP4.5 and RCP8.5.
3. Implementation and assessment of adaptation solutions.

For other DNSH, the Group will update and strengthen the alignment assessment in fiscal year 2024, especially for the DNSH (Do No Significant Harm) criteria.

Minimum safeguards

Minimum safeguards were reviewed at Group level, in light of the requirements of the Platform on Sustainable Finance's report on minimum safeguards[44] published in October 2022, in terms of human rights, consumer interest, anti-corruption, responsible taxation and competition laws.

To be compliant with minimum safeguards, the Group guarantees that procedures have been implemented to ensure the alignment with the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the United Nations International Bill of Human Rights and the fundamental instruments identified in the Declaration of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work.

[44] *Platform on Sustainable Finance's report on minimum safeguards published in October 2022. Available here.*

Links to S&R achievements & initiatives

Pernod Ricard's strong climate, biodiversity and circular economy commitments are fully embedded in its S&R strategy "Good Times from a Good Place" which covers the entire value chain, from grain to glass. The Group would like to highlight the fact that significant sustainability initiatives launched by Pernod Ricard do not necessarily fall under the definition in the Taxonomy Regulation. As a result, Taxonomy KPIs are not fully reflecting the Group's progress towards sustainability objectives, as its ambitious 2030 roadmap is aligned with the UN SDGs[45].

Priority ambition to combat climate change

Pernod Ricard makes it a priority to fight climate change. This is translated into the ambitious carbon reduction targets set by the Group, aligned with the Science-Based Targets Initiative.

For Scopes 1 and 2, the Group's current target is to reduce its emissions by 54% by 2030 from its FY18 base year. This will mainly be achieved through investment in new energy-related technologies in Group distilleries, such as mechanical vapour recompression in Ireland (Irish Distillers) and Scotland (Chivas Brothers). In addition, the Group is building a distillery and ageing facilities in Marion County, Kentucky, that aims at being carbon neutral. In parallel, the Group will switch globally to renewable electricity sources by 2025, following the Group commitment to RE100[46].

Furthermore, in FY22, the Group launched its inaugural "sustainability-linked" bond (SLB) issue for €750 million. This transaction is indexed to two environmental commitments:

- reduction of Pernod Ricard's absolute amount of GHG emissions (Scopes 1 and 2); and
- reduction of its water consumption in its distilleries per unit of alcohol produced.

Since then, and based on the same targets, in October 2022, the Group signed its second SLB, setting the terms for a new euro-denominated bond issuance for an aggregated principal amount of €1.1 billion. In May 2023, the Group signed its first sustainability-linked RCF (Revolving Credit Facility) totalling €2.1 billion to refinance an existing facility expiring in June 2024 ahead of time.

Pernod Ricard is also focused on reducing its Scope 3 emissions, which are indirectly generated by the Group and its suppliers. Carbon reduction is now fully integrated into business discussions with glass manufacturers, in order to ensure they commit to lower carbon emissions for their supplies to the Group. Together with its regenerative agriculture engagement, this will contribute to achieving the Group's commitment to reduce its overall carbon intensity by 50% by 2030.

Projects to contribute to circular economy transition and biodiversity protection

The KPIs of the Group's Taxonomy-eligible turnover, CapEx and OpEx are expected to increase when the Manufacture of Food and Beverage will be added to the Delegated Regulations.

Pernod Ricard's commitment to protect biodiversity is reflected in its strong regenerative agriculture engagement. The ambition of the Group is to have a positive impact in all its main "terroirs", where raw materials are sourced. In its vineyards, Pernod Ricard local affiliates are testing regenerative practices, restoring life in the soil and in the ecosystem. Projects are being initiated with farmers to develop alternative ways to grow cereals or other crops used by the Group that have a positive impact on biodiversity and resilience. Pernod Ricard has become the first company to join the IUCN "Agriculture and Land Health Initiative", an international initiative designed to accelerate the transition to sustainable agriculture as a means of combating climate change and the loss of biodiversity.

Furthermore, Pernod Ricard supports various projects in the field of circular economy, including the investment in ecoSPIRITS, a circular economy technology startup focusing on low carbon, low waste distribution systems for the premium wine and spirits industry. Via its venture capital fund, Convivialité Ventures, Pernod Ricard joined a $10 million Series A funding to scale up an innovative circular distribution system. In March 2022 Pernod Ricard was one of the first global drinks companies to partner with ecoSPIRITS for the distribution of some of its premium brands in Hong Kong and Singapore, and this new investment reflects its ambition to expand its partnership with ecoSPIRITS to markets outside of Asia.

(45) For more information on the S&R commitments, targets, actions and contribution to SDGs, please refer to the previous pages.
(46) RE100 is the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity. More information can be found on its website.

Regulatory tables

Turnover

Total turnover can be reconciled with the income statement of FY23 consolidated financial statements.

				Substantial contribution criteria						DNSH criteria										
Economic activities	Codes	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover year N	Taxonomy-aligned proportion of turnover year N-1	Category (enabling)	Category (transitional)
		EUR millions	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*%*	*E/T*	
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Taxonomy aligned																				
Turnover of taxonomy aligned activities (A.1.)	N/A	0	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A	N/A
A.2. Taxonomy eligible but not taxonomy aligned activities																				
Turnover of taxonomy eligible but not taxonomy aligned activities (A.2.)	N/A	0	0%																	
TOTAL A (A.1. + A.2.)	**N/A**	**0**	**0%**														**0%**	**0**	**N/A**	**N/A**
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Turnover of taxonomy non eligible activities (B)	N/A	12,137	100%																	
TOTAL A + B	**N/A**	**12,137**	**100%**																	

Capital expenditures (CapEx)

The total increases in CapEx can be reconciled with the FY23 consolidated financial statements, see Note 4.1 *Intangible assets and goodwill* and note Note 4.2 *Property, plant and equipment* in subsection 6.6 “Notes to the consolidated financial statements”.

				Substantial contribution criteria						DNSH criteria										
		Absolute Capex	Proportion of Capex	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of Capex year N	Taxonomy-aligned proportion of Capex year N-1	Category (enabling)	Category (transitional)
Economic activities	**Codes**	***EUR millions***	***%***	***%***	***%***	***%***	***%***	***%***	***%***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***%***	***%***		
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Taxonomy aligned																				
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	0.9	0.10%	100%	0%	0%	0%	0%	0%	N/A	Y					Y	0.10%	N/A		
Construction of new buildings	7.1	34.1	3.79%	100%	0%	0%	0%	0%	0%	N/A	Y					Y	3.79%	N/A		
Renovation of existing buildings	7.2	0.0	0%	100%	0%	0%	0%	0%	0%	N/A	Y					Y	0%	N/A		
Installation, maintenance and repair of equipment of energy efficiency	7.3	2.8	0.31%	100%	0%	0%	0%	0%	0%	N/A	Y					Y	0.31%	N/A		
Installation, maintenance and repair of renewable energy technologies	7.6	0.2	0.03%	100%	0%	0%	0%	0%	0%	N/A	Y					Y	0.02%	N/A		
Acquisition and ownership of buildings	7.7	10.6	1.18%	100%	0%	0%	0%	0%	0%	N/A	Y					Y	1.18%	N/A		
Capex of taxonomy aligned activities (A.1.)	*N/A*	48.5	5.40%	100%	0%	0%	0%	0%	0%	N/A	Y					Y	5.40%	N/A		
A.2. Taxonomy eligible but not taxonomy aligned activities																				
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	30.9	3%																	
Construction of new buildings	7.1	31.1	3%																	
Renovation of existing buildings	7.2	23.1	3%																	
Installation, maintenance and repair of equipment of energy efficiency	7.3	23.2	3%																	
Installation, maintenance and repair of renewable energy technologies	7.6	11.0	1%																	
Acquisition and ownership of buildings	7.7	53.7	6%																	
Capex of taxonomy eligible but not taxonomy aligned activities (A.2.)	N/A	173.0	19%														19%	N/A		
TOTAL A (A.1. + A.2.)	**N/A**	**221.5**	**24.6%**														**24.6%**	**N/A**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Capex of taxonomy non eligible activities (B)	N/A	677.2	75.4%																	
TOTAL A + B	**N/A**	**898.7**	**100%**																	

Operating expenditures (OpEx)

The operating expenditure can be reconciled in the income statement of the FY23 consolidated financial statements.

				Substantial contribution criteria						DNSH criteria										
		Absolute Opex	Proportion of Opex	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of Opex year N	Taxonomy-aligned proportion of Opex year N-1	Category (enabling)	Category (transitional)
Economic activities	**Codes**	***EUR millions***	***%***	***%***	***%***	***%***	***%***	***%***	***%***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***%***	***%***	***E/T***	
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Taxonomy aligned																				
Opex of taxonomy aligned activities (A.1.)	N/A	0	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A	N/A
A.2. Taxonomy eligible but not taxonomy aligned activities																				
Opex of taxonomy eligible but not taxonomy aligned activities (A.2.)	N/A	0	0%														0%	0%	N/A	N/A
TOTAL A (A.1. + A.2.)	**N/A**	**0**	**0%**														**0%**	**0%**	**N/A**	**N/A**
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Opex of taxonomy non eligible activities (B)	N/A	8,795	100%																	
TOTAL A + B	**N/A**	**8,795**	**100%**																	

3.8 Cross reference tables

3.8.1 United Nations (UN) Sustainable Development Goals (SDGs) table

Reference table for the UN SDGs

The Group has been a member of the Global Compact since 2003. It is actively working with others to develop initiatives that fully align with the business's commitment to sustainability.

In FY23, Pernod Ricard became an official sponsor of the SDG integration. This reflects its ongoing commitment to the UN SDGs and to the Global Compact's ten principles of responsible business.

Priority SGDs	Other SDGs impacted by Pernod Ricard	SDG targets to which Pernod Ricard contributes	Section 3 subsection	Pages
12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND	6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY		Environmental Sustainability	
		12.2; 13.1; 15.1; 7.2; 7.3; 12.4; 13.1	Mitigating and adapting to climate change (3.4.1)	95
		15.1; 15.5	Pernod Ricard's agricultural footprint (3.4.2.1)	111
		7.3; 12.2; 12.4; 12.8; 13.1; 15.1	Sourcing sustainably ingredients (3.4.2.3)	113
		15.1; 15.6	Regenerative agriculture & biodiversity programmes (3.4.2.4)	114
		6.1; 6.3; 6.4; 12.4; 12.5; 14.1	Preserving water resources (3.4.3.1)	115
		12.2; 12.4; 12.5; 12.8; 14.1	Circularity: limiting and eliminating waste (3.4.3.2)	118
		12.2; 12.5	Environmental management systems (3.4.3.3)	121
3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 17 PARTNERSHIPS FOR THE GOALS	1 NO POVERTY; 3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 10 REDUCED INEQUALITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION		Social Sustainability	
		4.7; 5.1; 5.5; 10.3	Diversity & Inclusion (3.5.1.1)	123
		3.2; 4.3; 4.4; 5.1; 5.2; 5.5; 8.5; 8.8; 10.3; 12.6; 12.8	Supporting our employees to grow (3.5.1.2)	128
		3.6; 3.8; 3.9; 8.8; 10.3	Health, safety & wellbeing (3.5.1.3)	132
		4.4; 4.7; 12.2; 12.6; 12.8; 16.2	Procuring Responsibly (3.5.2.1) Supporting farmer communities (3.5.2.2)	134 136
		3.4; 3.5; 3.6; 12.8; 17.14	Responsible drinking initiatives (3.5.3.4)	141
		3.4; 3.5; 12.8	Educating employees on alcohol and responsible drinking (3.5.1.4) Consumer information (3.5.3.1) Responsible marketing and sales (3.5.3.2) Brand Campaigns (3.5.3.3) Consumer experience (3.5.3.5)	134 138 139 140 142
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES		Governance sustainability	
		16.5	Prevention of corruption and anti-competitive practices (3.6.2.1)	143
		16.5	Preventing influencing practices (3.6.2.2)	144
		16.5	Personal data protection (3.6.2.3)	145
		8.7; 8.8; 10.2	Human Rights (3.6.3)	146
		16.5	Tax policy (3.7.2) EU Taxonomy (3.7.3)	151 152

3.8.2 Task-Force on Climate related Financial Disclosures (TCFD) reporting recommendation alignment table

This table shows how Pernod Ricard has reported in accordance with the TCFD's recommendations and where the Group still needs to improve. The table's arrangement corresponds to the sequence in which the Group reports on each of the TCFD's recommendations.

TCFD recommendation	Alignment	Cross-reference
GOVERNANCE		
a) Describe the board's oversight of climate-related risks and opportunities	Yes	3.4.1.2.1
b) Describe management's role in assessing and managing climate-related risks and opportunities	Yes	3.4.1.2.1 3.4.1.3.1
RISK MANAGEMENT		
a) Describe the organisation's processes for identifying and assessing climate-related risks	Yes	3.4.1.2.1 & 3.4.1.3.1
b) Describe the organisation's processes for managing climate-related risks	Yes	3.4.1.3.1
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Yes	3.4.1.3.1
STRATEGY		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Yes	3.4.1.4.2
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	A scenario analysis was initiated to evaluate the impact of climate change on 4 key material risks and 1 opportunity. Further analysis is needed to quantify the impacts on the organisation's businesses, strategy, and financial planning. Other risks and opportunities identified as potentially relevant and material will be further assessed during the next stages of this exercise's TCFD analysis.	3.4.1.4.3
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Pernod Ricard initiated a set of actions to foster its resilience in the light of the identified risks and opportunities and pursues its adaptation efforts	3.4.1.5.1 & 3.4.1.5.2
METRICS AND TARGETS		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Yes	3.4.1.5.3
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Yes (including Scope 3)	3.4.1.6
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Yes. More targets will be defined in the coming years.	3.4.1.5.3

3.9 Methodology & third-party verification

3.9.1 Methodology note on non-financial reporting

3.9.1.1 Period & scope of reporting

Social, environmental and societal data is reported annually. It relates to the period from 1 July 2022 to 30 June 2023.

Scope of social reporting

The social analysis in this report is based on all Group entities reporting data for their employees for the relevant period. When the Group acquires full ownership of a new entity, its corporate HR data is included in full in the figures during the following fiscal year at the latest. At the end of each financial year, the list of entities within the Group's social reporting is compared to the financial reporting list to ensure completeness. In FY23, reporting covered 138 entities with employees during the year.

The scope of consolidation and level of detail for corporate data have changed since FY19. Social data is no longer reported by affiliate but by legal entity.

The following entities are inactive in Workday but still existing because of historical data. These entities have no headcount and had no movement in FY23:

- Société des Produits d'Armagnac SAS – sold in FY22;
- JDC Servicios Pernod Ricard México SA de C.V following its merge in FY22 with Pernod Ricard México SA de CV;
- DOBRY WYBÓR sp. z.o.o. s.k. following its merge in FY22 with WYBOROWA SA Oddzial w Warszawie;
- Pernod Ricard Sub Saharan Africa following its merge in FY22 into Pernod Ricard SOUTH AFRICA PTY LTD;
- Convivialite (Shanghai) Food Sale Co., Ltd - no headcount yet to be reported.

The following entities were updated in FY23:

- 8Degrees - acquired in FY22 - first year of reporting;
- Pernod Ricard (China) Spirits and Wines Co., Ltd. Haikou Branch - acquired in FY22 - first year of reporting;
- Pernod Ricard Asia Managing Office limited - first year of reporting;
- The Whisky Exchange - acquired in FY22 - first year of reporting;
- Tke Kyoto Distillery KK - acquired in FY22 - first year of reporting;
- Lillet SAS - merged with Pernod-Ricard France during FY23;
- The Absolut Company - USA merged with Pernod Ricard USA LLC during FY23.

The following organisation hierarchies were updated in FY23:

- Pernod Ricard Adriatics was renamed Pernod Ricard Balkans (Southern Europe);
- Seagram (Chengdu) Trading Co. Ltd., Pernod Ricard (Ningxia) Winemakers Co., Ltd. and The Chuan Distillery companies moved to Seagram China - Helan Mountain - Emeishan constituting a new aggregated level of organization in Pernod Ricard Asia Region.

e Asia-Pacific Region includes the Asia distribution network and the Group's Wines business. This also includes the affiliates Bodegas Tarsus and Pernod Ricard Winemakers Spain, based in Spain, and Pernod Ricard Winemakers Kenwood and Pernod Ricard Winemakers Mumm Napa, based in the United States. A distinction is made between Brand Companies and Market Companies for Australia and New Zealand resulting in two entities for each country.

Pernod Ricard's African activities are managed by Pernod Ricard's Europe, Middle East, Africa and Latin America Region and the related data are therefore included in the data for this Region.

The social reporting indicators are selected to provide the Group with a reliable and accurate picture of its global footprint. The data collected enables Pernod Ricard to be increasingly socially responsible in respect of its employees worldwide.

Scope of societal reporting

For Responsible Procurement related information, the scope covers the Packaging (Dry goods), Raw Material (Wet goods), and Point of sale material purchasing categories. Are excluded from this analysis: A&P (Advertising & Promotions), IT, Business Services, Travel, Co-packing and Manufacturing (incl. Logistics).

This perimeter also focuses only on 37 Pernod Ricard entities which are: Chivas, Corby, Global Travel Retail, Havana Club, Hiram Walkers And Sons, Irish Distillers, Jan Becher, Lillet, Martell Mumm Perrier-Jouët, Pernod Ricard Argentina, Pernod Ricard Brasil, Pernod Ricard China, Pernod Ricard Deutschland, Pernod Ricard España, Pernod Ricard Finland, Pernod Ricard France, Pernod Ricard Hellas & Kam, Pernod Ricard HQ (for Group Preferred Suppliers only), Pernod Ricard India, Pernod Ricard Italia, Pernod Ricard Japan, Pernod Ricard Korea, Pernod Ricard Mexico, Pernod Ricard Portugal, Pernod Ricard Rouss, Pernod Ricard South Africa, Pernod Ricard Turkey, Pernod Ricard UK, Pernod Ricard USA, Pernod Ricard Winemakers Australia/New Zealand, Pernod Ricard Helan Mountain, Pernod Ricard Winemakers Spain, Pernod Ricard Winemakers USA, The Absolut Company, Ungava Spirits, Wyborowa/Pernod Ricard Poland and Yerevan Brand Company.

The other entities are excluded from this perimeter because they purchase low volumes of the above purchasing categories and do not have the dedicated Procurement resources to manage the spend.

Indicators relating to responsible drinking are included in the social report. The indicators cover all Pernod Ricard subsidiaries (Brand Companies and Market Companies), which must provide their societal information in the social reporting. When several subsidiaries are located in the same country, the implementation of the S&R strategy and the associated action plans may be carried out by a single affiliate.

Scope of environmental reporting

Pernod Ricard's environmental reporting relates to production sites under the Group's operational control on 30 June in the financial year in question and operational throughout the year. It does not cover logistics warehouses outside industrial sites (only involves a few isolated warehouses). Offices' (administrative sites - head offices or sales offices) environmental impact reported here relates to their electricity consumption and use of renewable electricity only. It also covers the agricultural supply chain. The integration of new sites acquisitions in the environmental reporting (acquisitions of green field development) starts only after one full fiscal year of activity.

The FY23 reporting covers 93 industrial sites. This figure is higher than in FY22 following the acquisitions for new production sites[47]. The industrial scope for this financial year therefore covers:

- a production volume of 1,116 million litres (finished products either bottled or in bulk), compared with 1,140 million in FY22; and
- a volume of distilled alcohol of 298 million litres in FY23, compared with 287 million litres in FY22.

This environmental reporting includes FY23 data from the new acquisitions[47]. Baseline and absolute targets were not recalculated to integrate them. The Group will revise base year (FY18) and absolute targets in FY24 exercise, integrating their historic data.

3.9.1.2 Clarification on indicators

Social indicators

For headcount repartition, an additional view is implemented in order to see aggregated data by geographical areas (based on default location from company):

- **Europe, Middle East & Africa**: Andorra, Angola, Armenia, Austria, Belarus, Belgium, Bulgaria, Croatia, Czechia, Denmark, Estonia, Finland; France; Germany; Ghana; Greece, Hungary, Ireland, Italy, Kenya, Latvia, Lithuania, Morocco, Mozambique, Namibia, Netherlands, Nigeria, Norway, Poland, Portugal, Romania, Russian Federation, Serbia, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, Ukraine, United Arab Emirates, United Kingdom.
- **Asia & Pacific:** Australia, Cambodia, China, Hong Kong, India, Indonesia, Japan, Kazakhstan, Korea, Malaysia, New Zealand, Philippines, Republic of Union of Myanmar, Singapore, Sri Lanka, Taiwan, Thailand, Vietnam.
- **Americas (included LATAM)**: Argentina, Brazil, Canada, Chile, Colombia, Cuba, Dominican Republic, Mexico, Peru, United States of America, Uruguay, Venezuela.

Average headcount is calculated in terms of full-time equivalents, without taking account of short-term employee absences. Long-term absences involving contract suspensions are reflected in the calculation of the FTE.

Since FY19, employees are included in the headcount of the legal entity with which they have an employment contract. Expatriates and seconded employees are included in the headcount of their host affiliates.

Pernod Ricard China employees are accounted for as staff on permanent contracts. Chinese employment contracts have a statutory term and are only converted into permanent contracts after a number of years. However, given the specific characteristics of employment legislation in China, Pernod Ricard considers its employees to be permanent staff. Due to the particular characteristics of local labour laws, as of last year the same rule applies to Pernod Ricard Minsk employees, as the concept of fixed-term contract does not exist in Belarus.

Work-study contracts (apprenticeship contracts and training contracts) are not counted as fixed-term contracts. This also applies to work placement students, temporary workers and VIE programme volunteers.

The absenteeism rate is calculated based on the theoretical number of hours and working days worked per year. Maternity/paternity/parental leaves are included in the absenteeism rate.

The number of accidents and subsequent calendar days lost are set against the annual full time equivalent for both employees & temporary workers.

Additionally, and in line with the Group H&S policy, newly acquired companies are only included in their second full fiscal year for:

- frequency/severity rates for workplace accidents;
- number with lost time; and
- number of fatalities.

Commuting accidents are not included in accident numbers. They are thus not used to calculate frequency and severity rates.

It should be noted that "daily contract" data are included as long as available; any days lost after the contract termination are not included.

Doubtful cases of lost-time accidents are requested to be reported by each affiliate and are reviewed quarterly by a H&S Committee composed of HQ H&S Director and manager, Brand Co H&S managers and Market Co H&S coordinators requesting that a case be reviewed. Exclusion of doubtful cases can be decided when the work-relatedness is excluded and based on the H&S reporting protocol rules.

Training hours rules have been harmonised:

- when available, actual hours will be used;
- when the hours are not available/tracked (*e.g.,* for some e-learning) 1hr will be used by default.

For the training salaries costs, the required hourly rate is calculated as following: [Total theoretical gross salary including employer's social contributions for the concerned employee] divided by [Theoretical number of worked days per year per employee] divided by [Theoretical number of worked hours per day for employee].

Headcount and FTE calculations consider employees leaving the Group on the last day of the fiscal year as active. The related termination events are then included in the next fiscal year to calculate departure rates & turnover.

The definition for the "Top Management" classification was reviewed and reclarified following the FY19 publication. This classification reflects the employees from COMEX to Band C job levels.

The number of bartenders and bar owners trained to the Bar World of Tomorrow (BWOT) correspond to the total consolidated number of training sessions completed, since the official launch in 2020.

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[47] *South Africa, The Kyoto Distillery, Emeishan, Rabbit Hole and TX Whisky Ranch.*

Societal indicators

Regarding Responsible Procurement information, the global data are extracted from Partner Up tool. As part of the launch of Partner Up in 2020, a spend threshold have been implemented for all Pernod Ricard entities (€75,000 annual spend). Some suppliers are excluded from Partner Up platform because the tool is not fully deployed in these countries: China, Brazil (for Brazil, only non-Brazilian third parties are created on Partner Up), Taiwan, South Korea, Russia, Ukraine, Belarus, Kazakhstan, and Cuba (where only suppliers outside of Cuba are entered in Partner Up). In this case, the list of suppliers is reported manually to Pernod Ricard Headquarters via and Excel sheet report.

Regarding the calculated indicators: only active suppliers are considered (active supplier: doing business with Pernod Ricard for the last two years; beyond two years and without any activity, the supplier is considered inactive):

1. having signed the Supplier Standards: number of active suppliers who have signed the Supplier Standards (using Partner Up or outside Partner Up);
2. analysed using the Risk Mapping tool: number of active suppliers who have been analysed by the Risk Mapping Tool (using Partner Up or outside Partner Up);
3. identified as risky (high or medium risk): number of active suppliers identified with high or medium risk (results of the Risk Mapping Tool);
4. identified as risky and covered by an EcoVadis assessment: number of active suppliers, identified as risky (high or medium) and evaluated by EcoVadis (valid evaluation, expired evaluation excluded);
5. identified as risky with production sites covered by an audit following social, environmental and ethical standards: number of active suppliers, identified as risky (high or medium) and audited following social and ethical audit standards (valid evaluation, expired evaluation excluded);
6. identified as risky following an external assessment/audit (Ecovadis, SMETA) but who did not start to implement the required mitigation plan: number of active suppliers, identified as risky, following an external assessment/audit (Ecovadis, SMETA) who require to start a mitigation plan (a plan to correct the non-conformities).

For the two last indicators, the methodology has been updated. In January 2022, the Group stopped its membership of the AIM Progress initiative and decided to extend the scope of social and ethical audits to other standards such as the Sustainable Winegrowing Accreditation (SWA) or the BSCI audit grid.

Environmental indicators

Production indicators

The Group footprint on agricultural land is assessed by the areas on which purchased agricultural raw materials are used. These equivalent areas are estimated on the basis of the agricultural yields of the various materials used by the Group[48]. For transformed products, industrial yields are used to assess the quantity of agricultural materials purchased.

Site environmental performance is expressed using various ratios. These depend on the business category used by the Group to classify sites:

- distilleries: data broken down by volumes of pure distilled alcohol;
- bottling sites: data broken down by volumes of bottled finished products;
- wineries: data broken down by volumes made into wine;
- vineyards: data broken down by surface area cultivated with vines.

At Group level, consolidated performance is expressed based either on:

- the amount of distilled alcohol for environmental impact primarily due to distillation (e.g., water or energy consumption), expressed in units per thousand litres of pure distilled alcohol (kl PA);
- the bottled volume or the volume of finished products manufactured (including products delivered in bulk) when bottling or production is the main source of impact (such as in the case of solid waste), expressed in units per thousand litres (kl);
- the number of hectares occupied by vineyards for agricultural properties, expressed in units per hectare (ha).

For industrial sites, this distinction is sometimes complex, as some sites have several activities. As such, since the time frames involved in bottling may sometimes differ widely from those for distilling (aged spirits: whiskies, cognac, etc.), these figures may be difficult to interpret from year to year. Both calculation methods are therefore presented for some indicators.

Setting overall Group quantitative targets for the quantity of water or energy consumed per unit produced, for example, becomes complex as the consolidation of targets depends on the business mix during the year and the consolidated indicator chosen. For that reason, the performance captured by indicators should be used with care and interpreted over the long-term. Where a significant reporting error from previous periods is identified, historical data is only readjusted if the impact on Group performance is over 1%. This is to allow for a better interpretation of results and trends.

Water indicators

The Water Risk Assessment is done using the Aqueduct Water Risk Atlas, a tool developed by the World Resources Institute (WRI). The Internal Water Risk Index (IWRI) is calculated based on the blended rating from three Aqueduct indicators:

- overall Water Risk;
- baseline Water Stress;
- baseline Water Stress – 2030 projected using a “Business as Usual” scenario.

Three water risk levels are defined as a result of “Internal Water Risk Index” analysis:

- extremely high-risk, sites with an IWRI of over 4;
- high-risk, sites with an IWRI between 3 and 4;
- medium-risk, sites with an IWRI between 2 and 3;
- low-risk, sites with an IWRI under 2.

Sites from the top two risk levels (i.e., 3 or higher) are required to replenish their water consumption through water projects. Dedicated co-packers only include bottling process activities with at least 90% of production volume relating to Pernod Ricard. The water quantities replenished through projects in place are consolidated at country-level and for watersheds with the same level of risk.

(48) *Except for the agave footprint which is based on accurate land coverage.*

Energy indicators

The definitions for "renewable energy consumption" and "renewable electricity consumption" were reviewed following the FY19 publication to come into line with RE100 requirements. Since FY20:

- total renewable electricity consumption is calculated using the portion covered by green or renewable energy certificates plus renewable electricity produced and used on site;
- total renewable energy consumption is calculated using total renewable electricity consumption plus other renewable energy used on site (biogas, biofuel, etc.).

Carbon indicators

Scopes 1&2

Scopes 1 and 2 GHG emissions include all Pernod Ricard production sites entitled to the environmental reporting during the current fiscal year (see subsection 3.9.1 "Methodology note on non-financial reporting").

It excludes:

- emissions from refrigerants: the Group has been working on the complete elimination of CFCs and HCFCs, last assessment confirmed they are not significant (<1%),
- nitrogen and sulphur oxide emissions (NOx and SOx) from fossil fuel combustion. These emissions are low in the alcoholic beverages sector relatively to global emissions

For Scope 1&2 GHG emissions, both location-based and market-based energy emissions are calculated. The location-based method reflects the average emissions intensity of grids on which energy consumption occurs; the market-based method reflects emissions from electricity that companies have purposefully chosen, and derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

Scope 3

Scope 3 GHG emissions cover all Pernod Ricard affiliates with manufacturing activities and market companies.

It includes, as upstream Scope 3 emissions:

- purchased goods: all packaging and agricultural-related purchased goods (including purchased alcohol). It excludes purchased services;
- capital goods, assessed based on CapEx;
- fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2);
- upstream transportation and distribution, which includes transportation of supplied glass packaging & agricultural goods, transportation of finished goods from the manufacturing sites to market companies, downstream transportation from market companies (finished goods from warehouse to first paying customers);
- waste generated in operations;
- business travel;
- employee commuting;
- upstream leased assets, including energy consumption from offices.

It includes, as downstream Scope 3 emissions:

- downstream transportation and distribution, estimated negligible (transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting company);
- end of life treatment of sold products.

It excludes the following categories and sources of emissions:

- use of sold products;
- processing of sold products: this category does not apply to Pernod Ricard as the Company does not sell intermediate products to downstream customers for processing;
- downstream leased assets: Pernod Ricard does not have any leased asset;
- franchises: Pernod Ricard does not operate any franchise;
- investments: Pernod Ricard does not operate any financial investment.

Note that carbon emissions related to packaging are excluding minor components, among them plastic sleeves, wire hoods, security tags & glass decoration.

Scopes 1, 2 & 3 - Base year & FY22 value revision

The Group FY18 base year performance on carbon has not been revised in this FY23 exercise.

Regarding the Scope 3, the Group is improving year on year the precision of emission factors used to calculate Scope 3 emissions from purchased goods, going from generic to supplier specific ones. Such specific accounting methodology will allow Pernod Ricard to track much more precisely all the efforts deployed by the Group and its supplier to reach its Net Zero target. Thanks to intensive supplier data collection over the last two years, the Group is able to assess its Scope 3 emissions with supplier emissions factors covering 20% of Scope 3 emissions for FY22 and FY23. Applying same supplier specific emission factor methodology on FY18 baseline is not possible to due to different level of data granularity available for FY18, so that FY18 baseline cannot be recalculated accordingly. For this reason, the Group publishes two reporting values for Scope 3 GHG emissions:

- Scope 3 GHG emissions for FY18, FY22 and FY23 - based on generic emissions factors;
- Scope 3 GHG emissions only for FY22 and FY23 - based on specific emissions factors.

Generic emissions factors are issued from publicly available database and generally reflects national practices.

Specific emissions factors are collected from suppliers, calculated from specific data (energy use, yield, etc.) thanks to the development of an internal GHG calculation protocol and tools plus third-party assessments.

Scope 3 GHG emissions related to the purchased of POS goods is incomplete this year due to tracking difficulties. For this reason POS have been excluded from FY23 data. They are still included in FY22 data, where they account for 1.3% of the total emissions

Packaging indicators

The share of recyclable, compostable or reusable packaging is calculated on full primary packaging and full secondary packaging, considering its main material and the widely available recycling streams (existing packaging recycling streams for cardboard, glass, Aluminium cans and PET bottles). If the main material represents more than 95% of total weight and that the other components defining the full packaging are not hindering the recycling in this stream, then 100% of the primary or secondary packaging is considered recyclable in weight. If any component may hinder the recyclability, then the full packaging is considered not recyclable.

EU taxonomy indicators

Turnover

Despite the Group's activity of ticketing for brand homes is covered by the Taxonomy Regulation in relation to the achievement of the climate objectives, the revenues generated by this activity are excluded from the reporting of Taxonomy-eligibility as they represent less than 1% of the FY23 consolidated turnover and are therefore deemed non-material.

As long as beverage production is not covered by the Taxonomy, Pernod Ricard's turnover will not be eligible to the Taxonomy.

Capital expenditures (CapEx)

The eligibility assessment of CapEx is based on the review of Pernod-Ricard's total CapEx budget. A detailed eligibility analysis has been conducted for the Group's total CapEx (incl. IFRS 16 CapEx and CapEx related to industrial buildings) in order to associate each CapEx with an activity covered by the Taxonomy on a project per project basis, thus avoiding double counting.

A detailed alignment analysis has been conducted for a selection of Pernod-Ricard's three most CapEx (non IFRS 16)-contributing business units, covering 42% of Pernod Ricard's eligible CapEx in amount (incl. IFRS 16 CapEx and industrial buildings). The results were not extrapolated to the business units that were not the subject of the detailed analysis.

For IFRS 16 CapEx, the alignment analysis was performed on Pernod Ricard's entire fleet of leased vehicles and on a selection of Pernod-Ricard's four business units that contribute the most to IFRS 16 CapEx related to building rentals, covering 36% of Pernod Ricard's eligible CapEx in amount (incl. IFRS 16 CapEx and industrial buildings). The results were not extrapolated to the business units that were not the subject of the detailed analysis.

Pernod Ricard warehouses CapEx have been deemed not eligible to activities listed in the regulation for objectives 1 and 2 as alignment criteria for real estate activities are not applicable to these investments.

Operating expenditures (OpEx)

Article 8 of the Taxonomy Regulation states that where the OpEx is non-material for the business model of the company, it shall be exempted from the calculation of the numerator of OpEx KPI and disclose that numerator as being equal to zero. The calculation of the OpEx as defined by the Taxonomy has been based on the identification and calculation of R&D, short-term rentals and maintenance and repairs expenses, including R&D workforce costs. Upon this review, OpEx (as defined by the regulation) are deemed non-material as they represent less than 5% of Pernod-Ricard total OpEx. Therefore, the company is exempted from the calculation of the numerator and its OpEx KPI equals zero.

3.9.1.3 Data collection, consolidation and monitoring

Data collection methods

To ensure the standardisation and reliability of results, non-financial indicators are formalised in reporting procedures. This includes specific definitions for each indicator, which are passed on to all Managers involved in collecting and consolidating data.

Pernod Ricard constantly seeks to improve the collection and analysis of its data. It accordingly updates its procedures and user guide annually in line with the Group's evolving needs. Improvements are made to ensure compliance with:

- the requirements of the decree implementing article 225 on corporate transparency obligations on social and environmental matters; and
- in accordance with applicable national or international frameworks.

Updates also result from contributions from affiliates when reporting data and auditor feedback. Any changes from the previous year are highlighted.

Since FY23, the global solution "Intelex" is used to register and provide consolidated results for the following indicators:

- frequency/severity rates for workplace accidents;
- number of fatal work accidents;
- number of fatal accidents with lost time;
- number of interim staff non-fatal accidents with lost time;
- number of non-fatal work accidents and associated lost days.

Environmental indicators are collected since FY22 by the same tool.

For EU Taxonomy indicators, this reporting exercise has been led jointly by the Finance and CSR teams at the Group and divisional levels, mobilising Sustainability, Finance, Operations and Purchasing departments. The main interpretations used to roll out this regulation are mentioned in the following section. Pernod Ricard has ensured that there is no double counting in the calculation of turnover, CapEx and OpEx KPIs across activities as directly allocable turnover, CapEx and OpEx are considered.

Methods for consolidating and checking data

Once submitted by entities, data is compiled at management entity level, then at Region or Brand level for submission to Headquarters. The data is processed and consolidated at each level. Each entity collecting and compiling data is responsible for the indicators reported and certifies the data as well as the checks done.

This control is facilitated by automatic checks within the data entry tool in the consolidation documents sent to the Regions or Brands and in the consolidation tool. Amongst other things, these include consistency checks against previous years and between the indicators themselves. For social indicators, at each step the affiliates can explain any variations versus the previous financial year. For variations of 10% or more, a comment is required to facilitate understanding and tracking.

Once all the data have been collected, Headquarters performs consistency checks to identify any reporting or input errors. When there are significant variations, the Group checks with the affiliates to ensure the data is valid. Finally, Headquarters consolidates these data.

Regarding the EU Taxonomy, Pernod Ricard has ensured that there is no double counting in the calculation of turnover, CapEx and OpEx KPIs across activities as directly allocable turnover, CapEx and OpEx are considered.

3.9.2 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial statement

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Period ending June 30th, 2023

To the annual general meeting,

In our capacity as Statutory Auditor of your company (hereinafter the “entity”) appointed as independent third party, and accredited by the French Accreditation Committee (COFRAC) under number 3-1884[49], we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended June 30th, 2023 (hereinafter, the "Information" and the "Statement" respectively), presented in the Group Pernod Ricard's management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (code de commerce).

Conclusion

Based on the procedures we performed as described under the "Nature and scope of procedures" paragraph and the evidence we obtained, nothing has come to our attention that causes us to believe that the Statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance statement

The absence of a commonly used and generally accepted reporting framework or of a significant body of established practices on which to draw to assess and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the entity’s website or on request from its headquarters.

Inherent limitations in preparing the Information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the entity

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information,
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators, and the information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy),
- preparing the Statement by applying the entity’s “Guidelines” as referred above, and
- designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

Responsibility of the Statutory Auditor, appointed as independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code,
- The fairness of the historical information (observed or extrapolated) provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French Duty of care law, and provisions against corruption and tax evasion law),
- The fairness of information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy),
- the compliance of products and services with applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagements, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, “Intervention du commissaire aux comptes - Intervention de l’OTI - Déclaration de performance extra-financière”, acting as the verification program, and with the international standard ISAE 3000 (revised)[50].

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(49) *Accreditation Cofrac Inspection, number 3-1884, scope available at www.cofrac.fr*
(50) *ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Means and resources

Our work engaged the skills of nine people between May and September 2023 and took a total of twenty-one weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted around fifteen interviews with the people responsible for preparing the Declaration.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We obtained an understanding of all the consolidated entities' activities and the description of the main related risks,
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector,
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as information regarding compliance with human rights, anti-corruption and tax avoidance legislation, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code,
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks,
- We verified that the Statement presents the business model and a description of main risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, products or services, as well as policies, measures and the outcomes thereof, including key performance indicators related to the main risks,
- We verified that the Statement includes a clear and motivated explanation of the reasons for the absence of policies implemented considering one or more of these risks required under Article R.225-105 I of the French Commercial Code,
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented,
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the Appendices. Concerning certain risks[51] our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities[52].
- We verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement,
- We obtained an understanding of internal control and risk management procedures the entity implemented, and assessed the data collection process aimed at ensuring the completeness and fairness of the Information,
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, presented in the Appendices, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities[52] and at the entity's headquarters, and covers between 21% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests,
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities' activities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes), a higher level of assurance would have required us to carry out more extensive procedures.

Paris la Défense, September 19, 2023

KPMG S.A.

Caroline Bruno Diaz	Fanny Houlliot
Partner	ESG Expert

(51) *Responsible supply chain; Harmful use of alcohol by consumers; Excessive and/or punitive alcohol regulations implemented by Government to tackle harmful alcohol use; Sustainable agricultural supply chain; Packaging and point of sale material lifecycle management; Quality, food safety and product compliance; Anti-corruption & antitrust; Data privacy.*

(52) *Social indicators: Martell Mumm Perrier Jouët, Irish Distillers Limited, Wyborowa (Janikowska), Pernod Ricard Winemakers (Australia & New Zealand), Pernod Ricard Winemakers Spain, Pernod Ricard China.*
Environmental indicators: Hiram Walker & Sons (Walkerville), Irish Distillers Limited (Midleton), Wyborowa (Janikowska), Chivas Brothers Limited (Kilmalid, Glenlivet), Havana Club (Ronera San José), Pernod Ricard Winemakers (New Zealand & USA).

Appendix

Qualitative information (actions and results) considered most important
Employee well-being assessment programmes
Diversity & Inclusion Policy
Health & Safety Policy and related LIFE programme
System for monitoring and managing customer complaints about product quality
Programmes set up to promote regenerative agriculture and biodiversity and related results
Projects set up to replenish water resources
Actions to empower, train or support farmers towards a regenerative agriculture and biodiversity preservation
Actions to reinforce Responsible Procurement programme
Procedures in place for proper business conduct and the fight against corruption
Procedures in place to protect personal data
E-label and other measures to ensure transparency for consumers of alcoholic products
Awareness campaigns of responsible alcohol consumption

Key performance indicators and other quantitative results considered most important
Headcount (permanent and temporary)
Average headcount (permanent and temporary contracts)
Share of employees who received at least one training during the fiscal year
Share of women in Top Management
Absenteeism rate
Total departure rate
Frequency rate of workplace accident with lost time
Severity rate of workplace accident
Number of suppliers having signed up the supplier Standards
Number of suppliers analysed using the risk mapping tool
Number of suppliers identified as risky (high or medium risk)
Share of markets contributing to a local or global responsible drinking initiative
Estimated agricultural footprint (hectares)
Breakdown of key agricultural raw materials in tonnes
Share of key raw materials produced or sourced in line with selected sustainability standards
Total agricultural area and share of vineyards
Direct and indirect GHG emissions (Scope 1 + Scope 2)
Scope 3 GHG emissions
Total energy consumption
Share of renewable energy at production site level
Share of renewable electricity (production sites & offices)
Breakdown of packaging weight (glass & cardboard)
Share of post-consumer recycled content for glass bottles
Share of post-consumer recycled content for PET containers
Share of cardboard certified to standards ensuring sustainable forest management
Share of reusable, recyclable, or compostable point of sale material
Share of reusable, recyclable, or compostable packaging
Production volumes (distilled alcohol, wine made, bottled product and bulk)
Total volume of wastewater discharged
Total volume of water abstracted
Total volume of water consumed (production sites & distilleries)
Water consumption intensity at production sites
Water consumption intensity in distilleries
Total quantity of waste (non-hazardous & hazardous)
Share of waste recycled
Total non-hazardous waste incinerated
Total non-hazardous waste landfilled

4

Risk management

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4.1 Internal control and risk management

Internal control and risk management are an integral part of the Group's corporate governance, based on the general principles of the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF) reference framework for risk management and internal control systems.

4.1.1 Definition of internal control

The aim of the Group's internal control policies and procedures is to ensure that:

- management, transactions and personal conduct are in line with Group guidelines. These guidelines are set out by the Group's governing bodies and General Management based on applicable laws and regulations, as well as on the values, standards and internal rules in place within Group companies;
- the accounting, financial and management information provided to the Group's governing bodies accurately reflect the performance and financial position of Group companies;
- the Group's assets are protected; and
- operational and control duties are segregated.

One of the objectives of the internal control systems is to prevent and manage all risks arising from the Group's business activities, in particular accounting and financial risks, including error and fraud, as well as operational, strategic and compliance risks. However, like all control systems, they cannot offer an absolute guarantee that such risks have been fully eliminated.

4.1.2 Description of the internal control environment

4.1.2.1 Components of the internal control system

The principal bodies responsible for internal control are as follows:

At Group level

- The **Executive Board** is the permanent coordination body for the management of the Group.
- The **Executive Committee** ensures that the Group's operations are carried out properly and that its main policies are applied.
- The **Internal Audit Department** is headed by the Group Chairman and CEO and reports to the Executive Board and the Audit Committee. The internal audit team based at Headquarters is in charge of implementing the audit plan. The audit plan is drawn up once the Group's main risks have been identified and analysed and is validated by the Executive Board and the Audit Committee. It sets out the various cross-functional issues to be reviewed during the financial year, the list of affiliates to be audited, the main topics to be covered during these audits, and the list of thematic audits. Once the work has been completed, the findings are submitted to the Audit Committee, the Statutory Auditors and the Executive Board for examination and analysis.

At affiliate level

The **Management Committee** is appointed by Headquarters or the relevant Region and is composed of the affiliate's Chairman and CEO and the Heads of its main functions. The Management Committee is responsible for managing the main risks that could affect the affiliate.

The affiliate's **Chief Financial Officer**, assisted in most cases by an internal controller, is tasked by the Managing Director of the affiliate with establishing appropriate internal control systems for the prevention and management of risks arising from the affiliate's operations, in particular accounting and financial risks, including error and fraud.

4.1.2.2 Identification and management of risks

Risk identification and management work in FY 2023 focused on:

- reviewing the Group's risk map in collaboration with General Management and the Audit Committee. This annual review takes into account the major changes in the risk environment to which the Pernod Ricard Group is exposed;
- tightening internal control within the Group through various approaches, including allocation of additional resources as well as continued development of data analytics to strengthen auditing methods;
- implementing the self-assessment questionnaire on internal control and risk management. This questionnaire, which was updated during the financial year, complies with the AMF reference framework for risk management and internal control systems, and is supplemented by an application guide, updated in July 2010; and
- performing audits: 38 internal audits were conducted in FY 2023. The purpose of these audits was to ensure that the Group's internal control principles were properly applied by its affiliates. They also enabled a review of the processes in place, best practices and potential areas for improvement on various cross-functional themes.

All of the areas for improvement identified were addressed by specific action plans drawn up by each affiliate and at Group level, which were validated by the Executive Board and the Audit Committee. Their implementation is regularly monitored and assessed by the Group's Internal Audit Department.

These audits improved the quality of internal control and risk management within the Group.

4.1.2.3 Key components of internal control procedures

The key components of internal control procedures are as follows:

A formal **delegation of authority** procedure sets out the powers of the Chairman and CEO, as well as the powers delegated to members of the Executive Board.

The **internal control principles** outline the common principles and rules that apply to all of the Group's affiliates with respect to internal control for each of the 15 main operational cycles identified.

The **self-assessment questionnaire** is regularly updated to comply with the AMF reference framework for risk management and internal control systems. In particular, it covers corporate governance practices, operational activities and IT support. Shared with the Group's affiliates, it enables them to assess the adequacy and effectiveness of their internal controls. Responses to the questionnaires are documented and reviewed by the Regions and the Group's Internal Audit Department. This work is detailed in:

- a summary by affiliate and an overall Group summary, both of which are provided to the Executive Board and the Audit Committee; and
- a letter of representation from every affiliate to the Chairman and CEO of its parent company and a letter of representation from the various parent companies to the Chairman and CEO of Pernod Ricard. This letter commits the affiliates' management to ensuring that their control procedures adequately address the identified risks.

The **Internal Audit Charter** applies to all employees who have management and audit duties. It defines the standards, tasks, responsibilities, organisation and operation of the Group's Internal Audit Department, in order to ensure that every employee understands the importance of following and continuously improving the internal control process.

The **Pernod Ricard Quality, Safety and Environment Standards** set out the rules to be followed in these areas. The Group's Operations Department is responsible for ensuring their application.

Budget control focuses on three key areas: the annual budget (updated several times during the year), monthly performance reporting and the strategic plan. Budget control is carried out by management control teams who report to the Finance Departments of Headquarters, Regions and affiliates. It consists of the following:

- the budget is subject to specific instructions (principles and timetable) published by Headquarters and shared with all affiliates. The final budget is approved by the Group's Executive Board;
- reporting is prepared on the basis of data input directly by affiliates working to a specific timetable provided at the beginning of the year and in accordance with the reporting manual and the accounting policies published by Headquarters;
- a monthly performance analysis is carried out as part of the reporting process and is presented by the Finance Department to the Executive Board, the Executive Committee and at Audit Committee and Board of Directors meetings;
- a multi-year strategic plan is established for the Group's main brands every three years; and
- a single management and consolidation system allows each affiliate to directly input all its accounting and financial data.

Centralised treasury management is led by the Treasury Unit of the Group's Finance Department.

4.1.2.4 Headquarters' legal and operational control over affiliates

Affiliates are mostly wholly owned, either directly or indirectly, by Pernod Ricard.

Pernod Ricard is represented directly or indirectly (through an intermediate affiliate) on its affiliates' Boards of Directors.

The Group's internal control principles set out the various internal control rules applicable to all affiliates.

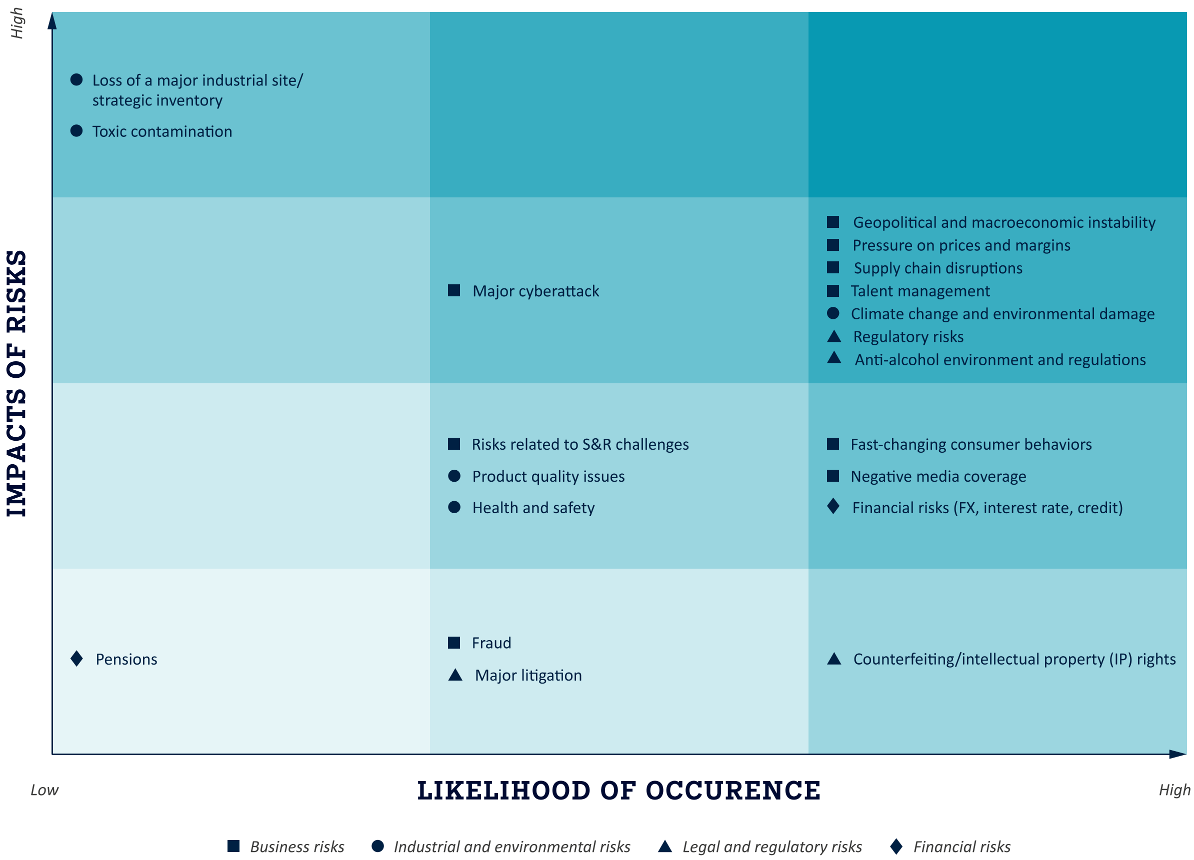
The role assigned to Pernod Ricard, as described in the subsection "Our governance and organisational structure" in Section 1 "Presentation of the Group" of this Universal Registration Document, is an important component of the control of affiliates.

4.2 Risk factors

In 2021, the Group carried out an in-depth review of its risk map, a risk management tool, in collaboration with General Management and the Audit Committee, as well as all Pernod Ricard functions and affiliates.

In addition, in 2022 and then in 2023, another review of the map was carried out by the Internal Audit Department and submitted to the Executive Board and the Audit Committee in order to adapt the risks to the current environment in which the Group operates.

This map is reproduced below to provide a visual representation of the issues, but it is not intended to replace the explanatory text that follows. The different risks are classified according to their potential impact and likelihood of occurrence. This risk map reflects Pernod Ricard's exposure and takes into account the control measures in place to limit likelihood and impact. It is reviewed annually to take into account major changes in the risk environment faced by the Pernod Ricard Group.



RISK HIERARCHY

I. Business risks

- Geopolitical and macroeconomic instability
- Pressure on prices and margins
- Supply chain disruptions
- Talent management
- Major cyberattack
- Fast-changing consumer behaviours
- Negative media coverage
- Risks related to S&R challenges
- Fraud

II. Industrial and environmental risks

- Loss of a major industrial site/strategic inventory
- Toxic contamination
- Climate change and environmental damage
- Product quality issues
- Health and safety

III. Legal and regulatory risks

- Regulatory risks:
  - business ethics;
  - taxes and levies.
- Anti-alcohol environment and regulations
- Counterfeiting/intellectual property (IP) rights
- Major litigation

IV. Financial risks

- Financial risks:
  - FX;
  - interest rate;
  - credit.
- Pensions

Risk factors are presented in a limited number of categories depending on their nature. Within each category, the most important risk factors are presented first.

4.2.1 Description of key risk factors

I. Business risks

1. Geopolitical and macroeconomic instability

RISK IDENTIFICATION AND DESCRIPTION	POTENTIAL IMPACTS ON THE GROUP
Due to its international scope, the Pernod Ricard Group is exposed to the risks of geopolitical tensions and macroeconomic instabilities. The acceleration of international tensions observed in recent years may lead to an increase in customs barriers or international sanctions, as was the case in the context of the trade war between the United States and China, on the one hand, and the European Union, on the other hand, as well as the adoption of Western sanctions against Russia following the war in Ukraine. In addition, the global health crisis triggered by the Covid-19 pandemic has increased the risk of the resurgence of a global macroeconomic crisis and social unrest.	These geopolitical and macroeconomic disruptions to the Group's markets could lead to heightened volatility in Pernod Ricard's commercial and financial results. For Russia and Ukraine specifically, these markets represented approximately 3% of the Group's worldwide net sales before the conflict. The economic and legal consequences of the war could significantly hamper this stream of business, chiefly because Pernod Ricard has announced that it will cease all exports of its international brands to Russia and halt the distribution activities of its affiliate in the country. Macroeconomic instability and, in particular, potential constraints on consumer purchasing power, may have a negative impact on how often people drink and therefore on the Group's sales. Sustained geopolitical tensions could also lead to difficulties in accessing certain markets. These economic crises and trade tensions could weigh on the Group's operating margin.

RISK MANAGEMENT AND MITIGATION

For the Group, the best way to protect itself is to diversify its business, both geographically and by category. It is already present in 75 countries and has a leading brand in each main category of spirits. Pernod Ricard continues to develop new distribution channels (e-commerce, home entertainment) and to explore new consumption opportunities by expanding its range of products to include low-alcohol and even alcohol-free beverages. Accordingly, the Group regularly assesses its routes-to-market and local partners. Pernod Ricard also closely monitors political and regulatory developments to anticipate potential business disruptions as much as possible, and engages in regular dialogue with public authorities to ensure that its business is not undermined by tensions wholly unrelated to the Wine & Spirits industry. In addition, crisis management programmes are in place in all affiliates. Lastly, under certain circumstances, production and logistics infrastructures can be adapted.

2. Pressure on prices and margins

RISK IDENTIFICATION AND DESCRIPTION	POTENTIAL IMPACTS ON THE GROUP
Distributor concentration and consolidation, both locally and internationally, have been ongoing for several years. E-commerce is also becoming an increasingly important alternative to traditional distribution channels. This competitive environment affects the Group's ability to increase its prices and may sometimes force Pernod Ricard to envisage more aggressive and frequent promotional campaigns. The Group also faces heightened competition from both major international players with its strategic brands and local groups or producers with its local brands, driven by the increasing success of craft products or products perceived as such, such as vodka in the United States. Lastly, purchase price inflation (materials, services), which is particularly high in the current environment, is closely monitored by the Group in order to limit the impact on margins.	Potential risks and impacts include: • the increased bargaining power of Pernod Ricard's customers leading to margin erosion and/or loss of market share; • temporary removal of products from shelves and/or removal of promotional materials; • pressure on Pernod Ricard to align prices across markets within a region; • more intense competition in mature markets and increasingly competitive emerging markets, requiring the Group to boost its advertising and promotional investments, or even to reduce or freeze prices in order to protect market share, with a negative impact on results; • damage to the brand image of products due to price reductions; and • a decrease in margins due to a deterioration in purchasing conditions with the Group's suppliers and/or a limited ability to raise its product prices to reflect higher costs.

RISK MANAGEMENT AND MITIGATION

To mitigate risk, Pernod Ricard earmarks approximately 16% of net sales for advertising and promotion (A&P) expenses to reinforce brand equity and, in turn, improve pricing power. In addition, Pernod Ricard has rolled out several revenue growth management initiatives, such as the development of a promotional effectiveness tool, the analysis of market conditions and pricing structures, and the dedication of resources to pricing management. These initiatives are adopted by the affiliates and coordinated at Group level by Headquarters.
Particular attention is paid to margin indicators, a key metric monitored by Group management. The Group has implemented the appropriate organisation and initiatives (PR Procure) to ensure satisfactory purchasing conditions for its raw materials while maintaining relationships of mutual trust with its key suppliers.

3. Supply chain disruptions

RISK IDENTIFICATION AND DESCRIPTION

While the global crisis linked to the Covid-19 pandemic demonstrated the resilience of the Pernod Ricard Group's supply chain, it also showed that large-scale, unpredictable events could occur and render access to markets more complex. Other factors also remain relevant, such as the failure of a key supplier, the unavailability of certain raw materials (due to weather conditions, in particular) or the closure or impossibility of access to certain routes, whether sea or land. For example, a trend towards the concentration of suppliers of raw materials and packaging has been observed for a number of years. Today, several of the Group's affiliates work with the same suppliers, which creates risk-charged interdependence should one of them fail (e.g., in the event of a major accident at one of their production sites).

POTENTIAL IMPACTS ON THE GROUP

A disruption to the supply chain could occur due to the unavailability of certain raw or packaging materials, causing production of some of the Group's products to be shut down.
Furthermore, the unavailability of certain products on the shelves, for one or more of the reasons mentioned here, could result in penalties being charged to the Group by its customers for non-compliance with the agreed commercial terms and conditions and service rates.
Lastly, an unexpected rise in the cost of raw or packaging materials could significantly increase the Group's operating costs. As it is not certain that this increase could be offset by higher prices, the Group's results might be affected.

RISK MANAGEMENT AND MITIGATION

As part of the business continuity measures implemented for the Group's strategic brands, affiliates systematically identify alternative suppliers whenever there is a risk of being left with a single supplier. These alternatives are also tested to ensure the viability of these choices. In addition, to mitigate the other scenarios included in these business continuity plans (such as the loss of a storage site or transport difficulties), emergency stocks are planned and incorporated on an ongoing basis into the supply and production decisions of Brand Companies and Market Companies.
Lastly, the reinforcement of the sales and operations planning (S&OP) process, supported by the roll-out of IT tools, gives better visibility concerning future demand and associated supply plans. This type of detailed planning of demand – at the level of the Brand Companies in particular – is a way to secure supply volumes from key suppliers and facilitate allocation decisions for the various markets if necessary.

4. Talent management[(1)]

RISK IDENTIFICATION AND DESCRIPTION

Pernod Ricard's success depends on the engagement of its employees and its ability to attract and retain them as well as develop their skills, particularly in highly competitive labour markets, such as North America, Asia Pacific, Africa and Eastern Europe, where turnover rates are normally higher than in the rest of the world. This competitive talent market is heightened by the search for scarce skills (such as in digital professions), changes in the aspirations of new generations and the recent pandemic impact that has accelerated certain trends. Moreover, employee development through geographic mobility is sometimes an issue (diversity of career paths, management of the partner's career, cost control, post Covid impact, etc.).

POTENTIAL IMPACTS ON THE GROUP

The Group is aware that Talent Management must remain a key area of focus to ensure the sustainability of its activity and ensure the transmission of key know-how within the organisation. Having excessively high turnover or unduly long job vacancies could have a financial impact and demotivate teams. This could potentially slow the implementation of key Group development projects and have an adverse impact on its business, results or reputation.

RISK MANAGEMENT AND MITIGATION

To mitigate risk, the Group established and embedded worldwide a robust talent management strategic plan, fully leveraging technology and data, with a common language to assess performance and develop Talent & Performance. This, together with a skills development framework and offer, were put in place to grow and develop Talent and facilitate dynamic career management. Accordingly, shared global processes and tools were developed to allow all affiliates to optimise the assessment of performance and skills, to formalise the identification of talents, to carry out succession planning, to encourage internal mobility and to monitor employee engagement and well-being. Since 2019, a talent management methodology and process (Let's Talk Talent) powered by a global human capital management system, and a new global leadership model with expected behaviours at each level, have been put in place.
Shared by the whole Group, this global Talent & Performance framework puts the employee at the centre of Human Resources processes providing even further objectivity and consistency globally when assessing and developing our People, and using a common language for everyone. Moreover, Pernod Ricard University trains the Group's future leaders and talents through leadership and functional skills based development programmes. Succession plans are regularly reviewed by the Top Management, especially for key positions within the Group and annually Strategic Talent & Succession Planning meetings are conducted at the very top senior executive level to ensure Pernod Ricard has talents ready at the right time in the right place. Furthermore, from a talent engagement perspective, on a yearly basis the Group conducts Global Employee Engagement and Wellbeing Surveys. Lastly, measures are carried out regularly to improve quality of life at work. They include the facilitation of remote work, measures related to well-being at work, the modernisation of workspaces and managerial awareness-raising programmes.

(1) This risk is also covered in subsection 3.5.1.2.2 of the Non-Financial Performance Statement.

5. Major cyberattack

RISK IDENTIFICATION AND DESCRIPTION

The Group's digital transformation has brought with it greater exposure to risks stemming from cyberattacks, as well as those related to IT, telecommunications, and Industrial Control System (ICS) failures. These systems are of inestimable importance to the Group's day-to-day operations, in particular to support manufacturing, warehousing and distribution of products, and processing, transmission and storage of electronic data relating as much to the Group's operations and financial statements as to the communication between Pernod Ricard's personnel, customers and suppliers.

In addition, more stringent personal data protection regulations, including the General Data Protection Regulation, increase the risks associated with regulatory non-compliance.

POTENTIAL IMPACTS ON THE GROUP

The potential impacts of a cyberattack depend on the nature of the attack, and may include:

- leakage, loss, theft of personal, strategic or confidential data, and the resulting chain of potential repercussions;
- system failure; and
- inability to perform day-to-day operations.

Although the Group makes significant investments to maintain and safeguard its IT and industrial control systems, particularly in view of growing cybercrime threats, any malfunction, significant disruption, loss or disclosure of sensitive data could disrupt the normal course of business, and have financial, operational or reputational consequences.

RISK MANAGEMENT AND MITIGATION

Pernod Ricard has a comprehensive cybersecurity roadmap based on a dedicated governance model and continually invests in further security tools in all of its technological and operational environments. The cybersecurity team reports to an executive committee specifically focused on the security of the Group and partners with top security firms.

The Group continues to reinforce the security of its infrastructure, applications, websites, networks and industrial control systems. Infrastructure monitoring and management also take place on an ongoing basis and IT and security audits are regularly performed to assess best practices. In addition, awareness-raising campaigns are conducted on a regular basis.

6. Fast-changing consumer behaviours

RISK IDENTIFICATION AND DESCRIPTION

Accentuated by the Covid-19 pandemic, changes in consumer behaviour have accelerated, such as preferences regarding product offerings (craft spirits, the low/no alcohol trend), purchasing methods (e-commerce, fast delivery) and brand dialogue and experiences (digital marketing, cross-channel touchpoints, etc.). The current uncertain macroeconomic environment shaped by the return of high inflation may also lead to changes in consumer behaviour.

Pernod Ricard must adapt its organisation, portfolio, business model and market access routes according to these new trends and must continue to innovate, always placing the consumer at the centre of its decisions and marketing and commercial choices.

POTENTIAL IMPACTS ON THE GROUP

Difficulties in detecting and predicting future consumer behaviour could result in under-investment in categories, products and channels that turn out to be strong or, conversely, over-investment in those that are running out of steam.

Over time, Pernod Ricard could lose market share or miss out on growth opportunities and damage its brand image and/or reputation.

RISK MANAGEMENT AND MITIGATION

To mitigate risk, Pernod Ricard takes action across its entire organisation:

- the Consumer Insights organisation studies consumer behaviour and societal shifts to anticipate changes in trends. Consumer Insights was strengthened in 2019 by its centralisation and the creation of market representatives as well as by the intensification of social listening resources;
- innovation hubs have been created in the Regions to develop products and services with high added value, both for the Group and for its consumers and users. In addition, an agile TLO (test, learn, optimise) experimentation method has been implemented;
- from a strategic standpoint, business model diversification, market access methods and portfolio management are closely monitored and changes deemed relevant are implemented. For example, the Group is present in the direct-to-consumer sales channel through The Whisky Exchange, a brand combining an online marketplace and brick-and-mortar stores. The creation of Conviviality Ventures in 2017 also enabled indirect investment in new activities that complement those of Pernod Ricard by leveraging the rich and innovative start-up ecosystem; and
- the comprehensive digital transformation of the Group is ongoing. It includes six transformation priorities organised under Key Digital Programs that are focused on continuously improving marketing and sales processes and maximising opportunities to establish partnerships through incubation programmes. These programmes harness the power of data analytics and the latest available technologies such as machine learning algorithms.

7. Negative media coverage

RISK IDENTIFICATION AND DESCRIPTION

The growing resonance of social media, and the reach and influence it gives to information, mean that Pernod Ricard could become the subject of negative media coverage or inappropriate posts or messages. In addition, the Group's size and the nature of its business expose it to the spread of false or misleading information in both traditional and social media, as observed in recent years. The Group cannot rule out the possibility of being affected by this type of event, against which it must continue to protect itself.

POTENTIAL IMPACTS ON THE GROUP

A malicious attack aimed at harming Pernod Ricard's reputation, its brand portfolio or its main affiliates could significantly damage the Group's image and reputation. Widespread negative media coverage could jeopardise consumers' confidence in Pernod Ricard brands, resulting in a potential sales decline.

RISK MANAGEMENT AND MITIGATION

The Group has implemented a series of internal and external measures to manage this risk. Internal measures focus primarily on raising the awareness of Pernod Ricard employees on the impact of social media and sharing communications best practices. External measures include monitoring commentary in both traditional and social media and preparing a response accordingly to assert the Group's positions and protect it from smear campaigns.

8. Risks related to S&R challenges(1)

RISK IDENTIFICATION AND DESCRIPTION

Pernod Ricard places the responsibility and sustainability of its business at the heart of its strategy and decisions. To that end, an ambitious roadmap for 2030, Good Times From a Good Place, was rolled out in 2019. With a focus on natural resources and the Group's key stakeholders, this strategy is built on four pillars (Nurturing Terroir, Valuing People, Circular Making and Responsible Hosting), each associated with specific quantitative and qualitative objectives.
All of these commitments represent real challenges that the Group is intent upon tackling, in line with its historical approach and the expectations of its stakeholders, in particular consumers, employees and shareholders.
In addition, the current environment has led to a growing number of S&R regulations aimed at ensuring companies adopt ambitious targets and improving transparency around these issues, which may present real challenges to the Group in terms of adaptation.
Lastly, the green finance transactions carried out in recent months and the long-term incentive plan further commit the Group to achieving certain S&R objectives.

POTENTIAL IMPACTS ON THE GROUP

Failure to meet these objectives or the occurrence of an event in conflict with its commitments (such as an industrial accident) would damage the credibility and reputation that the Group has built up over recent years with its stakeholders, in addition to the direct consequences it would have.
In addition, stricter S&R regulations could have the effect of mitigating, or even nullifying, the Group's ambitions to voluntarily minimise the negative consequences of its business. The resulting new regulatory obligations could be more difficult for the Group to fulfil.
If the key performance indicator (KPI) targets underlying green finance transactions are not met, the Group may incur additional costs.

RISK MANAGEMENT AND MITIGATION

The Group has built a solid governance based on responsibility and sustainability. At the level of the Board of Directors, a CSR Committee monitors progress on Pernod Ricard's roadmap and commitments. In addition, at operations level, a steering committee comprising various experts and function representatives meets four times a year to ensure that resources are in place to achieve objectives and meet new regulatory requirements. Furthermore, Pernod Ricard sets up key partnerships to strengthen the implementation of its strategy, and endeavours to promote these partners publicly and to onboard other players, to ensure regulations on certain topics do not become necessary. Lastly, reporting and monitoring tools covering all indicators for all Group affiliates are in place to track the Group's progress and the alignment of all functions involved in achieving these goals.

(1) This risk is also covered in subsection 3.3.2.2 of the Non-Financial Performance Statement.

9. Fraud

RISK IDENTIFICATION AND DESCRIPTION

Pernod Ricard is exposed to the risk of fraud, in particular due to its presence in many countries and the acceleration of its digitisation.

POTENTIAL IMPACTS ON THE GROUP

Any type of fraud, whether internal or external, could lead to financial losses (including legal costs to recover defrauded amounts or products), leakage of sensitive information or theft of major physical assets. It could also have a significant impact on the Group's reputation.

RISK MANAGEMENT AND MITIGATION

To mitigate risk, the Pernod Ricard Group has implemented a strict framework of internal control rules and related tools, based on the Group's internal control principles.
In addition, regular fraud awareness campaigns are run for internal control teams. The Group also conducts internal and external audits each year to ensure the effectiveness of measures in place.

II. Industrial and environmental risks

1. Loss of a major industrial site/strategic inventory

RISK IDENTIFICATION AND DESCRIPTION	POTENTIAL IMPACTS ON THE GROUP
Currently, the following events could result in the loss of a major industrial site or strategic inventory: • a fire and/or explosion related to the manufacture, handling or storage of flammable products (e.g., alcohol); • a natural disaster such as an earthquake, hurricane or flood; or • a malicious act. Several Group sites are located in seismic zones, particularly in New Zealand, Armenia, California and Mexico. Certain sites, including the San José plant in Cuba, are exposed to the risk of cyclones. Lastly, the Group stores a significant stock of maturing products, such as Scotch whisky, Irish whiskey, cognac, rum, brandy and wines, which are highly flammable.	The loss of a major industrial site or strategic inventory is considered a major risk for Pernod Ricard. The materialisation of this risk could result in a significant operating loss and an accompanying sharp drop or prolonged interruption in the supply of certain products, thereby preventing the Group from meeting consumer demand. Moreover, an incident at one of the sites, whether accidental or the result of a malicious act, could jeopardise the safety of Group employees or cause environmental damage.

RISK MANAGEMENT AND MITIGATION

To manage this risk, an Operations Risk Manager who reports to the Group Health and Safety Director within the Operations Department is responsible for coordinating work by affiliates to implement preventive measures (design and maintenance of facilities, training, operating procedures, etc.) and physical protection mechanisms (automatic sprinkler systems, retention basins, emergency procedures, etc.).

In cooperation with insurers, more than 40 industrial sites are reviewed each year and the quality of risk is assessed to determine recommendations for improving each site.

A Group monitoring programme for business continuity and management systems is also in place. Strategic affiliates have identified the various scenarios that could affect their operations and have drawn up business continuity plans including the implementation of emergency solutions and access to alternative production methods in the event of the loss of a site.

2. Toxic contamination[1]

RISK IDENTIFICATION AND DESCRIPTION	POTENTIAL IMPACTS ON THE GROUP
The Group purchases most raw materials (grapes, grains, agave, etc.) used in the manufacture of its wines and spirits from farmers or industrial producers (alcohol, sugar, flavourings, etc.). The presence of undesirable substances in these raw materials or a defect in the distillation, fermentation or bottling process could result in chemical (contaminant), biological (microorganism), physical (foreign body) or allergen contamination.	The Group's reputation and image may be undermined at any time by one-off incidents at an industrial site or relating to a specific product. For example, contamination, whether arising accidentally, or through a malicious act, could cause injury or intoxication to a consumer, thereby exposing the Group to litigation and causing reputational harm to the brands.

RISK MANAGEMENT AND MITIGATION

The Group has implemented protection and control systems to limit the risk of contamination. The management of this risk is based on the hazard analysis critical control point (HACCP) method, which aims to identify the risks involved in the manufacturing process and to bring them under control, as well as on the implementation of specific internal guidelines. The Group has also implemented management systems compliant with the ISO 22000 standard for food safety management, which is aimed specifically at controlling this type of risk.

Headquarters periodically carries out contaminant screening tests, covering all Strategic International Brands and the most important Strategic Local Brands. This involves an array of chemical analyses covering all contaminants considered possible, and detection testing of around 40 unwanted molecules and several hundred pesticides.

(1) This risk is also covered in subsection 3.6.1 of the Non-Financial Performance Statement.

3. Climate change and environmental damage[1]

RISK IDENTIFICATION AND DESCRIPTION	POTENTIAL IMPACTS ON THE GROUP
Climate change is the source of various risks to Pernod Ricard's business, including risks to the supply of raw materials such as grapes and grains, risks relating to the availability of water resources (floods, droughts, etc.), climate-related incidents (cyclones, flooding, etc.), and increasing costs (carbon tax). The need to reduce carbon emissions, which are the root cause of climate change itself, generates new risks and opportunities for the Group, in particular in terms of the reduction of direct and indirect emissions (see the Group's Net Zero commitments) and the transition to renewable energies. In addition, potential damage could be caused by Pernod Ricard (carbon emissions, accidental pollution).	Increasingly irregular crop yields, climate events such as frost, hail and drought and shifting climatic boundaries can affect the quality, availability and, to a greater extent, price of raw materials. In terms of grains and sugar cane, the effects of climate change, coupled with rising global demand, are contributing to increasing market price volatility, which must be taken into account in procurement strategies and business supply models. In terms of grapes – another of the Group's key raw materials – climate models point to an increase in the alcohol content of wine and champagne, adjustments to certain qualitative factors and changes in phytosanitary pressure, as well as the risks of frost and drought, which vary depending on geography. A similar risk exists in relation to the water supply for production sites. A number of sites use groundwater for their supply, which can also be affected by climate change. From a regulatory point of view, environmental issues, and in particular climate-related issues, are leading to stricter carbon emissions regulations. In Europe, the Group's four largest distilleries are subject to the European Union carbon emission trading system (EU-ETS). The direct financial challenge is moderate for Pernod Ricard but is expected to increase significantly in the years to come. The economic impact of energy and carbon regulations is also felt through indirect consumption via the Group's suppliers (especially with respect to glass, alcohol and transport).

RISK MANAGEMENT AND MITIGATION

For grapes, the relevant trade associations, such as those for cognac and champagne and wine in Australia and New Zealand, have incorporated this issue into their research programmes in order to adapt practices to these changes (choice of grape varieties, vine training, vinification, etc.).

The availability and quality of water at production sites are key to ensuring the quality of Pernod Ricard's products and are monitored very closely. Responsible water management is a significant component of the Group's S&R policy, with each site responsible for ensuring that its use of groundwater or river water and its wastewater discharges do not harm the environment. Sites located in areas identified as high risk in terms of water supply are subject to enhanced monitoring to ensure the sustainability of resources by minimising water consumption and returning an equivalent volume of water to the withdrawal site. The Group is committed to offsetting 100% of water consumption at production sites and co-packers located in highly water-stressed basins by 2030, by replenishing water resources in these regions.

In terms of the financial impact of carbon emissions generated directly by the Group's business or indirectly by its suppliers, a carbon emissions reduction plan aligned with a 1.5°C (Scopes 1 and 2) and 2°C (Scope 3) scenario has been implemented.

Pernod Ricard's climate impact was incorporated into the Good Times from a Good Place roadmap. In concrete terms, the Nurturing Terroir and Circular Making pillars commit the Company to the following:

- promoting regenerative agriculture: by 2025, pilot regenerative agriculture programmes will be developed by the Group for vineyards in eight wine-growing regions – Argentina, California, the Cognac region, Champagne, Spain, Australia, New Zealand and China – aiming to improve the quality of soils and ecosystems. Identical initiatives are under way for the Group's other major strategic raw materials to increase the resilience of agricultural systems. These programmes also represent a unique opportunity to create carbon sinks through soil sequestration and to have a positive impact on the climate;
- reducing carbon emissions from Group operations (Scopes 1 and 2): this programme aims to reduce carbon emissions from operations by 54% by 2030 (vs. 2018), with a focus on energy efficiency, use of biomass and 100% renewable electricity supply (by 2025);
- reducing the Group's indirect carbon emissions (Scope 3), mainly linked to the purchase of agricultural products, packaging and upstream and downstream transport: the Group requires its suppliers to commit to decarbonising their operations, and has launched a number of internal optimisation programmes. With regard to packaging, the Group's policy encourages lightweighting, use of recycled materials, recyclability, and bans on single-use promotional items. Pilot projects are under way to test alternative, circular product distribution methods. As regards transport, the Group is working to optimise loads and develop multi-modal solutions and alternative transport options.

(1) This risk is also covered in subsection 3.4.1 of the Non-Financial Performance Statement.

4. Product quality issues[1]

RISK IDENTIFICATION AND DESCRIPTION

The main product quality issues that concern the Group arise from the quality level and compliance of the following:
- product ingredients;
- packaging;
- the production process; and
- the development process of new products.

POTENTIAL IMPACTS ON THE GROUP

The success of the Group's brands depends upon the positive image that consumers have of them.
A quality issue with one of the products in the portfolio, affecting the integrity of its brand or its image among consumers, could have a negative impact on the Group's sales.

RISK MANAGEMENT AND MITIGATION

Quality risk management is based on a joint quality management approach implemented worldwide at all production affiliates. Coordinated by the Group's Operations Department, this risk management policy is based on internal Pernod Ricard standards and on systematic risk analyses.
It draws on the standards setting out best practices and minimum requirements in each of the areas concerned by quality:
- foreign bodies;
- contamination;
- traceability;
- quality control; and
- product recall/withdrawal.

It is also underpinned by a mandatory quality certification programme for Group production sites based on a minimum of the following two international standards:
- ISO 9001 for quality management; and
- ISO 22000 for food safety management.

Depending on their needs and goals, affiliates may also obtain FSSC 22000 and/or IFS and/or BRC certification.

(1) This risk is also covered in subsection 3.6.1 of the Non-Financial Performance Statement.

5. Health and safety[1]

RISK IDENTIFICATION AND DESCRIPTION

Preventing and managing occupational risks forms part of the Company's obligations towards its employees.
The notion of "occupational risk" can be defined as all threats to the health of employees encountered in the context of their work. They may result in an accident or a so-called "occupational" illness.
Pernod Ricard is committed to preventing the following non-exhaustive list of occupational risks:
- risks relating to falls and slips;
- risks relating to noise and vibrations;
- electrical risk;
- fire and explosion risk;
- road risk;
- risks relating to the use of certain machines or work equipment; and
- psychosocial risks.

POTENTIAL IMPACTS ON THE GROUP

Personal injury is one of the main potential impacts for the Group.
The most serious examples are:
- the death of one or more employees, subcontractors, visitors or other third parties;
- permanent disability of employees, subcontractors, visitors or other third parties; and
- occupational illness.

The reputational impact related to inadequate management of working conditions must also be taken into account.

RISK MANAGEMENT AND MITIGATION

In late 2017, the Group embarked on a process to reduce occupational accidents by launching a comprehensive review of industrial sites with the greatest potential for improvement. The main sites are now assessed by an external company in accordance with specific criteria in terms of both their safety culture and their ISO 45001 occupational health and safety management system.
Thanks to this review and the commitment of General Management, the Group announced its ambition to become the Health and Safety leader in the Wine & Spirits sector by 2025. To accomplish this, the Taking Care of Each Other programme was launched with the following three strategic goals:
- develop a culture where safety is central to the Group's values of conviviality;
- engage, motivate and empower all employees and subcontractors on the issue of safety; and
- improve operational efficiency through excellence in Health and Safety.

This programme, which is closely monitored by the Group's Top Management, is part of the Group's S&R strategy and has gradually been extended to all employees in both industrial and non-industrial sites within its affiliates.

(1) This risk is also covered in subsection 3.5.1.3 of the Non-Financial Performance Statement.

III. Legal and regulatory risks

1. Regulatory risks

a. Business ethics[1]

RISK IDENTIFICATION AND DESCRIPTION

Pernod Ricard uses its own distribution affiliates to market its products worldwide. For this reason, Pernod Ricard operates in many countries where anti-corruption laws may have an extraterritorial impact.
Examples include the US Foreign Corrupt Practices Act, the UK Bribery Act and France's Sapin II law. The Group must therefore take into account and rigorously monitor the risk of corruption and influence peddling, and understand how such risks are treated by all relevant legal systems, in all regions of the world where it operates.
Company employees may interact, sometimes only marginally, with political and administrative officials. The nature of Pernod Ricard's business, driven by its *Créateurs de Convivialité* vision, means that inappropriate invitations may be sent to public officials.

POTENTIAL IMPACTS ON THE GROUP

Recent regulations concerning, in particular, the fight against corruption and influence peddling, and compliance with business ethics expose Pernod Ricard to the risk of administrative and criminal sanctions, as well as a reputational risk in the event of non-compliance.
In addition, certain corrupt practices, consisting of offering excessive and/or inappropriate benefits, even without deliberate intention to obtain an undue advantage, are severely punished by the anti-corruption laws of three of the main countries where the Group operates and provide for the criminal liability of both the legal entities and the individuals involved, and entail heavy financial penalties for the company as well as for the perpetrators of such practices.
Reputational damage resulting from a legal conviction or breach of regulations could damage the Company's overall credibility, and an illicit or reprehensible act, even if it consists of an isolated event, could negatively impact all Group employees seeking to deliver a message to public authorities. This would hamper efforts to legally lobbying against legislation that is harmful to the Group's business sector. It could also result in regulatory changes that may damage the Company's business (tax increases, marketing restrictions, etc.).
For these reasons, all such regulations could have a negative impact on the Group's business.

RISK MANAGEMENT AND MITIGATION

Pernod Ricard has drawn up a risk map for corruption and influence peddling, updated in 2022. This tool aims to identify and manage corruption and influence peddling risks inherent to the Group's business and specific to production and distribution processes, as well as cross-functional risks. The Group is also committed to promoting a "zero tolerance" policy clearly communicated by the Group's management and relayed by local management to the affiliates. Specific rules for employees and stakeholders have also been put in place, as set out in the Group's Code of Business Conduct, which was also updated in 2022. The Code is backed by a mandatory online course, fully reviewed and refreshed in May 2023, to help employees better understand the potential risks of corruption and influence peddling and adopt the right behaviours to prevent them. Pernod Ricard has also implemented the following digital tools to support its compliance initiatives: Speak Up, a global whistleblowing platform to report behaviour that violates the Code of Business Conduct; Gifted!, an application dedicated to the declaration and approval of gifts and invitations; and Partner Up, a platform for assessing the risk of corruption and influence peddling of third parties working with the Group.
In line with changes to human rights and environmental laws and the expectations of its stakeholders, the Group is also making progress on these issues. Since 2015, Blue Source, a mandatory process for all Pernod Ricard direct purchases, has been in place. The purpose of this process is to ensure that the Group's partners are compliant in these areas and support them in implementing action plans where necessary. Potential partners who are assessed and do not meet the standards are not selected to support the Group in its operations.
Lastly, the Group's lobbying policy is governed by the Code of Business Conduct, which contains specific provisions to prevent any reprehensible practices, even if unintentional. In France, Pernod Ricard files a disclosure statement with the French High Authority for Transparency in Public Life (*Haute Autorité pour la Transparence de la Vie Publique* – HATVP)[2] and is a member of Transparency International's *Forum des Entreprises Engagées*[3]. The Group is also a joint signatory of a best practices guide on parliamentary lobbying spending published by Transparency International.

(1) This risk is also covered in subsections 3.6.2.1 and 3.6.2.2 of the Non-Financial Performance Statement.
(2) https://www.hatvp.fr/fiche-organisation/?organisation=582041943.
(3) https://transparency-france.org/entreprise/forum-des-entreprises-engagees-2.

b. Risks related to taxes and levies[1]

RISK IDENTIFICATION AND DESCRIPTION	POTENTIAL IMPACTS ON THE GROUP
As an international player in the Wine & Spirits sector, the Group is very sensitive to changes in indirect taxation, in particular customs duties and excise taxes on alcoholic beverages, such as the temporary retaliatory duties introduced by the US government in 2019 on imports of single malt Scotch whisky and Spanish wines. This was followed by duties on certain categories of cognac in 2021. The Group is also exposed to possible changes to tax regulations in the countries where it operates, particularly with regard to direct taxation, notably at the instigation of the Organisation for Economic Co-operation and Development (OECD), the European Union and national governments (such as changes in tax rates, the ongoing "Pillar 2" tax reform or the EU Public CBCR proposal), and changes to accounting policies and standards. Pernod Ricard may also be subject to tax audits in several countries, and there is no guarantee that the tax authorities will accept the positions taken by the Group, even if the Group deems them to be correct and reasonable in view of its operations.	An increase in import duties and excise taxes or a change in laws relative to duty free sales could result in an increase in the price of the Group's products and a reduction in the consumption of its Wine & Spirits brands or an increase in the Group's costs, thereby affecting the Group's financial position and operating profit. Nevertheless, this risk is mitigated by significant advertising and promotional investment which can, in certain cases, limit the impact on consumption of an increase in prices. Other changes in tax regulations could also have a material impact on the Group's results, such as an increase in the corporate tax rate in the countries where the Group operates. Lastly, in the event that the tax authorities successfully challenge the Group on any material positions, the Group may be subject to additional tax liabilities that may have an adverse effect on the Group's financial position if they are not covered by provisions or if they otherwise trigger a need for a cash payment.

RISK MANAGEMENT AND MITIGATION

The Group's tax policy is based on compliance with applicable laws and regulations, sound conduct and proactive and efficient tax management. It involves the rejection of all artificial arrangements, the application of a transfer pricing policy based on the arm's length principle, efficient organisation of the tax function within the Group and transparent dealing with tax authorities.

Very often, when the Group is confronted with increases in customs duties that affect the entire Wine & Spirits sector in a given country, the authorities of the exporting country provide diplomatic support to resolve the problem.

Furthermore, the Group's diversification in terms of geographies and product categories is another way it mitigates the potential impact of tax risks.

(1) This risk is also covered in subsection 3.7.2 of the Non-Financial Performance Statement.

2. Anti-alcohol environment and regulations[(1)]

RISK IDENTIFICATION AND DESCRIPTION	POTENTIAL IMPACTS ON THE GROUP
Throughout the world, the Group's operations are subject to a growing number of regulations. Regulatory decisions and changes in legal and regulatory systems could have adverse impacts on Pernod Ricard's business, particularly in the areas of advertising and promotions, labelling and access to distribution. In almost all countries, the production, import/export and sale and distribution of alcohol are subject to special regulations, which are constantly changing. Similarly, the presentation, labelling, advertising and promotion of alcoholic products are subject to increasingly strict regulations, often intended to better inform consumers about the risks of alcohol abuse, for example through health warnings on labels, or to minimise the exposure of at-risk groups such as minors. The religious, cultural and media environments of each country result in a wide variety of regulations related to alcoholic beverages. There is a trend towards increased restrictions on these products, along with their promotion and distribution, at significantly different paces from country to country.	Regulatory decisions and changes in legal and regulatory requirements in these areas could have a negative impact on Pernod Ricard's business as follows: • **advertising and promotions:** regulatory authorities in the countries where the Group operates could impose restrictions on the advertising of alcoholic beverages (e.g., audio-visual or digital advertising or sponsorship of sporting events). One effect of these limitations would be to prevent or restrict the Group's ability to retain or recruit consumers for its brands in a challenging competitive environment. Restrictions on advertising freedom could also limit the Group's ability to launch new innovations. They therefore have a significant impact on the Group's business. Lastly, some countries could impose price controls, particularly price floors aimed at limiting promotions and ultimately sales by keeping alcohol relatively expensive. These policies, which have historically been observed in certain specific countries (former USSR, Canada), are now being introduced more widely (Scotland, Ireland) and apply in addition to specific taxes on alcohol; • **labelling:** changes to labelling requirements for alcoholic beverages could diminish the appeal of these products for consumers, who might switch to other less tightly regulated products, resulting in a decline in sales. Furthermore, such changes could result in increasing costs, thereby affecting the Group's results; and • **access to distribution:** government authorities in countries where the Group operates may seek to restrict consumer access to the Group's products. For example, the prohibition of alcohol in Bihar (India) led to the cessation of Pernod Ricard's operations in that State. Similarly, restrictions on how, when and where alcoholic beverages can be sold are regularly implemented in many countries. These restrictions tend to drive consumers towards illegal or parallel distribution channels, which compete with the Group's lawful business.

RISK MANAGEMENT AND MITIGATION

Pernod Ricard actively participates in public dialogue relating to the adoption of laws and regulations that affect the Group. Pernod Ricard's teams promote the Group's positions and solutions to local decision-makers and lawmakers. Pernod Ricard does this indirectly through its membership in trade associations, or directly when the subject specifically concerns the Group.

Pernod Ricard is also committed to ensuring that the products distributed are promoted responsibly and in compliance with the ethical marketing or commercial standards included in the International Alliance for Responsible Drinking (IARD). Internal controls are in place to ensure compliance with the Pernod Ricard Code for Commercial Communications, which sets out all the rules applicable to marketing communications.

In line with its S&R ambitions, Pernod Ricard also seeks to contribute proactively to changing legislation and practices and promote alternatives to exclusively repressive solutions to treat alcohol abuse, which have not proven effective. Currently, more than 150 initiatives to prevent the effects of alcohol abuse and dangerous drinking have been developed by the Group worldwide, alone or with partners. Since 2021, three pictograms (warning against underage drinking, drinking while pregnant and drink driving) have started appearing on all bottles produced by the Group's brands, three years ahead of the initial timetable (wherever permitted by regulations in the country of sale). A digital label in the form of a QR code has also been introduced on all Group products to inform consumers of the health risks associated with alcohol abuse and provide the list of ingredients and nutrition facts.

The World Health Organization (WHO) action plan (2022-2030) to reduce the harmful use of alcohol recognises the role of self-regulation in marketing (where Pernod Ricard has particularly ethical practices) as well as voluntary consumer information practices, such as the initiatives taken by the Group. This action plan provides Member States with a range of public policy options – without calling for a binding global framework agreement – and reaffirms the value of public/private dialogue, taking a markedly different approach than with the tobacco industry.

(1) This risk is also covered in subsection 3.5.3 of the Non-Financial Performance Statement.

3. Counterfeiting/IP rights

RISK IDENTIFICATION AND DESCRIPTION	POTENTIAL IMPACTS ON THE GROUP
The Group's trademarks are key to its competitiveness. However, they face various threats, including unauthorised reproduction, imitation, use of misleading symbols and bottle refills using counterfeit liquids. Such practices remain a significant problem in various markets, and could pose serious threats to consumers, including endangering their health. In addition, increasingly sophisticated fake versions of the Group's products can make it difficult to authenticate them. The Covid-19 pandemic benefited illicit trade players, who made significant profits when the legitimate market was weakened by lockdown measures, the closure of bars and restaurants, and sometimes even national measures prohibiting the production, import, distribution and sale of alcoholic beverages. Today, despite the recovery in business, companies in the sector remain vulnerable due to profound disruptions in their supply chain (shortage of raw materials, extended delivery times for goods, stock shortages), creating further openings for the black market. Lastly, the pandemic also greatly accelerated the growth of e-commerce, both legal and illegal, due to the postponement of demand during lockdowns. It also sped up the globalisation of counterfeiting activities, which led to a sharp increase in the illicit online B2B trade and gave counterfeiters access to quality fraudulent items (finished products, fake bottle caps, fake labels, etc.) throughout the world.	Fraudulent use of the Group's trademarks damages its image and reputation and impacts its development prospects and results, and could cause consumers to avoid the Group's products if authenticity were not guaranteed (in the case of refills and counterfeit finished products) or if third parties intentionally created confusion with the Group's trademarks (brand imitation). It also increases operating costs. While legal action is the preferred option and usually results in a satisfactory outcome, these measures represent a cost for the Group (legal fees, storage and destruction costs, etc.). In some countries, it can also be difficult to obtain swift, dissuasive penalties against counterfeiters.

RISK MANAGEMENT AND MITIGATION

A specific organisation has been put in place to protect and defend the Group's IP rights, designed to maximise efficiency while minimising costs.

The first line of defence is the Group Intellectual Property Hub, a centralised team set up in late 2014 to protect trademarks. This unit protects the Group's IT rights and defends them against any attempt by third parties to file similar rights, thereby preventing consumers from being misled and the Group's brands from being undermined or diluted. It also protects anti-counterfeiting innovations through patents. Since 1 July 2022, this team has also been responsible for IP litigation, which used to be managed by the Brand Companies. IP litigation is any legal action taken to remedy (i) counterfeiting (identical reproduction of the Group's trademarks on any medium other than bottles) and (ii) brand imitation (on any medium whatsoever), including online. This new organisation further strengthens the effectiveness of the fight against unauthorised use of the Group's rights and optimises protection strategies.

The second line of defence is the Global Trade Intelligence team, which leads the fight against illicit trade in the Group's products worldwide by coordinating all action against counterfeiting (identical/near-identical reproduction of the Group's trademarks on bottles) and other forms of trafficking. This action takes the form of investigations on the ground or online, and legal action combined with initiatives to raise awareness among local authorities. The Global Trade Intelligence team also supports the marketing and operations teams at the Group's Headquarters and affiliates in developing technical/technological measures to improve product protection and authentication. Examples of such measures include a scheme based on the principle of the smart bottle, introduced in strategic markets such as China, which enables consumers to check the authenticity of the Group's products using a QR code integrated into the packaging.

The defence of IP rights also involves operational staff, who are called on to identify imitations (products/trademarks) on the market and pass on all necessary information to the above teams for action.

4. Major litigation

RISK IDENTIFICATION AND DESCRIPTION	POTENTIAL IMPACTS ON THE GROUP
Like other companies in the Wine & Spirits sector, the Group may be the subject of legal action or other litigation and complaints from consumers or government authorities. In addition, the Group routinely faces litigation in the normal course of business. The Group provides for provisions for all litigation in which it is involved and all contingencies it faces. At 30 June 2023, these provisions totalled €390 million, compared with €441 million at 30 June 2022 (see Note 4.7 – Provisions to the consolidated financial statements).	Major litigation of any type could have an adverse impact on the Group's financial position (in the event of a fine or damages), or the Group's image and reputation due to media coverage and posts on social media, and may result in the loss of rights, in particular IP rights (such as the cancellation of a trademark).

RISK MANAGEMENT AND MITIGATION

To avoid litigation, the Legal Department, which is responsible for the Group's protection and defence, has implemented preventive measures. Marketing and operational teams are made aware of legal issues on an ongoing basis, model agreements are provided, and legal teams provide support at the very early stages of projects. Legal functions have been established at regional and local levels to ensure better local monitoring. In addition, a quarterly report listing the major risks identified by local legal teams, particularly with regard to compliance, counterfeiting, cyberattacks, personal data and potential major litigation, is sent to Headquarters staff, who oversee coordination.

IV. Financial risks

The Group's main financial risks are market, credit and liquidity risks. They are measured and managed via risk management policies and procedures put in place to reduce their occurrence or impact.

In a persistently uncertain economic environment, to manage the liquidity risk that may result from the repayment of financial liabilities at their contractual maturity, Pernod Ricard has taken precautionary measures to ensure sufficient liquidity to meet its needs and continues to diversify its sources of financing, thereby limiting dependence on lenders.

In November 2022, the Group carried out a €1.1 billion bond issue (€600 million tranche maturing in six years and €500 million tranche maturing in ten years)[1] and redeemed a US$800 million bond in July 2022. These transactions substantially extended the average maturity of the Group's bond debt.

At 30 June 2023, the Group's cash position stood at €1.6 billion, in addition to approximately €2.9 billion in undrawn committed credit lines, including a €2.1 billion revolving credit line set up in April 2023.

The loan agreements notably include obligations to provide lenders with information and comply with certain commitments customary to this type of arrangement (in particular that the loan will continue to rank *pari passu*).

1. FX risk[1]

RISK IDENTIFICATION AND DESCRIPTION	POTENTIAL IMPACTS ON THE GROUP
Due to its international presence, the Group is exposed to fluctuations in the currencies it operates in (excluding the euro, its functional and reporting currency) and uses to record its assets and liabilities (transaction and translation risks).	Fluctuations of this nature may therefore have an impact on Pernod Ricard's results and shareholders' equity. The risks include: • translation risk for the financial statements of consolidated affiliates using a functional currency other than the euro; and • transaction risks on operating cash flows not denominated in the entities' functional currency. Moreover, currency fluctuations against the euro (notably the US dollar) may impact the nominal amount of liabilities and the financial expense recorded in euros in the consolidated financial statements, which could affect the Group's reported results.

RISK MANAGEMENT AND MITIGATION

As a rule, it is Group policy to invoice end customers in the currency used by the distributing entity. The resulting net foreign exchange exposures are hedged by the use of forward instruments.
Residual risks may be partially hedged by the use of financial derivatives (forward purchases, forward sales or options) intended to hedge highly probable receivables or payables or to secure the receipt of dividends.
In terms of asset risk, financing foreign currency-denominated assets acquired by the Group with debt in the same currency provides natural hedging.

(1) Note 4.9 to the consolidated financial statements.

(1) This bond is described on page 199 of the Universal Registration Document.

2. Interest rate risk[1]

RISK IDENTIFICATION AND DESCRIPTION	POTENTIAL IMPACTS ON THE GROUP
Pernod Ricard is exposed to changes in interest rates on its financial liabilities and its liquid assets. Such changes may have a positive or negative effect on its financial expenses. At 30 June 2023, the Group's debt consisted of floating-rate debt (7%) and fixed-rate debt (93%), in addition to a hedging portfolio intended to limit the negative effects of interest rate fluctuations.	The Group is affected by changes in interest rates in its functional currency and, more marginally, by changes in the interest rates of other currencies contributing to its consolidated net debt. A rise or fall of 50 basis points in interest rates (euro or US dollar) would result in an increase or decrease of €6 million in the cost of net debt.

RISK MANAGEMENT AND MITIGATION

As part of its financing policy, the Pernod Ricard Group seeks to limit interest rate risk by favouring fixed-rate funding for a significant portion of its debt.

(1) Note 4.9 to the consolidated financial statements.

3. Credit risk[1]

RISK IDENTIFICATION AND DESCRIPTION	POTENTIAL IMPACTS ON THE GROUP
Credit risk for the Group primarily consists of the risk of financial loss stemming from a default (cash flow difficulties or liquidation) among customers indebted to a Group affiliate. Although the effects of the Covid-19 pandemic severely affected some of the Group's customers – in particular those operating in the hospitality and nightclub sectors – the rate of non-recovery of receivables remained extremely low.	The non-recovery of a trade receivable in the event of a customer default or liquidation would have a negative impact on the Group's financial statements.

RISK MANAGEMENT AND MITIGATION

The diversity and size of the Group's distribution network, spread across many countries, and the diversification of its main customers in the supermarket sector, limit its exposure to this risk.
Internal procedures are in place to assess the financial health of the Group's customers and adapt credit terms and activity as appropriate.
Lastly, credit risk is mitigated through credit insurance coverage with the standard guarantees. In this way, the Group's risk management policy transfers part of the risk to insurers.

(1) Note 4.9 to the consolidated financial statements.

4. Pensions[1]

RISK IDENTIFICATION AND DESCRIPTION	POTENTIAL IMPACTS ON THE GROUP
The Group's unfunded pension obligations amounted to €349 million at 30 June 2023. During FY 2023, the Group's contributions to pension plans totalled €75 million. The Group's pension obligations are for the most part covered by balance sheet provisions and partially covered by pension funds or insurance. The amount of these provisions is based on certain actuarial assumptions, including, for example, discounting factors, demographic trends, pension trends, future salary trends and expected returns on plan assets.	The asset/liability balance is subject to, among other factors, the performance of invested assets. A liquidity crisis or major financial shock could significantly undermine the performance of financial assets and jeopardise the asset/liability balance. A pronounced asset/liability imbalance may require an increase in the Group's pension obligations recognised in the balance sheet and result in an increase in the provision for pensions. This could have a significant negative impact on the Group's financial results.

RISK MANAGEMENT AND MITIGATION

Specific governance and a management policy have been implemented and are regularly reviewed in line with the risk profile of the Group's various pension plans. The investment strategy is subject to frequent review in order to minimise the volatility of assets.
The buy-in transaction completed in September 2019 for the largest of the Group's pension funds is a concrete example of the proactive strategy to minimise risks. The fund's Trustee purchased an insurance policy from a highly rated and well-established insurance company to cover the majority of the pension obligations. The insurance policy therefore reduces the Group's exposure for that fund to funding deficits arising from market risks, including inflation and interest rate risks, and longevity risks.
In addition, defined-benefit plans (mainly for affiliates in North America, the United Kingdom and the rest of Europe) are subject to an annual actuarial valuation on the basis of country-specific assumptions.

(1) Note 4.7 to the consolidated financial statements.

4.3 Insurance and risk coverage

For Pernod Ricard, insurance represents a solution for the financial transfer of major risks facing the Group. This transfer is accompanied by a policy of prevention to reduce risk as much as possible. The Group carefully evaluates its risks in order to fine-tune the level of coverage of the risks it incurs.

The Group has two types of coverage: Group insurance programmes and local policies. The Group programmes are monitored by the Audit Director who coordinates the insurance and risk management policy, and also by the Health and Safety Director in charge of monitoring industrial risk prevention.

4.3.1 Insurance policies

In order to cover the main risks, Pernod Ricard has set up international insurance programmes for all Group affiliates, except where this is not possible due to local regulatory constraints.

These programmes provide the following coverage:

- property damage and business interruption losses;
- operating/product liability, including costs and losses incurred by the Group due to accidental and/or criminal contamination;
- environmental liability;
- Corporate Officers' civil liability;
- damage during transport;
- fraud; and
- cyber.

Moreover, credit insurance programmes are in place to reduce the risks associated with trade receivables.

Some affiliates have contracted additional insurance to meet ad hoc needs (vineyard insurance, fleet insurance, etc.).

4.3.2 Coverage

Type of insurance	Coverage and limits on the main insurance policies(1)

Property damage and business interruption losses	• Coverage: comprehensive (except exclusions).
	• Basis of compensation:
	  • replacement value for personal property and real estate, except for certain affiliates who have chosen, with the contractual agreement of the insurers, to use another basis of compensation;
	  • cost price for inventories, except for certain maturing inventories that are insured at replacement value or net carrying amount plus a fixed margin (tailored to each company);
	  • business interruption losses with a compensation period generally between 12 and 36 months depending on the company.
	• Limits on compensation:
	  • main compensation limit of €1,050 million, covering all damage and business interruption losses. The programme includes additional limits, for example to cover natural events.
	• Furthermore, a captive reinsurance company provides insurance coverage for an amount of €3 million per claim with a maximum commitment of €5 million per year.

General civil liability (operating and product liability)	• Comprehensive coverage (except for exclusions) for damage caused to third parties for up to €220 million per year of insurance.
Product contamination	• Coverage taken out under the general civil liability programme for recall expenses, the cost of the relevant products, business interruption and outlay to rebuild Pernod Ricard's image following accidental or criminal contamination of products that could endanger persons or property: coverage of up to €45 million per year.
General environmental liability	• Coverage for environmental damage of up to €30 million.
Corporate Officers' civil liability	• Coverage of up to €150 million per year of insurance.
Transport	• Coverage of up to €15 million per claim.
Fraud	• Coverage of up to €35 million per year.
Cyber	• Coverage of up to €10 million per year
Credit	• Coverage differing depending on the affiliate and the programme, with total coverage rising to a maximum of €200 million. Coverage can also be partially transferred under a programme to sell receivables.

(1) The figures shown are the main limits for the financial year ended 30 June 2023. Changes have been negotiated for FY 2024. Some contracts provide specific limits for certain aspects of coverage.

4.3.3 Measures implemented by the Group to manage the consequences of a claim, in particular in the event of an industrial accident

If a claim were to be filed affecting Pernod Ricard or a Group company, especially in the case of an industrial accident, the Group or the company in question would rely on its brokers and insurers and all service providers as required to ensure the effective management and resolution of the claim. All these players have the experience and resources required to manage exceptional situations.

4.4 Risks and litigation: provisioning procedure

In the course of its business, the Pernod Ricard Group is involved in legal proceedings and subject to tax, customs and administrative audits. The Group only recognises provisions for risks and contingencies when it is probable that a present obligation arising as a result of a past event will require the payment of an amount that can be estimated reliably. The amount of the provision is the best estimate of the expenditure required to settle the obligation. Provisions may therefore require the use of judgement by Group management.

4.5 Financial and accounting information

4.5.1 Preparation of the Group's consolidated financial statements

In addition to the management information described above, the Group prepares interim and annual consolidated financial statements. This process is managed by the Consolidation Department attached to the Group's Finance Department, as follows:

- communication of the main Group accounting and financial policies through a procedures manual;
- preparation of specific instructions by the Consolidation Department, including a detailed timetable, that are shared with the affiliates prior to each consolidation;
- preparation of the consolidated financial statements on the basis of the information provided, to cover the entire scope of consolidation; and
- use of a single software package by Group affiliates. The maintenance of this software package and user training are carried out by the Group's Finance Department, with occasional assistance from external consultants.

In addition, consolidated affiliates sign a letter of representation addressed to the Statutory Auditors, which is also sent to Headquarters. In this letter, the management of each consolidated affiliate certifies that the financial information sent to Headquarters as part of the consolidation process gives a true and fair view of the company's position and results of operations.

4.5.2 Preparation of Pernod Ricard's parent company financial statements

Pernod Ricard prepares its parent company financial statements in accordance with applicable laws and regulations. It prepares the consolidation package in accordance with the instructions received from the Finance Department.

Paris, 19 September 2023
Alexandre Ricard
Chairman and CEO

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Management Report

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5.1 Key figures from the consolidated financial statements for the year ended 30 June 2023

5.1.1 Income statement

€ millions	30.06.2022	30.06.2023
Net sales	10,701	12,137
Gross margin after logistics expenses	**6,473**	**7,246**
Advertising and promotion expenses	(1,698)	(1,939)
Contribution after advertising and promotion	4,775	5,307
Profit from recurring operations	3,024	3,348
Operating profit	**2,963**	**3,265**
Financial income/(expense)	(260)	(327)
Corporate income tax	(676)	(651)
Share of net profit/(loss) of associates and net profit of held for sale activities	5	(4)
NET PROFIT	**2,031**	**2,283**
Of which:		
Non-controlling interests	35	21
Attributable to Group shareholders	1,996	2,262
EARNINGS PER SHARE – BASIC (in €)	**7.71**	**8.84**
EARNINGS PER SHARE – DILUTED (in €)	**7.69**	**8.81**

5.1.2 Balance sheet

€ millions	30.06.2022	30.06.2023
ASSETS		
Non-current assets	24,100	25,667
Of which intangible assets and goodwill	*17,657*	*19,000*
Current assets	11,896	12,008
Assets held for sale	15	1
TOTAL ASSETS	**36,012**	**37,676**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Consolidated shareholders' equity	16,253	16,715
Non-current liabilities	13,653	14,026
Current liabilities	6,107	6,935
Liabilities held for sale	—	—
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**36,012**	**37,676**

5.1.3 Net financial debt

€ millions	30.06.2022	30.06.2023
Gross non-current financial debt	9,417	9,851
Gross current financial debt	1,248	1,536
Non-current derivative instruments – assets	—	(3)
Current derivative instruments – assets	(5)	—
Non-current derivative instruments – liabilities	18	14
Current derivative instruments – liabilities	—	—
Cash and cash equivalents	(2,527)	(1,609)
NET FINANCIAL DEBT EXCLUDING LEASE LIABILITIES	**8,150**	**9,789**
Lease liabilities	507	484
NET FINANCIAL DEBT	**8,657**	**10,273**
Free cash flow(1)	1,813	1,431

(1) The calculation of free cash flow is set out in Note 5.3 – Net Debt to the management report.

5.1.4 Cash flow statement

€ millions	30.06.2022	30.06.2023
Self-financing capacity before financing interest and taxes	3,392	3,543
Net interest paid	(228)	(288)
Net income tax paid	(619)	(654)
Decrease/(increase) in working capital requirement	(252)	(568)
Net change in cash flow from operating activities	**2,294**	**2,033**
Net change in cash flow from investing activities	**(1,203)**	**(1,731)**
Net change in cash flow from financing activities	**(683)**	**(1,117)**
Cash flows from discontinued operations	—	—
Foreign currency translation adjustments	42	(103)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**2,078**	**2,527**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**2,527**	**1,609**

5.2 Analysis of business activity and results

Pernod Ricard generated Net Sales of €12.1 billion, a very strong performance in a normalising environment, with share gains in most markets, strong pricing execution and resilient volumes.

Growth was broad-based across regions. By categories, growth was also diversified across the portfolio with Strategic International Brands up +11%; Specialty Brands up +8% and Strategic Local Brands up +10%.

Pernod Ricard delivered a Profit from Recurring Operations of €3.3 billion, sustaining organic Gross Margin and expanding organic Operating Margin thanks to leading premium portfolio, excellent Revenue Growth Management and operational efficiencies.

Pernod Ricard continued to invest in its brands' sustainable growth and desirability with record level of investments in A&P, Capex, strategic Inventories and with active portfolio management focused on priority premium+ brands, including Sovereign Brands, Código, Skrewball and ACE Beverages.

Pernod Ricard continues to progress toward its 2030 Sustainability and Responsibility targets and to deploy The Conviviality Platform.

With a Free Cash Flow of €1.4 billion, cash generation was strong, enabling to accelerate investments in future organic growth.

Shareholder returns are accelerating, with strong dividend growth of +14% compared to FY 2022 and a new share buyback programme of €500 million to €800 million in FY 2024 (subject to the approval of the Shareholder's General Meeting).

5.2.1 Presentation of results

5.2.1.1 Net profit from recurring operations, Group share and per share – diluted

€ millions	30.06.2022	30.06.2023
Profit from recurring operations	3,024	3,348
Financial income/(expense) from recurring operations	(215)	(291)
Corporate income tax on recurring operations	(651)	(691)
Non-controlling interests, net profit of discontinued and held for sale activities and share of net profit of associates	(34)	(25)
GROUP SHARE OF NET PROFIT FROM RECURRING OPERATIONS(1)	**2,124**	**2,340**
GROUP SHARE OF NET PROFIT FROM RECURRING OPERATIONS PER SHARE – DILUTED *(in €)*	**8.18**	**9.11**

(1) Profit from recurring operations after taking into account financial income and expenses from recurring operations, corporate income tax on recurring operations, the share of net profit or loss of associates, and net profit of discontinued and held for sale activities.

5.2.1.2 Profit from recurring operations

Group *€ millions*	30.06.2022	30.06.2023	Reported growth		Organic growth(1)	
Net sales	10,701	12,137	1,436	13 %	1,068	10 %
Gross margin after logistics expenses	6,473	7,246	773	12 %	646	10 %
Advertising and promotion expenses	(1,698)	(1,939)	(242)	14 %	(180)	11 %
Contribution after advertising and promotion	4,775	5,307	531	11 %	466	10 %
PROFIT FROM RECURRING OPERATIONS	**3,024**	**3,348**	**324**	**11 %**	**334**	**11 %**

(1) Organic growth: growth at constant exchange rates and scope of consolidation.

Americas **€ millions**	30.06.2022	30.06.2023	Reported growth		Organic growth(1)	
Net sales	3,133	3,481	348	11 %	62	2 %
Gross margin after logistics expenses	2,059	2,220	161	8 %	10	1 %
Advertising and promotion expenses	(568)	(686)	(117)	21 %	(57)	10 %
Contribution after advertising and promotion	1,491	1,534	43	3 %	(47)	-3 %
PROFIT FROM RECURRING OPERATIONS	**1,014**	**965**	**(49)**	**(5)%**	**(87)**	**-9 %**

(1) Organic growth: growth at constant exchange rates and scope of consolidation.

Asia/Rest of the World **€ millions**	30.06.2022	30.06.2023	Reported growth		Organic growth(1)	
Net sales	4,438	5,191	753	17 %	755	17 %
Gross margin after logistics expenses	2,496	2,969	473	19 %	501	20 %
Advertising and promotion expenses	(633)	(740)	(107)	17 %	(111)	18 %
Contribution after advertising and promotion	1,862	2,229	366	20 %	390	21 %
PROFIT FROM RECURRING OPERATIONS	**1,220**	**1,516**	**296**	**24 %**	**325**	**27 %**

(1) Organic growth: growth at constant exchange rates and scope of consolidation.

Europe **€ millions**	30.06.2022	30.06.2023	Reported growth		Organic growth(1)	
Net sales	3,130	3,465	335	11 %	251	8 %
Gross margin after logistics expenses	1,918	2,057	139	7 %	135	7 %
Advertising and promotion expenses	(496)	(513)	(17)	4 %	(13)	3 %
Contribution after advertising and promotion	1,422	1,544	122	9 %	122	9 %
PROFIT FROM RECURRING OPERATIONS	**790**	**867**	**77**	**10 %**	**96**	**12 %**

(1) Organic growth: growth at constant exchange rates and scope of consolidation.

5.2.2 Organic net sales growth of Strategic International Brands

In millions of 9-litre cases	Volumes FY 2022	Volumes FY 2023	Organic growth[1] in net sales	Of which volume growth	Of which price/ mix effect
Absolut	12.4	12.7	+10 %	+2 %	+8%
Chivas Regal	4.6	5.1	+25 %	+10 %	+15%
Ballantine's	9.1	8.8	+13 %	(4)%	+17%
Ricard	4.5	4.4	+1 %	(1)%	+2%
Jameson	10.4	10.7	+10 %	+2 %	+8%
Havana Club	4.6	4.3	+6 %	(6)%	+12%
Malibu	4.9	4.7	+4 %	(5)%	+9%
Beefeater	3.7	3.7	+10 %	+2 %	+7%
Martell	2.5	2.4	+10 %	(3)%	+12%
The Glenlivet	1.6	1.6	+9 %	(3)%	+12%
Royal Salute	0.2	0.3	+32 %	+17 %	+15%
Mumm	0.7	0.6	(5)%	(16)%	+11%
Perrier-Jouët	0.3	0.3	+6 %	(7)%	+12%
STRATEGIC INTERNATIONAL BRANDS	**59.6**	**59.5**	**+11 %**	**0 %**	**+11%**

(1) Organic growth is defined on page 196

FY 2023 Sales grew by 10% organically, totalling €12,137 million.

Reported Sales growth was 13% with favourable foreign exchange impact mostly from USD versus EUR.

Broad-based growth across all regions with strong pricing execution:

- **Americas: up 2%**, dynamic growth in LATAM led by Mexico and low-single digit growth in North America with stable Net Sales in USA and underlying value depletions up 2%. Declining Sales expected in Q1 in USA, on high comparison basis, with positive outlook for the full year;
- **Asia-RoW: up 17%**, excellent broad-based growth led by India, Travel Retail recovery, China and Turkey. Solid performance in Japan, South Korea and dynamic rebound in Southeast Asia. Challenging macroeconomic environment in China leading to declining Net Sales in Q1 FY24, with high comparison basis expected to ease from Q2;
- **Europe: up 8%**, strong resilience and pricing with growth led by Spain, Germany and rebound in Travel Retail.

All spirits categories delivered strong growth:

- **Strategic International Brands: up 11%**, strong momentum led by Scotch, Martell, Jameson and Absolut;
- **Strategic Local Brands: up 10%**, very dynamic growth notably led by Seagram's Indian whiskies and Olmeca;
- **Specialty Brands: up 8%**, continued development led by Lillet, Aberlour, Malfy and the Spot Range;
- **Strategic Wines: down 2%**, overall soft performance mainly driven by Jacob's Creek and Campo Viejo in the UK and North America.

Strong Price/mix at positive 9%, mostly from strong pricing actions (+8%). Resilient volumes growing 1%.

Q4 Net Sales were €2,630 million, with 19% organic growth.

5.2.3 Contribution after advertising and promotion expenses

Gross margin protected at +3bps as price and mix offset COGS inflation.

A&P consistent at c.16% of Net Sales, with dynamic allocation between brands, markets and activities.

5.2.4 Profit from recurring operations

FY 2023 PRO grew 11%, to €3,348 million (+11% reported), sustaining organic Gross Margin and expanding organic Operating Margin thanks to leading premium portfolio, excellent Revenue Growth Management and operational efficiencies:

Discipline on Structure costs: up 37bps and growing 8% organically.

Unfavourable FX impact on PRO of €70 million with favourable impact from USD more than offset by Turkish Lira and other emerging market currencies.

5.2.5 Financial income/(expense) from recurring operations

Financial expenses from recurring operations reached €291 million, with average cost of debt of 2.6% (vs 2.3% in FY 2022).

5.2.6 Group share of net profit from recurring operations

The tax rate for profit from recurring operations in FY 2023 was 22.6%.
Group share of Net PRO was €2,340 million, up 10% reported versus FY 2022.

5.2.7 Group share of net profit

Group share of Net Profit was €2,262 million, up 13% reported, a very strong increase thanks to Profit from Recurring Operations growth.

5.3 Net debt

Reconciliation of net financial debt – Net financial debt is a metric used by the Group to manage its cash and net debt capacity. A reconciliation of net financial debt to the main balance sheet items is provided in Note 4.9 – Financial instruments to the consolidated financial statements. The following table shows the change in net debt over the year:

€ millions	30.06.2022	30.06.2023
Profit from recurring operations	**3,024**	**3,348**
Other operating income/(expenses)	**(62)**	**(83)**
• Depreciation of fixed assets	381	417
• Net change in impairment of goodwill, property, plant and equipment and intangible assets	10	52
• Net change in provisions	7	(74)
• Changes in fair value of commercial derivatives and biological assets	(2)	(87)
• Net (gain)/loss on disposal of assets	(5)	(74)
• Share-based payment	40	44
Sub-total of depreciation and amortisation, changes in provisions and other	**430**	**278**
SELF-FINANCING CAPACITY BEFORE FINANCING INTEREST AND TAXES	**3,392**	**3,543**
Decrease/(increase) in working capital requirement	(252)	(568)
Net interest and tax paid	(846)	(942)
Net purchases of non-financial assets and other	(481)	(602)
FREE CASH FLOW	**1,813**	**1,431**
of which recurring free cash flow	*1,926*	*1,653*
Net purchases of financial assets and activities and other	(723)	(1,129)
Changes in scope of consolidation	—	—
• Share capital increases and other changes in shareholders’ equity	—	—
• Dividends and interim dividends paid	(826)	(1,072)
• (Acquisition)/disposal of treasury shares	(813)	(786)
Sub-total of dividends, acquisition of treasury shares and other	**(1,639)**	**(1,858)**
DECREASE/(INCREASE) IN DEBT BEFORE FOREIGN EXCHANGE IMPACT	**(549)**	**(1,556)**
Foreign currency translation adjustments	(562)	53
Non-cash effect on lease liabilities	(95)	(112)
DECREASE/(INCREASE) IN DEBT AFTER FOREIGN EXCHANGE IMPACT	**(1,205)**	**(1,615)**
Net debt at beginning of period	(7,452)	(8,657)
Net debt at end of period	(8,657)	(10,273)

5.4 Outlook

Building on our very strong FY 2023 performance, we confidently reiterate our mid-term financial framework[1] of aiming for the upper end of 4% to 7% Net Sales growth and a 50/60bps operating margin expansion.

In a challenging environment, we anticipate for FY 2024:

- Broad-based and diversified Net Sales growth for the full year, with a soft start in Q1 amplified by a high comparison basis;
- Adapting to easing inflationary pressures;
- Continued focus on Revenue Growth Management and operational efficiencies;
- Consistent A&P ratio at c. 16% of Net Sales, dynamically optimized through Key Digital Programmes (KDPs);
- Disciplined investments in structure;
- All leading to organic Operating Margin expansion;
- Significant investments in Capex c.€800 million-€1 billion range and strategic inventories with a similar level to FY 2023 to sustainably support future growth;
- Share buyback of €500 million to €800 million;
- Negative FX impact.

(1) *From FY 2023 to FY 2025.*

5.5 Definition of alternative performance measures and reconciliation to IFRS measures

Pernod Ricard's management process is based on the following alternative performance measures (APMs), which have been chosen for planning and reporting purposes. The Group's management believes that these measures provide valuable additional information for users of the financial statements in understanding the Group's performance. These APMs should be considered as complementary to IFRS measures and reported movements therein.

5.5.1 Organic growth

Organic growth is calculated after excluding the impacts of exchange rate movements, acquisitions and disposals, changes in applicable accounting principles and hyperinflation.

Exchange rates impact is calculated by translating the current year results at the prior year's exchange rates.

For acquisitions in the current year, the post-acquisition results are excluded from the organic movement calculations. For acquisitions in the prior year, post-acquisition results are included in the prior year but are included in the organic movement calculations of the current year only from the anniversary date of the acquisition.

The impact of hyperinflation on net sales in Turkey is excluded from organic growth calculations by capping local unit price/cost increases to a maximum of 26% per year, equivalent to 100% over three years.

Where a business, brand, brand distribution right or agency agreement was disposed of or terminated in the prior year, the Group excludes the results for that business from the prior year in the organic movement calculations. For disposals or terminations in the current year, the Group excludes the results for that business from the prior year from the date of the disposal or termination.

This measure enables users to compare the Group's performance on a like-for-like basis, focusing on areas that local management is most directly able to influence.

5.5.2 Free cash flow

Free cash flow comprises net cash from operating activities, aggregated with the proceeds from disposals of property, plant and equipment and intangible assets and after deduction of capital expenditure.

5.5.3 "Recurring" measures

The following three measures represent key indicators for the measurement of the recurring performance of the business, excluding significant items that, because of their nature and their infrequent occurrence, cannot be considered as inherent to the recurring performance of the Group:

- **Recurring free cash flow**

Recurring free cash flow is calculated by restating free cash flow for non-recurring items.

- **Profit from recurring operations**

Profit from recurring operations corresponds to operating profit excluding other non-current operating income and expenses.

- **Group share of net profit from recurring operations**

Group share of net profit from recurring operations corresponds to net profit attributable to Group shareholders before other non-recurring operating income and expenses, non-recurring financial income and expenses and non-recurring income taxes.

5.5.4 Net debt

Net financial debt, as defined and used by the Group, corresponds to total gross financial debt (translated at the closing rate), including lease liabilities and derivatives designated as fair value hedges and net foreign currency asset hedges (hedging of net investments and similar), less cash and cash equivalents.

5.5.5 EBITDA

EBITDA stands for "earnings before interest, taxes, depreciation and amortisation". EBITDA is an accounting measure calculated using the Group's profit from recurring operations excluding depreciation and amortisation on operating fixed assets.

5.6 Significant contracts

5.6.1 Significant contracts not related to financing

5.6.1.1 Suntory

In 1988, Allied Domecq entered into a series of agreements with Suntory Ltd, one of Japan's leading producers and distributors of spirits. One of the provisions of these agreements concerned the creation of a joint venture in Japan called Suntory Allied Ltd, in which 49.99% of the share capital and voting rights are owned by Allied Domecq and 50.01% by Suntory Ltd. Suntory Allied Ltd has been granted the exclusive distribution rights for certain Allied Domecq brands in Japan until 31 March 2029.

The management of Suntory Allied Ltd is jointly controlled by Pernod Ricard, as successor-in-interest to Allied Domecq, and Suntory Ltd.

5.6.1.2 Sale and repurchase agreements

Pernod Ricard did not enter into any sale and repurchase agreements during the period 2022/2023.

5.6.2 Financing contracts

5.6.2.1 Credit agreements

2023 Credit Agreement

On 27 April 2023, Pernod Ricard and certain of its affiliates signed a new sustainability-linked loan totalling €2.1 billion (the "**Credit Agreement**") in order to refinance ahead of term its existing €2.5 billion credit facility maturing in June 2024. The initial maturity date of the Credit Agreement is five years, expiring on 27 April 2028, with an option to extend for one year at the end of the fifth year and an additional year at the end of the sixth year. The facility is linked to two environmental commitments: a reduction in the Group's absolute greenhouse gas emissions (Scopes 1 and 2) and a reduction in its water consumption per unit of alcohol produced.

The obligations of each of the borrowers under the Credit Agreement are guaranteed by Pernod Ricard. No security interest (*sûreté réelle*) was granted under the terms of the Credit Agreement.

The Credit Agreement includes an "Accordion" feature which allows for borrowing of up to an additional €400 million beyond the initial €2.1 billion allocation.

2022 Credit Agreement (Bilateral Credit)

On 22 March 2022, Pernod Ricard and Pernod Ricard Finance entered into a bilateral revolving credit agreement (the "**Bilateral Credit Agreement**", referred to jointly with the Credit Agreement as the "**credit agreements**") with a principal amount of €500 million, for an initial period of three years, with the option of an extension of one year at the end of the third year and one additional year at the end of the fourth year.

The obligations of Pernod Ricard Finance under the Bilateral Credit Agreement are guaranteed by Pernod Ricard. No security interest *(sûreté réelle)* was granted under the terms of the Bilateral Credit Agreement.

Provisions of the credit agreements

The credit agreements contain customary representations and warranties, as well as the usual restrictive covenants contained in such contracts.

5.6.2.2 Bond issues

The Group has issued bonds (the "**Bonds**") through (i) Pernod Ricard, and (ii) Pernod Ricard International Finance LLC, a wholly owned affiliate of Pernod Ricard, whose issues are guaranteed by Pernod Ricard.

The nominal amount of the Bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of the issuer in question, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of said issuer. In addition, Pernod Ricard and Pernod Ricard International Finance LLC have undertaken not to grant any security interests in respect of bonds or other debt securities admitted, or liable to be admitted, to trading on a regulated market, an over-the-counter market or other stock exchange unless the bonds benefit from similar collateral or other collateral approved, as the case may be, by the mass of bondholders (Pernod Ricard) or by the meeting of bondholders (Pernod Ricard International Finance LLC).

These bond issues include a clause regarding change of control, which could trigger the compulsory early repayment of Bonds upon request of each bondholder in the event of a change of control of Pernod Ricard (benefiting a person or a group of persons acting in concert) and leading to a deterioration in Pernod Ricard's credit rating.

In addition, bondholders may request early redemption of these Bonds if certain customary events of default arise.

	Amount *(US$ thousands)*	Amount *(€ thousands)*	Place of issue	Nominal value	Maturity date	Redemption dates	Allocation of net proceeds of the issue	Rate
USD bond of 12/01/2012	850,000.00		Private placement for institutional investors, and subject to New York State (United States) law	US$150,000 (with multiples of US$1,000 in excess of this amount)	15/01/2042	Payable annually in arrears on 15 January and 15 July	Repayment of part of the 2008 syndicated loan denominated in US dollars	Fixed annual rate of 5.50%
EUR bond of 29/09/2014		650,000.00	Regulated market of Euronext Paris	100,000	27/09/2024	Payable annually in arrears on 27 September	Repayment of bond debt to extend the maturity of the Group's debt	Fixed annual rate of 2.125%
EUR bond of 17/05/2016		600,000.00	Regulated market of Euronext Paris	100,000	18/05/2026	Payable annually in arrears on 18 May	Repayment of bond debt to extend the maturity of the Group's debt	Fixed annual rate of 1.50%
USD bond of 08/06/2016	600,000		Private placement for institutional investors, and subject to New York State (United States) law	US$150,000 (with multiples of US$1,000 in excess of this amount)	08/06/2026	Payable annually in arrears on 8 June and 8 December from 8 December 2016	Repayment of short-term debt and bond debt to extend the maturity of the Group's debt	Fixed annual rate of 3.25%
EUR bond of 24/10/2019		500,000	Regulated market of Euronext Paris	100,000	24/10/2023	Payable annually in arrears on 24 October	General corporate purposes	Fixed annual rate of 0%
EUR bond of 24/10/2019		500,000	Regulated market of Euronext Paris	100,000	24/10/2027	Payable annually in arrears on 24 October	General corporate purposes	Fixed annual rate of 0.50%
EUR bond of 24/10/2019		500,000	Regulated market of Euronext Paris	100,000	24/10/2031	Payable annually in arrears on 24 October	General corporate purposes	Fixed annual rate of 0.875%
EUR bond of 06/04/2020		750,000	Regulated market of Euronext Paris	100,000	07/04/2025	Payable annually in arrears on 7 April	General corporate purposes	Fixed annual rate of 1.125%
EUR bond of 06/04/2020		750,000	Regulated market of Euronext Paris	100,000	08/04/2030	Payable annually in arrears on 8 April	General corporate purposes	Fixed annual rate of 1.75%
EUR bond of 30/04/2020		250,000	Regulated market of Euronext Paris	100,000	07/04/2025	Payable annually in arrears on 7 April	General corporate purposes	Fixed annual rate of 1.125%
EUR bond of 30/04/2020		250,000	Regulated market of Euronext Paris	100,000	08/04/2030	Payable annually in arrears on 8 April	General corporate purposes	Fixed annual rate of 1.75%
USD bond of 01/10/2020	600,000		Private placement for institutional investors, and subject to New York State (United States) law	US$150,000 (with multiples of US$1,000 in excess of this amount)	01/04/2028	Payable annually in arrears on 1 April and 1 October	General corporate purposes	Fixed annual rate of 1.25%

	Amount *(US$ thousands)*	Amount *(€ thousands)*	Place of issue	Nominal value	Maturity date	Redemption dates	Allocation of net proceeds of the issue	Rate
USD bond of 01/10/2020	900,000		Private placement for institutional investors, and subject to New York State (United States) law	US$150,000 (with multiples of US$1,000 in excess of this amount)	01/04/2031	Payable annually in arrears on 1 April and 1 October	General corporate purposes	Fixed annual rate of 1.625%
USD bond of 01/10/2020	500,000		Private placement for institutional investors, and subject to New York State (United States) law	US$150,000 (with multiples of US$1,000 in excess of this amount)	01/10/2050	Payable annually in arrears on 1 April and 1 October	General corporate purposes	Fixed annual rate of 2.75%
EUR bond of 04/10/2021		500,000	Regulated market of Euronext Paris	100,000	04/10/2029	Payable annually in arrears on 4 October	General corporate purposes	Fixed annual rate of 0.125%
EUR bond of 07/04/2022		750,000	Regulated market of Euronext Paris	100,000	07/04/2029	Payable annually in arrears on 7 April	General corporate purposes	Fixed annual rate of 1.375%
EUR bond of 02/11/2022		600,000	Regulated market of Euronext Paris	100,000	02/11/2028	Payable annually in arrears on 2 November	General corporate purposes	Fixed annual rate of 3.25%
EUR bond of 02/11/2022		500,000	Regulated market of Euronext Paris	10,000	02/11/2032	Payable annually in arrears on 2 November	General corporate purposes	Fixed annual rate of 3.75%

5.6.2.3 Euro Medium Term Notes (EMTN) Programme

After obtaining the approval of the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF) on the base prospectus, on 26 May 2020, Pernod Ricard set up a Euro Medium Term Notes (EMTN) programme, updated on 11 October 2021 and 24 October 2022 (the "Programme"). Under the terms of the Programme, Pernod Ricard and Pernod Ricard International Finance LLC may issue Bonds by means of private placements in various currencies. The issues of Pernod Ricard International Finance LLC under the programme will be guaranteed by Pernod Ricard SA. The securities may be admitted to trading on Euronext Paris. The maximum nominal amount of securities outstanding under the Programme is set at €7 billion (or the equivalent in any other currency). During the meeting on 31 August 2022, the Board of Directors authorised Pernod Ricard to issue Bonds under the Programme up to a total maximum nominal amount of €2 billion (or the equivalent in any other currency) for a period of one year from 31 August 2022.

5.6.2.4 Sustainability-linked bond

On 7 April 2022, Pernod Ricard conducted its first issuance of bonds incorporating environmental commitments, totalling €750 million with a maturity of seven years.

On 2 November 2022, Pernod Ricard conducted two new bond issuances incorporating the same environmental commitments. The first issuance was for €600 million with a six-year maturity, and the second issuance was for €500 million with a ten-year maturity.

Pernod Ricard has chosen two key performance indicators (KPIs) that are relevant, core and material to its overall business and of strategic significance to the Group's current and/or future operations. The KPIs are aligned with the S&R roadmap and the United Nations 2030 SDGs. For these two KPIs, Pernod Ricard has set ambitious Sustainability Performance Targets (SPTs) to highlight its commitment and leadership across the sector, with both short-term and long-term trajectories.

The two criteria chosen are related to environmental topics as follows:

- Absolute reduction of greenhouse gas emissions (Scopes 1 & 2).
- Reduction in water consumption per unit of alcohol produced at distilleries.

In regard to the key performance indicators to which the bond is linked, Pernod Ricard monitored its performance during the financial year, and progress towards the targets:

KPI	SPT	FY 2018 baseline[(1)]	FY 2023 performance[(1)]	Change
Absolute Scope 1 and 2 GHG emissions ($ktCO_2e$) – Market-based	26% reduction by FY 2025 (emissions below 220 $ktCO_2e$)	298	263	-12%
	54% reduction by FY 2030 (emissions below 138 $ktCO_2e$)			
Water consumption per unit of alcohol produced in distilleries (m^3/kLAA)	12.5% reduction by FY 2025 (consumption below 16.7 m3/kLAA)	19.0[(2)]	18.3	-4%
	20.9% reduction by FY 2030 (consumption below 15.1 m^3/kLAA)			

(1) For the period from 1 July Y-1 to 30 June Y.

(2) Total water consumption for the FY 2018 baseline has been revised this year to reflect an update in calculation at one of the production sites.

Greenhouse gas emissions in absolute values (Scopes 1 and 2) fell by around 12% between the FY 2018 and FY 2023. This progress reflects the efforts made by the Group in recent years to achieve its 2030 target, in particular the numerous investments made in energy efficiency (such as the replacement of boilers with high energy efficiency units and the recycling of steam using mechanical vapour recompression technology), the increased use of biofuels and biomass in distilleries, the installation of on-site solar panels as well as the purchase of renewable electricity through PPAs and green certificates in recent years. In addition, Pernod Ricard India has made a significant contribution to reducing the Group's greenhouse gas emissions (Scopes 1 and 2) by switching from coal to biomass, resulting in a reduction of 31,108 tonnes of CO_2e between FY 2022 and FY 2023.

In FY 2023, water consumption at distilleries fell by around 4% in intensity versus FY 2018. This improvement is the result of programmes undertaken at all of the Group's distilleries, particularly in Scotland, Canada and Armenia, which involve optimising industrial processes, investing in distribution networks and implementing water recycling measures. Over the next financial year, the Group will continue to roll out these programmes and reduce its water consumption per unit of alcohol produced in distilleries.

These key performance indicators have been subject to verification by an independent third party, which provided a limited assurance conclusion. The report is available on the Group's website. For more information on the Group's environmental, social and governance (ESG) performance, see Chapter 3 "Sustainability & Responsibility".

5.6.2.5 Europe factoring agreement

On 15 December 2008, certain affiliates of Pernod Ricard and Pernod Ricard Finance signed a factoring framework agreement with BNP Paribas Factor, to set up a pan-European factoring programme in the gross amount of €350 million, which was increased to €400 million by an addendum dated 23 June 2009. The programme had been renewed for a duration of five years starting from 1 January 2019. On 23 December 2022, an amendment to the programme was signed, effective on 1 January 2023, extending the programme's maturity by two years until 31 December 2024. The receivables are sold under the contractual subrogation regime under French law, except where certain local legal restrictions are in force. As substantially all of the risks and rewards related to the receivables are transferred to the purchaser in accordance with this factoring programme, transferred receivables are deconsolidated.

5.6.2.6 Securitisation (Master Receivables Assignment Agreement)

On 24 June 2009, certain affiliates of Pernod Ricard entered into an international securitisation programme arranged by Crédit Agricole CIB. The purpose of the programme was the transfer of eligible trade receivables to €STR, in accordance with the provisions of a framework agreement dated 24 June 2009 and country-specific agreements entered into at the time that each relevant affiliate joined the programme. This programme was renewed on 13 June 2022 under the terms of an addendum to the framework agreement. The programme amounts to €65 million, USD 230 million, GBP 145 million and SEK 400 million.

This two-year programme includes a change of control clause that applies to each affiliate participating in the programme as a seller, which could lead to the early repayment of the programme by the affiliate concerned by such change of control. "Change of control" is defined as Pernod Ricard ceasing to hold, directly or indirectly, at least 80% of the share capital or voting rights of an affiliate participating in the programme as a seller, unless Pernod Ricard (i) continues to hold, directly or indirectly, 50% of the share capital or voting rights of such affiliate and (ii) issues, at the request of Crédit Agricole CIB, a guarantee in terms that Crédit Agricole CIB deems satisfactory (acting reasonably) for the purpose of securing the obligations of such affiliate under the securitisation transaction documents.

5.6.2.7 Pacific factoring agreement

On 18 March 2013, a new agreement for the sale of receivables was signed between Pernod Ricard Winemakers Pty Ltd (formerly Premium Wine Brands Pty), Pernod Ricard Winemakers New Zealand Limited (formerly Pernod Ricard New Zealand Limited) and The Royal Bank of Scotland plc. This factoring agreement covers Australia and New Zealand and amounts to AUD 128.5 million and NZD 45 million. The factoring agreement was taken over in full by BNP Paribas on 4 December 2015, replacing The Royal Bank of Scotland plc.

Additional information on the impact of these financing contracts on the Group's financial statements is provided in Notes 4.8.1 – *Analysis of net financial debt by type and maturity* and 4.8.6 – *Bonds* to the consolidated financial statements.

6

Annual consolidated financial statements

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6.1 Annual consolidated income statement

€ millions	30.06.2022	30.06.2023	Notes
Net sales	10,701	12,137	2
Cost of sales	(4,228)	(4,891)	2
Gross margin after logistics expenses	**6,473**	**7,246**	**2**
Advertising and promotion expenses	(1,698)	(1,939)	2
Contribution after advertising and promotion expenses	**4,775**	**5,307**	**2**
Structure costs	(1,751)	(1,959)	
Profit from recurring operations	**3,024**	**3,348**	
Other operating income/(expenses)	(62)	(83)	3.1
Operating profit	**2,963**	**3,265**	
Financial expenses	(308)	(380)	3.2
Financial income	48	53	3.2
Financial income/(expense)	**(260)**	**(327)**	
Corporate income tax	(676)	(651)	3.3
Share of net profit/(loss) of associates	5	(4)	
Net profit of discontinued and held for sale activities	—	—	
Net profit	**2,031**	**2,283**	
of which:			
• non-controlling interests	35	21	
• attributable to Group shareholders	1,996	2,262	
Earnings per share – basic *(€)*	7.71	8.84	3.4
Earnings per share – diluted *(€)*	7.69	8.81	3.4

6.2 Consolidated statement of comprehensive income

€ millions	30.06.2022	30.06.2023
Net profit for the period	**2,031**	**2,283**
Non-recyclable items	—	—
Actuarial gains/(losses) related to defined benefit plans	**52**	**(34)**
Amounts recognised in shareholders' equity	*63*	*(40)*
Tax impact	*(10)*	*6*
Shareholder equity instruments	**(86)**	**(13)**
Unrealised gains and losses recognised in shareholders' equity	*(72)*	*(14)*
Tax impact	*(14)*	*1*
Recyclable items	—	—
Net investment hedges	**(41)**	**5**
Amounts recognised in shareholders' equity	*(56)*	*7*
Tax impact	*15*	*(2)*
Cash flow hedges	**11**	**(10)**
Amounts recognised in shareholders' equity(1)	*14*	*(13)*
Tax impact	*(3)*	*3*
Translation differences	**880**	**(548)**
Other comprehensive income/(expense) for the period, net of tax	**818**	**(600)**
Comprehensive income for the period	**2,849**	**1,683**
o/w:	—	
• attributable to Group shareholders	2,789	1,709
• non-controlling interests	60	(26)

(1) No impact reclassified to profit or loss for the period.

6.3 Consolidated balance sheet

ASSETS

€ millions	30.06.2022	30.06.2023	Notes
Net amounts			
NON-CURRENT ASSETS			
Intangible assets	11,512	12,250	4.1
Goodwill	6,145	6,750	4.1
Property, plant and equipment	3,591	3,901	4.2
Non-current financial assets	761	855	4.3
Investments in associates	243	37	
Non-current derivative instruments	4	5	4.3/4.10
Deferred tax assets	1,844	1,870	3.3
Total non-current assets	**24,100**	**25,667**	
CURRENT ASSETS			
Inventories and work in progress	7,369	8,104	4.4
Trade receivables and other operating receivables	1,388	1,814	4.5
Income taxes receivable	145	31	
Other current assets	435	435	4.6
Current derivative instruments	32	15	4.3/4.10
Cash and cash equivalents	2,527	1,609	4.8
Total current assets	**11,896**	**12,008**	
Assets held for sale	15	1	
TOTAL ASSETS	**36,012**	**37,676**	

LIABILITIES AND SHAREHOLDERS' EQUITY

€ millions	30.06.2022	30.06.2023	Notes
SHAREHOLDERS' EQUITY			
Share capital	400	396	6.1
Share premium	3,052	3,052	
Retained earnings and translation differences	10,496	10,006	
Group share of net profit	1,996	2,262	
Group shareholders' equity	**15,944**	**15,717**	
Non-controlling interests	309	998	
Total shareholders' equity	**16,253**	**16,715**	
NON-CURRENT LIABILITIES			
Non-current provisions	318	294	4.7
Provisions for pensions and other long-term employee benefits	361	349	4.7
Deferred tax liabilities	3,139	3,134	3.3
Bonds – non-current	9,238	9,678	4.8
Non-current lease liabilities	400	384	4.8
Other non-current financial liabilities	179	173	4.8
Non-current derivative instruments	18	14	4.10
Total non-current liabilities	**13,653**	**14,026**	
CURRENT LIABILITIES			
Current provisions	150	164	4.7
Trade payables	3,019	3,461	
Income taxes payable	263	113	3.3
Other current liabilities	1,311	1,556	4.11
Bonds – current	842	580	4.8
Current lease liabilities	107	99	4.8
Other current financial liabilities	406	956	4.8
Current derivative instruments	9	6	4.10
Total current liabilities	**6,107**	**6,935**	
Liabilities related to assets held for sale	0	0	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**36,012**	**37,676**	

6.4 Annual consolidated statement of changes in shareholders' equity

€ millions	Share capital	Additional paid-in capital	Consolidated reserves	Actuarial gains and losses	Changes in fair value	Cumulative translation differences	Treasury shares	Group shareholders' equity	Non-controlling interests	Total shareholders' equity
Opening position at 1 July 2021	**406**	**3,052**	**12,075**	**(320)**	**70**	**(314)**	**(140)**	**14,829**	**246**	**15,075**
Impact of changes to standards(1)	**—**	**—**	**(17)**	**—**	**—**	**—**	**—**	**(17)**	**—**	**(17)**
Opening position at 1 July 2021 – restated	**406**	**3,052**	**12,058**	**(320)**	**70**	**(314)**	**(140)**	**14,812**	**246**	**15,057**
Comprehensive income for the period	—	—	1,996	52	(74)	814	—	2,789	60	2,849
Change in share capital	(6)	—	—	—	—	—	—	(6)	—	(6)
Share-based payments	—	—	40	—	—	—	—	40	—	40
(Acquisition)/Disposal of treasury shares	—	—	(795)	—	—	—	(12)	(807)	—	(807)
Dividends and interim dividends distributed	—	—	(866)	—	—	—	—	(866)	(10)	(876)
Other transactions with non-controlling interests	—	—	(12)	—	—	—	—	(12)	13	1
Other movements	—	—	(5)	—	—	—	—	(5)	—	(5)
Closing position at 30 June 2022	**400**	**3,052**	**12,416**	**(268)**	**(4)**	**500**	**(152)**	**15,944**	**309**	**16,253**

(1) The opening adjustments relate to the IFRIC interpretation on IAS 19 for €8 million, and the IFRIC interpretation on IAS 38 after the effect of tax, for €(25) million.

€ millions	Share capital	Additional paid-in capital	Consolidated reserves	Actuarial gains and losses	Changes in fair value	Cumulative translation differences	Treasury shares	Group shareholders' equity	Non-controlling interests	Total shareholders' equity
Opening position at 1 July 2022	**400**	**3,052**	**12,416**	**(268)**	**(4)**	**500**	**(152)**	**15,944**	**309**	**16,253**
Comprehensive income for the period	—	—	2,262	(34)	(23)	(498)	—	1,709	(26)	1,683
Change in share capital	(4)	—	—	—	—	—	—	(4)	—	(4)
Share-based payments	—	—	44	—	—	—	—	44	—	44
(Acquisition)/Disposal of treasury shares	—	—	(474)	—	—	—	(309)	(783)	—	(783)
Dividends and interim dividends distributed	—	—	(1,177)	—	—	—	—	(1,177)	(36)	(1,213)
Other transactions with non-controlling interests	—	—	(15)	—	—	—	—	(15)	751	736
Other movements	—	—	(1)	—	—	—	—	(1)	(1)	(2)
Closing position at 30 June 2023	**396**	**3,052**	**13,055**	**(301)**	**(27)**	**3**	**(462)**	**15,717**	**998**	**16,715**

6.5 Annual consolidated cash flow statement

€ millions	30.06.2022	30.06.2023	Notes
CASH FLOWS FROM OPERATING ACTIVITIES			
Group share of net profit	1,996	2,262	
Non-controlling interests	35	21	
Share of net profit/(loss) of associates, net of dividends received	(5)	4	
Financial (income)/expenses	260	327	
Tax (income)/expenses	676	651	
Net profit from discontinued operations	—	—	
Depreciation of fixed assets	381	417	
Net change in provisions	7	(74)	
Net change in impairment of goodwill, property, plant and equipment and intangible assets	10	52	
Changes in fair value of commercial derivatives	2	(7)	
Changes in fair value of biological assets and investments	(4)	(80)	
Net (gain)/loss on disposal of assets	(5)	(74)	
Share-based payments	40	44	
Self-financing capacity before financing interest and taxes	**3,392**	**3,543**	
Decrease/(increase) in working capital requirement	(252)	(568)	5.1
Interest paid	(275)	(292)	
Interest received	48	4	
Tax paid/received	(619)	(654)	
Net cash from operating activities	**2,294**	**2,033**	
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure	(506)	(702)	
Proceeds from disposals of property, plant and equipment and intangible assets	25	100	
Purchases of financial assets and activities	(735)	(1,159)	5.2
Disposals of financial assets and activities	12	30	5.2
Net cash used in investing activities	**(1,203)**	**(1,731)**	
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends and interim dividends paid	(826)	(1,072)	
Other changes in shareholders' equity	—	—	
Issuance of long-term debt	1,564	1,702	5.3
Repayment of debt	(493)	(845)	5.3
Repayment of lease liabilities	(115)	(116)	
(Acquisition)/Disposal of treasury shares	(813)	(786)	
Net cash used in financing activities	**(683)**	**(1,117)**	
Cash flows from non-current assets held for sale	—	—	
Increase/(Decrease) in cash and cash equivalents before foreign exchange impact	**407**	**(815)**	
Translation differences	42	(103)	
Increase/(Decrease) in cash and cash equivalents after foreign exchange impact	**449**	**(918)**	
Cash and cash equivalents at beginning of period	**2,078**	**2,527**	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**2,527**	**1,609**	

6.6 Notes to the consolidated financial statements

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Pernod Ricard SA is a French public limited company *(Société Anonyme)*, subject to all laws governing commercial companies in France, including in particular the provisions of the French Commercial Code *(Code de commerce)*. The Company has its registered office at 5, cours Paul Ricard, 75008 Paris, France, and is listed on the Euronext stock exchange. The annual consolidated financial statements reflect the accounting position of Pernod Ricard and its affiliates (the "Group"). They are reported in millions of euros, rounded to the nearest million.

The Group manufactures and sells wines and spirits.

The Board of Directors authorised the issue of the annual consolidated financial statements for the financial year ended 30 June 2023 on 30 August 2023.

NOTE 1 Accounting policies and significant events

Note 1.1 Accounting policies and principles

1 Principles and accounting standards governing the preparation of the annual consolidated financial statements

Given its listing in a country of the European Union, and in accordance with Regulation (EC) No. 1606/02, the Group's annual consolidated financial statements for the financial year ended 30 June 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The accounting policies used to prepare the FY 2023 annual consolidated financial statements are consistent with those used for the FY 2022 annual consolidated financial statements. The Group does not early adopt standards or interpretations.

The Group's financial year runs from 1 July to 30 June.

2 Changes in accounting standards

Standards, amendments and interpretations applicable since 1 July 2022

Since 1 July 2022, the following amendments and interpretations have come into force:

- Amendment to IFRS 3 – References to the Conceptual Framework;
- Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback;
- Amendment to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract;
- Annual Improvements to IFRS Standards 2018-2020 – annual improvements cycle.

The application of these amendments had no material impact on the Group's financial statements at 30 June 2023.

The Group did not anticipate any standard that it was not required to apply in 2023.

Future changes in accounting standards and regulations

OECD Pillar Two rules providing for a 15% minimum tax per jurisdiction for multinational corporations have been adopted by the EU and should therefore apply as from 1 January 2024; however the European directive has not yet been transposed into French law at the date of publication of the financial statements (the Group is closely monitoring the status implementation in the various jurisdictions that have adopted the OECD tax reform).

The Group is working to estimate the subsequent impacts of Pillar Two on the financial statements. No deferred tax was booked in the annual consolidated financial statements at 30 June 2023 with respect to additional future income tax.

3 Measurement basis

The financial statements are prepared in accordance with the historical cost method, except for certain categories of assets and liabilities, which are measured in accordance with the methods provided by IFRS.

4 Principal uncertainties arising from the use of estimates and judgements by management

Estimates

The preparation of consolidated financial statements in accordance with IFRS means that Group management makes a certain number of estimates and assumptions which have an impact on the amount of the Group's assets and liabilities, and items of profit and loss during the financial year. These estimates are made on the assumption that the Company will continue as a going concern, and are based on information available at the time of their preparation. Estimates may be revised where the circumstances on which they were based change or where new information becomes available. Future outcomes can differ from these estimates.

Goodwill and intangible assets

As indicated in Note 4.1 – *Intangible assets and goodwill*, in addition to annual impairment tests applied to goodwill and intangible assets with indefinite useful lives (such as trademarks), the Group carries out spot impairment tests where there is an indication that an intangible asset may be impaired. Any impairment loss is calculated using discounted future cash flows and/or the market values of the assets in question. These calculations require the use of assumptions regarding market conditions and projected cash flows, and any changes in these assumptions may thus lead to results different from those initially estimated.

Provisions for pensions and other post-employment benefits

As indicated in Note 4.7 – *Provisions*, the Group runs defined benefit and defined contribution pension plans. In addition, provisions are also recognised in virtue of certain other post-employment benefits such as life insurance and medical care (mainly in the United States and the United Kingdom). The carrying amount of these provisions at the balance sheet date is set out in Note 4.7 – *Provisions*.

These benefit obligations are based on a number of assumptions such as discount rates, future salary increases, employee turnover and life expectancy.

These assumptions are generally updated annually. The assumptions used in the preparation of the financial statements for the year ended 30 June 2023 and the procedures used in their determination are set out in Note 4.7 – *Provisions*. The Group considers that the actuarial assumptions used are appropriate and justified. However, such actuarial assumptions may change in the future and this may have a material impact on the amount of the Group's benefit obligations and on its profits.

Deferred tax

As indicated in Note 3.3 – *Corporate income tax*, the deferred tax assets recognised result mainly from tax loss carryforwards and from temporary differences between the tax base and the carrying amounts of assets and liabilities. Deferred tax assets in respect of tax losses are recognised if it is probable that the Group will have future taxable profits against which such losses may be used. The assessment of whether the Group will be able to use these tax losses is largely a matter of judgement. Analyses are carried out to decide whether or not these tax loss carryforwards are likely to be usable in the future.

Provisions

As explained in Note 4.7 – *Provisions*, the Group is involved in a number of disputes and claims arising in the ordinary course of its business. In some cases, the amounts sought by the claimants are significant and the legal proceedings can take several years. In this context, provisions are calculated on the basis of the Group's best estimate of the amount that will be payable based on the information available (notably that provided by the Group's legal advisers). Any change to assumptions can have a significant effect on the amount of the provision recognised. The carrying amount of these provisions at the balance sheet date is set out in Note 4.7 – *Provisions*.

Judgements

In the absence of standards or interpretations applicable to a specific transaction, Group management uses its judgement to define and apply accounting policies that provide relevant and reliable information in the context of the preparation of the financial statements.

Hyperinflation

According to the provisions of IAS 29, Argentina and Turkey are considered to be hyperinflationary economies.

However, given the contribution of operations in Argentina and Turkey to the Group's financial statements, the impact of the application of IAS 29 has been deemed non-material, and the corresponding restatements have not been made.

5 Business combinations

Business combinations carried out before 1 July 2009 were recognised using the accounting standards in force at 30 June 2009. Business combinations after 1 July 2009 are measured and recognised in accordance with the revised version of IFRS 3, whereby the consideration transferred (cost of the acquisition) is measured at the fair value of assets transferred, equity interests issued and liabilities incurred at the acquisition date. Identifiable assets and liabilities of the acquiree are measured at fair value at the acquisition date. Costs directly attributable to the acquisition, such as legal, due diligence and other professional fees are recognised as other operating expenses as incurred.

Any consideration transferred in excess of the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities is recognised as goodwill. The option is available for each transaction to apply either proportionate or full goodwill methods. Goodwill arising on the acquisition of foreign entities is denominated in the functional currency of the business acquired. Goodwill is not amortised. Instead, it is subject to an impairment test once a year or more often if there is any indication that it may have been impaired.

Finally, in accordance with IFRS 3 as revised and IAS 27 as amended, the Group recognises in shareholders' equity the difference between the consideration transferred and the proportionate share of non-controlling interests in the fair value of acquired assets and liabilities.

6 Foreign currency translation

6.1 Presentation currency used in the consolidated financial statements

The Group's annual consolidated financial statements are prepared in euros, which is the functional currency and the presentation currency of the Parent Company.

6.2 Functional currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. In most cases, the functional currency is the entity's local currency. However, in a very limited number of entities, a functional currency that is different from the local currency may be used if it reflects the entity's economic environment and the currency in which most of the entity's transactions are denominated.

6.3 Translation of transactions denominated in foreign currencies

Transactions denominated in foreign currencies are generally translated into the functional currency using the exchange rate applicable at the transaction date. Non-monetary assets and liabilities denominated in foreign currencies are recognised at the historical exchange rate applicable at the transaction date. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rate. Any resulting exchange differences are recognised in profit and loss for the period, except for exchange differences arising on debts designated as hedges for the net foreign currency assets of consolidated affiliates. These are recognised directly in shareholders' equity, under translation differences, until the disposal of the net investment. Exchange differences related to operating activities are recognised within operating income and expenses for the period; exchange differences related to financing activities are recognised within financial income and expenses or in shareholders' equity.

6.4 Translation of financial statements of affiliates whose functional currency is different from the euro (the presentation currency)

The balance sheet is translated into euros at the year-end exchange rate. The income statement and cash flow statement are translated on the basis of average exchange rates. The differences resulting from the translation of the financial statements of these affiliates are recognised in translation differences within shareholders' equity under other comprehensive income. On disposal of a foreign entity, the cumulative translation differences recognised in shareholders' equity are reclassified in profit and loss.

7 Assets held for sale and discontinued operations

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", where they are significant, assets and liabilities held for sale are no longer subject to depreciation or amortisation. They are shown separately in the balance sheet at the lower of the carrying amount or the fair value less costs to sell. An asset is considered as being held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order for this to be the case, the asset must be available for immediate sale and its sale must be highly probable. Items in the balance sheet related to discontinued operations and assets held for sale are presented under specific lines in the annual consolidated financial statements. Income statement items related to discontinued operations and assets held for sale are presented separately in the financial statements for all periods reported if they are significant from a Group perspective.

8 Consideration of climate risks

In 2023, the Group conducted its first climate scenario analysis following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), for a selection of three risk categories: shortage of agricultural raw materials, business interruption risks on production sites, and strengthening of carbon price mechanisms.

On a long-term perspective, the analysis results show that few terroirs and productions sites, mainly in India and Brazil, are most likely exposed to extreme climate events.

Regarding the impacts of carbon pricing mechanisms, Pernod Ricard believes that reaching its 2030 Science-Based Target (SBT) would avoid major costs, thanks to reduced operating costs related to lower Scope 1 and 2 emissions. The estimation of direct and indirect impacts along Pernod Ricard's value chain is still ongoing due to their complexity. Although still difficult to predict, it is not impossible that this reduction in energy expenditure and the adaptation plan for the risk of increased carbon prices will result in a long-term financial benefit compared with a business-as-usual scenario without the implementation of any additional decarbonisation measure.

Considering the information studied to date, the Group believes that climate change has no short-term impact on the assumptions used to prepare the financial statements, given the nature of its business and its geographical footprint. The Group's consideration of climate change mitigation and adaptation concerns is notably reflected in its "Good Times from a Good Place" strategy through its commitments in terms of "Net Zero Carbon", the supply of sustainable agricultural raw materials, the footprint of its terroirs and the circularity of its packaging and promotional items.

In addition:

- Pernod Ricard has taken into account the future effects deemed most likely in the medium and long term relating to these climate challenges, more responsible consumption habits and the cost of implementing the "Good Times from a Good Place" strategy in its business plans for the preparation of its impairment tests. The Group's exposure to climate impacts could result in price changes of raw materials, energy and freight.
- The implementation of this strategy does not challenge the useful life of its tangible assets. But, in line with the Group's roadmap, it will require additional investments to reduce the climate impact of its activities.
- Pernod Ricard's climate commitments in terms of reducing greenhouse gases and water consumption are also reflected in its financing strategy:
  - Since 2022, the Group has issued sustainability-linked bonds (SLBs) for a total of €1.9 billion, with the interest rates linked to the achievement of the Group's sustainability objectives.
  - Pernod Ricard also entered into its first sustainability-linked revolving credit facilities totalling €2.1 billion to refinance an existing facility expiring in June 2024.

Note 1.2 Significant events during the financial year

1 Acquisitions and disposals

Strengthening of the partnership with Sovereign Brands

On 30 November 2022, Pernod Ricard entered into an agreement strengthening its partnership with Sovereign Brands and leading to a further investment amounting to approximately 23% being made in addition to the 10% stake held since September 2021. Sovereign Brands is a family company founded by brothers Brett and Brian Berish, who are among the industry's most innovative and creative spirits brand builders.

The group has a unique portfolio of forward-thinking brands in their respective categories, with a global presence, especially in the world's leading wine & spirits market, the United States. This acquisition gives Pernod Ricard a c.33% stake in its share capital and voting rights.

Under the agreement, the Group also has various call options, including a first six-year option that is currently exercisable and would enable Pernod Ricard to increase its stake to 50.1% of the share capital and acquire control of the company. In the event of the exercise of this first call option, the partners would have a put option on approximately 10% of the share capital, which is also reflected in the off-balance sheet commitments in Note 6.3 to the consolidated financial statements.

The analysis of the terms for exercising the first call option led Pernod Ricard to fully consolidate Sovereign Brands from 30 November 2022. The Group also has subsequent call options enabling it to gradually acquire up to 100% of the share capital of Sovereign Brands.

In addition, this transaction resulted in the recognition of a gain on disposal on the 10% interest previously held, recognised in other operating income and expenses for €68 million, including €24 million from the reclassification to profit and loss of the cumulative translation differences recognised in shareholders' equity since 1 September 2021.

Acquisition of Código 1530 ultra premium and prestige tequila

On 1 December 2022, Pernod Ricard entered into an agreement to acquire 50.1% of the share capital and voting rights of the companies that make up the Código group, enabling it to strengthen its portfolio of agave-based spirits. These companies are controlled and fully consolidated.

Acquisition of Skrewball, a super-premium peanut-butter-flavoured American whiskey

On 30 April 2023, Pernod Ricard entered into an agreement to acquire 70% of the share capital and 100% of the voting rights of Skrewball LLC. The transaction expands the Group's portfolio of iconic brands in the fast-growing flavoured whiskey category. Skrewball LLC has been fully consolidated since 30 April 2023.

Assets acquired and liabilities assumed as part of the transactions

€ millions	Sovereign Brands
Net assets acquired (100%)*	1,065
Net assets attributable to non-controlling interests**	717
Provisional goodwill, Group share	478
Fair value of consideration transferred and previously held equity interest	**826**

** Mainly comprising trademarks for €879 million, operating assets and cash.*
*** Non-controlling interests are recognised as their proportionate share in the fair value of the acquiree's assets and liabilities.*

€ millions	Código
Net assets acquired (100%)*	176
Net assets attributable to non-controlling interests**	88
Provisional goodwill, Group share	147
Fair value of consideration transferred	**236**

** Mainly comprising the trademark for €148 million.*
*** Non-controlling interests are recognised as their proportionate share in the fair value of the acquiree's assets and liabilities.*

€ millions	Skrewball
Net assets acquired (100%)*	83
Net assets attributable to non-controlling interests**	25
Provisional goodwill, Group share	160
Fair value of consideration transferred	**218**

** Mainly comprising the trademark for €88 million.*
*** Non-controlling interests are recognised as their proportionate share in the fair value of the acquiree's assets and liabilities.*

2 Bond issues and redemption

On 15 July 2022, Pernod Ricard SA redeemed in full a USD 800 million bond that had matured, bearing a coupon of 4.25%. On 2 November 2022, Pernod Ricard SA carried out a sustainability-linked bond issue for an amount of €1,100 million across two tranches: a €600 million six-year tranche and a €500 million ten-year tranche, bearing interest at the fixed annual rate of 3.25% and 3.75%, respectively. The bond is linked to two environmental commitments: a reduction in the Group's absolute greenhouse gas emissions (Scopes 1 and 2), and a reduction in its water consumption per unit of alcohol produced at distilleries. The financial terms of the bond stipulate that (i) failure to achieve the target for either of the two criteria on the first target observation date, i.e., at the end of FY 2025, will result in a coupon step-up of 0.125%; and (ii) failure to achieve the target for either of the two criteria on the second target observation date, i.e., at the end of FY 2030, will result in a coupon step-up of 0.25%. The step-up will apply from the first day of the interest period following the first and second observation dates, through to maturity.

On 27 April 2023, Pernod Ricard signed a new sustainability-linked loan totalling €2.1 billion in order to refinance ahead of term its existing €2.5 billion credit facility maturing in June 2024. The loan has an initial maturity of five years, i.e., 27 April 2028, with two one-year extension options. The facility is linked to two environmental commitments: a reduction in the Group's absolute greenhouse gas emissions (Scopes 1 and 2) on operated sites, and a reduction in its water consumption per unit of alcohol produced at distilleries.

3 Impact of the Russia-Ukraine conflict

In the context of the war between Russia and Ukraine, Pernod Ricard took the decision, at the end of April 2023, to stop all exports of its international brands to Russia. Ceasing the distribution of the Group's portfolio in Russia is a process that will take several months to complete.

Pernod Ricard has adapted its local organisation in light of this decision, and the total impact of winding down operations, mainly severance payments, has been recognised in other operating income and expenses.

Residual assets held by the Group in the country are not material, and primarily relate to inventories and right-of-use assets under leases.

NOTE 2 Segment information

Net sales

The Group's net sales primarily comprise sales of finished products, and are recorded in the income statement upon transfer of control of the products. They are measured at the fair value of the consideration received or to be received, after deducting trade discounts, volume rebates, certain costs associated with business and promotional activity and sales-related taxes and duties, notably excise duties.

Costs of commercial and promotional activity

Pursuant to IFRS 15, certain costs of services rendered in connection with sales, such as advertising programmes in conjunction with distributors, listing costs for new products, promotional activities at point of sale, and advertising and promotion expenses, are deducted directly from net sales if there is no distinct service whose fair value can be reliably measured.

Duties and taxes

In accordance with IFRS 15, certain import duties, in Asia for instance, are classified as cost of sales, as these duties are not specifically re-billed to customers (as is the case for social security stamps in France, for example).

Discounts

In accordance with IFRS 15, early payment discounts are not considered to be financial transactions, but rather are deducted directly from net sales.

Gross margin after logistics expenses, contribution after advertising and promotion expenses, profit from recurring operations and other operating income and expenses

The gross margin after logistics expenses corresponds to net sales (excluding duties and taxes), less cost of sales and logistics expenses. The contribution after advertising and promotion expenses includes the gross margin after logistics expenses and advertising and promotion expenses. The Group applies Recommendation 2013-R03 of the French accounting standards-setter (*Autorité des Normes Comptables* – ANC), notably as regards the definition of profit from recurring operations. Profit from recurring operations is the contribution after advertising and promotion expenses less trading costs and overheads. This is the indicator used internally to measure the Group's operational performance. It excludes other operating income and expenses, such as those related to restructuring, capital gains and losses on disposals, impairment of property, plant and equipment and intangible assets, and other non-recurring operating income and expenses. These other operating income and expenses are excluded from profit from recurring operations given their unusual, abnormal and infrequent nature, which would distort the understanding of the Group's performance. They are described in detail in Note 3.1 – Other operating income/(expenses).

The Group is focused on the business of selling and manufacturing wines and spirits. The Group is structured into three operating segments constituted by the following geographical areas: Americas, Europe, and Asia/Rest of the World.

Group management assesses the performance of each operating segment on the basis of net sales and profit from recurring operations, defined as the gross margin after logistics expenses, less advertising and promotion expenses and structure costs. The segments presented are identical to those included in the reporting provided to General Management, in particular for performance analysis.

Income statement and balance sheet items are allocated among the segments on the basis of either the destination of sales or profits. Operating segments follow the same accounting policies as those used for the preparation of the consolidated financial statements. Inter-segment transfers are transacted at market prices.

30.06.2022 **€ millions**	**Americas**	**Asia/Rest of the World**	**Europe**	**Total**
Income statement items				
Segment net sales	4,565	7,049	5,204	16,818
o/w inter-segment sales	*1,432*	*2,611*	*2,074*	*6,116*
Net sales (excluding Group)	**3,133**	**4,438**	**3,130**	**10,701**
Gross margin after logistics expenses	2,059	2,496	1,918	6,473
Contribution after advertising and promotion expenses	1,491	1,862	1,422	4,775
Profit from recurring operations	1,014	1,220	790	3,024
Other information				
Current investments	76	159	382	616
Depreciation, amortisation and impairment	(39)	(114)	(237)	(391)

30.06.2023 € millions	Americas	Asia/Rest of the World	Europe	Total
Income statement items				
Segment net sales	4,076	6,371	9,297	19,744
o/w inter-segment sales	*595*	*1,179*	*5,832*	*7,606*
Net sales (excluding Group)	**3,481**	**5,191**	**3,465**	**12,137**
Gross margin after logistics expenses	2,220	2,969	2,057	7,246
Contribution after advertising and promotion expenses	1,534	2,229	1,544	5,307
Profit from recurring operations	965	1,516	867	3,348
Other information				
Current investments	185	163	486	834
Depreciation, amortisation and impairment	(73)	(104)	(289)	(467)

The impact of right-of-use assets on current investments and depreciation, amortisation and impairment is as follows:

30.06.2023 € millions	Americas	Asia/Rest of the World	Europe	Total
Current investments	17	57	56	129
Depreciation, amortisation and impairment	(14)	(49)	(57)	(120)

Breakdown of net sales

€ millions	30.06.2022	30.06.2023	Change (€ millions)	Change (%)
Strategic International Brands	6,780	7,694	914	13 %
Strategic Local Brands	1,917	2,151	234	12 %
Strategic wines	485	478	(7)	(1)%
Specialty	598	755	157	26 %
Other products	921	1,059	138	15 %
TOTAL	**10,701**	**12,137**	**1,436**	**13 %**

NOTE 3 Notes to the income statement

Note 3.1 Other operating income/(expenses)

Other operating income and expenses include impairment of property, plant and equipment and intangible assets, costs relating to restructuring and integration, capital gains or losses on disposals, as well as other non-recurring operating income and expenses. These other operating income and expenses are excluded from profit from recurring operations given their unusual, abnormal and infrequent nature, which would distort the understanding of the Group's performance.

Other operating income and expenses break down as follows:

€ millions	30.06.2022	30.06.2023
Impairment of property, plant and equipment and intangible assets	(10)	(35)
Gains or losses on asset disposals and acquisition costs	(8)	125
Net restructuring and reorganisation expenses	(23)	(163)
Disputes and risks	(17)	18
Other non-recurring operating income and expenses	(5)	(28)
Other operating income/(expenses)	**(62)**	**(83)**

At 30 June 2023, other operating income and expenses consisted mainly of restructuring expenses for €163 million and income and expenses relating to M&A activities (net income of €125 million), in particular gains on disposals of property, plant and equipment and shares previously accounted for by the equity method (Section 1 of Note 1.2 – *Significant events during the financial year).*

Note 3.2 Financial income/(expense)

€ millions	30.06.2022	30.06.2023
Interest expense on net financial debt	(236)	(267)
Interest expense on lease liabilities	(12)	(12)
Interest income on net financial debt	48	7
Net financing cost	**(200)**	**(272)**
Structuring and placement fees	(2)	(2)
Net financial impact of pensions and other long-term employee benefits	(11)	(11)
Other net financial income/(expense) from recurring operations	(1)	(7)
Financial income/(expense) from recurring operations	**(215)**	**(291)**
Foreign currency gains/(losses)	(20)	(30)
Other non-recurring financial income and expenses	(24)	(5)
TOTAL FINANCIAL INCOME/(EXPENSE)	**(260)**	**(327)**

In the 12 months to 30 June 2023, the net financing cost included financial expenses of €204 million on bonds, factoring and securitisation agreements for €31 million, interest on lease liabilities for €12 million, and other expenses for €25 million.

Weighted average cost of debt

The Group's weighted average cost of debt was 2.6% over FY 2023 compared to 2.3% over FY 2022.

Weighted average cost of debt is defined as net financing costs plus structuring and placement fees as a proportion of average net financial debt outstanding plus the average amount outstanding on factoring and securitisation programmes.

Note 3.3 Corporate income tax

Analysis of the income tax expense

€ millions	30.06.2022	30.06.2023
Current income tax	(580)	(624)
Deferred income tax	(97)	(27)
TOTAL	**(676)**	**(651)**

Analysis of effective tax rate – Net profit from continuing operations before tax

€ millions	30.06.2022	30.06.2023
Operating profit	2,963	3,265
Financial income/(expense)	(260)	(326)
Taxable profit	**2,703**	**2,938**
Theoretical tax expense at the income tax rate in France	(768)	(759)
Impact of tax rate differences by jurisdiction	211	172
Tax impact of changes in exchange rates	(14)	17
Re-estimation of deferred tax assets linked to tax rate changes	5	(1)
Impact of tax losses used/not used	(8)	31
Impact of reduced/increased tax rates on taxable results	—	—
Taxes on distributions	(35)	(40)
Other impacts	(67)	(72)
Effective income tax expense	**(676)**	**(651)**
Effective tax rate	**25 %**	**22 %**

Deferred tax is recognised on temporary differences between the tax and book values of assets and liabilities in the consolidated balance sheet and is measured using the balance sheet approach. Deferred taxes relating to right-of-use assets and lease liabilities are recognised on a net basis. The effects of changes in tax rates are recognised in shareholders' equity or in profit and loss in the year in which the change of tax rates is decided. Deferred tax assets are recognised in the balance sheet when it is more likely than not that they will be recovered in future years. Deferred tax assets and liabilities are not discounted to present value. In order to evaluate the Group's ability to recover these assets, particular account is taken of forecasts of future taxable profits.

Deferred tax assets relating to tax loss carryforwards are only recognised when they are likely to be recovered, based on projections of taxable income calculated by the Group at the end of each financial year. All assumptions used, particularly growth in operating profit and net financial income or expense taking into account interest rates, are updated by the Group at the reporting date based on data determined by the relevant management teams.

Deferred taxes break down by type as follows:

€ millions	30.06.2022	30.06.2023
Margins in inventories	180	200
Fair value adjustments on assets and liabilities	20	25
Provisions for pension benefits	65	59
Deferred tax assets relating to tax loss carryforwards	1,028	1,047
Provisions (other than provisions for pensions benefits) and other items	551	537
TOTAL DEFERRED TAX ASSETS	**1,844**	**1,870**
Accelerated tax depreciation	190	202
Fair value adjustments on assets and liabilities	2,734	2,739
Pension plan assets and other items	215	193
TOTAL DEFERRED TAX LIABILITIES	**3,139**	**3,134**

Tax loss carryforwards (recognised and unrecognised) represented potential tax savings of €1,284 million at 30 June 2023 and €1,298 million at 30 June 2022. The potential tax savings at 30 June 2023 and 30 June 2022 relate to tax loss carryforwards with the following expiry dates:

At 30 June 2022

	Tax effect of tax loss carryforwards € millions	
Year	**Losses recognised**	**Losses not recognised**
2022	—	2
2023	—	4
2024	—	5
2025	1	2
2026 and beyond	836	226
No expiry date	191	31
TOTAL	**1,028**	**270**

At 30 June 2023

	Tax effect of tax loss carryforwards € millions	
Year	**Losses recognised**	**Losses not recognised**
2023	—	5
2024	—	3
2025	—	3
2026	1	4
2027 and beyond	737	211
No expiry date	309	12
TOTAL	**1,047**	**237**

The Group’s income taxes payable break down as follows:

€ millions	30.06.2022	30.06.2023
Other current tax liabilities	151	5
Uncertain tax positions	112	108
TOTAL CURRENT TAX LIABILITIES	**263**	**113**

Note 3.4 Earnings per share

Basic and diluted earnings per share are calculated on the basis of the weighted average number of outstanding shares, less the weighted average number of dilutive instruments.

The calculation of diluted earnings per share takes into account the potential impact of the exercise of all dilutive instruments (such as stock options, convertible bonds, etc.) on the theoretical number of shares. When funds are obtained at the date of exercise of the dilutive instruments, the "treasury stock" method is used to determine the theoretical number of shares to be taken into account. When funds are obtained at the issue date of the dilutive instruments, net profit is adjusted for the financial expense, net of tax, relating to these instruments.

Numerator (€ millions)	**30.06.2022**	**30.06.2023**
Group share of net profit	1,996	2,262
Denominator (number of shares)		
Average number of outstanding shares	259,031,734	256,048,280
Dilutive effect of performance share grants	544,063	701,248
Dilutive effect of stock options	143,644	128,725
Average number of outstanding shares – diluted	**259,719,441**	**256,878,253**
Earnings per share (€)		
Earnings per share – basic	7.71	8.84
Earnings per share – diluted	7.69	8.81

Note 3.5 Expenses by type

Operating profit notably includes depreciation, amortisation and impairment expenses as well as employee benefits expense as follows:

€ millions	**30.06.2022**	**30.06.2023**
Depreciation, amortisation and impairment expense on property, plant and equipment and intangible assets	**(391)**	**(466)**
Salaries and payroll costs	(1,374)	(1,565)
Pensions, medical expenses and other similar benefits under defined-benefit plans	(45)	(34)
Share-based payments	(40)	(44)
TOTAL EMPLOYEE BENEFITS EXPENSE	**(1,459)**	**(1,643)**

NOTE 4 Notes to the balance sheet

Note 4.1 Intangible assets and goodwill

Intangible assets are measured at cost on initial recognition. With the exception of assets with indefinite useful lives, they are amortised on a straight-line basis over their useful lives, which is generally less than five years, and are impaired when their recoverable amount is less than their carrying amount. Amortisation of intangible assets is recognised within operating items in the income statement.

In the context of the Group's activities, and in accordance with IAS 38 "Intangible Assets", research and development costs are recognised as expenses in the financial year during which they are incurred, except for certain development costs which meet the capitalisation criteria described by the standard.

		Movements during the period					
€ millions	30.06.2021	Acquisitions	Allowances	Disposals	Translation adjustments	Other movements	30.06.2022
Goodwill	5,642	224	—	—	418	—	6,284
Trademarks	12,894	58	—	2	985	—	13,935
Other intangible assets	541	73	—	94	31	14	565
Gross value	**19,076**	**354**	**—**	**95**	**1,434**	**15**	**20,784**
Goodwill	(137)	—	—	—	(2)	—	(139)
Trademarks	(2,369)	—	(10)	(1)	(256)	—	(2,634)
Other intangible assets	(340)	—	(42)	(93)	(20)	(45)	(354)
Amortisation/impairment	**(2,847)**	**—**	**(52)**	**(94)**	**(278)**	**(45)**	**(3,127)**
INTANGIBLE ASSETS, NET	**16,230**	**354**	**(52)**	**1**	**1,156**	**(30)**	**17,657**

		Movements during the period					
€ millions	30.06.2022	Acquisitions	Allowances	Disposals	Translation adjustments	Other movements	30.06.2023
Goodwill	6,284	827	—	—	(211)	(4)	6,896
Trademarks	13,935	1,125	—	—	(459)	(1)	14,600
Other intangible assets	565	48	—	(33)	(18)	9	572
Gross value	**20,784**	**2,000**	**—**	**(33)**	**(688)**	**4**	**22,068**
Goodwill	(139)	—	(12)	—	1	4	(146)
Trademarks	(2,634)	—	(21)	—	105	—	(2,550)
Other intangible assets	(354)	—	(63)	33	11	1	(372)
Amortisation/impairment	**(3,127)**	**—**	**(96)**	**33**	**117**	**5**	**(3,068)**
INTANGIBLE ASSETS, NET	**17,657**	**2,000**	**(96)**	**—**	**(571)**	**9**	**19,000**

Goodwill

Goodwill is tested for impairment at least once a year and whenever there is an indication that it may be impaired. To perform these tests, goodwill is allocated by geographical area on the basis of asset groups at the date of each business combination. These asset groups correspond to groups of assets which jointly generate identifiable cash flows that are largely independent. If impairment is identified, an impairment loss is recognised in profit and loss for the financial year.

Goodwill mainly stems from the acquisitions of Allied Domecq in July 2005 and Vin&Sprit in July 2008. The change in the value of goodwill in the period was mainly due to the acquisitions mentioned in Note 1.2.1 – *Significant events during the financial year – Acquisitions and disposals,* as well as currency fluctuations.

Trademarks

The entry value of acquired trademarks is determined using an actuarial calculation of estimated future profits or using the royalty method and corresponds to the fair value of the trademarks at the date of acquisition. As the Group's trademarks are intangible assets with indefinite useful lives, they are not amortised but are rather subject to an impairment test at least once a year or whenever there is an indication that they may be impaired. Trademarks acquired as a part of acquisitions of foreign entities are denominated in the functional currency of the business acquired.

The main trademarks recognised on the balance sheet are: Absolut, Ballantine's, Beefeater, Bumbu, Chivas Regal, Kahlúa, Luc Belaire, Malibu and Martell. Most of these were recognised at the time of the acquisitions of Seagram, Allied Domecq and Vin&Sprit. The change in the gross value of trademarks for the period was mainly due to the acquisitions mentioned in Note 1.2.1 – *Significant events during the financial year – Acquisitions and disposals,* as well as currency fluctuations.

Impairment of non-current assets

In accordance with IAS 36, intangible assets and property, plant and equipment are subject to impairment tests whenever there is an indication that the asset may be impaired and at least once a year for non-current assets with indefinite useful lives (goodwill and trademarks).

The assets subject to impairment tests are included in cash-generating units (CGUs), corresponding to linked groups of assets which generate identifiable cash flows. The CGUs include assets related to the Group's brands and are allocated in accordance with the three geographical areas defined by the Group, on the basis of the sale destination of the products. Impairment tests on CGUs are carried out in the third quarter and are regularly monitored until the reporting date in order to verify the relevance of the business plans and any changes to the market data underlying the discount rates used.

When the recoverable amount of a CGU is less than its carrying amount, an impairment loss is recognised within operating items. The recoverable amount of the CGU is the higher of its market value and its value in use.

Value in use is measured based on cash flows projected over a 19-year period. This period reflects the characteristics of the Group's brands and their production assets, which typically have long useful lives. Discounted projected cash flows are established based on annual budgets and multi-year business plans, extrapolated to subsequent years by gradually converging growth for the last year of the plan for each brand and market towards a perpetual growth rate. The calculation includes a terminal value derived by capitalising the cash flows generated in the last year of the plan. Assumptions applied to sales and advertising and promotion expenses are determined by management based on previous results and long-term development trends in the markets concerned. The cash flow projection methodology takes into account, with respect to working capital requirement and capital expenditure, the specific features of white spirits and maturing alcohols. The present values of discounted cash flows are sensitive to these assumptions, as well as to consumer trends and economic factors.

Market value is based either on the sale price, net of selling costs, that could be obtained under normal market conditions or earnings multiples observed in recent transactions relating to comparable assets. The discount rate used for these calculations is an after-tax rate applied to after-tax cash flows and corresponds to the weighted average cost of capital. This rate reflects specific rates for each market or geographical area, depending on the risks that they represent. Assumptions made in terms of future changes in net sales and in terms of terminal values are reasonable and consistent with market data available for each of the CGUs. Additional impairment tests are applied where events or specific circumstances indicate potential impairment.

In addition to annual impairment tests applied to goodwill and trademarks, specific impairment tests are applied where there is an indication that an asset may be impaired.

The data and assumptions used for the annual impairment tests applied to cash-generating units (CGUs) are as follows:

€ millions	Method used to determine the recoverable amount	Net carrying amount of goodwill at 30.06.2023	Net carrying amount of trademarks at 30.06.2023	Value in use: Discount rate 2022	Value in use: Discount rate 2023	Value in use: Perpetual growth rate
Europe	Value in use based on the discounted cash flow method	2,077	4,493	5.66 %	6.85 %	From -1% to +2.5%
Americas		3,802	6,747	7.17 %	8.12 %	From -1% to +2.5%
Asia/Rest of the World		871	810	7.66 %	8.44 %	From -1% to +2.5%

The following table shows the amount of any additional impairment at 30 June 2023 of assets making up the CGUs or goodwill, which would result from:

- a 50 basis point (bp) decrease in the growth rate of the contribution after advertising and promotion expenses;
- a 50 basis point increase in the after-tax discount rate;
- a 100 basis point increase in the after-tax discount rate; or
- a 50 basis point decrease in the perpetual growth rate over the duration of the multi-year business plans.

€ millions	50 bp decrease in growth rate of contribution after advertising and promotion	50 bp increase in after-tax discount rate	100 bp increase in after-tax discount rate	50 bp decrease in perpetual growth rate
Europe	(4)	(8)	(48)	(5)
Americas	—	—	(56)	—
Asia/Rest of the World	—	—	(9)	—
TOTAL	**(4)**	**(8)**	**(113)**	**(5)**

Note 4.2 Property, plant and equipment

Property, plant and equipment are recognised at acquisition cost and broken down by component. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. Useful life is reviewed on a regular basis. The average depreciable lives for the major categories of property, plant and equipment are as follows:

Buildings	15 to 50 years
Plant, equipment and tooling	5 to 15 years
Other non-current assets	3 to 5 years
Vines	25 to 33 years

Depreciation of property, plant and equipment is recognised within operating items in the income statement.

In accordance with the amendments to IAS 41 and IAS 16, vines are, since 1 July 2016, valued at acquisition cost and depreciated over their useful lives. In accordance with IAS 41, agricultural produce (harvests) continues to be recognised at fair value on the balance sheet, after deducting estimated selling costs, as from the date at which it is possible to obtain a reliable assessment of price, for example by referring to an active market. Changes in fair value are recognised in the income statement. Land on which biological assets are planted is measured in accordance with IAS 16.

In accordance with IFRS 16, applicable from 1 July 2019, right-of-use assets for leases are recognised as property, plant and equipment in the class corresponding to the underlying assets, with the corresponding recognition of a lease liability. Leases mainly concern offices occupied by the Group and recognised under Buildings. The value of right-of-use assets is determined on the basis of the amount of the lease liability, adjusted for the amount of prepaid rent, initial direct costs, benefits received from lessors and, where applicable, remediation costs. Right-of-use assets relating to leases are depreciated over the term of the lease. The accounting principles for determining the lease liability are detailed in Note 4.8 – *Financial liabilities*.

Items of property, plant and equipment, including right-of-use assets, are impaired when their recoverable amount falls below their net carrying amount.

		Movements during the period						
€ millions	**30.06.2021**	**Acquisitions**	**Allowances**	**Disposals**	**Translation adjustments**	**Other movements**	**30.06.2022**	***O/w right-of-use assets***
Land	405	96	—	5	8	(1)	503	*62*
Buildings	1,838	110	—	36	53	75	2,040	*497*
Machinery and equipment	2,264	99	—	66	80	131	2,509	*48*
Other property, plant and equipment	923	95	—	37	16	8	1,004	*75*
Property, plant and equipment in progress	220	307	—	1	9	(234)	301	—
Advances on property, plant and equipment	7	5	—	—	1	(4)	9	—
Gross value	**5,658**	**711**	**—**	**146**	**167**	**(24)**	**6,366**	***682***
Land	(48)	—	(10)	(1)	(2)	1	(59)	*(21)*
Buildings	(691)	(1)	(117)	(30)	(22)	(6)	(807)	*(174)*
Machinery and equipment	(1,317)	—	(141)	(61)	(44)	2	(1,439)	*(22)*
Property, plant and equipment in progress	(425)	—	(70)	(29)	(8)	4	(469)	*(41)*
Depreciation/ impairment	**(2,481)**	**(1)**	**(339)**	**(121)**	**(76)**	**1**	**(2,775)**	***(259)***
PROPERTY, PLANT AND EQUIPMENT, NET	**3,177**	**710**	**(339)**	**25**	**91**	**(23)**	**3,591**	***424***

€ millions	30.06.2022	Acquisitions	Allowances	Disposals	Translation adjustments	Other movements	30.06.2023	*O/w right-of-use assets*
	Movements during the period							
Land	503	23	—	(9)	(12)	19	524	*60*
Buildings	2,040	110	—	(42)	(45)	84	2,147	*505*
Machinery and equipment	2,509	119	—	(67)	(63)	68	2,566	*39*
Other property, plant and equipment	1,004	142	—	(41)	(12)	27	1,120	*82*
Property, plant and equipment in progress	301	447	—	(1)	(10)	(260)	477	*—*
Advances on property, plant and equipment	9	9	—	—	(1)	(5)	12	*—*
Gross value	**6,366**	**850**	**—**	**(160)**	**(143)**	**(67)**	**6,845**	***686***
Land	(59)	—	(9)	—	3	(7)	(72)	*(18)*
Buildings	(807)	(2)	(133)	31	21	(1)	(891)	*(210)*
Machinery and equipment	(1,439)	(5)	(148)	60	34	34	(1,464)	*(18)*
Property, plant and equipment in progress	(469)	(1)	(80)	34	10	(10)	(516)	*(43)*
Depreciation/ impairment	**(2,775)**	**(8)**	**(370)**	**125**	**68**	**16**	**(2,944)**	***(290)***
PROPERTY, PLANT AND EQUIPMENT, NET	**3,591**	**842**	**(370)**	**(35)**	**(75)**	**(51)**	**3,901**	***396***

Note 4.3 Financial assets

Financial assets consist mainly of Group interests in non-consolidated companies, loans, sureties and deposits, guarantee deposits required by the tax regulations of certain countries and plan assets for pension obligations (not entering into the scope of IFRS 9).

Shareholders' equity instruments

Investments in non-consolidated entities are recognised in the balance sheet at fair value. Fair value adjustments and the disposal gain or loss are recognised, in accordance with the management intention, either (i) in the income statement under financial income/financial expenses – other non-recurring financial items, or (ii) in consolidated shareholders' equity under other comprehensive income that will not be reclassified to profit or loss.

Fair value is determined on the basis of the financial criteria most appropriate to the specific situation of each company. The fair value of financial assets listed on a financial market is their stock market value. The measurement criteria generally used for other investments in non-consolidated entities are share of shareholders' equity and future profitability.

Loans, guarantees and deposits

Loans, guarantees and deposits are measured at amortised cost.

	30.06.2022		30.06.2023	
€ millions	Current	Non-current	Current	Non-current
Net financial assets				
Shareholders' equity instruments	—	345	—	432
Other financial assets	—	247	—	237
Net loans, guarantees and deposits				
Loans, guarantees and deposits	—	169	—	186
Total net non-current financial assets	**—**	**761**	**—**	**855**
Derivative instruments	32	4	15	5
FINANCIAL ASSETS	**32**	**766**	**15**	**860**

The table below shows the movements of financial assets, excluding derivative instruments:

€ millions	30.06.2021	Movements during the period Acquisitions	Allowances	Disposals	Translation adjustments	Other movements	30.06.2022
Other financial assets	294	—	—	—	3	(49)	247
Shareholders' equity instruments	293	113	—	3	20	(79)	345
Loans, guarantees and deposits	107	57	—	7	10	3	171
Gross value	**694**	**170**	**—**	**10**	**33**	**(125)**	**763**
Provisions for other financial assets	—	—	—	—	—	—	—
Provisions on shareholders' equity instruments	(7)	—	—	—	—	7	—
Provisions for loans, guarantees and deposits	(2)	—	—	—	—	—	(1)
Provisions	**(9)**	**—**	**—**	**—**	**—**	**7**	**(1)**
NON-CURRENT FINANCIAL ASSETS, NET	**685**	**170**	**—**	**9**	**33**	**(118)**	**761**

€ millions	30.06.2022	Movements during the period Acquisitions	Allowances	Disposals	Translation adjustments	Other movements	30.06.2023
Other financial assets	247	2	—	—	(2)	(7)	239
Shareholders' equity instruments	345	119	—	(2)	(16)	(15)	432
Loans, guarantees and deposits	171	51	—	(40)	(1)	6	187
Gross value	**763**	**173**	**—**	**(41)**	**(19)**	**(16)**	**859**
Provisions for other financial assets	—	—	(3)	—	—	—	(3)
Provisions for loans, guarantees and deposits	(1)	—	—	—	—	—	(1)
Provisions	**(1)**	**—**	**(3)**	**—**	**—**	**—**	**(4)**
NON-CURRENT FINANCIAL ASSETS, NET	**761**	**173**	**(3)**	**(42)**	**(19)**	**(16)**	**855**

Other financial assets at 30 June 2023 included €230 million of plan surplus related to employee benefits, compared to €239 million at the end of June 2022. This change is mainly due to changes in actuarial assumptions over the period (see Note 4.7 – *Provisions*).

Shareholders' equity instruments at 30 June 2023 consisted mainly of non-consolidated securities held by the Group, in particular those held by Convivialité Ventures, the Group's private equity arm.

Note 4.4 Inventories and work in progress

Inventories are measured at the lower of either their cost (acquisition cost and cost of production, including indirect production overheads) or their net realisable value. Net realisable value is the selling price less the estimated costs of completion and sale of inventories. Most inventories are valued using the weighted average cost method. The cost of long-cycle inventories is computed using a single method which includes distilling and ageing costs. These inventories are classified in current assets, although a substantial part remains in inventory for more than one year in order to undergo the ageing process used for certain wines and spirits before being sold.

The inventories and work in progress break down as follow:

		Movements during the period				
€ millions	30.06.2021	Change in gross values	Change in impairment	Translation adjustments	Other movements	30.06.2022
Raw materials	177	41	—	11	—	228
Work in progress	5,486	287	—	85	(6)	5,847
Goods in inventory	646	188	—	41	—	876
Finished products	331	143	—	22	(2)	495
Gross value	**6,641**	**659**	**—**	**158**	**(8)**	**7,446**
Raw materials	(16)	—	(9)	(1)	—	(15)
Work in progress	(29)	—	(5)	(1)	2	(24)
Goods in inventory	(23)	—	(14)	(3)	—	(24)
Finished products	(17)	—	—	(1)	—	(14)
Impairment	**(86)**	**—**	**(27)**	**(5)**	**2**	**(77)**
NET INVENTORIES	**6,555**	**659**	**(27)**	**153**	**(6)**	**7,369**

		Movements during the period				
€ millions	30.06.2022	Change in gross values	Change in impairment	Translation adjustments	Other movements	30.06.2023
Raw materials	228	80	—	(10)	4	303
Work in progress	5,847	623	—	(37)	4	6,437
Goods in inventory	876	87	—	(84)	11	890
Finished products	495	79	—	(19)	(17)	538
Gross value	**7,446**	**869**	**—**	**(150)**	**3**	**8,169**
Raw materials	(15)	—	1	1	—	(13)
Work in progress	(24)	—	5	—	—	(19)
Goods in inventory	(24)	—	(2)	2	1	(23)
Finished products	(14)	—	3	1	—	(10)
Impairment	**(77)**	**—**	**7**	**4**	**1**	**(65)**
NET INVENTORIES	**7,369**	**869**	**7**	**(146)**	**4**	**8,104**

At 30 June 2023, ageing inventories intended mainly for use in whisky and cognac production accounted for 82% of work in progress. The Group has no significant dependence on its suppliers.

Note 4.5 Trade receivables and other operating receivables

Trade receivables and other operating receivables are recognised initially at their fair value, which usually corresponds to their nominal value. Impairment allowances are recognised in line with the losses expected over the life of the receivable.

The following tables break down trade receivables and other operating receivables at 30 June 2022 and 30 June 2023 by due date:

€ millions	Net carrying amount	Not due	Days past due <30 days	31 to 90 days	91 to 180 days	181 to 360 days	>360 days
NET CARRYING AMOUNTS							
Trade receivables and other operating receivables at 30 June 2022	1,388	1,181	118	38	31	5	16
o/w impairment	*(127)*	*(25)*	*(3)*	*(19)*	*(9)*	*(8)*	*(63)*
Trade receivables and other operating receivables at 30 June 2023	1,814	1,616	100	42	25	18	11
o/w impairment	*(106)*	*(27)*	*(1)*	*(2)*	*(2)*	*(20)*	*(54)*

Changes in the impairment of trade receivables and other operating receivables were as follows:

€ millions	30.06.2022	30.06.2023
At 1 July	**104**	**127**
Allowances during the year	28	27
Reversals during the year	(9)	(14)
Used during the year	(7)	(24)
Translation adjustments	11	(10)
AT 30 JUNE	**127**	**106**

At 30 June 2023, there was no reason to question the creditworthiness of non-impaired past due receivables. More specifically, non-impaired receivables over 12 months past due showed no additional credit-related risk. There is no significant concentration of risks.

Over the last two financial years, the Group continued to implement its programmes to sell the receivables of several affiliates. Receivables sold under these programmes totalled €749 million at 30 June 2023 and €602 million at 30 June 2022. As substantially all risks and rewards associated with the receivables were transferred, they were derecognised.

Derecognised assets where there is continuing involvement

€ millions Continuing involvement	Carrying amount of continuing involvement: Amortised cost	Held to maturity	Available for sale	Financial liabilities at fair values	Fair value of continuing involvement	Maximum exposure
Guarantee deposit – factoring and securitisation	8	—	8	—	8	8

Note 4.6 Other current assets

Other current assets break down as follows:

€ millions	30.06.2022	30.06.2023
Advances and down payments	51	42
Tax accounts receivable, excluding income tax	268	227
Prepaid expenses	83	122
Other receivables	34	44
TOTAL	**435**	**435**

Note 4.7 Provisions

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", provisions for contingencies and losses are recognised to cover probable outflows of resources that can be estimated and that give rise to a present obligation as a result of past events. In the event where a potential obligation as a result of past events exists, but where the occurrence of the outflow of resources is not probable or where the amount cannot be reliably estimated, a contingent liability is disclosed among the Group's commitments. The amounts provided for are measured by taking account of the most probable assumptions or using statistical methods, depending on the nature of the obligations. Provisions notably include:

- provisions for restructuring;
- provisions for pensions and other long-term employee benefits;
- provisions for disputes (tax other than corporate income tax, legal, employee-related).

Disputes are kept under regular review, on a case-by-case basis, by the Legal Department of each affiliate or region or by the Group's Legal Department, drawing on the help of external legal consultants in the most significant or complex cases. A provision is recognised when it is probable that a present obligation arising as a result of a past event will require the payment of an amount that can be estimated reliably. The amount of the provision is the best estimate of the expenditure required to settle the obligation.

The cost of restructuring measures is fully provisioned in the financial year, and is recognised in profit and loss under "Other operating income/(expenses)" when it is material and results from a Group obligation to third parties arising from a decision made by the competent corporate body that has been announced to the third parties concerned before the reporting date. This cost mainly involves redundancy payments, early retirement payments, the cost of notice periods not served, training costs of departing individuals and site closure costs. Retirement of property, plant and equipment, and impairment of inventories and other assets, as well as other costs (moving costs, training of transferred individuals, etc.) directly related to the restructuring measures are also recognised in restructuring costs. The amounts provided for correspond to forecast future payments to be made in connection with restructuring plans, discounted to present value when the payment schedule is such that the effect of the time value of money is significant.

1 Breakdown of provisions

Provisions for contingencies and losses at the reporting date break down as follows:

€ millions	30.06.2022	30.06.2023
Non-current provisions		
Provisions for pensions and other long-term employee benefits	361	349
Other non-current provisions for contingencies and losses	318	294
Current provisions		
Provisions for restructuring	27	68
Other current provisions for contingencies and losses	123	96
TOTAL	**829**	**807**

2 Changes in provisions (other than provisions for pensions and other long-term employee benefits)

	Movements during the period							
€ millions	30.06.2022	Allowances	Reversals – Utilisations	Reversals – Surplus	Reclassific ations	Translation adjustments	Other movements	30.06.2023
Provisions for restructuring	27	65	(13)	(6)	—	(6)	—	68
Other current provisions	123	14	(10)	(19)	—	(8)	(4)	96
Other non-current provisions	318	40	(14)	(42)	5	(18)	5	294
TOTAL PROVISIONS	**468**	**120**	**(37)**	**(66)**	**5**	**(32)**	**1**	**458**

Some Group companies are involved in disputes as part of their normal business activities. They are also subject to tax audits, some of which may lead to an adjustment. The main disputes are described in Note 6.5 – *Disputes*.

At 30 June 2023, the provisions recorded by the Group for all disputes and risks in which it is involved amounted to €390 million, excluding uncertain tax positions recognised in income taxes payable. The Group does not provide details (with exceptions), as it believes the disclosure of the amount of any provision booked in consideration of each pending dispute would be likely to cause serious harm to the Group.

The change in other current and non-current provisions during the period reflects the following:

- allowances stem mainly from proceedings brought against the Company and its affiliates, as part of the normal course of business and the emergence of new risks, including tax risks (other than corporate income tax risks);
- reversals are made at the time of corresponding payments or where the risk is considered to be nil. Reversals of surplus amounts primarily concern the re-evaluation or the statute of limitation of certain risks, including tax risks.

3 Provisions for pension benefits

In accordance with applicable national legislation, the Group's employee benefit obligations are composed of:

- long-term post-employment benefits (retirement bonuses, pensions, medical expenses, etc.);
- long-term benefits payable during the period of employment.

Defined contribution plans

Contributions are recognised as expenses as they are incurred. As the Group is not committed beyond the amount of such contributions, no provision is recognised in respect of defined contribution plans.

Defined benefit plans

For defined benefit plans, the projected unit credit method is used to measure the present value of defined benefit obligations, current service cost and, if applicable, past service cost. The measurement is made at each reporting date and the personal data concerning employees is revised at least every three years. The calculation requires the use of economic assumptions (inflation rate and discount rate) and other assumptions concerning employees (mainly average salary increase, employee turnover and life expectancy). The assumptions used in FY 2022 and FY 2023 and the methods used for their determination are described below.

A provision is recognised in the balance sheet for the difference between the actuarial debt of related obligations (actuarial liabilities) and any assets dedicated to funding the plans, measured at their fair value, and includes past service costs and actuarial gains and losses.

The cost of defined benefit plans has three components, which are accounted for as follows:

- the service cost is recognised in operating income and expenses. It includes:
  - the cost of services rendered during the period (current service cost),
  - the cost of past services resulting from the amendment or curtailment of a plan, recognised in full in profit and loss for the period in which the services were performed (past service cost),
  - gains and losses on settlement;
- the financial component, recorded in financial income and expenses, comprises the impact of discounting the liabilities, net of the expected return on plan assets, measured using the same discount rate as that used to measure plan obligations;
- revaluations of liabilities (assets) are recognised in other comprehensive income not reclassifiable to profit or loss, and consist mainly of actuarial gains and losses, namely the change in plan obligations and assets due to changes in assumptions and to experience gains or losses, the latter representing the difference between the expected impact of some actuarial assumptions applied to previous valuations and the actual impact. Depending on the type of plan and the governing legislation in certain regions, if the plan assets exceed the obligations recognised in the financial statements, any assets generated may be limited to the present value of future refunds from the plan and expected reductions in future contributions (asset ceiling).

The Group grants the following pension and retirement benefits and other post-employment benefits (medical insurance or life insurance):

- in France, benefit obligations mainly comprise arrangements for retirement indemnities (non-funded) and supplementary pension benefits (partly funded);
- in the United States and Canada, benefit obligations include pension plans guaranteed to employees (funded) as well as post-employment medical plans (unfunded);
- in Ireland, the United Kingdom and the Netherlands, benefit obligations mainly consist of pension plans granted to employees.

Defined benefit plans in the Group relate mainly to affiliates in the United Kingdom, North America and the rest of Europe. Defined benefit plans are subject to an annual actuarial valuation on the basis of assumptions depending on the country. Under these pension and other benefit plan agreements, employees receive at the date of retirement either a capital lump sum payment or an annuity. These amounts depend on the number of years of employment, final salary and the position held by the employee. At 30 June 2023, fully or partly funded benefit obligations totalled €3,378 million, equivalent to 95% of the total benefit obligations.

Certain affiliates, mainly those located in North America, also provide their employees with post-employment medical cover. These benefit obligations are unfunded. They are measured using the same assumptions as those used for the pension obligations in the countries in question.

Several affiliates, mainly in Europe, also provide their employees with other long-term benefits. Benefit obligations of this type are mainly in respect of long-service awards.

The table below presents a reconciliation of provisions between 30 June 2022 and 30 June 2023:

	30.06.2022			30.06.2023		
€ millions	Pension obligations	Medical expenses and other employee benefits	Total	Pension obligations	Medical expenses and other employee benefits	Total
Net (asset)/liability at beginning of period	52	140	192	(13)	134	121
Impacts of IFRIC IAS 19 interpretation	(11)	—	(11)	—	—	—
Net expense/(income) for the period	48	6	55	36	5	42
Actuarial (gains)/losses(1)	(47)	(16)	(63)	60	(20)	39
Employer contributions	(48)	—	(48)	(59)	—	(59)
Benefits paid directly by the employer	(9)	(7)	(16)	(9)	(7)	(16)
Changes in scope of consolidation	—	—	—	—	—	—
Translation adjustments	3	10	13	(3)	(5)	(8)
Net (asset)/liability at end of period	**(13)**	**134**	**121**	**12**	**107**	**119**
Amount recognised in assets	(239)	—	(239)	(230)	—	(230)
AMOUNT RECOGNISED IN LIABILITIES	**227**	**134**	**361**	**242**	**107**	**349**

(1) Recognised in "Other comprehensive income".

Actuarial gains and losses correspond mainly to the update of actuarial assumptions and values of plan assets.

The net financial impact recognised in profit and loss in respect of pensions and other long-term employee benefits breaks down as follows:

	30.06.2022			30.06.2023		
Expense for the financial year (€ millions)	Pension obligations	Medical expenses and other employee benefits	Total	Pension obligations	Medical expenses and other employee benefits	Total
Service cost	41	4	45	30	3	34
Interest on the provision	(1)	3	2	(3)	4	1
• o/w interest on the obligation	104	3	107	152	4	156
• o/w interest on the assets	(106)	—	(106)	(158)	—	(158)
• o/w interest on the limitation of the assets	1	—	1	3	—	3
Fees/levies/premiums	9	—	9	9	—	9
Impact of plan amendments/curtailments	—	—	—	—	—	—
Impact of settlements	—	—	—	—	—	—
Actuarial (gains)/losses	—	(1)	(1)	—	(2)	(2)
Effect of the asset ceiling (including the impact of IFRIC 14)	—	—	—	—	—	—
NET EXPENSE/(INCOME) RECOGNISED IN PROFIT AND LOSS	**48**	**6**	**55**	**36**	**5**	**42**

Changes in provisions for pensions and other long-term employee benefits are shown below:

Net liability recognised in the balance sheet (€ millions)	30.06.2022			30.06.2023		
	Pension obligations	Medical expenses and other employee benefits	Total	Pension obligations	Medical expenses and other employee benefits	Total
Change in the actuarial value of cumulative benefit obligations						
Actuarial value of cumulative benefit obligations at beginning of period	5,318	140	5,458	4,130	134	4,264
Adjustments to cumulative benefit obligations at beginning of financial year – IFRS IC reform	(11)	—	(11)	—	—	—
Current service cost	41	4	45	30	3	34
Interest cost (effect of discounting)	104	3	107	152	4	156
Employee contributions	4	—	4	5	—	5
Benefits paid	(261)	(7)	(268)	(259)	(7)	(266)
Administrative fees/premiums/levies	(1)	—	(1)	(1)	—	(1)
Plan amendments/curtailments	—	—	—	—	—	—
Settlements	—	—	—	—	—	—
Actuarial (gains)/losses	(1,140)	(17)	(1,157)	(547)	(23)	(570)
Translation differences	75	10	85	(45)	(5)	(50)
Changes in scope of consolidation	1	—	1	2	—	2
Actuarial value of cumulative benefit obligations at end of period	**4,130**	**134**	**4,264**	**3,467**	**106**	**3,574**
Change in the fair value of plan assets						
Fair value of plan assets at beginning of period	5,307	—	5,307	4,198	—	4,198
Interest income on plan assets	106	—	106	158	—	158
Experience gains/(losses) on plan assets	(1,084)	—	(1,084)	(609)	—	(609)
Employee contributions	4	—	4	5	—	5
Employer contributions	48	—	48	59	—	59
Benefits paid	(253)	—	(253)	(251)	—	(251)
Administrative fees/premiums/levies	(9)	—	(9)	(9)	—	(9)
Plan amendments/curtailments	—	—	—	—	—	—
Settlements	—	—	—	—	—	—
Translation differences	77	—	77	(45)	—	(45)
Changes in scope of consolidation	1	—	1	2	—	2
Fair value of plan assets at end of period	**4,198**	**—**	**4,198**	**3,507**	**—**	**3,507**
Present value of funded benefits	4,034	—	4,034	3,378	—	3,378
Fair value of plan assets	4,198	—	4,198	3,507	—	3,507
Deficit/(Surplus) on funded benefits	**(164)**	**—**	**(164)**	**(129)**	**—**	**(129)**
Present value of unfunded benefits	96	134	230	89	106	195
Effect of the asset ceiling (including the impact of IFRIC 14)	56	—	56	52	—	52
NET (ASSETS)/LIABILITIES RECOGNISED IN THE BALANCE SHEET	**(13)**	**134**	**121**	**12**	**106**	**118**

	Actuarial value of cumulative benefit obligations		Fair value of plan assets		Plan asset ceiling		Amount recognised in liabilities and shareholders' equity		Amount recognised in assets	
At 30 June 2023	*(€ millions)*	*%*	*(€ millions)*	*%*	*(€ millions)*	*%*	*(€ millions)*	*%*	*(€ millions)*	*%*
United Kingdom	2,583	72 %	2,730	78 %	—	0 %	63	18 %	(210)	91 %
United States	314	9 %	237	7 %	—	0 %	76	22 %	—	0 %
Canada	211	6 %	250	7 %	52	100 %	33	9 %	(19)	8 %
Ireland	235	7 %	179	5 %	—	0 %	57	16 %	(1)	0 %
France	82	2 %	15	0 %	—	0 %	68	19 %	—	0 %
Other countries	149	4 %	96	3 %	—	0 %	52	15 %	(1)	0 %
TOTAL	**3,574**	**100 %**	**3,507**	**100 %**	**52**	**100 %**	**349**	**100 %**	**(231)**	**100 %**

Plan assets break down between the different asset classes (bonds, shares, etc.) as follows:

Breakdown of plan assets	30.06.2022 Pension obligations	30.06.2022 Medical expenses and other employee benefits	30.06.2023 Pension obligations	30.06.2023 Medical expenses and other employee benefits
Shares	11 %	N/A	10 %	N/A
Bonds	10 %	N/A	9 %	N/A
Other money market funds	1 %	N/A	10 %	N/A
Property assets	3 %	N/A	3 %	N/A
Other	76 %	N/A	68 %	N/A
TOTAL	**100 %**	**N/A**	**100 %**	**N/A**

N/A: not applicable

At 30 June 2023, "Other" assets notably included the value of the insurance policy taken out with Rothesay Life covering the obligations insured as part of the buy-in conducted in FY 2020.

Contributions payable by the Group in FY 2023 in respect of funded benefits are estimated at €54 million.

Benefits payable in respect of defined benefit plans over the next ten years break down as follows:

Benefits payable over the next ten years € millions	Pension obligations	Medical expenses and other employee benefits
2024	241	7
2025	254	7
2026	261	7
2027	273	7
2028	275	8
2029-2033	1,478	37

Changes in retirement age assumptions in France following the 2023 pension reform had a very minor impact.

At 30 June 2022 and 30 June 2023, the main assumptions used for the measurement of pension obligations and other long-term employee benefits were as follows:

Actuarial assumptions in respect of obligations	30.06.2022 Pension obligations	30.06.2022 Medical expenses and other employee benefits	30.06.2023 Pension obligations	30.06.2023 Medical expenses and other employee benefits
Discount rate	3.85 %	3.56 %	5.16 %	5.50 %
Average rate of increase in annuities	3.40 %	N/A	3.43 %	N/A
Average salary increase	3.18 %	3.57 %	3.34 %	3.90 %
Expected increase in medical expenses				
• Initial rate	N/A	5.13 %	N/A	6.14 %
• Final rate	N/A	4.12 %	N/A	4.81 %

N/A: not applicable

Actuarial assumptions in respect of the expense for the financial year	30.06.2022 Pension obligations	30.06.2022 Medical expenses and other employee benefits	30.06.2023 Pension obligations	30.06.2023 Medical expenses and other employee benefits
Discount rate	1.97 %	2.46 %	3.85 %	3.56 %
Average rate of increase in annuities	3.33 %	N/A	3.40 %	N/A
Average salary increase	2.89 %	3.26 %	3.18 %	3.57 %
Expected increase in medical expenses				
• Initial rate	N/A	5.18 %	N/A	5.13 %
• Final rate	N/A	4.00 %	N/A	4.12 %

N/A: not applicable

Actuarial assumptions at 30 June 2023 (pension and other benefit obligations) By region	United Kingdom	United States	Canada	Eurozone countries	Other non-Eurozone countries
Discount rate	5.36 %	4.88 %	5.01 %	3.63 %	6.35 %
Average rate of increase in annuities	3.56 %	N/A	N/A	2.45 %	2.19 %
Average salary increase	2.56 %	2.98 %	3.00 %	3.55 %	7.08 %
Expected increase in medical expenses					
• Initial rate	12.00 %	5.50 %	4.51 %	3.98 %	N/A
• Final rate	5.40 %	4.00 %	3.56 %	3.98 %	N/A

N/A: not applicable

The obligation period-related discount rates used within the Eurozone are as follows:

- short-term rate (3-5 years): 3.50%;
- medium-term rate (5-10 years): 3.50%;
- long-term rate (more than 10 years): 3.60%.

Discount rates are determined by reference to the yield at the reporting date on premium category corporate bonds (if available), or on government bonds, with maturities similar to the estimated duration of the benefit obligations.

The expected rate of return on assets corresponds to the discount rate, in accordance with IAS 19.

The sensitivity of the debt to changes in the discount rate is shown in the table below:

€ millions	Pension obligations	Medical expenses and other employee benefits	Total
Obligations at 30 June 2023	3,467	106	3,573
Obligations at 30 June 2023 with a 0.5% decrease in the discount rate	3,668	112	3,780
Obligations at 30 June 2023 with a 0.5% increase in the discount rate	3,285	101	3,386

The impact of a change in the rate of increase in medical expenses would be as follows:

	Effect of change		
Post-employment medical benefits (€ millions)	With current rate	1% increase	1% decrease
On the present value of the benefit obligations at 30 June 2023	81	8	(6)
On the expense for FY 2023	5	—	—

The experience gains or losses on the benefit obligations and plan assets are set out below:

	30.06.2023	
€ millions	Pension obligations	Medical expenses and other employee benefits
Amounts of experience losses or (gains) on benefit obligations	65	(6)
Percentage compared with amounts of benefit obligations	1.9%	-5.6%
Amounts of financial assumption losses or (gains) on benefit obligations	(528)	(16)
Percentage compared with amounts of benefit obligations	-15.2%	-15.2%
Amounts of demographic assumption losses or (gains) on benefit obligations	(84)	(1)
Percentage compared with amounts of benefit obligations	-2.4%	-0.6%
Amounts of experience losses or (gains) on plan assets	609	—
Percentage compared with amounts of plan assets	17.4%	0.0%
Amounts of experience losses or (gains) on the asset ceiling	(3)	—
Percentage compared with amounts of plan assets	-0.1%	0.0%
Average duration (years)	11.30	10.75

Note 4.8 Financial liabilities

IFRS 9 "Financial Instruments" replaced IAS 39 as of 1 July 2018. IAS 32 has been applied since 1 July 2004. IFRS 7 has been applied since 1 July 2007. The amendment approved by the European Union on 22 November 2011 has been applied since 1 July 2011.

Borrowings and other financial liabilities are recognised, on the basis of their effective interest rates, in accordance with the amortised cost method. The effective interest rate includes all costs, commissions and fees payable under the contract between the parties. Under this method, costs that are directly attributable to the acquisition or issue of the financial liability are recognised in profit and loss on the basis of the effective interest rate.

In accordance with IAS 7 "Statement of Cash Flows", cash and cash equivalents presented in assets and liabilities in the balance sheet and shown in the consolidated cash flow statements include items that are immediately available as cash or are readily convertible into a known amount of cash and which are subject to an insignificant risk of changes in value. Cash is composed of cash at bank and on hand, short-term deposits with an initial maturity of less than three months and money market mutual funds that are subject to an insignificant risk of changes in value. Cash equivalents are short-term investments with a maturity of less than three months. Bank overdrafts, which are considered to be equivalent to financing, are excluded from cash and cash equivalents.

IFRS 16 "Leases"

The Group assesses whether a contract is, or contains, a lease if the contract conveys, at inception, the right to control the use of an identified asset for a set period of time in exchange for consideration.

The lease liability is initially calculated at the present value of the future lease payments. The discount rates are based on the Group's borrowing rate plus a spread to take into account country-specific economic environments. They are estimated in each currency using available market data. They take into account the term of the leases. Lease payments may include fixed or variable payments that depend on a rate or index known at the commencement date of the lease.

The period used to calculate the lease liability corresponds to the non-cancellable term of the contract, unless it is reasonably certain that the Group will exercise a renewal option beyond this period. The probability of exercising an option is determined on a lease-by-lease basis, taking into account management's intentions. This liability is then calculated at amortised cost using the effective interest rate method.

Leases are recognised in the balance sheet from the commencement date. They are presented in "Lease liabilities" with a corresponding entry in "Property, plant and equipment", depending on the nature of the underlying asset (see Note 4.2 – *Property, plant and equipment*). Lease liabilities comprise a current and non-current portion on the basis of the expected future payments.

In the income statement, depreciation expenses are recognised on the basis of the use of the underlying asset and interest expenses are presented in financial income and expenses.

In the cash flow statement, repayments of lease liabilities are reported under "Repayment of lease liabilities" in cash flows from financing activities, while interest payments are reported under "Interest paid" in cash flows from operating activities.

The Group has chosen not to apply IFRS 16 to leases corresponding to assets with a low unit replacement value or to short-term leases. These leases are recognised directly in expenses.

Net financial debt, as defined and used by the Group, corresponds to total gross financial debt (translated at the closing exchange rate), including lease liabilities and derivatives designated as fair value hedges and net foreign currency asset hedges (hedging of net investments and similar), less cash and cash equivalents.

1 Analysis of net financial debt by type and maturity

	30.06.2022			30.06.2023		
€ millions	Current	Non-current	Total	Current	Non-current	Total
Bonds	**842**	**9,238**	**10,079**	**580**	**9,678**	**10,258**
Syndicated loan	—	—	—	—	—	—
Commercial paper	180	—	180	801	—	801
Other borrowings and debt	226	179	405	155	173	328
Other financial liabilities	**406**	**179**	**585**	**956**	**173**	**1,129**
Gross financial debt	**1,248**	**9,417**	**10,664**	**1,536**	**9,851**	**11,387**
Fair value hedge derivatives – assets	(5)	—	(5)	—	—	—
Fair value hedge derivatives – liabilities	—	9	9	—	14	14
Fair value hedge derivatives	(5)	9	3	—	14	14
Net investment hedge derivatives – assets	—	—	—	—	(3)	(3)
Net investment hedge derivatives – liabilities	—	9	9	—	—	—
Net investment hedge derivatives	—	9	9	—	(3)	(3)
Financial debt after hedging	**1,242**	**9,435**	**10,677**	**1,536**	**9,862**	**11,398**
Cash and cash equivalents	**(2,527)**	**—**	**(2,527)**	**(1,609)**	**—**	**(1,609)**
Net financial debt excluding lease liabilities	**(1,284)**	**9,435**	**8,150**	**(73)**	**9,862**	**9,789**
Lease liabilities	**107**	**400**	**507**	**99**	**384**	**484**
NET FINANCIAL DEBT	**(1,177)**	**9,835**	**8,657**	**26**	**10,246**	**10,273**

The change in net financial debt by cash and non-cash items is analysed below:

		Changes in cash flows	Changes in cash flows with no cash impact			
€ millions	30.06.2022	Total cash flows	Foreign currency gains and losses	Change in fair value	Other	30.06.2023
Bonds	**10,079**	**303**	**(119)**	**(5)**	**—**	**10,258**
Syndicated loan	—	—	—	—	—	—
Commercial paper	180	621	—	—	—	801
Other borrowings and debt	404	(66)	(10)	—	—	328
Gross financial debt	**10,664**	**858**	**(129)**	**(5)**	**—**	**11,387**
Fair value hedge derivatives – assets	(5)	—	—	5	—	—
Fair value hedge derivatives – liabilities	9	—	—	5	—	14
Fair value hedge derivatives	4	—	—	10	—	14
Economic net investment hedge derivatives – assets	—	—	(3)	—	—	(3)
Economic net investment hedge derivatives – liabilities	9	—	(9)	—	—	—
Economic net investment hedge derivatives – liabilities	**9**	**—**	**(12)**	**—**	**—**	**(3)**
Financial debt after hedging	**10,677**	**858**	**(141)**	**5**	**—**	**11,398**
Cash and cash equivalents	(2,527)	1,028	(110)	—	—	(1,609)
Net financial debt excluding lease liabilities	**8,150**	**1,886**	**(251)**	**5**	**—**	**9,789**
Lease liabilities	507	(116)	(20)	—	113	484
NET FINANCIAL DEBT	**8,657**	**1,770**	**(271)**	**5**	**113**	**10,273**

2 Breakdown of debt excluding lease liabilities by currency before and after foreign exchange hedging instruments at 30 June 2022 and 30 June 2023

At 30 June 2022 *€ millions*	Gross financial debt	Amount hedged	Debt after hedging	Cash at bank and in hand	Net debt after hedging	% debt after hedging	% net debt after hedging
EUR	6,297	410	6,708	(1,627)	5,081	63%	62%
USD	4,236	(96)	4,140	(128)	4,013	39%	49%
GBP	43	32	75	(46)	29	1%	0%
SEK	1	(64)	(63)	(55)	(118)	- 1 %	- 1 %
Other currencies	86	(268)	(182)	(671)	(854)	- 2 %	- 10 %
FINANCIAL DEBT BY CURRENCY	**10,664**	**13**	**10,677**	**(2,527)**	**8,150**	**100%**	**100%**

At 30 June 2023 *€ millions*	Gross financial debt	Amount hedged	Debt after hedging	Cash at bank and in hand	Net debt after hedging	% debt after hedging	% net debt after hedging
EUR	8,094	563	8,657	(517)	8,140	76 %	83 %
USD	3,261	(112)	3,149	(190)	2,959	28 %	30 %
GBP	—	(55)	(55)	(125)	(180)	0 %	-2 %
SEK	1	(101)	(100)	(42)	(141)	-1 %	-1 %
Other currencies	31	(284)	(253)	(736)	(988)	-2 %	-10 %
FINANCIAL DEBT BY CURRENCY	**11,387**	**11**	**11,398**	**(1,609)**	**9,789**	**100 %**	**100 %**

3 Breakdown of fixed-rate/floating-rate debt excluding lease liabilities before and after interest rate hedging instruments at 30 June 2022 and 30 June 2023

	30.06.2022				30.06.2023			
€ millions	Debt before hedging		Debt after hedging		Debt before hedging		Debt after hedging	
Fixed-rate debt	10,398	97 %	9,628	90 %	10,565	93 %	10,380	91 %
Capped floating-rate debt	—	— %	—	— %	—	— %	—	— %
Floating-rate debt	278	3 %	1,049	10 %	834	7 %	1,018	9 %
FINANCIAL DEBT AFTER HEDGING BY RATE TYPE	**10,677**	**100 %**	**10,677**	**100 %**	**11,398**	**100 %**	**11,398**	**100 %**

At 30 June 2023, before taking account of any hedges, the Group's gross debt was 93% fixed rate and 7% floating rate. After hedging, the floating-rate portion was 9%.

4 Schedule of financial liabilities at 30 June 2023

The following table shows the maturity of future financial liability-related cash flows (nominal and interest). Floating-rate interest flows have been estimated on the basis of rates at 30 June 2022 and 30 June 2023.

At 30 June 2022 *€ millions*	Carrying amount	Contractual flows	<6 months	6 to 12 months	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
Nominal value	(10,664)	(10,664)	(1,140)	(49)	(532)	(1,693)	(1,200)	(33)	(6,018)
Interest	—	(1,926)	(87)	(97)	(168)	(168)	(143)	(115)	(1,149)
Gross financial debt	**(10,664)**	**(12,590)**	**(1,226)**	**(146)**	**(700)**	**(1,860)**	**(1,342)**	**(148)**	**(7,167)**
Lease liabilities	**(507)**	**(565)**	**(46)**	**(71)**	**(86)**	**(71)**	**(60)**	**(47)**	**(186)**
Cross-currency swaps	(9)	—	—	—	—	—	—	—	—
Flows payable	—	(513)	—	(11)	(11)	(492)	—	—	—
Flows receivable	—	476	—	5	5	465	—	—	—
Derivatives – liabilities	(18)	(10)	(8)	—	—	—	—	—	—
Derivatives – liabilities	**(27)**	**(47)**	**(8)**	**(6)**	**(6)**	**(27)**	**—**	**—**	**—**
TOTAL FINANCIAL LIABILITIES	**(11,198)**	**(13,202)**	**(1,280)**	**(222)**	**(791)**	**(1,958)**	**(1,402)**	**(195)**	**(7,353)**

At 30 June 2023 *€ millions*	Carrying amount	Contractual flows	<6 months	6 to 12 months	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
Nominal value	(11,387)	(11,321)	(1,398)	(97)	(1,675)	(1,176)	(29)	(1,077)	(5,869)
Interest	—	(1,984)	(107)	(95)	(202)	(177)	(150)	(150)	(1,105)
Gross financial debt	**(11,387)**	**(13,305)**	**(1,504)**	**(192)**	**(1,877)**	**(1,353)**	**(179)**	**(1,226)**	**(6,973)**
Lease liabilities	**(484)**	**534**	**42**	**66**	**80**	**66**	**55**	**44**	**182**
Cross-currency swaps	3	—	—	—	—	—	—	—	—
Flows payable	—	(480)	—	(10)	(470)	—	—	—	—
Flows receivable	—	470	—	5	465	—	—	—	—
Derivatives – liabilities	(23)	(30)	(9)	(4)	(7)	(7)	—	—	—
Derivatives – liabilities	**(20)**	**(40)**	**(9)**	**(9)**	**(12)**	**(7)**	**—**	**—**	**—**
TOTAL FINANCIAL LIABILITIES	**(11,891)**	**(12,811)**	**(1,471)**	**(135)**	**(1,809)**	**(1,294)**	**(124)**	**(1,182)**	**(6,792)**

5 Credit lines

At 30 June 2023, credit lines mainly comprised the multi-currency syndicated loan of €2,100 million, a bilateral line of €500 million and a Champagne loan of €260 million. No drawdowns have been made on these credit lines.

6 Bonds

Nominal amount	Interest rate	Issue date	Maturity	Carrying amount at 30.06.2023 € millions
EUR 500 million	0.00 %	24.10.2019	24.10.2023	500
EUR 650 million	2.13 %	29.09.2014	27.09.2024	660
EUR 250 million	1.13 %	27.04.2020	07.04.2025	252
EUR 750 million	1.13 %	01.04.2020	07.04.2025	749
EUR 600 million	1.50 %	17.05.2016	18.05.2026	600
USD 600 million	3.25 %	08.06.2016	08.06.2026	537
EUR 500 million	0.50 %	24.10.2019	24.10.2027	500
USD 600 million	1.25 %	01.10.2020	01.04.2028	551
EUR 750 million	1.38%*	07.04.2022	07.04.2029	742
EUR 500 million	0.13 %	04.10.2021	04.10.2029	492
EUR 250 million	1.75 %	27.04.2020	08.04.2030	261
EUR 750 million	1.75 %	01.04.2020	08.04.2030	748
USD 900 million	1.63 %	01.10.2020	01.04.2031	823
EUR 500 million	0.88 %	24.10.2019	24.10.2031	497
USD 850 million	5.50 %	12.01.2012	15.01.2042	790
USD 500 million	2.75 %	01.10.2020	01.10.2050	448
EUR 500 million	3.75 %	02.11.2022	02.11.2032	503
EUR 600 million	3.25 %	02.11.2022	02.11.2028	604
Total bonds				**10,258**

* *Subject to the achievement of the key performance indicators to which this bond is linked.*

7 Offsetting of financial assets and financial liabilities

The table below shows the amounts of financial assets and financial liabilities before and after offsetting.

The amounts offset in the balance sheet were established in accordance with IAS 32. Accordingly, financial assets and financial liabilities are offset and the net amount is shown in the balance sheet if and only if the Group has a legally enforceable right to set off the recognised amounts, and if it intends to settle on a net basis. The assets and liabilities offset stem from the multi-currency cash pooling arrangement implemented within the Group.

At 30 June 2022 € millions	Gross financial assets and liabilities	Amounts offset in the balance sheet	Net amounts in the balance sheet	Impact of master netting and similar arrangements	Financial instruments received as collateral	Net amounts under IFRS 7
ASSETS						
Cash and cash equivalents	2,770	(243)	2,527	—	—	—
LIABILITIES						
Bank borrowings and debt	648	(243)	405	—	—	—

At 30 June 2023 € millions	Gross financial assets and liabilities	Amounts offset in the balance sheet	Net amounts in the balance sheet	Impact of master netting and similar arrangements	Financial instruments received as collateral	Net amounts under IFRS 7
ASSETS						
Cash and cash equivalents	1,882	(273)	1,609	—	—	—
LIABILITIES						
Bank borrowings and debt	601	(273)	328	—	—	—

Note 4.9 Financial instruments

1 Fair value of financial instruments

€ millions	Fair value level	Breakdown by accounting classification: Fair value through profit or loss	Fair value through other comprehensive income	Assets at amortised cost	Liabilities at amortised cost	30.06.2022: Carrying amount	Fair value
ASSETS							
Shareholders' equity instruments	Level 1 and 3	—	345	—	—	345	345
Guarantees, deposits, investment-related loans and receivables		—	—	170	—	170	170
Trade receivables and other operating receivables		—	—	1,388	—	1,388	1,388
Other current assets		—	—	435	—	435	435
Derivatives – assets	Level 2	21	15	—	—	37	37
Cash and cash equivalents	Level 1	2,527	—	—	—	2,527	2,527
LIABILITIES							
Bonds		—	—	—	10,079	10,079	9,291
Bank borrowings and debt		—	—	—	585	585	585
Lease liabilities		—	—	—	507	507	507
Derivatives – liabilities	Level 2	18	9	—	—	27	27

€ millions	Fair value level	Breakdown by accounting classification: Fair value through profit or loss	Fair value through other comprehensive income	Assets at amortised cost	Liabilities at amortised cost	30.06.2023: Carrying amount	Fair value
ASSETS							
Shareholders' equity instruments	Level 1 and 3	—	432	—	—	432	432
Guarantees, deposits, investment-related loans and receivables	—	—	—	186	—	186	186
Trade receivables and other operating receivables	—	—	—	1,814	—	1,814	1,814
Other current assets	—	—	—	435	—	435	435
Derivatives – assets	Level 2	13	7	—	—	20	20
Cash and cash equivalents	Level 1	1,609	—	—	—	1,609	1,609
LIABILITIES							
Bonds	—	—	—	—	10,258	10,258	9,308
Bank borrowings and debt	—	—	—	—	1,129	1,129	1,129
Lease liabilities	—	—	—	—	484	484	484
Derivatives – liabilities	Level 2	18	2	—	—	20	20

The methods used are as follows:

- debt: the fair value of the debt is determined for each loan by discounting future cash flows on the basis of market rates at balance sheet date, adjusted for the Group's credit risk. For floating-rate bank debt and bank overdrafts, fair value is approximately equal to the carrying amount;
- bonds: market liquidity enabled the bonds to be valued at their fair value using the quoted prices;
- other long-term financial liabilities: the fair value of other long-term financial liabilities is calculated for each loan by discounting future cash flows using an interest rate taking into account the Group's credit risk at the balance sheet date;
- derivatives: the market value of instruments recognised in the financial statements at the balance sheet date was calculated on the basis of available market data, using current valuation models.

The hierarchical levels of the fair value hierarchy below are in line with the definitions in the amended version of IFRS 7 "Financial Instruments: Disclosures":

- Level 1: fair value based on quoted prices in active markets;
- Level 2: fair value measured based on observable market data (other than quoted prices included in Level 1);
- Level 3: fair value measured using valuation techniques based on unobservable market data.

In accordance with IFRS 13, derivatives were measured taking into account the Credit Valuation Adjustment (CVA) and the Debt Valuation Adjustment (DVA). The measurement is based on historical data (rating of counterparty banks and probability of default). At 30 June 2023, the impact was not significant.

2 Risk management

Management and monitoring of financial risks is performed by the Financing and Treasury Department. Reporting to the Group Finance Department, it oversees all financial exposures and processes or validates all financing, investment and hedging transactions, as part of a programme approved by General Management.

All financial instruments hedge existing or forecast hedge transactions or investments. They are contracted with a limited number of counterparties that have a first-class rating.

Management of liquidity risk

At 30 June 2023, the Group's cash and cash equivalents totalled €1,609 million (compared with €2,527 million at 30 June 2022). An additional €2,860 million of medium-term revolving credit facilities with banks was confirmed and undrawn. Group financing is provided in the form of long-term debt (bank loans, bonds, etc.) and short-term borrowings (commercial paper and bank overdrafts) as well as factoring and securitisation programmes, which provide adequate financial resources to ensure business continuity. The Group also set up a €7 billion Euro Medium Term Note (EMTN) programme in May 2020, updated on 11 October 2021 and 24 October 2022. The Group's short-term financial debt after hedging was €1,536 million at 30 June 2023 (compared to €1,242 million at 30 June 2022).

While the Group has not identified any other material cash requirement, it cannot be fully guaranteed that it will be able to continue to access the funding and refinancing needed for its day-to-day operations and capital expenditure on satisfactory terms, given the uncertain economic environment.

The credit ratings sought by Pernod Ricard from rating agencies on its long-term and short-term debt are Baa1/P2 from Moody's and BBB+/A2 from Standard & Poor's, respectively.

The Group's bank and bond debt contracts include covenants that, if breached, could trigger accelerated repayment clauses.

Furthermore, while the vast majority of the Group's cash surplus is placed with affiliates of global banks enjoying the highest agency ratings, it cannot be ruled out that these Group investments may lose some of their liquidity and/or value.

The currency controls in place in certain countries limit the Group's ability to use cash (prohibition on investment with the Group) and, in some cases, delay the possibility of paying dividends (authorisation is required from the relevant authorities, notably in Cuba). At 30 June 2023, cash with delayed availability amounted to €201 million, including €199 million relating to Cuba.

Specific terms of financing agreements and the schedule of financial liability maturity are respectively disclosed in the "Significant contracts" subsection of the management report and in Note 4.8 – *Financial liabilities* to the consolidated financial statements.

Management of currency risk

As the Group consolidates its financial statements in euros, it is exposed to fluctuations against the euro by the currencies in which its assets and liabilities are denominated (asset risk) or in which transactions are carried out (transaction and translation risks).

While some hedging strategies limit exposure, there is no absolute protection against exchange rate fluctuations.

In terms of asset risk, financing foreign currency-denominated assets acquired by the Group with debt in the same currency provides natural hedging. This principle was applied for the acquisition of Seagram, Allied Domecq and Vin&Sprit, with part of the debt being denominated in US dollars, reflecting the importance of cash flows generated in dollars or linked currencies.

Currency fluctuations against the euro (notably the US dollar) may impact the nominal amount of liabilities and the financial expense recorded in euros in the consolidated financial statements, which could affect the Group's reported results.

For operational currency risk, the Group's international operations expose it to currency risks affecting transactions carried out by affiliates in a currency other than their operating currency (transaction accounting risk).

As a rule, it is Group policy to invoice end customers in the functional currency of the distributing entity. Exposure to currency risk on intra-Group invoicing between producer and distributor affiliates is managed via a monthly payment centralisation procedure involving most countries with freely convertible and transferable currencies and whose internal legislation allows this participation. This system hedges against net exposure using forward exchange contracts.

Residual risk is partially hedged by financial derivatives (forward purchases, forward sales or options) intended to hedge certain or highly probable non-Group receivables and payables.

In addition, the Group may use firm or optional hedges with the aim of reducing the impact of currency fluctuations on its operating activities in some Brand Companies that make significant purchases in currencies other than the euro – especially USD, GBP or SEK – or in order to secure the payment of dividends back to the parent.

Management of interest rate risk

At 30 June 2023, the Pernod Ricard Group's debt comprised floating-rate debt (mainly commercial paper and other bank borrowings) and fixed-rate debt (mainly bonds), in addition to a hedging portfolio including USD swaps.

The Group cannot guarantee that these hedges will prove sufficient, or that it will be able to maintain them on acceptable terms.

Schedule of debt and floating-rate EUR hedges (notional value, in € millions)

At 30 June 2023 € millions	< 1 year	> 1 year and < 5 years	> 5 years	Total
Total assets (cash)	515	—	—	515
Total floating-rate liabilities	(809)	4	—	(805)
Net floating-rate debt before hedging	**(294)**	**4**	**—**	**(290)**
Derivatives	(567)	3	—	(563)
NET FLOATING-RATE DEBT AFTER HEDGING	**(861)**	**7**	**—**	**(853)**

Schedule of debt and floating-rate USD hedges (notional value, in USD millions)

At 30 June 2023 $ millions	<1 year	>1 year and <5 years	>5 years	Total
Total assets (cash)	190	—	—	190
Total floating-rate liabilities	—	6	—	6
Net floating-rate debt before hedging	**190**	**6**	**—**	**196**
Derivatives	127	(205)	—	(79)
NET FLOATING-RATE DEBT AFTER HEDGING	**317**	**(199)**	**—**	**118**

Analysis of the sensitivity of financial instruments to interest rate risk (impact on the income statement)

A rise or fall of 50 basis points in interest rates (USD and EUR) would result in an increase or decrease of €6 million in the cost of net debt.

Analysis of the sensitivity of financial instruments to interest rate risk (impact on shareholders' equity)

A relative change of plus or minus 50 basis points in interest rates (USD and EUR) would not generate any gain or loss on shareholders' equity.

Analysis of the sensitivity of financial instruments used to hedge risks related to agricultural raw materials (impact on shareholders' equity)

At 30 June 2023, the sensitivity of the portfolio was not significant.

Counterparty risk in financial transactions

The Group could be exposed to counterparty default via its cash investments, hedging instruments or the availability of committed but undrawn financing lines. In order to limit this exposure, the Group rigorously selects counterparties based on several criteria, including credit ratings, and on repayment schedules.

However, no assurance can be given that this careful selection will be enough to protect the Group against risks of this type, particularly in the current economic environment.

Note 4.10. Interest rate, foreign exchange and commodity derivatives

Pursuant to the amended version of IFRS 9 "Financial Instruments", all derivative instruments must be recognised in the balance sheet at fair value, determined on the basis of standard market valuation models or external prices issued by financial institutions.

Where the derivative has been designated as a fair value hedge, changes in the value of the derivative and of the hedged item are recognised in profit and loss for the same period. If the derivative has been designated as a cash flow hedge, the change in value of the effective portion of the hedge is recognised in other comprehensive income. It is recognised in profit and loss when the hedged item is itself recognised in profit and loss.

However, the change in value of the ineffective component of the derivative is recognised directly in profit and loss. If the derivative is designated as a hedge of a net investment in a foreign operation, the change in value of the effective portion of the hedge is recognised in shareholders' equity and the change in value of the ineffective portion is recognised in profit and loss.

Hedging instruments (by risk category and hedge type)

Hedge type at 30 June 2022 € millions	Description of financial instrument	Notional amount of contracts				Fair value	
		<1 year	>1 year and <5 years	>5 years	Total	Assets	Liabilities
Fair value hedges						**5**	**9**
Interest rate hedges	Swaps	578	193	—	770	5	9
Currency and interest rate hedges	Cross-currency swaps	—	—	—	—	—	—
Net investment hedges						**—**	**9**
Currency hedges	FX forwards	—	—	—	—	—	—
Currency and interest rate hedges	Cross-currency swaps	—	460	—	460	—	9
Derivatives included in net debt						**5**	**18**
Cash flow hedges						**15**	**—**
Interest rate hedges	Swaps	—	—	—	—	—	—
Currency hedges on intra-Group financing and operational hedges	Currency swaps & FX forwards & FX options	—	—	—	—	—	—
Commodity hedges	Swaps	12	—	—	12	15	—
Non-hedge accounting						**16**	**9**
Currency hedges on intra-Group financing and operational hedges	Currency swaps & FX forwards	1,625	—	—	1,625	16	9
Interest rate hedges	Swaps	—	—	—	—	—	—
TOTAL DERIVATIVES						**37**	**27**
Total non-current						**4**	**18**
Total current						**32**	**9**

Hedge type at 30 June 2023 € millions	Description of financial instruments	Notional amount of contracts				Fair value	
		< 1 year	> 1 year and < 5 years	> 5 years	Total	Assets	Liabilities
Fair value hedges						—	14
Interest rate hedges	Swaps	—	184	—	184	—	14
Currency and interest rate hedges	Cross-currency swaps	—	—	—	—	—	—
Net investment hedges						**3**	**—**
Currency hedges	FX forwards	—	—	—	—	—	—
Currency and interest rate hedges	Cross-currency swaps	—	460	—	460	3	—
Derivatives included in net debt						**3**	**14**
Cash flow hedges						**4**	**2**
Interest rate hedges	Swaps	—	—	—	—	—	—
Currency hedges on intra-Group financing and operational hedges	Currency swaps & FX forwards & FX options	—	—	—	—	—	—
Commodity hedges	Swaps	24	6	—	30	4	2
Non-hedge accounting						**13**	**4**
Currency hedges on intra-Group financing and operational hedges	Currency swaps & FX forwards	2,029	—	—	2,029	13	4
Interest rate hedges	Swaps	—	—	—	—	—	—
Total derivatives						**20**	**20**
Total non-current						**5**	**14**
TOTAL CURRENT						**15**	**6**

The notional amount of these contracts is the nominal value of the contracts. Foreign currency-denominated notional amounts in cross-currency swaps are shown in euros at the exchange rate agreed. For other instruments, notional amounts denominated in foreign currencies are translated into euros at year-end exchange rates. Estimated market values are based on information available on the financial markets and valuation methods appropriate to the type of financial instrument. These valuation methods yield results consistent with the valuations provided by bank counterparties.

The Group's hedging instruments at 30 June 2023 were not ineffective.

Hedged items (by category and hedge type)

Hedge type at 30 June 2022 € millions	Carrying amount of hedged item		Cumulative FVH adjustments included in carrying amount of hedged item		Balance sheet item in which hedged item is included	CFH reserves	Change in fair value of CFH derivatives through OCI
	Assets	Liabilities	Assets	Liabilities			
Fair value hedges (FVHs)							
Interest rate risk							
Fixed-rate bonds hedged	—	781	5	9	Bond issues	N/A	N/A
Discontinuation of hedge accounting	—	—	—	—	Bond issues	N/A	N/A
Currency risk							
Firm commitment	—	—	—	—	—	N/A	N/A
Cash flow hedges (CFHs)							
Interest rate risk							
Floating rates of bonds	N/A	N/A	N/A	N/A	N/A	—	—
Discontinuation of hedge accounting	—	—	—	—	N/A	—	6
Currency risk							
Hedges of future foreign currency sales	N/A	N/A	N/A	N/A	N/A	—	(1)
Discontinuation of hedge accounting	—	—	—	—	N/A	—	—
Commodity risk							
Commodity hedges	N/A	N/A	N/A	N/A	N/A	5	4
Net investment hedges (NIHs)							
Net assets hedged	481	-	N/A	N/A	N/A	N/A	N/A
Discontinuation of hedge accounting	—	—	—	—	N/A	—	—

N/A: not applicable.

Hedge type at 30 June 2023 € millions	Carrying amount of hedged item		Cumulative FVH adjustments included in carrying amount of hedged item		Balance sheet item in which hedged item is included	CFH reserves	Change in fair value of CFH derivatives through OCI
	Assets	Liabilities	Assets	Liabilities			
Fair value hedges (FVHs)					—		
Interest rate risk					—		
Fixed-rate bonds hedged	—	184	—	14	Bond issues	N/A	N/A
Discontinuation of hedge accounting	—	—	—	—	Bond issues	N/A	N/A
Currency risk					—		
Firm commitment	—	—	—	—	—	—	—
Cash flow hedges (CFHs)					—		
Interest rate risk					—		
Floating rates of bonds	N/A	N/A	N/A	N/A	N/A	—	—
Discontinuation of hedge accounting	—	—	—	—	N/A	—	—
Currency risk					—		
Hedges of future foreign currency sales	N/A	N/A	N/A	N/A	N/A	—	—
Discontinuation of hedge accounting	—	—	—	—	N/A	—	—
Commodity risk					—		
Commodity hedges	N/A	N/A	N/A	N/A	N/A	2	(3)
Net investment hedges (NIHs)					—		
Net assets hedged	460	—	N/A	N/A	N/A	N/A	N/A
Discontinuation of hedge accounting	—	—	—	—	N/A	—	—

N/A: not applicable.

Note 4.11 Other current liabilities

Other current liabilities break down as follows:

€ millions	30.06.2022	30.06.2023
Tax and social security payables	786	835
Other current liabilities	526	721
TOTAL	**1,311**	**1,556**

Other current liabilities at 30 June 2023 mainly comprise the interim dividend payment of €521 million on 7 July 2023. Most of these other current liabilities are due within one year.

NOTE 5 Notes to the cash flow statement

1 Working capital requirement

Working capital requirement increased by €568 million. The breakdown is as follows:

- inventory: €748 million;
- trade receivables: €499 million;
- trade payables: €(611) million;
- other: €(68) million.

2 Purchases/Disposals of financial assets and activities

Purchases of financial assets and activities net of disposals generated a cash outflow of €1,129 million, mainly related to acquisitions and disposals of activities in the period, related in particular to the transactions described in Section 1 of Note 1.2 – *Significant events during the financial year*.

3 Issuance/repayment of debt

During the financial year, the Pernod Ricard Group issued €1,702 million in long-term debt, including the increase of the stock of commercial paper for €621 million, and also repaid €845 million in debt. These transactions mainly correspond to the bond issues and redemptions described in Section 2 of Note 1.2 – *Significant events during the financial year*.

The Group also paid €129 million in respect of its lease liabilities, of which €116 million related to repayment of the nominal amount and €13 million to interest payments reported in cash flows from operating activities.

NOTE 6 Additional information

Note 6.1 Shareholders' equity

1. Share capital

In April 2023, the Group carried out a capital reduction by cancelling 2,315,622 shares previously held in treasury and acquired in particular under Group's share buyback programme. Following this transaction, the share capital changed to €396,229,186, divided into 255,631,733 shares with a par value of €1.55 per share:

	Number of shares	Amount (€ millions)
Share capital at 30 June 2022	257,947,355	400
Share capital at 30 June 2023	255,631,733	396

All Pernod Ricard shares are issued and fully paid for a par value of €1.55. Only one type of Pernod Ricard shares exists. These shares obtain double voting rights if they have been registered for an uninterrupted period of ten years.

2 Treasury shares

Treasury shares are recognised on acquisition as a deduction from equity. Subsequent changes in the value of treasury shares are not recognised. When treasury shares are sold, any difference between the acquisition cost and the fair value of the shares at the date of disposal is recognised as a change in shareholders' equity and has no impact on profit and loss for the year.

At 30 June 2023, Pernod Ricard and its controlled affiliates held 1,358,167 Pernod Ricard shares for a value of €455 million. These treasury shares are reported, at cost, as a deduction from shareholders' equity.

As part of its stock option and free share grant plans, Pernod Ricard SA holds shares either directly (treasury shares) or indirectly (calls or repurchase options). These shares may be allocated if options are exercised under the stock option plans or, in the case of free shares, if performance targets are met.

3 Interim dividend

In April 2023, the Board of Directors decided to pay an interim dividend of €2.06 per share for the period 2022/2023, i.e., a total of €521 million. The interim dividend was paid on 7 July 2023 and recognised under "Other current liabilities" in the balance sheet at 30 June 2023.

4 Capital management

The Group manages its share capital in such a way as to optimise its cost of capital and profitability for its shareholders, provide security for all its counterparties and maintain a high credit rating. In this context, the Group may adjust its payment of dividends to shareholders, redeem part of its share capital, buy back its treasury shares and authorise share-based payment plans.

5 Liquidity agreement

On 24 May 2012, Pernod Ricard SA put in place a 12-month liquidity agreement, effective from 1 June 2012, through Rothschild & Cie Banque. The agreement is tacitly renewable for successive periods of 12 months. It complies with the French Financial Markets Association (*Association Française des Marchés Financiers* – AMAFI) Code of Ethics, which was approved by the AMF in its decision of 21 March 2011.

The sum of €5 million was allocated for the implementation of the liquidity agreement.

Note 6.2 Share-based payments

The Group applies IFRS 2 "Share-based Payments" to transactions whose award and settlement are share-based.

Pursuant to this standard, stock options and performance shares granted to employees are measured at fair value. The amount of such fair value is recognised in the income statement over the vesting period of the rights with a corresponding increase in shareholders' equity.

This fair value is calculated using valuation models taking into account the characteristics of the plan and market data at the date of grant and on the basis of Group management's assumptions.

Description of share-based payment plans

The Group grants long-term incentive plans to high-level executives, key Group executives and high-potential managers. As of the grant on 10 November 2021, these plans are granted through shares, whether or not subject to internal or external performance conditions; the stock option mechanism is no longer used for new grants. In addition, for all plans granted since 10 November 2021, the presence condition has been revised to three years instead of four years previously.

In the course of FY 2023, three share grant plans were set up on 10 November 2022:

- a performance share plan including:
  - a performance condition based on the positioning of the overall performance of the Pernod Ricard share (TSR[1]) compared to the overall performance of a panel of 12 peers over the period from 13 October 2022 to 13 October 2025 inclusive (three years),
  - a performance condition based on the average achievement of the profit from recurring operations target (actual/budget) measured over three consecutive financial years, including that in which the shares were granted,
  - a condition relating to the achievement of corporate social responsibility (CSR) targets measured over three consecutive financial years, including that in which the shares were granted;
- a performance share plan including:
  - a performance condition based on the average achievement of the profit from recurring operations target (actual/budget) measured over three consecutive financial years, including that in which the shares were granted,
  - a condition relating to the achievement of CSR targets measured over three consecutive financial years, including that in which the shares were granted,
- a share plan without performance conditions.

The expense recognised for options/shares vested or in the process of being vested during the financial year (period from 1 July 2022 to 30 June 2023) is described below:

Stock options	Type of options	With/without performance conditions	Number of beneficiaries	Commencement date for exercise of options	Expiry date	Subscription or purchase price (€)	Outstanding options at 30/06/2023	Stock option expense for FY 2023 (€ thousands)
Plan dated 21/11/2018	Purchase	With conditions	15	22/11/2022	21/11/2026	€137.78	78,993	214
Plan dated 08/11/2019	Purchase	With conditions	14	09/11/2023	08/11/2027	€162.79	82,884	766
Plan dated 27/11/2020	Purchase	With conditions	14	28/11/2024	27/11/2028	€154.11	136,711	804

Performance shares	Type of shares	With/without performance conditions	Number of beneficiaries	Shares vested from	Shares available from	Outstanding shares at 30/06/2023	Share expense for FY 2023 (€ thousands)
Plan dated 21/11/2018	Free	With conditions	958	22/11/2022	22/11/2022	—	2,135
Plan dated 08/11/2019	Free	With conditions	820	09/11/2023	09/11/2023	146,259	5,702
Plan dated 27/11/2020	Free	With conditions	754	28/11/2024	28/11/2024	242,846	8,476
Plan dated 10/11/2021	Free	With and without conditions	777	12/11/2024	12/11/2024	226,994	13,531
Plan dated 10/11/2022	Free	With and without conditions	810	11/11/2025	11/11/2025	280,763	9,110

The history of stock option plans that have not yet expired is presented in the "Corporate governance" section of the Universal Registration Document.

For vested stock option plans, the total number of options outstanding is 195,153, with an average remaining life of two years and four months.

As at 30 June 2023, the Group recognised an expense of €1.8 million in operating items for the three stock option plans vested or in the process of vesting during the financial year, as well as an expense of €39 million in respect of the five performance share plans.

Annual expenses € millions	30.06.2022	30.06.2023
Stock options – with corresponding adjustment to shareholders' equity	2	2
Performance and free shares – with corresponding adjustment to shareholders' equity	30	39
TOTAL ANNUAL EXPENSES	**32**	**41**

(1) *Total shareholder return.*

Changes made to outstanding stock options/shares during the financial year (period from 1 July 2022 to 30 June 2023) are described below:

Stock options	Type of options	With/without performance conditions	Options outstanding at 30.06.2022	Allocated during the period	Cancelled during the period	Exercised during the period	Expired during the period	Options outstanding at 30.06.2023
Plan dated 06/11/2015	Purchase	With conditions	53,698	—	—	38,683	—	15,015
Plan dated 17/11/2016	Purchase	With conditions	63,570	—	—	15,925	—	47,645
Plan dated 09/11/2017	Purchase	With conditions	56,100	—	—	2,600	—	53,500
Plan dated 21/11/2018	Purchase	With conditions	86,009	—	—	7,016	—	78,993
Plan dated 08/11/2019	Purchase	With conditions	125,578	—	42,694	—	—	82,884
Plan dated 27/11/2020	Purchase	With conditions	136,711	—	—	—	—	136,711

Performance shares	Type of shares	With/without performance conditions	Shares outstanding at 30.06.2022	Allocated during the period	Cancelled during the period	Transferred during the period	Expired during the period	Shares outstanding at 30.06.2023
Plan dated 21/11/2018	Free	With conditions	180,499	—	3,924	176,575	—	—
Plan dated 08/11/2019	Free	With conditions	155,783	—	8,884	640	—	146,259
Plan dated 27/11/2020	Free	With conditions	255,186	—	11,330	1,010	—	242,846
Plan dated 10/11/2021	Free	With and without conditions	235,359	—	7,410	1,188	—	226,761
Plan dated 10/11/2022	Free	With and without conditions	—	284,951	2,634	1,321	—	280,996

The average strike price of options exercised during FY 2023 was €108.33.

The assumptions used in calculating the fair values of the options and shares granted over the financial year, using the binomial or Monte Carlo models and the terms under which the options/shares were granted, are as follows:

	Type of shares	With/without performance conditions	Initial share price (€)(1)	Strike price (€)	Expected volatility	Expected dividend yield	Risk-free interest rate	IFRS 2 fair value (€)
Plan dated 10.11.2022	Free	Without conditions	186.60	N/A	N/A	2.29%	N/A	174.21
Plan dated 10.11.2022	Free	With conditions	186.60	N/A	N/A	2.29%	N/A	174.21
Plan dated 10.11.2022	Free	With conditions	186.60	N/A	26%	2.29%	2.50%	101.72

N/A: not applicable.
(1) Closing rate at grant date.

The fair values are fixed upon implementation of each plan and do not vary year on year. For this reason, only the values relating to the plans granted during 2023 are presented above (information on previous plans is available in the prior-year universal registration documents).

From 2012 onwards, the volatility assumption used for the plans is based on a multi-criteria approach taking into consideration:

- historic volatility over a period equal to the duration of the options;
- implied volatility calculated on the basis of options available in financial markets.

Three share plans were granted on 10 November 2022.

For one of the plans, part of the grant is contingent on the positioning of the overall performance of the Pernod Ricard share (TSR[1]) compared to the overall performance of a panel of 12 peers: the shares will pre-vest provided that the positioning of the overall performance of the Pernod Ricard share (TSR[1]) is equal to or greater than seventh position out of 13 (the number will be determined in bands according to the level of performance achieved).

The other part of the grant is subject to an internal performance condition, the achievement of which will depend on the average achievement of the Group's annual profit from recurring operations target for the financial years ended 30 June 2023, 30 June 2024 and 30 June 2025, at constant exchange rates and scope. The fair value of these plans corresponds to the market price of the share on the grant date, less the loss of dividends expected during the vesting period (i.e., three years for all beneficiaries) and includes the likelihood of achieving the TSR performance condition. The IFRS 2 accounting expense for the plan in relation to this condition will be adjusted at the end of the vesting period at the latest.

The fair value of the other two plans (with and without internal performance conditions) corresponds to the market price of the share at the grant date, less the loss of dividends expected during the vesting period (i.e., three years for all beneficiaries).

For all these plans, vesting is contingent on the presence condition being met on 11 November 2025.

Note 6.3 Off-balance sheet commitments

€ millions	**Total**	**< 1 year**	**> 1 year and < 5 years**	**> 5 years**
COMMITMENTS GIVEN AT 30.06.2022	2,650	934	1,595	121
Commitments given in connection with the Group's scope of consolidation	***12***	***12***	***1***	—
Investment commitments	12	12	1	—
Commitments given as part of specific transactions	—	—	—	—
Other	—	—	—	—
Commitments given in relation to the financing of the Company	***51***	***26***	***20***	***5***
Financial guarantees given	51	26	20	5
Other	—	—	—	—
Commitments relating to the operating activities of the issuer	***2,587***	***897***	***1,575***	***116***
Firm and irrevocable commitments to purchase raw materials	2,310	724	1,518	67
Tax commitments (customs guarantees and other)	156	97	12	47
Operating lease agreements	9	3	5	1
Other	113	72	40	1

€ millions	**Total**	**<1 year**	**>1 year and <5 years**	**>5 years**
COMMITMENTS RECEIVED AT 30.06.2022	3,367	300	3,011	56
Commitments received in relation to companies within the Group	—	—	—	—
Commitments received as part of specific transactions in relation to competition and markets	—	—	—	—
Other	—	—	—	—
Commitments received in relation to the financing of the Company	***3,306***	***294***	***3,011***	***1***
Lines of credit received and not used	3,260	260	3,000	—
Financial guarantees received	46	34	11	1
Other	—	—	—	—
Commitments relating to the operating activities of the issuer	***61***	***6***	—	***55***
Contractual commitments relating to business activity and development	60	6		54
Other	1	—	—	1

€ millions	Total	< 1 year	> 1 year and < 5 years	> 5 years
COMMITMENTS GIVEN AT 30.06.2023	3,682	1,413	1,768	501
Commitments given in connection with the Group's scope of consolidation	***237***	***237***	—	—
Investment commitments	20	20	—	—
Commitments given as part of specific transactions	—	—	—	—
Other	217	217	—	—
Commitments given in connection with the financing of the Company	***19***	***14***	***1***	***5***
Financial guarantees given	19	14	1	5
Other	—	—	—	—
Commitments relating to the issuer's operating activities	***3,426***	***1,163***	***1,767***	***496***
Firm and irrevocable commitments to purchase raw materials	3,008	847	1,715	446
Tax commitments (customs and other guarantees)	195	130	17	48
Lease contracts	7	3	3	1
Other	216	183	32	1

€ millions	Total	< 1 year	> 1 year and < 5 years	> 5 years
COMMITMENTS RECEIVED AT 30.06.2023	3,033	356	2,619	58
Commitments received relating to the Group's scope of consolidation	—	—	—	—
Commitments received in specific competitive and market-related transactions	—	—	—	—
Other	—	—	—	—
Financing commitments received	***2,969***	***351***	***2,618***	—
Lines of credit received and not used	2,868	260	2,608	—
Financial guarantees received	101	91	10	—
Other	—	—	—	—
Commitments relating to the issuer's operating activities	***65***	***5***	***2***	***58***
Contractual commitments relating to business activity and development	63	5	1	57
Other	2	—	1	1

1 Lines of credit received and not used

Lines of credit received and not used at 30 June 2023 correspond primarily to the nominal amounts of the syndicated loan and a bilateral credit line (see Note 4.8 – *Financial liabilities*).

2 Firm and irrevocable commitments to purchase raw materials

In the context of their cognac, wine, champagne and whiskies production, the Group's main affiliates have signed raw material supply agreements for *eaux-de-vie*, grapes, base wines and grain in the amount of €3,008 million.

Note 6.4 Contingent liabilities

Contingent tax liabilities

Pernod Ricard has received several notices of tax adjustment for 2007 to 2018, specifically concerning, for an amount of INR 9,490 million (equivalent to €106.4 million, including interest at the date of the reassessment), the tax deductibility of promotion and advertising expenses. It should be noted that the level and amount of this risk have been gradually and significantly reduced in recent years and that the Company obtained two court rulings in its favour in 2020 for the period from 2007 to 2014. These court decisions further strengthen Pernod Ricard India's position on the tax deductibility of advertising and promotion expenses. Reassured by these decisions and after consulting with its tax advisers, Pernod Ricard India will continue to dispute the merits of the reassessment proposal and believes it has a probable chance of success in litigation. Accordingly, no provision has been booked for this matter.

The tax authorities conducted a special audit for 2017 and made tax adjustments for an amount of INR 1,456 million (equivalent to €16.3 million) on various grounds. Pernod Ricard has challenged the reassessment and believes it has strong chances of relief.

Contingent liabilities related to the change in the legal framework applicable to the Delhi Route to Market

In November 2021, the new Excise Policy applicable in the National Capital Territory of Delhi changed the alcohol distribution system, from government-run corporation model to private distributors and retailers.

The context of the change in route to market is currently under investigation by two government agencies, following potential irregularities in the framing and implementation of the Excise Policy, allegedly committed by a number of Delhi public officials and third-party distributors and retailers.

In that context, on 2 February 2023, a Delhi District Court took cognizance of a charge sheet filed by the Enforcement Directorate of India, claiming that, among others, Pernod Ricard India and one of its employees might have benefited from undue gains under the new Excise Policy, allegedly in breach of certain provisions of the Indian Prevention against Money Laundering Act.

The investigation by the authorities is still ongoing and neither the exact exposure, nor its likelihood, have been able to be assessed.

As a responsible corporate citizen, Pernod Ricard India is committed to comply with the laws of the country and will vigorously defend all allegations made against it.

Note 6.5 Disputes

In the normal course of business, Pernod Ricard is involved in a number of individual and collective legal, governmental, arbitration and administrative proceedings.

A provision for such proceedings is only recognised under "Other provisions for contingencies and losses" (see Note 4.7 – *Provisions*) when it is probable that a present obligation arising as a result of a past event will require the payment of an amount that can be estimated reliably. In the latter case, the provisioned amount corresponds to the best estimate of the risk. The provisioned amount recorded is based on the assessment of the level of risk on a case-by-case basis, it being specified that any events arising during the proceedings may at any time require that risk to be reassessed.

The provisions recorded by Pernod Ricard at 30 June 2023 for all disputes and risks in which it is involved amounted to €390 million, compared with €441 million at 30 June 2022 (see Note 4.7 – *Provisions*), excluding uncertain tax positions recognised in income taxes payable. Pernod Ricard provides no further details (other than in exceptional circumstances), as disclosing the amount of any provision for ongoing litigation could cause the Group serious harm.

To the best of the Company's knowledge, there are no other legal, arbitration or governmental proceedings or exceptional events (including any proceedings of which the Company is aware that is pending or threatened) that may have or have had over the last 12 months a material impact on the profitability of the Company and/or the Group, other than those described below.

Disputes relating to trademarks

Havana Club

The Havana Club trademark is owned in most countries by a joint venture called Havana Club Holding SA (HCH), of which Pernod Ricard is a shareholder, and is registered in over 200 countries. In the United States, this trademark has been owned since 1976 by a subsidiary of Pernod Ricard's Cuban partner in the Havana Club joint venture (Cubaexport). Ownership of this trademark is currently being challenged in the United States by a competitor of Pernod Ricard.

In 1998, the United States passed a law relating to the conditions for the protection of trademarks previously used by nationalised companies. This law was condemned by the World Trade Organization (WTO) in 2002. However, to date, the United States has not amended its legislation to comply with the WTO decision:

1. The United States Office of Foreign Assets Control (OFAC) decided that this law had the effect of preventing any renewal of the US trademark registration for the Havana Club trademark, which, in the United States, has been owned by Cubaexport since 1976, without obtaining a specific licence from OFAC. In August 2006, the United States Patent and Trademark Office (USPTO) denied the renewal of the said Havana Club trademark registration, following OFAC's refusal to grant a specific licence. Cubaexport petitioned the Director of the USPTO to reverse this decision and also filed a claim against OFAC, challenging both OFAC's decision and the law and regulations applied by OFAC. In March 2009, the US District Court for the District of Columbia ruled against Cubaexport. In March 2011, in a two-to-one decision, the Court of Appeals blocked Cubaexport from renewing its trademark. A certiorari petition was filed before the US Supreme Court on 27 January 2012, with the support of the French government, the National Foreign Trade Council and the Washington Legal Foundation. On 14 May 2012, the Supreme Court denied the petition. In November 2015, Cubaexport again applied for a specific licence from OFAC to renew the trademark in the United States. On 11 January 2016, OFAC granted Cubaexport's licence and on 13 January 2016, the application to the Director of USPTO was declared admissible and the trademark was renewed for a ten-year period expiring on 27 January 2026.

2. A competitor of the Group (Bacardi) has petitioned the USPTO to cancel the Havana Club trademark registration in the United States. In January 2004, the USPTO denied the petition and refused to cancel the trademark registration. As this decision was appealed, proceedings are now ongoing before the Federal District Court for the District of Columbia (DC Court). These proceedings were stayed pending the outcome of Cubaexport's petition to the USPTO. Following acceptance of the petition by the Director of the USPTO, these judicial proceedings resumed in January 2016 and the plaintiff amended the complaint. In response, Cubaexport and HCH filed two motions in August 2016: one to dismiss all actions commenced against them and one to expedite proceedings on certain issues. These motions were awaiting a decision by the DC Court until 6 March 2023, when the DC Court granted in part and denied in part Cubaexport's motions, referring to an analysis of the merits for the arguments in the denied motions. On 19 April, Cubaexport responded to Bacardi's initial claims and submitted a counterclaim for infringement of its Havana Club trademark. On 23 April, the parties jointly submitted a timetable for the next stages of the proceedings, including any pre-trial measures (i.e., discovery). On 19 May, Bacardi filed a motion with the DC Court to dismiss Cubaexport's counterclaim. Cubaexport's written response to this motion is expected on 23 June 2023.

These risks constitute a potential obstacle to the Group's business development but there are no foreseeable obligations resulting from these events at the present time. The resolution of these disputes would represent a business development opportunity for the Group.

Tax disputes

The Group's companies are regularly audited by the tax authorities in the countries in which they are registered.

The assessment of the risk related to each tax dispute is regularly reviewed by the affiliate or region concerned and by the Group's Tax Department, with the assistance of external counsel for the most material or complex cases. Provisions are recognised if necessary. Pernod Ricard provides no further details (other than in exceptional circumstances), as disclosing the amount of any provision for ongoing tax litigation could cause the Group serious harm.

India

Pernod Ricard India (P) Ltd has an ongoing dispute with the Indian customs authorities over the declared transaction value of concentrates of alcoholic beverages (CAB) imported into India. Customs are challenging the transaction values, arguing that some competitors used different values for the import of similar goods. This matter was ruled on by the Supreme Court, which issued an order in July 2010, setting out the principles applicable for the determination of values that should be taken into account for the calculation of duty. Pernod Ricard India (P) Ltd has already paid the corresponding amounts up to 2001. For the period between 2001 and December 2010, Pernod Ricard India (P) Ltd has paid almost the entire differential duty as determined by customs in Delhi following the initial adjustment notice received in 2011. A second notice received in 2013 and confirmed by a court on 14 August 2017 has been suspended by the Supreme Court.

As regards the Company's CAB imports since 2011, Indian authorities have issued reports challenging the transaction values as well as three show cause notices dated 2022, but failed to disclose all the data underlying their allegations. The Group has filed court requests to obtain such data and continues to actively work with the authorities and courts to resolve pending issues. In addition, pending resolution of the dispute, the customs authorities have demanded bank guarantees for the additional adjusted duties. The company challenged this request before the Supreme Court and obtained a stay of execution in March 2023.

Pernod Ricard India (P) is also involved in a debate with the Indian customs authorities over the transaction value of international products imported into India. Discussions are ongoing with the relevant authorities and courts.

Moreover, Pernod Ricard India (P) received several notices of tax adjustment for 2007 to 2018 relating to the tax deductibility of advertising and promotion expenses (see Note 6.4 – *Contingent liabilities*). In 2020, Pernod Ricard India (P) obtained two court rulings in its favour for the period from 2007 to 2014, strengthening its position on the tax deductibility of advertising and promotion expenses.

It should be noted that a provision for the above-mentioned disputes is only recognised, as appropriate in other provisions for contingencies and losses (see Note 4.7 – *Provisions*) or in income taxes payable (see Note 3.3 – *Corporate income tax*), when it is probable that a present obligation arising as a result of a past event will require the payment of an amount that can be estimated reliably. The amount of the provision is the best estimate of the expenditure required to settle the liability.

Commercial disputes

Colombia

Two separate complaints were filed jointly before the Colombian Competition Agency (*Superintendencia de Industria y Comercio*) on 14 November 2017 by the department of Cundinamarca and its wholly owned distilling company Empresa de Licores de Cundinamarca against Pernod Ricard SA, Pernod Ricard Colombia SA and a competitor company. In late December 2020, Pernod Ricard Colombia received notice of a similar complaint, initially filed in September 2019 by the departments of Valle and Antioquia (as well as wholly owned distillation companies). The complaint alleges that the defendants have committed violations of the Colombian Unfair Competition Act and, in particular, Articles 7 and 18 thereof, through the illegal import of spirits into Colombia. The complaints allege that the companies have gained an unfair market advantage over local producers through such activity. The plaintiffs seek damages corresponding to the loss of profits and taxes over the period 2013/17 (2019 in the case of Valle and Antioquia).

Pernod Ricard intends to vigorously defend itself against such allegations. These complaints contains allegations that are similar to those made in prior legal proceedings before the New York courts brought by Cundinamarca, the Republic of Colombia and several other Colombian departments in 2004. The New York proceedings were voluntarily discontinued by the parties in 2012.

Note 6.6 Related parties

Transactions with associates and joint ventures were immaterial in the financial year ended 30 June 2023.
The compensation paid to Corporate Officers and Executive Committee members in return for their services to the Group is detailed below:

€ millions	30.06.2022	30.06.2023
Board of Directors[1]	1	1
Executive Committee		
• Short-term benefits	16	17
• Post-employment benefits	4	4
• Share-based compensation[2]	7	11
TOTAL EXPENSES RECOGNISED FOR THE YEAR	**28**	**33**

(1) Directors' compensation.
(2) The cost of share-based payments corresponds to the expenses recognised in profit and loss over the period in respect of stock options and performance shares granted to members of the Group Executive Committee.

In addition, the Executive Corporate Officer (Chairman and CEO) is eligible for the following severance payments (the subject of a related-party agreement approved by the Shareholders' Meeting of 17 November 2016):

- one-year non-compete clause, together with a payment corresponding to 12 months' compensation;
- forced departure clause subject to performance conditions, together with a maximum payment corresponding to 12 months' compensation.

These clauses were not implemented in the course of the past financial year.

Note 6.7 Events after the reporting period

On 4 July 2023, the Group signed an agreement to acquire, through its affiliate Corby Spirit and Wine, a 90% stake in Ace Beverage Group Inc, the largest independent player in the fast-growing Canadian ready-to-drink (RTD) market, for an enterprise value of CAD 165 million.
Corby will have a path to full ownership of ABG through two call options exercisable in 2025 and 2028.

Note 6.8 Fees of the Statutory Auditors and members of their network for the 12-month financial year[1]

	KPMG			Deloitte & Associés			Others			Total		
	Amount (excl. VAT)			Amount (excl. VAT)			Amount (excl. VAT)			Amount (excl. VAT)		
€ millions	2021/22	2022/23	%	2021/22	2022/23	%	2021/22	2022/23	%	2021/22	2022/23	%
AUDIT												
Statutory audit, certification, review of individual and consolidated financial statements[3]												
Issuer[2]	0.7	0.9	21 %	0.7	0.8	16 %	—	—	—	1.4	1.7	17 %
Fully consolidated affiliates	2.6	2.9	69 %	3.6	3.9	76 %	0.2	0.4	100 %	6.4	7.3	74 %
Subtotal	**3.3**	**3.8**	**90 %**	**4.3**	**4.7**	**92 %**	**0.2**	**0.4**	**100 %**	**7.8**	**9.0**	**91 %**
Services other than certification of financial statements[4]												
Issuer[2]	0.1	0.2	5 %	0.3	0.2	4 %	—	—	0 %	0.4	0.4	4 %
Fully consolidated affiliates	0.2	0.2	5 %	0.2	0.2	4 %	0.1	—	0 %	0.5	0.4	4 %
Of which legal, tax, social	*0.1*	*0.1*	*2 %*	*0.1*	*0.3*	*6 %*	*—*	*—*	*0 %*	*0.2*	*0.4*	*4 %*
Subtotal	**0.3**	**0.4**	**10 %**	**0.5**	**0.4**	**8 %**	**0.1**	**—**	**0 %**	**0.8**	**0.8**	**8 %**
Total	**3.6**	**4.2**	**100 %**	**4.8**	**5.1**	**100 %**	**0.3**	**0.4**	**100 %**	**8.7**	**9.9**	**100 %**

(1) For the period under review, this refers to services provided and recognised in the income statement during a financial year.
(2) The issuer is understood to be the Parent Company.
(3) Including the services of independent experts or members of the Statutory Auditors' network employed to audit the financial statements.
(4) This section sets out the non-audit services provided to the issuer or its affiliates by the Statutory Auditors or the members of their networks. They may be required by law or by the provisions stipulated at the request of the Group or its affiliates and comply with independence requirements.

NOTE 7 Consolidation scope

The annual consolidated financial statements include the financial statements of the Parent Company, Pernod Ricard SA, and those of entities controlled by the Parent Company ("the affiliates"). Control is the power to influence the financial and operating policies of an entity so as to obtain benefits from its activities, irrespective of the percentage held in the entity. Non-controlling interests in the net assets of consolidated affiliates are presented separately from Parent Company shareholders' equity. Non-controlling interests include both the interests of minority shareholders at the date of the original business combination and minority interests in any subsequent changes to shareholders' equity.

Intragroup transactions and internal profits and losses relating to consolidated companies are eliminated.

Companies over which the Group exercises significant influence are accounted for under the equity method.

Note 7.1 Consolidation scope

The main changes to the Group's scope of consolidation in 2023 are presented in Note 1.2 – *Significant events during the financial year*.

Note 7.2 List of main consolidated companies

Company	Country	% interest 30/06/2022	% interest 30/06/2023	Consolidation method***
Pernod Ricard SA	France	Parent company	Parent company	
Laurenskirk (Pty) Ltd	South Africa	80	80	FC
Pernod Ricard South Africa PTY Ltd	South Africa	100	100	FC
Black Forest Distillers GmbH	Germany	100	100	FC
Pernod Ricard Deutschland GmbH	Germany	100	100	FC
Pernod Ricard Andorra, SLU	Andorra	100	100	FC
Pernod Ricard Angola, LDA	Angola	100	100	FC
Pernod Ricard Argentina SRL	Argentina	100	100	FC
Yerevan Brandy Company	Armenia	100	100	FC
Pernod Ricard Pacific Holding Pty Ltd	Australia	100	100	FC
Pernod Ricard Winemakers Pty Ltd	Australia	100	100	FC
Pernod Ricard Austria GmbH	Austria	100	100	FC
Pernod Ricard Belgium SA	Belgium	100	100	FC
Pernod Ricard Brasil Indústria e Comércio ltda.	Brazil	100	100	FC
Pernod Ricard Bulgaria EOOD	Bulgaria	100	100	FC
Corby Spirit and Wine Limited*	Canada	46	46	FC
Hiram Walker & Sons Limited	Canada	100	100	FC
Pernod Ricard Canada Ltée	Canada	100	100	FC
Pernod Ricard Chile SpA	Chile	100	100	FC
Pernod Ricard (China) Trading Co., Ltd	China	100	100	FC
Pernod Ricard Colombia SA	Colombia	100	100	FC
Pernod Ricard Korea Imperial Company Ltd.	South Korea	100	100	FC
Pernod Ricard Korea Ltd	South Korea	100	100	FC
Havana Club International SA	Cuba	50	50	FC
Pernod Ricard Denmark A/S	Denmark	100	100	FC
Bodeboca SL	Spain	100	100	FC
Drinksandco Marketplace, SLU	Spain	100	100	FC
Pernod Ricard España	Spain	100	100	FC
Pernod Ricard Winemakers Espana, SAU	Spain	100	100	FC
Vermuteria de Galicia	Spain	80	80	FC
Pernod Ricard Estonia OÜ	Estonia	100	100	FC
Austin, Nichols & Co., Inc	United States	100	100	FC
Avion Spirits, LLC	United States	100	100	FC
Castle Brands, Inc.	United States	100	100	FC
Código US LLC	United States	0	50	FC

Company	Country	% interest 30/06/2022	% interest 30/06/2023	Consolidation method***
Del Maguey Inc.	United States	62	100	FC
Firestone & Robertson Distilling Company LLC	United States	100	100	FC
Pernod Ricard Americas IP Management LLC	United States	100	100	FC
Pernod Ricard Americas Travel Retail LLC	United States	100	100	FC
Pernod Ricard USA LLC	United States	100	100	FC
Pernod Ricard Kenwood Holding LLC	United States	100	100	FC
Pernod Ricard Marketing USA LLC	United States	100	100	FC
Pernod Ricard USA Finance Inc.	United States	100	100	FC
Pernod Ricard USA, LLC	United States	100	100	FC
PRUSA Acquisitions LLC	United States	100	100	FC
Rabbit Hole Spirits, LLC	United States	80	80	FC
Skrewball LLC	United States	0	70	FC
Smooth Ambler Spirits Co.	United States	80	100	FC
Sovereign Brands LLC	United States	0	33	FC
Pernod Ricard Finland OY	Finland	100	100	FC
Augier Robin Briand & Cie	France	100	100	FC
Champagne Perrier-Jouët	France	100	100	FC
Château Sainte Marguerite	France	60	60	FC
Domaines Jean Martell	France	100	100	FC
Financière Moulins de Champagne	France	100	100	FC
GH Mumm & Cie SVCS	France	100	100	FC
Le Maine au Bois	France	100	100	FC
Lina 16	France	100	100	FC
Lina 3	France	100	100	FC
Lina 5	France	100	100	FC
Martell & Co SA	France	100	100	FC
Martell Mumm Perrier-Jouët	France	100	100	FC
Vignobles Mumm Perrier-Jouët	France	100	100	FC
Pernod Ricard Finance SA	France	100	100	FC
Pernod Ricard Middle East and North Africa	France	100	100	FC
Pernod Ricard North America SAS	France	100	100	FC
Pernod Ricard France SAS****	France	100	100	FC
Société Lillet Frères	France	100	100	FC
Spirits Partners SAS	France	100	100	FC
Théodore Legras	France	100	100	FC
Pernod Ricard Ghana Limited	Ghana	100	100	FC
Pernod Ricard Hellas ABEE	Greece	100	100	FC
Allied Spirits & Wine (China) Ltd	Hong Kong	100	100	FC
Pernod Ricard Asia Duty Free Ltd	Hong Kong	100	100	FC
Pernod Ricard Hong Kong Ltd	Hong Kong	100	100	FC
Peri Mauritius	Mauritius	100	100	FC
Pernod Ricard India Private Limited	India	100	100	FC
Comrie Limited	Ireland	100	100	FC
Irish Distillers Group Unlimited Company	Ireland	100	100	FC
Irish Distillers Ltd	Ireland	100	100	FC
Samuelson International DAC	Ireland	100	100	FC
Irish Distillers International LTD	Ireland	100	100	FC
Pernod Ricard Italia SPA	Italy	100	100	FC
The Kyoto Distillery KK	Japan	100	100	FC
Pernod Ricard Japan KK	Japan	100	100	FC
Pernod Ricard Kazakhstan	Kazakhstan	100	100	FC
Pernod Ricard Kenya Limited	Kenya	100	100	FC
Pernod Ricard Lietuva UAB	Lithuania	100	100	FC
La Hechicera Company Sarl	Luxembourg	51	51	FC
Pernod Ricard Malaysia SDN BHD	Malaysia	100	100	FC
Pernod Ricard Maroc	Morocco	100	100	FC

Company	Country	% interest 30/06/2022	% interest 30/06/2023	Consolidation method***
Pernod Ricard Mexico SA de CV	Mexico	100	100	FC
Seagram Myanmar Company Ltd*	Myanmar	34	34	FC
Pernod Ricard Norway AS	Norway	100	100	FC
Pernod Ricard Winemakers New Zealand Limited	New Zealand	100	100	FC
Allied International Holdings BV	Netherlands	100	100	FC
Pernod Ricard Nederland BV	Netherlands	100	100	FC
PR Goal Nederland BV	Netherlands	100	100	FC
Pernod Ricard Peru SA	Peru	100	100	FC
Pernod Ricard Philippines, Inc.	Philippines	70	70	FC
Agros Holding SA	Poland	100	100	FC
Wyborowa SA	Poland	100	100	FC
Pernod Ricard Portugal – Distribuição, SA	Portugal	100	100	FC
Pernod Ricard Dominicana, SA	Dominican Republic	100	100	FC
Jan Becher – Karlovarska Becherovka, a.s.	Czech Republic	100	100	FC
Pernod Ricard Romania SRL	Romania	100	100	FC
Allied Domecq (Holdings) Limited	United Kingdom	100	100	FC
Allied Domecq Limited	United Kingdom	100	100	FC
AD Overseas (Europe) Limited	United Kingdom	100	100	FC
Allied Domecq Spirits & Wine Holdings Limited	United Kingdom	100	100	FC
Allied Domecq Spirits & Wine Limited	United Kingdom	100	100	FC
AD Westport Limited	United Kingdom	100	100	FC
Chivas Brothers (Holdings) Ltd	United Kingdom	100	100	FC
Chivas Brothers Ltd**	United Kingdom	100	100	FC
Chivas Brothers International Ltd**	United Kingdom	100	100	FC
Chivas Brothers Pernod Ricard	United Kingdom	100	100	FC
Chivas Holdings (IP) Limited	United Kingdom	100	100	FC
Chivas Investments Limited**	United Kingdom	100	100	FC
Coates & Co (Plymouth) Limited	United Kingdom	100	100	FC
Dillon Bass Ltd	United Kingdom	74	74	FC
Edward Dillon (Bonders) Ltd	United Kingdom	100	100	FC
Goal Acquisitions (Holdings) Ltd	United Kingdom	100	100	FC
Goal Acquisitions Ltd	United Kingdom	100	100	FC
Italicus Ltd	United Kingdom	50	50	FC
Pernod Ricard UK Group Limited	United Kingdom	100	100	FC
Pernod Ricard UK Ltd	United Kingdom	100	100	FC
PR Goal 3 Ltd	United Kingdom	100	100	FC
The Whisky Exchange	United Kingdom	100	100	FC
World Brands Duty Free Ltd	United Kingdom	100	100	FC
Pernod Ricard Rouss CJSC	Russia	100	100	FC
Pernod Ricard Singapore PTE Ltd	Singapore	100	100	FC
Pernod Ricard Slovakia s.r.o	Slovakia	100	100	FC
Distilled Innovation AB	Sweden	100	100	FC
Pernod Ricard Sweden AB	Sweden	100	100	FC
The Absolut Company AB	Sweden	100	100	FC
Pernod Ricard Swiss SA	Switzerland	100	100	FC
Pernod Ricard Taiwan Ltd	Taiwan	100	100	FC
Pernod Ricard Thailand Ltd	Thailand	100	100	FC
Pernod Ricard Istanbul Ic ve Dis Ticaret Limited Sirketi	Turkey	100	100	FC
Pernod Ricard Ukraine	Ukraine	100	100	FC
Pernod Ricard Uruguay SA	Uruguay	100	100	FC
Pernod Ricard Vietnam Company Limited	Vietnam	100	100	FC

* *The companies Corby Spirit and Wine Limited and Seagram Myanmar Company Ltd are consolidated using the full consolidation method because of the Group's control over the entities.*

** *Limited companies that are members, or with affiliates that are members, of UK partnerships.*
In accordance with Regulation 7 of The Partnerships (Accounts) Regulations 2008, annual financial statements have not been prepared for the aforementioned companies as said UK companies are consolidated within the Pernod Ricard Group consolidated financial statements.

*** *FC: full consolidation.*

**** *Since the merger of Pernod SAS and Ricard SAS on 1 July 2020.*

6.7 Statutory auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the financial statements of Pernod Ricard issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 30 June 2023

To the Pernod Ricard S.A. Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meetings, we have audited the accompanying consolidated financial statements of Pernod Ricard S.A. for the year ended 30 June 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 30 June 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for statutory auditors for the period from 1 July 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code ("Code de commerce") relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Key Audit Matters	Responses as part of our audit
Brands' valuation *(Notes 1.1.4 and 4.1 to the consolidated financial statements)* As of 30 June 2023, indefinite-life brands were recorded in the balance sheet for a net carrying amount of €12,050 million, i.e. 32% of total assets. Cash Generating Units ("CGUs") are defined as the brand and all assets required to generate the cash flows associated with the brand. An impairment loss is recorded when their net carrying amount exceeds their recoverable amount. Their recoverable amount is determined as part of mandatory annual impairment tests given their indefinite life and/or specific tests required in the event of an indication of a loss in value. Recoverable amounts are generally determined based on discounted future cash flow calculations and involve significant management judgments of components such as price and volume growth rates, the timing of future operating expenses and discount and long-term growth rates. Based on its annual impairment tests results, the Company recorded an impairment loss before tax of €21 million for the year ended 30 June 2023, as disclosed in the Note 4.1 to the consolidated financial statements. Furthermore, the sensitivity of CGUs' recoverable amounts to assumptions was analysed by management and presented in Note 4.1. Changes in these assumptions could give rise to further impairment losses. Considering the weight of brands on the balance sheet, the complexity of the models used and their sensitivity to changes in the data and assumptions underlying the estimates, particularly cash flow forecasts and discount rates used, we considered the recoverable amount of brands to be a key audit matter presenting a risk of material misstatement.	Our procedures mainly consisted in: • assessing the principles and methods of calculating CGUs' accounting and recoverable amounts; • testing the operation of Group controls covering the calculation of CGUs' recoverable amounts; • for CGUs with a recoverable amount close to their carrying amount ("sensitive brands' CGUs"), confirming the results of the valuation model used by management by comparing them with the results of our models; • corroborating the reasonableness of the main data and assumptions underlying the estimates (such as the discount rates and long-term growth rates), primarily for "sensitive brands' CGUs", especially with regard to available market analyses and in relation to economic environments where the Group operates; • being informed of the commercial outlook of the brands based on interviews with management and comparing the accounting estimates of prior period cash flow projections with corresponding actual values to assess reliability; • testing the arithmetical accuracy of the valuations used by the Company on a sample basis; • assessing management's sensitivity analysis on recoverable amounts to changes in main assumptions. We also assessed the appropriateness of the disclosures in Notes 1.1.4 and 4.1 to the consolidated financial statements and verified the arithmetical accuracy of the presented sensitivity analysis.

Key Audit Matters	Responses as part of our audit
Tax risks *(Notes 1.1.4, 4.7, 4.7.1, 4.7.2, 6.4 and 6.5 to the consolidated financial statements)* The Group operates in numerous different tax jurisdictions. The tax authorities of the countries in which the Group companies operate regularly have queries on issues relating to their everyday activities. Tax audits can therefore give rise to tax reassessments and litigation with these tax authorities. The assessment of the risk related to each tax litigation is regularly reviewed by each concerned subsidiary or region and by the Group's tax department, with the support of its external counsels for the most significant and complex litigations. Part of the amount of provisions for contingences for all legal disputes or risks involving the Group relate to tax risks and litigation. More particularly, the Indian subsidiary is involved in disputes with customs and tax authorities over, among others, the declared transaction value of imported products into India and the tax deductibility of promotional and advertising expenses. As indicated in the Note 6.5 "Disputes", the reassessment proposals are only the subject of provisions or income tax payables where appropriate, when it is likely that a current liability resulting from a past event will require an outflow of resources which can be reliably estimated. Given the Group's exposure to tax issues, which are in part specific to its business sector, and the high level of management judgment in estimating the risks and amounts recorded, we considered tax risks to be a key audit matter and the understatement of the corresponding provisions to be a possible source of material misstatement in the financial statements.	Based on discussions with management, we have been informed of the procedures implemented by the Group to identify uncertain tax positions and, where necessary, provide for tax risks or income tax payables. In addition, we assessed the judgments made by management in evaluating the probability of taxes being payable, the amount of potential exposure and the reasonableness of the estimates adopted for provisions for tax risks or income tax payables. We particularly focused on the impact of changes in local tax regulations and ongoing audits conducted by local tax authorities. To assess whether the tax liabilities were appropriately recognized, and with the assistance of our tax experts, we: • conducted interviews with the Group's tax department and regional and local management teams in order to assess the current state of the investigations and reassessments made by tax authorities and monitor the development of ongoing tax disputes; • consulted the recent Group company decisions and correspondence with local tax authorities, and reviewed the correspondence between the relevant companies and their lawyers, where necessary; • analyzed lawyers' responses to our information requests; • performed a critical review of the estimates and positions adopted by management; • assessed whether the latest developments were taken into account in the provisions recorded in the balance sheet. We also assessed the disclosures in Notes 1.1.4, 4.7, 4.7.1, 4.7.2, 6.4 and 6.5 to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code ("Code de commerce") is included in the Group's information given in the management report, it being specified that, in accordance with the provisions of Article L.823-10 of the code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information should be reported by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation N° 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Pernod Ricard by the Shareholders' Meeting held on 13 May 2003 for Deloitte & Associés and on 17 November 2016 for KPMG S.A.

As at 30 June 2023, Deloitte & Associés and KPMG S.A. were in the 20th year and 7th year of total uninterrupted engagement, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code ("Code de commerce"), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code ("Code de commerce") and in the French Code of Ethics ("Code de déontologie") for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, September 19, 2023
The Statutory Auditors,
French original signed by

KPMG S.A.		**Deloitte & Associés**	
Caroline Bruno-Diaz	Adrien Johner	Marc de Villartay	Loris Strappazzon
Partner	*Partner*	*Partner*	*Partner*

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7.1 Pernod Ricard SA income statement

For the financial years ended 30 June 2022 and 30 June 2023

€ thousands	FY 2022	FY 2023
Net sales	360,569	422,706
Royalties	18,152	20,118
Other income	465	1,655
Reversals of operating provisions and expense transfers	18,017	33,463
Operating income	**397,203**	**477,942**
Cost of sales and external services	(330,160)	(410,421)
Duties and other taxes	(7,788)	(11,549)
Staff costs	(125,578)	(143,720)
Depreciation, amortisation and provisions	(40,643)	(36,378)
Other expenses	(7,838)	(9,823)
Operating expenses	**(512,007)**	**(611,891)**
Net operating income/(loss)	**(114,804)**	**(133,949)**
Income from equity investments	1,926,810	2,172,025
Interest and related income	172,511	113,371
Reversals of financial provisions and expense transfers	205,526	215,711
Foreign exchange gains	11,046	294,501
Financial income	**2,315,893**	**2,795,608**
Additions to provisions	(215,106)	(348,640)
Interest and related expenses	(287,327)	(219,171)
Foreign exchange losses	(5,342)	(193,652)
Financial expenses	**(507,775)**	**(761,463)**
Net financial income/(expense)	**1,808,118**	**2,034,145**
Profit from recurring operations	**1,693,314**	**1,900,196**
Net non-recurring income/(expense)	**(3,358)**	**(30,805)**
Profit before income tax	**1,689,956**	**1,869,391**
Corporate income tax	144,598	98,785
PROFIT FOR THE YEAR	**1,834,554**	**1,968,176**

7.2 Pernod Ricard SA balance sheet

For the financial years ended 30 June 2022 and 30 June 2023

ASSETS

€ thousands	Net value 30/06/2022	Gross value 30/06/2023	Depreciation, amortisation and provisions	Net value 30/06/2023	Notes
Concessions, patents and licences	28,726	34,206	(5,456)	28,750	
Other intangible assets	42,346	139,293	(70,253)	69,040	
Advances and down payments	26,411	17,024	–	17,024	
Intangible assets	**97,483**	**190,523**	**(75,709)**	**114,814**	**2**
Land	485	485	–	485	
Buildings	29,890	35,192	(6,736)	28,456	
Machinery and equipment	478	947	(574)	373	
Other property, plant and equipment	19,463	33,861	(17,150)	16,711	
Advances and down payments	342	443	–	443	
Property, plant and equipment	**50,658**	**70,928**	**(24,460)**	**46,468**	
Equity investments	13,026,406	13,213,351	(193,592)	13,019,759	3
Loans and advances to equity investments	59,370	69,468	–	69,468	3 & 4
Other non-current financial assets	9,253	310,730	–	310,730	3 & 4
Non-current financial assets	**13,095,029**	**13,593,549**	**(193,592)**	**13,399,957**	**3**
Total non-current assets	**13,243,170**	**13,855,000**	**(293,761)**	**13,561,239**	
Advances and supplier prepayments	**873**	**476**	**–**	**476**	**4**
Trade receivables	448,313	505,731	(2,929)	502,802	
Other receivables	1,201,715	1,906,210	(3,312)	1,902,898	
Receivables	**1,650,028**	**2,411,941**	**(6,241)**	**2,405,700**	**4**
Marketable securities	**139,597**	**146,897**	**–**	**146,897**	**5**
Cash at bank and in hand	**312,516**	**7,890**	**(2,300)**	**5,590**	
Prepaid expenses	**3,644**	**16,074**	**–**	**16,074**	**6**
Total current assets	**2,106,658**	**2,583,278**	**(8,541)**	**2,574,737**	
Bond redemption premiums	**37,239**	**45,020**	**–**	**45,020**	**6**
Unrealised foreign exchange losses	**359,885**	**171,057**	**–**	**171,057**	**6**
TOTAL ASSETS	**15,746,952**	**16,654,355**	**(302,302)**	**16,352,053**	

LIABILITIES AND SHAREHOLDERS' EQUITY

€ thousands	30/06/2022	30/06/2023	Notes
Share capital	**399,818**	**396,229**	**7**
Share, merger and contribution premiums	**3,039,030**	**3,039,030**	
Statutory reserves	41,140	41,140	
Regulated reserves	179,559	179,559	
Reserves	**220,699**	**220,699**	
Retained earnings	**1,034,290**	**1,364,500**	
Profit for the year	**1,834,554**	**1,968,176**	
Interim dividends pending appropriation	**(400,870)**	**(521,727)**	
Shareholders' equity	**6,127,522**	**6,466,908**	**8**
Provisions for contingencies and losses	**379,678**	**479,867**	**9**
Bonds	8,229,000	8,506,429	4 & 12
Bank borrowings and debt	–	–	4
Other borrowings and debt	931	26,884	4
Borrowings and debt	**8,229,931**	**8,533,312**	
Trade payables	192,328	214,059	
Tax and social security payables	58,942	64,541	
Amounts due on non-current assets and related accounts	–	9,403	
Other payables	449,023	565,123	
Operating payables	**700,293**	**853,126**	**4**
Deferred income	**16,293**	**13,608**	**4 & 10**
Total liabilities	**8,946,517**	**9,400,046**	
Unrealised foreign exchange gains	**293,234**	**5,232**	**10**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**15,746,952**	**16,352,053**	

7.3 Pernod Ricard SA cash flow statement

For the financial years ended 30 June 2022 and 30 June 2023

€ thousands	FY 2022	FY 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	1,834,554	1,968,176
Net additions to depreciation, amortisation and provisions	21,057	48,759
Changes in provisions	(32,507)	94,145
Capital gains and losses on disposals of assets and other items	(10,870)	(46)
Cash from operations before change in working capital requirement	**1,812,234**	**2,111,034**
Decrease/(Increase) in working capital requirement	(245,897)	654,919
Change in debt from operating activities	**1,566,337**	**2,765,953**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of non-financial assets (net of disposals)	(38,954)	(40,460)
Purchases of non-current financial assets (net of disposals)	(67,830)	(316,919)
Change in debt from investing activities	**(106,784)**	**(357,379)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Medium- and long-term bond issues	1,022,867	268,269
Medium- and long-term borrowings and debt	(12,819)	(7,781)
Other changes in equity	(745,727)	(451,367)
Dividends paid	(866,023)	(1,056,567)
Change in debt from financing activities	**(601,702)**	**(1,247,446)**
Change in short-term net debt	**857,851**	**1,161,128**
NET CASH/(SHORT-TERM NET DEBT) AT BEGINNING OF YEAR	**(510,908)**	**346,944**
NET CASH/(SHORT-TERM NET DEBT) AT END OF YEAR	**346,944**	**1,508,072**

Note: Presentation of the cash flow statement

Changes in net debt comprise changes in borrowings and debt as well as cash and cash equivalents.
Net debt breaks down as follows:

€ thousands	30/06/2022	30/06/2023
Borrowings and debt	(931)	(26,884)
Bonds	(62,831)	(71,991)
Intra-group current account	(41,407)	1,454,459
Marketable securities	139,597	146,897
Cash at bank and in hand	312,516	5,590
Net cash/(short-term net debt) at end of year	**346,944**	**1,508,072**
Bonds	(8,166,169)	(8,434,438)
Borrowings and debt	37,239	45,020
MEDIUM- AND LONG-TERM NET DEBT AT END OF YEAR	**(8,128,930)**	**(8,389,418)**
TOTAL NET DEBT AT END OF YEAR	**(7,781,986)**	**(6,881,346)**

7.4 Analysis of Pernod Ricard SA income statement and balance sheet

7.4.1 Relations between the Parent Company and its affiliates

The main role of Pernod Ricard SA, the Group's Parent Company, is to carry out general interest and coordination activities in strategy, financial control of affiliates, external growth, marketing, development, research, human resources and communications. Pernod Ricard SA's financial relations with its affiliates mainly involve the billing of royalties for the use of trademarks owned by Pernod Ricard SA, other miscellaneous billings and the receipt of dividends.

7.4.2 Income statement and balance sheet for the financial year ended 30 June 2023

Analysis of the income statement for the financial year ended 30 June 2023

Operating income totalled €478 million for the financial year ended 30 June 2023, up €81 million from the prior year, partly due to an increase of €62 million in net sales (see Note 17).

Operating expenses were €612 million for FY 2023, up €100 million versus €512 million one year ago.

The net operating loss was €134 million for FY 2023, representing a deterioration of €19 million versus the prior year.

Net financial income amounted to €2,034 million for FY 2023, up €226 million versus €1,808 million one year ago (see Note 18).

Non-recurring income and expenses represented a net expense of €31 million for FY 2023.

Lastly, corporate income tax represented a tax benefit of €99 million for FY 2023, related to the effects of the tax consolidation during the year.

As a result, profit for FY 2023 was €1,968 million.

Analysis of the balance sheet for the financial year ended 30 June 2023

Assets

Total net non-current assets stood at €13,561 million at 30 June 2023, compared with €13,243 million at the previous year-end, *i.e.*, an increase of €318 million. The main changes observed were as follows:

- an increase of €17 million in intangible assets;
- an increase of €305 million in non-current financial assets (see Note 3).

Current assets amounted to €2,575 million at 30 June 2023, an increase of €468 million compared with 30 June 2022.

Accrued assets, amounting to €216 million, consist of "Unrealised foreign exchange losses" and "Bond redemption premiums".

Liabilities and shareholders' equity

Shareholders' equity amounted to €6,467 million at 30 June 2023, compared with €6,128 million at 30 June 2022. The main movements during the period were as follows:

- profit for the year of €1,968 million;
- the payment of the balance of the dividend for FY 2023 of €655 million;
- the payment of an interim dividend of €2.06 per share in respect of FY 2023, amounting to €522 million. This interim dividend was paid on 7 July 2023;
- the continuation of the share buyback programme, with the cancellation of the shares bought back for a total amount of €451 million.

The amount of provisions for contingencies and losses was €480 million, an increase of €100 million.

During the period, borrowings and debt increased by €303 million, mainly due to:

- the issue of two new bonds for €600 million and €500 million, and the redemption of a bond for USD 800 million;
- an increase in accrued interest, for €9 million;
- the impact of foreign exchange on borrowings denominated in US dollars, for a negative €61 million.

Operating payables amounted to €853 million, an increase of €153 million, mainly due to:

- an increase in trade payables, for €31 million;
- the change in miscellaneous payables, including a negative €40 million in the intra-group current account and a positive €121 million in dividends payable.

Accrued liabilities, amounting to €5 million at 30 June 2023, consist of "Unrealised foreign exchange gains", which decreased by €288 million compared with 30 June 2022.

7.5 Notes to the Pernod Ricard SA separate financial statements

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Pernod Ricard SA is a French public limited company *(Société Anonyme)*, subject to all laws governing commercial companies in France, including in particular the provisions of the French Commercial Code *(Code de commerce)*. The Company has its registered office at 5, cours Paul Ricard, 75008 Paris, France, and is listed on the Euronext stock exchange.

At 30 June 2023, total assets stood at €16,352,053 thousand. Profit for the year, as shown in the income statement, was €1,968,176 thousand. The financial year covered the 12-month period from 1 July 2022 to 30 June 2023.

NOTE 1 Accounting policies

The annual financial statements have been prepared in accordance with the provisions of the French General Chart of Accounts *(Plan comptable général)*, which apply under Regulation 2014-03 of the French accounting standards-setter (*Autorité des Normes Comptables* – ANC) of 5 June 2014 and all rules subsequently amended. General accounting rules have been applied, in accordance with the principle of prudence, pursuant to the following base assumptions:

- going concern;
- consistency of accounting policies from one financial year to the next;
- accruals basis of accounting;
- in accordance with the general rules of preparing and presenting annual financial statements.

The standard method used to measure items recorded in the balance sheet is the historical cost method.

1.1 Intangible assets

The trademarks acquired from the merger of Pernod and Ricard in 1975 and from subsequent mergers are the Company's main intangible assets.

Intangible assets are initially measured at cost. Amortisation is calculated on a straight-line basis over the expected useful lives of the assets.

As part of its digital transformation, Pernod Ricard SA has developed tools to leverage data generated by the Group's various activities. The production of these algorithms falls within the scope of the accounting regulations for internally-generated intangible assets. Development costs are recognised as intangible assets from the date on which technical feasibility is demonstrated and the related human and material resources are sufficient. The amount recognised as intangible assets in respect of these projects was €19.6 million for FY 2023. They are amortised over five years.

1.2 Property, plant and equipment

Property, plant and equipment is initially measured at cost (purchase price plus ancillary costs but excluding acquisition-related fees). Depreciation is calculated using the straight-line or declining-balance methods, based on the estimated useful lives of the assets:

- buildings: between 20 and 50 years (straight-line);
- building fixtures and fittings: 10 years (straight-line);
- equipment: 5 years (straight-line);
- furniture, office equipment: 10 years (straight-line) or 4 years (declining-balance).

1.3 Non-current financial assets

The gross value of investments comprises their acquisition cost, excluding ancillary costs.

If the value in use of investments is lower than their acquisition cost, an impairment loss is recognised in financial income and expenses for the amount of the difference.

Pernod Ricard SA mainly uses two methods to estimate the value in use of its equity investments:

- the enterprise value of the main investments is estimated based on the most recent estimate of the net asset value, by identifying in particular the unrealised capital gains on assets held by the affiliates, such as trademarks. Net asset value is estimated based on methods such as the discounted cash flow method. The term of the cash flow projections reflects the characteristics of the Group's brands and their production assets. Discounted projected cash flows are established based on annual budgets and multi-year business plans, extrapolated to subsequent years by gradually converging growth for the last year of the plan for each brand and market towards a perpetuity growth rate. The calculation includes a terminal value derived by capitalising the cash flows generated in the last year of the plan;
- for other equity investments, value in use is estimated based on the share of the affiliate's equity represented by the investment.

1.4 Receivables

Receivables are recognised at their nominal value. An impairment loss is recognised if their recoverable amount falls below their carrying amount.

1.5 Marketable securities

Marketable securities include treasury shares acquired in connection with stock option and performance share plans and earmarked for that purpose at the time of acquisition.

A liability is recognised when it becomes probable that the rights to receive the marketable securities concerned by the plans will be exercised. For other marketable securities, an impairment loss is recognised when the cost price exceeds the market price.

1.6 Bonds

Redemption premiums are amortised over the term of the bonds.

1.7 Provisions for contingencies and losses

Provisions for contingencies and losses are recognised in accordance with Accounting Regulation 2000-06 on liabilities, issued on 7 December 2000 by the French accounting regulatory committee (*Comité de Réglementation Comptable* – CRC).

This regulation provides that a liability be recognised when an entity has a present obligation towards a third party and that it is probable or certain that this obligation will result in an outflow of resources to the third party without equivalent consideration being received. A present obligation must exist at the reporting date for a provision to be recognised.

1.8 Pensions and other long-term employee benefits

Since the financial year ended 30 June 2014, the Company has opted to recognise the full liability for pensions and other long-term employee benefits in the balance sheet, as provided by ANC Recommendation 2013-02. At 30 June 2023, the provision for pensions and other long-term employee benefits was €35 million.

Following the decision published by the IFRIC in April 2021 on IAS 19 “Employee Benefits”, covering the attribution of benefits to periods of service and clarifying the periods over which employee benefits should be attributed in allocating the IAS 19 expense, the Company has chosen, since FY 2022, in accordance with the update of 17 November 2021 to ANC Recommendation 2013-02 of 7 November 2013 on the rules for measuring and recognising pension commitments and similar benefits, to apply this accounting method for its financial statements prepared in accordance with French accounting principles.

1.9 Translation of receivables and payables denominated in foreign currency

Payables, receivables and cash balances denominated in foreign currencies are translated into euros as follows:

- translation of all payables, receivables and cash balances denominated in foreign currencies at period-end exchange rates;
- recognition of a provision for currency risk for any unrealised currency losses, after taking into account the effect of any offsetting foreign exchange hedging transactions.

Pernod Ricard SA has several hedging relationships and generates an overall foreign currency position for economic hedging instruments and hedged items that do not form a hedging relationship in order to calculate the currency risk provision.

1.10 Forward financial instruments

Differences arising from changes in the value of financial instruments used as hedges are recognised in profit or loss in a manner symmetrical to that of the underlying income and expenses.

1.11 Corporate income tax

Pernod Ricard SA is subject to the French tax consolidation system defined by the law of 31 December 1987. Under certain conditions, this system allows income taxes payable by profitable companies to be offset against tax losses of other companies. The system is governed by Articles 223-A *et seq.* of the French Tax Code *(Code général des impôts)*.

Each company in the tax group calculates and recognises its income tax expense as if it were taxed as a stand-alone entity.

The effects of tax consolidation are recognised in the Pernod Ricard SA financial statements.

1.12 Related parties

The majority of transactions with related parties are carried out with affiliates held directly or indirectly.

NOTE 2 Property, plant and equipment and intangible assets

2.1 Gross value

€ thousands	At 30/06/2022	Acquisitions	Disposals/ Retirements	At 30/06/2023
Trademarks	32,473	–	–	32,473
Trademark costs	1,734	(1)	–	1,733
Software	91,014	48,852	(574)	139,292
Advances and down payments on intangible assets	26,411	39,253	(48,640)	17,024
TOTAL INTANGIBLE ASSETS	**151,633**	**88,104**	**(49,214)**	**190,523**
Land	485	–	–	485
Buildings	35,193	(1)	–	35,192
Machinery and equipment	883	64	–	947
Other property, plant and equipment	32,818	1,043	–	33,861
Advances and down payments	342	1,207	(1,106)	443
TOTAL PROPERTY, PLANT AND EQUIPMENT	**69,721**	**2,313**	**(1,106)**	**70,928**

2.2 Depreciation and amortisation

€ thousands	At 30/06/2022	Additions	Reversals	At 30/06/2023
Trademarks	(5,088)	–	–	(5,088)
Trademark costs	(393)	25	–	(368)
Software	(48,668)	(21,585)	–	(70,253)
TOTAL AMORTISATION OF INTANGIBLE ASSETS	**(54,150)**	**(21,560)**	**–**	**(75,709)**
Land	–	–	–	–
Buildings	(5,303)	(1,433)	–	(6,736)
Machinery and equipment	(405)	(169)	–	(574)
Other property, plant and equipment	(13,355)	(3,795)	–	(17,150)
TOTAL DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	**(19,063)**	**(5,397)**	**–**	**(24,460)**

NOTE 3 Non-current financial assets

3.1 Gross value

€ thousands	At 30/06/2022	Acquisitions/ Additions	Corporate actions	Disposals/ Retirements	At 30/06/2023
Investments in consolidated entities	13,186,619	16,523	154	–	13,203,296
Investments in non-consolidated entities	10,937	–	–	(1,522)	9,415
Other equity investments	640	–	–	–	640
Advances on investments	–	–	–	–	–
Equity investments	**13,198,196**	**16,523**	**154**	**(1,522)**	**13,213,351**
Loans and advances to equity investments	59,370	13,227	–	(3,128)	69,469
Deposits and guarantees	4,016	458	–	(5)	4,469
Liquidity agreement	5,237	117	–	–	5,354
Treasury shares	–	300,906	–	–	300,906
TOTAL	**13,266,819**	**331,231**	**154**	**(4,655)**	**13,593,549**

The change in “Investments in consolidated entities” is mainly due to the capital increase of Lina 20 for €15 million.

The change in “Investments in non-consolidated entities” is due to the transfer of Lina 7, Lina 8, Lina 23, Lina 24, Lina 27, Lina 29, Lina 30, Web 3 Factory, Casa del Ron and Easy 24 to “Investments in consolidated entities”.

3.2 Provisions

€ thousands	At 30/06/2022	Additions	Reversals	At 30/06/2023
Investments in consolidated entities[(1)]	(165,448)	(22,432)	–	(187,880)
Investments in non-consolidated entities	(5,702)	–	630	(5,072)
Other equity investments	(640)	–	–	(640)
Advances on investments	–	–	–	–
Equity investments	**(171,790)**	**(22,432)**	**630**	**(193,592)**
Treasury shares	–	–	–	–
TOTAL	**(171,790)**	**(22,432)**	**630**	**(193,592)**

(1) The change in this item corresponds to additions to provisions in respect of Lina 20 securities for €14 million and of Créateurs de Convivialité Venture securities for €7 million.

NOTE 4 Maturity of receivables and payables

4.1 Receivables

€ thousands	Gross amount	Due in 1 year or less	Due in more than 1 year
Loans and advances to equity investments	69,468	–	69,468
Loans	–	–	–
Other non-current financial assets	310,730	306,260	4,470
Receivables and other non-current financial assets	**380,198**	**306,260**	**73,938**
Current assets other than marketable securities and cash at bank and in hand	2,412,416	2,273,168	139,248
Prepaid expenses	16,074	16,074	–
TOTAL	**2,808,688**	**2,595,502**	**213,186**

4.2 Liabilities

€ thousands	Gross amount	Due in 1 year or less	Due in 1 to 5 years	Due in more than 5 years
Bonds (see breakdown in Note 12)	8,506,429	500,000	3,319,198	4,687,231
Bank borrowings and debt	–	–	–	–
Other borrowings and debt	26,884	26,884	–	–
Trade payables	214,059	214,059	–	–
Tax and social security payables	64,541	64,541	–	–
Amounts due on non-current assets and related accounts	9,403	9,403	–	–
Other payables(1)	565,123	565,123	–	–
Deferred income	13,608	13,608	–	–
TOTAL	**9,400,046**	**1,393,617**	**3,319,198**	**4,687,231**

(1) Mainly tax current accounts for €41 million and dividends payable for €521 million.

NOTE 5 Marketable securities

€ thousands or quantities	At 30/06/2022		Acquisitions(1)		Corporate actions		Reclassifications		Exercise/Disposal(2)		At 30/06/2023	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Pernod Ricard shares	–	–	–	–	–	–	–	–	–	–	–	–
Gross value	979,451	139,597	204,316	37,984	–	–	–	–	(244,722)	(30,684)	939,045	146,897
Impairment	–	–	–	–	–	–	–	–	–	–	–	–
NET VALUE	**979,451**	**139,597**	**204,316**	**37,984**	**–**	**–**	**–**	**–**	**(244,722)**	**(30,684)**	**939,045**	**146,897**

(1) Of which €18 million for the 2019 plan and €17 million for the 2022 plan.
(2) Of which mainly €23 million for the vesting of free shares (2018 plans) and €6 million for the exercise of stock options (2015, 2016, 2017 and 2018 plans).

NOTE 6 Prepaid expenses and other accrued assets

€ thousands	At 30/06/2022	Increases	Decreases	At 30/06/2023
Prepaid expenses	3,644	12,430	–	16,074
Bond redemption premiums	37,239	20,093	(12,312)	45,020
Unrealised foreign exchange losses[1] (see breakdown in Note 1.9)	359,885	171,057	(359,885)	171,057
TOTAL	**400,768**	**203,580**	**(372,197)**	**232,151**

(1) The €171 million in unrealised foreign exchange losses at 30 June 2023 is attributable mainly to the remeasurement of assets and liabilities denominated in US dollars at the closing euro exchange rate on 30 June 2023.

NOTE 7 Composition of the share capital

At 30 June 2023, the share capital comprised 255,631,733 shares with a par value of €1.55 each. The total share capital thus amounted to €396,229,186.15.

On 26 April 2023, the Company carried out a capital reduction in the amount of €3,589,214.10, by cancelling 2,315,622 shares previously held in treasury and acquired in particular in connection with the Company's share buyback programme.

NOTE 8 Shareholders' equity

€ thousands	At 30/06/2022	Appropriation of net profit	Cancellation of shares bought back[2]	Distribution of dividends	2023 profit	At 30/06/2023
Share capital	399,818		(3,589)	–	–	396,229
Share, merger and contribution premiums	3,039,030		–	–	–	3,039,030
Statutory reserves	41,140		–	–	–	41,140
Regulated reserves	179,559		–	–	–	179,559
Retained earnings	1,034,290	1,834,554	(447,777)	(1,056,567)	–	1,364,500
Profit for the year	1,834,554	(1,834,554)	–	–	1,968,176	1,968,176
Interim dividends payable[1]	(400,870)		–	(120,856)	–	(521,726)
TOTAL	**6,127,522**	**–**	**(451,367)**	**(1,177,424)**	**1,968,176**	**6,466,908**

(1) At its meeting in April 2023, the Board of Directors decided to pay an interim dividend of €2.06 per share in respect of FY 2023, i.e., a total of €521 million. This interim dividend was paid on 7 July 2023.

(2) At its meeting in April 2023, the Board of Directors decided to continue the share buyback programme in FY 2023 and cancel the shares bought back, for a total amount of €451 million. The share buyback programme during the year amounted to €752 million, meaning there are €301 million in treasury shares remaining.

NOTE 9 Provisions

€ thousands	At 30/06/2022	Additions	Reversals – Utilizations	Reversals – Surplus	At 30/06/2023
Provisions for contingencies and losses					
Provision for foreign exchange losses	98,494	166,354	–	(98,494)	166,354
Other provisions for contingencies[1]	231,350	277,471	(3,162)	(227,343)	278,316
Provisions for pensions and other long-term employee benefits	49,834	3,226	(6,899)	(10,964)	35,197
Total 1	**379,678**	**447,051**	**(10,061)**	**(336,801)**	**479,867**
Impairment allowances					
On non-current financial assets[2]	171,791	22,432	–	(630)	193,592
On trade receivables	8,891	–	–	(5,962)	2,929
On other receivables	3,392	–	–	(80)	3,312
On marketable securities	–	2,300	–	–	2,300
Total 2	**184,074**	**24,732**	**–**	**(6,672)**	**202,133**
GRAND TOTAL	**563,751**	**471,783**	**(10,061)**	**(343,473)**	**682,000**

(1) Changes due to provisions for free share plans for €25 million and a negative net position in investments for €19 million.

(2) Changes related to impairment allowances for equity investments.

Provisions for contingencies and losses

Provision for foreign exchange losses

The €166 million provision for foreign exchange losses at 30 June 2023 consists of unrealised currency losses in respect of unhedged US dollar receivables and payables.

Other provisions for contingencies

Other provisions for contingencies correspond to:

- provisions for contingencies and losses relating to tax consolidation for €109 million;
- miscellaneous provisions amounting to €169 million.

Provisions for pensions and other long-term employee benefits

Description and recognition of employee benefit obligations

Pernod Ricard SA's employee benefit obligations comprise:

- long-term post-employment benefits (retirement bonuses, medical expenses, etc.);
- long-term benefits payable during employment.

The liability arising as a result of the Company's net employee benefit obligation is recognised in provisions for contingencies and losses on the balance sheet.

Calculation of the provision with respect to the net benefit obligation

The provision recognised by Pernod Ricard SA is equal to the difference, for each benefit plan, between the present value of the employee benefit obligations and the value of the plan assets paid over to specialised entities in order to fund the obligations.

The present value of employee benefit obligations is calculated using the projected unit credit method. The calculation is performed at each reporting date and the personal data concerning employees is revised at least every three years. The calculation requires the use of economic assumptions (inflation rate and discount rate) and other assumptions concerning employees (mainly average salary increase, employee turnover and life expectancy).

At 30 June 2023, the total amount of employee benefit obligations was €35 million. Provisions have been recognised for the full amount of the obligations.

For information, the inflation rate used for the measurement at 30 June 2023 was 2.00% and the discount rate was 3.60%.

Plan assets are measured at their market value at each reporting date.

Accounting for actuarial gains and losses

Actuarial gains and losses arise primarily when estimates differ from actual outcomes, or when there are changes in long-term actuarial assumptions (*e.g.*, discount rate, salary increases, etc.).

Since the financial year ended 30 June 2014, the Company has opted to recognise the full liability for pensions, as provided by ANC Recommendation 2013-02.

Components of the expense recognised for the financial year

The expense recognised in respect of the benefit obligations described above includes:

- expenses corresponding to the vesting of an additional year's entitlement;
- interest expense arising on the unwinding of the discount applied to vested rights at the start of the year (as a result of the passage of time);
- income corresponding to the expected return on plan assets measured using the discount rate used to measure plan obligations;
- income or expense corresponding to actuarial gains or losses;
- income or expense related to amendments to existing plans or the creation of new plans;
- income or expense related to any plan curtailments or settlements.

NOTE 10 Deferred income and other accrued liabilities

€ thousands	At 30/06/2022	Increases	Decreases	At 30/06/2023
Deferred income	16,293	–	(2,685)	13,608
Unrealised foreign exchange gains[1] (see breakdown in Note 1.9)	293,234	5,232	(293,234)	5,232
TOTAL	**309,527**	**5,232**	**(295,919)**	**18,840**

(1) The €5 million in unrealised foreign exchange gains at 30 June 2023 is attributable mainly to the remeasurement of assets and liabilities denominated in US dollars at the closing euro exchange rate on 30 June 2023.

NOTE 11 Accrued income and expenses

Accrued income

€ thousands	30/06/2022	30/06/2023
Amount of accrued income in the following balance sheet items		
Loans and advances to equity investments	59,370	69,468
Trade receivables	457,204	505,731
Other receivables	1,205,107	1,906,210
Cash at bank and in hand	312,516	7,890
TOTAL	**2,034,197**	**2,489,299**

Accrued expenses

€ thousands	30/06/2022	30/06/2023
Amount of accrued expenses in the following balance sheet items		
Bank borrowings and debt	–	–
Trade payables	192,328	223,462
Tax and social security payables	58,942	64,541
Other payables	449,023	565,123
TOTAL	**700,293**	**853,126**

NOTE 12 Bonds

Bonds	Subscription date	Amount *(USD thousands)*	Amount *(€ thousands)*	Maturity date	Accrued interest *(€ thousands)*	Interest rate	Total *(€ thousands)*
Bond	24/10/2019		500,000	24/10/2023	—	Fixed	500,000
Bond	29/09/2014		650,000	27/09/2024	10,482	Fixed	660,482
Bond	06/04/2020		1,000,000	07/04/2025	2,613	Fixed	1,002,613
Bond	17/05/2016		600,000	18/05/2026	1,082	Fixed	601,082
Bond	24/10/2019		500,000	24/10/2027	1,712	Fixed	501,712
Bond	06/04/2020		1,000,000	06/04/2030	4,016	Fixed	1,004,016
Bond	24/10/2019		500,000	24/10/2031	2,997	Fixed	502,997
Bond	07/04/2022		750,000	07/04/2029	2,395	Fixed	752,395
Bond	04/10/2021		500,000	04/10/2029	463	Fixed	500,463
Bond	02/11/2022		600,000	02/11/2028	12,875	Fixed	612,875
Bond	02/11/2022		500,000	02/11/2032	12,380	Fixed	512,380
Bond	08/06/2016	600,000	552,181	08/06/2026	1,128	Fixed	553,309
Bond	12/01/2012	850,000	782,257	15/01/2042	19,848	Fixed	802,105
TOTAL		**1,450,000**	**8,434,438**		**71,991**		**8,506,429**

During the financial year, Pernod Ricard issued two new bonds for €600 million and €500 million, and redeemed ahead of term a bond issue maturing on 28 September 2023 for a total amount of USD 800 million.

NOTE 13 Bank borrowings and debt

Syndicated loan

On 27 April 2023, Pernod Ricard SA entered into a new five-year multi-currency revolving credit agreement for €2.1 billion. The new agreement enabled the Company to refinance the June 2017 syndicated loan in full.

At 30 June 2023, no drawdowns had been made by Pernod Ricard SA under this facility.

Bilateral loan

On 22 March 2022, Pernod Ricard SA entered into a new three-year bilateral loan for €500 million with two optional additional one-year extensions.

At 30 June 2023, no drawdowns had been made by Pernod Ricard SA under this facility.

NOTE 14 Breakdown of corporate income tax

€ thousands	Total	Profit from recurring operations	Net non-recurring income/ (expense)
Profit before income tax	1,869,391	1,900,196	(30,805)
Income and withholding tax	(3,431)	–	–
Tax consolidation	102,216	–	–
PROFIT AFTER INCOME TAX	**1,968,176**	**1,900,196**	**(30,805)**

Under the tax consolidation regime, the tax loss carryforwards (tax basis) of the Pernod Ricard tax group is zero.

NOTE 15 Increases and decreases in future tax liabilities

Type of temporary differences

€ thousands	Amount of tax
INCREASES	**NIL**
"Organic" tax and other	218
Other provisions for contingencies	–
Provision for pensions and other long-term employee benefits	29,464
DECREASES IN FUTURE TAX LIABILITIES	**29,682**

The tax rate used was 25.83%.

NOTE 16 Compensation

Compensation allocated to the management and administrative bodies amounted to €4,942,552, broken down as follows:

• compensation(1) paid to directors	€1,086,000
• compensation(1) paid to the Chairman and CEO	€3,856,552

(1) Fixed and variable.

NOTE 17 Operating income

Operating income totalled €478 million for FY 2023, compared with €397 million for FY 2022. It principally comprised the rebilling of overheads to Group affiliates for €423 million, royalties for €20 million, and reversals of provisions for €33 million.

Net sales of €423 million comprised €105 million of net sales in France and €318 million outside France.

NOTE 18 Financial income and expenses

€ thousands	FY 2022	FY 2023
Financial income from equity investments (see breakdown in Note 22)	1,926,811	2,172,025
Income from other marketable securities and receivables	–	–
Interest and related income	172,511	113,371
Reversals of financial provisions and expense transfers	205,526	215,711
Foreign exchange gains	11,046	294,501
Net proceeds on disposals of marketable securities	–	–
TOTAL FINANCIAL INCOME	**2,315,894**	**2,795,608**

€ thousands	FY 2022	FY 2023
Depreciation, amortisation and provisions for financial items	(215,107)	(348,640)
Interest and related expenses	(287,327)	(219,171)
Foreign exchange losses	(5,342)	(193,652)
Net expenses on disposals of marketable securities	–	–
TOTAL FINANCIAL EXPENSES	**(507,776)**	**(761,463)**

NOTE 19 Non-recurring income and expenses

€ thousands	FY 2023
Net income/(expenses) on management transactions	(23,099)
Net income on corporate actions	45
Additions to and reversals of provisions and expense transfers	(7,751)
NET NON-RECURRING INCOME/(EXPENSE)	**(30,805)**

NOTE 20 Off-balance sheet commitments

Commitments given

€ thousands	At 30/06/2023
Guarantees on behalf of affiliates	2,649,911
Other leases	1,019
Rents	103,724
TOTAL	**2,754,653**

Commitments given include guarantees, in particular related to bonds, commercial paper and the syndicated loan.

Commitments received

€ thousands	At 30/06/2023
Guarantees on behalf of affiliates	
Lines of credit received and not used	2,600,000
Rents	
TOTAL	2,600,000

Derivative instruments

Hedging at Pernod Ricard SA	Nominal value *(USD thousands)*	Fair value at 30/06/2023 *(€ thousands)*
Interest rate swaps	200,000	(14,337)
Currency swaps	998,000	(24,134)
TOTAL	**1,198,000**	**(38,471)**

Interest rate swaps are used to hedge Pernod Ricard SA's fixed-rate external and internal borrowings. At 30 June 2023, they break down as follows:

USD interest rate hedges	Maturity	Net base *(USD thousands)*
Interest rate swaps	June 2026	100,000
Interest rate swaps	June 2026	100,000

Currency hedges	Maturity	Base *(USD thousands)*
Currency swaps	June 2024	800,000
Currency swaps	June 2026	400,000
Currency swaps	June 2025	(202,000)
CURRENCY SWAPS		**998,000**
Financial assets		1,227,973
Financial liabilities		(2,288,477)
TOTAL		**(62,504)**

Currency swaps are used to hedge payables and receivables denominated in foreign currencies. The Company had a residual US dollar position representing a negative USD 63 million at 30 June 2023.

Other guarantees

- Guarantees given by Pernod Ricard SA as part of financing agreements at 30 June 2023

Pernod Ricard SA granted a guarantee to the banking syndicate in respect of the drawdowns made by the affiliates concerned under the terms of the multi-currency revolving credit agreement entered into on 27 April 2023.

Pernod Ricard SA has granted a guarantee to BNP Paribas in respect of the commitments made by Pernod Ricard Finance under the bilateral revolving credit agreement entered into on 22 March 2022.

Pernod Ricard SA was authorised by the Board of Directors on 31 August 2022 to renew the guarantee granted in respect of the payment obligations of Pernod Ricard International Finance LLC, as part of its bond issues under the EMTN programme.

- Guarantees given by Pernod Ricard SA to the Allied Domecq pension funds

Pernod Ricard SA has granted a guarantee in respect of the contributions owed by Allied Domecq Holdings Ltd and its affiliates to the Allied Domecq pension funds.

- Guarantees granted by Pernod Ricard SA in favour of the Irish affiliates

Pursuant to Section 357 of the 2014 Companies Act (Republic of Ireland), Pernod Ricard SA has granted an irrevocable warranty in respect of the liabilities of the following affiliates for FY 2022: Irish Distillers Group Unlimited, Irish Distillers Ltd, Irish Distillers International Ltd, Smithfield Holdings Ltd, Ermine Ltd, Ind Coope Holding Ltd, Proudlen Liqueurs Ltd, Eight Degrees Brewing Company Ltd, The West Coast Cooler Co. Ltd and Comrie Limited.

- Guarantee granted by Pernod Ricard SA in favour of Corby Spirit and Wine Limited

Pernod Ricard SA has granted a guarantee to Corby Spirit and Wine Limited in respect of the payment of the liabilities owed to Corby Spirit and Wine Limited by the Group affiliates concerned by the representation agreement for Group brands in Canada, signed on 24 September 2020.

- Guarantee granted by Pernod Ricard SA to Fondation d'Entreprise Pernod Ricard

As part of the multi-year programme and as founder, Pernod Ricard has committed to the Fondation to pay a total sum of €4,998,000 no later than 30 June 2026.

- Counter-guarantee granted by Pernod Ricard SA to Liberty Mutual Insurance Europe S.E.

A counter-guarantee was granted by Pernod Ricard to the company Liberty Mutual Insurance Europe S.E. on behalf of the commitments in respect of excise duties arising from the relationship between the companies Worlds Brands Duty Free Limited and Nedcargo Logistics Belgium N.V.

- Guarantee granted by Pernod Ricard SA in favour of Lina 26

Pernod Ricard SA is jointly and severally liable for the compliance by Lina 26 with all of its obligations under an acquisition agreement.

- Guarantee granted by Pernod Ricard SA in favour of Sunray Bidco UK Limited

As part of the sale of Clan Campbell to Stock Spirits (announced on 23 June 2023) Pernod Ricard SA gave a number of third-party commitments *(engagements de porte fort)* to the acquiring entity in the Stock Spirits group – Sunray Bidco UK Limited – which were required for the completion of the transaction. As these undertakings related to ratifications by companies controlled by Pernod Ricard SA, no warranty ceiling is applicable.

NOTE 21 Average headcount in FY 2023

	Employees	Temporary staff (all categories combined)
Managers[1]	634	1
Supervisors and technicians	49	2
Employees	4	–
AVERAGE HEADCOUNT	**687**	**3**
Work-study contracts	32	–

(1) Including 95 expatriate employees.

NOTE 22 Affiliates and investments at 30 June 2023

€ thousands	Share capital	Shareholders' equity before appropriation of profit	Interest (%)	Carrying amount of investment		Loans	Sureties and endorsements	Net sales (excluding taxes and duties)	Profit/ (Loss)	Dividends received
				Gross	Net					
INVESTMENTS WHOSE CARRYING AMOUNT EXCEEDS 1% OF PERNOD RICARD SA'S SHARE CAPITAL										
AGROS(1) Ul. Chalubinskiego, 800-613 Warsaw (Poland)	-	202,000	100%	122,008	122,008	–	–	-	-	4,270
House of Campbell Limited(2) 111/113 Renfrew Road, Paisley, PA3 4DY (Scotland)	90	4,339	100%	40,538	4,781	–	–	63	63	–
Geo G Sandeman Sons & Co Ltd(3) 400 Capability Green, Luton Beds, LU1 3AE (England)	1,560	13,909	30%	9,180	4,150	–	–	1,091	309	93
Pernod Ricard France SA Les Docks, 10, place de la Joliette, 13002 Marseille (France)	54,000	242,445	100%	162,171	162,171	–	–	610,380	85,193	88,730
Pernod Ricard Asia SAS 5, cours Paul Ricard, 75008 Paris (France)	4,512	124,870	100%	42,457	42,457	–	–	-	156,718	
Pernod Ricard Central and South America 5, cours Paul Ricard, 75008 Paris (France)	52,198	70,922	100%	210,153	86,802	–	–	-	5,556	–
Pernod Ricard Europe Middle East Africa 5, cours Paul Ricard, 75008 Paris (France)	40,000	311,078	100%	36,407	36,407	–	–	22,799	243,059	1,400,000
Pernod Ricard North America SAS 5, cours Paul Ricard, 75008 Paris (France)	39,398	42,961	100%	126,735	126,735	–	–	-	337	–
Pernod Ricard Finance SA 5, cours Paul Ricard, 75008 Paris (France)	232,000	479,832	100%	238,681	238,681	–	–	–	19,219	–
Pernod Ricard International Finance LLC 21 Little Falls Drive, Wilmington, Delaware, 19808 (United States)	240,685	249,467	100%	213,529	213,529	–	–	–	4,901	–
Pernod Ricard Pacific Holdings(4) 167 Fullarton Road, Dulwich, SA, 5065 (Australia)	135,860	159,228	100%	215,925	215,925	–	–	392,315	(22,930)	–
Lina 3 5, cours Paul Ricard, 75008 Paris (France)	819,730	15,868,011	100%	11,690,953	11,690,953	–	–	-	(76,960)	500,000
Lina 5 5, cours Paul Ricard, 75008 Paris (France)	30,640	571,770	100%	30,631	30,631	–	–	-	6,620	
Lina 20 5, cours Paul Ricard, 75008 Paris (France)	60	18,878	100%	19,071	4,660	–	–	-	(14,426)	
Créateurs de Convivialité Ventures 5, cours Paul Ricard, 75008 Paris (France)	40	(13,683)	100%	7,470	–	–	–	-	(839)	
Yerevan Brandy Company(5) 2 Admiral Isakov Avenue, Yerevan 375092 (Republic of Armenia)	24,960	210,919	100%	27,856	27,856	–	–	–	8,937	6,736
Havana Club Holding(6)	8,592	2,179	50%	5,592	5,592	–	–	-	17,932	–
TOTAL 1				**13,199,357**	**13,013,337**			**1,026,648**	**433,690**	**1,999,828**
Affiliates:										
French				8,028	2,101					
Non-French				5,091	4,129					172,141
Investments:										
French				215	192					55
Non-French				659	–					
TOTAL 2				**13,994**	**6,423**					**172,196**
TOTAL 1 + 2				**13,213,351**	**13,019,759**					**2,172,025**

(1) The exchange rates correspond to the rate at 30 June 2023.
(2) Data taken from the House of Campbell Limited financial statements at 30 June 2022.
(3) Data taken from the Geo G Sandeman Sons & Co Ltd financial statements at 31 December 2022.
(4) Data taken from the Pernod Ricard Pacific Holdings financial statements at 30 June 2022.
(5) Data taken from the Yerevan Brandy Company financial statements at 31 December 2022.
(6) Data taken from the Havana Club Holding financial statements at 31 December 2022.

NOTE 23 Tax credit

Pernod Ricard SA has received a research tax credit in the amount of €271,133, a tax credit for corporate philanthropy in the amount of €1,318,076 and a family tax credit in the amount of €269,583.

NOTE 24 Events after the reporting period

There are no events after the reporting period with a significant impact on the Pernod Ricard SA separate financial statements.

7.6 Other items relating to the financial statements

The separate financial statements presented on the previous pages are those of Pernod Ricard SA and are the subject of the Statutory Auditors' report on the annual financial statements.

Items relating to the separate financial statements in the Board of Directors' management report are included in the following pages. The sections concerned are:

- other financial items:

1. expenses and charges referred to in Article 223 *quater* of the French Tax Code,
2. the breakdown of supplier payables set out in Articles L. 441-6-1 and D. 441-4 of the French Commercial Code,
3. the information on payment terms provided for in Article D. 441-4 of the French Commercial Code, as amended by Decree No. 2015-1553 of 27 November 2015, implemented by the Order of 6 April 2016;

- five-year financial summary;
- dividends paid over the last five financial years;
- inventory of marketable securities.

The Statutory Auditors' fees amounted to €1,665 thousand.

Expenses and charges referred to in Article 223 *quater* of the French Tax Code

The total amount of expenses and charges referred to in Article 223 *quater* of the French Tax Code and the amount of the corresponding tax charge are as follows:

€	FY 2023
Expenses and charges	330,364
Corresponding tax	85,333

Supplier payment terms

In accordance with the law on the modernisation of the economy of 4 August 2008 and the related Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, the breakdown of Pernod Ricard SA's trade payables balance at the reporting date was as follows:

€ incl. VAT	At 30/06/2023
Trade payables not due	**125,421,806**
At 30 days	124,976,125
Between 30 and 45 days	1,232
Beyond 45 days	444,449
Trade payables past due	**7,017,373**
Recognised and not paid (A)	561,167
Group invoices	5,270,263
Disputes recognised	1,185,944

In accordance with Article D. 441-4 of the French Commercial Code, as amended by Decree No. 2015-1553 of 27 November 2015, implemented by the Order of 6 April 2016, information on supplier payment terms is as follows:

€	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 or more days)
(A) Breakdown of past due payments						
Number of invoices concerned	6	16	3	11	8	38
Total amount of invoices concerned (including VAT)	57,494	337,424	65,267	56,347	44,635	503,673
As a % of total purchases excluding tax for the financial year	0.00%	0.10%	0.00%	0.00%	0.00%	0.10%
(B) Invoices excluded from (A) relating to disputed or unrecognised payables and receivables						
Number of invoices excluded	11	23	20	16	34	93
Total amount of invoices excluded (including VAT)	90,156	397,887	274,553	153,561	351,137	1,177,118
(C) Reference payment terms used to calculate late payments (Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						

☑ Contractual payment terms (45 days end of month, 30 days end of month or 15 days end of month)
☐ Statutory payment terms

Trade receivable payment terms

As the Company's receivables only consist of receivables from Group companies, certain information required by Article D. 441-4 of the French Commercial Code has not been presented below as it is not considered relevant.

Information on receivables:

€ incl. VAT	At 30/06/2023
Trade receivables not due	422,474,526
Trade receivables past due	34,126,170
TOTAL	**456,600,696**
Of which disputed receivables	–

7.7 Five-year financial summary

€	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
FINANCIAL POSITION AT THE REPORTING DATE					
Share capital	411,403,468	411,403,468	405,908,668	399,818,401	396,229,186
Number of shares outstanding	265,421,592	265,421,592	261,876,560	257,947,355	255,631,733
RESULTS OF OPERATIONS					
Net sales (excluding taxes and duties)	179,569,040	204,799,992	288,181,244	360,568,871	422,705,521
Profit before taxes, depreciation, amortisation and provisions	221,535,314	966,689,347	557,958,295	1,730,616,561	1,928,375,540
Corporate income tax	151,988,378	163,348,627	130,649,147	144,598,985	98,785,250
Profit after taxes, depreciation, amortisation and provisions	325,725,565	1,177,954,098	657,285,969	1,834,554,231	1,968,175,590
Dividends paid(1)	828,115,367	700,774,787	741,313,021	1,056,560,892	–
EARNINGS PER SHARE					
Profit after taxes, but before depreciation, amortisation and provisions	1.41	4.26	2.63	7.27	7.93
Profit after taxes, depreciation, amortisation and provisions	1.23	4.44	2.51	7.11	7.70
Dividend paid per share(1)	3.12	2.66	3.12	4.12	–
PERSONNEL					
Number of employees	422	444	498	571	687
Total payroll	70,178,837	60,952,594	82,640,089	82,651,720	98,366,251
Employee-related benefits paid during the financial year	30,963,383	26,104,626	35,041,823	42,927,004	45,354,417

(1) The amount of the dividend for FY 2023 will be confirmed at the Shareholders' Meeting of November 2023 (dividend in respect of the financial year from 1 July 2022 to 30 June 2023).

7.8 Dividends paid over the last five financial years

Financial year €	Payment date	Net amount	Total amount for the financial year
FY 2019	07/10/2019	1.18	
	27/11/2019	1.94	3.12
FY 2020	07/10/2020	1.18	
	27/11/2020	1.48	2.66
FY 2021	07/09/2021	1.33	
	24/11/2021	1.79	3.12
FY 2022	07/08/2022	1.56	
	29/11/2022	2.56	4.12
FY 2023	07/07/2023(1)	2.06	

(1) An interim dividend for FY 2023 was paid on 7 July 2023. The balance will be decided by the Shareholders' Meeting in November 2023 called to approve the financial statements for the financial year ended 30 June 2023.

7.9 Inventory of marketable securities

€	Number of shares held	Carrying amount
French securities with a carrying amount in excess of €100,000		
Lina 3	163,945,972	11,690,953,301
Lina 5	306,400	30,630,500
Pernod Ricard France	1,750,000	162,170,656
Pernod Ricard Asia SAS	2,785,000	42,457,051
Pernod Ricard Central and South America	386,650	86,801,700
Pernod Ricard Europe Middle East Africa	1,000,000	36,407,284
Pernod Ricard Finance SA	29,000,000	238,680,987
Pernod Ricard North America SAS	4,377,500	126,734,557
Résidence de Cavalières	205,950	959,350
Lina 7	401	393,250
Lina 8	**404**	**121,200**
Lina 20	600	4,660,400
World's Best Bar	400	202,500
Subtotal	**203,759,277**	**12,421,172,737**
Other investments in French companies	5,206	616,517
Investments in unlisted foreign companies		597,970,239
TOTAL MARKETABLE SECURITIES AT 30 JUNE 2023		**13,019,759,492**

7.10 Statutory auditors' report on the financial statements

Year ended 30 June 2023

To the Pernod Ricard S.A. Shareholders' Meeting,

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meetings, we have audited the accompanying financial statements of Pernod Ricard for the year ended 30 June 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of 30 June 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for statutory auditors, for the period from 1 July 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Key Audit Matters	Responses as part of our audit
Valuation of investments *(Notes 1.3 and 3 to the financial statements)*	
As at 30 June 2023, consolidated and non-consolidated investments are recorded in the balance sheet at a net carrying amount of €13 020 million and represent 80% of total assets. They are initially recognised at acquisition cost, excluding ancillary costs. If the value in use of investments is lower than their net carrying amount, a provision for impairment is recognised in financial income/(expense) in the amount of the difference. As disclosed in Note 1.3 to the financial statements, value in use is determined based on two methodologies: • The enterprise value of the main investments is based on the most recent estimate of the adjusted net asset value, by identifying unrealized capital gains on assets owned by the subsidiaries, such as brands. The adjusted net asset value is assessed based on methods such as the discounted cash flows method. • For other investments, value in use is estimated based on the share of the subsidiary's equity represented by the investment. Estimates of the value in use of these investments are based on complex valuation models for subsidiaries which in turn own several subsidiaries and require management to exercise significant judgment (particularly regarding cash flow assumptions and taking into consideration asset revaluations). Given the weight of investments in the balance sheet, the complexity of the models used and their sensitivity to changes in the data and assumptions underlying estimates, we considered the determination of the value in use of investments to be a key audit matter.	We familiarized ourselves with the Company's controls covering the process for determining the value in use of investments. Our other procedures mainly consisted in: • verifying, based on information communicated to us, that the values in use for investments estimated by management are supported by appropriate documentation of the valuation method and amounts used; • obtaining and analysing the valuation report on certain investments produced by the Company's external valuation advisors; • comparing data used in investment impairment tests with source documents by entity and the results of our audit procedures on these subsidiaries; • sample testing the arithmetical accuracy of values in use adopted by the Company. We also assessed the appropriateness of disclosures in the Notes 1.3 and 3 to the financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to shareholders

We have no matters to report on the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to shareholders.

We attest the fair presentation and consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (Code de commerce).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (Code de commerce).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (Code de commerce), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements included in the annual financial report

We have also verified, in accordance with the professional standards applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Pernod Ricard S.A. by the Shareholders' Meeting of 13 May 2003 for Deloitte & Associés and 17 November 2016 for KPMG S.A.

As of 30 June 2023, Deloitte & Associés and KPMG S.A. were in the 20th year and 7th year of total uninterrupted engagement, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committe

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, September 19, 2023
The Statutory Auditors,

KPMG S.A.		**Deloitte & Associés**	
Caroline Bruno-Diaz	Adrien Johner	Marc de Villartay	Loris Strappazzon
Partner	*Partner*	*Partner*	*Partner*

7.11 Statutory auditors' special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended 30 June 2023

This is a free translation into English of the Statutory Auditors' special report on regulated agreements that is issued in French and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (Code de Commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Pernod Ricard S.A. Shareholders' Meeting,

As Statutory Auditors of your Company, we hereby present our report on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this assignment.

I. AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements authorized and entered into during the year

We hereby inform you that we have not been advised of any agreement authorized and entered into during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L.225-38 of the French Commercial Code.

II. AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements approved in prior years that remained in force during the financial year

We hereby inform you that we have not been advised of any agreement already approved by the Shareholders' Meeting whose execution would have continued during the past financial year.

Paris La Défense, September 19, 2023

The Statutory Auditors,

KPMG S.A.		**Deloitte & Associés**	
Caroline Bruno-Diaz	Adrien Johner	Marc de Villartay	Loris Strappazzon
Partner	*Partner*	*Partner*	*Partner*

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Annual Shareholders' Meeting

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8.1 Agenda – Annual Shareholders' Meeting of 10 November 2023

Items on the agenda presented at the Ordinary Shareholders' Meeting

1. Approval of the parent company financial statements for the financial year ended 30 June 2023.
2. Approval of the consolidated financial statements for the financial year ended 30 June 2023.
3. Allocation of net profit for the financial year ended 30 June 2023 and setting of the dividend.
4. Renewal of the directorship of Kory Sorenson.
5. Renewal of the directorship of Philippe Petitcolin.
6. Appointment of Max Koeune as a Director.
7. Renewal of the appointment of Deloitte & Associés as Statutory Auditors.
8. Determination of the maximum aggregate annual amount of Directors' compensation.
9. Approval of the fixed and variable components of the total compensation and benefits paid during or awarded for FY 2023 to Alexandre Ricard, Chairman & CEO.
10. Approval of the compensation policy applicable to Alexandre Ricard, Chairman & CEO.
11. Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code (*Code de commerce*) relating to the compensation of Corporate Officers.
12. Approval of the compensation policy applicable to Directors.
13. Approval of the related-party agreements referred to in Articles L. 225-38 *et seq*. of the French Commercial Code.
14. Authorisation for the Board of Directors to trade in Company shares.

Items on the agenda presented at the Extraordinary Shareholders' Meeting

15. Authorisation for the Board of Directors to reduce the share capital by cancelling treasury shares, subject to a limit of 10% of the share capital.
16. Delegation of authority for the Board of Directors to increase the share capital for a maximum nominal amount of €130 million (*i.e.*, approximately 33% of the share capital), through the issue of ordinary shares and/or securities granting access to the share capital of the Company or any other company, with Preferential Subscription Rights.
17. Delegation of authority for the Board of Directors to increase the share capital by a maximum amount of €39 million (*i.e.*, approximately 10% of the share capital), through the issue of ordinary shares and/or securities granting access to the share capital of the Company or any other company, without Preferential Subscription Rights, as part of a public offer other than those referred to in Article L. 411-2-1° of the French Monetary and Financial Code (*Code monétaire et financier*).
18. Delegation of authority for the Board of Directors to increase the number of securities to be issued in the event of a share capital increase, with or without Preferential Subscription Rights, subject to a limit of 15% of the initial issue carried out under the 16th, 17th and 19th resolutions.
19. Delegation of authority for the Board of Directors to increase the share capital by a maximum amount of €39 million (*i.e.*, approximately 10% of the share capital), through the issue of ordinary shares and/or securities granting access to the share capital of the Company or any other company, without Preferential Subscription Rights, pursuant to Article L. 411-2-1° of the French Monetary and Financial Code.
20. Delegation of authority for the Board of Directors to issue ordinary shares and/or securities granting access to the share capital of the Company or any other company as consideration for contributions in kind granted to the Company, subject to a limit of 10% of the share capital.
21. Delegation of authority for the Board of Directors to increase the share capital by a maximum nominal amount of €130 million (*i.e.*, approximately 33% of the share capital) by capitalisation of premiums, reserves, profits or other items.
22. Delegation of authority for the Board of Directors to increase the share capital, subject to a limit of 2% thereof, through the issue of shares and/or securities granting access to the Company's share capital, reserved for members of company savings plans, without Preferential Subscription Rights.
23. Delegation of authority for the Board of Directors to increase the share capital, subject to a limit of 2% thereof, through the issue of shares and/or securities granting access to the share capital, reserved for certain categories of beneficiaries, without Preferential Subscription Rights.
24. Powers to carry out the necessary legal formalities.

8.2 Presentation of the resolutions for the Annual Shareholders' Meeting of 10 November 2023

First to third resolutions

Approval of the annual financial statements and allocation of net profit

The purpose of the 1st **resolution** is to approve the Pernod Ricard parent company financial statements for FY 2023.

In the 2nd **resolution**, you are asked to approve the Pernod Ricard consolidated financial statements for FY 2023.

The purpose of the 3rd **resolution** is to allocate net profit. It is proposed that the dividend for FY 2023 be set at €4.70 per share. As an interim dividend of €2.06 per share was paid on 7 July 2023, the balance of €2.64 per share would be detached on 24 November 2023, with a record date of 27 November 2023 and paid on 28 November 2023.

Fourth to sixth resolutions

Composition of the Board of Directors: renewals and appointment

Information on the Directors proposed for renewal can be found in Chapter 2 "Corporate governance", subsection 2.1.2.2 "Changes in the composition of the Board of Directors" of the Universal Registration Document.

As Kory Sorenson's directorship expires at the end of this Shareholders' Meeting, you are asked in the 4th **resolution** to renew her directorship for a four-year term expiring at the end of the Shareholders' Meeting to be held in 2027 to approve the financial statements for the 2027 financial year.

In the 5th **resolution**, you are asked to renew the directorship of Philippe Petitcolin, which also expires at the close of this Shareholders' Meeting, also for a four-year term expiring at the end of the Shareholders' Meeting to be held in 2027 to approve the financial statements for the 2027 financial year.

Lastly, in the 6th **resolution**, you are asked to appoint Max Koeune as a Director, for a four-year term expiring at the end of the Shareholders' Meeting to be held in 2027 to approve the financial statements for the 2027 financial year.

The Nominations and Governance Committee and the Board of Directors have reviewed Max Koeune's profile. They particularly appreciated his extensive expertise in the consumer goods sector and his deep understanding of consumer behaviour, as well as his experience as the Chief Executive Officer of a company that is a world leader in its sector. Following a review, they also confirmed that Max Koeune meets all of the independence criteria set out in the AFEP-MEDEF Code, which the Company uses as its reference for corporate governance issues.

At the end of the Shareholders' Meeting, subject to the approval of these renewals and appointment, the Board of Directors would temporarily comprise 15 members (including two Directors representing employees), with eight independent members (61.5%) and seven women (53.8%), in accordance with the recommendations of the AFEP-MEDEF Code and the law[1].

Seventh resolution

Renewal of the appointment of Deloitte & Associés as Statutory Auditors

The term of office as Statutory Auditors of Deloitte & Associés, whose registered office is located at 6, place de la Pyramide 92908 Paris la Défense Cedex, France, expires at the end of this Shareholders' Meeting. You are therefore asked in the 7th **resolution** to renew its appointment for a four-year term expiring at the end of the Shareholders' Meeting to be held in 2027 to approve the financial statements for the 2027 financial year. Deloitte & Associés' appointment would be renewed, as recommended by the Audit Committee, for a term of four years (and not six as is usually the case) in compliance with the European audit reform, which imposes mandatory rotation of Statutory Auditors after 24 years in office.

Eighth resolution

Determination of the maximum aggregate annual amount of Directors' compensation

With the aim of better rewarding participation in Board Committee meetings, and on the recommendation of the Compensation Committee, you are asked in the 8th **resolution** to increase the maximum aggregate annual amount of Directors' compensation – which has been unchanged since FY 2020 – from €1,250,000 to €1,350,000.

The rules for allocating the Directors' compensation are described in Chapter 2 "Corporate governance", subsection 2.6.4 "Compensation policy for the members of the Board of Directors" of the Universal Registration Document.

Ninth resolution

Approval of the fixed and variable components of the total compensation and benefits paid during or awarded for FY 2023 to Alexandre Ricard, Chairman & CEO

The purpose of the 9th **resolution** is to submit for your approval, in accordance with Article L. 22-10-34 II of the French Commercial Code, the fixed and variable components of the total compensation and benefits paid during or awarded for FY 2023 to Alexandre Ricard, the Company's Chairman & CEO.

Details of these components can be found in Chapter 2 "Corporate governance", subsection 2.6.1 "Components of the compensation paid during or awarded for FY 2023 to Alexandre Ricard, Chairman and CEO" of the Universal Registration Document.

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

Tenth resolution

Approval of the compensation policy applicable to Alexandre Ricard, Chairman & CEO

The purpose of the 10th **resolution** is to submit for your approval, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy for the Chairman and CEO set by the Board of Directors for FY 2024. Details on this compensation policy can be found in Chapter 2 "Corporate governance", subsection 2.6.2 "Compensation policy for the Chairman & CEO" of the 2022-2023 Universal Registration Document.

Eleventh resolution

Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to the compensation of Corporate Officers

The purpose of the 11th **resolution** is to submit for your approval the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to the compensation of each Corporate Officer of Pernod Ricard for FY 2023, as presented in Chapter 2 "Corporate governance", subsection 2.6.3 of the 2022-2023 Universal Registration Document.

Twelfth resolution

Approval of the compensation policy applicable to Directors

The purpose of the 12th **resolution** is to submit for your approval, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy for the Directors drawn up by the Board of Directors for FY 2024, as presented in Chapter 2 "Corporate governance", subsection 2.6.4 "Compensation policy for the members of the Board of Directors" of the 2022-2023 Universal Registration Document.

Thirteenth resolution

Approval of related-party agreements

In the 13th **resolution**, you are asked to approve the content of the Statutory Auditors' special report (presented in Section 7 "Pernod Ricard SA parent company financial statements" of the 2022-2023 Universal Registration Document), which does not mention any new related-party agreements entered into during FY 2023 requiring shareholder approval.

In accordance with Article L. 225-40-1 of the French Commercial Code, the Board of Directors also carried out an annual review of related-party agreements entered into and authorised in previous years, and placed on record that, following a decision of the Board of Directors on 10 November 2022 to no longer classify a related-party agreement as a related-party agreement, there were no such agreements in force in FY 2023.

Fourteenth resolution

Authorisation for the Board of Directors to trade in Company shares

The Shareholders' Meeting of 10 November 2022 authorised the Board of Directors to trade in Company shares. The transactions carried out under this authorisation are described in Section 2 "Corporate governance", subsection 2.3 "Share buyback programme" of the 2022-2023 Universal Registration Document. As this authorisation is due to expire on 9 May 2024, you are asked in the 14th **resolution** to renew the authorisation for the Board of Directors to trade in Company shares for a period of 18 months at **a maximum purchase price of €330 per share**, excluding acquisition costs. The total amount allocated to the share buyback programme may not exceed €7,655,731,710.

This authorisation would enable the Board of Directors to purchase Company shares representing **a maximum of 10% of the Company's share capital**, particularly in order to:

- grant or sell the shares to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law, in particular by granting stock options or as part of employee profit-sharing plans; or
- retain and subsequently tender the shares (in exchange, as payment or otherwise) in connection with external growth transactions, subject to a limit of 5% of the number of shares comprising the share capital;
- deliver the shares upon the exercise of rights attached to securities granting access to the share capital;
- cancel the shares;
- make a market for the shares in accordance with liquidity agreements; and
- trade in Company shares for any other authorised or compliant purpose or any purpose that may be authorised or become compliant with the applicable regulations in the future or that may be permitted as a market practice by the French financial markets authority (*Autorité des Marchés Financiers* – AMF) in the future. The Company would inform the shareholders in a press release prior to carrying out any such transactions.

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

- enable the Company to meet commitments made prior to the launch of the public offer; and
- are undertaken to pursue a share buyback programme already in progress; and
- cannot cause the offer to fail; and
- fall within the scope of one of the following objectives:
  - delivery to the beneficiaries of free and/or performance shares;
  - fulfilment of the Company's commitments under financial contracts or options with cash payments;
  - or the granting of free shares to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates.

Fifteenth resolution

Reduction of the share capital by cancelling treasury shares

One of the objectives of the share buyback programme (14th resolution) is to cancel the purchased shares. For this< purpose, you are asked in the 15th **resolution** to authorise the Board of Directors to cancel all or some of the Company shares purchased under a share buyback programme, subject to a limit of 10% of the shares comprising the Company's share capital per 24-month period. This authorisation would be valid for a period of 26 months from the date of this Shareholders' Meeting.

Sixteenth resolution

Delegation of authority to issue ordinary shares and/or securities granting access to the share capital of the Company or any other company, with Preferential Subscription Rights

In order to pursue its growth strategy and have available the appropriate resources for the Group's development, the Board of Directors is submitting a number of resolutions for your approval concerning delegations of authority or authorisations to be granted in order to give the Board sufficient flexibility to decide the type of issues to be carried out and to adapt, when appropriate, the type of financial instruments to be issued, based on the conditions and opportunities offered by the French and/or international financial markets.

The **16th resolution** concerns the issue, with Preferential Subscription Rights, of ordinary shares and/or securities granting access to the share capital of the Company or any other company (including companies in which the Company directly or indirectly holds more than half the share capital). In the event of the issue of securities granting future access to the share capital of the Company – such as bonds with warrants attached, convertible bonds and stand-alone warrants – your approval would entail a waiver of your right to subscribe for any subsequent shares that might be obtained from the initial securities issued with Preferential Subscription Rights. The maximum nominal amount of the share capital increases that may be carried out under this delegation would be set at €130 million, *i.e.*, approximately 33% of the share capital (the "Overall Ceiling"). Any issues carried out pursuant to the 17th resolution (issue of securities without Preferential Subscription Rights as part of a public offer other than those referred to in Article L. 411-2-1° of the French Monetary and Financial Code), 18th resolution (increase in the number of securities issued), 19th resolution (issue of securities without Preferential

Subscription Rights by way of a public offer referred to in Article L. 411-2-1° of the French Monetary and Financial Code), 20th resolution (consideration for contributions in kind), 21st resolution (capitalisation of premiums, reserves, profits or other items), 22nd resolution (share capital increase reserved for employees) and 23rd resolution (share capital increase reserved for certain categories of beneficiaries) would also be included in this Overall Ceiling. The overall nominal amount of debt securities that may be issued under this resolution would be limited to €12 billion, it being specified that the nominal amount of any debt securities issued pursuant to the 17th resolution would also be included in this ceiling. This delegation would be valid for a period of 26 months from the date of this Shareholders' Meeting.

The above ceilings (and the sub-ceilings set in the 17th, 19th, 20th, 21st, 22nd and 23rd resolutions) would not include the nominal amount of any shares to be issued in order to preserve, in accordance with the applicable law and regulations and any contractual provisions providing for other adjustments, the rights of holders of securities or other rights granting access to the share capital.

In the event of a public offer for the Company's shares, the Board of Directors would not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period.

Seventeenth resolution

Delegation of authority to issue ordinary shares and/or securities granting access to the share capital of the Company or any other company, without Preferential Subscription Rights, as part of a public offer other than those referred to in Article L. 411-2-1° of the French Monetary and Financial Code

Authorising the Board of Directors to carry out share capital increases without Preferential Subscription Rights would allow the Board to place securities under the best possible conditions, in particular when speed is an essential condition for an issue's success or when issues are carried out on French and foreign markets, notably through a public offer. In the **17th resolution**, you are asked to delegate your authority to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital of the Company or any other company (including companies in which the Company directly or indirectly holds more than half the share capital), without Preferential Subscription Rights, up to a maximum amount of €39 million, *i.e.*, approximately 10% of the share capital. This €39 million sub-ceiling would also apply to the 18th resolution (increase in the number of securities issued), 19th resolution (issue of securities without Preferential Subscription Rights by way of a public offer referred to in Article L. 411-2 1° of the French Monetary and Financial Code), 20th resolution (consideration for contributions in kind), 22nd resolution (share capital increase reserved for employees) and 23rd resolution (share capital increase reserved for certain categories of beneficiaries) and would be included in the Overall Ceiling of €130 million set in the 16th resolution.

The maximum nominal amount of debt securities that may be issued under this resolution would be limited to €4 billion and would be included in the overall nominal amount of €12 billion provided for in the 16th resolution. This delegation would be valid for a period of 26 months from the date of this Shareholders' Meeting.

The issue price of the shares issued directly would be at least equal to the minimum amount provided for by the laws and regulations in force when this delegation is used. The issue price of securities granting access to the share capital and the number of shares for which such securities would be convertible, redeemable or otherwise exchangeable would be such that the amount received immediately by the Company plus any amount subsequently received by the Company, would, for each share issued as a consequence of the issue of these securities, be at least equal to the minimum subscription price set out in the previous sentence.

The shares and/or other securities issued under this resolution may also be issued as consideration for securities tendered to the Company as part of a public exchange offer made in France or abroad in accordance with local regulations (*e.g.*, as part of a UK- or US-type reverse merger or scheme of arrangement) for the securities of a company, in accordance with Article L. 22-10-54 of the French Commercial Code.

In the event of a public offer for the Company's shares, the Board of Directors would not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period.

Eighteenth resolution

Increase in the number of securities to be issued in the event of a share capital increase, with or without Preferential Subscription Rights, subject to a limit of 15% of the initial issue carried out under the 16th, 17th and 19th resolutions

In the **18th resolution**, you are asked to delegate the authority of the Shareholders' Meeting to the Board of Directors to increase, as allowed by law, in the event of excess demand for a share capital increase with or without Preferential Subscription Rights, the number of securities to be issued, at the same price as the one used for the initial issue, within the time periods and limits prescribed by the applicable laws and regulations. This option would enable the Board, as part of an issue of securities, to carry out, within 30 days of the close of the subscription period, an additional issue representing a maximum of 15% of the initial issue, in order to grant an overallocation option, subject to the ceiling provided for in the resolution under which the issue is decided (16th, 17th or 19th resolution), as well as to the Overall Ceiling set in the 16th resolution. This delegation would be valid for a period of 26 months from the date of this Shareholders' Meeting.

In the event of a public offer for the Company's shares, the Board of Directors would not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period.

Nineteenth resolution

Delegation of authority to issue ordinary shares and/or securities granting access to the share capital of the Company or any other company, without Preferential Subscription Rights, pursuant to Article L. 411-2-1° of the French Monetary and Financial Code

Authorising the Board of Directors to carry out share capital increases without Preferential Subscription Rights would allow the Board of Directors to place securities under the best possible conditions, in particular when speed is an essential condition for an issue's success. In the **19th resolution**, you are asked to delegate the authority of the Shareholders' Meeting to the Board of Directors to issue, by way of a public offer reserved for qualified investors or a restricted group of investors, ordinary shares and/or securities granting access to the share capital of the Company or any other company (including companies in which the Company directly or indirectly holds more than half the share capital), without Preferential Subscription Rights. This delegation would enable the Board of Directors to increase the share capital by a maximum nominal amount of €39 million (*i.e.*, approximately 10% of the share capital), it being specified that such nominal amount of share capital increases would be included in the €39 million sub-ceiling set in the 17th resolution, as well as in the Overall Ceiling of €130 million set in the 16th resolution.

The maximum nominal amount of debt securities that may be issued under this resolution would be limited to €4 billion and would be included in the sub-ceiling of €4 billion provided for in the 17th resolution, as well as in the overall ceiling of €12 billion provided for in the 16th resolution.

The issue price of the shares and securities granting access to the share capital that may be issued under this delegation would be set in the same way as in the 17th resolution.

This delegation would be valid for a period of 26 months from the date of this Shareholders' Meeting.

In the event of a public offer for the Company's shares, the Board of Directors would not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period.

Twentieth resolution

Delegation of authority to issue shares and/or securities granting access to the share capital of the Company or any other company as consideration for contributions in kind, subject to a limit of 10% of the share capital

In the **20th resolution**, you are asked to delegate the authority of the Shareholders' Meeting to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital of the Company or any other company (including companies in which the Company directly or indirectly holds more than half of the share capital), as consideration for contributions in kind granted to the Company, in particular contributions in kind consisting of shares, thus enabling acquisitions of shares in other companies to be paid for through the issue of shares, when the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable. The Board of Directors would take its decisions concerning any such issues based on the contribution auditors' report, notably in relation to the value of the contributions.

The option to issue shares and/or securities as consideration for contributions in kind, which would be granted to the Board of Directors for 26 months from the date of this Shareholders' Meeting, would be limited to 10% of the Company's share capital, it being specified that the amount of shares and/or securities issued under this delegation would be included in the sub-ceiling for share capital increases set in the 17th resolution, as well as in the Overall Ceiling set in the 16th resolution.

In the event of a public offer for the Company's shares, the Board of Directors would not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period.

Twenty-first resolution

Delegation of authority to increase the share capital by capitalisation of premiums, reserves or profits

In the **21st resolution**, you are asked to authorise the Board of Directors to increase the share capital by capitalisation of premiums, reserves, profits or other items. As such capitalisation would not necessarily involve the issue of new shares, this delegation must be submitted to the Extraordinary Shareholders' Meeting under the quorum and majority conditions applicable to Ordinary Shareholders' Meetings.

This delegation would enable the Board of Directors to increase the share capital by a maximum nominal amount of €130 million (*i.e.*, approximately 33% of the share capital), which would be included in the Overall Ceiling set in the 16th resolution.

This delegation would be valid for a period of 26 months from the date of this Shareholders' Meeting.

In the event of a public offer for the Company's shares, the Board of Directors would not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period.

Twenty-second resolution

Delegation of authority to increase the share capital through the issue of shares and/or securities granting access to the Company's share capital, reserved for members of company savings plans, without Preferential Subscription Rights

In the **22nd resolution**, you are asked to delegate authority to the Board of Directors to carry out share capital increases reserved for employees and/or corporate officers who are members of a company savings plan in place within the Pernod Ricard Group, through the issue of ordinary shares and/or securities granting access to the Company's share capital. The maximum nominal amount of the share capital increases that may be carried out under this delegation would be set at 2% of the Company's share capital at the close of this Shareholders' Meeting.

This sub-ceiling is shared with the sub-ceiling provided for in the 23rd resolution below, it being specified that the amount of shares and/or securities issued would be included in the Overall Ceiling and in the sub-ceiling of €4 billion provided for in the 17th resolution.

The issue price of the new shares or securities granting access to the Company's share capital may not be (i) more than 20% below the average of the listed closing prices of the Pernod Ricard share on the regulated Euronext Paris market during the 20 trading sessions preceding the date of the decision setting the opening date of the subscription period, or (ii) above this average.

This delegation would be valid for a period of 26 months from the date of this Shareholders' Meeting.

In the event of a public offer for the Company's shares, the Board of Directors would not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period.

Twenty-third resolution

Delegation of authority to increase the share capital through the issue of shares and/or securities granting access to the Company's share capital, reserved for certain categories of beneficiaries, without Preferential Subscription Rights

In the **23rd resolution**, you are asked, in accordance with the provisions of the French Commercial Code, to delegate authority to the Board of Directors to increase the Company's share capital by a maximum nominal amount of 2% of the share capital at the close of this Shareholders' Meeting, by issuing ordinary shares and/or securities granting access to the Company's share capital, without Preferential Subscription Rights, to (i) employees and Corporate Officers of non-French companies related to the Company within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3341-1 of the French Labour Code (*Code du travail*), and/or (ii) shareholding funds (*e.g.*, UCITS or equivalent entities) invested in the Company's securities and whose capital is held by the persons referred to in (i), and/or (iii) any banking institution (or affiliate of such an institution) acting at the Company's request for the purposes of implementing a shareholding or savings plan for the persons referred to in (i). The 2% sub-ceiling provided for in this resolution is shared with the sub-ceiling provided for in the 22nd resolution above, it being specified that the amount of shares and/or securities issued would be included in the Overall Ceiling and in the sub-ceiling of €4 billion provided for in the 17th resolution.

The issue price of the new shares or securities granting access to the Company's share capital (a) may not be more than 20% below the average of the listed closing prices of the Pernod Ricard share on the regulated Euronext Paris market over the 20 trading sessions preceding the date of the decision setting the opening date of the subscription period, or in excess of this average, and (b) would be equal to the price set for the shares issued as part of any share capital increases reserved for members of company savings plans under the 22nd resolution.

This delegation would be valid for a period of 18 months from the date of this Shareholders' Meeting.

In the event of a public offer for the Company's shares, the Board of Directors would not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period.

Twenty-fourth resolution

Powers to carry out the necessary legal formalities

In the **24th resolution**, you are asked to authorise the Board of Directors to carry out any required legal formalities.

8.3 Proposed resolutions for the Annual Shareholders' Meeting of 10 November 2023

8.3.1 Resolutions presented at the Ordinary Shareholders' Meeting

The purpose of the 1st, 2nd and 3rd resolutions is to approve Pernod Ricard's parent company and consolidated financial statements for FY 2023 and to approve the allocation of net profit and the payment of a dividend of €4.70 per share, following the payment of an interim dividend of €2.06 per share on 7 July 2023.

First resolution

Approval of the parent company financial statements for the financial year ended 30 June 2023

Having reviewed the parent company financial statements for the financial year ended 30 June 2023, the Board of Directors' management report and the Statutory Auditors' report on the parent company financial statements, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves the financial statements for the financial year ended 30 June 2023, which show a net accounting profit of €1,968,175,590.19 for the financial year, as well as all transactions reflected in these financial statements or summarised in these reports.

Pursuant to Article 223 *quater* of the French Tax Code (*Code général des impôts*), the Shareholders' Meeting notes that the total amount of the costs and expenses referred to in paragraph 4 of Article 39 of the French Tax Code amounted to €330,364 for the financial year, and that the tax payable with regard to these costs and expenses amounts to €85,333.

Second resolution

Approval of the consolidated financial statements for the financial year ended 30 June 2023

Having reviewed the Board of Directors' Group management report in accordance with Article L. 233-26 of the French Commercial Code and the Statutory Auditors' report on the consolidated financial statements, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves the consolidated financial statements for the financial year ended 30 June 2023 as presented, as well as all transactions reflected in these financial statements or summarised in the Group management report.

Third resolution

Allocation of net profit for the financial year ended 30 June 2023 and setting of the dividend

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, notes that the financial statements for the financial year ended 30 June 2023 show a net profit of €1,968,175,590.19.

It resolves, on the proposal of the Board of Directors, to allocate and distribute this profit as follows:

Net profit	**€1,968,175,590.19**
Appropriation to the legal reserve	€0(1)
Balance	€1,968,175,590.19
Retained earnings from prior years	€1,364,500,017.66
Distributable profit	€3,332,675,607.85
Dividend	€1,201,469,145.10
Balance allocated to retained earnings	€2,131,206,462.75

(1) Bringing the legal reserve up to the threshold of 10% of the share capital.

It should be noted that if the number of shares entitled to dividends changes from the 255,631,733 shares making up the share capital at 30 June 2023, the aggregate amount of the dividend will be adjusted accordingly and the amount appropriated to "Retained earnings" will be determined on the basis of dividends actually paid.

A dividend of €4.70 will be paid out for each Company share.

As a first interim dividend of €2.06 per share was paid on 7 July 2023, the balance of €2.64 per share will be detached on 24 November 2023, with a record date of 27 November 2023 and paid on 28 November 2023.

The Shareholders' Meeting resolves that the amount of the dividend accruing to treasury shares or shares that have been cancelled on the ex-dividend date will be appropriated to "Retained earnings".

The distributed amount of €4.70 per share is eligible for the 40% tax allowance applicable to individual shareholders who are French tax residents, as provided for in Article 158-3-2° of the French Tax Code.

After appropriation of net profit for the financial year, shareholders' equity amounts to €6,466,907,219.41.

Dividends paid for the past three financial years were as follows:

	FY 2020	**FY 2021**	**FY 2022**
Number of shares	261,876,560	261,876,560	257,947,355
Dividend per share(1) *(in €)*	2.66	3.12	4.12

(1) Amounts eligible for the 40% tax allowance applicable to individual shareholders who are French tax residents, as provided for in Article 158-3-2° of the French Tax Code.

The 4th, 5th and 6th resolutions concern the composition of the Board of Directors and their respective purpose is to renew the directorships of Kory Sorenson and Philippe Petitcolin and to appoint Max Koeune as a new Director.

Fourth resolution

Renewal of the directorship of Kory Sorenson

Having reviewed the Board of Directors' report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, resolves to renew the directorship of Kory Sorenson.

The directorship is granted for a four-year term expiring at the end of the Shareholders' Meeting to be held in 2027 to approve the financial statements for the 2027 financial year.

Fifth resolution

Renewal of the directorship of Philippe Petitcolin

Having reviewed the Board of Directors' report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, resolves to renew the directorship of Philippe Petitcolin.

The directorship is granted for a four-year term expiring at the end of the Shareholders' Meeting to be held in 2027 to approve the financial statements for the 2027 financial year.

Sixth resolution

Appointment of Max Koeune as a Director

Having reviewed the Board of Directors' report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, resolves to appoint Max Koeune as a Director.

The directorship is granted for a four-year term expiring at the end of the Shareholders' Meeting to be held in 2027 to approve the financial statements for the 2027 financial year.

Seventh resolution

Renewal of the appointment of Deloitte & Associés as Statutory Auditors

Having reviewed the Board of Directors' report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, resolves to renew the appointment as principal Statutory Auditors of Deloitte & Associés, whose registered office is located at 6, place de la Pyramide, 92908 Paris la Défense Cedex, France.

The appointment is renewed for a four-year term expiring at the end of the Shareholders' Meeting to be held in 2027 to approve the financial statements for the 2027 financial year.

The 8th, 9th, 10th, 11th and 12th resolutions relate to the compensation of the Executive Corporate Officer and the Corporate Officers. Their purpose is to approve the maximum aggregate annual amount of Directors' compensation (8th resolution), the fixed and variable components of the total compensation and benefits paid during or awarded for FY 2023 to Alexandre Ricard, Chairman & CEO (9th resolution), the compensation policy applicable to Alexandre Ricard, Chairman & CEO (10th resolution) and to the Directors (12th resolution), and the information relating to the compensation of each Corporate Officer (11th resolution).

Eighth resolution

Determination of the maximum aggregate annual amount of Directors' compensation

Having reviewed the Board of Directors' report and the corporate governance report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, resolves to set the maximum aggregate annual amount of Directors' compensation at €1,350,000 for FY 2024 and for each subsequent financial year until a new decision is taken. Details on the allocation of the aggregate amount between individual Directors for FY 2023 can be found in Chapter 2 "Corporate governance", subsection 2.6.4 "Compensation policy for the members of the Board of Directors" of the 2022-2023 Universal Registration Document.

Ninth resolution

Approval of the fixed and variable components of the total compensation and benefits paid during or awarded for FY 2023 to Alexandre Ricard, Chairman & CEO

Having reviewed the Board of Directors' report and the corporate governance report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves, in accordance with Article L. 22-10-34 II of the French Commercial Code, the fixed and variable components of the total compensation and benefits paid during or awarded for FY 2023 to Alexandre Ricard, Chairman & CEO, as presented in Chapter 2, section 2.6.1 "Components of the compensation paid during or awarded for FY 2023 to Alexandre Ricard, Chairman & CEO" of the Universal Registration Document.

Tenth resolution

Approval of the compensation policy applicable to Alexandre Ricard, Chairman & CEO

Having reviewed the Board of Directors' report and the corporate governance report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy for the Chairman & CEO set by the Board of Directors for FY 2024, as presented in Chapter 2 "Corporate governance", subsection 2.6.2 "Compensation policy for the Chairman and CEO" of the 2022-2023 Universal Registration Document.

Eleventh resolution

Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to the compensation of Corporate Officers

Having reviewed the Board of Directors' report and the corporate governance report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves, in accordance with Article L. 22-10-34 I of the French Commercial Code, the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to the compensation of each Corporate Officer of Pernod Ricard for FY 2023, as presented in Chapter 2 "Corporate governance", subsection 2.6.3 of the 2022-2023 Universal Registration Document.

Twelfth resolution

Approval of the compensation policy applicable to Directors

Having reviewed the Board of Directors' report and the corporate governance report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy for the Directors set by the Board of Directors for FY 2024, as presented in Chapter 2 "Corporate governance", subsection 2.6.4 "Compensation policy for the members of the Board of Directors" of the 2022-2023 Universal Registration Document.

Thirteenth resolution

Approval of the related-party agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code

Having reviewed the Statutory Auditors' special report on the agreements referred to in Articles L. 225-38 and L. 225-40 to L. 225-42 of the French Commercial Code, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, notes that, according to the Statutory Auditors' special report, the Statutory Auditors were not advised of any new agreements authorised by the Board of Directors in FY 2023, and approves said report.

The purpose of the 14th resolution is to renew the authorisation granted to the Board of Directors to implement a share buyback programme for Company shares, subject to certain conditions.

Fourteenth resolution

Authorisation for the Board of Directors to trade in Company shares

Having reviewed the Board of Directors' report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, authorises the Board of Directors, with the option to sub-delegate, in accordance with the provisions of Articles L. 225-210 *et seq.* and L. 22-10-62 *et seq.* of the French Commercial Code, to purchase Company shares, particularly in order to:

(i) grant or sell the shares to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law, in particular by granting stock options or as part of employee profit-sharing plans; or

(ii) fulfil the Company's commitments under financial contracts or options with cash payments relating to changes in the stock market price of Company shares, granted to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law; or

(iii) grant free shares to employees and/or Executive Corporate Officers of the Company and/or its current or future affiliates, in accordance with the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code, it being specified that the shares may be allocated, in particular, to a company savings plan in accordance with the provisions of Article L. 3332-14 of the French Labour Code; or

(iv) retain and subsequently tender the shares (in exchange, as payment or otherwise) in connection with external growth transactions, subject to a limit of 5% of the number of shares comprising the share capital; or

(v) deliver the shares upon the exercise of rights attached to securities granting access to the share capital through redemption, conversion, exchange, presentation of a warrant or in any other manner; or

(vi) cancel all or some of the shares bought back, under the conditions provided for in Article L. 22-10-62 paragraph 4 of the French Commercial Code and in accordance with the authorisation to reduce the share capital granted by this Shareholders' Meeting in the 15th resolution; or

(vii) enable an investment services provider to make a market for Company shares in accordance with liquidity agreements in line with the accepted market practices of the AMF.

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

The number of Company shares purchased may be such that:

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

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

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

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

The Shareholders' Meeting resolves that the maximum purchase price per share will be €330, excluding acquisition costs.

In accordance with Article R. 225-151 of the French Commercial Code, the Shareholders' Meeting sets the total maximum amount allocated to the share buyback programme authorised above at €7,655,731,710, corresponding to a maximum of 23,199,187 shares purchased at the maximum unit price of €330, as authorised above.

The Shareholders' Meeting delegates authority to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, in the event that any corporate transactions are carried out by the Company (in particular a change in the par value of the shares, a share capital increase *via* the capitalisation of reserves, a bonus share grant, stock split or reverse stock split), to adjust the above-mentioned maximum purchase price in order to reflect the impact of such transactions on the value of the shares.

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

The Shareholders' Meeting grants the Board of Directors full powers, with the right to sub-delegate in accordance with the conditions set by law, to implement this authorisation, to specify, if necessary, the terms of such implementation and decide on its conditions, with the option to delegate the implementation in accordance with the conditions set by law, and in particular to place all stock exchange orders, enter into any agreements, with a view to keeping registers of share purchases and sales, set, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the terms to ensure, where required, the preservation of the rights of holders of securities or other rights granting access to the share capital, make all declarations, notably to the AMF and to any other official body which may take its place, complete all formalities and, in general, do whatever may be necessary.

This authorisation will be valid for a period of 18 months from the date of this Shareholders' Meeting and cancels, from this same date, any unused portion of the authorisation to trade in Company shares granted to the Board of Directors in the 12th resolution of the Ordinary Shareholders' Meeting of 10 November 2022.

8.3.2 Resolutions presented at the Extraordinary Shareholders' Meeting

We propose that you renew all the authorisations and delegations of authority granted to the Board of Directors by the Shareholders' Meetings of 10 November 2021 and 10 November 2022, which are due to expire on 9 January 2024, 9 May 2024 or 9 January 2025.

The delegations of authority and authorisations submitted for your approval in the 15th to 23rd resolutions would, if approved, cancel any delegations previously granted for the same purposes, from the date of this Shareholders' Meeting. The delegations and authorisations would enable the Board of Directors to take immediately the most appropriate measures, in the Company's interests, to develop and successfully implement the Company's strategy, in particular to finance investments in external growth transactions, and also to involve all the Company's stakeholders, in particular its shareholders and employees, in its success.

Note that none of the delegations or authorisations to increase the share capital with or without Preferential Subscription Rights may be used during a public offer for the Company's shares (unless prior authorisation is obtained from the Shareholders' Meeting).

Fifteenth resolution

Authorisation for the Board of Directors to reduce the share capital by cancelling treasury shares, subject to a limit of 10% of the share capital

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings and in accordance with Articles L. 22-10-62 *et seq.* of the French Commercial Code:

- authorises the Board of Directors to reduce the share capital by cancelling, on one or more occasions, all or some of the Company shares held by the Company or purchased through the share buyback programmes authorised by the Shareholders' Meeting, in particular in the 14th resolution above, subject to a limit of 10% of the share capital per 24-month period, it being specified that the 10% limit applies to the Company's share capital as adjusted to reflect any corporate transactions carried out subsequent to this Shareholders' Meeting;
- resolves that the surplus amount of the purchase price of the cancelled shares over their par value will be allocated to the "Share premium" account or to any available reserve account, including the legal reserve, subject to a limit of 10% of the capital reduction carried out; and
- grants the Board of Directors full powers, with the option to sub-delegate within the limits set by the Articles of Association and by law, to carry out the share cancellations at its own discretion, to reduce the share capital accordingly, to allocate the surplus amount as provided for above, to amend the Articles of Association accordingly and to carry out all required formalities.

This authorisation will be valid for a period of 26 months from the date of this Shareholders' Meeting and cancels, from this same date, the authorisation granted in the 14th resolution of the Combined Shareholders' Meeting of 10 November 2021.

Sixteenth resolution

Delegation of authority for the Board of Directors to increase the share capital for a maximum nominal amount of €130 million (i.e., approximately 33% of the share capital), through the issue of ordinary shares and/or securities granting access to the share capital of the Company or any other company, with Preferential Subscription Rights

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of the French Commercial Code, notably Articles L. 225-129, L. 225-129-2, L. 225-132, L. 225-133, L. 225-134 and L. 228-91 to L. 228-94:

- delegates authority to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, to increase the share capital, on one or more occasions, on the French, foreign or international markets, in the proportions and at the times it considers appropriate, either in euros, or in any other currency or monetary unit established by reference to several currencies, with or without a premium, against payment or free of charge, with Preferential Subscription Rights, by issuing (i) ordinary shares of the Company and/or (ii) securities issued against payment or free of charge, governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, granting access, immediately or in the future, at any time or on a fixed date, by way of subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, to the share capital of the Company or any other company, including companies in which the Company directly or indirectly holds more than half of the share capital (including equity securities granting the right to the allocation of debt securities), it being specified that the shares and other securities issued may be subscribed either in cash, or by offsetting receivables;

- resolves to set the following ceilings for the authorised issues in the event that this delegation is used by the Board of Directors:
  - the Overall Ceiling on the share capital increases that may be carried out under this delegation is set at €130 million or the equivalent thereof in any other currency or monetary unit established by reference to several currencies, it being specified that this ceiling (i) does not include the nominal amount of any additional shares to be issued in the event of adjustments made in order to preserve, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the rights of holders of securities granting access to the share capital and beneficiaries of stock options or free shares, and (ii) constitutes the overall maximum nominal amount of share capital increases that may be carried out under this delegation and the delegations granted in the 17th, 18th, 19th, 20th, 21st, 22nd and 23rd resolutions below, and that the total nominal amount of any share capital increases carried out under these resolutions will be included in this Overall Ceiling,
  - the overall maximum nominal amount of debt securities granting access to the share capital of the Company or any other company may not exceed €12 billion or the equivalent thereof in any other currency or monetary unit established by reference to several currencies at the issue date, it being specified that the nominal amount of debt securities that may be issued under the 17th resolution of this Shareholders' Meeting will be included in this ceiling on the overall nominal amount of debt securities issued. This ceiling is unrelated to and separate from the amount of any debt securities granting the right to the allocation of debt securities, as well as from the amount of any debt securities whose issue may be decided or authorised separately by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;
- in the event that this delegation is used by the Board of Directors:
  - resolves that shareholders will have preferential rights to subscribe for the issue(s) in direct proportion to the number of shares they hold (*à titre irréductible*), and notes that the Board of Directors may grant shareholders additional preferential subscription rights for securities not taken up by other shareholders exercising their basic preferential rights (*à titre réductible*),
  - notes that, in accordance with Article L. 225-134 of the French Commercial Code, if the full amount of an issue of shares or other securities is not taken up by the subscriptions received from shareholders exercising their Preferential Subscription Rights (basic and, where appropriate, additional) as described above, the Board of Directors may use any or all of the different options provided for by law, in the order it will determine, including offering all or part of the unsubscribed shares or securities to the public, on the French and/or foreign and/or international markets,
  - resolves that issues of Company share warrants may be carried out through a subscription offer under the aforementioned conditions, but also by free allocation to the owners of existing shares,
  - resolves that in the event of the free allocation of Company share warrants, the Board of Directors may decide that fractional allocation rights will not be tradeable and that the corresponding securities will be sold,
  - notes that this delegation will automatically result in the waiver by the shareholders, in favour of holders of securities granting access to the Company's share capital, of their Preferential Subscription Rights for the shares to which such securities will grant entitlement;
- resolves that the Board of Directors will have full powers, with the right to sub-delegate in accordance with the conditions set by law, to implement this delegation, including to set the issue, subscription and payment conditions, record the completion of the resulting share capital increase(s) and amend the Articles of Association accordingly, and notably to:
  - decide to carry out an issue and/or share capital increase and determine the type of securities to be issued and their characteristics,
  - decide on the amount of the issue and/or share capital increase, the issue price and any issue premium, as the case may be, that may be requested at the time of the issue and/or share capital increase,
  - determine the dates and terms of the issue and/or share capital increase to be carried out,
  - determine, where applicable, the characteristics and terms for exercising the rights attached to the shares or securities granting access to the share capital, notably any conversion, exchange and/or redemption rights, including by delivery of Company assets such as securities already issued by the Company,
  - determine, in the event of the issue of debt securities, whether the securities will be subordinated or unsubordinated (and, if subordinated, their ranking, in accordance with the provisions of Article L. 228-97 of the French Commercial Code), set the interest rate (notably fixed or variable rate or zero or indexed coupon), their duration (dated or undated) and other terms of issue (including granting guarantees or sureties) and repayment (including redemption through the delivery of Company assets), and amend, during the life of the securities concerned, any of the aforementioned terms, in compliance with the applicable formalities,
  - set the terms under which the Company may, where applicable, buy back or exchange the securities issued or to be issued immediately or in the future,
  - at its sole discretion, charge the costs of the share capital increase(s) against the amount of the related premiums and deduct from said amount the sums required to raise the legal reserve to one-tenth of the new share capital after each capital increase,
  - set and carry out all adjustments required to take into account the impact of any corporate transactions affecting the Company's share capital or equity, and in particular a change in the par value of the shares, a share capital increase *via* the capitalisation of premiums, reserves or profits, a bonus share grant, a stock split or reverse stock split, the distribution of reserves or other assets, any capital redemption, or any other transaction affecting the Company's share capital or equity, and set, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the terms to ensure, where required, the preservation of the rights of holders of securities or other rights granting access to the share capital, and
  - generally, enter into any agreement, in particular to successfully complete the proposed issue(s), take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the securities issued under this delegation and for the exercise of the rights attached thereto, as well as all formalities required subsequent to the share capital increase(s) carried out;
- resolves that in the event of a public offer for the Company's shares, the Board of Directors will not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period;
- sets the period of validity of this delegation at 26 months from the date of this Shareholders' Meeting and notes that, from this date, this delegation cancels the delegation granted in the 15th resolution of the Combined Shareholders' Meeting of 10 November 2021.

Seventeenth resolution

Delegation of authority for the Board of Directors to increase the share capital by a maximum amount of €39 million (i.e., approximately 10% of the share capital), through the issue of ordinary shares and/or securities granting access to the share capital of the Company or any other company, without Preferential Subscription Rights, as part of a public offer other than those referred to in Article L. 411-2-1° of the French Monetary and Financial Code

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of the French Commercial Code, notably Articles L. 225-127, L. 225-128, L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 22-10-51, L. 22-10-52, L. 22-10-54, L. 228-91, L. 228-92 and L. 228-94, and of Article L. 411-2 I of the French Monetary and Financial Code:

- delegates authority to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, to increase the share capital, on one or more occasions, in the proportions and at the times it considers appropriate, on the French and/or foreign and/or international markets, by way of a public offer, either in euros, or in any other currency or monetary unit established by reference to several currencies, with or without a premium, against payment or free of charge, without Preferential Subscription Rights, by issuing (i) ordinary shares and/or (ii) securities issued against payment or free of charge, governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, granting access, immediately or in the future, at any time or on a fixed date, by way of subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, to the share capital of the Company (whether new or existing shares of the Company) or any other company, including companies in which the Company directly or indirectly holds more than half of the share capital (including equity securities granting the right to the allocation of debt securities), it being specified that the shares and other securities issued may be subscribed either in cash, or by offsetting receivables. These securities may, in particular, be issued as consideration for securities tendered to the Company as part of a public exchange offer made in France or abroad in accordance with local regulations (*e.g.*, as part of a UK- or US-type reverse merger or scheme of arrangement) for securities meeting the conditions set out in Article L. 22-10-54 of the French Commercial Code;
- resolves to set the following ceilings for the authorised issues in the event that this delegation is used by the Board of Directors:
  - the maximum nominal amount of the share capital increases that may be carried out under this delegation is set at €39 million or the equivalent thereof in any other currency or monetary unit established by reference to several currencies, with such sub-ceiling being included in the Overall Ceiling of €130 million set in the 16th resolution above, it being specified that this €39 million sub-ceiling (i) does not include the nominal amount of any shares to be issued in the event of adjustments made in order to preserve, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the rights of holders of securities granting access to the share capital and beneficiaries of stock options or free shares, and (ii) is shared with the 18th, 19th, 20th, 22nd and 23rd resolutions below, and that the total nominal amount of the share capital increases carried out under these resolutions will be included in this sub-ceiling,
  - the maximum nominal amount of debt securities granting access to the share capital of the Company or any other company may not exceed €4 billion or the equivalent thereof in any other currency or monetary unit established by reference to several currencies at the issue date, it being specified that this sub-ceiling will be included in the overall €12 billion ceiling set for debt securities in the 16th resolution above. This €4 billion sub-ceiling is unrelated to and separate from the amount of any debt securities granting the right to the allocation of debt securities, as well as from the amount of any debt securities whose issue may be decided or authorised separately by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;
- resolves to waive the shareholders' Preferential Subscription Rights for the securities that may be issued under this resolution, while granting the Board of Directors, in accordance with Article L. 22-10-51 of the French Commercial Code, the option to grant shareholders a priority subscription period for a duration and according to terms to be set by the Board in accordance with the applicable law and regulations, for all or part of an issue carried out. If such a priority subscription period is granted it would not create any tradeable rights and the related priority subscription rights would be exercised in proportion to the number of shares held by each shareholder with the Board having a possibility to grant shareholders additional priority subscription rights for securities not taken up by shareholders exercising their basic priority rights (*à titre réductible*);
- notes that this delegation will automatically result in the waiver by the shareholders, in favour of holders of securities granting access to the Company's share capital, of their Preferential Subscription Rights for the shares to which such securities will grant entitlement;
- resolves that, in accordance with Article L. 22-10-52 of the French Commercial Code:
  - the issue price of the shares issued directly will be at least equal to the minimum amount provided for by the laws and regulations in force when this delegation is used,
  - the issue price of the securities granting access to the share capital and the number of shares for which such securities will be convertible, redeemable or otherwise exchangeable will be such that the amount received immediately by the Company, plus any amount subsequently received by the Company, is, for each share issued as a consequence of the issue of these securities, at least equal to the minimum subscription price set out in the previous paragraph,
  - if the full amount of an issue of shares or other securities is not taken up by the subscriptions received, the Board of Directors may use any or all of the different options provided for by law, in the order it will determine, including offering all or part of the unsubscribed shares or securities to the public, on the French and/or foreign and/or international markets;
- resolves that the Board of Directors will have full powers, with the right to sub-delegate in accordance with the conditions set by law, to implement this delegation, including to set the issue, subscription and payment conditions, record the completion of the resulting share capital increase(s) and amend the Articles of Association accordingly, and notably to:
  - decide to carry out an issue and/or share capital increase and determine the type of securities to be issued and their characteristics,
  - determine the list or category of subscribers to the issue and/or share capital increase,
  - decide on the amount of the issue and/or share capital increase, the issue price and any issue premium, as the case may be, that may be requested at the time of the issue and/or share capital increase,

- determine the dates and terms of the issue and/or share capital increase to be carried out,
- determine, where applicable, the characteristics and terms for exercising the rights attached to the shares or securities granting access to the share capital, notably any conversion, exchange and/or redemption rights, including by delivery of Company assets such as securities already issued by the Company,
- determine, in the event of the issue of debt securities, whether the securities will be subordinated or unsubordinated (and, if subordinated, their ranking, in accordance with the provisions of Article L. 228-97 of the French Commercial Code), set the interest rate (notably fixed or variable rate or zero or indexed coupon), their duration (dated or undated) and other terms of issue (including granting guarantees or sureties) and repayment (including redemption through the delivery of Company assets), and amend, during the life of the securities concerned, any of the aforementioned terms, in compliance with the applicable formalities,
- set the terms under which the Company may, where applicable, buy back or exchange the securities issued or to be issued immediately or in the future,
- at its sole discretion, charge the costs of the share capital increase(s) against the amount of the related premiums and deduct from said amount the sums required to raise the legal reserve to one-tenth of the new share capital after each capital increase,
- set and carry out all adjustments required to take into account the impact of any corporate transactions affecting the Company's share capital or equity, and in particular a change in the par value of the shares, a share capital increase *via* the capitalisation of premiums, reserves or profits, a bonus share grant, a stock split or reverse stock split, the distribution of dividends, reserves or other assets, any capital redemption, or any other transaction affecting the Company's share capital or equity, and set, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the terms to ensure, where required, the preservation of the rights of holders of securities or other rights granting access to the share capital,
- in the event of the issue of securities as consideration for securities tendered as part of a public offer with an exchange component (public exchange offer), draw up the list of securities tendered to the exchange, set the terms of the issue, the exchange ratio and, where applicable, the amount of any cash balance to be paid, without the method for setting the price as set out in paragraphs 8 and 9 of this resolution being applicable, and determine the terms of the issue as part of a public exchange offer, an alternative public purchase or exchange offer, a stock-for-stock and stock-for-cash purchase or exchange offer, a public purchase or exchange offer combined with a secondary purchase or exchange offer, or any other type of public offer that complies with the applicable laws and regulations, and
- generally, enter into any agreement, in particular to successfully complete the proposed issue(s), take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the securities issued under this delegation and for the exercise of the rights attached thereto, as well as all formalities required subsequent to the share capital increase(s) carried out;

- resolves that in the event of a public offer for the Company's shares, the Board of Directors will not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period;
- sets the period of validity of this delegation at 26 months from the date of this Shareholders' Meeting and notes that, from this date, this delegation cancels the delegations granted in the 16th and 20th resolutions of the Combined Shareholders' Meeting of 10 November 2021.

Eighteenth resolution

Delegation of authority for the Board of Directors to increase the number of securities to be issued in the event of a share capital increase, with or without Preferential Subscription Rights, subject to a limit of 15% of the initial issue carried out under the 16th, 17th and 19th resolutions

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders Meetings, and in accordance with the provisions of Articles L. 225-129-2 and L. 225-135-1 of the French Commercial Code:

- delegates authority to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, to increase the number of shares or other securities to be issued in the event of an increase in the Company's share capital carried out with or without Preferential Subscription Rights, at the same price as that used for the initial issue, within the time periods and limits prescribed by the laws and regulations in force on the issue date (*i.e.*, as at the date hereof, within 30 days of the close of the subscription period and up to a maximum of 15% of the initial issue), subject to (i) the ceiling provided for in the resolution under which the issue was decided (16th, 17th or 19th resolution), and (ii) the Overall Ceiling set in the 16th resolution, or, where applicable, any ceilings provided for in any resolutions with the same purpose superseding the aforementioned resolutions during the period of validity of this delegation;
- resolves that in the event of a public offer for the Company's shares, the Board of Directors will not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period;
- sets the period of validity of this delegation at 26 months from the date of this Shareholders' Meeting and notes that, from this date, this delegation cancels the delegation granted in the 17th resolution of the Combined Shareholders' Meeting of 10 November 2021.

Nineteenth resolution

Delegation of authority for the Board of Directors to increase the share capital by a maximum amount of €39 million (i.e., approximately 10% of the share capital), through the issue of ordinary shares and/or securities granting access to the share capital of the Company or any other company, without Preferential Subscription Rights, pursuant to Article L. 411-2-1° of the French Monetary and Financial Code

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of the French Commercial Code, notably Articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136, L. 22-10-49, L. 22-10-51, L. 22-10-52 and L. 228-91 to L. 228-94, and Article L. 411-2-1° of the French Monetary and Financial Code:

- delegates authority to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, to increase the share capital, by way of an offer reserved for qualified investors or a restricted group of investors as referred to in Article L. 411-2-1° of the French Monetary and Financial Code, on one or more occasions, in the proportions and at the times it considers appropriate, in France or abroad, either in euros or in any other currency or monetary unit established by reference to several currencies, with or without a premium, against payment or free of charge, by issuing (i) ordinary shares and/or (ii) securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code granting access, immediately or in the future, at any time or on a fixed date, by way of subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, to the share capital of the Company or any other company, including companies in which the Company directly or indirectly holds more than half of the share capital (including equity securities granting the right to the allocation of debt securities), it being specified that the shares and other securities issued may be subscribed either in cash, or by offsetting due and liquid receivables;
- resolves that the nominal amount of the share capital increases that may be carried out under this delegation may not exceed €39 million or the equivalent thereof in any other currency or monetary unit established by reference to several currencies, it being specified that this sub-ceiling (i) will be included in the €39 million sub-ceiling provided for in the 17th resolution and the Overall Ceiling of €130 million set in the 16th resolution of this Shareholders' Meeting, and (ii) will not include the nominal amount of any additional shares to be issued in order to preserve, in accordance with the law and any applicable contractual provisions, the rights of holders of equity securities or other securities or other rights granting access to the Company's share capital;
- resolves that the maximum nominal amount of debt securities granting access to the share capital of the Company or any other company may not exceed €4 billion or the equivalent thereof in any other currency or monetary unit established by reference to several currencies at the issue date, it being specified that this amount will be included in (i) the €4 billion sub-ceiling provided for in the 17th resolution of this Shareholders' Meeting and (ii) the overall €12 billion ceiling provided for in the 16th resolution of this Shareholders' Meeting. This €4 billion sub-ceiling is unrelated to and separate from the amount of any debt securities granting the right to the allocation of debt securities, as well as from the amount of any debt securities whose issue may be decided or authorised separately by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;
- resolves to waive the shareholders' Preferential Subscription Rights for the shares or other securities that may be issued under this resolution;
- resolves that if the full amount of an issue of shares or other securities is not taken up by the subscriptions received, the Board of Directors may use any or all of the different options provided for by law, in the order it will determine, including offering all or part of the unsubscribed shares or securities to the public, on the French and/or foreign and/or international markets;
- notes that this delegation will automatically result in the waiver by the shareholders, in favour of holders of securities granting access to the Company's share capital, of their Preferential Subscription Rights for the shares to which such securities will grant entitlement;
- resolves that, in accordance with Article L. 22-10-52 paragraph 1 of the French Commercial Code:
  - the issue price of the shares issued directly will be at least equal to the minimum amount provided for by the laws and regulations in force when this delegation is used,
  - the issue price of the securities granting access to equity securities and the number of shares for which such securities will be convertible, redeemable or otherwise exchangeable will be such that the amount received immediately by the Company, plus any amount subsequently received by the Company, is, for each share issued as a consequence of the issue of these securities, at least equal to the minimum subscription price set out above,
  - the number of shares for which securities granting access to equity securities will be convertible, redeemable or otherwise exchangeable will be determined in such a way as to ensure that the amount per share received by the Company (taking into account the nominal value of the bond or the said security) is at least equal to the minimum subscription price set out in the first point of this paragraph;
- resolves that the Board of Directors will have full powers, with the right to sub-delegate in accordance with the conditions set by law, to implement this delegation, including to set the issue, subscription and payment conditions, record the completion of the resulting share capital increase(s) and amend the Articles of Association accordingly, and notably to:
  - decide to carry out an issue and/or share capital increase and determine the type of securities to be issued and their characteristics,
  - determine the list or category of subscribers to the issue and/or share capital increase,
  - decide on the amount of the issue and/or share capital increase, the issue price and any issue premium, as the case may be, that may be requested at the time of the issue and/or share capital increase,
  - determine the dates and terms of the share capital increase(s) to be carried out, including the form, characteristics and terms of the securities to be issued, the opening and closing dates of the subscription period, the issue price of the securities and the date from which they will carry rights, the method by which they will be paid up, the terms under which the securities to be issued under this resolution will grant access to the Company's share capital, any and all other terms of issues and, in the case of debt securities, their subordination ranking,

- determine, where applicable, the characteristics and terms for exercising the rights attached to the shares or securities granting access to the share capital, notably any conversion, exchange and/or redemption rights, including by delivery of Company assets such as securities already issued by the Company,
- determine, in the event of the issue of debt securities, whether the securities will be subordinated or unsubordinated (and, if subordinated, their ranking, in accordance with the provisions of Article L. 228-97 of the French Commercial Code), set the interest rate (notably fixed or variable rate or zero or indexed coupon) and, where applicable, provide for obligatory or discretionary cases for the suspension or non-payment of interest, their duration (dated or undated), the possibility of reducing or increasing the nominal amount of the securities, and other terms of issue (including granting guarantees or sureties) and repayment (including redemption through the delivery of Company assets), and amend, during the life of the securities concerned, any of the aforementioned terms, in compliance with the applicable formalities,
- set the terms under which the Company may, where applicable, buy back or exchange the securities issued or to be issued immediately or in the future,
- provide for the option to suspend the exercise of the rights attached to the securities issued, in accordance with the applicable laws and regulations,
- at its sole discretion, charge the costs of the share capital increase(s) against the amount of the related premiums and deduct from said amount the sums required to raise the legal reserve to one-tenth of the new share capital after each increase,
- set and carry out all adjustments required to take into account the impact of any corporate transactions affecting the Company's share capital or equity, and in particular a change in the par value of the shares, a share capital increase *via* the capitalisation of premiums, reserves or profits, a bonus share grant, a stock split or reverse stock split, the distribution of reserves or other assets, any capital redemption, or any other transaction affecting the Company's equity, and set, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the terms to ensure, where required, the preservation of the rights of holders of securities or other rights granting access to the share capital,
- generally, enter into any agreement, in particular to successfully complete the proposed issue(s), take all measures and carry out all formalities appropriate for the issue, listing and financial servicing of the securities issued under this delegation and for the exercise of the rights attached thereto, as well as all formalities required subsequent to the share capital increase(s) carried out;

- resolves that in the event of a public offer for the Company's shares, the Board of Directors will not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period;
- sets the period of validity of this delegation at 26 months from the date of this Shareholders' Meeting and notes that, from this date, this delegation cancels the delegation granted in the 18th resolution of the Combined Shareholders' Meeting of 10 November 2021.

Twentieth resolution

Delegation of authority for the Board of Directors to issue ordinary shares and/or securities granting access to the share capital of the Company or any other company as consideration for contributions in kind granted to the Company, subject to a limit of 10% of the share capital

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 225-147, L. 22-10-53 and L. 228-91 to L. 228-94 of the French Commercial Code:

- delegates authority to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, to issue ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code granting access, immediately or in the future, at any time or on a fixed date, by way of subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, to the share capital of the Company or any other company, including companies in which the Company directly or indirectly holds more than half of the share capital (including equity securities granting the right to the allocation of debt securities), subject to a limit of 10% of the share capital at the time of the issue, as consideration for contributions in kind granted to the Company and consisting of shares or securities granting access to the share capital of other companies, when the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable;
- resolves that the nominal amount of the share capital increase(s) resulting from the issues of securities set out in the paragraph above will be included in (i) the Overall Ceiling set in the 16th resolution above, and (ii) the sub-ceiling on share capital increases set in the 17th resolution above, or, where applicable, any ceilings provided for in any resolutions with the same purpose superseding the aforementioned resolutions during the period of validity of this delegation, it being specified that these ceilings will not include the nominal amount of any shares to be issued for the purpose of adjustments made in order to preserve, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the rights of holders of securities granting access to the share capital or beneficiaries of stock options or free shares;
- notes, as necessary, that shareholders will not have Preferential Subscription Rights for the shares or other securities issued directly under this delegation and that this delegation will automatically result in the waiver by the shareholders of their Preferential Subscription Rights for the shares to which any securities issued under this delegation may grant entitlement;
- resolves that the Board of Directors will have full powers, with the right to sub-delegate in accordance with the conditions set by law, to implement this delegation, including to set the issue, subscription and payment conditions, record the completion of the resulting share capital increase(s) and amend the Articles of Association accordingly, and notably to:
  - decide to carry out an issue and/or share capital increase and determine the type of securities to be issued and their characteristics,

- approve the valuation of the contributions, as well as the amount of any cash balance to be paid and any special benefits to be granted, and reduce, if the contributors so agree, the valuation of the contributions or the compensation of the special benefits and, in respect of the said contributions, record the completion thereof, set the terms under which the Company may, where applicable, buy back or exchange on the stock market the securities granting access to the share capital issued or to be issued immediately or in the future,
- at its sole discretion, charge the costs of the share capital increase(s) against the amount of the related premiums and deduct from said amount the sums required to be credited to the legal reserve,
- set and carry out all adjustments required to take into account the impact of any corporate transactions affecting the Company's share capital or equity, and in particular a change in the par value of the shares, a share capital increase *via* the capitalisation of premiums, reserves or profits, a bonus share grant, a stock split or reverse stock split, the distribution of dividends, reserves, profits or other assets, any capital redemption, or any other transaction affecting the Company's share capital or equity, and set, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the terms to ensure, where required, the preservation of the rights of holders of securities or other rights granting access to the share capital,
- generally, enter into any agreement, in particular to successfully complete the proposed issue(s), take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the securities issued under this delegation and for the exercise of the rights attached thereto, as well as all formalities required subsequent to the share capital increase(s) carried out;

- resolves that in the event of a public offer for the Company's shares, the Board of Directors will not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period;
- sets the period of validity of this delegation at 26 months from the date of this Shareholders' Meeting and notes that, from this date, this delegation cancels the delegation granted in the 19th resolution of the Combined Shareholders' Meeting of 10 November 2021.

Twenty-first resolution

Delegation of authority for the Board of Directors to increase the share capital by a maximum nominal amount of €130 million (i.e., approximately 33% of the share capital) by capitalisation of premiums, reserves, profits or other items

Having reviewed the Board of Directors' report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings provided for in Articles L. 22-10-32 and L. 225-98 of the French Commercial Code, and in accordance with the provisions of the French Commercial Code, notably Articles L. 225-129, L. 225-129-2, L. 225-130 and L. 22-10-50:

- delegates authority to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, to increase the share capital, on one or more occasions, in the proportions and at the times it considers appropriate, by capitalising premiums, reserves, profits or other items for which capitalisation is authorised by law and the Articles of Association, in the form of the allocation of bonus shares and/or an increase in the par value of the existing shares;
- resolves to set the maximum nominal amount of the share capital increases that may be carried out under this delegation at €130 million or the equivalent thereof in any other currency or monetary unit established by reference to several currencies, it being stipulated that this sub-ceiling will be included in the Overall Ceiling on share capital increases set in the 16th resolution above, or, where applicable, any overall ceiling provided for in any resolution with the same purpose superseding the aforementioned resolution during the period of validity of this delegation. The €130 million sub-ceiling does not include the nominal amount of any shares to be issued in the event of any adjustments made in order to preserve, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the rights of holders of securities granting access to the share capital and beneficiaries of stock options or free shares;
- delegates full powers to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, to implement this delegation, including to set the issue conditions, record the completion of the resulting share capital increase(s) and amend the Articles of Association accordingly, and notably to:
  - set the amount and nature of the sums to be capitalised, set the number of new shares to be issued and/or the amount by which the par value of the existing shares comprising the share capital will be increased, set the date, which may be retroactive, from which the new shares will carry rights or the date on which the increase in par value will be effective,
  - resolve, in the event of bonus share grants, that fractional allocation rights will not be tradeable and that the corresponding shares will be sold in accordance with terms that will be set by the Board of Directors, with the proceeds from the sale allocated to the holders of the rights under the conditions stipulated by the law and regulations,
  - set and carry out all adjustments required to take into account the impact of any corporate transactions affecting the Company's share capital or equity, and in particular a change in the par value of the shares, a share capital increase *via* the capitalisation of premiums, reserves or profits, a bonus share grant, a stock split or reverse stock split, the distribution of dividends, reserves, profits or other assets, any capital redemption, or any other transaction affecting the Company's share capital or equity, and set, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the terms to ensure, where required, the preservation of the rights of holders of securities or other rights granting access to the share capital, and
  - generally, enter into any agreement, in particular to successfully complete the proposed issue(s), take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the securities issued under this delegation and for the exercise of the rights attached thereto, as well as all formalities required subsequent to the share capital increase(s) carried out;
- resolves that in the event of a public offer for the Company's shares, the Board of Directors will not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period;
- sets the period of validity of this delegation at 26 months from the date of this Shareholders' Meeting and notes that, from this date, this delegation cancels the delegation granted in the 21st resolution of the Combined Shareholders' Meeting of 10 November 2021.

Twenty-second resolution

Delegation of authority for the Board of Directors to increase the share capital, subject to a limit of 2% thereof, through the issue of shares and/or securities granting access to the Company's share capital, reserved for members of company savings plans, without Preferential Subscription Rights

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with Articles L. 225-129, L. 225-129-2 to L. 225-129-6, L. 225-138-1 and L. 228-91 to L. 228-94 of the French Commercial Code, and Articles L. 3332-1 *et seq.* of the French Labour Code:

- delegates authority to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, to increase the share capital, on one or more occasions, in France or abroad, in the proportions and at the times it considers appropriate, either in euros, or in any other currency or monetary unit established by reference to several currencies, with or without a premium, against payment or free of charge, by issuing shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, granting access, immediately or in the future, at any time or on a fixed date, by way of subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, to the share capital of the Company (including equity securities granting the right to the allocation of debt securities), reserved for members of one or more company savings plans (or any other plan for the members of which a share capital increase may be reserved under equivalent conditions pursuant to Article L. 3332-18 of the French Labour Code or any equivalent law or regulation) that may be set up within the Group comprised of the Company and the French or foreign entities within the scope of consolidation of the Company's financial statements pursuant to Article L. 3344-1 of the French Labour Code;
- resolves to set the maximum nominal amount of the share capital increases that may be carried out under this delegation at 2% of the Company's share capital at the end of this Shareholders' Meeting, it being specified that:
  - this sub-ceiling is shared with the sub-ceiling provided for in the 23rd resolution of this Shareholders' Meeting,
  - this sub-ceiling does not include the nominal amount of any shares to be issued in the event of any adjustments made in order to preserve, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the rights of holders of securities granting access to the share capital and beneficiaries of stock options or free shares,
  - the nominal amount of the share capital increase(s) carried out under this delegation will be included in (i) the sub-ceiling for share capital increases without Preferential Subscription Rights set in the 17th resolution of this Shareholders' Meeting, and (ii) the Overall Ceiling on share capital increases set in the 16th resolution, or, where applicable, any ceilings provided for in any resolutions with the same purpose superseding the aforementioned resolutions during the period of validity of this delegation;
- resolves that the issue price of the new shares or securities granting access to the Company's share capital will be determined in accordance with the conditions provided for in Article L. 3332-19 of the French Labour Code and may not (i) be more than 20% below the average of the listed closing prices of the Pernod Ricard share during the 20 trading sessions preceding the date of the decision setting the opening date of the subscription period for the share capital increase reserved for the members of a company savings plan (the "Reference Price"), or (ii) exceed this average. However, the Shareholders' Meeting expressly authorises the Board of Directors, if it deems appropriate, to reduce or cancel the aforementioned discount, within the legal and regulatory limits, in order to take into account, in particular, locally applicable legal, accounting, tax and social security regimes;
- resolves that the Board of Directors will have full powers to allocate to the aforementioned beneficiaries, free of charge, in addition to the shares or securities granting access to the share capital to be subscribed in cash, new or existing shares or securities granting access to the share capital in substitution for all or part of the discount on the Reference Price and/or the employer's contribution, it being specified that the benefit resulting from this allocation may not exceed the legal or regulatory limits in accordance with Articles L. 3332-1 to L. 3332-24 of the French Labour Code;
- resolves to waive, in favour of the aforementioned beneficiaries, the shareholders' Preferential Subscription Rights for the securities that may be issued under this resolution, with the shareholders furthermore waiving all rights to any free allocations of shares or securities granting access to the share capital that may be issued under this resolution, as well as to the shares to which such securities will grant entitlement;
- resolves that the Board of Directors will have full powers, with the right to sub-delegate in accordance with the conditions set by law, to implement this delegation, including to set the issue, subscription and payment conditions, record the completion of the resulting share capital increase(s) and amend the Articles of Association accordingly, and notably to:
  - draw up, under the conditions provided for by law, the list of companies for which members of a company savings plan may subscribe to the shares or securities granting access to the share capital that may be issued under this delegation, and benefit, where applicable, from the free allocation of shares or securities granting access to the share capital,
  - decide whether subscriptions may be carried out directly or *via* company mutual funds or other structures or entities permitted by the applicable law and regulations,
  - determine the conditions, in particular in respect of length of service, to be met by the beneficiaries of the issues and/or share capital increases,
  - set the start and end dates of the subscription periods,
  - set the amounts of the issue(s) and/or share capital increase(s) that will be carried out under this delegation and, in particular, set the issue prices, dates, time periods and terms and conditions of the subscription, payment and delivery of the securities and the date (which may be retroactive) from which they will carry rights, as well as the other characteristics and terms of the issue(s) and/or share capital increase(s), within the applicable legal and regulatory limits,
  - in the event of the issue of debt securities, set all the characteristics and terms of such securities,

- in the event of a free allocation of shares or securities granting access to the share capital, determine the number of shares or other securities to be issued and the number to be granted to each beneficiary, set the dates, time periods and terms and conditions of the allocation of such shares or other securities, within the applicable legal and regulatory limits, and, in particular, choose to substitute, in full or in part, the allocation of such shares or other securities for the discount on the Reference Price provided for above, and/or to deduct the equivalent value of the shares or other securities from the total amount of the employer's contribution,
- set the terms under which the Company may, where appropriate, buy back or exchange on the stock market, at any time or during set periods, the securities granting access to the share capital, with a view to holding or cancelling them, in accordance with the law,
- record the completion of the share capital increase(s) based on the amount of the shares subscribed (after any reduction in the event of oversubscription),
- at its sole discretion, charge the costs of the share capital increase(s) against the amount of the related premiums and deduct from said amount the sums required to be credited to the legal reserve,
- set and carry out all adjustments required to take into account the impact of any corporate transactions affecting the Company's share capital or equity, and in particular a change in the par value of the shares, a share capital increase *via* the capitalisation of premiums, reserves or profits, a bonus share grant, a stock split or reverse stock split, the distribution of dividends, reserves, profits or other assets, any capital redemption, or any other transaction affecting the Company's share capital or equity (including in the event of a public offer and/or change of control), and set, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the terms to ensure, where required, the preservation of the rights of holders of securities or other rights granting access to the share capital (including by way of cash adjustments), and
- generally, enter into any agreement, in particular to successfully complete the proposed issue(s), take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the securities issued under this delegation and for the exercise of the rights attached thereto, as well as all formalities required subsequent to the share capital increase(s) carried out;

- notes that, in the event that this delegation is used by the Board of Directors, the Board of Directors will report to the next Ordinary Shareholders' Meeting, in accordance with the applicable laws and regulations, on the use made of the delegation granted in this resolution; and
- resolves that in the event of a public offer for the Company's shares, the Board of Directors will not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period.

This delegation is valid for a period of 26 months from the date of this Shareholders' Meeting.

Twenty-third resolution

Delegation of authority for the Board of Directors to increase the share capital, subject to a limit of 2% thereof, through the issue of shares and/or securities granting access to the share capital, reserved for certain categories of beneficiaries, without Preferential Subscription Rights

Having reviewed the Board of Directors' report and the Statutory Auditors' report, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2 to L. 225-129-6, L. 22-10-49, L. 225-138 and L. 228-91 to L. 228-94 of the French Commercial Code:

- delegates authority to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, to increase the share capital, on one or more occasions, in France or abroad, in the proportions and at the times it considers appropriate, either in euros, or in any other currency or monetary unit established by reference to several currencies, with or without a premium, against payment or free of charge, by issuing Company shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, granting access, immediately or in the future, at any time or on a fixed date, by way of subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, to the share capital of the Company (including equity securities granting the right to the allocation of debt securities), reserved for the category of beneficiaries defined below;
- resolves that the total nominal amount of the share capital increases that may be carried out under this delegation may not exceed 2% of the Company's share capital at the close of the Shareholders' Meeting, it being specified that:
  - this sub-ceiling is shared with the sub-ceiling provided for in the 22nd resolution of this Shareholders' Meeting,
  - this sub-ceiling does not include the nominal amount of any shares to be issued in the event of any adjustments made in order to preserve, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the rights of holders of securities granting access to the share capital and beneficiaries of stock options or free shares,
  - the nominal amount of the share capital increase(s) carried out under this delegation will be included in (i) the sub-ceiling on share capital increases without Preferential Subscription Rights set in the 17th resolution of this Shareholders' Meeting, and (ii) the Overall Ceiling on share capital increases set in the 16th resolution, or, where applicable, any ceilings provided for in any resolutions with the same purpose superseding the aforementioned resolutions during the period of validity of this delegation;
- notes that this delegation will automatically result in the waiver by the shareholders, in favour of holders of securities issued under this resolution and granting access to the Company's share capital, of their Preferential Subscription Rights for the shares to which such securities will grant entitlement immediately or in the future;

- resolves to waive the shareholders' Preferential Subscription Rights for the shares that may be issued under this resolution, and to reserve the right to subscribe to the category of beneficiaries meeting the following criteria:
  (a) employees and Corporate Officers of non-French companies of the Pernod Ricard Group that are related to the Company within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code, in order to enable them to subscribe to the Company's share capital under conditions that are economically equivalent to those that may be offered to members of one or more company savings plans as part of a share capital increase carried out under the 22nd resolution of this Shareholders' Meeting, and/or
  (b) undertakings for collective investment in transferable securities (UCITS) or other French or foreign entities, with or without legal personality, under French or foreign law, that manage employee shareholdings invested in the Company's securities, for unit-holders or shareholders that are the persons mentioned in (a) above, and/or
  (c) any banking institution or affiliate of such an institution acting at the Company's request for the purposes of setting up a shareholding or savings plan for the benefit of the persons mentioned in (a) above, insofar as subscription by such an institution or affiliate would be necessary or useful to enable the above-mentioned employees or Corporate Officers to benefit from employee shareholding or savings formulas that are equivalent or comparable in terms of economic advantages to those from which employees would benefit under the resolution reserved for members of a company savings plan (22nd resolution of this Shareholders' Meeting);
- resolves that the issue price of the new shares or securities granting access to the Company's share capital will be determined by the Board of Directors and (a) may not be more than 20% below the average of the listed closing prices of the Company share on Euronext Paris over the 20 trading sessions preceding the date of the decision setting the opening date of the subscription period pursuant to this resolution, or in excess of this average, or (b) will be equal to the price set for the shares issued as part of a share capital increase reserved for members of a company savings plan under the 22nd resolution of this Shareholders' Meeting; and
- resolves that the Board of Directors will have full powers to allocate to the aforementioned beneficiaries, free of charge, in addition to the shares or securities granting access to the share capital to be subscribed in cash, new or existing shares or securities granting access to the share capital in substitution for all or part of the discount on the Reference Price and/or the employer's contribution, it being specified that the benefit resulting from this allocation may not exceed the legal or regulatory limits in accordance with Articles L. 3332-1 to L. 3332-24 of the French Labour Code.

  However, the Shareholders' Meeting expressly authorises the Board of Directors, if it deems appropriate, to reduce or cancel any discount granted, in order to take into account, in particular, locally applicable legal, accounting, tax and social security regimes.

  In the event of an offer in favour of beneficiaries mentioned in paragraph (a) above residing in the United Kingdom, as part of a "share incentive plan", the Board of Directors may also decide that the subscription price of the new shares or securities granting access to the Company's share capital to be issued under this plan will be equal to the lower of (i) the listed price of the Company share on Euronext Paris at the opening of the reference period used to determine the subscription price of the plan and (ii) the share price recorded at the end of such period, with such dates determined in accordance with the applicable local regulations. The issue price set will not include any discount on the share price applied;
- resolves that the Board of Directors may, with the right to sub-delegate in accordance with the conditions set by law, determine the subscription formulas that will be offered to the employees in each country concerned, subject to the applicable local laws, and select (i) the countries in which the Group has affiliates that are within the scope of the Company's consolidated financial statements in accordance with Article L. 3344-1 of the French Labour Code, and (ii) which of the said affiliates have employees that may participate in the operations;
- resolves that the amount of the share capital increase(s) will, where applicable, be limited to the amount of the subscriptions received by the Company, in accordance with the applicable laws and regulations;
- resolves that the Board of Directors will have full powers, with the right to sub-delegate in accordance with the conditions set by law, to implement this delegation, including to set the issue, subscription and payment conditions, record the completion of the resulting share capital increase(s) and amend the Articles of Association accordingly, and notably to:
  - determine the beneficiary or list of beneficiaries of the waiver of shareholders' Preferential Subscription Rights within the category defined above, along with the number of shares or securities granting access to the Company's share capital to be subscribed by such beneficiary or each beneficiary,
  - set the start and end dates of the subscription periods,
  - set the amounts of the issue(s) and/or share capital increase(s) that will be carried out under this delegation and, in particular, set the issue prices, dates, time periods and terms and conditions of the subscription, payment and delivery of the securities and the date (which may be retroactive) from which they will carry rights, as well as the other characteristics and terms of the issue(s) and/or share capital increase(s), within the applicable legal and regulatory limits,
  - in the event of the issue of debt securities, set all the characteristics and terms of such securities (in particular whether they are dated or undated, subordinated or unsubordinated and the applicable interest rate),
  - set the terms under which the Company may, where appropriate, buy back or exchange on the stock market, at any time or during set periods, the securities granting access to the share capital, with a view to holding or cancelling them, in accordance with the law,

- record the completion of the share capital increase(s) based on the amount of the shares or securities granting access to the share capital subscribed (after any reduction in the event of oversubscription),
- at its sole discretion, charge the costs of the share capital increase(s) against the amount of the related premiums and deduct from said amount the sums required to raise the legal reserve to one-tenth of the new share capital after each increase,
- set and carry out all adjustments required to take into account the impact of corporate transactions affecting the Company's share capital or equity, and in particular a change in the par value of the shares, a share capital increase *via* the capitalisation of premiums, reserves or profits, a bonus share grant, a stock split or reverse stock split, the distribution of dividends, reserves, profits or other assets, any capital redemption, or any other transaction affecting the Company's share capital or equity, and set, in accordance with the law and regulations and, where applicable, contractual provisions providing for other adjustments, the terms to ensure, where required, the preservation of the rights of holders of securities or other rights granting access to the share capital, and
- generally, enter into any agreement, in particular to successfully complete the proposed issue(s), take all measures and decisions and carry out all formalities appropriate for the issue, admission to trading on a regulated market and financial servicing of the securities issued under this delegation and the exercise of the rights attached thereto, as well as all formalities required subsequent to the share capital increase(s) carried out;

- notes that, in the event that this delegation is used by the Board of Directors, the Board of Directors will report to the next Ordinary Shareholders' Meeting, in accordance with the applicable laws and regulations, on the use made of the delegation granted in this resolution; and
- resolves that in the event of a public offer for the Company's shares, the Board of Directors will not be able to use this delegation, without prior authorisation from the Shareholders' Meeting, as from the date on which the third party files the offer until the end of the offer period.

This delegation is valid for a period of 18 months from the date of this Shareholders' Meeting.

Twenty-fourth resolution

Powers to carry out the necessary legal formalities

Deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, the Shareholders' Meeting grants full powers to the bearer of a copy or an extract of the minutes of this Meeting to carry out, wherever they may be required, any and all filing, legal disclosure and other formalities.

8.4 Statutory Auditors' reports

8.4.1 Statutory Auditors’ Report on the share capital decrease

This is a free translation into English of the Statutory Auditors’ report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Combined (Ordinary and Extraordinary) Shareholders’ Meeting of 10 November 2023

15th resolution

To the Pernod Ricard S.A. Shareholders’ Meeting,

As Statutory Auditors of your Company and pursuant to the assignment set forth in Article L.22-10-62 of the French Commercial Code (Code de commerce) concerning share capital decreases by cancellation of shares purchased, we hereby present our report on our assessment of the reasons for and the terms and conditions of the proposed share capital decrease.

Shareholders are requested to confer all necessary powers on the Board of Directors, for a period of 26 months commencing the date of this Shareholders’ Meeting, to cancel, up to a maximum of 10% of its share capital by 24-month period, the shares purchased by the Company pursuant to the authorization to purchase its own shares, as part of the provisions of the aforementioned article.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this assignment. These procedures consisted in verifying the fairness of the reasons for and the terms and conditions of the proposed decrease in share capital, which does not undermine shareholder equality.

We have no matters to report on the reasons for and the terms and conditions of the proposed share capital decrease.

Paris La Défense, September 19, 2023

The Statutory Auditors,

French original signed by

KPMG S.A.		Deloitte & Associés	
Caroline Bruno-Diaz	Adrien Johner	Marc de Villartay	Loris Strappazzon
Partner	*Partner*	*Partner*	*Partner*

8.4.2 Statutory Auditors' report on the issue of ordinary shares and/or various securities with retention and/or cancellation of preferential subscription rights

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Combined (Ordinary and Extraordinary) Shareholders' Meeting of 10 November 2023

16th, 17th, 18th, 19th and 20th resolutions

To the Pernod Ricard S.A. Shareholders' Meeting,

As Statutory Auditors of your Company (hereinafter the "Company") and pursuant to the assignment set forth in Articles L. 228-92, L. 225-135 et seq. and L. 22-10-52 of the French Commercial Code (Code de commerce), we hereby present our report on the proposed delegations of authority to the Board of Directors to issue ordinary shares and/or securities, transactions on which you are asked to vote.

Based on its report, the Board of Directors asks that you delegate to it, with the option of sub-delegation, for a period of 26 months commencing the date of this Shareholders' Meeting, the authority to decide the following transactions, set the definitive issue terms and conditions and, where necessary, cancel your preferential subscription rights:

- issue of ordinary shares of the Company and/or securities granting immediate or future access to the share capital of the Company or other companies including those in which the Company holds directly or indirectly more than half the share capital (including equity securities granting entitlement to debt securities), with retention of preferential subscription rights (16th resolution);
- issue of ordinary shares and/or securities granting immediate or future access to the share capital of the Company (new or existing shares) or other companies including those in which the Company holds directly or indirectly more than half the share capital (including equity securities granting entitlement to debt securities), with cancellation of preferential subscription rights, as part of a public offer, other than those referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code (Code monétaire et financier), it being specified that these securities may be issued in exchange for shares contributed to the Company as part of a public exchange offer in France or abroad according to local rules (e.g. in connection with a reverse merger or scheme of arrangement) on securities satisfying the conditions defined in Article L.22-10-54 of the French Commercial Code (17th resolution);
- issue of ordinary shares and/or securities granting immediate or future access to the share capital of the Company or other companies including those in which the Company holds directly or indirectly more than half the share capital (including equity securities granting entitlement to debt securities), with cancellation of preferential subscription rights, as part of an offering reserved for qualified investors or a restricted group of investors as referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code (19th resolution);
- issue of ordinary shares and/or various securities granting immediate or future access to the share capital of the Company or other companies including those in which the Company holds directly or indirectly more than half the share capital (including equity securities granting entitlement to debt securities), within the limit of 10% of the share capital at the time of issue, in exchange for contributions in kind to the Company comprising shares or securities granting access to the share capital of other companies (20th resolution);

The overall par value amount of share capital increases that may be carried out, immediately or in the future, pursuant to the 16th, 17th, 18th, 19th, 20th, 21st, 22nd and 23rd resolutions presented to the Shareholders' Meeting, may not, according to the 16th resolution, exceed €130 million, it being specified that the total par value amount of share capital increases that may be carried out immediately or in the future may not exceed:

- €130 million if performed pursuant to the 16th resolution;
- €39 million if performed pursuant to the 17th resolution, with this ceiling also applicable jointly to the 18th, 19th, 20th, 22nd and 23rd resolutions presented to the Shareholders' Meeting;
- €39 million if performed pursuant to the 19th resolution presented to the Shareholders' Meeting.

The overall nominal amount of securities representing debt securities that may be issued pursuant to the 16th, 17th and 19th resolutions presented to the Shareholders' Meeting, may not, according to the 16th resolution, exceed €12 billion, it being specified that the nominal amount of debt securities to be issued may not exceed €4 billion if performed pursuant to the 17th or 19th resolutions individually or together.

These ceilings take into account the additional number of securities to be created by virtue of the delegations set forth in the 16th, 17th and 19th resolutions, under the terms and conditions stipulated in Article L. 225-135-1 of the French Commercial Code, should you adopt the 18th resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified financial information extracted from the accounts, on the proposed cancellation of preferential subscription rights and on certain other information concerning these transactions, as set out in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this assignment. These procedures consisted in verifying the content of the Board of Directors' report on these transactions and the process for determining the issue price of the future securities.

Subject to reviewing at a future date the terms and conditions of any issues that may be decided, we have no comments to make on the process for determining the issue price of the future securities, as set out in the Board of Directors' report in respect of the 17th and 19th resolutions.

In addition, as this report does not specify the process for determining the issue price of future securities issued pursuant to the 16th, 19th and 20th resolutions, we cannot express our opinion on the items used to calculate this issue price.

As the definitive terms and conditions of the issues have not been set, we do not express an opinion thereon and, as such, on the proposed cancellation of preferential subscription rights on which you are asked to decide in the 17th and 19th resolutions.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors makes use of these delegations, in the event of the issue of securities granting access to other equity securities or entitlement to the allocation of debt securities, the issue of securities granting access to future equity securities, or the issue of ordinary shares with cancellation of preferential subscription rights.

Paris La Défense, September 19, 2023
The Statutory Auditors,
French original signed by

KPMG S.A.		**Deloitte & Associés**	
Caroline Bruno-Diaz	Adrien Johner	Marc de Villartay	Loris Strappazzon
Partner	*Partner*	*Partner*	*Partner*

8.4.3 Statutory Auditors' report on the issuance of ordinary shares and/or securities granting access to share capital, reserved for employee members of company savings plans

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Combined (Ordinary and Extraordinary) Shareholders' Meeting of 10 November 2023

22nd resolution

To the Pernod Ricard S.A. Shareholders' Meeting,

As Statutory Auditors of your Company (hereinafter the "Company") and pursuant to the assignment set forth in Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby present our report on the proposed delegation of authority to the Board of Directors to issue, on one or more occasions, ordinary shares and/or securities granting immediate or future access to the Company's share capital, with cancellation of preferential subscription rights, reserved for employee members of one or more company savings plans implemented within the Group, comprising the Company and the French and foreign companies falling within the consolidation scope of the Company's financial statements pursuant to Article L. 3344-1 of the French Labour Code (Code du travail), a transaction on which you are asked to vote.

The par value amount of immediate or future capital increases that may be carried out may not exceed 2% of the Company's share capital at the close of this Shareholders' Meeting, which is also the limit provided for in the 23rd resolution submitted at this Shareholders' Meeting. The par value amount of the share capital increase will be deducted from the maximum amount of share capital increases with cancellation of preferential subscription rights set by this Shareholders' Meeting in its 17th resolution, and from the overall cap set by this same Shareholders' Meeting in its 16th resolution.

This transaction is subject to your approval in accordance with the provisions of Article 225-129-6 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labour Code.

Based on its report, your Board of Directors proposes that you authorize it, for a period of 26 months commencing the date of this Shareholders' Meeting, to decide one or more issues and to cancel your preferential subscription rights to the ordinary shares and securities to be issued. Where appropriate, the Board of Directors shall determine the definitive terms and conditions of the transaction.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified financial information extracted from the accounts, on the proposed cancellation of preferential subscription rights and on certain other information concerning the issues, as set out in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* relating to this assignment. These procedures consisted in verifying the content of the Board of Directors' report on this transaction and the process for determining the issue price of the future securities.

Subject to reviewing at a future date the terms and conditions of any issues that may be decided, we have no comments to make on the process for determining the issue price of the future securities, as set out in the Board of Directors' report.

As the definitive terms and conditions of the issues have not been set, we do not express an opinion thereon and, as such, on the proposed cancellation of preferential subscription rights on which you are asked to decide.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors makes use of these delegations, in the event of the issue of ordinary shares and securities that are equity securities granting access to other equity securities or the issue of securities granting access to future equity securities.

Paris La Défense, September 19, 2023
The Statutory Auditors,
French original signed by

KPMG S.A.		Deloitte & Associés	
Caroline Bruno-Diaz	Adrien Johner	Marc de Villartay	Loris Strappazzon
Partner	*Partner*	*Partner*	*Partner*

8.4.4 Statutory Auditors' report on the issuance of ordinary shares and/or securities granting access to share capital, with cancellation of preferential subscription rights

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Combined (Ordinary and Extraordinary) Shareholders' Meeting of 10 November 2023

23rd resolution

To the Pernod Ricard S.A. Shareholders' Meeting,

As Statutory Auditors of your Company (hereinafter "the Company") and pursuant to the assignment set forth in Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby present our report on the proposed delegation of authority to the Board of Directors to issue, on one or more occasions, ordinary shares and/or securities granting immediate or future access to the Company's share capital, with cancellation of preferential subscription rights, reserved for:

(a) employees and executive officers of non-French companies of the Pernod Ricard group that are related to the Company under Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code (Code de travail), to enable them to subscribe to the Company's share capital under conditions that are economically equivalent to those that may be offered to members of one or more company savings plans, as part of a share capital increase pursuant to the 22nd resolution of this Shareholders' Meeting, and/or

(b) undertakings for collective investment in transferable securities (UCITS) or other French or foreign entities, with or without legal personality, that manage employee shareholdings invested in the Company's securities, for unit-holders or shareholders that are the persons mentioned in (a) above, and/or

(c) any banking institution or subsidiary of such an institution involved at the Company's request in implementing a shareholding or savings plan for the benefit of the persons mentioned in (a) above, insofar as the subscription of the person authorised under this resolution would be necessary or desirable to enable the employees or executive officers mentioned above to benefit from employee shareholding or savings schemes equivalent or comparable in terms of economic advantages to those from which employees would benefit as part of a company savings plan under the 22nd resolution of this Shareholders' Meeting, a transaction on which you are asked to vote.

The par value amount of immediate or future capital increases that may be carried out may not exceed 2% of the Company's share capital at the close of this Shareholders' Meeting, which is also the limit provided for in the 22nd resolution submitted at this Shareholders' Meeting. The par value amount of the share capital increase will be deducted from the maximum amount of share capital increases with cancellation of preferential subscription rights set by this Shareholders' Meeting in its 17th resolution, and from the overall cap set by this same Shareholders' Meeting in its 16th resolution.

Based on its report, your Board of Directors proposes that you authorize it, for a period of 18 months commencing the date of this Shareholders' Meeting, to decide one or more issues and to cancel your preferential subscription rights to the ordinary shares and securities to be issued. Where appropriate, the Board of Directors shall determine the definitive terms and conditions of the transaction.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified financial information extracted from the accounts, on the proposed cancellation of preferential subscription rights and on certain other information concerning the issue, as set out in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this assignment. These procedures consisted in verifying the content of the Board of Directors' report on this transaction and the process for determining the issue price of the future securities.

Subject to reviewing at a future date the terms and conditions of any issues that may be decided, we have no comments to make on the process for determining the issue price of the future securities, as set out in the Board of Directors' report.

As the definitive terms and conditions of the issues have not been set, we do not express an opinion thereon and, as such, on the proposed cancellation of preferential subscription rights on which you are asked to decide.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors makes use of these delegations, in the event of the issue of ordinary shares or securities that are equity securities granting access to other equity securities or the issue of securities granting access to future equity securities.

Paris La Défense, September 19, 2023
The Statutory Auditors,
French original signed by

KPMG S.A.		Deloitte & Associés	
Caroline Bruno-Diaz	Adrien Johner	Marc de Villartay	Loris Strappazzon
Partner	*Partner*	*Partner*	*Partner*

9

Information on the Company and its share capital

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9.1 Information on Pernod Ricard

9.1.1 Legal and commercial name

Pernod Ricard

9.1.2 Registered office and website

5, cours Paul Ricard, 75008 Paris (France)
Tel.: +33 1 70 93 16 00
https://www.pernod-ricard.com
The information on the website does not form part of the prospectus.

9.1.3 Legal form

Pernod Ricard is a French public limited company *(Société Anonyme)* with a Board of Directors.

9.1.4 Applicable law

Pernod Ricard is a company subject to French law, governed by the French Commercial Code *(Code de commerce)*.

9.1.5 Date of incorporation and length of life

The Company was incorporated on 13 July 1939 for a term of 99 years.
The Shareholders' Meeting of 9 November 2012 extended the term of the Company by 99 years to 2111.

9.1.6 Objects and purposes

The corporate purpose, as provided for in Article 2 of the Company's Articles of Association[1], is reproduced below in full:

"The Company's purpose is, indirectly or indirectly:

- the manufacture, purchase and sale of all wines, spirits and liqueurs, as well as of alcohol and all food products and commodities, the use, conversion and trading in all forms of finished or semi-finished products, by-products and substitutes generated by the main operations carried out in distilleries or other industrial establishments of the same type;
- the above operations may be carried out on a wholesale, retail-wholesale or retail basis and in locations, in France or outside France;
- storage, purchases and sales fall within the above list;
- the representation of any French or foreign entities producing, manufacturing or selling products of the same type;
- investments in any businesses or operations whatsoever, which may be related to the production and the trading of similar products in any form whatsoever, and the creation of new companies, contributions, subscriptions, purchases of securities or ownership rights under any form, etc.;
- any transactions connected with the hotel industry and the leisure industry in general, notably the investment by the Company in any companies, existing or to be created, businesses or operations whatsoever, that may be related to the hotel or leisure industries in general, it being specified that the Company may conduct all these transactions on its own account or on behalf of third parties, either acting alone or through equity investment, partnerships or through companies with any third parties or other companies, and carry them out in any form whatsoever: contributions, mergers, subscriptions or the purchase of securities or ownership rights, etc.;
- investment in any industrial, commercial, agricultural, real estate, financial or other companies, whether existing or to be formed, and whether French or foreign;
- the acquisition, disposal, exchange and any transactions involving shares, equity interests or partnership holdings, investment certificates, convertible or exchangeable bonds, equity warrants, bonds with equity warrants and generally, any securities and property rights whatsoever;
- any agricultural, farming, arboriculture, breeding, wine-growing operations, etc., as well as any associated or derivative agricultural or industrial operations relating thereto;
- and generally, all industrial, commercial, financial, movable or real property or securities operations related directly or indirectly to the above purposes or being capable of favouring their development."

(1) *The Articles of Association are available on the Company's website (www.pernod-ricard.com).*

9.1.7 Registration number, NAF business activity code and LEI

The Company is registered on the Paris Trade and Companies Register under number 582 041 943.
Pernod Ricard's French business activity (NAF) code is 7010Z. It corresponds to: Head Office Operations.
Pernod Ricard SA's LEI is 52990097YFPX9J0H5D87.

9.1.8 Financial year

From 1 July to 30 June of each year.

9.1.9 Dividend rights – Right to share in the issuer's profits

Net profits are made up of the Company's income, as recorded in the income statement, less overhead and other Company charges, including depreciation and amortisation of assets and all provisions for commercial and industrial contingencies, if applicable.

From this net profit, less previous losses if applicable, at least 5% shall first be deducted to create the statutory reserve fund. This deduction shall cease to be mandatory when the statutory reserve fund reaches an amount that is equal to one-tenth of share capital. It shall be required once again if for any reason whatsoever this reserve fund falls to less than one-tenth of share capital.

An amount shall be withdrawn from the distributable profit determined in accordance with the law sufficient to provide the shares a first dividend equal to 6% of their fully paid up and unredeemed value, subject to the possibility for the Board of Directors to authorise shareholders who so request to make full payment for their shares early, without such payments entitling the shareholders to the first dividend described above.

This first dividend shall not be cumulative, i.e., in the event that the profits for a financial year do not permit payment of the dividend, or if such profits do not permit payment of the entire amount of the dividend, the shareholders shall have no right to claim the payment of such dividend from the profits of a subsequent financial year.

From the available surplus, the Ordinary Shareholders' Meeting may deduct the amounts it deems appropriate to be carried forward to the following financial year or to be allocated to any special or contingency reserve funds, with or without a specific designation for the use thereof.

The balance shall be divided among the shareholders as an additional dividend.

The Ordinary Shareholders' Meeting shall be authorised to withdraw from all optional reserve funds created any amounts that it deems appropriate for the purpose of:

- distributing them to the shareholders or allocating them to the total or partial redemption of shares; or
- capitalising them or allocating them to the buyback and cancellation of shares.

Shares that have been redeemed in full shall be replaced by bonus shares *(actions de jouissance)*, which shall have the same rights as the former shares, with the exception of the right to the first dividend as provided in the Articles of Association and the right to the reimbursement of its capital contribution.

The procedures for paying the dividend within the maximum period provided by law shall be set by the Ordinary Shareholders' Meeting, or failing this, by the Board of Directors.

The Ordinary Shareholders' Meeting held to approve the financial statements for the financial year shall have the right to provide to each shareholder, for all or part of the dividend distributed, or for the interim dividend, a choice between payment of the dividend in cash or in shares.

Dividends shall be paid within a maximum of nine months following the year end. This period may be extended by court ruling. Unclaimed dividends shall be forfeited to the French State after the statutory period of five years.

9.1.10 Changes to the share capital and the rights attached to shares

Any changes to the share capital or the voting rights attached to the shares making up the share capital shall be governed by the standard legal provisions, as the Articles of Association[(2)] do not contain any specific provisions in this respect.

9.1.11 Statutory Auditors

Deloitte & Associés, member of the Versailles regional auditors' association *(Compagnie Régionale des Commissaires aux Comptes de Versailles)*, represented by Marc de Villarty, whose registered office is at 6, place de la Pyramide, 92908 Paris La Défense Cedex, reappointed by the Shareholders' Meeting of 19 November 2017 for a term of six years, which will expire at the close of the Shareholders' Meeting to be held in 2023 to approve the financial statements for FY 2023.

The reappointment of Deloitte & Associés is subject to the approval of the Shareholders' Meeting of 10 November 2023.

KPMG SA, member of the Versailles regional auditors' association *(Compagnie Régionale des Commissaires aux Comptes de Versailles)*, represented by Caroline Bruno-Diaz and Adrien Johner, whose registered office is at Tour Eqho, 2, avenue Gambetta, 92066 Paris La Défense Cedex, whose appointment was approved by the Shareholders' Meeting of 10 November 2022 and will expire at the close of the Shareholders' Meeting to be held in 2028 to approve the financial statements for FY 2028.

Fees of the Statutory Auditors and members of their networks

The fees of the Statutory Auditors and members of their networks for the 12-month financial year are presented in Note 6.8 – *Fees of the Statutory Auditors and members of their network for the 12-month financial year* in Section 6 "Annual consolidated financial statements" of this Universal Registration Document.

(2) The Articles of Association are available on the Company's website (www.pernod-ricard.com).

9.2 Information on the share capital

All conditions in the Articles of Association[3] governing changes to the share capital and the rights attached thereto are in all respects compliant with French law. The Articles of Association[3] do not provide for any overriding provisions and do not impose any special contingencies.

9.2.1 Amount of paid-up capital at 30 June 2023

On 18 July 2012, the Board of Directors noted that, at 30 June 2012, the share capital had increased by an amount of €912,643.10 following the exercise, since 1 July 2011, of 588,802 stock options granting entitlement to the same number of Pernod Ricard shares.

On 24 July 2013, the Board of Directors noted that, at 30 June 2013, the share capital had increased by an amount of €172,029.85 following the exercise, since 1 July 2012, of 110,987 stock options granting entitlement to the same number of Pernod Ricard shares. At 30 June 2013, Pernod Ricard's subscribed and fully paid-up share capital thus amounted to €411,403,467.60, divided into 265,421,592 shares with a par value of €1.55.

Since 30 June 2014, Pernod Ricard's subscribed and fully paid-up share capital has amounted to €411,403,467.60, divided into 265,421,592 shares with a par value of €1.55.

On 22 July 2020, upon delegation of the Shareholders' Meeting of 8 November 2019, the Board decided to cancel 3,545,032 Pernod Ricard shares and noted that this cancellation reduced the share capital of Pernod Ricard from €411,403,467.60 to €405,908,668, divided into 261,876,560 shares with a par value of €1.55.

On 27 April 2022, upon delegation of the Shareholders' Meeting of 10 November 2021, the Board decided to cancel 3,929,205 Pernod Ricard shares and noted that this cancellation reduced the share capital of Pernod Ricard from €405,908,668 to €399,818,400.25, divided into 257,947,355 shares with a par value of €1.55.

On 26 April 2023, upon delegation of the Shareholders' Meeting of 10 November 2021, the Board decided to cancel 2,315,622 Pernod Ricard shares and noted that this cancellation reduced the share capital of Pernod Ricard from €399,818,400.25 to €396,229,186.15, divided into 255,631,733 shares with a par value of €1.55.

9.2.2 Shares not representing capital

There are no shares not representing the Company's capital.

5,181,868 Pernod Ricard shares held by Société Paul Ricard are pledged to third parties.

1,352,650 Pernod Ricard shares held by Le Delos Invest I (a controlled company within the meaning of Article L. 233-3 of the French Commercial Code) are pledged to third parties.

4,118,105 Pernod Ricard shares held by Le Delos Invest II (a controlled company within the meaning of Article L. 233-3 of the French Commercial Code) are pledged to third parties.

1,720,000 Pernod Ricard shares held by Le Delos Invest III (a controlled company within the meaning of Article L. 233-3 of the French Commercial Code) are pledged to third parties.

9.2.3 Contingent capital

Stock options

At 30 June 2023, there were no outstanding Company stock options.

(3) *The Articles of Association are available on the Company's website (www.pernod-ricard.com).*

9.2.4 Changes in the share capital over the last five years

TABLE OF CHANGES IN THE SHARE CAPITAL OVER THE LAST FIVE YEARS

Amount of share capital prior to transaction	Number of shares prior to transaction	Year	Type of transaction	Quantity	Effective date	Shares issued/ cancelled	Share/ conversion premium	Number of shares after transaction	Amount of share capital after transaction
€411,403,467.60	265,421,592	2019	-	-	-	-	-	265,421,592	€411,403,467.60
€411,403,467.60	265,421,592	2020	-	-	-	-	-	265,421,592	€411,403,467.60
€411,403,467.60	265,421,592	2021	Cancellation of shares	N/A	22/07/2020	3,545,032	-	261,876,560	€405,908,668
€405,908,668	261,876,560	2022	Cancellation of shares	N/A	27/04/2022	3,929,205	-	257,947,355	€399,818,400.25
€399,818,400.25	257,947,355	2023	Cancellation of shares	N/A	26/04/2023	2,315,622	-	255,631,733	€396,229,186.15

N/A: Not applicable.
The date provided is the date on which the Board of Directors decided to cancel the shares.

9.2.5 Changes in voting rights over the last five years

Year(1)	Number of voting rights(2)
Position at 30/06/2019	314,615,287
Position at 30/06/2020	317,440,412
Position at 30/06/2021	314,421,245
Position at 30/06/2022	310,685,307
Position at 30/06/2023	305,894,671

(1) Data at the date the breakdown of share capital and voting rights were recorded.
(2) Total number of voting rights in the Company, including suspended voting rights.

9.2.6 Breakdown of share capital and voting rights at 30 June 2023

Shareholders	Position at 30/06/2023			Position at 30/06/2022			Position at 30/06/2021		
	Number of shares	% of share capital	% of voting rights*	Number of shares	% of share capital	% of voting rights*	Number of shares	% of share capital	% of voting rights*
Société Paul Ricard[(1)]	35,964,503	14.07	20.41	35,939,659	13.93	20.09	34,630,930	13.22	19.43
Rafaël Gonzalez-Gallarza[(2)]	1,477,603	0.58	0.97	1,477,603	0.57	0.95	1,477,603	0.56	0.94
Directors and Management of Pernod Ricard	220,911	0.09	0.08	208,387	0.08	0.07	362,973	0.14	0.16
Pernod Ricard employees	3,540,466	1.38	1.79	3,567,721	1.38	1.77	3,328,778	1.27	1.65
Groupe Bruxelles Lambert (Belgium)[(3)]	17,204,118	6.73	11.25	19,891,870	7.71	12.80	19,891,870	7.60	12.65
BlackRock Investment Management Limited (United Kingdom)[(4)]	12,957,953	5.07	4.24	12,002,224	4.65	3.86	13,130,591	5.01	4.18
MFS Investment Management (United States)[(5)]	10,607,826	4.15	3.47	12,994,021	5.04	4.18	15,698,042	5.99	4.99
Invesco (United Kingdom)[(6)]	6,528,175	2.55	2.13	6,598,665	2.56	2.13	2,646,623	1.01	0.84
WCM Investment Management, LLC (United States)[(7)]	6,620,843	2.59	2.16	-	-	-	5,220,603	1.99	1.66
FIL Fund Investment International[(8)]	5,170,372	2.02	1.69	4,551,211	1.76	1.46	3,974,614	1.52	1.26
Amundi Asset Management[(9)]	3,763,462	1.47	1.23	3,965,340	1.54	1.28	2,675,786	1.02	0.85
Alecta[(10)]	2,699,000	1.06	0.88	1,399,000	0.55	0.45	-	-	-
Wellington Management Group LLP[(11)]	1,685,256	0.66	0.55	-	-	-	-	-	-
Bank of Montreal[(12)]	1,662,343	0.65	0.54	-	-	-	-	-	-
Threadneedle Asset Management Holdings Ltd[(13)]	1,570,019	0.61	0.51	1,376,315	0.54	0.45	-	-	-
Mitsubishi UFJ Kokusai Asset Management Co. Ltd[(14)]	1,410,526	0.55	0.46	-	-	-	-	-	-
Franklin Resources[(15)]	1,381,512	0.54	0.45	-	-	-	-	-	-
Allianz Global Investors GmbH[(16)]	1,288,331	0.50	0.42	1,318,122	0.51	0.43	-	-	-
Caisse des Dépôts et Consignations[(17)]	-	-		6,376,245	2.47	2.05	6,061,268	2.31	1.93
Norges Bank Investment Management (Norway)[(18)]	-	-	-	3,917,610	1.52	1.26	-	-	-
American Century Investments Management, Inc.[(19)]	-	-	-	1,315,136	0.51	0.42	-	-	-
Capital Group Companies (United States)[(20)]	-	-	-	-	-	-	13,254,986	5.06	4.22
Citigroup Global Markets Limited (United Kingdom)[(21)]	-	-	-	-	-	-	4,221,764	1.61	1.34
Credit Suisse Group (United Kingdom)[(22)]	-	-	-	-	-	-	1,810,840	0.69	0.58
Aviva plc[(23)]	-	-	-	-	-	-	1,550,453	0.59	0.49
Treasury shares:									
held by affiliates	-	-	-	-	-	-	-	-	-
held by the Company	2,363,986	0.92	0.00	979,454	0.38	0.00	965,483	0.37	0.00
Other and public	137,514,528	53.79	46.76	140,068,772	54.30	46.33	130,973,353	50.01	42.82
TOTAL	**255,631,733**	**100.00**	**100.00**	**257,947,355**	**100.00**	**100.00**	**261,876,560**	**100.00**	**100.00**

Based on notifications made to the Company, mainly in the prior financial year, that thresholds stipulated in French law and the Articles of Association (0.5% of the share capital) had been crossed.

* *Although there is only one class of shares, shares held for ten years in registered form are entitled to double voting rights. Calculated on the basis of a total of 305,894,671 "theoretical" voting rights (including suspended voting rights).*

(1) *Société Paul Ricard is wholly owned by the Ricard family. The notification also covers 169,868 shares held by Le Garlaban, 1,352,650 shares held by Le Delos Invest I, 4,431,928 shares held by Le Delos Invest II and 1,720,002 shares held by Le Delos Invest III. These four companies are controlled by Société Paul Ricard within the meaning of Article L. 233-3 of the French Commercial Code.*

(2) *Rafaël Gonzalez-Gallarza has signed a shareholders' agreement with Société Paul Ricard, as detailed below.*

(3) *Notification of 22 June 2017.*

(4) *Notification of 2 May 2023.*

(5) *Notification of 8 June 2023.*

(6) *Notification of 12 July 2022.*

(7) *Notification of 18 August 2022.*

(8) *Notification of 17 January 2023.*

(9) *Notification of 31 May 2023.*

(10) *Notification of 10 August 2022.*

(11) *Notification of 21 March 2023.*

(12) *Notification of 17 November 2022.*

(13) *Notification of 20 July 2022.*

(14) *Notification of 13 March 2023.*

(15) *Notification of 27 February 2023.*

(16) *Notification of 5 September 2022.*

(17) *Notification of 24 September 2021.*

(18) *Notification of 15 July 2021.*

(19) *Notification of 22 February 2022.*

(20) *Notification of 16 July 2020.*

(21) *Notification of 2 December 2020.*

(22) *Notification of 27 July 2020.*

(23) *Notification of 11 November 2020.*

Certain Company shares carry double voting rights as described in subsection 2.5.3 “Voting conditions” in Section 2 “Corporate governance” of the 2022-2023 Universal Registration Document. Of the 255,631,733 shares comprising the Company’s capital at 30 June 2023, 50,262,938 shares carried double voting rights.

At the same date, employees held 3,540,466 shares, representing 1.38% of the share capital and 1.79% of the voting rights of the Company.

The Paul Ricard Concert Party (comprising: Société Paul Ricard, Le Delos Invest I, Le Delos Invest II, Le Delos Invest III, Le Garlaban and Rigivar, as well as Danièle Ricard, Patricia Ricard Giron, Veronica Vargas, Rafaël Gonzalez-Gallarza, Cesar Giron, François-Xavier Diaz, Alexandre Ricard and Paul-Charles Ricard) held 38,198,112 Company shares representing 66,616,439 voting rights, i.e., 14.94% of the share capital and 21.78% of the voting rights of the Company at 30 June 2023.

The shareholders’ agreement between the Company’s shareholders (Rafaël Gonzalez-Gallarza and Société Paul Ricard, owned by the Ricard family), is described under “Shareholders’ agreements” in subsections 2.1.2.5.2 “Declarations by the members of the Board of Directors” and 2.4.3 “Agreements between shareholders of which the Company is aware” of the 2022-2023 Universal Registration Document and is also available on the AMF website (www.amf-france.org).

Legal threshold crossings

In a letter received on 2 February 2023, BlackRock Inc. (55 East 52nd Street, New York, NY 10055, USA), acting on behalf of its clients and the funds it manages, notified that on 1 February 2023 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,924,767 Pernod Ricard shares representing as many voting rights, i.e., 5.01% of the share capital and 4.19% of the voting rights of the Company.

In a letter received on 23 February 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 22 February 2023 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,893,097 Pernod Ricard shares representing as many voting rights, i.e., 4.99% of the share capital and 4.18% of the voting rights of the Company.

In a letter received on 2 March 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 1 March 2023 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,919,663 Pernod Ricard shares representing as many voting rights, i.e., 5.01% of the share capital and 4.19% of the voting rights of the Company.

In a letter received on 9 March 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 8 March 2023 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,836,919 Pernod Ricard shares representing as many voting rights, i.e., 4.98% of the share capital and 4.16% of the voting rights of the Company.

In a letter received on 10 March 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 9 March 2023 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 13,280,326 Pernod Ricard shares representing as many voting rights, i.e., 5.15% of the share capital and 4.30% of the voting rights of the Company.

In a letter received on 15 March 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 14 March 2023 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,886,461 Pernod Ricard shares and 4.17% of the voting rights of the Company.

In a letter received on 17 March 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 16 March 2023 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,979,767 Pernod Ricard shares representing as many voting rights, i.e., 5.03% of the share capital and 4.20% of the voting rights of the Company.

In a letter received on 20 March 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 17 March 2023 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,845,416 Pernod Ricard shares representing as many voting rights, i.e., 4.98% of the share capital and 4.16% of the voting rights of the Company.

In a letter received on 22 March 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 21 March 2023 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 13,067,457 Pernod Ricard shares representing as many voting rights, i.e., 5.07% of the share capital and 4.23% of the voting rights of the Company.

In a letter received on 24 March 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 23 March 2023 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,882,703 Pernod Ricard shares representing as many voting rights, i.e., 4.99% of the share capital and 4.17% of the voting rights of the Company.

In a letter received on 28 March 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 27 March 2023 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,905,153 Pernod Ricard shares representing as many voting rights, i.e., 5.003% of the share capital and 4.18% of the voting rights of the Company.

In a letter received on 30 March 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 29 March 2023 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,880,934 Pernod Ricard shares representing as many voting rights, i.e., 4.99% of the share capital and 4.17% of the voting rights of the Company.

In a letter received on 31 March 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 30 March 2023 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,898,401 Pernod Ricard shares representing as many voting rights, i.e., 5.0004% of the share capital and 4.18% of the voting rights of the Company.

In a letter received on 3 April 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 31 March 2023 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,848,914 Pernod Ricard shares representing as many voting rights, i.e., 4.98% of the share capital and 4.16% of the voting rights of the Company.

In a letter received on 4 April 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 3 April 2023 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 13,028,330 Pernod Ricard shares representing as many voting rights, i.e., 5.05% of the share capital and 4.22% of the voting rights of the Company.

In a letter received on 12 April 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 11 April 2023 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,869,754 Pernod Ricard shares representing as many voting rights, i.e., 4.99% of the share capital and 4.18% of the voting rights of the Company.

In a letter received on 13 April 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 12 April 2023 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,934,634 Pernod Ricard shares representing as many voting rights, i.e., 5.01% of the share capital and 4.20% of the voting rights of the Company.

In a letter received on 27 April 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 26 April 2023 it had fallen below the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,890,223 Pernod Ricard shares representing as many voting rights, i.e., 4.99% of the share capital and 4.18% of the voting rights of the Company.

In a letter received on 2 May 2023, BlackRock Inc., acting on behalf of its clients and the funds it manages, notified that on 1 May 2023 it had risen above the threshold of 5% of the share capital of Pernod Ricard, and subsequently held, on behalf of its clients and funds, 12,957,953 Pernod Ricard shares representing as many voting rights, i.e., 5.02% of the share capital and 4.21% of the voting rights of the Company.

Additional information on shareholders

It is estimated that approximately 11,670 Pernod Ricard shareholders hold their shares in registered form.

Breakdown of capital (Company analysis based on shareholder survey at 31/03/2023 and registered share data)	(%)
Paul Ricard Concert Party	14.9
Board + Management + Employees + Treasury shares	2.4
Groupe Bruxelles Lambert	6.7
US institutional investors	30.0
French institutional investors	9.3
UK institutional investors	12.3
Other foreign institutional investors	21.1
Individual shareholders	3.3
TOTAL	**100**

To Pernod Ricard's knowledge, no shareholder, directly or indirectly, alone or in concert, holds more than 5% of the share capital or voting rights, other than those included in the table "Breakdown of share capital and voting rights at 30 June 2023" above.

No individual or entity, directly or indirectly, alone, jointly or in concert, exercises control over Pernod Ricard's share capital.

To the Company's knowledge, no material changes have taken place in the breakdown of the Company's share capital over the last three financial years, other than those included in the table "Breakdown of share capital and voting rights at 30 June 2023" above.

Pernod Ricard is the only Group company listed on a stock exchange (Euronext Paris).

However, the Pernod Ricard Group controls Corby Spirit and Wine Limited (45.79% of the share capital and 51.61% of the voting rights), which is listed on the Toronto Stock Exchange (Canada).

Interests and stock options

Detailed information is provided in Section 2 "Corporate governance" of this Universal Registration Document in relation to the following:

- Corporate Officers' interests in the Company's share capital;
- transactions by Corporate Officers involving Pernod Ricard shares in the financial year;
- stock options exercised by Executive Corporate Officers in FY 2023;
- stock options granted to and exercised by the ten Group employees (other than Corporate Officers) receiving and exercising the highest number of options in FY 2023.

9.2.7 Stock market information on Pernod Ricard shares

Pernod Ricard shares (ISIN: FR0000120693) are traded on the Euronext regulated market in Paris (Compartment A) SRD (Deferred Settlement Service).

TRADING VOLUME AND SHARE PRICE ON THE PARIS STOCK EXCHANGE IN THE LAST 18 MONTHS (SOURCE: BLOOMBERG)

Date	Volumes *(thousands)*	Capital *(€ millions)*	Average price *(€)*	High *(€)*	Low *(€)*	Closing price *(€)*
January 2022	8,140	1,621	200.02	217.20	188.30	189.00
February 2022	9,003	1,735	192.68	199.30	185.55	195.65
March 2022	13,482	2,503	186.26	202.20	172.20	199.30
April 2022	7,785	1,530	196.48	203.50	189.30	197.65
May 2022	8,612	1,586	184.48	201.50	174.70	182.50
June 2022	9,684	1,691	175.84	186.20	166.60	175.30
July 2022	7,885	1,432	181.92	193.80	172.80	191.50
August 2022	6,123	1,174	191.99	196.80	183.55	183.55
September 2022	8,360	1,560	186.59	194.00	179.30	188.85
October 2022	8,224	1,469	179.23	189.30	170.85	177.70
November 2022	9,983	1,849	184.86	191.55	175.25	188.95
December 2022	7,166	1,334	186.24	191.90	180.30	183.75
January 2023	8,735	1,657	189.72	197.60	181.65	189.90
February 2023	9,098	1,770	193.58	204.40	184.45	197.70
March 2023	11,897	2,404	202.28	209.80	194.65	208.70
April 2023	9,112	1,918	211.02	218.00	205.50	209.40
May 2023	8,086	1,705	211.82	217.00	199.95	202.10
June 2023	7,758	1,557	200.04	205.00	195.00	202.40

9.2.8 Other legal information

Related-party transactions

Transactions with related parties are described in Note 6.6 – *Related parties* to the consolidated financial statements (Section 6 of this Universal Registration Document).

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10.1 Persons responsible

10.1.1 Names and functions

Person responsible for the Universal Registration Document

Alexandre Ricard
Chairman and CEO of Pernod Ricard

Person responsible for the information

Florence Tresarrieu
Vice-President, Financial Communication & Investor Relations
Tel.: +33 1 70 93 17 31

10.1.2 Declaration by the person responsible for the Universal Registration Document and the Annual Financial Report

I hereby declare that, to the best of my knowledge, the information contained in this Universal Registration Document is in accordance with the facts and that the Universal Registration Document makes no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and financial results of the Company and all the other companies included in the scope of consolidation, and that the management report included in Section 10.3.2 of this Universal Registration Document gives an accurate picture of the developments in the business, financial results and financial position of the Company and all the other companies included within the scope of consolidation, together with a description of the main risks and uncertainties that they face.

Paris, 19 September 2023
Alexandre Ricard
Chairman and CEO of Pernod Ricard

10.2 Documents available

Corporate documents (financial statements, minutes of Shareholders' Meetings, attendance registers for Shareholders' Meetings, list of Directors, Statutory Auditors' reports, Articles of Association, etc.) for the last three financial years may be consulted at Pernod Ricard's registered office at 5, cours Paul Ricard, 75380 Paris Cedex 08, France.

The "Regulatory information" section of the Company's website is available at the following address:

https://www.pernod-ricard.com/en/investors

This page contains all the regulatory information reported by Pernod Ricard pursuant to the provisions of Articles 221-1 *et seq.* of the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF) General Regulation.

10.3 Cross-reference tables

10.3.1 Universal Registration Document

The table below cross-references the disclosures required under Annex I and Annex II of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 and the relevant pages of this Universal Registration Document.

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9. Regulatory environment	181-184
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12.1 Board of Directors and General management	18-19; 24-49
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13.1 Remuneration and benefits in kind	53; 62-82; 289-290; 295-296
13.2 Amounts set aside or accrued to provide for pension, retirement or similar benefits	76-77; 78-82; 226-231; 250; 272-274
14. Board practices	
14.1 Expiry date of current terms of office	27
14.2 Service contracts	48
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15. Employees	
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16.2 Existence of different voting rights	61
16.3 Control of Pernod Ricard	49; 56-59; 318-323
16.4 Arrangements known to Pernod Ricard, the operation of which may result in a change in control	55-56; 48; 320-323
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18.2 Interim and other financial information	N/A
18.3 Auditing of historical annual financial information	254-257; 283-285
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N/A: Not applicable.

10.3.2 Management report

This Universal Registration Document contains all components of the management report as required by Articles L. 225-100 *et seq.*, L. 232-1-II and R. 225-102 *et seq.* of the French Commercial Code *(Code de commerce)*.

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Position and activity of the Company during the past financial year	190-194
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Research and Development activities	184
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Objective and exhaustive review of the development of the business, financial results and financial position of the Company (particularly its debt position) and non-financial performance indicators (particularly concerning the environment and personnel)	84-164; 190-194
Description of the main risks and uncertainties faced by the Company, and notes concerning the Company's use of financial instruments, when the use of such instruments is relevant to the evaluation of its assets, liabilities, financial position and gains or losses	170-186; 238
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Activity of the Company's subsidiaries	14-16
Significant shareholdings in companies based in France	268
Disposal of shares to ensure cross-holdings are compliant	N/A
Information related to the allocation of share capital	318-323
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10.3.3 Corporate governance report

This Universal Registration Document contains all components of the corporate governance report as required by Articles L. 225-37 *et seq.* of the French Commercial Code.

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Body chosen to serve as the Company's General Management (if the management structure has changed)	24-61
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10.3.4 Annual financial report

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10.3.5 Management reports, parent company financial statements, consolidated financial statements and Statutory Auditors' reports for financial years ended 30 June 2023 and 30 June 2022

The following information is incorporated by reference in this Universal Registration Document:

- the Group management report, the parent company financial statements, the consolidated financial statements and the Statutory Auditors' reports on the parent company financial statements and the consolidated financial statements for the financial year ended 30 June 2022, as presented on pages 101 to 258 of the 2022 Universal Registration Document (https://www.pernod-ricard.com/en/media/universal-registration-document-fy22), filed on 21 September 2022 under No. D.22-0725;
- the Group management report, the parent company financial statements, the consolidated financial statements and the Statutory Auditors' reports on the parent company financial statements and the consolidated financial statements for the financial year ended 30 June 2021, as presented on pages 97 to 270 of the 2021 Universal Registration Document (https://www.pernod-ricard.com/en/media/universal-registration-document-fy21), filed on 22 September 2021 under No. D.21-0806.

The information included in these two Universal Registration Documents, other than that mentioned above, has been replaced and/or updated, as applicable, by the information contained in this Universal Registration Document.

Financial Communication & Investor Relations Department

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Pernod Ricard – 5, cours Paul Ricard – 75380 Paris Cedex 08 – France
Pernod Ricard

A French public limited company (*Société Anonyme*) with share capital of €396,229,186.15

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