

OUR SPIRIT IS CLEAR

BACARDI LIMITED
CORPORATE RESPONSIBILITY REPORT 2012



BACARDI LIMITED

Contents

3

A welcome
from our
Chairman and
Chief Executive
Officer

5



Corporate
Responsibility
at Bacardi Limited

Our Corporate
Responsibility
program

Stakeholders

Materiality

Our impacts

18



Marketplace

Strategy

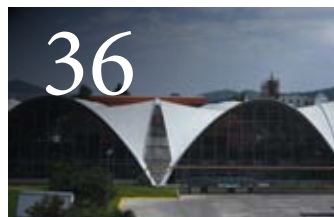
Targets and progress

Responsible
marketing

Tackling alcohol-
related harm

Responsible drinking
campaigns

36



Environment,
Health and Safety

Strategy

Targets and progress

EHS management

Water

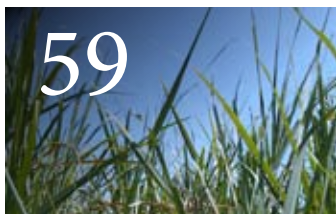
Energy

Greenhouse gases

Waste and packaging

Safety

59



Responsible
Sourcing

Strategy

Targets and progress

Responsible supply
chain

Working with
suppliers and partners

Sustainable agriculture
and sourcing

78



People

Strategy

Targets and progress

Developing our
people

Engaging our people

90



Philanthropy
and Community
Involvement

Strategy

Targets and progress

Global activity

Local activities

103

About Bacardi
Limited

108



About this report

Targets and progress

GRI content index

UN Global Compact

Key stories

Downloads



A welcome from our Chairman and Chief Executive Officer



www.bacardilimited.com/Home/CorporateResponsibility

We aim to be the best-in-class in Corporate Responsibility in the spirits industry and believe that by responsibly managing our environmental and social impacts, Bacardi will be a more sustainable business in the long term.

EDWARD D. SHIRLEY, President and CEO

Welcome to the latest Bacardi Limited Corporate Responsibility Report.

We hope you enjoy the new online format – one that embodies our commitment to reduce our impact on natural resources. Once again, we are reporting in line with Global Reporting Initiative, or GRI, guidelines in the areas of economic, environmental, social and governance performance.

We are also aligned with the principles set forth by the UN Global Compact, which encourages the adoption and reporting of sustainable and socially responsible policies. These principles guide us in our approach to Corporate Responsibility and how we communicate our progress.

We aim to be the best-in-class in Corporate Responsibility in the spirits industry and believe that by responsibly managing our environmental and social impacts, Bacardi will be a more sustainable business in the long term. Through our Corporate Responsibility programs, we regularly introduce new ways of working to improve efficiencies, reduce our global footprint and support grower communities and other partners, all while promoting responsible consumption.

We are proud to be part of a company where the spirit of giving back has been a foundation for more than 150 years. Thanks to this long-standing Corporate Responsibility commitment, we have no doubt this legacy will continue for 150 more.

Looking forward, we recognize there is a worldwide need to address key issues such as responsible sourcing, global population growth and climate change. It is important to us that we play a part in helping to address these challenges. Our increased engagement with stakeholders shows that our actions, as we deal with these and other important matters, are aligned with stakeholder interests.



Our Corporate Responsibility program comprises five pillars that reflect our principal areas of activity. The pillars are Marketplace; Environment, Health and Safety; Responsible Sourcing; People; and Philanthropy and Community Involvement. Looking at last year's performance, there are a number of success stories within these five pillars.

Digital communication has become increasingly important in marketing campaigns, and we have made great strides in our Marketplace pillar to ensure all of our digital marketing adheres to our strict responsible marketing standards.

In the area of Environment, Health and Safety, our environmental performance continues to improve, with more efficient use of water and energy and reduced greenhouse gas emissions per unit of production. Our newly developed environmental sustainability strategy will support ongoing progress, not only in our operations, but also in our wider value chain.

Within Responsible Sourcing, we continue to be active in championing a sustainable sugarcane industry through our founding membership in Bonsucro™. Our target is to source 100% of our sugarcane molasses from sustainable sugarcane by 2022. This commitment is a first within our industry and among Bonsucro™ members.

Our first Global Employee Engagement Survey was a central activity in our People pillar during the past year. The employee response rate was exceptional. The survey results revealed that our employees are engaged with and positive about Bacardi Limited. The survey also gave us excellent insight into where we can improve career development and work experiences.

We have been consolidating progress in the area of Philanthropy and Community Involvement. Following the great success of Corporate Responsibility Week last year, during which 65% of our employees served their communities, we are preparing for an expanded Corporate Responsibility Month in early fiscal 2013 to give employees more flexibility to participate in community activities.

Overall, there have been some excellent achievements across Bacardi Limited in the last fiscal year, a performance that would not have been possible without the dedication and hard work of our employees. On behalf of the Bacardi senior leadership team, we thank them for this.

Our challenge moving forward is to keep up our momentum by continuing to seek improvements in how we work and by embedding Corporate Responsibility in all aspects of our business and in our wider value chain.

As ever, your feedback on any aspect of Corporate Responsibility at Bacardi Limited is most welcome.



Facundo L. Bacardi, Chairman and Edward D. Shirley, President and CEO



CORPORATE RESPONSIBILITY AT BACARDI LIMITED

In this section

Our Corporate
Responsibility
program

Stakeholders

Materiality

Our impacts

Our approach to Corporate Responsibility covers our whole value chain, from raw materials to end product.

Our corporate values of Trust, Caring, Passion and Excellence guide our approach to Corporate Responsibility. We are focused on developing a leading Corporate Responsibility position by delivering continual improvement and excellence in our performance and by creating a Corporate Responsibility program that is best-in-class.

Corporate Responsibility governance and management

Overall responsibility for Corporate Responsibility rests with the office of the Chief Executive Officer (CEO), which updates the Board and Chairman once yearly.

The Corporate Responsibility leadership team (CRLT) sets and delivers the goals of our Corporate Responsibility strategy. It updates the CEO and Bacardi senior leadership team (BLT) on a regular basis. The

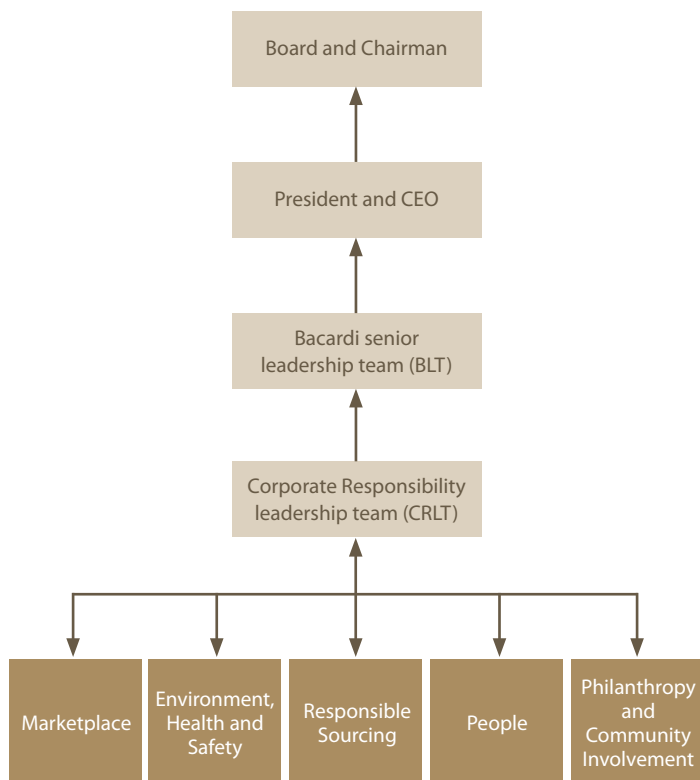
CRLT comprises senior managers from various global functions and business units and is led by the global CR Director.

CRLT members work with their functions and regions to develop action plans to achieve the objectives of our Corporate Responsibility pillars.

Reporting progress

The CRLT reviews progress on Corporate Responsibility on an ongoing basis and provides regular updates to the BLT.

Our governance structure



Each of the five pillars has its own strategies and targets, which are delivered through coordinated activity by the relevant global functions and/or operating companies.

Integrating Corporate Responsibility

We have made significant improvements in aligning business processes across our global organization and have increased efficiency by focusing more sharply on the strategic objectives of the Company.

For Corporate Responsibility, this enhanced business alignment and strategic focus takes two forms. First, Corporate Responsibility will evolve from being a specialist program to an essential way of working that is integrated throughout our entire business by 2015. By involving our people and functions in Corporate Responsibility activities, and engaging with our brands on aspects of sustainability, we will embed Corporate Responsibility within the core of our operations.

Second, we have updated the individual strategies for each of the Corporate Responsibility pillars, setting targets for 2015 and beyond in some cases. By aligning this program with other business initiatives across the Company, Corporate Responsibility will be better able to support our wider business goals.

Communicating Corporate Responsibility internally

We use the Corporate Responsibility Community on our ONE Bacardi intranet to communicate with employees on a regular basis. The Corporate Responsibility Community is one of the most popular on ONE Bacardi and is a good way of raising awareness across the Company.

In our first [Global Employee Engagement Survey](#), conducted in fiscal 2012, Corporate Responsibility achieved the highest engagement score of all survey topics.



Our Corporate Responsibility program

Our overall aim is to achieve a leading Corporate Responsibility position for Bacardi Limited. We will do this by developing and delivering a Corporate Responsibility program that is best-in-class.

Our five key pillars

Within our Corporate Responsibility program, there are five pillars reflecting our main areas of activity. The table below introduces the five pillars; more information on them can be found in each pillar section of this report.



MARKETPLACE

We are proud of the quality and heritage of our brands and do not want them to be consumed inappropriately. Our ambition is to encourage consumers to enjoy our products on a regular basis in moderation.

Pillar overview

Drinking alcohol is a matter of personal choice and most consumers choose to drink in moderation. Alcohol can cause harm, however, if it is misused. Encouraging responsible decision-making by legal drinking age consumers and discouraging inappropriate consumption of our products is, therefore, a key priority for Bacardi Limited. It is the focus of our activity within the Marketplace pillar.

Our ambition is to be best-in-class in promoting responsible drinking and in ensuring that we market our products in a responsible way. To this end, we aim to build on the recognition already received for our award-winning responsible drinking campaigns and to continue to uphold our excellent record of compliance with responsible marketing codes.

[Read more about Marketplace](#)

Measuring the results

240,000

fans on the “Champions Drink Responsibly” Facebook™ page in the first year of the campaign.

0

No consumer complaints on our advertising were upheld in 2012.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

ENVIRONMENT, HEALTH AND SAFETY

We have a responsibility to minimize environmental impacts across our value chain and to ensure our people are safe at work. These are key business objectives that reduce risk, increase efficiency and make sound business sense.

Pillar overview

Our values of Excellence and Caring underpin our goal to achieve best-in-class environmental and safety performance. Most of our products' environmental impacts are in our supply chain, and we work in our own facilities and with our suppliers to reduce impacts and risks across our whole value chain. Ensuring the safety of our employees is of vital importance to us.

Within the Environment, Health and Safety pillar, we have developed a new environmental sustainability strategy that will guide us in creating industry-leading programs to reduce our environmental impact. From a safety point of view, we have a long-term vision for an accident-free Bacardi Limited.

[Read more about Environment, Health and Safety](#)

Measuring the results

49.4%

reduction in water use in the six years since 2006.

75%

improvement in our lost time accident rate since 2006 and we achieved our best-ever rate in fiscal 2012.



RESPONSIBLE SOURCING

We source high quality ingredients and raw materials from many countries around the world, including those where achieving good workplace standards, environmental protection and sound governance can be complex.

Pillar overview

Our vision for Responsible Sourcing is for all of our raw materials and packaging to come from sustainably sourced, renewable or recycled materials – reducing environmental and social impacts, while maintaining or enhancing the economic status of growers and suppliers. Our Responsible Sourcing program, now in its fifth year, aims to deliver this vision.

The Bacardi Limited Responsible Sourcing standards outline the standards we require of our suppliers in the areas of labor, human rights, health and safety, environment and business integrity. We ensure that our suppliers comply with our standards through our internal procurement processes or by suppliers' membership in Sedex®, the database for sharing supplier information on ethical business practices.

[Read more about Responsible Sourcing](#)

Measuring the results

100%

We are targeting 100% of high and very-high risk direct suppliers and global point-of-sale suppliers to be compliant with our Responsible Sourcing standards.

20%

From fiscal 2013, we are targeting a 20% year-on-year increase in supplier membership of Sedex®.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report



PEOPLE

We aim to connect and align all of our employees across the globe behind one set of values, strategies and common ways of working.

Pillar overview

Our People strategy is built on the belief that outstanding people will deliver excellent results. To Bacardi Limited, outstanding people means talented and engaged employees who are valued for their unique contributions to the Company. By demonstrating their commitment to our values of Trust, Caring, Passion and Excellence, our people are the best ambassadors for our Company and brands.

Within the People pillar, we aim to unleash the potential of our people by creating a working environment where every employee takes advantage of the development opportunities Bacardi Limited offers. We strive to inspire, engage and support our people, and we intend to become recognized internally and externally as a Great Place to Work.

[Read more about People](#)

Measuring the results

92%

Our first-ever Global Employee Engagement Survey achieved a best-in-class response rate of 92%.

3.76

Our overall employee engagement score was 3.76 out of 5. Best-in-class engagement starts at 4.0.



PHILANTHROPY AND COMMUNITY INVOLVEMENT

Bacardi Limited has a 150-year history of quality, excellence, ethics and social involvement. These values were important to our founder, Don Facundo Bacardí Massó, and are still important to us today in our 150th anniversary year.

Pillar overview

We operate in many locations around the world and always aim to make a positive contribution to our local communities. Our employees are members of these communities, and taking part in community activities generates a strong sense of pride.

Within the Philanthropy and Community Involvement pillar, we try to involve our employees in community activities and, through their participation, raise awareness of our approach to Corporate Responsibility. We hold a global flagship community event each calendar year. Local initiatives are managed by local operations, which are closer to their communities. We provide support in four broad areas: arts and culture; education; environment; and health and social services.

[Read more about Philanthropy and Community Involvement](#)

Measuring the results

US\$3.23M

reported giving by Bacardi companies and brands in fiscal 2012 measured using the LBG model.

5,580kg

of food were donated by Bacardi U.S.A. employees to the Abriendo Puertas food bank at Thanksgiving in 2011.





Stakeholders

We recognize the need to connect with our stakeholders – those who affect or are affected by our business. Listening to stakeholders helps to prioritize the most important Corporate Responsibility issues for us to address.





Stakeholder engagement has been central to our Corporate Responsibility strategy and to the approach we take within each of our five pillars of activity. Stakeholder feedback informs our assessment of the most material Corporate Responsibility issues and helps us determine which topics to include in this Report.

Stakeholder groups

We have identified a wide range of stakeholders important to Bacardi Limited:

		DESCRIPTION
	<i>Consumers</i>	Identifying and understanding consumer trends, including attitudes to alcohol, is essential to ensuring that our responsibility messages resonate with our consumers.
	<i>Customers</i>	Our customers expect us to be managing Corporate Responsibility issues, just as we expect the same from our suppliers. We seek to work together on areas of mutual concern.
	<i>Employees</i>	We keep our people up-to-date on important issues about Bacardi Limited with CEO webcasts, management roadshows and our global ONE Bacardi intranet.
	<i>Industry associations</i>	Sharing knowledge and experiences with industry partners promotes a collective response on industry-wide matters, such as responsible marketing and responsible drinking.
	<i>Local communities</i>	Bacardi Limited has always seen itself as part of the communities in which we operate and we engage with our local communities to understand and respond to their concerns.
	<i>Non-governmental organizations (NGOs)</i>	We exchange views with NGOs on alcohol issues at various fora including the World Health Organization, the EU Alcohol and Health Forum and a range of trade associations.
	<i>Regulators</i>	We engage with regulators through trade bodies, one-to-one meetings and written responses to policy consultation documents.
	<i>Shareholders</i>	As Corporate Responsibility becomes more important to business, our shareholders are increasingly interested in how we are planning for a sustainable future, as well as protecting our current reputation.
	<i>Suppliers</i>	We engage suppliers on our Responsible Sourcing standards both through our regular procurement processes and our Responsible Sourcing program.



PRIORITIZED AREAS OF INTEREST		
	<i>Consumers</i>	<ul style="list-style-type: none"> • Responsible drinking. • Responsible marketing. • Sustainable agriculture and sourcing. • Sustainable packaging.
	<i>Customers</i>	<ul style="list-style-type: none"> • Responsible drinking. • Responsible supply chain. • Sustainable agriculture and sourcing. • Product responsibility.
	<i>Employees</i>	<ul style="list-style-type: none"> • Sustainable packaging. • Product responsibility. • Responsible drinking. • Responsible marketing.
	<i>Industry associations</i>	<ul style="list-style-type: none"> • Responsible marketing. • Responsible drinking. • Managing direct environmental impacts. • Sustainable agriculture and sourcing.
	<i>Local communities</i>	<ul style="list-style-type: none"> • Responsible drinking. • Responsible marketing. • Managing direct environmental impacts. • Sustainable agriculture and sourcing.
	<i>Non-governmental organizations (NGOs)</i>	<ul style="list-style-type: none"> • Responsible marketing. • Responsible drinking. • Good governance. • Supporting local communities.
	<i>Regulators</i>	<ul style="list-style-type: none"> • Responsible marketing. • Good governance. • Responsible supply chain. • Responsible drinking.
	<i>Shareholders</i>	<ul style="list-style-type: none"> • Good governance. • Product responsibility. • Responsible marketing. • Being a responsible employer.
	<i>Suppliers</i>	<ul style="list-style-type: none"> • Responsible drinking. • Product responsibility. • Responsible marketing. • Sustainable agriculture and sourcing.



Stakeholder research

We have been developing a new and more structured approach to stakeholder engagement. This effort began with independently conducted stakeholder research in fiscal 2012 and will evolve into a stakeholder engagement strategy during fiscal 2013.

This research into stakeholder views on Corporate Responsibility issues involved structured, one-to-one interviews with a global range of individuals from each of our main stakeholder groups, except for shareholders. The interviewees were a mix of established Bacardi Limited stakeholder contacts and new stakeholders contacted for the purposes of the research.

The interviews focused on a number of areas, including:

- What Corporate Responsibility means for the spirits sector.
- How stakeholders view Bacardi Limited in relation to Corporate Responsibility.
- What stakeholders think are the most important responsibilities for the sector.

Responsibility in the spirits sector

The results show that the larger companies in the spirits sector are generally considered to be responsible. There is a sense, however, that the industry will face greater expectations and scrutiny of its behavior with ongoing political, NGO and public debate and with the growing awareness and expectation in developing markets.

Bacardi Limited and responsibility

Stakeholders generally consider Bacardi Limited in a positive light. With regard to our approach to Corporate Responsibility, the results were mixed. While many stakeholders felt that Bacardi Limited strives to be a responsible business, others were unsure, due to their limited awareness of our Corporate Responsibility activity. This was particularly the case with new stakeholders, who are less familiar with Bacardi Limited and are more likely to link the Company solely with our BACARDÍ Rum brand.

Suggested areas for improvement in our approach to and communication of Corporate Responsibility included:

- Practical solutions for responsible drinking, not just education.
- Further work on responsible consumption with those who sell and serve our brands.
- Measuring and managing social and environmental supply chain issues.
- Improving the environmental credentials of our packaging.

Key areas of interest for stakeholders

Although the main priorities and concerns of stakeholders differed, based on their interests or expertise, there was broad consensus on the key Corporate Responsibility issues for the spirits sector, as shown below.

It was also felt that while responsible drinking and responsible marketing are the highest priority issues and are most clearly linked with responsibility in the sector, other issues are becoming more important, such as managing direct environmental impacts.



ISSUE PRIORITIZATION – GLOBAL, ALL STAKEHOLDERS (WEIGHTED SCORES)

RESPONSIBLE DRINKING		121
RESPONSIBLE MARKETING		106
PRODUCT RESPONSIBILITY		59
MANAGING DIRECT ENVIRONMENTAL IMPACTS		58
SUSTAINABLE AGRICULTURE AND SOURCING		56
RESPONSIBLE SUPPLY CHAIN		43
GOOD GOVERNANCE		43
SUSTAINABLE PACKAGING		40
BEING A RESPONSIBLE EMPLOYER		37
SUPPORTING LOCAL COMMUNITIES		32

The score for each issue is derived from the top five issues identified by each stakeholder weighted by their level of priority.

Working with the results

We have used the results of the stakeholder research to inform our latest materiality assessment. The assessment has prioritized the key Corporate Responsibility issues for Bacardi Limited by combining the level of priority given by stakeholders with the current or potential impact of the issues on our business. Find out more about our [materiality process](#).

Engaging employees

During fiscal 2012, we completed our first-ever Global Employee Engagement Survey. The survey was sent to all employees and received a best-in-class participation rate of 92%. The survey gauged employee engagement on a broad range of employee issues, including our approach to Corporate Responsibility, which achieved the highest engagement score of all topic areas at 4.22 (out of 5).

Read more on the Global Employee Engagement Survey in the [People section](#) of this report.



Materiality

The five pillars of our Corporate Responsibility program – Marketplace; Environment, Health and Safety; Responsible Sourcing; People; and Philanthropy and Community Involvement – reflect our main areas of activity.

Our business and the world in which we operate are constantly changing, and the specific priorities, risks and opportunities within each of our Corporate Responsibility pillars need to reflect this. As a result, we use a materiality assessment to prioritize the importance of the issues within each pillar.

To complete a materiality assessment, we combine the level of stakeholder interest in specific issues with the current or potential impact of the issues on Bacardi Limited. This establishes the relative importance – the materiality – of our Corporate Responsibility issues to one another.

The results of the materiality assessment reflect the relative importance of issues within our Corporate Responsibility program, not the overall importance of the issues to Bacardi Limited. For example, being a responsible employer is critically important to our business overall but is less material than other issues within our Corporate Responsibility program, such as responsible marketing or environmental protection.

We use the results of these assessments to inform our Corporate Responsibility strategy and the specific approach taken within each pillar of our program.

The Corporate Responsibility leadership team (CRLT) assesses the materiality of Corporate Responsibility issues for Bacardi Limited on a regular basis.

Our first detailed materiality assessment was completed in July 2007 while we were establishing our Corporate Responsibility program. This initial evaluation was updated with a more detailed assessment in February 2009. Our most recent materiality assessment took place in early 2012, using the results of independent [stakeholder research](#).

Our material issues

The results of our latest assessment are shown on the matrix below. It shows the relative level of stakeholder interest in our Corporate Responsibility issues and the current or potential impact of these issues on Bacardi Limited.

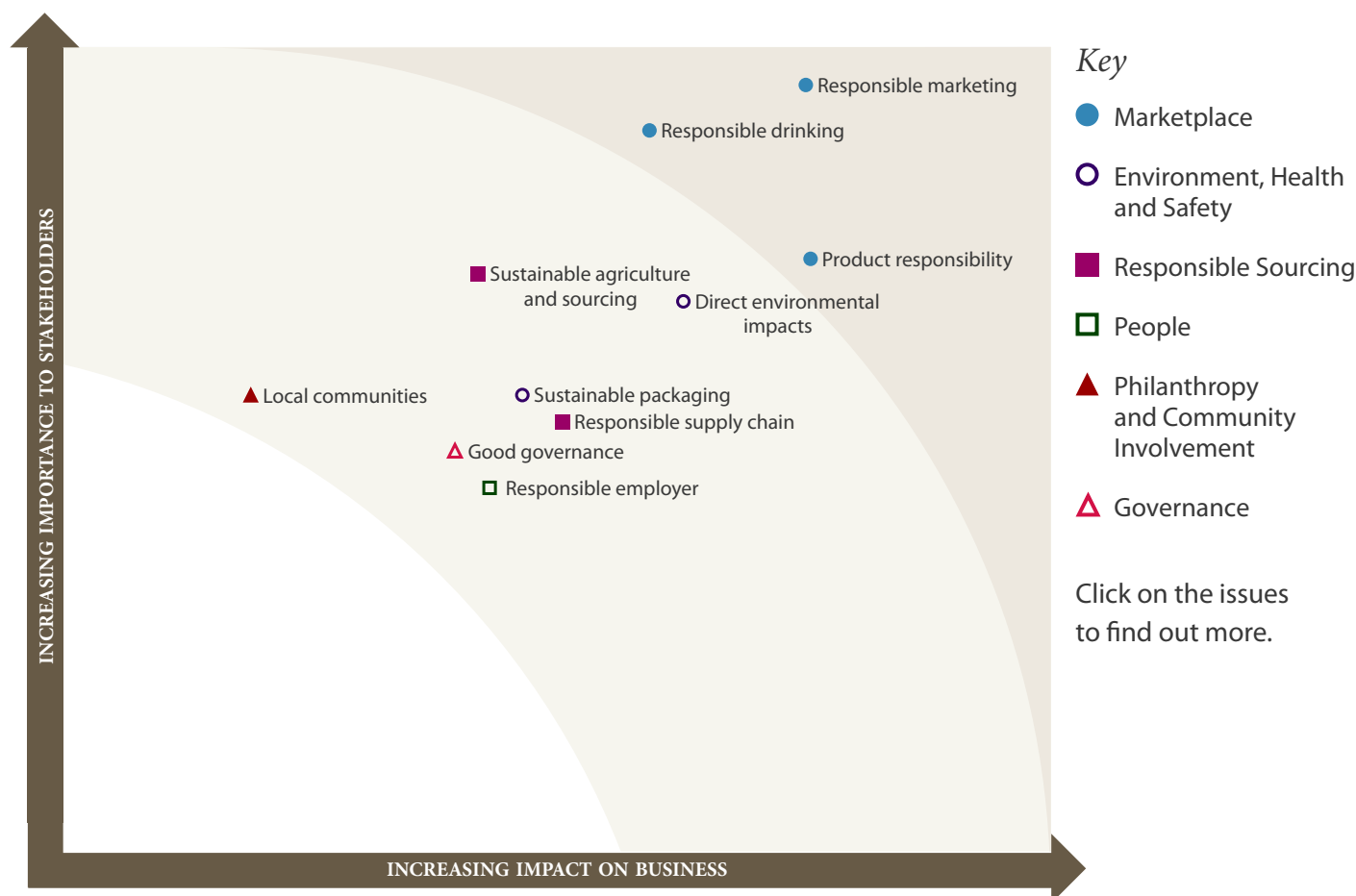


Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Read more about our stakeholders

Notes to the results:

- **Responsible marketing** includes responsible commercial communications, marketing, advertising and product promotion.
- **Responsible drinking** includes action to promote responsible drinking and address alcohol-related harm.
- **Product responsibility** includes product quality and product labeling.
- **Direct environmental impacts** includes carbon footprint, air emissions, effluent, water use, waste, transport.
- **Sustainable agriculture and sourcing** focuses on improvement in social and environmental standards throughout the entire value chain.
- **Responsible supply chain** focuses on the minimum standards required of immediate suppliers to Bacardi Limited.
- **Good governance** includes business ethics, transparency and controls to achieve regulatory compliance.
- **Responsible employer** includes employee rights, health and safety, diversity, and training and development.
- **Sustainable packaging** focuses on making our packaging more sustainable including material type, packaging weight and recyclability.
- **Local communities** includes employee volunteering in community projects, as well as fundraising and donations.

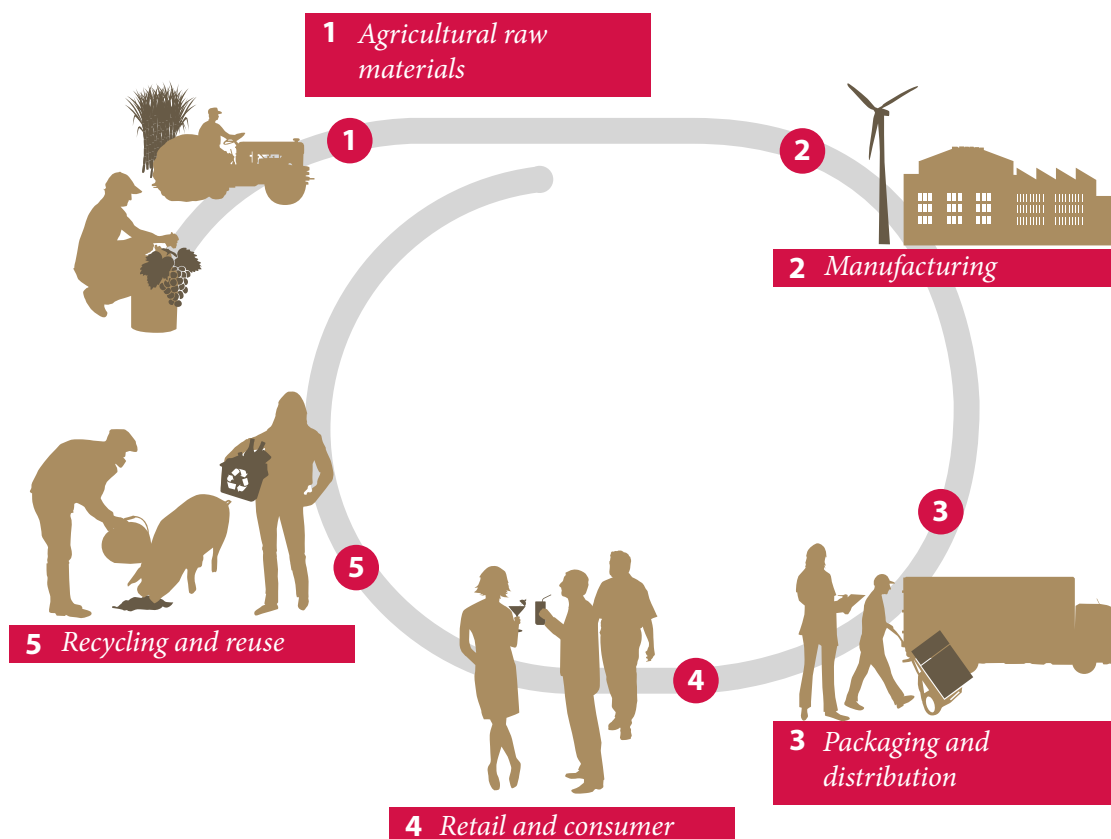


Our impacts

As a manufacturer and distributor of alcoholic beverages, our operations have a range of benefits and impacts. Our Corporate Responsibility program aims to maximize the positives of our business and minimize the negatives.

Our value chain

There are many stages in the production of our premium spirits before they reach the consumer. We know that many of the environmental and social impacts associated with our business are in our supply chain, and we try to reduce these impacts at all stages of our product lifecycle.





1

Agriculture raw materials

Agricultural products, such as grapes, sugarcane products, grains and botanicals, are some of the raw materials used to craft our products and are sourced from all over the world.

Our Responsible Sourcing program is designed to reduce any potential environmental and social impacts in our supply chain, focusing on the highest-risk raw materials and sourcing countries as a priority.



2

Manufacturing

Agricultural ingredients are extracted or fermented at manufacturing sites following long-established recipes to create our six global brands and our strong portfolio of local brands.

We aim to establish projects that will deliver continual gains in our environmental performance, particularly improvements related to energy and water use, greenhouse gas emissions, waste and water quality. Our success is built on our outstanding people, and we need to ensure they are safe at work. Establishing a safety culture is essential to delivering an accident-free workplace.



3

Packaging and distribution

Aging and bottling take place at sites around the world, where finishing touches are put on our products. When complete, our products are shipped to customers through several distribution channels.

Our packaging consists mainly of glass and cardboard, with small amounts of plastic and metal. Around 50% of the carbon emissions from our value chain come from the manufacture of glass. Reducing the weight of our bottles and increasing the use of recycled glass help to reduce this.



4

Retail and consumer

Our customers are retailers who distribute our brands through a number of channels, including supermarkets, restaurants, hotels and bars. These customers sell our products to consumers, who enjoy our brands.

The vast majority of consumers drink alcohol responsibly and in moderation. Irresponsible or excessive consumption can cause problems with health, anti-social behavior and drinking and driving. We contribute to reducing the incidence of issues by ensuring we adhere to responsible marketing codes and are an influential voice in engaging with consumers and raising awareness of responsible drinking.



5

Recycling and reuse

Recycling is an essential way to reduce the impact of our packaging. All of our packaging is recyclable, and our sustainable packaging manual will build sustainability considerations into future packaging redesigns.

We recycle the majority of our manufacturing waste, and many of the waste by-products from our agricultural raw materials are used as animal feed or fertilizers.



MARKETPLACE

A clear responsibility

Promoting responsible drinking with our "Champions Drink Responsibly" campaign.

In this section

Strategy

Targets and progress

Responsible
marketing

Tackling alcohol-
related harm

Responsible
drinking campaigns

Promoting responsible consumer choices

Drinking alcohol is a matter of personal choice, and most consumers choose to drink in moderation. Alcohol, however, can cause harm if it is misused. It is therefore in our interests to market our products responsibly and encourage consumers to enjoy drinking our brands in moderation.

We are proud of the quality and heritage of our brands and want them to be consumed appropriately. Encouraging responsible decision-making by legal drinking age consumers and discouraging inappropriate consumption of our products is a key priority for our Company.

The Bacardi Limited Global Marketing Principles represent our minimum global standards for producing all of our marketing materials, and our teams are trained and held accountable to comply with this code. We expect to comply with relevant local laws and regulations and, as in previous years, we had no consumer complaints that were upheld.

CHRIS SEARLE, International Affairs and Global CSR Director



Watch video



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Chris Searle

International Affairs and Global CSR Director

In the Marketplace section of our Corporate Responsibility report, we report on two strategic issues: responsible marketing and responsible drinking.

On responsible marketing, the Bacardi Limited Global Marketing Principles represent our minimum global standards for all our marketing materials. Our teams are trained and held accountable for complying with this code. Our code is fully aligned with industry codes of ICAP, DISCUS and EFRD. We also expect to comply with relevant local laws and regulations.

We take our responsibilities seriously and, as in previous years, in fiscal 2012 we received no upheld consumer complaints on our marketing materials.

On responsible drinking, we promote drinking in moderation to legal drinking age consumers globally. We encourage regular consumption and responsible enjoyment of our brands for those who choose to drink. This is part of our business strategy.

Our flagship project is our award-winning global campaign "Champions Drink Responsibly". This year marked the first full year with Rafael Nadal as the Bacardi Limited Global Social Responsibility Ambassador and champion of our campaign.

We raised awareness of our four key messages around the world as we hosted consumer and media events in New York, Shanghai and Melbourne.



www.bacardilimited.com/corporate-responsibility/marketplace

"Champions Drink Responsibly" encourages consumers to:

- Have a plan for the evening so that everyone has an amazing time.
- Take their time over their drinks and choose quality over quantity.
- Be a true friend and look out for each other.
- Have a plan to make sure that everyone gets home safely. We all know that drinking and driving don't mix.

This way, consumers can ensure that they have a great evening.

We are also sharing this message through digital and social media. In its first year, the campaign's Facebook™ page generated nearly a quarter of a million fans.

A key element of the "Champions Drink Responsibly" digital campaign was the "Ace Rafa" Facebook™ game. We developed a unique online game and invited legal drinking age consumers to ace Rafa and enter a prize draw to win the chance to "Ace Rafa" in person on his home island of Mallorca. "Ace Rafa" was a great success – over 100,000 consumers from more than 35 countries played the game and 20,000 entered the prize draw. Once again, consumers were sharing their experiences with others and helping us to spread the important message of responsible drinking.



Strategy

We are proud of the quality and heritage of our brands and want them to be consumed appropriately. Encouraging responsible decision-making by legal drinking age (LDA) consumers and discouraging inappropriate consumption of our products is a key priority for our Company.

We work to support this in three ways:

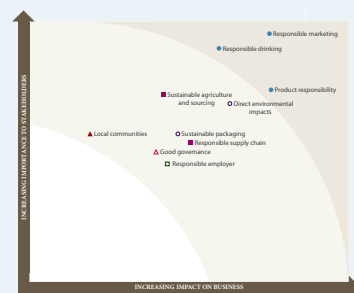
- We adhere to [responsible marketing](#) codes in our businesses globally.
- We work closely with third-party organizations to [reduce alcohol-related harm](#).
- We create and support [targeted programs](#) that aim to educate LDA consumers about drinking responsibly.

Material issues

Our priorities relating to responsible marketing and tackling alcohol-related harm closely correspond to the results of our latest assessment of the most material Corporate Responsibility issues for Bacardi Limited, completed in early 2012.

The materiality assessment judged that issues relating to “responsible drinking” – defined as action to promote responsible drinking and reduce alcohol misuse – and “responsible marketing” were both very highly material to stakeholders and to the Company, relative to other Corporate Responsibility issues.

Read more on our materiality process in the [materiality section](#).



[View our materiality matrix](#)

Strategic approach

Our strategy for the Marketplace pillar is to be best-in-class in promoting responsible drinking and tackling alcohol misuse. We aim to play an influential role in engaging with LDA consumers, to raise awareness of responsible drinking issues. To achieve this, we create and support visible responsible drinking campaigns targeted at LDA consumers both globally and in local markets. We also continue to build on the recognition already received for our award-winning responsible drinking campaigns, such as “Champions Drink Responsibly.”

We take a similar best-in-class approach to responsible marketing, ensuring that our products are not inappropriately marketed, or targeted at people below LDA. We focus on achieving this everywhere that we promote our products, including print, television and, increasingly, digital media. We continue to have an excellent record of compliance with our global marketing codes and with relevant industry codes where local laws do not exist. We also support efforts by the spirits industry as a whole to maintain its good performance on responsible marketing, compared to other business sectors.



Targets and progress



LONG-TERM AMBITION

Our ambition is to be best-in-class in promoting responsible drinking and ensuring our marketing is responsible. In order to help reduce alcohol-related harm, we will play an influential role in encouraging responsible decision-making by legal drinking age (LDA) consumers and discouraging inappropriate consumption of our products.

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Continue the development of our flagship “Champions Drink Responsibly” consumer campaign, aiming to generate activity in more markets.	 Increased awareness with local market events and “Ace Rafa” Facebook™ game that was played by 50,000 people in 35 countries. Achieved 240,000 fans on the “Champions Drink Responsibly” Facebook™ page in the first year of the campaign.	Achieve 500,000 Facebook™ fans by the end of fiscal 2013. Launch a global competition to align more clearly the “Champions Drink Responsibly” campaign messaging with other brand consumer activity.
Publish new global guidelines for responsible digital and social media marketing.	 New digital marketing guidelines published in July 2011, which include a section on social responsibility.	Update the Bacardi Limited Global Marketing Principles and supporting guidelines to bring them up-to-date with the new developments with our digital marketing approach. Launch a responsible digital marketing e-book to support our existing e-learning module on responsible marketing and include in the induction of all new employees.
Establish one Corporate Responsibility-related initiative for each of our six global premium brands.	 Brand imprint workshops run with DEWAR’s Scotch Whisky, BACARDÍ Rum and BOMBAY SAPPHIRE Gin.	Include the responsible sourcing of the botanicals for BOMBAY SAPPHIRE Gin as part of the brand story. Include responsible drinking messaging within BACARDÍ Rum consumer party events.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Further support of the Global Alcohol Producers Group's Global Actions on Harmful Drinking and the World Health Organization Global Strategy to Reduce the Harmful Use of Alcohol.	 Global Actions on Harmful Drinking projects continued (27 projects in 18 countries) and an independent mid-term evaluation report on progress has been completed. Bacardi Limited provided local market support for projects in Mexico, Russia and China.	Play a part in developing a five-year industry commitment to reducing alcohol-related harm as part of Global Actions on Harmful Drinking. We will support specific activities to prevent packaging appealing to those under LDA and also expand consumer information on-pack.
Continue to build new and creative initiatives to combat the harmful use of alcohol at local country levels.	 Launch of our Slow Drinking program in France to build on previous educational initiatives. Continued to play a part in the U.K. Government's Responsibility Deal.	Assist in reforming the Foreign Spirits Producers Association in China, including widening the program of activities on responsible drinking. Expand our work with the U.K. Responsibility Deal, in particular increasing consumer choice of lower alcoholic strength drinks as a way to reduce alcohol unit intake and target alcohol-related harm.
 Achieved  Partially achieved  Not achieved  Target ongoing View all our targets		



Responsible marketing

We believe that self-regulation, as part of a legislative framework, is an effective way to manage marketing communications, which are essential to the commercial side of our business.

Ensuring that our marketing does not promote inappropriate alcohol consumption and reinforces the responsible drinking message is an important part of our commitment to encourage the responsible use of our products. Our marketing colleagues have a range of tools to support this objective, and we are particularly focused on ensuring that our communications are aimed only at legal drinking age and over (LDA+) consumers.

Global Marketing Principles

Our [Global Marketing Principles](#) are a set of eight core principles that govern all of our marketing practices and act as our internal Company marketing code. Together with our implementation guidelines, they form the platform for our responsible marketing strategy.

Our implementation guidelines, introduced in 2007 and revised in 2009, will be updated again in fiscal 2013 to take into account changes to our approach to digital marketing.

Read our [Global Marketing Principles](#).

Compliance

Our country managers have responsibility for ensuring the compliance of all our local marketing materials, supported by legal or external affairs specialists. Key to our approach is that country managers are not involved in the development of marketing materials. They are, therefore, able to be more objective about the local suitability of marketing materials developed by our marketing teams.

We are happy to report that in fiscal 2012 we received no consumer complaints from the regulatory organizations that monitor these matters.

External codes and regulations

Our self-regulatory approach to marketing is based on a legislative framework. Our first priority is to adhere to local marketing regulations, and to observe all global, regional and national voluntary marketing codes, wherever we sell our products.

Our Global Marketing Principles give us a consistent approach across the many marketing codes that exist in our markets. These Principles also act as a minimum standard in markets where advertising regulations are weak or nonexistent.

In countries in which the availability or sale of alcohol beverages is prohibited, we respect these local cultural traditions.

0

No consumer complaints on our advertising were upheld in 2012.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Developing digital marketing

Fiscal 2012 was marked by an ongoing shift in our brand marketing to incorporate greater use of digital and social media communication, alongside more traditional marketing such as print and television advertising.

To support this shift, we published new global guidelines on digital marketing for Bacardi Limited in July 2011. At the same time, we established a new way of working within our global marketing function that clarifies responsibilities and delivers greater coordination among global, regional and local marketing functions.

With the new focus on digital marketing, we now have dedicated specialists who are “digital community” managers for key brands. These community managers develop digital content, engage consumers in brand conversations and help us avoid inappropriate consumer content on our digital channels.

Managing responsible digital marketing

Our increased focus on digital marketing alters how we manage responsible marketing in some areas. At concept and early production stages, digital marketing follows the same process as traditional marketing, requiring internal sign-off against our responsible marketing principles before the project can progress to the next stage. With all marketing campaigns, this early-stage intervention prevents responsible marketing compliance issues later in the project.

Digital marketing campaigns also are bound by the same production and distribution rules as are our traditional marketing efforts: all actors or models must be over 25 years old and delivery channels for the campaign must have a user profile made up of at least 70% LDA consumers, which is the global standard across the industry.

Keeping digital marketing responsible

As with all aspects of our marketing, digital and social media communications must adhere to our Global Marketing Principles and promote responsible drinking.

Our Global Marketing Principles contain specific guidance on responsible digital marketing. Our approach is closely tied to the [joint code on responsible digital marketing](#) launched by the European Forum for Responsible Drinking (EFRD) and the U.S. Distilled Spirits Council (DISCUS). This ensures international alignment on our approach and creates consistency across our brands.

Our newly launched global digital guidelines also give direction on how brand and digital community managers should manage digital communities on our social media platforms, such as Facebook™ (pictured right), YouTube™ and Twitter™, including how to ensure that user-generated content complies with our responsible marketing approach.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Active management

The key difference between digital and traditional marketing is that, once launched, a digital brand campaign requires active management on an ongoing basis. Digital campaigns are generally delivered through our brands' social media platforms, such as Facebook™, YouTube™ and Twitter™. Each of these digital platforms has an age-verification process to ensure that only LDA consumers can view our commercial material online.

Unlike traditional advertising, which is a one-way channel of communication, digital marketing establishes interaction with and conversations between consumers over the life of the campaign. The challenge is to ensure that the tone of this conversation does not breach our own responsible marketing principles.

As a result, we require that our digital community managers actively monitor the tone of this conversation. They need to ensure that the user-generated content created on our digital platforms conforms to our understanding of responsible marketing.

To make this requirement clear to users, our social media brand sites have prominent terms and conditions that outline what is and is not acceptable content. This allows inappropriate user content to be easily removed without affecting other postings.

Responsible marketing training

Digital marketing training

In fiscal 2012, a number of web and face-to-face meetings, workshops and training courses were held to support the launch of our new digital marketing guidelines, and all sessions included coverage of the responsible marketing element of the guidelines.

Training on the guidelines was completed at Bacardi Global Brands in London, where our global brands are managed, and a roadshow to introduce the guidelines around the Company began in June 2012.

Social responsibility e-learning module

Our social responsibility e-learning module (pictured right) is an online training course that raises awareness of our Global Marketing Principles and our overall approach to responsible marketing.

The module is available to all employees electronically through the ONE Bacardi intranet site. Completion of the training module is mandatory for all new marketers, and over 300 marketers have completed the course since it was launched.

We broadened the delivery of the e-learning module in fiscal 2012 by incorporating it into [Becoming Bacardi](#), our global employee induction program for new hires. As a result, since December 2011, all new employees have completed the module, underlining the importance of responsible marketing and our Global Marketing Principles to the growth and development of Bacardi Limited.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Bacardi Limited Global Marketing Principles

Bacardi Limited is committed to the responsible and safe consumption of our brands by legal drinking age (LDA) consumers. We are extremely proud of our portfolio and are committed to long-term brand-building in a socially responsible manner. We will never market our brands to consumers under the LDA. We also discourage irresponsible consumption of our brands and urge consumers who choose to drink to do so responsibly.

These principles are to be applied to the broad mix of marketing activity, which is generated by the global, regional and local marketing teams that are engaged in producing marketing activities for our brands.

Principle 1

All Bacardi Limited companies and employees must comply with the laws, regulations and self-regulatory codes applicable to their marketing and promotional practices.

Principle 2

All marketing and promotional practices will present the responsible enjoyment of alcoholic beverages and will not encourage the misuse of alcohol through the presentation of excessive consumption or situations where irresponsible consumption is accepted.

Principle 3

All Bacardi Limited products will provide clear information on alcohol content. A message of responsible enjoyment will be included on commercial communications, as well as on all Bacardi Limited products.

Principle 4

The content and placement of all marketing and promotional practices will be directed toward consumers of the required legal age to purchase alcohol beverages in the relevant markets, and will avoid associations with images and music that would appeal primarily to underage individuals.

Principle 5

All marketing and promotional practices will support the safe consumption of alcohol beverages and will not associate the consumption of alcohol beverages with any potentially dangerous activity, such as driving motorized vehicles, operating machinery or performing hazardous athletic activities.

Principle 6

Corporate communications may recognize reputable evidence of the physical benefits from moderate alcohol consumption, but marketing activities will not claim medicinal or performance properties for Bacardi products.

Principle 7

Marketing and promotional practices will not be associated with any individual or group behavior that is anti-social, violent or destructive.

Principle 8

All marketing and promotional practices must be in good taste and must not contain indecent, demeaning or insulting materials.



Tackling alcohol-related harm

Alcohol-related harm is recognized as a serious public health concern by a range of stakeholders, including the World Health Organization (WHO), national governments, non-governmental organizations (NGOs) and the beverage alcohol industry.

There is a collective commitment from these stakeholders, to reduce the harmful use of alcohol globally. This is recognized in the WHO Global Strategy to Reduce the Harmful Use of Alcohol, which promotes a role for all stakeholders, including the beverage alcohol industry.

Bacardi Limited encourages the development of appropriate public policy responses to alcohol misuse. We believe that the industry has a significant role to play in reducing alcohol-related harm within the framework set by the WHO.

Despite our commitment to tackle the challenge of alcohol misuse and the recognition by the WHO Global Strategy that the beverage alcohol industry needs to be part of the solution, we still face calls from NGOs to reduce total alcohol consumption through measures such as restricting the availability of alcohol, increasing taxation and implementing advertising bans.

Internal management

In fiscal 2012, we improved our global coordination of issues relating to alcohol policy and responsible drinking by establishing a Global External Affairs leadership team (GEALT).

Chaired by the Bacardi Limited General Counsel, the team incorporates regional External Affairs Directors and meets three times a year to coordinate initiatives and share best practices from across the Company.

WHO Global Strategy

Adopted in May 2010, the WHO Global Strategy to Reduce the Harmful Use of Alcohol focuses on four global objectives and will be implemented over a 10-year period, with an initial review set for 2013. The Global Strategy provides a menu of 10 policy options that member states can follow when developing national alcohol policies that reflect their local cultures, issues and existing policy frameworks.

Detailed information on the Global Strategy is available from the WHO Web site: www.who.int

Supporting the strategy

Bacardi Limited supports the WHO Global Strategy individually and in collaboration with a wide range of international, regional and country-level stakeholders.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Global Alcohol Producers Group (GAPG)

Bacardi Limited is a founding, and active, member of GAPG, an industry coalition of 15 leading beverage alcohol companies. GAPG provides a channel for the industry, WHO, member state governments and other stakeholders to engage in constructive dialogue on the health problems caused by harmful drinking patterns.

In fiscal 2012, we attended all three meetings of GAPG and also hosted the November 2011 GAPG Board meeting in Miami.

GAPG supports the WHO Global Strategy and works to promote the role that self-regulation and other industry efforts to reduce alcohol-related harm can play alongside effective policy and regulatory frameworks. GAPG is working increasingly closely with the International Council on Alcohol Policies (ICAP) as the WHO Global Strategy is implemented across its member states.

www.globalalcoholproducersgroup.com

UN high-level meeting on non-communicable diseases

In September 2011, the United Nations General Assembly held a high-level meeting on the prevention and control of non-communicable diseases (NCDs), also known as lifestyle-related diseases.

In relation to alcohol, a range of perspectives on tackling alcohol-related harm were presented. These included the role of industry self-regulation and tackling the issue of non-commercial alcohol, which reflect work currently taking place to support the WHO strategy on alcohol-related harm. Following the meeting, the beverage alcohol industry committed to undertake further research into the harm caused by non-licensed, homemade and other forms of alcohol (medical, industrial etc.).

www.un.org/en/ga/ncdmeeting2011

Global Actions on Harmful Drinking

Global Actions on Harmful Drinking is the headline program developed by GAPG to support the WHO Global Strategy. This program, which represents a significant collective commitment to reduce the harmful use of alcohol, has established projects in three key areas where the beverage alcohol industry can make a positive impact:

- Drinking and driving programs.
- Self-regulation of responsible marketing and advertising.
- Non-commercial alcohol and the informal alcohol market.

Across these three areas, 27 projects have been established in 18 countries, with a particular emphasis on low- and middle-income economies, such as China, India and Russia, where existing alcohol responsibility programs are not so advanced.

The International Council on Alcohol Policies (ICAP) is coordinating the projects on behalf of GAPG. The projects are delivered via a range of stakeholders and local third-party organizations. Bacardi Limited is providing direct support to projects establishing self-regulation frameworks in Mexico, Russia and China.

The projects ran from 2010 to 2012 leading up to the planned progress review of the WHO Global Strategy in 2013. Following full evaluation, many projects will continue into 2013 and beyond.

www.icap.org



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Evaluation

Evaluating the effectiveness of Global Actions on Harmful Drinking is essential to showing that the commitment of the industry, member states and other stakeholders can make a real contribution to tackling alcohol-related harm.

As a result, ICAP has commissioned an independent social development consultancy, specializing in evaluating public programs, to assess the Global Actions on Harmful Drinking projects. Evaluation took place over the life of the projects, from 2010 to 2012, and in September 2011, a mid-term evaluation report and recommendations were completed. Details are available on the Global Actions on Harmful Drinking Web site.

www.global-actions.org

EUROPEAN ACTIVITY

European Union Alcohol and Health Forum

We take part in meetings of the European Union (EU) Alcohol and Health Forum. During fiscal 2012, our three existing commitments to the Forum were successfully completed, and we added our "[Champions Drink Responsibly](#)" campaign as a commitment running to March 2014. In fiscal 2013, we plan an additional commitment on digital marketing.
www.ec.europa.eu/eahf

As a member of the World Federation of Advertisers (WFA), we are also involved in three new commitments made to the Alcohol and Health Forum, known as the Responsible Marketing Pact. The commitments, which run until 2015, aim to develop common standards relating to commercial communications and marketing. Details of the Pact can be found on the WFA Web site.
www.wfanet.org



European Spirits Organisation (CEPS)

The European Spirits Organisation (CEPS) is the representative body for the spirits industry at the European level. Bacardi Limited currently chairs the Alcohol and Society Committee of CEPS. During fiscal 2012, we played an active part in restructuring the secretariat function at CEPS, including selecting a new Director General to lead the organization from November 2011.

In March 2012, the first annual progress report on the CEPS Roadmap to 2015 was published and made available on the CEPS Web site. The Roadmap outlines commitments in the areas of self-regulation of commercial communications, consumer education and stakeholder engagement.
www.spirits.eu *



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

European Forum for Responsible Drinking (EFRD)

Bacardi Limited is one of six leading European spirits producers that make up the European Forum for Responsible Drinking (EFRD). The EFRD works to promote responsible drinking in the EU and encourages the industry to adopt responsible self-regulatory standards for commercial communications. It works alongside the European Spirits Organisation (CEPS) to promote social aspects programs on responsible drinking.

In fiscal 2013, Bacardi Limited will add a responsible drinking message with a link to the EFRD Web site on all back labels of brands sold in Europe.

www.spirits.eu *

* In November 2012, after the close of fiscal 2012, CEPS and EFRD merged to become spiritsEUROPE.



U.S. ACTIVITY

DISCUS

Bacardi U.S.A., Inc. is a member of the Distilled Spirits Council (DISCUS), the national trade association representing America's leading distillers, which covers nearly 70% of all distilled spirits brands sold in the U.S. The Bacardi Regional President for North America sits on the board of DISCUS, and we participate in all committees.

www.discus.org

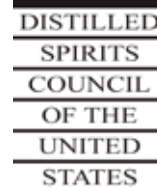
www.spirits.eu

A common approach to responsible digital marketing

In fiscal 2012, DISCUS in the U.S. and EFRD in Europe launched a joint set of responsible digital marketing guidelines. The organizations agreed on a common approach to self-regulation of digital and social media communications, with the new guidelines building on both organizations' experience in this area. The guidelines cover spirits advertising through social networking sites, blogs and mobile apps, as well as govern user-generated content on digital platforms. Between EFRD and DISCUS, the new guidelines cover spirits marketing in the world's largest alcohol advertising markets.

www.discus.org

www.spirits.eu



LOCAL TRADE ASSOCIATION ACTIVITY

The spirits industry is heavily regulated and is a significant contributor to local economies. Because of this, we believe that the interests of Bacardi Limited and our industry often are represented more effectively by working closely with trade associations in local markets on both regulatory and social aspects.

Our local managers are encouraged to get involved with the policy-making objectives of these local bodies and, in more significant markets, to take the chair of associations and sit on leadership committees. In addition to having significant positions in global or regional organizations, such as DISCUS, CEPS and GAPG, Bacardi Limited representatives held leadership roles in local associations in Russia, France, Italy and Chile in fiscal 2012.

In developing markets, where industry representation is not so advanced, our external affairs executives support the establishment of spirits trade associations and, drawing on our global experience, assist trade associations that are newly established.



Responsible drinking campaigns

We aim to play an influential role in engaging with legal drinking age (LDA) consumers on responsible drinking and create consumer campaigns to do this in the regions where we operate.

“Champions Drink Responsibly”

Our global flagship responsible drinking program, “Champions Drink Responsibly,” is now in its fourth year and has completed its first full year with our new Global Social Responsibility Ambassador, world tennis champion Rafael Nadal.

The campaign promotes “The Champions Way,” a set of four key messages for consumers to make every night out a memorable one:

- Having a plan so everyone has an amazing time.
- Taking your time and choosing quality over quantity.
- Being a true friend and looking out for each other.
- Making sure everyone makes it home safely (don’t drink and drive).

The focus for fiscal 2012 was to continue raising awareness of, and garnering publicity for, the campaign through local market events involving Rafael Nadal and via the “Champions Drink Responsibly” Web site and Facebook™ page.

By the end of fiscal 2012, one year after launching, the campaign Facebook™ page had 240,000 fans and the dwell time for visitors to the “Champions Drink Responsibly” Web site was significantly above average. Our target for fiscal 2013 is to reach 500,000 fans on the “Champions Drink Responsibly” Facebook™ page.

www.championsdrinkresponsibly.com

www.facebook.com/championsdrinkresponsibly

Local events

To deliver the “Champions Drink Responsibly” message in local markets, we hosted media events to highlight the campaign in New York, Shanghai and Melbourne to coincide with Rafael Nadal’s tennis schedule. The events combined gained over US\$10 million worth of media exposure for the campaign and its responsible drinking message.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report*“Ace Rafa” Facebook™ game*

A key part of the digital side of the campaign in fiscal 2012 was the “Ace Rafa” Facebook™ game. Developed specially for Facebook™, the game allowed LDA fans to try to ace the tennis champion. Successful players could then enter a prize draw to win the chance to “Ace Rafa” in real life during a trip to the Spanish island of Mallorca, home to Rafael Nadal.

The game was a great success with more than 100,000 people playing in 35 countries between mid-November 2011 and the end of March 2012. A total of 20,000 players registered their details to qualify for entry into the prize draw. The opportunity to “Ace Rafa” in real life took place in July 2012 for 20 lucky winners.



Responsible drinking programs from around the world

U.S.A.

GREY GOOSE Memorial Day video

As part of its summer consumer engagement campaign, GREY GOOSE Vodka launched a national television and digital campaign encouraging consumers to drink responsibly over the 2011 Memorial Day holiday in May. The campaign featured a commercial delivering the simple, yet powerful, responsibility message of knowing one's strengths and limits and understanding that they are one and the same thing.



Basketball star partners to fight college binge drinking

In December 2011, legendary NBA basketball star Shaquille O'Neal visited the Bacardi U.S.A. headquarters in Coral Gables, Florida, to tell employees about his partnership with The Century Council to fight binge drinking on U.S. college campuses. As spokesman for the campaign that runs to 2014, “Shaq” has fronted a series of student-created videos addressing the issue of college binge drinking. www.centurycouncil.org/initiative/unique-partnerships-shaquille-oneal



LessThanUThink

LessThanUThink (LTUT) is a student-run, anti-binge drinking campaign that uses humor to engage university students about the negative consequences of binge drinking. Originally funded by The Century Council, the project was launched in 2010 by students at the University of Alabama after research showed that students react better to messages when they come from their peers. Following widespread success, the project has spread statewide and by spring 2012 covered six university campuses across Alabama. www.ltut.org



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Mexico

"No joke, don't abuse alcohol"

In Mexico, the social aspects organization FISAC, of which Bacardi Mexico is a founding member, has launched a new two-year responsible drinking campaign called "No joke, don't abuse alcohol." The campaign features two humorous characters to promote messages against drinking and driving and for consuming alcohol in moderation. A range of campaign videos are being aired during national television news broadcasts and through social media channels.

www.alcoholinformate.org.mx (in Spanish)

France

Slow Drinking

In March 2012, Bacardi-Martini France launched "Slow Drinking," a new concept to promote moderate consumption that emphasizes the philosophy of quality over quantity. It promotes taste at the center of any occasion involving alcoholic drinks and introduces ten principles of Slow Drinking, which include always combining drinks with food and taking your time. A dedicated Web site informs consumers about the best ways to enjoy our products. The project is supported by a team of experts, including a nutritionist, sociologist, behavioral consumption specialist and culinary blogger.

www.slowdrinking.com (in French)

Le Slow Drinking
L'art de savourer et de partager

Netherlands

Technology for responsible drinking

In the Netherlands, the Dutch Spirits Association (VIP) and Wine Association (KVNW) are using mobile technology to raise awareness of responsible drinking. Jointly, they have developed a mobile app that helps consumers record their alcohol consumption. Users enter alcoholic drinks consumed into the app, which converts these into units of alcohol consumed. This can then be compared to recommended drinking limits for men and women. The app also enables users to keep a drinks diary over time. Supporting the app is a responsible drinking Web site, which provides information about responsible drinking and facts about alcohol in general.

www.drinkwijzer.info (in Dutch)



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Germany

Driver's Corner

In fiscal 2012, "Driver's Corner," Bacardi Germany's long-running anti-drinking and driving initiative, launched a staff-supported roadshow that traveled to 100 nightclubs and discos all over Germany. The roadshow raised awareness of the benefits of a designated driver using the motto "Wir rocken. Ich fahre." ("We rock. I drive."). Over a period of five months, more than 40,000 drivers and passengers received the message of how a designated driver can improve road safety and reduce alcohol-related accidents. Our partners in the project were Coca-Cola, Chevrolet, the Federal Association of German discotheques and clubs and "PRINZ," a well-known city magazine.

www.driverscorner.de (in German)



Spain

Awards for social responsibility

In fiscal 2012, Bacardi Spain won two awards. Noche Madrid, an association of businesses in the hotel, restaurant and catering industry, awarded the "Champions Drink Responsibly" campaign with the Premio Ocio de Calidad 2011 a la Promoción del Consumo Responsable (Quality Award for Promoting Responsible Consumption). The award recognizes excellence in night-life entertainment initiatives. Bacardi Spain also won a Premios Corresponsables award (responsibility award from the Fundación Corresponsables) for its social responsibility employee training. This training explains the importance of responsible promotion and consumption of our products and generates a sense of pride in employees for being part of a company with clear self-regulatory codes.



Australia

DrinkWise labeling

In July 2011, DrinkWise Australia launched a set of on-label messages to help consumers make responsible choices about drinking alcohol. DrinkWise Australia is an independent, not-for-profit organization, and all of its producer members, including Bacardi Lion, will use the messages on their labels, representing 80% by volume of the alcohol sold in Australia.

www.drinkwise.org.au



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Working with the on-trade

We have successfully worked with the International Bartenders Association (IBA) for five years to help provide social responsibility training to bartenders working towards IBA certification. In fiscal 2013, we will work to refresh the social responsibility training module as the IBA focuses more on delivering practical workshops and less on running formal training courses.

www.iba-world.com

We continue to be a patron of the Wine & Spirit Education Trust in the U.K. In 2012, the Trust trained 43,254 people in 52 countries in its wine and spirits diploma, which includes training on responsible serving.

www.wsetglobal.com

Brands and Corporate Responsibility

Although many of our brands already incorporate philanthropy or sustainability initiatives into their current activities, we aim to engage them more systematically to develop and embed Corporate Responsibility into their activities. To facilitate this process, we have appointed a Global Brand Category Manager to the Corporate Responsibility leadership team to provide greater insight into the brand function within the Company.

In fiscal 2012, we held brand imprint workshops for our BOMBAY SAPPHIRE Gin, DEWAR'S Scotch Whisky and BACARDÍ Rum brands. Each workshop looked into where our Corporate Responsibility activities could support the brand story and which activities would interest the brand's consumers. We continue to plan future brand imprint workshops for our other global brands.

For BOMBAY SAPPHIRE Gin, the workshop explored the potential benefit of highlighting to consumers the brand's sustainability program. This includes the planned opening of a new state-of-the-art distillery in July 2013, responsible sourcing of the botanicals for BOMBAY SAPPHIRE Gin and educating bartenders through the creation of a dedicated visitor center.



ENVIRONMENT, HEALTH AND SAFETY

Clear respect

Our rum bottling plant in Tultitlán, Mexico, which has significantly reduced energy use.

In this section

Strategy

Targets and progress

EHS management

Water

Energy

Greenhouse gases

Waste and packaging

Safety

Pursuing continual improvement and best practice

Our values of Excellence and Caring underpin our aim to achieve best-in-class environmental performance in order to protect the planet's natural resources. Our employees are crucial to our business and ensuring their safety and wellness is of critical importance to us.

We have a responsibility to minimize environmental impacts across our value chain and to keep our people safe at work. These are key business objectives that reduce risk, increase efficiency and make sound business sense.

Over the past six years we have reduced water use by half, reduced energy use by one quarter and reduced greenhouse gas emissions by one third. Importantly, we have also reduced our accident rate by 75% across the business.

STUART LOWTHIAN, Global Technical Director



Watch video



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Stuart Lowthian

Global Technical Director

We established the baseline for measuring our environmental performance in 2006. Since then, we have been working together across Bacardi to improve our performance.

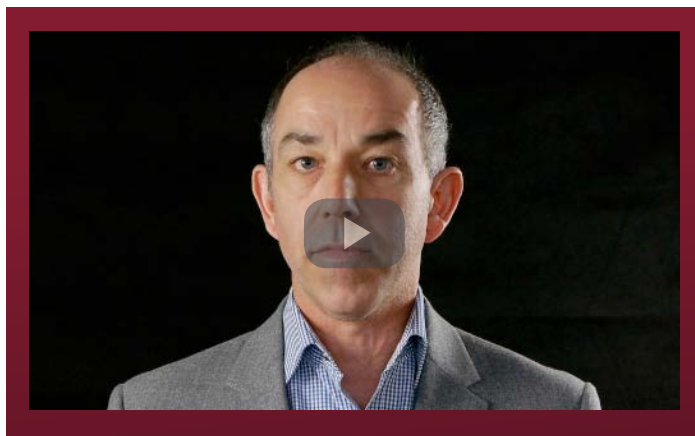
In pursuing this goal, we have made considerable progress, and have achieved consistent improvements in the environmental performance of our production facilities.

Over the past six years we have reduced water use by half, reduced energy use by one quarter and reduced greenhouse gas emissions by one third.

Importantly, we have also reduced our accident rate by 75% across the business.

We have achieved these results by establishing best practice ways of working. We use the International Organization for Standardization (ISO) and the Occupational Health and Safety Assessment Specification (OHSAS) management systems and hold certification to ISO 14001 for the environment and OHSAS 14001 for health and safety. This ensures that all our Bacardi facilities around the world use the same best practice and all sites drive for improvement.

None of this would be possible without the commitment and work of our employees, who have a passion for sustainability and who are determined to improve our environmental performance. We intend to continue improving and to be best-in-class in our environmental performance.



www.bacardilimited.com/corporate-responsibility/environment-health-safety



Strategy

We have a responsibility to minimize environmental impacts across our value chain and to keep our people safe at work. These are key business objectives that reduce risk, increase efficiency and make sound business sense.

Tackling environmental challenges

Global environmental challenges are numerous and multi-faceted. Climate change and increasing water scarcity around the globe are two challenges that have the potential to affect Bacardi Limited, either directly at our operations or indirectly through their potential impact on agricultural stability and biodiversity.

Added to this, a growing and increasingly affluent global population is consuming more natural resources and producing more waste and pollution, increasing pressure on the environment. These pressures have the potential to disrupt global ecosystems and food security, and in the future are likely to push up prices for energy and commodities on which our Company relies.

With these global environmental challenges in mind, we need to ensure that Bacardi Limited is part of the solution, not only in our direct operations, but also across all stages of our value chain. Considered more broadly, we recognize that all stakeholders need to work together to tackle these challenges.

This approach matches the expectations of our customers and consumers, who increasingly feel that companies should play their part in reducing impacts by acting to preserve and sustain the environment.

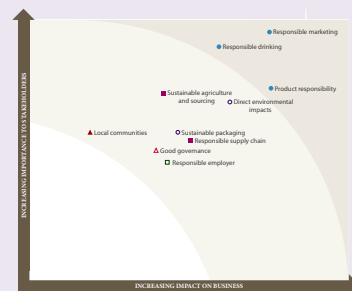
Material issues

The results of our latest materiality assessment from early 2012 support our understanding of customer, consumer and other stakeholder expectations and highlight the importance of managing environmental issues.

The assessment ranked the materiality of “direct environmental impacts” as high relative to other Corporate Responsibility issues. Direct environmental impacts is a broad issue that covers [water](#) and [energy use](#); [carbon footprint](#); [transport](#); [waste](#); and [effluent and emissions](#).

“Sustainable packaging,” covering the type and weight of packaging and its recyclability, ranked as an issue of medium to high materiality relative to other Corporate Responsibility issues. Safety sits within the “responsible employer” issue area and was similarly ranked as an issue of medium to high materiality. Stakeholders considered these issues to be relatively less important than some of our other Corporate Responsibility issues and, from a business impact perspective, we consider that both areas are well managed internally.

Read more on our materiality process in the [materiality section](#).



[View our materiality matrix](#)



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Environmental sustainability strategy

We completed the renewal of our environmental sustainability vision and strategy in fiscal 2012 and aim to launch it across the Company in the coming year.

A strategy for leadership

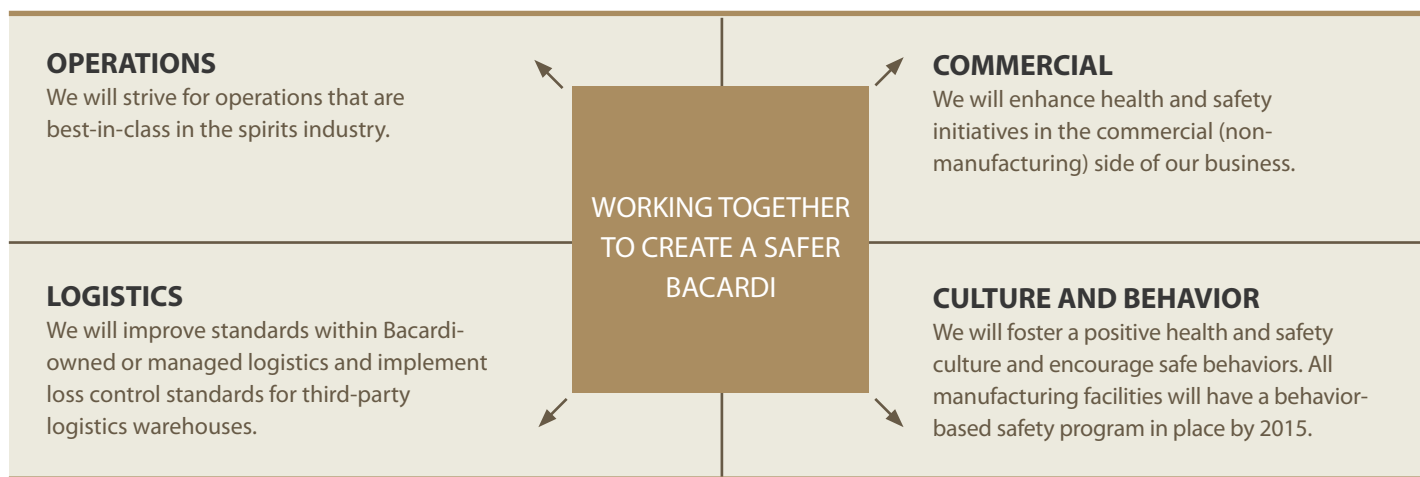
The updated strategy primarily focuses on two of the five pillars of our Corporate Responsibility strategy – Environment, Health and Safety and [Responsible Sourcing](#). The majority of the environmental and social impacts of our products are in our supply chain. We recognize the need to work both in our own facilities and with our suppliers to reduce impacts and risks at all stages of our products' lifecycles.

The environmental sustainability strategy is divided into four main areas, each with clear targets for the next five years and beyond:

- We will work with our partners to create a more sustainable future – our focus is on sugarcane and its products.
- We will craft sustainability into our premium spirits – our focus is on packaging.
- We will lead the way in low environmental impact operations – the emphasis is on our Bacardi Limited manufacturing operations.
- We will support the passion of our people for sustainability – we will engage with and support our people to act on sustainability.

Safety strategy

Our vision is for an accident-free Bacardi Limited. We have been working on an upgraded safety strategy that launched in fiscal 2011 with the goal of “working together to create a safer Bacardi.” The strategy aims to deliver health and safety excellence and focuses on four main areas:



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Targets and progress



LONG-TERM AMBITION

We aim to achieve best-in-class environmental and safety performance in our operations. Most of our products' environmental impacts are in our supply chain and we will work both in our own facilities and with our suppliers to reduce impacts and risks across our whole value chain. From a safety point of view, we have a long-term vision for an accident-free Bacardi Limited.

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Seek continual improvement in environmental performance, targeting a 1% reduction in greenhouse gas (GHG) emission intensity and a 1% improvement in water use efficiency.	✓ GHG emission intensity fell by 6% in fiscal 2012 and water use efficiency improved by 11% compared to fiscal 2011.	Seek continual improvement in environmental performance, targeting a 1% reduction in GHG emission intensity and a 1% improvement in water use efficiency.
Complete and launch the environmental sustainability strategy.	✓ We renewed our environmental sustainability vision and strategy and aim to launch it across the Company in fiscal 2013.	Launch the environmental sustainability strategy across Bacardi Limited.
30% of sites to have a behavior-based safety program in place.	✓ We continued to expand our behavior-based safety program at our operations and by the end of fiscal 2012, 56% of our sites were implementing the program.	67% of sites to have a behavior-based safety program in place by the end of the fiscal year.
Expand our EHS programs across the business and include non-manufacturing sites in our safety reporting.	✓ We have successfully started recording safety performance at our non-manufacturing sites and now report the lost time accident rate for the whole of Bacardi Limited.	Continue to expand our EHS program by building an office safety network, providing support from the manufacturing operations organization, establishing information sharing networks, and developing an improvement plan for office safety.
Maintain certification of all production facilities to the ISO 9001, ISO 14001 and OHSAS 18001 management system standards.	✓ All 27 production facilities maintained certification in fiscal 2012.	Maintain certification of all production facilities to the ISO 9001, ISO 14001 and OHSAS 18001 management system standards.
<div> ✓ Achieved ✓ Partially achieved ✗ Not achieved ➔ Target ongoing </div> <div>View all our targets</div>		



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

EHS management

Our approach to managing Environment, Health and Safety (EHS) is based on continual improvement and the pursuit of excellence in all of our operations.

Global standards for EHS

Our approach to managing our key environmental impacts and the safety of our people has been very successful. Since our performance baseline was set in 2006, we have achieved significant improvements in all areas.

To a large extent, these improvements are due to our Global Standards and Codes of Practice. These created best practice across Bacardi Limited and set the benchmark for all facilities to achieve. This approach has helped all of our facilities deliver strong performance, exceeding our goals.

Management systems

We use internationally recognized management systems to deliver continual improvement in our operations. We remain the only major spirits company to hold certification to the International Organization for Standardization's ISO 9001, ISO 14001 and Occupational Health and Safety Assessment Specification OHSAS 18001 standards for all of our production facilities worldwide.

We first achieved this triple certification in fiscal 2010, and it has been maintained through fiscal 2012.

Our 27 facilities are covered by a group-wide certification and half of our facilities are audited every 12 months by our external registrar, DNV, meaning that every facility is audited at least once every two years. At present, we have achieved this triple certification for all of our production facilities worldwide.



Internal management

Strategic direction for EHS is provided by the EHS steering team, which is made up of senior managers from around the Company. The steering team sets long- and short-term objectives, determines key performance indicators and allocates the resources to successfully deliver our EHS programs.

Supporting the steering team is the EHS core team, made up of our most experienced EHS managers from around the world. This team provides technical advice, agrees on best practice and develops procedures, plans and guidance for use around the Company, as well as identifies training needs to support success. Both teams meet quarterly.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

How we measure our performance

Bacardi measures performance in two ways: absolute totals and efficiency metrics. Absolute totals are straightforward – for example, total number of accidents, total volume of water used. Efficiency metrics normalize these absolute totals against an appropriate business output – for example, accidents per one million hours worked or water used per unit of product manufactured.

Improving our efficiency metrics

In fiscal 2012, we made a minor correction in the formula that we use to calculate our global improvement in energy and water efficiency and greenhouse gas (GHG) intensity. We also worked with several professors from the accounting department at the Poole College of Management at North Carolina State University. They helped us to refine and simplify the method, which is now called the Bacardi Efficiency Index Method (BEIM). The modified method now properly weights our activities and is simpler to apply, allowing us to expand our coverage to include our flavor formulation operation.

Flexible budgeting

BEIM now uses a common accounting practice – flexible budgeting – to measure the performance in our reporting year against our base year. Flexible budgeting is a technique commonly used in finance and accounting, and Bacardi Limited is the first company to apply it to monitoring environmental metrics.

The revised method for calculating efficiency improvements is a simple concept. For each of our metrics – water use, energy use and GHG emissions – we calculate a flexible budget for the reporting year. The flexible budget is the performance that would have been achieved for our Company-wide activities during the year if no improvements in efficiency had been made since our 2006 baseline. Once we know the flexible budget figure, we can compare our actual performance for the reporting year against the flexible budget to show our efficiency improvement since 2006. Finally, we multiply the ratio of the actual performance versus the flexible budget by 100 to provide an efficiency index figure.

To obtain the flexible budget for the whole Company, we first have to calculate the individual flexible budgets for each of our operating activities. We do this by taking the 2006 efficiency rates for each of our metrics – for example, water use per unit of production – and applying them to the actual production output in the reporting year. This gives the flexible budget for each individual activity, and we simply add these together to give a total flexible budget for the whole Company.

For example, using the 2006 efficiency rates for water use, we might calculate a flexible budget figure of 100 million liters of water – in other words, if we had made no improvement in water use efficiency since 2006, we would have used 100 million liters for the our Company-wide output in the reporting year. If actual water use for the reporting year is 85 million liters, 15 million liters of water have been saved through efficiency improvements implemented since 2006. The water use index for the year would therefore be 85, a 15% improvement in efficiency against the 2006 base year.

By measuring efficiency in this way for each activity across our global operations, we more accurately reflect our actual performance. This prevents arbitrary distortions of our Company-wide efficiency that can result from changes in our product mix, sourcing location or merger and acquisition activities.

We have applied the revised method described above to our performance data back to 2006, and we present the restated data in this report, noting this in the relevant sections. All restated data points for our efficiency metrics are within 7% variance of the data reported using our previous efficiency calculation method.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Spills and releases

Bacardi Limited facilities reported a total of 81 minor releases under our rigorous environmental reporting system in fiscal 2012. No significant environmental spills or releases* were reported.

Fines and prosecutions

Bacardi Limited had no significant fines** for environmental non-compliance at any of our global operations during fiscal 2012.

* A significant environmental release is an event that requires reporting to a government authority, attracts public or media attention or otherwise results in observable or quantifiable harm to the local environment.

** Significant fines are defined as those above US\$5,000.

Green award for Americas building

In fiscal 2012, our Bacardi Americas headquarters building in Coral Gables, Florida, was awarded the 2011 Green Building Award in the inaugural "Green Means Green" awards run by the Coral Gables Chamber of Commerce. When it was completed in fiscal 2011, the headquarters building achieved Gold Certification in Commercial Interiors from the Green Building Council's Leadership in Energy and Environmental Design (LEED) program.



Water

Water is a key ingredient in our products and in our production processes, including fermentation and distilling. It is also used for cleaning.

We recognize that water scarcity is a growing problem around the world, and we try to minimize water use in all aspects of our production. Water that is not in our finished products becomes wastewater, and minimizing the impact of these discharges, by reducing their volume and improving their quality, is among our top priorities.






Water use

In fiscal 2012, water use at our production facilities remained essentially level, with a very small increase of 0.1% over fiscal 2011. In the six years since we set our environmental targets, we have cut water use by half (49.4% reduction), saving 1,620 million liters in fiscal 2012. The water saved is enough to provide a full glass of water for every human on the planet.

49.4%

We have reduced water use by almost half in the six years since 2006.

TOTAL WATER USE* (MILLION LITERS)

FY12		1,650
FY11		1,650
FY10		1,710
FY09		2,640
FY08		2,750

* Total water use data does not currently include our malt whisky distilleries in Scotland. Aside from water used in the distilling and production process, these sites use a large quantity of water for cooling, which does not come into contact with the production process directly and does not create wastewater. We are developing a method for measuring this water use separately from water used in production and will include this in our future reporting when complete.

Despite the small increase in total water use in fiscal 2012, our water use efficiency – the amount of water we use per unit of output produced – improved by 11% against fiscal 2011 due to increased production volumes for the same amount of water use. In the six years since 2006, we have improved water efficiency by 44.4%*.

A combination of better operating discipline, water conservation measures, new water-efficient equipment and advanced water recycling systems has delivered the improved performance.

11%

improvement in water use efficiency compared to fiscal 2011.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

WATER USE EFFICIENCY INDEX* (WATER USE PER UNIT OF PRODUCTION)

FY12		55.6
FY11		62.7
FY10		68.7
FY09		86.0
FY08		90.5
FY07		96.0
FY06		100.0

* Note: data from 2006 to 2012 has been restated based on our revised method for calculating efficiency metrics for environmental indicators, for more details [click here](#).

WATER SUPPLY PROFILE (1,650 MILLION LITERS OF WATER CONSUMED)



Water efficiency at Beaucaire, France

Our plant in Beaucaire, France, bottles a wide range of our brands, including ERISTOFF Vodka and NOILLY PRAT Vermouth. Since fiscal 2006, the plant has cut water use per unit of production by half, and in fiscal 2012 achieved a year-on-year improvement of nearly 8%, due to investments in new processes and technology and employees' heightened awareness and better operational practices.

Technical improvements at the site included:

- Modifying the cleaning system to reduce the cleaning time and eliminate unnecessary equipment rinsing.
- Optimizing the cooling water system to improve water and energy efficiency.
- Investing in a new water treatment system that has delivered more purified water while reducing by three-fold reject, or wasted, water.

An added benefit of focusing on improved water efficiency is that the site has improved its energy efficiency by 27% over the same six-year period.

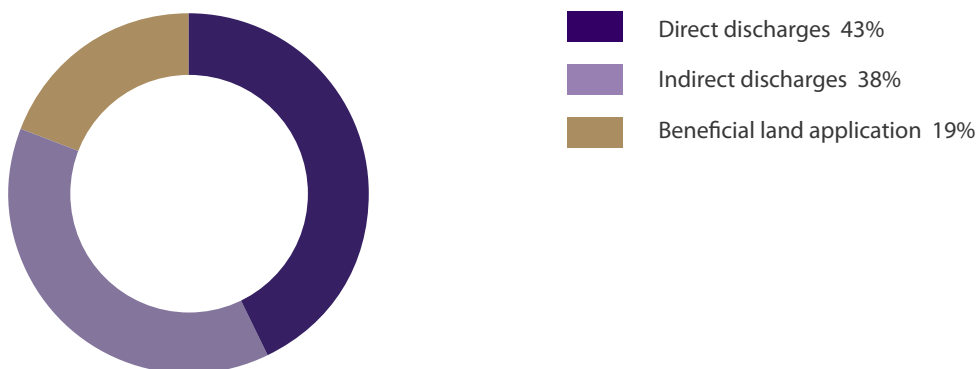


Water discharges

We manage used process water from our facilities in one of three ways – 1) direct discharges of wastewater to local bodies of water following on-site treatment (43%); 2) indirect discharges of wastewater to municipal treatment facilities (38%); and 3) beneficial land application including irrigation and fertilizer uses to improve crop production (19%). In fiscal 2012, we discharged a total of 1,470 million liters of treated wastewater and used 340 million liters of spent process water for beneficial land application.

We seek to continually improve the quality of our wastewater by reducing elements such as biochemical oxygen demand (BOD), a measure of the polluting potential of wastewater, and total suspended solids (TSS), a measure of the amount of solid matter suspended within the wastewater. Our first priority is with direct wastewater discharges, which are treated on-site and then released directly into local bodies of water. In fiscal 2012, our direct treated wastewater discharges included 3,500 tonnes of BOD and 4,300 tonnes of TSS.

WATER DISCHARGES BY VOLUME (1,660 MILLION LITERS OF WATER DISCHARGED)



Energy

Energy is essential within our production processes and operations. We use energy from a range of sources, from liquid fuel and gas, to grid electricity and renewable energy sources.

Reducing non-renewable energy use

In fiscal 2012, we changed the focus of our ongoing efforts to decrease energy use. Within our overall goal of lowering total energy use, we began to concentrate – more specifically on reducing the portion of our energy consumption that is derived from non-renewable sources. This means, in particular, fossil fuels, which are finite and are being depleted around the world.

At the same time, we continue to work to increase both our energy efficiency – the energy used per unit of production – and the proportion of renewable energy we use, while reducing the proportion of electricity we use supplied by public utilities.

Defining “renewable”

Currently, we count all electricity supplied from the power grid as “non-renewable,” even if it contains a significant amount of renewable energy. For example, even though most of Brazil’s power is hydro-electricity, we still assume this is non-renewable. We define as renewable energy only the energy that we produce on-site using renewable resources (such as wind or biogas) or that we specifically contract as renewable energy from a third-party provider.

The BACARDÍ Rum distillery at Cataño, Puerto Rico is now partly powered by two wind turbines with a total rated capacity of 500kW.



Calculating our energy use

Bacardi Limited tracks its energy performance based on the total primary energy consumed at our production facilities. Primary energy includes direct energy, which is the fuel burned directly at our facilities, and an estimate of indirect energy, which is the fuel needed to generate the electricity we purchase.

To estimate the fuel needed to generate our purchased electricity, we assume a 33% efficiency for electricity generation and transmission. We therefore multiply the electricity we purchase by three to give an estimate of the fuel required to generate the purchased electricity. We combine this figure with our direct (on-site) fuel use to give our total primary energy use.

The one important exception is for electricity which is specifically contracted to be generated by renewable sources, such as from wind, solar and hydro, which is not included in our total primary energy use, as no primary fuel is consumed.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Understanding our energy mix

This approach to energy accounting creates a minor problem when calculating the percentage of renewable energy within our total energy mix. Because renewable energy sources are excluded from our primary energy total, we will underestimate the renewable energy percentage. To obtain the proper breakdown of our energy mix, we calculate an “equivalent” primary energy figure for our renewable electricity. This is an approximate figure equivalent to the fuel that would have been consumed if the electricity came from conventional sources through the power grid.

In this way, we can estimate our true energy mix, as shown in the following graph:

ENERGY MIX FOR TOTAL EQUIVALENT PRIMARY ENERGY

(1,980,000 GIGA-JOULES PRIMARY ENERGY)

(includes equivalent primary energy for wind, solar and hydro power)



29%

reduction in non-renewable energy use since 2006.

18%

of our primary energy comes from renewable sources.

This chart shows that 18% of our total primary energy is renewable, made up of 6% renewable electricity, provided under exclusive renewable electricity contracts, and 12% renewable fuel (biogas). Looking at electricity and fuel individually, this equates to 16% of our electricity coming from renewable energy contracts and 19% of our total fuel being renewable biogas.

Energy improvements in Mexico

Our rum bottling plant in Tultitlán, Mexico, has significantly improved its energy efficiency over the past six years and now requires only 45% of the energy previously used to produce one case of product. A major area of focus has been improving the efficiency of the bottling lines and replacing less-efficient equipment to reduce energy use. All lighting throughout the site has also been modernized. Older incandescent and fluorescent fixtures have been replaced with highly efficient LED units and motion detectors now ensure that lights are only used when needed. In addition, solar water heating has been installed to provide hot water for the cafeteria and offices and a site-wide energy conservation awareness program has been implemented.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

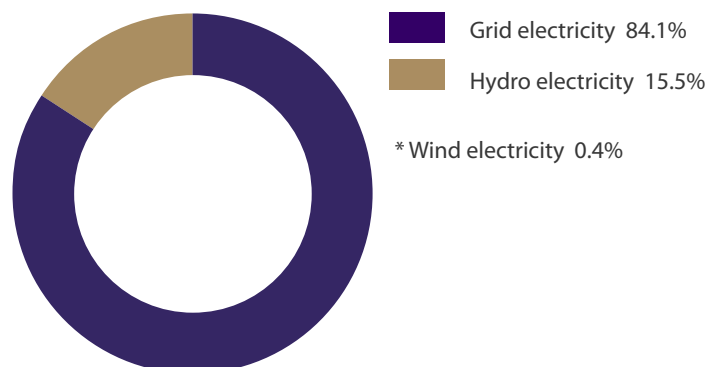
DIRECT ENERGY SOURCES

(1,228,000 GIGA-JOULES OF DIRECT ENERGY)



INDIRECT ENERGY SOURCES

(249,000 GIGA-JOULES OF INDIRECT ENERGY)



* Hydro and wind electricity only include electricity from dedicated renewable contracts; grid electricity includes all forms of renewable and non-renewable energy on national grids.

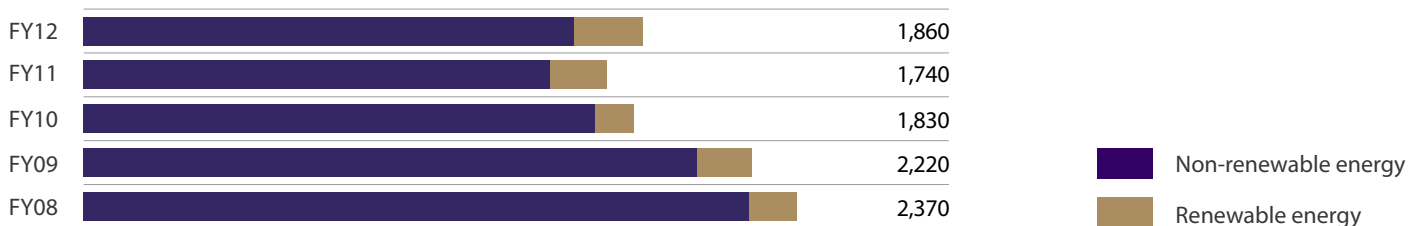
Energy performance

Over the past seven years, we have tracked our total primary energy consumed. As mentioned above, total primary energy use consists of all fuels (renewable and non-renewable) and the estimated fuel used to generate the electricity we use (excluding power from wind and hydro).

Our total energy increased by 7% in fiscal 2012 from the previous year, mainly due to production increases. Since fiscal 2006, however, our total primary energy use has decreased by 24%.

The chart shows our total energy use separated into renewable energy and non-renewable energy.

TOTAL PRIMARY ENERGY (THOUSAND GIGA-JOULES) (excludes equivalent energy for wind, solar and hydro electricity)



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report*Non-renewable energy*

Our non-renewable energy use increased by 5% in fiscal 2012. Despite the year-on-year increase, the six-year trend, since our fiscal 2006 baseline year, shows a 29% reduction in non-renewable energy use.

In terms of energy efficiency, our non-renewable energy efficiency improved by 4%* year-on-year, and we have achieved a 29%* improvement in non-renewable energy efficiency since fiscal 2006.

This improvement has been achieved through better operating discipline, conservation measures and installing new, more efficient equipment and energy recovery systems, in addition to increasing the proportion of renewable energy we use.

For fiscal 2012, we estimate that we avoided using 90 Giga-Joules (GJ) of primary energy through conservation measures. This is based on a comparison of the actual energy we consumed in fiscal 2012 to the amount that we would have consumed for that level of production had no efficiency improvements been achieved.

TOTAL NON-RENEWABLE ENERGY (THOUSAND GIGA-JOULES)

FY12	1,630
FY11	1,550
FY10	1,700
FY09	2,040
FY08	2,210

NON-RENEWABLE ENERGY USE EFFICIENCY INDEX*
(ENERGY USE PER UNIT OF PRODUCTION)

FY12	70.7
FY11	73.6
FY10	83.8
FY09	84.4
FY08	93.8
FY07	93.8
FY06	100

* Note: data from 2006 to 2012 has been restated based on our revised method for calculating efficiency metrics for environmental indicators, for more details [click here](#).

Renewable energy

In fiscal 2012, renewable energy use increased by 15%, which has further reduced our dependence on non-renewable fossil fuels.

Since fiscal 2006, we have increased the use of renewable fuels (mainly biogas) from 10% to 19% of our total fuel use, a 90% improvement. Similarly, the use of

renewable electricity has increased from zero in 2006 to 16% in fiscal 2012.

In total, our primary energy use for fuel and electricity is now made up of 18% renewable sources, up from 7% in fiscal 2006.



Greenhouse gases

It is our aim to reduce greenhouse gas (GHG) emissions from our operations by improving energy efficiency and shifting to renewable energy sources or lower-carbon fuels.

Greenhouse gas efficiency

In fiscal 2012, our total GHG emissions rose by 6% year-on-year to 95,600 tonnes, consistent with our increase in [non-renewable energy](#) use. This increase is directly linked to the growth in production in fiscal 2012. Around two-thirds of these emissions are direct emissions from fuel use at our operations and one-third is indirect emissions coming from the electricity we use.

Compared to our baseline year in fiscal 2006, our total GHG emissions have fallen by 33%, a reduction of 46,500 tonnes over the six-year period. This decrease equates to taking 11,923 cars off the road*.

* Source: 2011 Guidelines to DEFRA/DECC GHG Conversion Factors for Company Reporting, assumes 12,000 miles per year, average car, fuel unknown.

32%

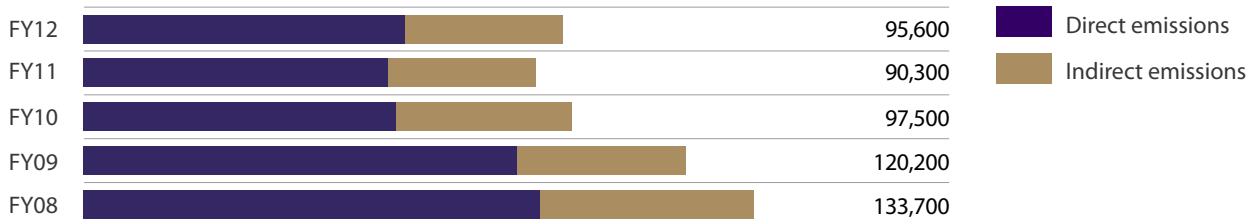
reduction in our GHG intensity (emissions per unit of production) since 2006.

11,923

Reductions in GHG emissions since 2006 are equivalent to taking 11,923 cars off the road.

Greenhouse gas emissions

DIRECT AND INDIRECT GHG EMISSIONS (TONNES CO₂e)



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Greenhouse gas intensity

Unlike total GHG emissions, our GHG intensity – the quantity of GHG emissions per unit of production – showed continued improvement, with a 6% reduction year-on-year. Over six years, we have reduced our GHG intensity by 32%*.

GHG INTENSITY INDEX* (GHG EMISSIONS PER UNIT OF PRODUCTION)

FY12		67.8
FY11		71.9
FY10		80.7
FY09		82.2
FY08		93.5
FY07		93.2
FY06		100

* Note: data from 2006 to 2012 has been restated based on our revised method for calculating efficiency metrics for environmental indicators, for more details [click here](#).

Carbon Trust Standard for U.K. operations

Our U.K. operations, which include Bacardi Martini Limited and all operations of John Dewar & Sons Limited, achieved certification to the U.K. Carbon Trust Standard in fiscal 2013. The Standard is a mark of excellence that recognizes companies for measuring, managing and reducing their carbon emissions and committing to ongoing reductions year over year. The independent certification was achieved over a three-year period during which our U.K. operations reduced emissions by nearly 13%.



Achieving the Carbon Trust Standard in the U.K. further demonstrates how seriously we take our environmental responsibilities and underlines the effectiveness of our rigorous efforts to reduce carbon emissions on both a regional and global scale. This shows we are at the forefront when it comes to carbon management best practices.

JON GREY, Senior Vice President, Global Operations Group



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

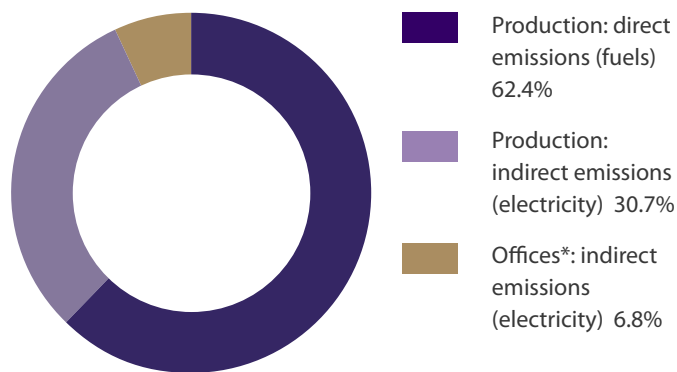
About this
Report

Broadening our measurement

Our primary focus continues to be on our production activities, which are the biggest source of GHG emissions. In addition, we are now recording and monitoring GHG emissions from offices and third-party activities over which we have significant influence, such as business travel and third-party transport and production activities.

Including electricity use at larger offices (25 people or more), we estimate our total GHG emissions from direct and indirect sources to be 102,700 tonnes.

TOTAL DIRECT AND INDIRECT GHG EMISSIONS (102,700 TONNES CO₂e)



Production: process emissions 0.1%

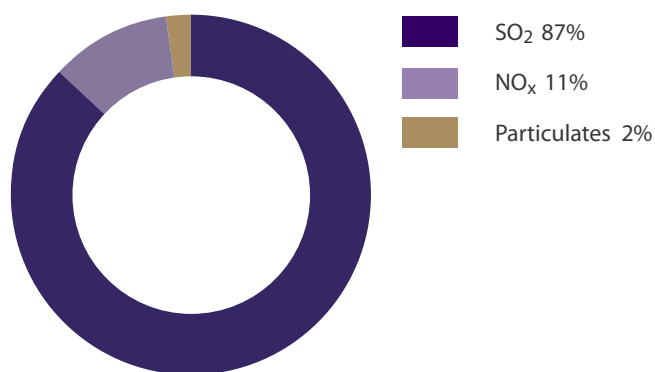
* Large offices include those over 25 people

For third-party activities that we do not directly control, such as business travel and for contract transport, we estimate that 12,000 tonnes of GHG emissions resulted from bulk transport and 10,000 tonnes from business travel by air. Data on emissions from business transport by rail and car and from contract production are not yet available.

Other air emissions

Our other air emissions, such as sulfur dioxide (SO₂) and oxides of nitrogen (NO_x), come from combustion of fuels at our production facilities. We estimate these emissions using site-specific emission factors that are set as part of our local regulatory requirements. Where no site-specific values are available, we use default factors published by the United States Environmental Protection Agency (EPA).

OTHER AIR EMISSIONS (1,010 TONNES OF EMISSIONS)



Waste and packaging

Bacardi Limited primarily generates non-hazardous waste, most of which is the residue from the agricultural ingredients we use to make our products.

Most of our waste is recycled, reused or recovered for beneficial use, including use as agricultural fertilizer and animal feed. Only a very small proportion of our waste is hazardous waste, much of which is waste alcohol.

Packaging is an integral part of our products, and we work to reduce the impacts of our packaging, especially its weight.

98.4%

of our waste was recycled, reused or recovered in fiscal 2012.

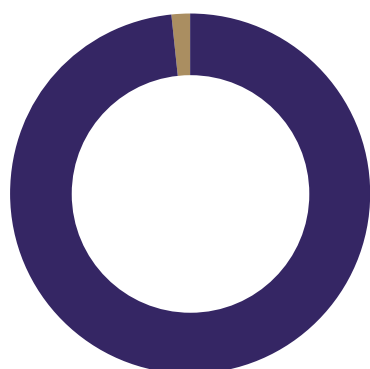
Waste

In fiscal 2012, we generated 153,460 tonnes of non-hazardous waste, a 15% increase on fiscal 2011. This is the result of increased production, particularly of distilled products. Hazardous waste amounted to 35 tonnes in fiscal 2012, equivalent to 0.02% of our total waste production. Hazardous waste production was down 5% from 37 tonnes in fiscal 2011.

7.1%

We have reduced the weight of our packaging by 23,000 tonnes since 2008, a reduction of 7.1%.

WASTE MANAGEMENT METHODS (153,495 TONNES OF WASTE)



Recycling/reuse/recovery 98.4%

Landfill 1.5%

* Incineration/treatment 0.1%



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Sustainable packaging

Around half of the lifetime carbon footprint of our products comes from the manufacture of glass used in our packaging. Reducing the amount of this glass is, therefore, a main priority in improving the sustainability of our packaging.

We have developed a sustainable packaging manual that outlines how our innovation, packaging and marketing teams can incorporate sustainability considerations into packaging design and manufacture. We continue to reduce the weight of our packaging through pack redesign and “right-weighting” projects.

Right-weighting our packaging

In fiscal 2008, we established a packaging weight baseline and started to monitor annual packaging weight reductions against this baseline. In fiscal 2012, right-weighting projects decreased the weight of our packaging by just over 6,000 tonnes, equivalent to the weight of compacted trash that would fill over 400 modern trash trucks.

In the four years since we set the baseline in 2008, we have reduced total packaging weight by just under 23,000 tonnes, mainly by reducing the weight of glass bottles. This is equivalent to a 7.1% decrease in our total packaging weight on a like-for-like basis. We calculate that this reduction saves an estimated 9,370 tonnes of CO₂ from being emitted each year, equivalent to taking 2,400 cars off the road.*

Reducing packaging weight

Each year we complete many packaging redesign projects that generate varying levels of weight reduction. The examples below are some of our more significant weight-saving projects.

In Europe, we redesigned our 275ml BACARDÍ BREEZER glass bottle, reducing the weight of each bottle by 7.3%, saving a total of 1,350 tonnes of glass and an estimated 1,196 tonnes of CO₂ in fiscal 2012. A redesign for ERISTOFF Vodka lowered the bottle weight by 7.7%, saving 724 tonnes of glass and an estimated 525 tonnes of CO₂ per year.

In the U.S., we changed the 1.75 liter BACARDÍ Classic Cocktail bottle from glass to PET, reducing the bottle weight by over 90%. During fiscal 2012, this redesign saved approximately 790 tonnes of glass and 298 tonnes of CO₂. We also redesigned the closure of our BACARDÍ Superior 700ml and 1,000ml glass bottles, which together saves approximately 1,600 tonnes of glass and 1,160 tonnes of CO₂ each year.



* Source: 2011 Guidelines to DEFRA/DECC GHG Conversion Factors for Company Reporting, assumes 12,000 miles per year, average car, fuel unknown.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Safety

Providing a safe working environment and promoting good health among our people at work and at home is of the highest importance to Bacardi Limited.

We have a vision of an accident-free Bacardi Limited, and we believe health and safety is a key factor in our high-performance work culture and in our goal to be a Great Place to Work.

We are saddened to report that a workplace fatality occurred at one of our bottling plants in 2012. We are thoroughly investigating the causes and contributing factors associated with the incident to learn from it and to prevent a similar event in the future, and we are fully cooperating with all relevant governmental authorities in their ongoing investigations.

This incident falls outside the time period for this report (to March 31, 2012), and we will report on the outcome of the investigations into this tragic event in our next Corporate Responsibility report for fiscal 2013.

56%

of our facilities started to implement a behavior-based safety program in fiscal 2012 against a target of 33%.






Safety performance

We continue to reduce accidents that lead to lost time in our production facilities. With a total of 19 lost time accidents during fiscal 2012, we improved our lost time accident rate (LTAR) to 3.3 lost time accidents per million worked hours, a 33% improvement over fiscal year 2011. Since 2006, our baseline year, we have achieved a 75% improvement in our LTAR.

75%

improvement in our lost time accident rate since 2006.

LOST TIME ACCIDENT RATE (PRODUCTION WORKFORCE)

FY12		3.3
FY11		4.9
FY10		5.6
FY09		6.7
FY08		9.3



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

To continue the development of operational safety, we have created a plant directors' safety training package, and training will begin in fiscal 2013. We have also developed "leading" performance indicators, which focus on preventative measures, to add to our "lagging" indicators, which reflect past performance such as number of accidents and LTAR. We expanded our reporting of leading indicators in fiscal 2012, including the percentage of monthly safety inspections completed and number of safety non-conformities rectified and those still open. These metrics help to focus our effort on activities that improve our working environment and prevent accidents.

Non-production facilities

We have been tracking lost time accidents in production facilities since fiscal 2006. In line with our safety strategy, which calls for the expansion of our safety program to non-production facilities, we began collecting safety data from all facilities, including offices and distribution centers, in fiscal 2012.

Eight lost time accidents occurred outside our production facilities in fiscal 2012 – four in offices, two in traffic accidents and two by logistics employees working at customer locations.

By incorporating this performance, we can for the first time report a Company-wide lost time accident rate of 2.3 lost time accidents per million hours worked.

Safety culture and behavior

We have established and are rolling out globally a behavior-based safety program, which helps facilities to improve their safety culture – one of the key areas of our safety strategy. By 2015, 100% of our manufacturing facilities will have implemented the behavior-based safety program.

By the end of fiscal 2012, 56% of our facilities had started to implement the program, against a target of 33%. Our target for fiscal 2013 is for a 67% implementation rate.

Although we are still in the initial stages of establishing our behavior-based safety program across the Company, there is anecdotal evidence that the program is supporting improvements in our LTAR. This is particularly evident between fiscal years 2011 and 2012, when our lost time accident performance improved by 33% year-on-year.

Two of our largest operations, our rum distillery in Puerto Rico and our whisky operations in Scotland, have been leaders in implementing the behavior-based safety program. Between fiscal 2009 and fiscal 2011, these operations averaged 11 lost time accidents per year. In fiscal 2012, there were only two lost time accidents across their nine combined locations.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Pessione safety day

In June 2011, all employees from our MARTINI facility at Pessione, Italy, took part in a safety day. The launch of the behavior-based safety program was the main focus of the day, along with coverage of some of the site's key safety priorities.

Employees participated in meetings and activities that showed the importance of the behavior-based safety program to Bacardi Limited and its success in other parts of the business. The session introduced the idea of observing and changing behavior to reduce unsafe situations, and the need to raise awareness and work together to address problems and improve safety performance.

Other areas covered by presentations and demonstrations included:

- Working with glass.
- Explosion hazards.
- Working at height.
- Working in confined spaces.
- Road and forklift safety.
- Personal protective equipment (PPE).



Safety in logistics

Another area highlighted for development in our safety strategy is with Bacardi-owned and third-party logistics operations, including bulk transport and distribution centers. We are beginning to incorporate distribution centers into our OHSAS 18001 safety management system and will continue this in fiscal 2013.

During fiscal 2012, we also developed a logistics Code of Practice outlining safety practices specific to distribution and logistics operations, including transport safety, waste handling and fire safety. For fiscal 2013, we are targeting 90% conformance to the new Code within our logistics operations.



RESPONSIBLE SOURCING

Clear expectations

Improving standards in Fijian sugar mills.

In this section

Strategy

Targets and progress

Responsible
supply chain

Working with
suppliers and
partners

Sustainable
agriculture
and sourcing

Sourcing quality with responsibility

We source high-quality ingredients and raw materials from many countries around the world, including those where achieving good workplace standards, environmental protection and sound governance can be complex. Our Responsible Sourcing program works to address these complexities.

Our Responsible Sourcing program is based on the Bacardi Limited Responsible Sourcing standards, which are supported by our Supplier Code of Practice.

Bacardi Limited is committed to sourcing 100% of its sugarcane-derived products from Bonsucro™-certified sources by 2022 and to make sure that evidence of this is externally verified.

DAVE HOWSON, Global Sustainability Director



Watch video



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Dave Howson

Global Sustainability Director

Bacardi Limited is committed to sustainably sourcing all of its raw materials and packaging. Our Responsible Sourcing program aims to deliver this vision.

Our Responsible Sourcing risk assessment identifies the risk level associated with the raw materials used in our products and the suppliers we source from; and we focus first on the areas with the highest risk of environmental and social challenges.

For the Company, sugarcane is a key raw material with high risk, as we use a range of ingredients derived from sugarcane. Molasses, for example, is one of the main ingredients in our flagship BACARDÍ Rum brand. With such a strong association with our business, over the past five years, we have focused on improving the sustainability of the sugarcane supply chain.

We are an active supporter and founding member of Bonsucro™, the multi-stakeholder forum focused on improving social, environmental and agricultural standards in the sugarcane industry. Bonsucro™ covers the whole supply chain from farmer to end user.

We have set a target that is an industry first and a first among members of Bonsucro™. Bacardi Limited is committed to sourcing 100% of its sugarcane-derived products from Bonsucro™-certified sources by 2022 and to make sure that evidence of this is externally verified.



www.bacardilimited.com/corporate-responsibility/responsible-sourcing



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Strategy

Our Responsible Sourcing program is based on the Bacardi Limited Responsible Sourcing standards, which are supported by our Supplier Code of Practice.

Our Responsible Sourcing standards, which we developed in 2007, are in turn based on the main International Labor Organization (ILO) Conventions on freedom of association, the abolition of forced labor, equality, and the elimination of child labor, as well as the Ethical Trading Initiative Base Code. They cover the four main areas of Responsible Sourcing: labor; health and safety; environment; and business integrity.

Our Supplier Code of Practice complements the Responsible Sourcing standards and outlines preferred supplier actions and behavior.

Read our [Responsible Sourcing standards and Supplier Code of Practice](#).

Our Responsible Sourcing program continues to be exciting and challenging. We have made good progress in a number of areas, such as increasing the percentage of global point-of-sale suppliers that are compliant with our Responsible Sourcing standards to 70%, an increase of 25%. There are still challenges to overcome, but our approach to Responsible Sourcing has real momentum and will stand us in good stead in the future.

MICHAEL HINRICHS, Director, Global Procurement, Global Operations Group

Our approach

Our vision for Responsible Sourcing is for all of our raw materials and packaging to come from sustainably sourced, renewable or recycled materials – reducing environmental and social impacts, while maintaining or enhancing the economic status of growers and suppliers.

To achieve this vision, we aim to create long-term sustainable supplier relationships that deliver improved standards and are based on high levels of trust.

In fiscal 2012, we completed the renewal of our environmental sustainability vision and strategy and aim to launch it across the Company in the coming year. The strategy is designed to manage and influence our complete value chain, from agriculture through production and packaging to consumption and disposal. As a result, the strategy, which will incorporate our Responsible Sourcing program, has adopted our vision for all raw materials and packaging to be sustainably sourced.

The [Environment, Health and Safety](#) section contains more details on the renewed environmental sustainability strategy.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

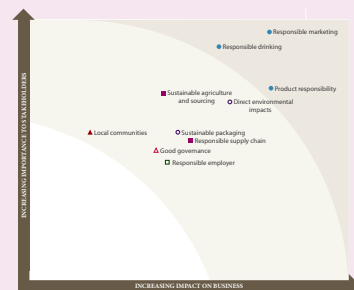
About this
Report

Material issues

In our latest assessment of the most material Corporate Responsibility issues for Bacardi Limited, which was carried out in early 2012, “sustainable agriculture and sourcing” ranked as an issue of high materiality relative to other Corporate Responsibility issues, and “responsible supply chain” ranked as an issue of medium to high materiality.

Sustainable agriculture and sourcing is defined as improving social and environmental standards throughout the entire value chain, while responsible supply chain focuses on the minimum standards required of immediate suppliers to Bacardi Limited. Both of these issues are covered by our Responsible Sourcing program and are covered in this section of our report.

Read more on our materiality process in the [materiality section](#).



[View our materiality matrix](#)

Looking ahead

With the development of the new environmental sustainability strategy, our Responsible Sourcing program has faced a year of changes that was compounded by our global procurement function's rolling out a new organizational structure.

Despite these recent changes, we have a clear view of where we can improve our approach and processes relating to Responsible Sourcing and our targets for success in this area.

During fiscal 2013, we will continue to establish Responsible Sourcing as a central way of working within our procurement function. This includes:

- Encouraging all key direct and global point-of-sale (POS) suppliers to sign up to the [Sedex®](#) database, an exchange system for ethical data.
- Identify and train facility-based Responsible Sourcing champions.
- Set up a locally-managed ethical audit program for suppliers that have a higher risk of non-compliance with our Responsible Sourcing standards.

Our long-term Responsible Sourcing targets are:

- Sourcing 50% of our sugarcane-derived products from [Bonsucro™ certified sources](#) by 2017, and 100% by 2022, and having evidence of this sourcing externally validated.
- Establishing socio-economic programs for the sugarcane-growing communities supplying the BACARDÍ distilleries in Puerto Rico and Mexico to help mitigate any adverse impacts, [starting with Fiji in fiscal 2012](#).
- Establishing sustainability in the design and lifecycle of the POS materials purchased by our global brands by 2017.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Responsible Sourcing standards

The Bacardi Limited Responsible Sourcing standards apply to all suppliers providing goods and/or services to Bacardi Limited. We seek to gain agreement on and compliance with our Responsible Sourcing standards from all our suppliers.

Our standards are based on the Ethical Trading Initiative (ETI) Base Code, an alliance of companies, non-governmental organizations and trade union organizations. This alliance is committed to working together to identify and promote good practice in the implementation of codes of labor practice and key international standards including the International Labour Organization's (ILO) fundamental conventions on labor standards.

The standards encompass what we expect from our suppliers in terms of labor standards, human rights, health and safety, environmental protection and business integrity. They represent minimum standards, and we encourage suppliers who seek to implement higher standards within their operations. Bacardi also applies these standards within its own operations.

Responsible Sourcing standards and Supplier Code of Practice

Each of the 12 Bacardi Limited Responsible Sourcing standards is supported by examples of the practices that are expected in meeting that standard. These examples, outlined below, are available to suppliers in an integrated Code of Practice document, which includes our standards and implementation steps.

1. *Employment is freely chosen*

- There is no forced, bonded or involuntary prison labor.
- Workers are not required to lodge deposits or their identity papers with their employer and are free to leave their employer after reasonable notice.

2. *Freedom of association and the right to collective bargaining are respected*

- Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- The employer adopts an open attitude toward the activities of trade unions and their organizational activities.
- Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. *Working conditions are safe and hygienic*

- A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- Access to clean toilet facilities and to potable (drinking) water, and, if appropriate, sanitary facilities for food storage shall be provided.
- Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- Responsibility for health and safety is assigned to a senior management representative.
- A health and safety policy is in place.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

4. Child labor shall not be used

- A child is defined as a person under 18 years old. The minimum age for employment is defined as the local legal minimum age for employment or the age for completing compulsory education, but in no case lower than 15 for full-time employment and 13 for light, part-time work. (ILO guidelines allow some developing countries whose economy and educational facilities are insufficiently developed to apply to initially set the limits at 14 and 12).
- Child labor is defined as work that is harmful to children i.e., work which is exploitative, prevents children from getting an education or jeopardizes their physical, mental or moral well-being.
- Suppliers will comply with ILO standards on child labor.
- There shall be no new recruitment of child labor.
- Suppliers shall develop or participate in and contribute to policies and programs which provide for the transition of any child found to be performing child labor to enable her or him to attend and remain in quality education until no longer a child.
- Children and young persons under 18 shall not be employed at night or in hazardous conditions.

5. Fair wages are paid

- Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards.
- All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

6. Working hours are not excessive

- Working hours comply with national laws and benchmark industry standards.
- In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period on average.
- Additional overtime shall be voluntary, shall not regularly exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

7. Discrimination is prohibited

- There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

8. Temporary workers are treated fairly

- Employment of temporary workers must comply with relevant national employment laws.
- Workers who are continually employed on a series of temporary contracts are potentially missing out on the benefits of permanent employment such as holiday and sick pay. Suppliers must be able to demonstrate they do not keep temporary employees on a series of short-term contracts to avoid providing them with the benefits of permanent employment.

9. Any harsh or inhumane treatment of employees is prohibited and prevented

- Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
- A formal disciplinary and grievance appeal procedure with documented records of individual disciplinary hearings exists. Such a procedure will support fair treatment of workers.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

10. Environmental protection

- Suppliers carry out their activities in accordance with national laws, regulations, administrative practices and policies relating to the preservation of the environment of the countries in which they operate as well as in accordance with relevant international agreements, principles, objectives, responsibilities and standards with regard to the environment.
- There is a documented environmental policy, signed by the Managing Director or equivalent.
- The main areas of environmental impact are identified and documented. This should include as a minimum:
 - The consumption of energy, water and other natural resources;
 - All significant polluting emissions, discharges and wastes; and
 - Impacts on biodiversity, for example, from the destruction of natural habitats, the use of agro-chemicals and the use of genetically modified crops (GMOs).
- Evidence of controls and programs in place to address environmental impacts is available.
- Written confirmation of compliance with local and national environmental regulations is available.

11. Business integrity

- Suppliers comply with all applicable laws and regulations.
- Policies and processes are in place to conduct business without the payment or receipt of unlawful incentives.
- Suppliers do not allow employees to provide or accept excessive or inappropriate entertainment of gifts from customers or suppliers.
- Suppliers do not enter into any agreements or understandings with competitors or others that restrict competition, in particular agreements to fix prices, allocate markets or limit sales.
- To prevent financial fraud and money laundering, any payment by Bacardi to a vendor, supplier or other third party must be made to a bank account titled in the name of the contracted vendor, supplier or other third party.
- Suppliers have a policy and procedure in place to ensure employees avoid a situation where a conflict of interest arises.
- Bacardi respects the confidential information of others. We will never seek to obtain or disclose the confidential information of other companies, whether it comes to us directly or from third parties and we expect our suppliers to do likewise. Confidential information includes, for example, customer lists, product information, sales and marketing plans, company business plans and any other sensitive or proprietary information.

12. Responsibility to promote Bacardi Responsible Sourcing standards

- Suppliers are expected to promote the policy to their staff and subcontractors.
- Suppliers are expected to promote and assess compliance with the Responsible Sourcing standards with their own suppliers.

Links

The Bacardi Limited Responsible Sourcing standards are based on the following international principles:

The Ethical Trading Initiative (ETI) Base Code

www.ethicaltrade.org

The United Nations (UN) Universal Declaration of Human Rights

www.un.org/en/documents/udhr

The Fundamental Conventions of the International Labor Organization (ILO)

www.ilo.org

UN Global Compact Principles

www.unglobalcompact.org

UN Convention on Biological Diversity

www.biodiv.org



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited





About this
Report

Targets and progress



LONG-TERM AMBITION

Our vision for Responsible Sourcing is for all of our raw materials and packaging to come from sustainably sourced, renewable or recycled materials – reducing environmental and social impacts while maintaining or enhancing the economic status of growers and suppliers.

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
<p>Continue to involve our suppliers in the Sedex® database, aiming for the following in fiscal 2012:</p> <ul style="list-style-type: none"> • 80% of global packaging suppliers by spend. • 60% of global point-of-sale (POS) suppliers by spend. • 75% of global ingredient and flavor suppliers by spend. 	<p> During a year of change within the Responsible Sourcing program, we have decided to restate our targets based on level of risk, rather than spend by procurement category.</p> <p>Prior to making this change, halfway through fiscal 2012, performance against the target for Sedex® membership was:</p> <ul style="list-style-type: none"> • 60% of global packaging suppliers by spend. • 40% of global POS suppliers by spend. • 31% of global ingredient and flavor suppliers by spend. 	<p>On an ongoing basis, 100% of high- and very high-risk direct suppliers and global POS suppliers to be compliant with Responsible Sourcing standards either via Sedex® membership or the Bacardi Limited procurement process.</p> <p>20% increase in the number of suppliers on Sedex® database year-on-year.</p>
<p>Identify and train site-based Responsible Sourcing champions during fiscal 2012 and 2013.</p>	<p> The first step toward this was evolution of our Supplier Performance Measurement (SPM) tool, which now includes a section focusing on suppliers' Corporate Responsibility programs, adherence to our Responsible Sourcing standards, membership of Sedex® and environmental credentials.</p>	<p>Deliver focused training to develop the individuals running the SPM tool at our ten largest sites in fiscal 2013 and the remainder to be trained in fiscal 2014.</p>
<p>Implement our locally managed supplier audit program in fiscal 2012 and 2013.</p>	<p> We did not start to develop our supplier audit program in fiscal 2012, however, through our participation in the mutual recognition workstream of AIM-Progress, we have gained access to over 40 audits of our suppliers from a bank of 6000+ audits from our AIM-Progress colleagues.</p>	<p>We will start our local audit program during fiscal 2013, focusing initially on suppliers with a higher risk of non-compliance.</p>
<p>Work with our key suppliers to ensure that 100% of our sugarcane-derived ingredients are certified under the Bonsucro™ Production Standard within ten years.</p>	<p> Bacardi's commitment to Bonsucro™ remains as strong as ever and we will serve on the Bonsucro™ Board of Directors for another year following the Board election in February 2012.</p>	<p>In fiscal 2013, we will develop a sourcing plan to achieve our interim target to source 50% of our sugarcane products from Bonsucro™-certified sources by 2017.</p>



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety







Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Establish a program of socio-economic support for the sugarcane-growing communities supplying Bacardi Limited, starting with Fiji in fiscal 2012.	 The community program being run in Fiji by WWF is up and running. We source more than 40% of our molasses from Fiji and one of the key aims of the program is for the Fiji Sugar Corporation to become compliant with the Bonsucro™ production standard.	<p>We will work with WWF to develop an agreed set of key performance indicators for the Fiji project that will be reported monthly.</p> <p>A gap analysis of the Labasa sugar mill in Fiji against the Bonsucro™ standard will also be completed in fiscal 2013.</p>
Establish sustainability in the design and lifecycle of the POS ranges for global brands by fiscal 2017.	 We continue to review the POS ranges of our global brands. With this review comes the opportunity to reduce the number of items and suppliers we use and to build relationships with suppliers in which sustainability and lifecycle management become part of the design criteria.	Establish a sustainability review process for all new POS items developed for our global range for the brands BOMBAY SAPPHIRE Gin, GREY GOOSE Vodka and DEWAR's Scotch Whisky.
<div>  Achieved  Partially achieved  Not achieved  Target ongoing </div> <div>View all our targets</div>		



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Responsible supply chain

All key direct suppliers – those that provide ingredients or packaging for our products – are required to agree to our Responsible Sourcing standards and we work with them to help them understand our requirements and improve standards throughout our supply chain.

Meeting our Responsible Sourcing standards

Suppliers can meet our Responsible Sourcing standards in two ways: through the Vendor Qualification Process (VQP) that our procurement teams apply to all new suppliers; or through membership of Sedex®, the database for sharing ethical supply chain data on suppliers.

We encourage all suppliers to join Sedex®, but understand that the system may not suit all suppliers for a number of reasons, including supplier size, length or nature of the relationship with Bacardi or alternative approaches to responsible supply chain issues.

Whichever way suppliers choose to comply, we always aim to make sure that they have a clear understanding of our Responsible Sourcing expectations. We confer with them as early as possible in our relationship and support them to make improvements wherever necessary.

We select our suppliers based on a range of criteria including cost, quality, supply chain and adherence to our Responsible Sourcing standards.

Managing Responsible Sourcing directly

Our goal is to embed Responsible Sourcing within our procurement function and to make it a standard way of working across the Company. For suppliers that do not choose to become members of Sedex®, we use our internal procurement system to ensure compliance with our Responsible Sourcing standards.

Vendor Qualification

All new direct suppliers (ingredients and packaging) and global point-of-sale (POS) suppliers that are not members of Sedex® must complete the Responsible Sourcing section of our Vendor Qualification Process (VQP). VQP includes checks for quality and Responsible Sourcing standards. For Responsible Sourcing, this takes the form of a self-assessment questionnaire that is completed and returned to the specific procurement department responsible for the supplier.

A supplier is accepted only after it has satisfactorily completed the self-assessment. Following this, our purchasing managers will begin to engage with suppliers on any areas that are identified for improvement through the self-assessment questionnaire to help strengthen supplier standards and align them with our Responsible Sourcing standards.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Supplier Performance Management

At the beginning of fiscal 2012, we included a new Corporate Responsibility section in our Supplier Performance Measurement (SPM) tool for packaging suppliers, which is used to assess suppliers' performance.

This further embeds Responsible Sourcing in our standard process for assessing supplier performance. The new section determines whether a supplier has its own Corporate Responsibility program, if it is compliant with the Bacardi Responsible Sourcing standards and whether it is linked to Bacardi in the Sedex® database.

Other elements recorded are whether the supplier has a contingency plan to maintain supply in the event of a serious issue and whether it has an active approach to environmental management.

By including Corporate Responsibility in our SPM tool, we have created a more complete supplier measurement tool. One of the next steps is to include Corporate Responsibility in the ingredients suppliers' version of SPM.

Sedex®

A key tool in our Responsible Sourcing program is Sedex®, the Supplier Ethical Data Exchange. [Sedex®](#) is a collaborative online database through which suppliers' individual production sites can share their ethical performance with buyers, such as Bacardi.

Bacardi is a member of Sedex®. We encourage all direct suppliers to join Sedex® and complete the Sedex® self-assessment on their approach to responsible supply chain issues. For all suppliers, we accept Sedex® membership and completion of the self-assessment as an alternative to confirming their compliance with our Responsible Sourcing standards.

By the end of fiscal 2012, we had 257 supplier sites registered with Sedex® and linked to Bacardi, an increase of 5.3% over fiscal 2011 (244 suppliers).

In last year's Corporate Responsibility report, we set a target for Sedex® membership within our main supplier categories. During a year of change within the Responsible Sourcing program, we have decided to shift the focus of our targets toward the level of supplier risk, rather than simply Sedex® membership. This ensures that we are focusing on our high-risk and very high-risk suppliers.

100%

We are targeting 100% of high- and very high-risk direct and global POS suppliers to be compliant with our Responsible Sourcing standards.



We use the Sedex® online database to share ethical performance data on suppliers with other companies.

257

supplier sites registered with Sedex® and linked to Bacardi Limited, a 5.3% increase over fiscal 2011.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

As a result, in fiscal 2013 and on an ongoing basis, we will work to ensure that 100% of high-risk and very high-risk direct suppliers and global POS suppliers are compliant with our Responsible Sourcing standards. This can be achieved either through Sedex® membership or by completion of the Responsible Sourcing section of our VQP.





The target for Sedex® membership in last year's Corporate Responsibility report was 80% of global packaging suppliers by spend, 75% of global ingredient and flavor suppliers by spend and 60% of global POS suppliers by spend. By mid-fiscal 2012, when we adopted our change in approach, Sedex® membership stood at 60% of global packaging suppliers by spend, 31% of global ingredient and flavor suppliers by spend and 40% of global POS suppliers by spend.

To ensure that we maintain our focus on increasing Sedex® membership among our suppliers, we have set a target to increase supplier membership by 20% year-on-year.

20%

From fiscal 2013, we are targeting a 20% year-on-year increase in supplier membership of Sedex®.

SUPPLIER SITES REGISTERED WITH SEDEX® AND LINKED TO BACARDI LIMITED

FY12		257
FY11		244
FY10		175
FY09		20

BREAKDOWN OF LINKED SUPPLIER SITES ON SEDEX® (257 suppliers registered with Sedex®)



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Working with suppliers and partners

Point-of-sale suppliers

A strong point-of-sale (POS) presence is crucial to supporting our brands in on-trade and off-trade retailing. POS items are mainly branded goods, such as glassware, barware, signs and gift and promotional items.

We have a large and complex POS supply chain, and every year we source more than 3,200 different items from 700 suppliers globally. With this level of complexity, applying our Responsible Sourcing standards and researching the source of each item is time-consuming. Forty-eight of our POS suppliers are considered global suppliers of branded items for our "Global POS Webshop," a centralized ordering system for POS items that can be used worldwide by our local markets.

Compared to our ingredient and packaging supply chains, POS materials pose a number of additional challenges to our Responsible Sourcing program. Many POS items are linked to brand campaigns and are, therefore, one-off orders. This can mean short-term relationships with

suppliers, and many will not join Sedex® on the strength of a single order. Similarly, working to improve standards directly with suppliers is only really possible with longer term supplier relationships.

Another challenge is that many purchases are made through intermediaries and agents, rather than directly with manufacturers. To address this, our VQP includes a factory assessment document that requires the information provided to come from the site of manufacture, rather than the point of purchase.

Despite these challenges, in fiscal 2012 we continued to encourage POS suppliers to join Sedex® and to use our Vendor Qualification Process for new Global POS Webshop suppliers and key suppliers in Europe, the Middle East and Africa.

At the end of fiscal 2012, 60% of our Global POS Webshop suppliers had undergone the VQP, and 40% were registered with Sedex® and linked to Bacardi Limited.

Driving up supplier standards

We feel that our approach to Responsible Sourcing, along with the growing trend for consumer brand companies to adopt more responsible sourcing practices, will encourage suppliers to improve their own practices. The following are examples of how our POS suppliers are making improvements.

German POS supplier Point of Promotion™, which produces many of its products at its German factory, has a keen focus on environmental management. The factory generates its own electricity from a cogeneration plant and focuses on reusing and recycling plastics, ink and solvents. This supplier also avoids environmentally damaging materials, such as heavy metals in inks or persistent chemicals, often used in plastics, which remain in the environment for a long time.

POS supplier Supremia™ has worked with its Chinese stainless steel manufacturer to implement a water recycling system. The system saved around 20,000 liters of water during production of the BACARDÍ Rum muddler shaker (pictured), a POS item sourced in fiscal 2012. Since installation, the system has saved between 80,000 and 100,000 liters of water in total.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Working with POS suppliers

Bacardi first contacted Van Bavel Business Gifts™, a Belgium-based POS supplier, in fiscal 2010 to introduce our Responsible Sourcing program and encourage the company to join Sedex®. A recent follow-up showed how proactive suppliers can recognize and embrace Responsible Sourcing within their organizations.

Not only has Van Bavel Business Gifts™ joined Sedex®, but it also has established a supplier selection process that includes sustainability criteria. Once selected, the predominantly Chinese suppliers undergo an independent social and quality audit that determines whether they qualify to receive a contract and identifies where improvements are needed.

Van Bavel Business Gifts™ is also represented on the European Promotional Products Association steering committee responsible for developing a Code of Conduct that will outline social and environmental responsibility norms for the promotional goods industry.



Working with partners

AIM-PROGRESS

Bacardi Limited is a member of [AIM-PROGRESS](#), a forum of consumer goods companies working to enable and promote responsible sourcing practices and sustainable production systems. AIM-PROGRESS is an initiative of AIM, the European Brands Association, and GMA, the Grocery Manufacturers Association.

In fiscal 2012, Bacardi Limited sat on a panel of leading companies, including Nestlé™, Unilever™, PepsiCo™, Coca-Cola™ and Walmart™, at the fifth AIM-PROGRESS Responsible Sourcing supplier forum, held in Mexico City. Each of the panel members presented its Responsible Sourcing strategies to an audience of more than 400 attendees from 160 supplier companies.

The aim of AIM-PROGRESS supplier forums is to share with suppliers the importance of Responsible Sourcing and to provide the opportunity for them to ask questions and share experiences.

At the Mexico City event, an online demonstration of the Sedex® ethical performance database, and presentations on compliance with labor and safety standards and on the importance of suppliers closing gaps after ethical audits provided real-world experience to the assembled suppliers.

A key message delivered at the event was that Responsible Sourcing is not an optional extra for consumer goods companies, but rather is swiftly becoming part of core purchasing practices. The idea that Responsible Sourcing offers a new competitive advantage was also part of the discussion.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Being able to present our Responsible Sourcing program at the AIM-PROGRESS supplier forum in Mexico City was a great opportunity to show suppliers how important Responsible Sourcing is to us and how we are making it part of our day-to-day procurement activity.

VERONICA LOZADA, Directs Procurement Manager, Bacardi Mexico



Panel members at the AIM-PROGRESS supplier forum in Mexico City.



Mutual recognition workstream

We are still in the process of establishing our own audit program for suppliers considered to be at a higher risk of non-compliance with our standards, based on the type of products supplied and their country of origin. In the interim, our membership in the mutual recognition workstream of AIM-PROGRESS provides access to ethical audits of some of our suppliers.

Within the mutual recognition workstream, brand manufacturers agree to mutual recognition of social

compliance audits of their suppliers. By sharing and recognizing supplier audit results, the workstream aims to reduce duplication of supplier assessments and audit fatigue.

Our involvement in the workstream has provided access to more than 40 audits of our direct suppliers from a bank of over 6,000 audits provided by AIM-PROGRESS members.

The value of supplier dialogue

Since 2011, we have been in discussions with Verallia™, one of our biggest global glass suppliers, on our Responsible Sourcing standards. Although Verallia is not currently a member of Sedex®, our engagement with the company has shown that it shares a similar commitment to Responsible Sourcing as does Bacardi Limited and that its level of environmental and social performance meets our Responsible Sourcing standards.

In 2011, Verallia™ completed a social audit program, carried out by an independent body, covering all of its production sites throughout the world. The program included questions on working conditions; wages and working hours; health and safety; management systems; and the environment. Two-thirds of the company's sites scored more than 92% in the audit, and its plant in Dego, Italy, which produces extra flint glass to serve the premium drinks market, achieved a score of 100%.



Sustainable agriculture and sourcing

The main ingredients in our products are agricultural raw materials, such as sugarcane products, grapes and grains. Sustainable agriculture and responsible sourcing of these ingredients are, therefore, essential to the continuity of our Company and our brands.

Sustainable agriculture addresses areas in our supply chain with which we do not necessarily have contact and which we do not control. The issues faced are often at the level of our suppliers' suppliers, descending through the supply chain to individual farmers and growers.

To be effective in the right places and at the right levels, we need to work in partnership with our direct suppliers and other local stakeholders and to use our influence as a major purchaser of agricultural commodities.

In broad terms, sustainable agriculture is about improving growing practices for agricultural crops to improve yields while minimizing environmental impacts. At the same time, it is also about maximizing for agricultural communities the socio-economic benefits of producing and trading agricultural commodities.

Within our Responsible Sourcing program, we have two main areas of focus:

- We are contributing to the development of a sustainable sugarcane industry and will ultimately source and use only sustainably produced sugarcane products in our brands.
- We are working to establish socio-economic programs to support the sugarcane-growing communities that supply our BACARDÍ Rum distilleries in Puerto Rico and Mexico.



Malted barley is a key ingredient used to make our Scotch whisky.

Sustainable sugarcane

Why sugarcane?

Based on our Responsible Sourcing risk assessment of the products and suppliers we use, sugarcane scores as a high-risk raw material. Added to this, products derived from sugarcane, in particular molasses and cane alcohol, are used in many of our brands, including our global flagship brand, BACARDÍ Rum.

Not only do we need to ensure a consistent and sustainable supply of sugarcane products to support our Company and its growth plans, we also need to play our part in raising standards across the whole sugarcane industry to minimize the risks to our Company and our suppliers. The main vehicle we use to develop and promote a sustainable sugarcane industry is Bonsucro™.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Bonsucro™

Formerly known as the Better Sugarcane Initiative, **Bonsucro™** is a multi-stakeholder forum focused on improving social, environmental and agricultural standards in the sugarcane industry in order for sugarcane production to become fully sustainable.

Bacardi Limited is a founding member and active supporter of Bonsucro™. We have been involved in the development of the initiative since it was founded in 2007.

To demonstrate our commitment to Bonsucro™ and a sustainable sugarcane industry, we have set a long-term target to source 50% of our sugarcane-derived products from Bonsucro™-certified sources by 2017 and 100% by 2022, and to ensure that evidence of this sourcing is externally validated.

In fiscal 2012, we continued our support for Bonsucro™. At the Bonsucro™ conference and Annual General Meeting held in Brisbane, Australia, in November 2011, Bacardi Limited was elected to the Bonsucro™ Board of Directors for a second year.

At the conference, we delivered a presentation outlining our experiences with sustainable agriculture and our support for Bonsucro™. We also shared a discussion panel with global organizations Cargill™, Unilever™ and WWF, stressing our commitment to work with suppliers to source products derived from Bonsucro™-certified sugarcane.

*We are the first
Bonsucro™ member
to set a target to
source 100% of our
sugarcane-derived
ingredients from
Bonsucro™ certified
sources by 2022.*

BONSUCRO™
BETTER SUGAR CANE INITIATIVE

Bonsucro's year in review

Calendar year 2011 was a productive year for Bonsucro™, with excellent progress in a number of areas:

- Membership increased by over 70%, against a target of 25%. As of May 2012, there are 61 members of Bonsucro™.
- The Global Producers' Innovation Network (GPIN) was launched. It is a forum that will create connections between sugarcane farmers and millers to learn from each other and solve common problems.
- Bonsucro™ certification was achieved by 15 sugar mills, all in Brazil, representing 1.6% of sugarcane production globally.
- Bonsucro™-certified production of ethanol from sugarcane gained recognized status by the European Union Renewable Energy Directive.
- A new Executive Director was hired in August 2011, succeeding the previous Executive Director, who has retired.

Looking ahead, Bonsucro™ will focus on the following areas in calendar year 2012:

- Implementing a robust chain-of-custody standard for its certified products.
- Further developing the GPIN to cover more sugarcane-growing regions of the world.
- Increasing the assessment capacity of auditors to ensure more sugarcane mills can achieve certification.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Working with sourcing communities in Fiji

Our Responsible Sourcing program commits us to work with the communities from which we source raw materials, including establishing socio-economic support programs for the sugarcane-growing communities supplying Bacardi Limited. We source sugarcane products from three key countries: Fiji, Brazil and Mexico. Our first program working with sugarcane communities has been established in Fiji, a major sugarcane producer.

More than 40% of our molasses comes from Fiji, making it one of our largest sourcing countries for sugarcane-derived products. In 2011, we agreed to support an agriculture and environmental improvement program run by WWF in Fiji, which focuses on improving standards in Fijian sugar mills.

The Fijian sugarcane industry is state-run and, although relatively inefficient compared to other national sugarcane industries, it is a leading source of employment and GDP creation in Fiji. Our program is currently focused on the national Fiji Sugar Corporation (FSC) mill in Labasa, Fiji, and will expand to cover two other FSC mills later.

The two main objectives of the program are:

- To improve agronomy and farming practices around the mill to increase efficiency and to help the mill become certified to the Bonsucro™ Production Standard.
- To strengthen effluent control and reverse the current situation in which effluent from the mills and sugarcane plantations is damaging the Great Sea Reef off the coast of Fiji.

Achieving Bonsucro™ certification in Fiji is seen as a long-term goal. WWF estimates that it will take the FSC between five and seven years to achieve certification for all of its mills.

Our efforts will have a positive impact on the communities that rely directly or indirectly on the mill. This impact will come mainly from improved livelihoods delivered by the increasing efficiency of sugarcane production and also from conserving the Great Sea Reef, which provides livelihoods and food for local communities.

Program progress

The early stages of the program in fiscal 2012 have mainly focused on project set-up and engaging the wide range of stakeholders within the Fiji sugarcane industry, including the FSC, the Ministry of Sugar and sugarcane farmers.

During the year, a Fiji sugarcane steering committee was established with a remit to:

- Establish model sugarcane farms that demonstrate improved agricultural standards and follow WWF Better Management Practices for sugarcane.
- Promote the use of “mill mud” as a bio-fertilizer.
- Establish a water quality sampling program.
- Recruit an extension officer to train farmers on better sugarcane farming practices.

Future plans

Developments planned for the Fiji program in fiscal 2013 will include:

- Undertake a gap analysis of the Labasa sugar mill against the Bonsucro™ Standard.
- Use a train-the-trainer approach to train local farmers in WWF Better Management Practices for sugar.
- Complete a feasibility assessment for creating renewable energy from bagasse – the fibrous waste material left after sugar has been milled. As a significant biomass source, the bagasse would be burned in a cogeneration unit that produces heat for local use and electricity that can be sold to the consumer electricity grid.





Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report



The role of Bacardi Limited

In addition to sponsoring the community project, Bacardi Limited helped the project to gain traction in the Fiji sugarcane industry by engaging with key stakeholders. We persuaded our direct molasses supplier in Fiji, United Molasses™, to join Bonsucro™ and to support the project. Along with United Molasses™, we also promoted the project to the Fiji Sugar Corporation, leading to an agreement to start the project at its Labasa mill.

In line with our target to source all sugarcane-derived products from Bonsucro™-certified sources within ten years, we will be a key buyer for the Bonsucro™ certified sugarcane that the project aims to deliver.



PEOPLE

Clearly committed people



We believe that outstanding people will deliver excellent results.

In this section

Strategy

Targets and progress

Developing our people

Engaging our people

Outstanding people delivering excellent results

It is a fundamental principle of Bacardi Limited that our success is due to great brands and outstanding people achieving excellent results. Our people are the best ambassadors for our brands by demonstrating their commitment to our Company values of Trust, Caring, Passion and Excellence.

Our People strategy, launched in fiscal 2011, is built on the belief that outstanding people will deliver excellent results. To Bacardi Limited, outstanding people are talented and engaged employees who are valued for the unique contributions they bring to the Company.

Our first-ever Global Employee Engagement Survey took place in January 2012. We found that our people are very proud to work for Bacardi, are proud of our brands and are very proud of our work in the Corporate Responsibility area.

JOHN McCUSKER, Global Head of Talent Management



Watch video



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

John McCusker

Global Head of Talent Management

At Bacardi, we aspire to be recognized internally and externally as a Great Place to Work. As part of this, we launched our first ever Global Employee Engagement Survey in January 2012.

We designed a straightforward survey for employees to formally express their opinion. We were very pleased that over 90% of our employees across the world took the time to complete this survey.

The survey highlighted some good insights. We found that our people are very proud to work for Bacardi, are proud of our brands and are very proud of our work in the Corporate Responsibility area.

We also heard from employees that we should put more emphasis on development opportunities. We will be working on this area over the coming months to ensure that our people feel greater clarity about the options for career development, as well as giving greater visibility to the tools to help build their skills; and providing more feedback and coaching from line managers.

We have also created employee action teams so that people around the world can get involved in building engagement across Bacardi. We are sure that, over the next 18 months, these action teams will help to drive our levels of engagement to levels that are truly world class by January 2014, when our next survey will take place.



www.bacardilimited.com/corporate-responsibility/people



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Strategy

We believe that outstanding people will deliver excellent results. To Bacardi Limited, outstanding people are talented and engaged employees who are valued for the unique contributions they bring to the Company. Our strategy is designed to bring out these characteristics in all of our employees.

Global People strategy

Our People strategy sets out a roadmap across five key areas, with the aim of supporting and driving our corporate vision:

1. Unleash the potential of our people.

We will build an effective development culture and create leadership programs that are acknowledged for their quality and effectiveness in developing Bacardi leaders.

2. Build a high-performance team culture.

We believe that our future success depends on how we work together. We will create a culture of high-performing teams among our people.

3. Lead organizational capability and effectiveness.

We will create a lean and effective organization to support our business and vision. We will deliver stability by creating a talent pipeline for all key roles that mirrors the diverse societies in which we operate.

4. Inspire and engage each person to live our values to achieve sustained results.

We want the Bacardi purpose and values to be an integral part of our employees' lives, influencing individual and corporate behavior. We also aim to become the leader in Corporate Responsibility in our industry.

5. Be globally recognized as a Great Place to Work.

We will benchmark ourselves against other companies and strive to be recognized in Great Place to Work™ or similar rankings.

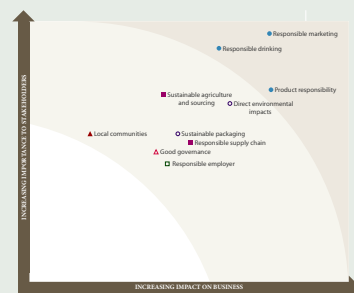
Material issues

We completed an updated assessment of our most material Corporate Responsibility issues in April 2012. Being a "responsible employer," which covers employee rights, health and safety, diversity, and training and development, ranked as an issue of medium to high materiality relative to other Corporate Responsibility issues.

This materiality ranking reflects our proactive and successful approach to managing employee issues within Bacardi Limited and also shows that other Corporate Responsibility issues that we are addressing are more front-of-mind for stakeholders.

The materiality assessment reflects a wide range of issues and the concerns of a wide range of stakeholders. We have gained direct feedback from our people on more detailed employee issues from our first-ever [Global Employee Engagement Survey](#), which was conducted in fiscal 2012.

Read more on our materiality process in the [materiality section](#).



[View our materiality matrix](#)



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Corporate Responsibility and our people

We continue to believe that developing a leading position in Corporate Responsibility will garner the respect of our people and those in the external job marketplace. There is a strong link between our goal to be recognized as a Great Place to Work and striving to be a leader in Corporate Responsibility.

Responsible employer

At Bacardi Limited, being a responsible employer means:

- Offering our people opportunities to develop to their fullest potential.
- Listening to and communicating with our employees to better understand their needs and concerns, and responding to these to ensure we provide an excellent employee experience.
- Supporting our employees if they encounter personal or professional challenges.

We remain convinced that, as a responsible employer, we must ensure that everyone in the organization understands how his or her contributions and performance link to the short- and medium-term sustainable success of Bacardi Limited. To this end, we have spent the last 12 months enhancing our [Global Performance Management System](#) to ensure a transparent link between Corporate Responsibility and our leaders' annual objectives.

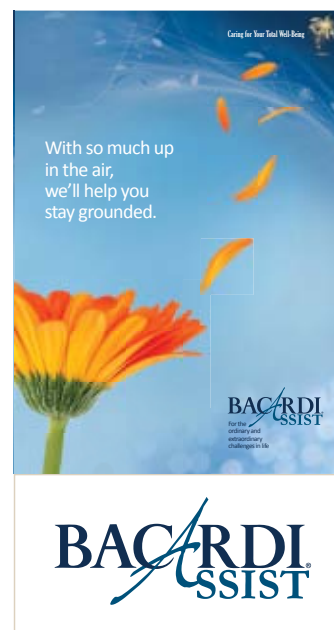
Supporting our people

Global employee assistance program

During fiscal 2012, we rolled out a new global employee assistance program across Bacardi Limited. Available in 22 languages, Bacardi Assist is designed to support employees in dealing with ordinary and extraordinary events in both their personal and professional lives. The program is free to all employees and their families and is an important part of our support for employees.

All operations implemented the program in fiscal 2012 and, by the end of the year, Bacardi Assist had provided support to the 167 employees or family members who asked for assistance. The top area for support concerned "relationship issues". Other areas of assistance included "legal advice" and support for managing "work/life balance."

Our target for fiscal 2013 is to continue to raise awareness of the program and, as a result, we anticipate that more employees will take advantage of the service.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited





About this
Report

Targets and progress



LONG-TERM AMBITION

We will unleash the potential of our people by creating a working environment where every employee can take advantage of the development opportunities Bacardi Limited offers. We will inspire, engage and support our people and intend to become recognized internally and externally as a Great Place to Work.

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Continue the roll-out of our Global Performance Management System to cover 4,000 employees by quarter one of fiscal 2012.	 Roll-out reached 3,800 employees by the end of fiscal 2012 and the Global Performance Management System is now available in seven languages.	Enhance the user experience for current users, making the system more intuitive. <ul style="list-style-type: none"> • Focus on the link between employee performance and Company performance. • Focus on functionality. • Focus on development planning.
Continue to build on our Talent Review and Succession Planning process to build new leaders for the future.	 Talent Review expanded to cover the majority of the top three levels of Bacardi Limited comprising almost 700 employees. Filled 70% of open positions in the top three levels of the Company with internal talent.	<ul style="list-style-type: none"> • Complete the global roll-out of Talent Reviews across the top three levels of the Company. • Expansion to deeper levels of the Company, with a specific focus on our sales function.
Launch a range of new leadership development products.	 Successfully trialed a number of leadership development initiatives, including our Step Up and Talent Exchange programs.	Continue to establish our portfolio of leadership development initiatives across Bacardi Limited: <ul style="list-style-type: none"> • Roll out Step Up and Talent Exchange initiatives. • Pilot a Coaching Certification and Manager Training program. • Launch our leadership fundamentals program for line managers.
Launch our first Global Employee Engagement Survey and action teams in fiscal 2012.	 Global Employee Engagement Survey completed with a 92% participation rate across the Company. Action teams made up of local employees will also be established to identify and address areas for improvement.	Action teams established in fiscal 2013 will identify key improvement areas and develop plans for delivering improvements over the next 24 months.







Corporate
Responsibility
at Bacardi
Limited





Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Continue the roll-out of our Women in Leadership strategy.	 Focused on organizational engagement and awareness raising during the year and piloted a female maternity coaching program as well as releasing an adoption policy as part of our equality of opportunity policy.	<ul style="list-style-type: none"> • 50% of business units and global functions to establish a local three-point Women in Leadership action plan. • Run a development course for high-potential women leaders. • Launch recruitment guidelines that provide guidance on recruiting high-potential women. • Establish an internal women's network in key locations.
Roll out the implementation of our new operating model.	 A new operating model that delivers greater resources to our sales and marketing functions has been rolled out. In line with our recruiting approach, 90% of new roles within sales and marketing were filled internally from our existing workforce.	Embed the new operating model through workshops and launch a "toolbox for change" that provides all Bacardi Limited people with advice and tips to make our organization more agile and successful in adapting to internal and external factors.
Implement global employee assistance program – Bacardi Assist – in all markets.	 Employee assistance program rolled out in all markets, support provided in 167 cases by the end of fiscal 2012.	<p>Continue to raise awareness of Bacardi Assist in fiscal 2013. We anticipate that this will result in more employees taking advantage of this service during the next fiscal.</p> <p>We will also monitor employee perception of the program and enhance it where appropriate.</p>
Develop an employee-giving fund that contributes and responds to natural disasters and other good causes.	 An employee-giving fund was not developed. It is currently our view that our existing approach is working well and we will respond to natural disasters and other good causes in the same way as we have in the past. We will also continue to involve employees with volunteering, sponsorship and personal donations without setting up a worldwide process to manage this.	N/A

 Achieved
  Partially achieved
  Not achieved
  Target ongoing
 [View all our targets](#)



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Developing our people

Bacardi people see Bacardi Limited as a place where they can grow their careers and build great brands. We are establishing a development culture at all levels of the Company to meet this expectation.

Developing talent

In order to develop an effective workforce made up of outstanding people, we need a system that identifies and develops talent across all functions and at all levels of the business. Succession planning, particularly for management positions, is also crucial to providing stability, continuity and, ultimately, our sustainable business success.

We have laid the foundation for development through our 70-20-10 framework, which stresses the benefit of experiences that can be gained on-the-job. Within the framework, 70% of an employee's development comes from on-the-job experiences; 20% from internal coaching and mentoring; and 10% from formal internal or external training.

Talent Review

Following its launch in fiscal 2011, our Talent Review process continued to be rolled out in fiscal 2012. We conducted more talent reviews during the year and, at the same time, improved the quality of the reviews, delivering greater insight into our talent pool.

The process maps the performance and potential of our people with our future business needs. For individual employees, a Personal Development Plan containing key actions is developed during the Talent Review process

and is held within our Global Performance Management System (GPS). Each plan outlines areas for continued personal growth that will also support the growth of Bacardi Limited. This process enables us to actively plan for succession within critical roles and ensures that we have a rich talent pipeline across the Company.

Coverage

Although the expansion of the Talent Review process has not yet reached our top 1,000 employees, which was our goal for fiscal 2012, we were able to review nearly 700 senior employees, or most of the top three levels of Bacardi Limited. We will complete these top three levels in fiscal 2013.

The Talent Review process has also enabled us to fill 70% of open positions in our top three levels with internal candidates, strongly supporting our goal to recruit from within the Company and significantly improving on previous years.

Based on the findings of the completed Talent Reviews, we will continue to pay close attention to developing the talent we need for effective succession planning in fiscal 2013. This will include a formal assessment of progress each quarter using a newly developed Global Talent Scorecard.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Leadership development

Leadership development follows our 70-20-10 framework and is closely linked to our Talent Review process and succession planning. There is a genuine desire for development across Bacardi Limited, and this is an area that we have highlighted for improvement. To accomplish this, we will focus on providing our current and future leaders with a range of talent development programs.

In fiscal 2013, we will create a program to improve the coaching skills of employees in management positions to help strengthen on-the-job training and coaching for employees. The first step is achieving external coaching certification for our Human Resources function. Following this, we will devise common coaching standards that all internal and external coaches will work to and begin a program of coaching training around the Company, starting with our IT function.

We have laid the foundation for development through our 70-20-10 framework, which stresses experiences that can be gained on-the-job.

Formal training

10

Coaching and
mentoring

20

On-the-job
experiences

70

Talent development programs

Following successful trial periods, several talent development initiatives are now ready to be rolled out across the Company in fiscal 2013.

Talent Exchange

Talent Exchange is a program that provides short-term geographical, functional or portfolio moves for employees to help fashion well-rounded individuals who can support the future of the Company.

Step Up

Step Up provides a structured opportunity for employees to hone skills working one level up in a temporary short-term assignment, outside of their comfort zone.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Leadership fundamentals

Our new leadership fundamentals program will be launched in fiscal 2013. In this program, managers pass through a series of modules to enhance their line management skills. In fiscal 2013, the program will focus on how to have robust, meaningful performance conversations and how to support effective development planning. Other elements of the program will be developed in 2014.

Throughout the program, managers are supported by a series of 44 online tools and study packs created by Harvard Business School and available through our Harvard leadership portal.

Global Reflections

We believe that a workforce that reflects the global environment in which we operate will help us deliver top performance in a rapidly changing marketplace and enable us to attain greater business success. We established the Global Reflections program in 2011 to support this belief.

Women in Leadership

As an initial step, the Global Reflections program is focusing on Women in Leadership (WIL) with the objective of positioning Bacardi Limited as a magnet for talented, high-performing women and unlocking the potential of all women within the Company.

Following a global survey of 700 Bacardi Limited managers (224 women and 476 men) and a competitor review, the WIL team focused on raising awareness of the benefits of a more gender-diverse workforce in fiscal 2012, including:

- Increasing the potential pipeline for talent.
- Benefiting from different leadership styles within the Company.
- Creating a workforce that better reflects our consumer profile.

During the year, we also piloted coaching programs for women and introduced policies on adoptions and equal opportunities.

Looking ahead

To establish the Women in Leadership program across Bacardi Limited, we have set a target for half of our business units and global functions to have their own local three-point WIL action plan by the end of fiscal 2013. The remaining half will complete their three-point plans by the end of fiscal 2014.

Other targets for fiscal 2013 include:

- Running a focused WIL development course for our high-potential women leaders during the year and ensuring all participants have a senior sponsor.
- Ensuring that gender balance is built into our Talent Review process and that talent development tools are equally available to male and female employees.
- Launching guidelines for internal and external recruitment that provide guidance on the recruitment of high-potential women.
- Establishing an internal women's network in key locations (Geneva, Shanghai, Miami, London) and identifying suitable external networks and partnerships.
- Developing a work environment that offers options for work-life flexibility for employees of both genders.
- Continuing to raise awareness by spotlighting women leaders on our ONE Bacardi intranet.



50%

We are targeting half of our business units and global functions to have a three-point Women in Leadership action plan by the end of fiscal 2013.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Recruiting internally

In line with our focus on developing talent within Bacardi Limited, we have a target to fill 80% of job vacancies with internal candidates by 2015. We have worked on this goal throughout fiscal 2012, filling an average of 70% of job openings at management level and above with internal talent.

We continue to list local and global job opportunities on the People Search section of our ONE Bacardi intranet site in order to provide employees with a clear view of opportunities available across Bacardi Limited.

In the first quarter of fiscal 2013, we will begin a pilot of an Internal Search Firm concept in three key markets – U.S., Russia and Switzerland. The Internal Search Firm operates by adding a recruitment module into our Global Performance Management System (GPS). This module increases the visibility of our available positions across the Company and allows us to track applications

better. In addition to publicizing open roles internally, the system also allows us to publish them directly on the Careers page of www.BacardiLimited.com.

Alongside our internal recruitment target, we are making good progress in developing a standardized, global recruitment process for both internal and external hires. We will continue to enhance our approach to recruitment in fiscal 2013 to ensure we are attracting, interviewing, hiring and retaining the best talent available.



70%

of job openings at management level and above filled with internal talent in fiscal 2012.

Becoming Bacardi

Becoming Bacardi is our global orientation program for new employees. It is the primary resource to learn about Bacardi Limited, connecting new hires to our heritage, our brands and our people.

The program consists of both experience-based and e-learning elements and, with four languages added in fiscal 2012, the program is now available in 11 languages. Becoming Bacardi is available to all new hires around the world and needs to be completed in their first six months. It is also available to employees who have been with the Company for many years and who want to refresh their knowledge.

Overall usage of the program has grown dramatically in fiscal 2012 from a base of 200 users to 1,400 users in the space of a year. This is due to increased visibility of the program, increased technical capability and availability of the program in more languages.

We have ambitious plans to continue the development of Becoming Bacardi and will upgrade the program further in fiscal 2013. We will also design a Bacardi Limited immersion program to continue to enrich employee understanding of our brands and heritage.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Performance management

When we have the right talent in the right place, we need to provide the right management of employee performance, objective-setting and career paths, aligning an employee's personal objectives with those of the Company. Our Global Performance Management System (GPS) is the tool we use to deliver effective performance management to employees across Bacardi Limited.

This award-winning system is innovative because it aligns our business objectives with employees' personal objectives, thereby transforming the vision of the Company into specific individual actions for all of our people.

As part of our performance management, we use a vision-to-Action process as the main approach for translating the strategic objectives of the business into personal objectives for employees. At this point, we have prepared aligned, transparent vision-to-Action plans for the top two levels of the Company, covering 430 leaders.

The level of alignment that this provides between the Company vision and the individual objectives of our senior leaders is a first for Bacardi Limited. To support this development, the Bacardi senior leadership team has cascaded workshops for senior leaders in the top two levels of the Company to explain the vision-to-Action process.

GPS roll-out

By the end of fiscal 2012, GPS was available in seven languages and was being used by 3,800 employees worldwide, falling just short of our target of 4,000 by the end of the fiscal. Although we plan to improve the user interface of the GPS system in fiscal 2013, employees using the system have provided positive feedback, indicating that they have more clarity on their objectives and Company expectations of them.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Engaging our people

Global Employee Engagement Survey

We aim to be a Great Place to Work and, in fiscal 2011, we won Great Place to Work™ recognition in the U.K., France and Portugal. In fiscal 2012, a landmark year for engaging our employees, we launched our first-ever Global Employee Engagement Survey.

All employees received the survey and, at a 92% employee response rate, our participation rate scored at the high end of best-in-class across all industries. The results of the survey were also encouraging. We achieved an overall employee engagement score of 3.76 out of 5. External benchmark figures indicate that best-in-class engagement starts at 4.0. We will run the survey again in 2014 and every two years thereafter.

We are delighted that our employees have highlighted Corporate Responsibility as the most highly rated overall area, with a score of 4.22. Quality and Customer Focus and Performance Management (for employees) were the next two highest-rated areas, scoring 4.19 and 4.12 respectively.

As with any canvassing of employees, this survey highlighted a range of areas for improvement. With the high level of survey participation, we are in an excellent position to respond positively to employee concerns. Over the next two years, we will increase our focus on development of our people, in particular by increasing awareness of and enhancing existing talent development opportunities.

Making improvements

To address areas for improvement, we have designed a grass-roots process that kicks off across the Company in fiscal 2013. Action teams made up of local employees will be asked to volunteer to improve their own work areas.

The Human Resources function has provided training for all local Human Resources teams, who in turn are responsible for training local action teams in their countries. Once the action teams have received training, they will lead the improvement process, relying on support materials developed for use across Bacardi Limited.

In fiscal 2013, the action teams will begin to identify key improvement areas and formulate plans to deliver improvements over the next 24 months.



In fiscal 2012, we launched our first-ever Global Employee Engagement Survey, which achieved an excellent response rate of 92%. We are delighted that our employees have highlighted Corporate Responsibility as the most highly rated overall area, with a score of 4.22 out of 5.



3.76

Our overall employee engagement score was 3.76 out of 5. Best-in-class engagement starts at 4.0.



PHILANTHROPY AND COMMUNITY INVOLVEMENT

Clear support



Thanksgiving support in the local community.

In this section

Strategy

Targets and progress

Global activity

Local activities

Benefiting communities, engaging employees

We operate in many locations around the world and always aim to make a positive contribution to our local communities. Our employees are members of these communities and taking part in community activities generates a strong sense of pride.

Bacardi has a more than 150-year history of quality, excellence, ethics and social involvement. These values were important to our founder, Don Facundo Bacardí Massó, and are still important to us as we marked our 150th anniversary in 2012.

Our commitment to Corporate Responsibility and philanthropy was started by our founder Don Facundo Bacardí Massó. We are very proud of this legacy and it is especially important this year as the Company came together to celebrate the 150th anniversary of its founding.

RICK WILSON, Senior Vice President, Legal & External Affairs, Bacardi U.S.A., Inc.



Watch video



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Rick Wilson

Senior Vice President, Legal & External Affairs, Bacardi U.S.A., Inc.

Bacardi operates in many locations around the world and we want to play an active role in contributing to the local communities that support our businesses.

Our commitment to Corporate Responsibility and philanthropy was started by our founder Don Facundo Bacardí Massó. In 1852, Santiago de Cuba, the birthplace of BACARDÍ Rum, was struck by a devastating earthquake. Don Facundo immediately closed his shop to lead relief efforts in the city. This started a legacy of giving back to local communities even before the founding of Bacardi in 1862.

We are very proud of this legacy and it is especially important this year as the Company came together to celebrate the 150th anniversary of its founding.

We involve our employees as much as we can in community activities and, through their involvement, they raise awareness of the caring nature of our Company. It also makes employees feel good about working for the Company.

We support local community initiatives across a range of activities in four broad areas: arts and culture; education; environment; and health and social services.

This year, we continued our efforts to support the artistic heritage of Turin; we teamed up with Bat Conservation International for the UN Year of the Bat campaign, raising awareness of the environmental and economic benefits of bats; and, at Thanksgiving, employees in Miami donated a record 5,580 kilograms of food to the Abriendo Puertas food bank.

In fiscal 2012, Bacardi companies and brands donated 3.2 million dollars to local communities around the world. Together, we look forward to continuing Don Facundo's legacy of supporting local initiatives well into the future.



 www.bacardilimited.com/corporate-responsibility/philanthropy-and-community-involvement



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Strategy

Bacardi has a more than 150-year history of quality, excellence, ethics and social involvement. These values were important to our founder, Don Facundo Bacardí Massó, and are still important to us as we marked our 150th anniversary in 2012.

Global focus, local delivery

Bacardi Limited has a decentralized approach to Philanthropy and Community Involvement (PCI), with our local operations deciding how best to support their local communities.

In line with this approach, our PCI strategy is directional, rather than prescriptive. This enables our operations to carry out community activities that are relevant locally and can assist in meeting community needs.

The overall aim of our PCI program is to engage our people in Corporate Responsibility. Our annual flagship event, [Corporate Responsibility \(CR\) Month](#) (originally developed as CR Week), is intended to involve and engage our global workforce in community activities.

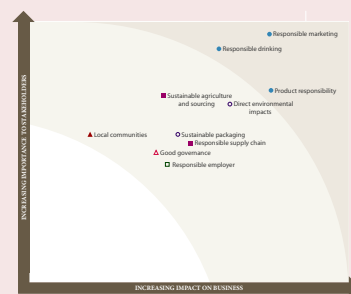
We direct support into four broad areas: arts and culture; education; environment; and health and social services. We also support disaster relief efforts when significant natural disasters strike in locations linked to our operations. Please visit the section on [local activity](#) for more details of our support in these areas.

Material issues

In our latest materiality assessment, completed in early 2012, "local communities" ranked as an issue of medium to high materiality relative to other Corporate Responsibility issues. The assessment was based on the level of stakeholder interest in the issue and the potential impact on the Company.

This underlines that our current approach to community involvement, with an annual Company-wide community event and local operations supporting local causes, works well for our stakeholders and for Bacardi Limited.

Read more on our materiality process in the [materiality section](#).



[View our materiality matrix](#)



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Measuring our impact

We joined LBG (formerly London Benchmarking Group) in fiscal 2011 and continued to align our community reporting with the LBG model in fiscal 2012. The LBG model provides a standardized way of managing and measuring a company's community involvement.

Reporting community activity against the LBG model allows us to measure our overall contribution – not just cash donations, but also time volunteered, in-kind donations and management costs.

During the year, we improved the way in which we report community activities and donations into our community database. To ensure accuracy and completeness of community reporting, we have updated and improved the instructions and definitions used by our community ambassadors.

The total value of support given by Bacardi Limited companies and brands in fiscal 2012 was US\$3.23 million. [Click here](#) for more information on our community support as measured using the LBG model.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People








Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Targets and progress



LONG-TERM AMBITION

We aim to involve our employees in our Philanthropy and Community Involvement (PCI) activities and raise their awareness of our approach to Corporate Responsibility through these initiatives. We support local communities in four broad areas: arts and culture; education; environment; and health and social services.

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Complete the development of our strategic approach to PCI.	 In line with our assessment of the most material Corporate Responsibility issues, we have decided to maintain our existing approach to community involvement, which incorporates an annual, global flagship community event and local initiatives managed by local operations that are closer to their communities.	Continue to monitor the effectiveness of our philanthropy and community approach and develop our employees' understanding of and involvement in community activities.
Continue to establish the LBG (formerly London Benchmarking Group) model within the business and deliver benchmarking feedback in line with LBG.	 Reporting into the community database has been improved. Instructions and definitions for community ambassadors have been made clearer to facilitate more accurate community reporting.	Continue to roll out the LBG model within the business and deliver benchmarking feedback in line with LBG.
Build on the success of CR Week by delivering a second flagship event in spring 2012.	 We planned an expanded CR Month in May 2012, which is at the beginning of fiscal 2013 for Bacardi Limited.	Successfully deliver the expanded CR Month at the beginning of fiscal 2013 and continue planning and refinement to run a global community event annually.
 Achieved  Partially achieved  Not achieved  Target ongoing View all our targets		



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Global activity

We aim to involve our employees in our Philanthropy and Community Involvement (PCI) activities and to raise their awareness of our approach to Corporate Responsibility through these initiatives.

CR Week to CR Month

Our flagship global PCI initiative is Corporate Responsibility (CR) Month. CR Month is designed to engage our people in community activities and to work in a globally coordinated way to give back to our local communities.

First launched in fiscal 2011 as CR Week, the event was a great success, with nearly 65% of employees taking part across 35 countries. CR Week strengthened the concept of volunteering across the Company and, to encourage this positive response, we expanded the event from one week to one month. We hope this will induce even more people to participate, as it gives employees greater flexibility to fit CR Month activities around other business priorities.

During fiscal 2012, we planned the expanded CR Month, which occurred in May 2012, at the beginning of fiscal 2013. The event continued to be based on the theme of Spirit for Life, Caring Together, which links clearly to our Company value of Caring and our Company purpose of Spirit for Life. For fiscal 2013, CR Month was also closely aligned to our [150th anniversary celebrations](#), which culminated in December 2012.

We will report on CR Month in our 2013 Corporate Responsibility report.

Spirit for Life
CARING TOGETHER



Local activities

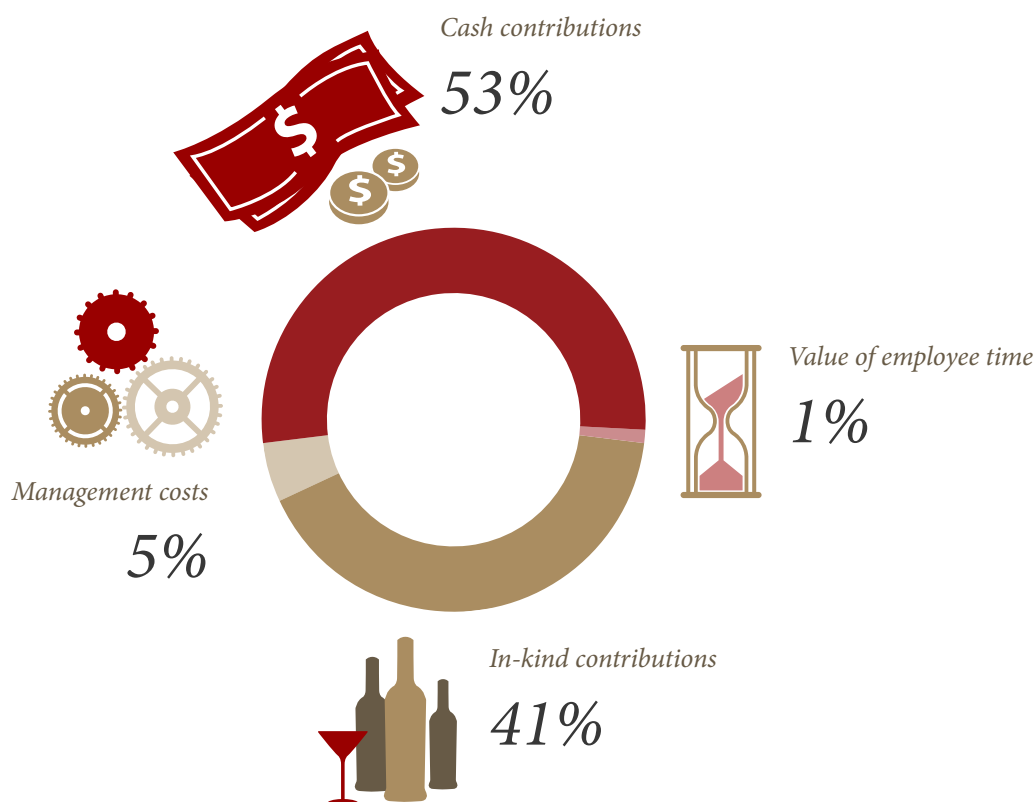
It is in our long-term interest to foster healthy and vibrant communities. Our employees and business partners come from local communities, and respecting and supporting our communities is an important part of our being a trusted partner where we operate.

Fiscal 2012 is the second year in which we have reported our community support based on the LBG (formerly London Benchmarking Group) model. The total value of support given by Bacardi companies and brands in fiscal 2012 was US\$3.23 million. This figure reflects our total recorded community investment, including not only financial support, but also time volunteered, in-kind donations and management costs.

www.lbg-online.net

US\$3.23M

Reported giving of Bacardi companies and brands in fiscal 2012 measured using the LBG model.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Community activities

Following are some examples of activities across our four key areas of Philanthropy and Community Involvement:

ARTS AND CULTURE

Italy – Supporting the heritage of Turin, Italy

In Italy, we continued to support the artistic heritage of Turin, the birthplace of our MARTINI brand. We are a founding member of the Association for the Development of the Artistic and Cultural Heritage of Turin, a body founded in 1987 to restore, enhance and raise awareness of the artistic and cultural heritage of Turin. The Association is funded by its members, which include private companies and public bodies, and works to restore artworks, statues and buildings requiring urgent attention. Over the last 25 years, more than US\$35 million has been invested in 42 development and restoration projects.

www.consultaditorino.it/en



Bermuda – Bermudian arts and culture

As a company headquartered in Bermuda, we actively support arts and culture on the island. In fiscal 2012, our donation of US\$15,000 supported the continuation of the Bermuda Festival of the Performing Arts. Employees benefited from free tickets to the festival. We also donated US\$37,500 to the Bermuda National Gallery.

www.bermudafestival.org

www.bermudanationalgallery.com

U.S.A. – Supporting gifted musicians

In Coral Gables, Florida, home of Bacardi U.S.A., Inc., we supported New World Symphony by donating our products for the Grand Opening Gala of their new Frank Gehry-designed building. New World Symphony is an educational organization which prepares highly gifted graduates of distinguished music programs for leadership roles in orchestras and ensembles around the world.

www.nws.edu



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

EDUCATION

France – Focus on high-achieving students

Bacardi-Martini France is a long-term supporter of two organizations promoting education in France. Nos Quartiers ont des Talents brings together local companies which provide mentors and coaching for high-achieving students in the area around the Bacardi-Martini head office. We also partner with MEDEF 93 Ouest, the local branch of the French employers' federation, which supports high-achieving students with financial awards to help with their studies (we support three students each year).

www.nosquartiers-talents.com (in French)

www.clubs-medef93ouest.com (in French)

Spain – Providing scholarships for employees' children

Bacardi Spain continues to support the education of our employees' children by providing financial support for their studies. A special committee awards scholarships for college and university students, and grants for books and study materials for school-aged children (including kindergarten). In fiscal 2012, 33 scholarships for university and college students were awarded, amounting to nearly US\$138,000. Grants totaling US\$48,300 were awarded to 274 school-aged children of our employees.

U.S.A. – Education through arts and culture

In fiscal 2012, Bacardi U.S.A. supported Casita Maria Center for Arts and Education, an organization that aims to create a culture of learning and education for young people by providing high-quality cultural, arts and educational programs. Bacardi U.S.A. supported the New York-based organization with a donation of US\$12,500, which paid for one year of after-school programs for 12 students.

www.casita.us



ENVIRONMENT

Bermuda – Supporting employee causes

In Bermuda, one of our employees, Michael Brennan, was a founder of the Bermuda Environmental Alliance (BEA), an organization that educates Bermudians on local environmental issues to help foster a culture of care and environmental stewardship. We aim to support employees who are engaged in community activities in their free time. We have financially supported the BEA each year for the past four years.

www.bermuda-bea.org



Germany – Donations instead of Christmas cards

Bacardi Germany continued its support of Viva con Agua, an organization which campaigns for clean drinking water worldwide. In 2011, Bacardi Germany donated \$6,000 to the charity instead of sending Christmas cards.

www.vivaconagua.co.uk



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

U.S.A. – Bat conservation

To support the UN-backed International Year of the Bat in 2011 to 2012, Bacardi teamed up with Texas-based Bat Conservation International (BCI).

There is a strong link between bats and the heritage of Bacardi Limited, dating to the Company's foundation in 1862 in Santiago de Cuba, where a colony of fruit bats was discovered in the original Bacardi distillery. As bats symbolize good health, family unity and fortune in Cuba, the colony was kept in the distillery and went on to inspire the Bacardi Bat Device that proudly graces every bottle of BACARDÍ Rum.

In fiscal 2012, we supported the BCI's Year of the Bat campaign and partnered to launch a public service video celebrating bats of the world and raising awareness of their environmental and economic benefits. The 15-second video was displayed on a giant electronic billboard in Times Square, New York City, and ran once each hour for 18 hours a day from December 2011 to March 2012. It is estimated that, on New Year's Eve alone, the video was seen by 300,000–600,000 people celebrating in Times Square.

www.batcon.org



What a great way to kick-off the International Year of the Bat. We are grateful to Bacardi for this generous gift and we're certainly excited to see what the coming year will bring.

NINA FASCIONE, Executive Director, Bat Conservation International



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

HEALTH AND SOCIAL SERVICES

Brazil and Dominican Republic – Supporting children's heart health in developing countries

In Brazil and the Dominican Republic, we continued our support for the International Children's Heart Foundation (ICHF), which brings skills, technology and knowledge to developing countries to help care for children with congenital heart conditions.

In the Dominican Republic we have supported ICHF since 2006, initially with communications to raise awareness and, since 2008, with financial donations of US\$180,000. Donations help ICHF to fund missions that bring volunteer doctors to the Dominican Republic.

In fiscal 2012, a US\$25,000 donation fully funded a trip for ICHF doctors to operate on Dominican children with congenital heart conditions. An additional US\$25,000 donation was made to support the construction of a new children's hospital in Santiago that will treat children with heart disease, as well as train doctors to diagnose and treat congenital heart conditions.

Fiscal 2012 was the first year of support for ICHF in Brazil. Along with support from the Alagoas government, a US\$45,000 donation from Bacardi Brazil funded an ICHF medical mission to Brazil that provided 18 operations to children with serious heart problems.

www.babyheart.org



The International Children's Heart Foundation and Bacardi have a long-standing partnership to improve healthcare for children suffering from congenital heart defects in the developing world. The Company's donations help provide free surgical care for children, advanced medical equipment and the training of pediatric cardiac surgical staff for better healthcare sustainability. We recognize that Bacardi's contribution is not only monetary, but their culture of Corporate Responsibility encourages global employees to support causes such as our medical missions. We are forever grateful for Bacardi's altruism that helps us continue our mission of medical charity throughout the globe.

BRYAN ARTILES, Fundraising, Events/PR Coordinator, ICHF



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

Australia – Employees support chosen charity

In Australia, the National Breast Cancer Foundation has been the chosen charity partner of Bacardi Lion since 2008. In fiscal 2012, employees raised a total of US\$21,000 for the charity, swelling total donations since our support started to US\$70,000. Employees raised vital funds through a series of cocktail nights, sweepstakes, raffles and auctions to raise awareness of breast cancer and the Foundation within the Company.

www.nbcf.org.au

We are delighted to contribute such a generous amount to this very worthy cause. I am very proud of the Bacardi Lion team for organizing and implementing so many great initiatives throughout the year and getting everyone involved.

COLIN ROCHESTER, Managing Director, Bacardi Lion



U.S.A. – Day of Service: supporting disadvantaged communities

In South Florida, Bacardi U.S.A. employees have a history of supporting “Abriendo Puertas,” a community resource center in Miami’s Little Havana community that offers services to disadvantaged families.

This support continued with the Bacardi U.S.A. Day of Service in July 2011, which saw more than 100 employees and their families come together at Abriendo Puertas for a day of volunteering. Employees donated almost US\$1,000 to the center’s food bank and assembled more than 250 food packs for families in need. In addition, the volunteers worked with children attending summer camp at the center to create more than 30 murals and 75 planters.

At Thanksgiving, in November 2011, employees helped to generate holiday cheer by donating a record 11,000 pounds (5,580 kilograms) of food to the Abriendo Puertas food bank. The donated food filled 240 boxes, requiring eight pallets and a large truck to transport it to the Abriendo Puertas canteen.

www.abriendopuertasfl.org



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

U.S.A. – Riding to support Multiple Sclerosis

In April 2011, Bacardi U.S.A. supported the National Multiple Sclerosis Society by again entering a team into the Multiple Sclerosis ride to Key Largo. Riders pedaled from the Homestead-Miami Speedway in Florida City to John Pennekamp State Park in Key Largo, totaling 150 miles. The Bacardi team of 300 riders, made up of Bacardi employees, families and friends, raised a record US\$175,000, the highest total raised of all teams taking part and surpassing the US\$112,000 raised the year before.

The team was sponsored by our 42BELOW Vodka brand, which furnished team kits for Bacardi riders and a team tent at the finish line. In addition, 42BELOW sponsored the rider village for all 3,000 participants at the overnight stop-off for the two-day ride. Bacardi U.S.A. also sponsored the VIP tent, which hosts the top fundraisers from the previous year's ride.

www.nationalmssociety.org



Netherlands – Fundraising in Amsterdam

In fiscal 2012, Bacardi Netherlands supported a fundraising event for Emma Children's Hospital AMC in Amsterdam, which cares for children with chronic diseases and long-term health problems. The fundraising evening was supported with a cash donation of US\$5,000, a product donation of US\$15,000 and employee volunteers who staffed the bars. In total, the event raised US\$411,000 for the hospital. The money helped fund accommodations for the families of sick children.

www.amazingemma.nl (in Dutch)

www.steunemma.nl/site/tag/stichting-embrace-emma (in Dutch)



China – Support for children in Shanghai

Bacardi China ran a fundraising event in December 2011 to support Heart to Heart Shanghai, a non-profit organization supporting poor families whose children are undergoing heart surgery. Employees made cash and non-cash (books, clothes, etc.) donations and were able to buy specially made heart bears (pictured right) to show their support, raising a total of US\$4,250.

www.heart2heartshanghai.net



About Bacardi Limited

Bacardi Limited is the largest privately held spirits producer in the world. We produce, market and distribute a variety of internationally recognized spirits through a network of regional and country level companies.

Our brand portfolio includes more than 200 brands and labels with a focus on six core global brands, supported by a strong portfolio of local brands. Our global brands are: BACARDÍ Rum, BOMBAY SAPPHIRE Gin, DEWAR'S Scotch Whisky, ERISTOFF Vodka, GREY GOOSE Vodka and MARTINI Vermouth and Italian sparkling wines.

Our brands



Our six core brands

www.bacardilimited.com/Home/OtherBrands

BACARDÍ Rum

World's number one selling rum.

www.bacardilimited.com/our-brands/bacardi-rum

MARTINI Vermouth

World's number one vermouth.

www.bacardilimited.com/our-brands/martini

BOMBAY SAPPHIRE Gin

World's number one premium gin by value.

www.bacardilimited.com/our-brands/bombay-sapphire-gin

GREY GOOSE Vodka

World leader in super premium vodka.

www.bacardilimited.com/our-brands/grey-goose-vodka

DEWAR'S Scotch Whisky

World's most awarded Scotch whisky.

www.bacardilimited.com/our-brands/dewars-blended-scotch-whisky

ERISTOFF Vodka

One of the fastest-growing vodka brands in the world.

www.bacardilimited.com/our-brands/eristoff-vodka

Key statistics

6,270

In fiscal 2012, we had 6,270 employees across the world.

US\$ 4,576M

Our fiscal 2012 net sales less excise taxes were US\$4,576,000,000.

US\$ 2,135M

Our total net debt was US\$2,135,000,000.

US\$ 5,366M

Our total equity was US\$5,366,000,000 (includes US\$93M non-controlling interests).

US\$ 9,375M

Our total assets were US\$9,375,000,000.

62.1M

We sold 62,083,000 9-liter cases of our Group brands in fiscal 2012.



Our operations

● *Headquarters*

Bacardi Limited is headquartered in Bermuda and incorporated under Bermudian law. Our products are sold in more than 150 markets worldwide by Bacardi companies and third-party distributors.



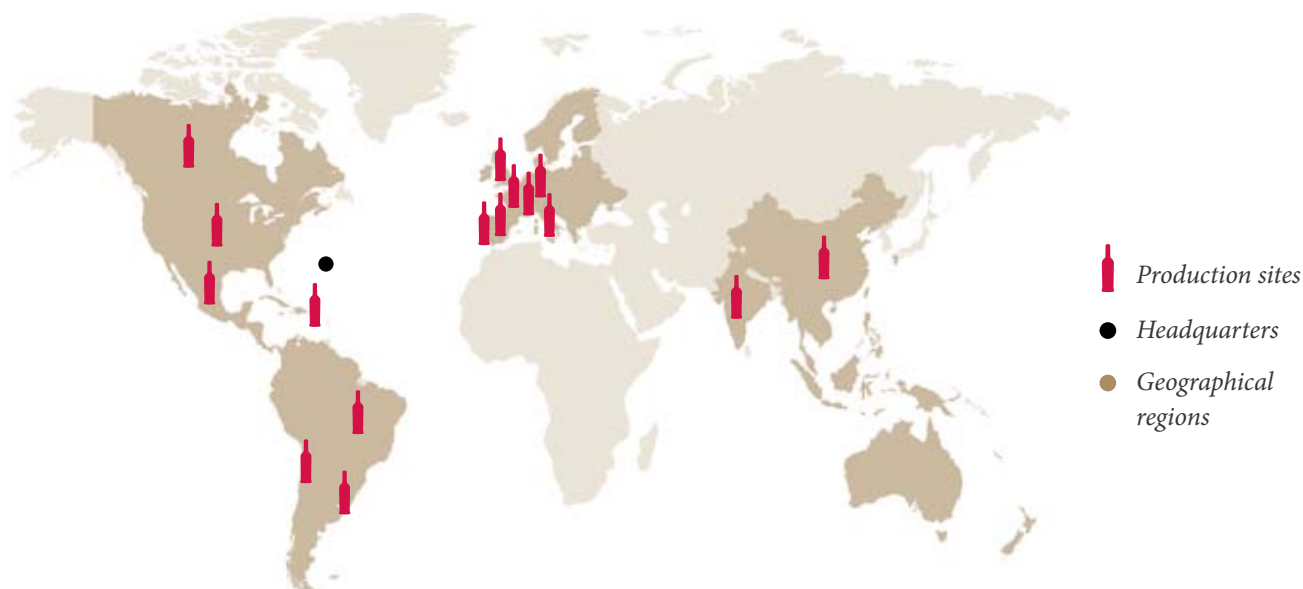
Production

We currently operate 27 production facilities including bottling, distilling and manufacturing facilities located strategically in 16 countries, including the United States, Scotland, Italy, France, Spain, Germany and Mexico. See map below for more information.

Distribution

We also operate a global distribution network for our brands and selected third-party agency brands. Our customers are independent distributors, wholesalers and retail outlets worldwide, including major grocers, convenience stores, hotels, restaurants and duty-free shops and stores. Consumers therefore have access to our brands from a variety of distribution channels.

Our production sites





Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report



 www.bacardilimited.com/our-company/plant-information



THE AMERICAS



CANADA

We have one facility in Canada located in Brampton. At this site we bottle BACARDÍ Rum and blend BACARDÍ BREEZER.



UNITED STATES

We have one facility in the United States located in Jacksonville. At this site we bottle BACARDÍ Rum.



MEXICO

We have three facilities in Mexico located in La Galarza, Tultitlán and Arandas. We distill BACARDÍ Rum at La Galarza and bottle it at Tultitlán. We produce CAZADORES Tequila at Arandas.



PUERTO RICO

We have one facility in Puerto Rico located in Cataño. At this site we produce BACARDÍ Rum.



CHILE

We have one facility in Chile located in Santiago. At this site we bottle MARTINI Vermouth and ERISTOFF Vodka.



URUGUAY

We have one facility in Uruguay located in Montevideo. At this site we bottle MARTINI Vermouth and ERISTOFF Vodka.



BRAZIL

We have one facility in Brazil located in São Bernardo. At this site we bottle BACARDÍ Rum and MARTINI Vermouth.





Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

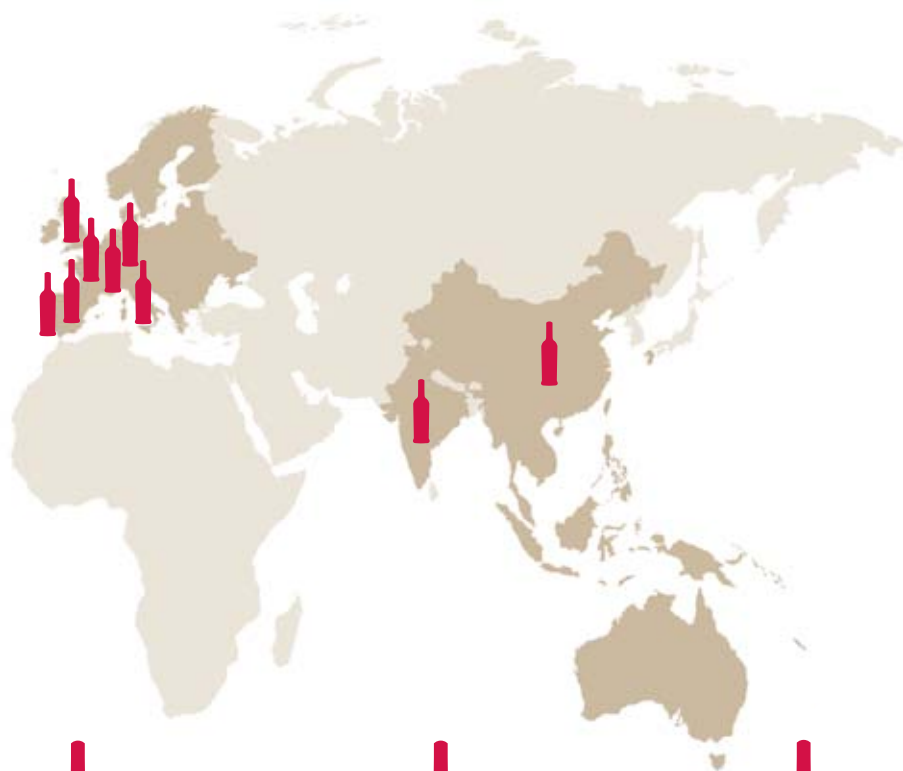
Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report



 www.bacardilimited.com/our-company/plant-information



EUROPE



FRANCE

We have five facilities in France located in Marseillan, Cognac, Fécamp, Gensac and Beaucaire. At Marseillan we produce NOILLY PRAT Vermouth, at Cognac we produce BARON OTARD Cognac and GASTON DE LAGRANGE Cognac, at Fécamp we produce BENEDICTINE Liqueur, at Gensac we bottle GREY GOOSE Vodka and at Beaucaire we bottle ERISTOFF Vodka.



GERMANY

We have one facility in Germany located in Buxtehude. At this site we bottle BACARDÍ Rum and produce BACARDÍ BREEZER.



ITALY

We have one facility in Italy located in Pessione. At this site we produce MARTINI Vermouth and MARTINI sparkling wines.



PORTUGAL

We have one facility in Portugal located in Lisbon. At this site we bottle MARTINI Vermouth.



SPAIN

We have one facility in Spain located in Mollet. At this site we produce MARTINI Vermouth and bottle BACARDÍ Rum.

ASIA



SWITZERLAND

We have one facility in Switzerland located in Meyrin. At this site we produce botanical blends and aromatic extracts for a range of brands.



UNITED KINGDOM

We have six facilities in Scotland. At our sites in Aberfeldy, Aultmore, Craigellachie, Royal Brackla and MacDuff we distill malt whisky. At our site in Glasgow we blend and bottle Scotch whisky.



CHINA

We have one facility in China located in Shanghai. At this site we bottle BACARDÍ Rum and produce BACARDÍ BREEZER.



INDIA

We have one facility in India located in Nanganjud. At this site we produce and bottle BACARDÍ Rum.



Our corporate structure

Regions

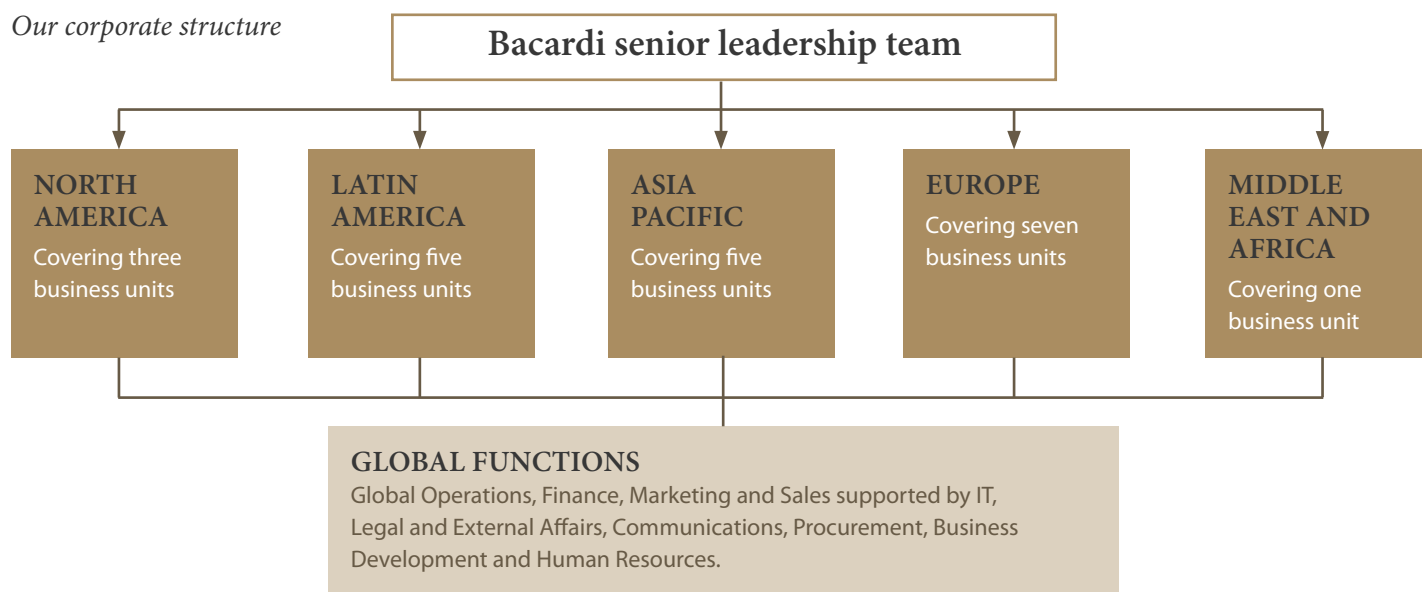
The corporate structure of Bacardi Limited includes five geographical regions – North America; Europe; Middle East and Africa; Latin America; Asia Pacific – and the global functions that support the Company.

The operating structure comprises a number of holding companies, trading subsidiaries and operating units, the ultimate owner of which is Bacardi Limited. In total, Bacardi has over 100 companies and sales offices that are wholly owned.

Global functions

Our global functions are Global Operations, Finance, Marketing and Sales, and these are supported by General Management functions, including IT, Legal and External Affairs, Communications, Procurement, Business Development and Human Resources. Each region consists of a small regional management hub and local markets where Bacardi has its distribution companies or sales offices.

Our corporate structure



Distribution operations

Operating arrangements differ from market to market, but include wholly owned, joint venture or third-party distribution.

In smaller markets, area managers work with nominated distributors and wholesalers in order to meet local demands for our brands.

In many markets, formal agency arrangements exist with other brand owners to handle their distribution.

A separate business unit distributes our brands through the Global Travel Retail network, i.e., airports, cruise ships and diplomatic channels.

Governance

This organizational structure is overseen by the Bacardi Board of Directors, which has three principal committees covering Audit, Compensation and Nominations (including oversight of the Company's corporate governance). Further details are given in our [GRI index](#).



ABOUT THIS REPORT**In this section**[Targets and progress](#)[GRI content index](#)[UN Global
Compact](#)[Key stories](#)[Downloads](#)

This is the fifth annual Corporate Responsibility report produced by Bacardi Limited, the largest privately held spirits company in the world. It focuses on our work to manage the social and environmental impacts of our business. This report covers the fiscal year ending March 31, 2012 (fiscal 2012) and builds upon our first four annual Corporate Responsibility reports. Our previous Corporate Responsibility report was published in January 2012. This report is not externally assured.

For the first time, the Bacardi Limited Corporate Responsibility report has been produced as an online report and as an integral part of our corporate Web site.

www.BacardiLimited.com.

Global Reporting Initiative

In this report, we have followed the Global Reporting Initiative (GRI) G3 framework for sustainability reporting for the second time. We self-declare this report to Application Level B.



Report coverage

There were no significant changes to the size, structure or ownership of the Company in fiscal 2012. There were no significant acquisitions or divestments in the year.

Data presented in the People and Philanthropy and Community Involvement sections, as well as safety data from the Environment, Health and Safety section, cover our offices and our directly owned and managed production facilities.

Data on indirect greenhouse gas (GHG) emissions cover our directly owned and managed production facilities and large offices with 25 people or more.

All other environmental data cover our directly owned and managed production facilities. Performance data from our offices, suppliers, outsourced bottlers and co-packers are not included. There have been no significant changes in the scope or boundaries of the data we are reporting this year.

Any re-statements of data are noted in the relevant sections of this report.

Data has been compiled following the GRI indicator protocols. Data measurement techniques and assumptions are cited in the relevant sections of the report.

The WRI/WBCSD Greenhouse Gas Protocol was used to compile our GHG emissions data.

Any reference to “Bacardi” as a company in this report refers to Bacardi Limited, one of its subsidiaries or a group of Bacardi companies.

Request for feedback

We would like to hear from our stakeholders on our 2012 Corporate Responsibility report. We are particularly interested in your views on:

- The information we have included.
- Any information we did not include.
- The case studies.
- The data reported.
- The design of the report.

Please use the [Contact us form](#) to send us your comments.

Thank you.






Targets and progress

The table below shows our progress against targets for fiscal 2012 and our targets for fiscal 2013. Full details of our performance can be found in the sections for each of our Corporate Responsibility pillars.



MARKETPLACE – LONG-TERM AMBITION

Our ambition is to be best-in-class in promoting responsible drinking and ensuring our marketing is responsible. In order to help reduce alcohol-related harm, we will play an influential role in encouraging responsible decision-making by legal drinking age (LDA) consumers and discouraging inappropriate consumption of our products.

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Continue the development of our flagship “Champions Drink Responsibly” consumer campaign, aiming to generate activity in more markets.	 Increased awareness with local market events and “Ace Rafa” Facebook™ game that was played by 50,000 people in 35 countries. Achieved 240,000 fans on the “Champions Drink Responsibly” Facebook™ page in the first year of the campaign.	Achieve 500,000 Facebook™ fans by the end of fiscal 2013. Launch a global competition to align more clearly the “Champions Drink Responsibly” campaign messaging with other brand consumer activity.
Publish new global guidelines for responsible digital and social media marketing.	 New digital marketing guidelines published in July 2011, which include a section on social responsibility.	Update the Bacardi Global Marketing Principles and supporting guidelines to bring them up-to-date with the new developments with our digital marketing approach. Launch a responsible digital marketing e-book to support our existing e-learning module on responsible marketing and include in the induction of all new employees.
Establish one Corporate Responsibility-related initiative for each of our six global premium brands.	 Brand imprint workshops run with DEWAR's Scotch Whisky, BACARDÍ Rum and BOMBAY SAPPHIRE Gin.	Include the responsible sourcing of the botanicals for BOMBAY SAPPHIRE Gin as part of the brand story. Include responsible drinking messaging within BACARDÍ Rum consumer party events.









Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Further support of the Global Alcohol Producers Group's Global Actions on Harmful Drinking and the World Health Organization Global Strategy to Reduce the Harmful Use of Alcohol.	 Global Actions on Harmful Drinking projects continued (27 projects in 18 countries) and an independent mid-term evaluation report on progress has been completed. Bacardi Limited provided local market support for projects in Mexico, Russia and China.	Play a part in developing a five-year industry commitment to reducing alcohol-related harm as part of Global Actions on Harmful Drinking. We will support specific activities to prevent packaging appealing to those under LDA and also expand consumer information on-pack.
Continue to build new and creative initiatives to combat the harmful use of alcohol at local country levels.	 Launch of our Slow Drinking program in France to build on previous educational initiatives. Continued to play a part in the U.K. Government's Responsibility Deal.	Assist in reforming the Foreign Spirits Producers Association in China, including widening the program of activities on responsible drinking. Expand our work with the U.K. Responsibility Deal, in particular increasing consumer choice of lower alcoholic strength drinks as a way to reduce alcohol unit intake and target alcohol-related harm.
 Achieved  Partially achieved  Not achieved  Target ongoing		



ENVIRONMENT, HEALTH AND SAFETY – LONG-TERM AMBITION

We aim to achieve best-in-class environmental and safety performance in our operations. Most of our products' environmental impacts are in our supply chain and we will work both in our own facilities and with our suppliers to reduce impacts and risks across our whole value chain. From a safety point of view, we have a long-term vision for an accident-free Bacardi Limited.

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Seek continual improvement in environmental performance, targeting a 1% reduction in greenhouse gas (GHG) emission intensity and a 1% improvement in water use efficiency.	 GHG emission intensity fell by 6% in fiscal 2012 and water use efficiency improved by 11% compared to fiscal 2011.	Seek continual improvement in environmental performance, targeting a 1% reduction in GHG emission intensity and a 1% improvement in water use efficiency.
Complete and launch the environmental sustainability strategy.	 We renewed our environmental sustainability vision and strategy and aim to launch it across the Company in fiscal 2013.	Launch the environmental sustainability strategy across Bacardi Limited.
30% of sites to have a behavior-based safety program in place.	 We continued to expand our behavior-based safety program at our operations and by the end of fiscal 2012, 56% of our sites were implementing the program.	67% of sites to have a behavior-based safety program in place by the end of the fiscal year.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People



Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Expand our EHS programs across the business and include non-manufacturing sites in our safety reporting.	✓ We have successfully started recording safety performance at our non-manufacturing sites and now report the lost time accident rate for the whole of Bacardi Limited.	Continue to expand our EHS program by building an office safety network, providing support from the manufacturing operations organization, establishing information sharing networks, and developing an improvement plan for office safety.
Maintain certification of all production facilities to the ISO 9001, ISO 14001 and OHSAS 18001 management system standards.	✓ All 27 production facilities maintained certification in fiscal 2012.	Maintain certification of all production facilities to the ISO 9001, ISO 14001 and OHSAS 18001 management system standards.
 Achieved  Partially achieved  Not achieved  Target ongoing		



RESPONSIBLE SOURCING – LONG-TERM AMBITION

Our vision for Responsible Sourcing is for all of our raw materials and packaging to come from sustainably sourced, renewable or recycled materials – reducing environmental and social impacts while maintaining or enhancing the economic status of growers and suppliers.

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Continue to involve our suppliers in the Sedex® database, aiming for the following in fiscal 2012: <ul style="list-style-type: none"> • 80% of global packaging suppliers by spend. • 60% of global point-of-sale (POS) suppliers by spend. • 75% of global ingredient and flavor suppliers by spend. 	 During a year of change within the Responsible Sourcing program, we have decided to restate our targets based on level of risk, rather than spend by procurement category. <p>Prior to making this change, halfway through fiscal 2012, performance against the target for Sedex® membership was:</p> <ul style="list-style-type: none"> • 60% of global packaging suppliers by spend. • 40% of global POS suppliers by spend. • 31% of global ingredient and flavor suppliers by spend. 	On an ongoing basis, 100% of high- and very high-risk direct suppliers and global POS suppliers to be compliant with Responsible Sourcing standards either via Sedex® membership or the Bacardi Limited procurement process. <p>20% increase in the number of suppliers on Sedex® database year-on-year.</p>
Identify and train site-based Responsible Sourcing champions during fiscal 2012 and 2013.	 The first step toward this was evolution of our Supplier Performance Measurement (SPM) tool, which now includes a section focusing on suppliers' Corporate Responsibility programs, adherence to our Responsible Sourcing standards, membership of Sedex® and environmental credentials.	Deliver focused training to develop the individuals running the SPM tool at our ten largest sites in fiscal 2013 and the remainder to be trained in fiscal 2014.







Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Implement our locally managed supplier audit program in fiscal 2012 and 2013.	→ We did not start to develop our supplier audit program in fiscal 2012, however, through our participation in the <u>mutual recognition</u> workstream of AIM-Progress, we have gained access to over 40 audits of our suppliers from a bank of 6000+ audits from our AIM-Progress colleagues.	We will start our local audit program during fiscal 2013, focusing initially on suppliers with a higher risk of non-compliance.
Work with our key suppliers to ensure that 100% of our sugarcane-derived ingredients are certified under the Bonsucro™ Production Standard within ten years.	→ Bacardi's commitment to Bonsucro™ remains as strong as ever and we will serve on the Bonsucro™ Board of Directors for another year following the Board election in February 2012.	In fiscal 2013, we will develop a sourcing plan to achieve our interim target to source 50% of our sugarcane products from Bonsucro™ certified sources by 2017.
Establish a program of socio-economic support for the sugarcane-growing communities supplying Bacardi Limited, starting with Fiji in fiscal 2012.	✓ The community program being run in Fiji by WWF is up and running. We source more than 40% of our molasses from Fiji and one of the key aims of the program is for the Fiji Sugar Corporation to become compliant with the Bonsucro™ production standard.	We will work with WWF to develop an agreed set of key performance indicators for the Fiji project that will be reported monthly. A gap analysis of the Labasa sugar mill in Fiji against the Bonsucro™ standard will also be completed in fiscal 2013.
Establish sustainability in the design and lifecycle of the POS ranges for global brands by fiscal 2017.	→ We continue to review the POS ranges of our global brands. With this review comes the opportunity to reduce the number of items and suppliers we use and to build relationships with suppliers in which sustainability and lifecycle management become part of the design criteria.	Establish a sustainability review process for all new POS items developed for our global range for the brands BOMBAY SAPPHIRE Gin, GREY GOOSE Vodka and DEWAR's Scotch Whisky.
 Achieved  Partially achieved  Not achieved  Target ongoing		



Corporate
Responsibility
at Bacardi
Limited

Marketplace





Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

PEOPLE – LONG-TERM AMBITION

We will unleash the potential of our people by creating a working environment where every employee can take advantage of the development opportunities Bacardi Limited offers. We will inspire, engage and support our people and intend to become recognized internally and externally as a Great Place to Work.

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Continue the roll-out of our Global Performance Management System to cover 4,000 employees by quarter one of fiscal 2012.	 Roll-out reached 3,800 employees by the end of fiscal 2012 and the Global Performance Management System is now available in seven languages.	Enhance the user experience for current users, making the system more intuitive. <ul style="list-style-type: none"> • Focus on the link between employee performance and Company performance. • Focus on functionality. • Focus on development planning.
Continue to build on our Talent Review and Succession Planning process to build new leaders for the future.	 Talent Review expanded to cover the majority of the top three levels of Bacardi Limited comprising almost 700 employees. Filled 70% of open positions in the top three levels of the Company with internal talent.	<ul style="list-style-type: none"> • Complete the global roll-out of Talent Reviews across the top three levels of the Company. • Expansion to deeper levels of the Company, with a specific focus on our sales function.
Launch a range of new leadership development products.	 Successfully trialed a number of leadership development initiatives, including our Step Up and Talent Exchange programs.	Continue to establish our portfolio of leadership development initiatives across Bacardi Limited: <ul style="list-style-type: none"> • Roll out Step Up and Talent Exchange initiatives. • Pilot a Coaching Certification and Manager Training program. • Launch our leadership fundamentals program for line managers.
Launch our first Global Employee Engagement Survey and action teams in fiscal 2012.	 Global Employee Engagement Survey completed with a 92% participation rate across the Company. Action teams made up of local employees will also be established to identify and address areas for improvement.	Action teams established in fiscal 2013 will identify key improvement areas and develop plans for delivering improvements over the next 24 months.











Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Continue the roll-out of our Women in Leadership strategy.	 Focused on organizational engagement and awareness raising during the year and piloted a female maternity coaching program as well as releasing an adoption policy as part of our equality of opportunity policy.	<ul style="list-style-type: none"> • 50% of business units and global functions to establish a local three-point Women in Leadership action plan. • Run a development course for high-potential women leaders. • Launch recruitment guidelines that provide guidance on recruiting high-potential women. • Establish an internal women's network in key locations.
Roll out the implementation of our new operating model.	 A new operating model that delivers greater resources to our sales and marketing functions has been rolled out. In line with our recruiting approach, 90% of new roles within sales and marketing were filled internally from our existing workforce.	Embed the new operating model through workshops and launch a "toolbox for change" that provides all Bacardi Limited people with advice and tips to make our organization more agile and successful in adapting to internal and external factors.
Implement global employee assistance program – Bacardi Assist – in all markets.	 Employee assistance program rolled out in all markets, 167 cases logged by the end of fiscal 2012.	<p>Continue to raise awareness of Bacardi Assist in fiscal 2013. We anticipate that this will result in more employees taking advantage of this service during the next fiscal.</p> <p>We will also monitor employee perception of the program and enhance it where appropriate.</p>
Develop an employee-giving fund that contributes and responds to natural disasters and other good causes.	 An employee-giving fund was not developed. It is currently our view that our existing approach is working well and we will respond to natural disasters and other good causes in the same way as we have in the past. We will also continue to involve employees with volunteering, sponsorship and personal donations without setting up a world-wide process to manage this.	N/A
 Achieved  Partially achieved  Not achieved  Target ongoing		



Corporate
Responsibility
at Bacardi
Limited

Marketplace








Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

PHILANTHROPY AND COMMUNITY INVOLVEMENT – LONG-TERM AMBITION

We aim to involve our employees in our Philanthropy and Community Involvement (PCI) activities and raise their awareness of our approach to Corporate Responsibility through these initiatives. We support local communities in four broad areas: arts and culture; education; environment; and health and social services.

TARGETS FOR FISCAL 2012	PROGRESS IN FISCAL 2012	TARGETS FOR FISCAL 2013
Complete the development of our strategic approach to PCI.	 In line with our assessment of the most material Corporate Responsibility issues, we have decided to maintain our existing approach to community involvement, which incorporates an annual, global flagship community event and local initiatives managed by local operations that are closer to their communities.	Continue to monitor the effectiveness of our philanthropy and community approach and develop our employees' understanding of and involvement in community activities.
Continue to establish the LBG (formerly London Benchmarking Group) model within the business and deliver benchmarking feedback in line with LBG.	 Reporting into the community database has been improved. Instructions and definitions for community ambassadors have been made clearer to facilitate more accurate community reporting.	Continue to roll out the LBG model within the business and deliver benchmarking feedback in line with LBG.
Build on the success of CR Week by delivering a second flagship event in spring 2012.	 We planned an expanded CR Month in May 2012, which is at the beginning of fiscal 2013 for Bacardi Limited.	Successfully deliver the expanded CR Month at the beginning of fiscal 2013 and continue planning and refinement to run a global community event annually.
 Achieved  Partially achieved  Not achieved  Target ongoing		



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

GRI content index

This report has been produced in line with the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines and is a self-declared Application Level B report.

Key

✓ Fully reported

✗ Not reported

Indicator	Description	Status	Link	Notes
1. Strategy and Analysis				
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.	✓	<ul style="list-style-type: none"> A welcome from our Chairman and Chief Executive Officer CEO video 	
1.2	Description of key impacts, risks, and opportunities.	✓	<ul style="list-style-type: none"> A welcome from our Chairman and Chief Executive Officer Our Corporate Responsibility program Stakeholders Materiality Our impacts 	
2. Organizational Profile				
2.1	Name of the organization.	✓	<ul style="list-style-type: none"> About Bacardi Limited 	
2.2	Primary brands, products, and/or services.	✓	<ul style="list-style-type: none"> About Bacardi Limited 	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	✓	<ul style="list-style-type: none"> About Bacardi Limited 	
2.4	Location of organization's headquarters.	✓	<ul style="list-style-type: none"> About Bacardi Limited 	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	✓	<ul style="list-style-type: none"> About Bacardi Limited 	
2.6	Nature of ownership and legal form.	✓	<ul style="list-style-type: none"> About Bacardi Limited 	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	✓	<ul style="list-style-type: none"> About Bacardi Limited 	



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes
2.8	Scale of the reporting organization, including: • Number of employees; • Net sales (for private sector organizations) or net revenues (for public sector organizations); • Total capitalization broken down in terms of debt and equity (for private sector organizations); and • Quantity of products or services provided.	✓	• About Bacardi Limited	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	✓	• About this Report	
2.10	Awards received in the reporting period.	✓	• EHS management	
3. Report Parameters				
<i>Report profile</i>				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	✓	• About this Report	
3.2	Date of most recent previous report (if any).	✓	• About this Report	
3.3	Reporting cycle (annual, biennial, etc.).	✓	• About this Report	
3.4	Contact point for questions regarding the report or its contents.	✓	• About this Report	
<i>Report scope and boundary</i>				
3.5	Process for defining report content • Determining materiality; • Prioritizing topics within the report; and • Identifying stakeholders the organization expects to use the report.	✓	• Stakeholders • Materiality	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	✓	• About this Report	
3.7	State any specific limitations on the scope or boundary of the report.	✓	• About this Report	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	✓	• About this Report	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	✓	• About this Report • EHS management	



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes																												
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	✓	• EHS management																													
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	✓	• EHS management																													
GRI content index																																
3.12	Table identifying the location of the Standard Disclosures in the report.	✓	• About this Report • GRI content index																													
Assurance																																
3.13	Policy and current practice with regard to seeking external assurance for the report.	✓	• About this Report																													
4. Profile																																
Governance																																
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	✓		<p>The Board of Directors of Bacardi Limited is the highest governance body within the organization and consists of 16 members. The Chief Executive Officer (CEO) is the only ‘executive’ officer on the Board. The Directors are elected by our shareholders at the Annual General Meeting and hold their office for a term of one year or until their successors have been duly appointed. The Board of Directors is entrusted with directing and conducting the business, including determining the Company’s strategic direction.</p> <p>Directors</p> <p>The following list presents information concerning our directors in fiscal 2012:</p> <table><thead><tr><th>Name</th><th>Position</th></tr></thead><tbody><tr><td>Facundo L. Bacardi⁽¹⁾</td><td>Chairman of the Board</td></tr><tr><td>Adolfo L. Danguillecourt⁽¹⁾</td><td>Deputy Chairman of the Board</td></tr><tr><td>Barry E. Kabalkin</td><td>Deputy Chairman of the Board</td></tr><tr><td>Edward D. Shirley⁽⁴⁾</td><td>President and Chief Executive Officer</td></tr><tr><td>Victor R. Arellano, Jr.⁽¹⁾</td><td>Director</td></tr><tr><td>Jaime Bergel⁽²⁾</td><td>Director</td></tr><tr><td>Francisco V. Carrera Justiz⁽¹⁾⁽²⁾</td><td>Director</td></tr><tr><td>Robert J. Corti⁽²⁾⁽³⁾</td><td>Director</td></tr><tr><td>Paul M. de Hechavarria⁽²⁾</td><td>Director</td></tr><tr><td>Ignacio de la Rocha⁽¹⁾</td><td>Director</td></tr><tr><td>Michael J. Dolan⁽²⁾</td><td>Director</td></tr><tr><td>John S. Galantic⁽³⁾</td><td>Director</td></tr><tr><td>Melanie Healey⁽³⁾</td><td>Director</td></tr></tbody></table>	Name	Position	Facundo L. Bacardi ⁽¹⁾	Chairman of the Board	Adolfo L. Danguillecourt ⁽¹⁾	Deputy Chairman of the Board	Barry E. Kabalkin	Deputy Chairman of the Board	Edward D. Shirley ⁽⁴⁾	President and Chief Executive Officer	Victor R. Arellano, Jr. ⁽¹⁾	Director	Jaime Bergel ⁽²⁾	Director	Francisco V. Carrera Justiz ⁽¹⁾⁽²⁾	Director	Robert J. Corti ⁽²⁾⁽³⁾	Director	Paul M. de Hechavarria ⁽²⁾	Director	Ignacio de la Rocha ⁽¹⁾	Director	Michael J. Dolan ⁽²⁾	Director	John S. Galantic ⁽³⁾	Director	Melanie Healey ⁽³⁾	Director
Name	Position																															
Facundo L. Bacardi ⁽¹⁾	Chairman of the Board																															
Adolfo L. Danguillecourt ⁽¹⁾	Deputy Chairman of the Board																															
Barry E. Kabalkin	Deputy Chairman of the Board																															
Edward D. Shirley ⁽⁴⁾	President and Chief Executive Officer																															
Victor R. Arellano, Jr. ⁽¹⁾	Director																															
Jaime Bergel ⁽²⁾	Director																															
Francisco V. Carrera Justiz ⁽¹⁾⁽²⁾	Director																															
Robert J. Corti ⁽²⁾⁽³⁾	Director																															
Paul M. de Hechavarria ⁽²⁾	Director																															
Ignacio de la Rocha ⁽¹⁾	Director																															
Michael J. Dolan ⁽²⁾	Director																															
John S. Galantic ⁽³⁾	Director																															
Melanie Healey ⁽³⁾	Director																															



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes
				<p>Roman Martinez IV⁽²⁾⁽³⁾ Director</p> <p>Philip Shearer⁽³⁾ Director</p> <p>Theodore C. Walker⁽³⁾ Director</p> <p>(1) Nominating and Governance Committee member. (2) Audit Committee member. (3) Compensation Committee member. (4) Edward D. Shirley succeeded Séamus McBride as President and Chief Executive Officer on March 12, 2012.</p> <p>Committees of our Board of Directors</p> <p>The Board of Directors has established three principal committees: the Audit Committee, the Compensation Committee and the Nominating and Governance Committee.</p> <p>The Audit Committee's primary functions are to advise and assist the Board of Directors with respect to the selection of the independent auditors of the Company, the conduct of the external and internal audits of our internal control structure, the external audit of our accounts, financial reporting matters and internal controls over financial matters. It is also responsible for reviewing our consolidated financial statements, the reports of the independent auditors and other financial information.</p> <p>The Compensation Committee assists the Board of Directors in fulfilling its responsibilities in determining the compensation of the Company's senior executives and Board members. The Compensation Committee has the overall responsibility for approving and evaluating the compensation plans (including perquisites and retirement benefits), policies and programs of the Company with respect to officers, senior executives and directors.</p> <p>The Nominating and Governance Committee assists the Board of Directors in identifying, recruiting and providing candidates who would become nominees for future election to the Board of Directors by the shareholders. It is also responsible for assessing the performance of the Board of Directors and its individual members in coordination with the Chairman of the Board. Additionally, the Nominating and Governance Committee is tasked with oversight of the Company's corporate governance.</p>
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	✓		Bacardi Limited has adopted the practice of separate appointments of the Chairman of the Board and the CEO of the Company.
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	✓		Bacardi Limited has a unitary board structure. Only the CEO is classified as an 'executive' director. All 15 other directors are classified as 'non-executive'. The Company defines 'non-executive' as a director who does not form part of the executive management team. He or she is not an employee of the Company.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	✓		<p>Shareholders:</p> <p>As a private company, which is family-owned by approximately 500 shareholders, the mechanisms in place for shareholder communication with the Board are as follows:</p> <ul style="list-style-type: none"> • Letters and other forms of written communication to the Chairman or to the Board directly are reviewed and responded to. • There is a formal shareholder relations department that deals with specific requests and/or complaints from shareholders as and when they arise. In addition to this, the office of the Chairman provides a shareholder relations function with shareholders often discussing issues directly with the Chairman. • There is family representation on the Board from the branches of the family. Often issues are funneled up to the Board via the appropriate family representative. • The Annual General Meeting allows for shareholder queries on specific items as they are presented. There is also the opportunity for general shareholder questions and comments. There is no specific time limit or cap on the number of questions that can be asked. • There is a semi-annual shareholder webcast. Here again, shareholders can ask specific items as topics are covered, however there is also the opportunity for general shareholder questions and comments. <p>Employees:</p> <p>There are a number of mechanisms in place for employees to engage with the CEO and members of his management team.</p> <ul style="list-style-type: none"> • The CEO holds regular webcasts with staff throughout the year with an open question and answer period. • The CEO and representatives from his senior management team hold regular forums throughout the year, engaging employees on all levels. • The CEO and senior management team regularly engage with employees on the ONE Bacardi global intranet. • In addition, in 1999 the company and employees' representatives from each of the Member States of the European Economic Area created the Bacardi Martini Forum, an information and consultation forum of management and employees' representatives who meet to engage in a dialogue on the business performance and prospects for the Bacardi operations within the European Region.



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	✓		<p>The directors are currently paid a fixed fee for each Board and Committee meeting attended, as well as their expenses incurred in connection with meeting attendance. Unlike many companies (particularly publicly traded companies), the Company does not provide equity or equity-based compensation to the directors.</p> <p>Bacardi has adopted a pay for performance compensation philosophy. The annual incentive structure is designed to instill shared accountability in achieving the Company's strategic vision. This design implements a globally consistent structure, revises the financial measures and links performance ratings to compensation decisions. The structure will apply a consistent mix of financial measures and individual performance ratings to all Bacardi executives by level and function or region (subject to local legal constraints) and will have a significant impact on the determination of the annual incentive payout.</p> <p>Our Long-term Cash Incentive Plan ("LTCI Plan") compensates senior executives with the objective of maximizing the growth of the Company. The amount that is eventually paid from the LTCI Plan is based on a three-year performance period evaluation, based on financial goals and brand health. The measures used in this evaluation reflect both financial and strategic objectives. The awards vest on the third anniversary of their issuance, and are automatically exercised upon vesting.</p>
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	✓		<p>Conflicts of interest are handled at the Board level and at the Company level.</p> <p>At the Board level, during the nomination phase of a director, the current directors' qualification policy states that nominees for director must not have a conflict of interest as defined by the Company's Code of Conduct, unless it is waived by the Nominating and Governance Committee following full disclosure of potential conflicts as part of the nomination process. In addition, directors of a Bermuda company have a duty to avoid conflicts of interest. Our bye-laws also provide that a director must disclose any direct or indirect interest in any contract or arrangement with us.</p> <p>At the Company level, the Code of Conduct is monitored by the Compliance Committee which reports to the Audit Committee.</p>



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	✓		<p>There is a Board policy on the qualifications for nominations to the Board of Directors for which each nominee is reviewed and measured against by the Nominating and Governance Committee, prior to being put forth as a candidate for election to the Board. This policy seeks to ensure that the nominees to the Board meet certain criteria and have the necessary education and experience. Experience is defined as "having experience demonstrating significant management or professional accomplishments with substantial business enterprises and a capacity to understand the material business and financial issues of the Company and to contribute meaningfully to the work of the Board."</p> <p>The Board receives a report on the Corporate Responsibility program once a year, as well as ad hoc updates from the CEO and from members of the management team.</p>
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	✓		<p>The Company's mission, values and Code of Conduct are globally applied across the organization to all regions, countries, departments and business units. They are promoted on the internal Web site and through messaging in employee communication, training and development.</p>
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	✓		<p>Once a year the Board receives a report on our Corporate Responsibility program, which covers all initiatives in this area.</p> <p>The Board has appointed a Compliance Committee which has, among other things, the responsibility of overseeing and implementing the Code of Conduct.</p>
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	✓		<p>In May 2011, the Nominating and Governance Committee approved self-assessments for the Board and its committees. The self-assessment process will eventually tie into the closing of the fiscal year.</p>
<i>Commitments to external initiatives</i>				
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	✓		<p>Our environmental policy adheres to the Precautionary Principle established by the 1992 Rio Declaration on Environment and Development. This states that complete scientific certainty is not necessary before measures are taken to prevent environmental damage.</p>



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	✓		UNGC (http://www.unglobalcompact.org/) GRI (https://www.globalreporting.org/) European and national self-regulatory codes on responsible marketing ILO Conventions (www.ilo.org) Ethical Trading Initiative Base Code (www.ethicaltrade.org) Bonsucro™ (www.bonsucro.com) LBG (http://www.lbg-online.net/)
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	✓	<ul style="list-style-type: none"> • Tackling alcohol-related harm • Responsible drinking campaigns • Responsible supply chain • Working with suppliers and partners • Sustainable agriculture and sourcing 	International Council for Alcohol Policies (ICAP) (www.icap.org/) Global Alcohol Producers Group (GAPG) (http://www.global-actions.org/) World Federation of Advertisers (WFA) (www.wfanet.org) European Spirits Organisation (CEPS)* (www.spirits.eu) European Forum for Responsible Drinking (EFRD)* (www.spirits.eu) Distilled Spirits Council (DISCUS) (www.discus.org) The Century Council (www.centurycouncil.org) AIM-PROGRESS (http://www.aim-progress.com/) Sedex® (http://www.sedexglobal.com/) Bonsucro™ (www.bonsucro.com) Beverage Industry Environmental Roundtable (BIER) (http://www.bierroundtable.com/) We are also members of various local trade associations and social aspects organizations in the markets in which we operate. * In November 2012, after the close of fiscal 2012, CEPS and EFRD merged to become spiritsEUROPE.

Stakeholder engagement

4.14	List of stakeholder groups engaged by the organization.	✓	• Stakeholders	
4.15	Basis for identification and selection of stakeholders with whom to engage.	✓	• Stakeholders	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	✓	• Stakeholders	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	✓	• Stakeholders • Materiality	

5. Management Approach and Performance Indicators

Economic performance indicators

DMA	Disclosures on Management Approach	✓	• Responsible supply chain	
-----	------------------------------------	---	----------------------------	--



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes																																																
Economic performance																																																				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	✗																																																		
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	✗																																																		
EC3	Coverage of the organization's defined benefit plan obligations.	✗																																																		
EC4	Significant financial assistance received from government.	✗																																																		
Market presence																																																				
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation. (Additional indicator)	✗																																																		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	✓		<p>We select our suppliers on a range of criteria including cost, quality, supply chain and adherence to our Responsible Sourcing standards. Although proximity to our operations is not a basis for supplier selection, figures for the location of our suppliers show that a large percentage is local to our plants. We define suppliers as local if they are in the same country as the operation they are supplying. In fiscal 2012, 79% of packaging and ingredient suppliers (329 of a total of 414) were local suppliers.</p> <div><p>PACKAGING AND INGREDIENT SUPPLIERS DEFINED AS LOCAL (%)</p><table><tr><td>EMEA*</td><td><div><div></div><div></div></div></td><td>71</td></tr><tr><td></td><td><div><div></div><div></div></div></td><td>73</td></tr><tr><td>NORTH AMERICA</td><td><div><div></div><div></div></div></td><td>84</td></tr><tr><td></td><td><div><div></div><div></div></div></td><td>82</td></tr><tr><td>LATIN AMERICA</td><td><div><div></div><div></div></div></td><td>96</td></tr><tr><td></td><td><div><div></div><div></div></div></td><td>91</td></tr><tr><td>ASIA PACIFIC</td><td><div><div></div><div></div></div></td><td>81</td></tr><tr><td></td><td><div><div></div><div></div></div></td><td>100</td></tr><tr><td>TOTAL</td><td><div><div></div><div></div></div></td><td>78</td></tr><tr><td></td><td><div><div></div><div></div></div></td><td>81</td></tr></table><p>Ingredient suppliers Packaging suppliers</p><p>PACKAGING AND INGREDIENT SUPPLIERS DEFINED AS LOCAL (%)</p><table><tr><th></th><th>Ingredient suppliers</th><th>Packaging suppliers</th></tr><tr><td>EMEA*</td><td>71</td><td>73</td></tr><tr><td>North America</td><td>84</td><td>82</td></tr><tr><td>Latin America</td><td>96</td><td>91</td></tr><tr><td>Asia Pacific</td><td>81</td><td>100</td></tr><tr><td>Total</td><td>78</td><td>81</td></tr></table><p>*Europe, Middle East and Africa</p></div>	EMEA*	<div><div></div><div></div></div>	71		<div><div></div><div></div></div>	73	NORTH AMERICA	<div><div></div><div></div></div>	84		<div><div></div><div></div></div>	82	LATIN AMERICA	<div><div></div><div></div></div>	96		<div><div></div><div></div></div>	91	ASIA PACIFIC	<div><div></div><div></div></div>	81		<div><div></div><div></div></div>	100	TOTAL	<div><div></div><div></div></div>	78		<div><div></div><div></div></div>	81		Ingredient suppliers	Packaging suppliers	EMEA*	71	73	North America	84	82	Latin America	96	91	Asia Pacific	81	100	Total	78	81
EMEA*	<div><div></div><div></div></div>	71																																																		
	<div><div></div><div></div></div>	73																																																		
NORTH AMERICA	<div><div></div><div></div></div>	84																																																		
	<div><div></div><div></div></div>	82																																																		
LATIN AMERICA	<div><div></div><div></div></div>	96																																																		
	<div><div></div><div></div></div>	91																																																		
ASIA PACIFIC	<div><div></div><div></div></div>	81																																																		
	<div><div></div><div></div></div>	100																																																		
TOTAL	<div><div></div><div></div></div>	78																																																		
	<div><div></div><div></div></div>	81																																																		
	Ingredient suppliers	Packaging suppliers																																																		
EMEA*	71	73																																																		
North America	84	82																																																		
Latin America	96	91																																																		
Asia Pacific	81	100																																																		
Total	78	81																																																		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	✗																																																		



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes
Indirect economic impacts core				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.	✗		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts. (Additional indicator)	✗		
Environmental performance indicators				
DMA	Disclosures on Management Approach	✓	• EHS strategy • EHS management	
Materials				
EN1	Materials used by weight or volume.	✗		
EN2	Percentage of materials used that are recycled input materials.	✗		
Energy				
EN3	Direct energy consumption by primary energy source.	✓	• Energy	
EN4	Indirect energy consumption by primary source.	✓	• Energy	
EN5	Energy saved due to conservation and efficiency improvements. (Additional indicator)	✓	• Energy	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. (Additional indicator)	✗		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved. (Additional indicator)	✗		
Water				
EN8	Total water withdrawal by source.	✓	• Water	
EN9	Water sources significantly affected by withdrawal of water. (Additional indicator)	✗		
EN10	Percentage and total volume of water recycled and reused. (Additional indicator)	✗		
Biodiversity				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	✗		



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	✗		
EN13	Habitats protected or restored. (Additional indicator)	✗		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity. (Additional indicator)	✗		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. (Additional indicator)	✗		
Emissions, effluents, and waste				
EN16	Total direct and indirect greenhouse gas emissions by weight.	✓	• Greenhouse gases	
EN17	Other relevant indirect greenhouse gas emissions by weight.	✓	• Greenhouse gases	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved. (Additional)	✗		
EN19	Emissions of ozone-depleting substances by weight.	✗		
EN20	NOx, SOx, and other significant air emissions by type and weight.	✓	• Greenhouse gases	
EN21	Total water discharge by quality and destination.	✓	• Water	
EN22	Total weight of waste by type and disposal method.	✓	• Waste and packaging	
EN23	Total number and volume of significant spills.	✓	• EHS management	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. (Additional indicator)	✗		
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. (Additional indicator)	✗		
Products and services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	✗		



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	✗		
Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	✓	• EHS management	
Transport				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. (Additional indicator)	✗		
Overall				
EN30	Total environmental protection expenditures and investments by type. (Additional indicator)	✗		
Labor practices and decent work performance indicators				
DMA	Disclosures on Management Approach	✓	• People • Safety	
Employment				
LA1	Total workforce by employment type, employment contract, and region.	✓		<p>At the close of fiscal 2012, our total workforce numbered 6,721, comprising 6,270 employees and 451 supervised workers.</p> <div> <div> <p>TOTAL WORKFORCE</p> <p>Employees 6,270 Supervised workers 451</p> </div> <div> <p>EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT</p> <p>Temporary 585 Permanent 5,685</p> </div> <div> <p>PERMANENT EMPLOYEES BY EMPLOYMENT TYPE</p> <p>Full-time 5,578 Part-time 107</p> </div> <div> <p>WORKFORCE BY REGION</p> <p>North America 1,234 Europe, Middle East and Africa 3,607 Latin America 1,051 Asia Pacific 829</p> </div> </div>



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes
LA2	Total number and rate of employee turnover by age group, gender, and region.	✓		<p>In fiscal 2012, 785 employees left the Company, representing a turnover rate of 12.5%.</p> <p>EMPLOYEE TURNOVER BY GENDER</p> <p>Male 479 (7.6%) Female 306 (4.9%)</p> <p>EMPLOYEE TURNOVER BY AGE</p> <p>Over 50 years 198 (3.2%) 30 to 50 years 433 (6.9%) Under 30 years 154 (2.4%)</p> <p>EMPLOYEE TURNOVER BY REGION</p> <p>North America 112 (1.8%) Europe, Middle East and Africa 410 (6.5%) Latin America 162 (2.6%) Asia Pacific 101 (1.6%)</p>
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. (Additional indicator)	✗		
Labor/management relations				
LA4	Percentage of employees covered by collective bargaining agreements.	✓		<p>In fiscal 2012, 37% of employees were covered by collective bargaining agreements.</p> <p>EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS</p> <p>Covered by a collective bargaining agreement 2,320 Not covered by a collective bargaining agreement 3,950</p>
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	✗		
Occupational health and safety				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. (Additional indicator)	✗		



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.	✗		
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	✗		
LA9	Health and safety topics covered in formal agreements with trade unions. (Additional indicator)	✗		
Training and education				
LA10	Average hours of training per year per employee, by employee category.	✗		
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. (Additional indicator)	✗		
LA12	Percentage of employees receiving regular performance and career development reviews. (Additional indicator)	✗		
Diversity and equal opportunity				
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	✗		
LA14	Ratio of basic salary of men to women by employee category.	✗		
Human rights performance indicators				
DMA	Disclosures on Management Approach	✓	• People	
Investment and procurement practices				
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	✗		
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	✗		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. (Additional indicator)	✗		



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes
Non-discrimination				
HR4	Total number of incidents of discrimination and actions taken.	✓		<p>In fiscal 2012, five separate allegations of employee harassment were brought to the attention of the Compliance Committee.</p> <p>Two complaints were uncorroborated with one case being closed immediately. In the other uncorroborated case, a local remediation plan was put in place.</p> <p>In one of the remaining reported cases, the complaint was discussed with the reported employee and thereafter closed. In another, two employees were dismissed for their behavior.</p> <p>The fifth report was of inappropriate discriminatory behavior by an employee which did not involve any other person. This resulted in the employee being issued with a formal final warning and a remediation plan is now in place to prevent further occurrences.</p>
Freedom of association and collective bargaining				
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	✗		
Child labor				
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	✗		
Forced and compulsory labor				
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	✗		
Security practices				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. (Additional indicator)	✗		
Indigenous rights				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	✗		



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes
<i>Society performance indicators</i>				
DMA	Disclosures on Management Approach	✓	• Philanthropy and Community Involvement	Our employee Code of Conduct is based on widely recognized principles of sound governance and articulates our high standards on issues such as legal compliance, conflicts of interest, financial reporting, competition, anti-corruption practices and social responsibility. Each year our key managers have to certify their compliance with the Code of Conduct and expressly note any exceptions. The certifications are reviewed by our Compliance Committee and the results are reported to the Audit Committee of the Board of Directors.
Community				
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	✗		
Corruption				
SO2	Percentage and total number of business units analysed for risks related to corruption.	✗		
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	✓		All Bacardi employees have undertaken a training program on the principles of the Bacardi Limited Code of Conduct which includes anti-corruption practices. In addition, the CEO and all members of the Bacardi senior leadership team (BLT) have undertaken specific training on anti-corruption practices. Similar training will be rolled out to all direct reports of BLT members during fiscal 2013.
SO4	Actions taken in response to incidents of corruption.	✓		<p>In fiscal 2012, ten separate allegations of corruption were reported.</p> <p>Eight cases related to inappropriate business practices. In five of these cases, employees were dismissed or disciplined. In one case, a contract with a vendor was terminated. Of the eight cases reported, in four cases there was an internal review of current business practices.</p> <p>In addition there was one allegation of misuse of company assets which resulted in an employee dismissal followed by a review of local internal business practices.</p> <p>There was one allegation of theft of company assets which resulted in an employee dismissal followed by a review of local internal business practices.</p>
Public policy				
SO5	Public policy positions and participation in public policy development and lobbying.	✗		



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

Indicator	Description	Status	Link	Notes
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country (Additional indicator)	✗		
Anti-competitive behavior				
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes. (Additional indicator)	✗		
Compliance core				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	✗		
Product responsibility performance indicators				
DMA	Disclosures on Management Approach	✓	• Marketplace	
Customer health and safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	✗		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes. (Additional indicator)	✗		
Product and service labelling				
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	✗		
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes. (Additional indicator)	✗		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. (Additional indicator)	✗		
Marketing communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	✓	• Responsible marketing	



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
SafetyResponsible
Sourcing

People

Philanthropy
and Community
InvolvementAbout Bacardi
LimitedAbout this
Report

<i>Indicator</i>	<i>Description</i>	<i>Status</i>	<i>Link</i>	<i>Notes</i>
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	✓	• Responsible marketing	
Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. (Additional indicator)	✗		
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	✓		We have not received any significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.



UN Global Compact

Communication on Progress

As a signatory to the United Nations Global Compact (UNGC), we are committed to meeting the ten internationally accepted principles in the areas of human rights, labor standards, the environment and anti-corruption in all our global business operations. Signatories to the UNGC are required to publish an annual Communication on Progress. This report, including the GRI content index, provides our Communication on Progress against the principles of the UNGC.

UNGC PRINCIPLES	BACARDI APPROACH	WHERE TO FIND OUT MORE
HUMAN RIGHTS		
<p>Businesses should:</p> <ol style="list-style-type: none"> 1. support and respect the protection of internationally proclaimed human rights; and 2. make sure that they are not complicit in human rights abuses. 	<p>Maintaining the health and safety of all our employees is a high priority for us. All our manufacturing sites continue to be certified to the international health and safety standard OHSAS 18001.</p> <p>Our suppliers have to meet our Responsible Sourcing standards, which commit them to complying with human rights principles.</p> <p>We have a structured process for engaging suppliers with our standards. This includes supplier self-assessments and on-site inspections.</p>	<p>Environment, Health and Safety Responsible Sourcing</p>
LABOR STANDARDS		
<p>Businesses should uphold:</p> <ol style="list-style-type: none"> 3. the freedom of association and the effective recognition of the right to collective bargaining; 4. the elimination of all forms of forced and compulsory labor; 5. the effective abolition of child labor; and 6. the elimination of discrimination in respect of employment and occupation. 	<p>We respect the right to freedom of association among all of our employees.</p> <p>Our Responsible Sourcing standards require our suppliers to respect freedom of association and the right to collective bargaining.</p> <p>We do not use forced or child labor in any of our operations. Our Company Code of Conduct includes a commitment to equal opportunities and non-discrimination.</p> <p>We aim to achieve the elimination of all forms of forced labor, child labor and discrimination in our supply chain through our Responsible Sourcing standards.</p> <p>We are also members of industry-wide partnerships such as Bonsucro™, which aims to ensure minimum labor and environmental standards are achieved within the sugarcane growing and processing sector.</p>	<p>Responsible Sourcing GRI content index</p>



Corporate
Responsibility
at Bacardi
Limited

Marketplace

Environment,
Health and
Safety

Responsible
Sourcing

People

Philanthropy
and Community
Involvement

About Bacardi
Limited

About this
Report

UNGC PRINCIPLES	BACARDI APPROACH	WHERE TO FIND OUT MORE
ENVIRONMENT		
<p>Businesses should:</p> <p>7. support a precautionary approach to environmental challenges;</p> <p>8. undertake initiatives to promote greater environmental responsibility; and</p> <p>9. encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Our Group-wide environmental policy adheres to the precautionary principle.</p> <p>We aim to drive continuous improvement in our facilities' performance through a management systems approach. All our facilities remain certified to the ISO 14001 international environmental management system standard.</p> <p>We are actively promoting the wider use of renewable energy sources in our facilities and focusing our effort on reducing the use of non-renewable energy.</p> <p>Our Responsible Sourcing standards require our suppliers to protect the environment as part of business practice.</p>	<p>Environment, Health and Safety</p> <p>Responsible Sourcing</p> <p>GRI content index</p>
ANTI-CORRUPTION		
<p>Businesses should:</p> <p>10. work against corruption in all its forms, including extortion and bribery.</p>	<p>Our Company Code of Conduct details the behaviors we expect from our people and it addresses issues of conflicts of interest and bribery and corruption.</p> <p>Our Responsible Sourcing standards state that bribery and corruption are not tolerated.</p>	<p>Responsible Sourcing</p> <p>GRI content index</p>

