



2010 Pernod Ricard Communication on Progress



Portraits—Marcos Lopez





The United Nations Global Compact

10th Anniversary

The United Nations Global Compact, launched in 2000, is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption (listed below). In the decade since, thousands of businesses around the globe have embraced the principles put forth by the UNGC. Today, it is the largest corporate sustainability initiative. Launched in 2000, the Global Compact has mobilized nearly 6,000 businesses in over 135 countries in the last decade. Today, it's the world largest corporate sustainability initiative. The Global compact requires all participating businesses to report annually on their progress in implementing the ten principles of the UNGC by issuing a public Communication on Progress.

On the occasion of the UNGC's tenth Anniversary, Pernod Ricard which adheres in 2003 is delighted to renew its supports to the GC.



Pernod Ricard

Créateurs de convivialité



The ten Global Compact Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



*Statement of
Pierre Pringuet
Chief Executive Officer*



This year marks the 10th anniversary of the United Nations Global Compact and I am delighted to write on this occasion.

For more than 40 years, Pernod Ricard has been committed to a policy of social and environmental responsibility. It is developed around four main priorities: the promotion of responsible drinking, the control of our environmental impact, the deployment of cultural and social-solidarity initiatives and, as a fundamental precept, the development of our employees. These priorities fully respond to the 10 principles of the Global Compact.

In addition to being a member of the Global Compact since 2003, Pernod Ricard became a signatory to the Compact's CEO Water Mandate in 2010. We support this initiative and its six areas of action. As a beverage company, water is involved in every step of the production of our products, from the growing of our raw materials to the bottling of our many brands, either directly or through our global supply chain. Clean drinking water is a basic need for all people and its continued availability is becoming a critical issue in many parts of the world. As a private company, Pernod Ricard wants to make its contribution to ensuring that clean water is available for all.

This year, I particularly wish to underline the six enclosed "best practices" which are reflected in the CSR Platform that Pernod Ricard is implementing within the scope of its current corporate development plan.

Moreover, the training of the 18,000 Pernod Ricard employees on this CSR Platform will be achieved by end of April 2011 with a special focus on the Global Compact and its 10 principles.

It is our belief that with the strong commitment of our employees, the 10 principles of the Global Compact can be efficiently promoted towards our shareholders, suppliers, stakeholders and, of course, our consumers.


*Pierre Pringuet
Chief Executive Officer*



Pernod Ricard 2010 Communication on Progress

http://www.pernod-ricard.com/medias/Finance/PDF/NouveauDossier/04_committed_creators.pdf
http://www.pernod-ricard.com/medias/Finance/PDF/RapportAnnuel/20092010/04_createurs_engages.pdf

http://www.pernod-ricard.com/medias/resources/static/rapport_interactif/2010-11-09_en/appli.htm
http://www.pernod-ricard.com/medias/resources/static/rapport_interactif/2010-11-09_fr/appli.htm

The ten principles of the Global Compact 	Pernod Ricard Our commitments, progress, indicators and results	Further information is available in our 2009 / 2010 Annual Report at
Human Rights		
<p>Principle 1: To support and respect the protection of international law on Human rights within its sphere of influence</p>	<p>Pernod Ricard trains employees to work in an ethical, transparent manner. Each new employee receives the Pernod Ricard charter, a professional ethical code that covers transparency, respect for the law and the environment, safety, equal opportunities and non-discrimination. Pernod Ricard expects its employees to set an example with regard to the responsible consumption of alcohol.</p> <p>Pernod Ricard continues to support and respect the protection of international law on Human rights through its long-standing commitments in humanitarian partnership.</p> <p>For example, Pernod Ricard USA launched a program to fight domestic hunger.</p> <p>PR Italia strives to improve responsible and sustainable sourcing. To make this commitment real, the Italian affiliate recently linked up with PlaNet Finance, an NGO dedicated to micro finance, and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH), a German agency promoting international cooperation to contribute to sustainable development throughout the world. This triple partnership allowed PR Italia to develop a new supply of cardamom and cloves, directly from Fair Trade and organic certified small Indian producers growing their spices on the green and lush hills of Kerala (South of India).</p>	<p>Page 90 – 102</p> <p>Page 117</p> <p>Page 120 - 125</p> <p><i>Please refer to Best Practice N°1 “PRUSA Partnership to fight Domestic Hunger”</i></p>

	<p>Thanks to the local support of both partners, PR Italia is now going further and will implement rural development projects dedicated to improve, on the long term, these small farmers' wealth creation. This will be achieved by offering them new international market opportunities and promoting local micro-entrepreneurship (financial training, crop diversification, setting up of biogas units...).</p>	
<p>Principle 2: To ensure that business is not complicit in human rights abuses</p>	<p>Pernod Ricard's very first act toward its suppliers is to seek their collective commitment, from the smallest SME-SMI to the large partner groups, to what the Group wants in terms of the responsible behaviours that it imposes on itself.</p> <p>Each subsidiary selects and monitors its own suppliers, and since 2007 has had an 'Involvement in the respect of Sustainable Development' questionnaire to evaluate their practices.</p>	<p>Page 90 – 102</p> <p>Page 117</p>
<p>Labor Standards</p>		
<p>Principle 3: To uphold the freedom of association and the effective recognition of the right to collective bargaining</p>	<p>The Group is always attentive to its employees' needs (76% of the staff benefit from Trade-union or employees representatives in the world, 100 % in France), using several methods such as the Pernod Ricard European Works Council (CEPR) created in 1999, a special forum promoting dialogue between the Group's executive management and the employees of its subsidiaries in the European Union.</p> <p>Further to the renewal of its agreement in 2009 (to take into account the new European Directive (2009/38/EC, dated 6 May 2009) and the new perimeter of the Group after the integration of Absolut), delegates' election/designation processes have been organized during autumn 2010 in the fourteen European countries where the Group has more than 75 employees (minimum threshold to obtain a delegate's seat) : half of the 25 delegates who have attended the CEPR Annual Meeting in November 2010 came for the first time in such Council. During CEPR meetings, questions about Pernod Ricard's commitments towards the Global Compact have been broached on many occasions.</p>	<p>Page 97</p>
<p>Principle 4: To eliminate all forms of forced and compulsory labour</p>	<p>Sustainable Development concerns Pernod Ricard at all stages in the life cycle of its products. The Group therefore intends to share its commitment with suppliers and mobilise those involved all along the value-creation chain.</p>	<p>Page 60 - 63</p> <p>Page 110</p>

<p>Principle 5: To ensure the effective abolition of child labour</p>	<p>Each subsidiary selects and monitors its own suppliers, and since 2007 has had an ‘Involvement in the respect of Sustainable Development’ questionnaire to evaluate their practices.</p>	<p>Page 117</p>
<p>Principle 6: To eliminate discrimination in respect of employment and occupation</p>	<p>Their professional and personal Development of PR employees is paramount, their international mobility is supported, and their entrepreneurial spirit is relied upon.</p> <p>42% of outside recruits were women (+3% over 2008/2009) 2.5% portion of payroll dedicated to training in 2009/2010, compared to 2.2% the previous year. 200 internal movements between subsidiaries during the year 1,000 employees profited from stock-option and bonus share plan 212 internal movements recorded in the Group, an increase increase of 49% over 2007/2008. Mobility is increasing year on year in 2009/2010, 33% of job movements involved women.</p> <p>On Monday 15th February 2010, for the first time in Pernod Ricard history, the Group has launched a global e-recruitment tool called “iMove”. “iMove” aims to provide greater transparency in career management within Pernod Ricard, as well as promoting mobility and diversity by offering more perspectives and visibility on career opportunities throughout the Group.</p> <p>Seagram’s gin sponsors the “Pursuit of Excellence Institute”. This program provides tangible opportunities to promising African American citizens to be graduated and get full time employment.</p>	<p>Page 90 -102</p> <p><i>Please refer to Best Practice N°2 “iMove”</i></p> <p><i>Please refer to Best Practice N°3 “Seagram’s Gin – Pursuit of Excellence Program”</i></p>
<p>Environment</p>		
<p>Principle 7: To support a precautionary approach to environmental challenges</p>	<p>Pernod Ricard wants to deliver a message of moderation so that alcohol consumption remains a pleasurable experience synonymous with festivities and conviviality. The Group fights vigorously against excessive or inappropriate drinking practices. Year after year, all subsidiaries are therefore committed to promoting responsible alcohol consumption.</p> <p>Everyone’s business Pernod Ricard has designed a mini-guide to remind employees of the foundations and the framework for the company’s actions. Entitled ‘Alcohol: I’m in Control. Be an ambassador for responsible drinking’ and translated through the subsidiaries into many languages (Polish, Chinese,</p>	<p><i>Please refer to Best Practice N°5 PR UK CSR Campaign “Accept Responsibility”</i></p> <p>Page – 104 - 109</p>

	<p>Portuguese, etc.), it was distributed to all 18,000 employees. Objective: to give them information about alcohol, detail the Group’s action priorities and resources, alert them to risky drinking situations (Drink-driving and awareness among minors, young adults, and pregnant women).</p> <p>PR South Cone & Andes launched a Responsible Drinking program “Beber con moderacion”: The aim is to generate conscience and inform about the risks of alcohol consumption in excess. The mission is to implement a diffusion Program with key messages and contribute to prevent the consumption of minors of 18 years old, and educate adults in a responsible consumption. The subsidiary entered into concrete alliances with private and public sectors and also with non-profit Organizations with the objective to generate synergies and to capitalize resources and strengths. 544 employees, 53 parents and 50 minors will receive training workshops. These activities will be financed by Pernod Ricard and the partner institutions.</p>	<p><i>Please refer to Best Practice N°4 “My baby doesn’t like alcohol”</i></p> <p><i>Program in progress</i></p>
<p>Principle 8: To undertake initiatives to promote greater environmental responsibility</p>	<p>There is a close link between the sustained success of Pernod Ricard’s activities and its commitment to environmental protection. Fully aware of the issues at hand, the Group is putting in place environmentally responsible policies at the production sites it operates in each country.</p> <p>The group’s actions : 24% savings in water consumption (in m3) between 2007/2008 and 2009/2010 in the five countries where water resources are limited. 2.1% savings in energy consumption (by unit produced between 2008/2009 and 2009/2010). 82% of solid waste recycled between 2008/2009 and 2009/2010. 90% of production sites calculated their carbon footprint.</p> <p>On 20 September 2010, Pierre Pringuet, Group's Chief Executive Officer, signed Pernod Ricard up to the CEO Water Mandate (See ANNEX 1 attached)</p> <p>2010 Purchasing departments systematically launched studies on reducing the packaging weights of the main brands (bottles, carton cases, gift boxes).</p>	<p>Page – 94 - 95</p> <p>Page – 110 - 119</p> <p>http://www.pernod-ricard.com/en/pages/199/pe-rnod/Corporate-responsibility/Environment.html</p> <p><i>Please refer to Best Practice N°6 “Water Conservation at PR India Private Ltd Behror”</i></p>

<p>Principle 9: To encourage the development and diffusion of environmentally friendly technologies</p>	<p>One of the key planks of Pernod Ricard's QSE policy is the certification of the management systems of its facilities in four areas. As at 30 June 2010, the following proportions of the Group's global industrial facilities had been certified :</p> <ul style="list-style-type: none">- for quality management (ISO 9001): 92% of sites, or 97% of production;- for environmental management (ISO 14001): 90% of sites, or 96% of production;- for security management (OHSAS 18001): 82% of sites, or 90% of production;- for food safety (ISO 22000): 30% of sites, or 15% of production <p>Number of reporting sites : 108</p> <p>Pernod and Ricard make a commitment, signing up for the 10:10 campaign, aiming to reduce CO2 emissions by 10% in 2010.</p> <p>Ricard and Pernod have decided to join this initiative in France, demonstrating their support and commitment to sustainable development.</p> <p>10:10 is a campaign to rally people around the issue of climate change, led by the GoodPlanet Foundation, created by Yann Arthus-Bertrand.</p> <p>It is based on a voluntary commitment and invites all individuals, businesses, authorities or organisations to take on the objectives to reduce greenhouse gas emissions by 10% over a 12-month period, starting in 2010 (or 3%, if an initiative to cut emissions is already underway).</p> <p>In France, this initiative was launched on 5 June 2010, marking World Environment Day.</p> <p>10:10 aims to put ecology at the heart of peoples' thoughts and rally them together in order to drive this process forward around the world.</p> <p>A symbol of the 2010 commitment: The 1,500 tonnes of equivalent CO2 generated by the travel of 750 employees for the Group's Annual Convention (Les Embiez Island) were offset by financial support for construction in India, in the Hassan district, State of Karnataka, of 30 biogas tanks that will make it possible to produce renewable energy while supplying compost. Created in partnership with the Action Carbon programme of the GoodPlanet Foundation, thus illustrating the commitment made by Pernod Ricard in 2010.</p>	<p>Page – 110 - 119</p> <p><i>Please refer to Best Practice N°6 "Water Conservation at PR India Private Ltd Behror"</i></p> <p>http://www.goodplanet.org/</p> <p>http://www.1010.fr/</p>
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Anti-Corruption		
<p>Principle 10 : To work against corruption in all its forms, including extortion and bribery</p>	<p>Pernod Ricard has a Group policy regarding ethic which is applicable worldwide by all entities and all employees.</p> <p>This policy is included in various documents that are available either in Pernod Ricard intranet and extranet, and that are distributed to employees of the Group. These documents include:</p> <ul style="list-style-type: none">- Pernod Ricard Charter with its chapter 3 “Code of Ethic”. The code of ethics specifically states that “All employees must be law-abiding, behave in an ethical and respectful manner vis à vis (...) public officials...”- Pernod Ricard Procurement Code of Ethics which in its chapter 9 specifically states that “No compensation in the form of money, gifts, services, invitations or otherwise shall be proposed or offered, whether directly or indirectly, to any civil servants or government employees of the French State or of any other States”. <p>Each subsidiary selects and monitors its own suppliers, and since 2007 has had an ‘Involvement in the respect of Sustainable Development’ questionnaire to evaluate their practices.</p>	<p>Page 117</p>



Pernod Ricard 2010 Best Practices

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- ***Best Practice N° 1:*** ***PR USA Partnership to fight Domestic Hunger***

- ***Best Practice N° 2:*** ***“I Move”***

- ***Best Practice N° 3:*** ***“Seagram’s Gin – Pursuit of Excellence Program”***

- ***Best Practice N° 4:*** ***PR Deutschland “My kid doesn’t like alcohol”***

- ***Best Practice N° 5 :*** ***PR UK CSR Campaign “Accept Responsibility”***

- ***Best Practice N° 6:*** ***“Water Conservation at PR India Private Ltd Behror”***



Best Practice N° 1

PRUSA Partnership to fight Domestic Hunger

Pernod Ricard USA, Southern Wine & Spirits and ABSOLUT® Vodka Team Up To Fight Domestic Hunger

Partnership Helps USA Harvest Serve 1.7 Million Meals

New York, NY, August 2, 2010 – Pernod Ricard USA, Southern Wine & Spirits (SWS) and ABSOLUT Vodka have joined forces in a unique program that provides support to those less fortunate in selected markets across the U.S. The partnership – Help Fight Hunger in Your Community – funded more than 1.7 million meals for people in need in Delaware, Florida, Illinois, Kentucky, New York, South Carolina and the Military. One meal was donated for each bottle of ABSOLUT that was sold between April – June 2010 at participating stores, restaurants and bars in program markets.

This year's program evolved from a similar effort last year that enabled an organization known as Kentucky Harvest to serve more than 360,000 meals to Kentuckians. "Our organization is different because we are food raisers, not fund raisers," noted Stan Curtis, founder of both Kentucky Harvest and USA Harvest. "Our volunteers pick up surplus food from restaurants, hospitals and food suppliers and deliver it to missions, soup kitchens and people in need. We move food from people who have too much, to those who have much too little!"

Based on last year's success, the program was expanded to additional markets where Southern Wine & Spirits represents ABSOLUT and its owner, Pernod Ricard.

"We are honored to partner with our friends at Pernod Ricard USA and folks at USA Harvest to make a difference in the lives of fellow Americans," said Wayne Chaplin, President and Chief Operating Officer of Southern Wine & Spirits. "There is no greater gift than helping those in need. In just one year, this program has grown nearly five fold. Imagine the impact we can have in the years to come."

Marty Crane, General Manager - East Division, Pernod Ricard USA, commented: "Joining with Southern Wine and Spirits to support USA Harvest made perfect sense to our team, considering the history of the ABSOLUT brand. Elimination of hunger on a local, national or global level 'Absolutly' would make the world an exceptional place. We are all proud of the outcome of this program, and we are currently exploring ways to continue it in 2011."

Founded in 1987, Kentucky Harvest, and now USA Harvest, was created as a method of combating hunger at the source through the collection and distribution of food to those facing difficult times throughout Kentucky and the U.S. For more information, visit <http://www.kyharvest.com/> or <http://www.usaharvest.com/>.

About Pernod Ricard US

Pernod Ricard USA is the premium spirits and wine company in the U.S., and the largest subsidiary of Paris, France-based Pernod Ricard SA. In July 2008, Pernod Ricard completed the acquisition of the iconic ABSOLUT® Vodka brand from the V&S Group.

In addition to ABSOLUT®, Pernod Ricard USA's leading brands include such prestigious spirits as The Glenlivet® Single Malt Scotch Whisky, Chivas Regal® Scotch Whisky, Jameson® Irish Whiskey, Seagram's Extra Dry Gin®, Beefeater® Gin, Plymouth™ Gin, Martell® Cognac, Malibu®, Kahlúa® Liqueur, Hiram Walker® Liqueurs, Pernod® and Ricard®; such superior wines as Jacob's Creek® and Brancott Estate®; and such exquisite champagnes and sparkling wines as Perrier-Jouët® Champagne, G.H. Mumm™ Champagne and Mumm Napa® sparkling wines.

The company is based in Purchase, New York, and has roughly 1,000 employees across the country.

Pernod Ricard USA urges all adults to consume its products responsibly and has an active campaign to promote responsible drinking. For more information on this, please visit: <http://www.acceptresponsibility.org/>.

About Southern Wine & Spirits

Southern Wine & Spirits of America, Inc. is the nation's largest wine and spirits distributor with operations in 30 states. The multi-state distributor currently operates in: Alabama, Arizona, California, Colorado, Delaware, Florida, Kentucky, Hawaii, Illinois, Indiana, Maine, Mississippi, New Hampshire, Nevada, New Mexico, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Vermont, Virginia and West Virginia—as well as the additional seven states of Alaska, Washington, Oregon, Idaho, Montana, Wyoming and Utah through the Southern-Odom/Spirits West partnership. Southern has recently announced the formation of a joint venture in Minnesota with J.J. Taylor Distributing Company and in Maryland and the District of Columbia with F.P. Winner Wine & Spirits. Southern also holds operating licenses and permits in Nebraska and Texas. On a national basis, Southern Wine & Spirits of America, Inc. employs more than 11,000 team members. For more information contact: <http://www.southernwine.com/>.

Best Practice N°2

“iMove”



Driven by a desire to create a shared culture, Pernod Ricard Group encourages inter-departmental working as well as co-working across distribution companies and brand owners.

In February 2010, for the first time in Pernod Ricard history, the Group launched a global e-recruitment tool called “iMove”, complying with both group processes and decentralization.

“iMove” aims to ensure consistency on how all the companies within Pernod Ricard approach the internal mobility process, and also to provide greater transparency in career management within the Group, as well as promoting mobility and diversity by offering more perspectives and visibility on career opportunities.

Today, all job vacancies available in Pernod Ricard (except those at the level of CEO and Management Committee) are now posted on iMove and can be accessed by all employees, giving them greater control of their own careers. They can search, select and apply for Pernod Ricard jobs around the world – different job functions, from different countries, from different affiliates, Brand Owners, Regions or Holding.

Today, the tool is in common use in the Group and is also currently being implemented for external recruitment (in relation with public job boards and social networks among others), which will allow Pernod Ricard to strengthen its employer brand.

In a nutshell, we can say that this federative tool became more than a strong lever to attract and retain talents and to improve employees engagement and motivation by assisting them in developing a long term career within Pernod Ricard.

A few figures:

More than 800 vacancies have been created from February 2010.

Around 500 vacancies have been filled from February 2010.

More than 15000 applications (external + internal) have been received from February 2010.

Around 50 internal applications are received each month.

Around 100 employees applied online and successfully moved within the Group.

Best Practice N°3

“Seagram’s Gin – Pursuit of Excellence Program”



SEAGRAM’S GIN® ANNOUNCES THE 2010 SEAGRAM’S PURSUIT OF EXCELLENCE INSTITUTE™ CELEBRATING AFRICAN AMERICAN MALE ACHIEVEMENT WHILE ADDRESSING RISING UNEMPLOYMENT LANDMARK PROGRAM RETURNS TO ATLANTA, CHICAGO, TAMPA AND COLUMBIA WITH AN 80% SUCCESS RATE IN CREATING JOB OPPORTUNITIES DESPITE RECORD UNEMPLOYMENT NATIONWIDE

NEW YORK, January 21, 2010 – As the nation reflects on the life and legacy of Dr. Martin Luther King, Jr. and the contributions of African Americans during Black History Month, an economic crisis continues to impact communities across the country with unemployment continuing to escalate. Despite gains in income among African Americans – a new report based on U.S. Census Bureau data shows that Black households making \$75,000 annually has increased by 47 percent in the last five years – unemployment among African Americans continues to climb with African American men among the most adversely affected. To address rising unemployment among African American men, which is at a record 34.5%, Seagram’s has announced plans to continue its successful and unprecedented job training and mentoring program, the ***Pursuit of Excellence Institute*** in four of the hardest hit cities in the nation: Atlanta, Chicago, Tampa and Columbia, South Carolina.

Recently featured in *Jet* magazine, the ***Seagram’s Pursuit of Excellence Institute*** is a rigorous, four-week training session funded by Seagram’s and administered by the Atlanta Workforce Development Agency, Chicago Urban League, the Corporation to Develop Communities of Tampa and the Columbia Urban League. The 2010 program will provide grants totaling \$100,000 to the participating organizations for the administration and oversight of the program. The program will also pair participants with successful and inspiring individuals for one-on-one mentoring and guidance. In addition to completing weekly take-home assignments, participants will attend multiple training sessions including computer training, interview skill workshops, self-esteem building exercises, technical training classes, and dress-for-success and financial empowerment strategies. Each participant will receive a \$500 stipend, briefcase with weekly lesson plans and supplies, as well as a suit of clothing. One outstanding participant from each city will receive a \$2,500 fellowship and career-focused wardrobe.

Originally introduced in 2008 by the Seagram’s Gin family of brands in Atlanta and Chicago in conjunction with the Atlanta Workforce Development Agency (AWDA) and the Chicago Urban League (CUL), ***The Pursuit of Excellence Institute*** is designed to provide tangible opportunities to promising individuals. The program also supports the efforts of social service organizations that work tirelessly to uplift and empower underserved communities. In 2008, 20 men between the ages of 25 and 32 successfully completed the program. In 2009, the program expanded into Tampa and Columbia, South Carolina bringing the total of successful candidates to 60 with more than 80 percent of them securing full time employment. The program’s impressive two-year track record has led to its return in 2010.

Adults across the country can access the curriculum and materials from the training sessions through exclusive partnerships with local radio stations who will offer the coursework from the program on their respective websites. In addition leading radio personalities, including WGCI-FM Chicago's Leon Rogers, WVEE-FM Atlanta's Ryan Cameron and "Stu" Robinson of Tampa's WBTP-FM, will offer daily tips and insights for listeners in their respective cities. More information on the **Seagram's Pursuit of Excellence Institute** can also be found at www.SeagramsGin.com Candidates for the program were selected on the basis of a rigorous application and prescreening process, including a "boardroom-style" interview with noted figures from the worlds of finance, social service, media, sports, entertainment and design. The program will culminate with special graduation receptions in each city in late February. Seagram's will also continue to galvanize the support of major distributors Southern Wine & Spirits of America, Inc. and Georgia Crown Distributing Co., resulting in internships in sales or marketing that can lead to potential fulltime employment for program participants in each city.

"The Seagram's Pursuit of Excellence program is designed to provide deserving individuals with the tools they need to get on their feet – and to prepare and succeed in an increasingly competitive job market," says Bill Cherrie, vice president, multicultural marketing for Pernod Ricard USA, parent company of Seagram's Gin. "Seagram's is committed to giving back to the communities in which we do business and to reinforcing our leadership position by setting the stage for others in the corporate sector to follow as we continue to address the critical issue of unemployment through action and positive change, one individual at a time."

"Seagram's Gin is proud to sponsor the *Pursuit of Excellence Institute* for the third consecutive year," comments Abigail Domond, global marketing director for Seagram's Gin. "It is important for us as the category leader to support innovative initiatives that celebrate the best of our society while leading the charge in making a positive difference in people's lives. We are therefore very excited about this program and the success rate it has had in transforming the lives of nearly 100 men across the country and creating tangible opportunities for their professional and personal development." **The Pursuit of Excellence Institute** is a signature program conceived and developed on behalf of Seagram's Gin and Pernod Ricard USA by Ruder Finn's Multicultural & Image Marketing Group.

About Seagram's Gin

Since its launch in 1939, Seagram's Gin has acquired a loyal and enthusiastic following of gin connoisseurs nationwide. Recognized as the leading gin in the United States, Seagram's Gin has preserved the finest qualities of the original product—both inside and outside the signature bumpy bottle. Seagram's Gin has become the favorite of gin and vodka drinkers seeking to add a new and flavorful dimension to their cocktails. Available in exciting and bold flavor sensations, products include the original Seagram's Extra Dry Gin®, the premium Seagram's Distiller's Reserve Gin, the award-winning *Seagram's Orange Twisted Gin*, *Seagram's Lime Twisted Gin*, *Seagram's Apple Twisted Gin*, as well as a full line of *Seagram's Gin & Juice* pre-mixed cocktail products, including the new *Seagram's Gin & Juice Tropical Thunder*. For eight consecutive years, Seagram's Gin has presented the celebrated *Seagram's Live* concert tour, bringing the very best of contemporary urban music to adult audiences nationwide.*

About Pernod Ricard USA

Pernod Ricard USA is the premium spirits and wine company in the U.S., and the largest subsidiary of Paris, France-based Pernod Ricard SA. In July, 2008, Pernod Ricard completed the acquisition of the iconic ABSOLUT® Vodka brand from the V&S Group. In addition to ABSOLUT®, Pernod Ricard USA's leading brands include such prestigious spirits as The Glenlivet® Single Malt Scotch Whisky, Chivas Regal® Scotch Whisky, Jameson® Irish Whiskey, Seagram's Extra Dry Gin®, Beefeater® Gin, Plymouth™ Gin, Martell® Cognac, Malibu® flavored Rum, Kahlúa® Liqueur, Hiram Walker® Liqueurs, Pernod® and Ricard®; such superior wines as Jacob's Creek® and Brancott Estate®; and such exquisite champagnes and sparkling wines as Perrier Jouët® Champagne, G.H. Mumm™ Champagne and Mumm Napa® sparkling wines. The company is based in Purchase, New York, and has roughly 1,000 employees across the country. Pernod Ricard USA urges all adults to consume its products responsibly and has an active campaign to promote responsible drinking. For more information on this, please visit: www.acceptresponsibility.org

About The Atlanta Workforce Development Agency

The Atlanta Workforce Development Agency (AWDA) is a bureau of the City of Atlanta under the Executive Offices of the Mayor. AWDA's primary purpose is to administer employment and training programs mandated under the Workforce Investment Act (WIA) of 1998 to the citizens of Atlanta to offer workforce solution services to the metro Atlanta businesses. AWDA programs are preparing Atlanta's current and future workforce for the ever-changing labor demands. In 2007, AWDA served over 60,000 customers. Hundreds of customers obtain employment through AWDA's weekly job fairs. Other programs include GED and SAT preparation courses, resumewriting assistance, job-readiness skill workshops and the Mayor's Youth Program.

About the Chicago Urban League

Established in 1916, the Chicago Urban League is a civil rights organization that empowers and inspires individuals to reach and exceed their economic potential. The League focuses on growing Chicago's African American workforce and business community. To that end, the Chicago Urban League is pursuing three strategies that advance its mission:

- ensuring that African American children are well-educated and equipped for economic selfreliance in the 21st century;
- helping adults attain economic self-sufficiency through gainful employment, home ownership, entrepreneurship and wealth accumulation; and,
- ensuring the civil rights of African Americans by eradicating barriers to equal participation in the economic and social mainstream of American life.

About the Corporation to Develop Communities of Tampa

The Corporation to Develop Communities (CDC) of Tampa, Inc. creates opportunities for people to improve their lives and strengthen their communities by providing access to job training and placement, affordable housing, and youth programs. The CDC, incorporated in 1992, for the purpose of alleviating poverty and physical deterioration in Hillsborough County's East Tampa Community. CDC of Tampa is a member of the NeighborWorks® network, consisting of 240 private nonprofit affiliates that work in nearly 4,500 urban, rural and suburban communities nationwide.

About the Columbia Urban League

The Columbia Urban League is dedicated to youth education and empowerment. Through college scholarships, the Urban League is doing its part to ensure that all children are well educated and prepared for the future. For more information about the Urban League scholarships, please visit www.columbiaurbanleague.org. **About Southern Wine & Spirits of America, Inc.** Southern Wine & Spirits of America, Inc., the nation's leading wine and spirits distributor and control states broker, with a tradition of service excellence since 1968 and proud to be celebrating its 40th anniversary, operates in 29 states and recently has announced plans to form a strategic joint venture with The Glazer's Companies, headquartered in Addison, Texas, in all Glazer's markets excluding Arizona. In addition, Southern is a licensed permittee in the state of Nebraska. The Company also has a pending strategic partnership with The Odom Corporation of Bellevue, Washington, a joint venture that has wine and spirits brokerage operations across the Northwest control states of Idaho, Montana, Oregon, Utah, Washington, and Wyoming, as well as a fully operational sales and distribution business in Alaska. On a national basis, Southern Wine & Spirits of America, Inc. employs more than 10,000 team members. For more information contact: www.southernwine.com.

About Georgia Crown Distributing Company

Georgia Crown Distributing Co. is a full service beverage distributor, with wholesale operations doing business in Alabama, Georgia and Tennessee, selling imported and domestic spirits, wines, beers and specialty products.

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SEAGRAM'S CONGRATULATES THE GRADUATES OF THE PURSUIT OF EXCELLENCE INSTITUTE

This year, Seagram's Gin Pursuit of Excellence Institute provided tangible opportunities to 40 deserving men in four cities across the country.

Below please find images and a recap from each graduation ceremony.

The participants were paired with successful and inspiring

individuals for one-on-one mentoring and guidance.

In addition to completing weekly take-home assignments, participants attended multiple training sessions administered by local organizations, listed below, where they received computer training, attended interview skill workshops, participated in self-esteem building exercises, completed technical training classes, and gained insights on dress-for-success and financial empowerment strategies.

PURSUIT OF EXCELLENCE 2010 RECAP



◀ Image 1 of 10 ▶

ATLANTA, GEORGIA

Special thanks to
The Atlanta Workforce Development Agency

During Black History Month, the team at Seagram's Atlanta honored and celebrated the graduates of the 2010 Pursuit of Excellence program at the Hyatt Regency Hotel in downtown Atlanta. Ten African-American men, ages 25-32, successfully completed the program and are well on their way to permanent employment in the Atlanta area. The third annual event drew over 100 of Atlanta's best and brightest civic, business and community leaders, including:

Anthony Anderson, Comedian
Jasmine Guy, Actress
LaTocha Scott and Tamika Scott of Xscape
Rocky Biven, Music Manager
Jovan Dais, Recording Artist
Mark Hayes, Fox TV Atlanta

Ryan Cameron, WVEE-FM
Rick Tapia, Pernod Ricard USA
Bill Cherrie, Pernod Ricard USA
Brian Martin, \$2,500 Pursuit of Excellence Fellow



◀ Image 1 of 10 ▶

CHICAGO, ILLINOIS

Special thanks to
The Chicago Urban League

In Chicago, Seagram's proudly honored the 10 graduates of the 2010 Pursuit of Excellence program. The third annual event was hosted at the historic Parkway Ballroom and attended by many revered civic, business and community leaders, as well as noted celebrities. Notable attendees included:

Leon Rogers, WGCI-FM
Anthony Anderson, Comedian
Bill Cherrie, Pernod Ricard USA
Herman Brewer, Chicago Urban League
"Brother" Bartell Keithley, Chicago Urban League
The Hon. Kwame Raoul, Illinois State Senator
Stefan Burt, Southern Wine and Spirits of Illinois
Mary Barranco, Southern Wine and Spirits of Illinois
Karl D. Riley II, \$2,500 Pursuit of Excellence Fellow



◀ Image 1 of 8 ▶

COLUMBIA, SOUTH CAROLINA

Special thanks to
The Columbia Urban League

The 10 graduates of Seagram's Pursuit of Excellence program in Columbia successfully completed the four-week training and mentoring program. The third annual celebration, sponsored in part by the Columbia Urban League and hosted at the Hilton Columbia Center, was attended by many local dignitaries, as well as noted civil and business leaders, including:

Steve Benjamin, Mayor of Columbia
J.T. McLawhorn Jr., Columbia Urban League
Tom Collins, Southern Wine and Spirits of South Carolina
Cole Taylor, Southern Wine and Spirits of South Carolina



◀ Image 1 of 10 ▶

TAMPA, FLORIDA

Special thanks to
The Corporation to Develop Communities of Tampa

The local team at Seagram's in Tampa was proud to honor the 2010 graduates of Seagram's Pursuit of Excellence program at the Tampa InterContinental Hotel. The 10 graduates of the four-week program learned interview and job skills in order to gain permanent employment in the Tampa area. The third annual event drew many of Tampa's most esteemed civil, business and community leaders, as well as radio personalities and local celebrities. Notable attendees included:

Stu Robinson, WBTP "The Beat"
James Lee, Tampa Bay Buccaneer
Skip Ragan, Pernod Ricard USA
Bill Cherie, Pernod Ricard USA
Kara Friedman, Pernod Ricard USA
Rod Morse, Pernod Ricard USA
Henry Bell, One Hundred Black Men of Tampa Bay, Inc.
Toni Watts, CDC of Tampa
Ed Johnson, City of Tampa Mayoral Representative
Evangeline Best, Tampa Community Leader
Reginald Burns II, \$2,500 Pursuit of Excellence Fellow

Best Practice N° 4

PR Deutschland “My kid doesn’t like alcohol”

Pernod Ricard Deutschland advocates “My kid doesn’t like alcohol”

This is the new public-awareness campaign of Pernod Ricard Deutschland, Charité and the Foundation for the Disabled Child designed to introduce a zero drink-pregnancy limit across Germany.

Pernod Ricard Deutschland is passing an important milestone in his commitment to raising awareness on the importance of abstinence during pregnancy after the first step of its campaign was launched in April 2010 (=> For more information, read the news article published at that time below).

According to a study of Berlin Charité Hospital, every year, 10,000 children are born in Germany with damages stemming from alcohol consume. 4,000 of those children suffer from the Fetal Alcohol Spectrum Disorder (FASD).

As off the beginning of November, a TV and online film has been broadcasted through various media channels in Germany. This campaign is co-sponsored by the TV presenter Ms. Silvia Incardona, the top model Ms. Franziska Knuppe, the Vice President of the European Parliament Ms. Sylvana Koch-Mehrin, the actress Ms. Liz Baffoe and the wife of the Prime Minister of Lower Saxony: Bettina Wulff.

Large-scale posters – as the one at the Virchow-Hospital in Berlin – bearing the pregnancy logo as well as the claim “Mein kind will keinen alkohol » (**My kid doesn’t like alcohol**) will be placed across Germany as part of this campaign to warn pregnant mothers from the consumption of alcohol. The campaign is also supported by an internet website: www.mein-kind-will-keinen-alkohol.de



www.mein-kind-will-keinen-Alkohol.de

more details about the campaign “ My baby doesn’t like alcohol “ :

Beside the partnership with the Charité – hospital and with the leading german gynaecologist, Prof. Dr. Joachim Dudenhausen (which includes a donation by PRD of 40.000 € to his initiative for handicapped children) we regard it to be of utmost importance that we have been able to involve / include the media in our initiative ; which finally resulted in free space worth approx. 1.3 million €

TV :

RTL – group (biggest station in Germany) with its channels RTL , RTL II , Super RTL , Vox and N24 is airing our spot – 20 and 30 sec. versions - right now - since Dec. 26 until the end of January ; total volume 255.000 € ;

SOM –group (second largest network) with its channels SAT 1 , Pro 7 and Kabel 1 broadcasts the spot from Dec.26 until Jan. 15 ; total volume 252.000 € ;

OOH / outdoor media

Two decades of billboards throughout the country – Nov.16 –Nov.25 and from Dec.28 –Jan. 10 ; total volume 378.000 € ;

Cinema

Nationwide from Nov. 11 until Dec.29; total volume 310.000 € ;

Print

Advertisements in DER SPIEGEL and FOCUS magazine earlier last year; total volume 120.000€ (50% free space)

--ooOoo--

Partnership between Pernod Ricard Deutschland and the Charité Hospital

The 9th of April Pernod Ricard Deutschland staged a national press conference in Berlin with the attendance of Patrick Ricard about their new campaign against drinking during pregnancy

The campaign builds threefold:

- On the pregnancy logo endorsed by the Charité hospital: Alain Dufossé (CEO of Pernod Ricard Deutschland) pointed out that "the risk of fetal alcohol syndrome can easily be avoided and we see it as our role to support the health campaigns run by the authorities and the medical profession, this is why we set up a partnership with the gynecology department of Charité hospital in Berlin, the biggest hospital in Europe".
- An awareness campaign that took the form of giant posters placed on the walls of the Charité Hospital
- A print campaign that involves a variety of famous German female opinion leaders endorsing and spreading the message "no alcohol for my baby" to the largest possible number of consumers through testimonials. The campaign will be published in magazines over the coming weeks in conjunction with a website which has been launched to relay the message on the internet: www.mein-kind-will-keinen-alkohol.de.

Patrick Ricard declared that the initiative was "a new milestone that allowed a greater visibility to the issue of drinking during pregnancy as well as a testimonial to the involvement of Pernod Ricard being endorsed by the prestigious Charité hospital".

Best Practice N° 5

PR UK CSR Campaign “Accept Responsibility”



Pernod Ricard UK

In Partnership with



TRADE PRESS RELEASE
November 2010

PERNOD RICARD UK AND THE AUTOMOBILE ASSOCIATION

JOIN FORCES TO TACKLE DRINK DRIVING

*In the run up to Christmas drivers are urged to
Accept Responsibility*

Pernod Ricard UK (PRUK) and the Automobile Association (AA) have joined forces to launch a new marketing campaign in a bid to encourage drivers to ‘accept responsibility’ when it comes to drinking and driving.

This innovative new partnership between one of the largest premium wines and spirits suppliers in the UK and the UK’s biggest motoring organisation reinforces both companies’ commitment to tackling drink driving related issues throughout the country.

According to the Department of Transport¹, drink driving amongst young adults is most likely to happen between the ages of 17-24 and this campaign aims to remind younger drivers to ‘accept responsibility’ when it comes to making the appropriate transport arrangements home this festive season.

THE FACTS:

- Drink drive fatalities account for 17% of all road accident fatalities¹
- In 2009, 11,990 reported casualties occurred as a result of a drunk driver¹
- In 2008 there were around 470 pedestrian casualties and 110 pedal cyclist casualties in accidents with a driver over the legal alcohol limit¹
- Those aged between 17-24 are more likely to have a drink driving related accident¹
- Overall, 2.7% of men failed a breath test in 2009 - well over twice the rate of women¹

¹ Department for Transport Road Safety Research and Statistics Report 1979-2008

According to a recent survey conducted by the AA Populus Panel², 67% of 18-24 year old respondents said they had heard the excuse 'It's only down the road' from people trying to justify drinking and driving. Building on this insight, the campaign aims to remind people that driving under the influence of alcohol starts with an excuse and urges drivers to 'Accept Responsibility' at a time when they are most likely to be out celebrating with friends and family.



From December 1, PRUK and AA are running advertising in traditional, online and social media, including Facebook, Spotify, Timeout and MSN. The campaign is set to drive 10 million impressions via its digital activity and 8.1 million impressions through outdoor advertising. The AA will also run advertising on its website which is estimated to reach 15 million and through the AA member's online monthly magazine, which is distributed to a further 1 million people. Running from the start of December into January, this is the first burst of activity from the partnership that will continue throughout the year to promote responsibility when it comes to drinking and driving.

"We recognise that drinking and driving is still an issue in the UK amongst young adults and are very pleased to be in partnership with the AA in order to promote responsible behaviour," says Jean-Manuel Spriet, CEO, Pernod Ricard UK. "Both national statistics and our joint survey confirm that excuses are still being used to try and justify drinking and driving and therefore it's critical people start to accept responsibility."

Says Edmund King, President of the AA: "We are delighted to be in partnership with PRUK in reminding and encouraging drivers to accept responsibility when it comes to drinking and driving. It is especially important for people to think ahead and make the relevant responsible transport arrangements if they are at a party this festive season."

² **The AA Populus Panel**

There are now around 100,000 AA members signed up to the AA Populus Panel. These drivers are approached monthly for their views on a wide range of motoring issues, and 18,251 responded to the survey used in this release. Populus is a member of the British polling Council and abides by its rules.

This latest partnership is part of PRUK's ongoing commitment to promoting responsible drinking in the UK through its 'Accept Responsibility' campaign, which is now in its third year. Other PRUK initiatives to promote responsible drinking include product labelling, responsible marketing practices, active membership of social responsibility organisations such as the Portman Group and contributions to the Drinkaware Trust and the Campaign for Smarter Drinking.

Pernod Ricard's commitment to responsible drinking across the world includes being a signatory member of the European Road Safety Charter³. The European Road Safety Charter is an initiative by the European Commission and the main objective of this charter is to try and reduce the number of road related fatalities across Europe. Campaigns and activities such as this partnership with the AA, and other PRUK activity will aim to contribute towards the commitment of trying to save 25,000 lives across Europe every year. Pernod Ricard also has a priority focus on promoting moderate drinking and further details on Pernod Ricard's responsible drinking campaigns are captured in the group's brochure 'Alcohol: Staying in Control':

<http://www.pernod-ricard.com/medias/CorporateResponsibility/Rapport>.

- ENDS -

For more information, please contact:

Aurelie Kane or Fiona Taylerson
PRUK Communications
+44 (0)20 8538 4001/4016
Firstname.lastname@pernod-ricard-uk.com

Pernod Ricard UK is part of the Pernod Ricard Group, co-leader of the global wines and spirits industry. Globally, Pernod Ricard now represents 91 million cases of spirits and 25 million cases of wine, and owns 19 of the world's top 100 brands.

Pernod Ricard UK has identified the following key brands in the UK market: ABSOLUT, Campo Viejo, Chivas Regal, G.H. Mumm, Havana Club, Jacob's Creek, Jameson, Malibu, Martell, Brancott Estate, Pernod, Perrier-Jouet and The Glenlivet. Pernod Ricard UK is a member of The Portman Group promoting responsible drinking.

drinkaware.co.uk for the facts

Follow us on Twitter: PRUKNewsWine & PRUKNewsSpirits

³ <http://www.erscharter.eu/about> for further details on European Road Safety Charter

Best Practice N° 6

“Water Conservation at PR India Private Ltd Behror”

Scarcity of water – and its quality – are increasingly critical issues for our business given the water-intensive nature of the beverage industry, our reliance on water intensive raw materials and the fact that some of our operations are in water-stressed regions. Behror unit falls in water stressed area of Rajasthan.

Potential water scarcity will be compounded by increasing demand for water to meet the needs of a growing and wealthier world population, especially in emerging economies such as India and China.

Water is one of Pernod Ricard's top three global sustainable development priorities. We recognize our duty to promote responsible water use throughout our operations.

In this light, the Behror unit had set certain targets.

Various teams have been formed which worked on the 3 R principles of

1. Reduce
2. Recycle
3. Re-use

First target was to create a database and measure the usage at every point something in line with “water foot printing”.

This was achieved by infusion of investments for flow meters at various points.

The unit generated KPI for consumption and set targets for reduction at various points in the subsequent years.

Pernod Ricard's risk analysis method was adapted for 'Aspect, Impact' and possible control measures.

Looking at the various opportunities, a target for 30% saving by May 2009 was taken.

Some of the key initiatives which helped the unit to exceed the target are-

- Bottle washing water re-used after treatment in process. (Cleaning, toilets, other domestic use, dilution in fermentation- Saving of 22500 KL/ year)
- Water used for re-generation of Softeners, demineralised plant is suitably treated and used in process. (PHE cleaning, adjustment of pH in Water treatment Plant, etc Saving of 16800 KL/ year)
- Spent wash is treated in Multi-stage Effluent Treatment Plant resulting in clear water. 40% of this is used in process plant (dilution in liquefaction) and balance 60% is used for green belt development inside factory premises with ZERO DISCHARGE. (Saving of 75000 KL/ year).
- Hot Spent Lees, an effluent coming out of Rectifier Column of Re-distillation Plant, is re-cycled in the same plant for dilution in place of fresh water thereby saving water and heat energy (Saving of 25200 KL/ year)
- Condensates from re-boilers in process plants are used in boilers. (Saving of 18000 KL/ year)

This has helped the unit to increase the bottling capacity from the earlier 2000 cases per day to 8000 c/s per day under the same consented quantity by the Pollution Control Board.

The above initiatives have resulted in reduction in water intake from bore-wells from the permissible limit of 563m³/day to 384 m³/day (annual average).

The unit is targeting 50% recycling during 2010-2011

Key areas identified for this are-

- partial recycle of effluent (before treatment) in Liquefaction and Fermentation
- installation of Tertiary Treatment Plant
- flash steam recovery system
- Rain water harvesting system- to recharge ground water.

The plant has put up a 'bio digester' where the spent wash generated is treated and Methane gas is generated in the reactor.

This gas is used as a fuel for the boiler, saving nearly 20% of Coal burnout and contributing to saving on fossil fuels.

Usage of Spent Grain recovered from Effluent

Spent grain is separated from the wash and is given as a value added Animal Feed to the farmers / feed manufacturers which has helped to improve the milk yield in catt.





*2011 Pernod Ricard
CEO Water Mandate
Communication on Progress*



The CEO Water Mandate





Description of policies, practical actions and outcomes taken by Pernod Ricard to implement the CEO Water Mandate six areas for action

Pernod Ricard policies, practical actions and outcomes to implement the 6 CEO water mandate elements

Direct operations

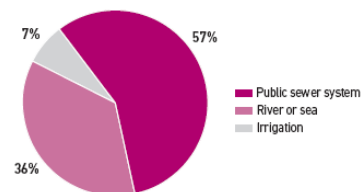
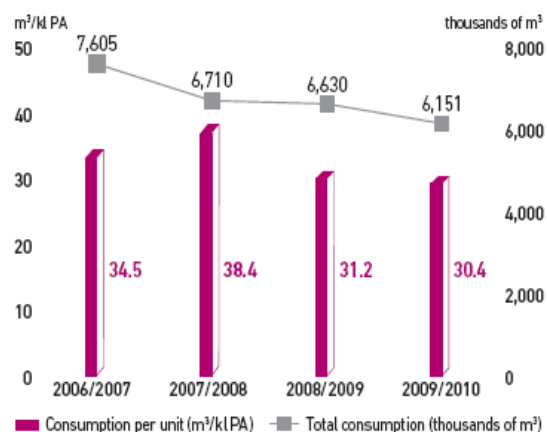
Each Pernod Ricard subsidiary must measure their water consumption, check that the water it uses does not endanger resources, take measures to save water and ensure efficient treatment of waste water prior to release into the environment. For subsidiaries located in a geographical region where water is scarce, specific actions plan will be developed to minimise water use. The Group is targeting a 10% reduction in its water consumption per unit produced between 2008 and 2012 and full compliance in wastewater release to the environment.

- in Brazil, the Resende distillery reduced its water consumption by 32% after replacing reverse osmosis units with more efficient membranes, repairing leaks and other water-saving measures;
- In the very dry region of Rajasthan in India, the Behror production unit was entirely refurbished based on the 3Rs: Reduce, Reuse and Recycle and decrease its water consumption by 26% since 2008. It even recycled treated effluents directly in the distilling process or to irrigate green spaces.
- In Australia, at the Rowland Flat vinification and bottling site, water from the centrifugation process is reused and a new automatic wine blending system reduces the consumption of water for washing to the minimum
- In Ireland, Irish Distillers implemented a Bio membrane reactor to treat its waste water to top quality level before the water being released to the local river.

Since 2006/2007, total water consumption of Pernod Ricard's production sites amounted to 6.15 million m³ versus 6.63 million m³ in the last financial year. 70% of this volume was used by distilleries. Water consumption decreased from 34.5 to 30.4 m³/kl PA, or -2.6% per unit produced compared to the previous year.

91 sites, representing 92% of the Group's consumption, are located in regions with low water stress or where the level of water stress is not available (according to the Relative Water Stress Index). The other 16 sites, which represent the remaining 8% of consumption, are in or near regions with medium or high water stress levels. These 16 sites decreased their water consumption significantly since 2008.

In 2009/2010, 5.4 million m³ of waste water was release: 57% of waste water was released into the public sewer system, while 36% was released back into the natural environment (rivers, lakes, sea). The remaining 7% of the water was recycled after treatment and used to irrigate crops (vineyards). In all cases, waste water is monitored to ensure that it complies with local water quality standard.



Supply chain and watershed management

All the products sold under the brands of Pernod Ricard are made from agricultural products: cereals for whiskies or vodkas, grapes for wines and brandies, sugar cane for rums, etc...

The data collected from Water Footprint studies show that agricultural production is usually a major part of the water use across the whole supply chain of our products. Therefore, it is Pernod Ricard policy to influence our suppliers to manage water responsibly, especially when local water availability happens to be a challenge for the future.

In practice, this is particularly implemented for vineyards, which are always grown locally in close relation with our wineries. In countries where irrigation is needed, we implement water saving practices in our own vineyards, and encourage our suppliers to do the same. In practical terms, this consists in using drip irrigation, preferably associated with measuring of soil moisture in order to bring exactly the right quantity for the plant, applying it at night when evaporation is lower. Apart from this, proper management of fertilizers and pesticides is another way to preserve groundwater reserves, by reducing the levels of residues.

- In New Zealand Pernod Ricard is committed to engage all its grape suppliers in the Sustainable Wine Growing New Zealand certification scheme which it strongly supports, and where it sits as a board member.
- In Australia a similar initiative is being developed based on the Freshcare scheme and Entwine association, and contribute to promote sustainable water management by our suppliers.

More than 80% of our own vineyards have been certified against an Environment standards (ISO 14001 or other), which illustrates the ambition of the Group to act with exemplarity in order to engage our suppliers to contribute to water stewardship.

Collective actions

In 2009, Pernod Ricard has joined the Beverage Industry Environment Roundtable (BIER). This allows the Group to share best practices related to water stewardship with other industry leaders, and to promote water responsible management. In BIER, Pernod Ricard is involved in a taskforce working on the development of Water Footprint methodology for beverage products.

More locally, Pernod Ricard is an active member of various industry Associations, such as the Scotch Whisky Association, the Bureau National Interprofessionnel du Cognac or the Comité Interprofessionnel du Champagne, hence contributing to promote sustainable industry and agricultural standards.

- An example of collective action is the development of a joint venture dedicated to the treatment of Cognac vinasses in France. Open to all distillers of the cognac area, it was promoted by Martell, and offers a sustainable solution to avoid river pollution

Public policy

Access to water is essential for human and business development.

As a consequence, Pernod Ricard and affiliates encourage Water Conservation and Resources Protection at local, regional, national or international level.

We deal with government ministries and agencies either directly or through trade associations which provide us with a platform to share our views on water conservation and other industry-wide issues.

For example, the French Spirits Federation (FFS), the European Spirits Organization (CEPS), the Scotch Whisky Association (SWA), the Gin and Vodka Association (GVA), Distilled Spirits Council of the United States (DISCUS), the "Association Nationale des Industries Alimentaires" (ANIA), the European Confederation of Food and Drink Industry (CIAA), the International Federation of Wines and Spirits (FIVS), etc.

In addition, Pernod Ricard has developed contacts or partnerships with NGOs like Alliance for Water Stewardship, Carbon Disclosure project, World Business Council for Sustainable Development, World Resources Institute, Water Footprint Network, Sustainable Agriculture Initiative, or World Wildlife Fund (France or International).

Since 2007, Pernod Ricard has closely been involved in the “Grenelle de l’Environnement” Round Table launched by the French Minister of Ecology, with a special participation in the “Biodiversity and Water Resources Protection” workgroup as the voice of the French food and drink industry (www.legrenelle-environnement.fr).

Among the decisions taken by the “Grenelle de l’Environnement”, some have a direct impact on Water Conservation and Resources Protection, for example: the purchase of 20,000 hectares of wetlands, the upgrading of all water treatment plants by 2012 to meet current standards, launching a drinking-water-saving action plan, and finally, also by 2012, improving the feeding grounds in at least 500 important or threatened water catchments.

Community engagement

Protecting wetlands and rivers in the local environment of our facilities is a way to engage and support water preservation in our communities.

- In New Zealand, Pernod Ricard contributed to the restoration of wetland areas at Kaituna and Brancott Estates in Marlborough which is of high ecological importance. In particular, Pernod Ricard rehabilitated the natural water levels and flows to restore native wetland vegetation and removed artificial obstructions to ensure the passage of native fish.
- In Australia, Orlando Wines worked over the last 12 years in Jacob’s Creek River fragile ecosystem to restore indigenous plant species in order to retain and improve the remaining native biodiversity. Additionally, Orlando Wines Menge’s Island and Centenary Hill properties, that sit within the Jacob’s Creek catchment, has recently been removed from agricultural production and rehabilitated. The projects are a once in a generation opportunity to return a large amount of land to native vegetation in a region that has less than 13% of its pre-European native vegetation remaining
- In California, Pernod Ricard USA has supported a project in the Napa valley to improve aquatic habitat, hence protecting the fresh water shrimp. Actions implemented include in particular the bank erosion limitation through the construction of log and boulder, the reduction of sedimentation deposition by maintaining the low depth/width ratio, the enhancement of the Creek bank stabilization through willow plantation.

Developing awareness of our employees and our neighbors is also a way to engage with our communities.

- In Brazil, during the Day of Earth (?), our employees volunteered to clean the banks of the local river and to visit local schools in order to teach children the basis of environment protection, waste management, wild life conservation.
- In Haiti, Pernod Ricard had a long time partnership with a NGO involved in building water cisterns for villagers. After the earthquake that dramatically heart the country, special support was delivered from funds granted from the company, as well as from voluntary contribution of the employees.

Transparency

Every year, Pernod Ricard publishes its corporate annual report including environmental Chapter. This chapter describes all Pernod Ricard environmental impacts (including its water impact). Each of these impacts being assessed through indicators in line with the GRI standards and verified by third party auditors.

- Pernod Ricard water impact section is available in the 2009/2010 corporate report through the following link – page 113-114: http://www.pernod-ricard.com/medias/Finance/PDF/NouveauDossier/04_committed_creators.pdf
- Detailed information related to water policy, targets, results and actions implemented is also available in the “reference document” page 16 and 17: <http://www.pernod-ricard.com/medias/Finance/PDF/DocumentDeReference/Reference-Documents-2009-2010-EN.pdf>

Additionally, Pernod Ricard pledges to inform all its employees of its environmental commitments through its sustainable charter available on its website http://pernod-ricard.com/medias/resources/static/Entreprendre/chartegb_def.pdf.

In 2010, the Group has also published an environmental roadmap describing its water management policy and targets for all manufacturing sites and distribution affiliates.