



RÉMY COINTREAU

**GLOBAL COMPACT: Chairman's annual commitment**

Corporate social responsibility (CSR) is an integral part of Rémy Cointreau's business strategy, which aims to ensure ethical governance in our dealings with all stakeholders.

Since joining the Global Compact in 2003, Rémy Cointreau has upheld its commitments to comply with and be an ambassador of best practice in the fields of human rights, labour standards, the environment and the fight against corruption.

Our CSR strategy is now aligned with the recommendations of the new ISO 26000 standard. It is accordingly designed to anticipate regulatory requirements, to deploy the Group's commitments to all its stakeholders and to meet the expectations of civil society, based on the Rémy Cointreau CSR Charter, which is distributed to all our employees worldwide with a view to involving them in our CSR activities on a daily basis.

The audit of our CSR reporting, conducted by Ernst & Young, now covers virtually the entire scope of Rémy Cointreau.

Pursuant to Article 225 of the Grenelle 2 law of 12 July 2010, the audit covers social, environmental and societal information covering the majority of Rémy Cointreau's production companies and distribution subsidiaries. By the time the CSR 2015 plan has been completed, CSR reporting will cover all Group companies.

The past year saw the implementation of the code of business ethics, the Group's professional conduct framework. The code lays down rules of conduct, in connection with our CSR policy and the international guidelines we adhere to, including the Global Compact. In particular, it sets out principles governing our conduct on issues such as conflicts of interest and corruption. Other measures, which are the subject of our annual Communication on Progress 2012/2013, confirm the implementation of the CSR 2015 plan, a three-year programme for responsible growth.

Our social and environmental responsibility policy will continue to support the development of our brands with the rigour needed to bolster our quest for perfection. This commitment to responsible and sustainable growth is based on the annual renewal of our commitment to the Global Compact, which reinforces the Company's value strategy.



François Hériard Dubreuil  
Chairman of the Board of Directors

Paris, 10 June 2013



RÉMY COINTREAU

## **2012/2013 Communication on Progress (UN Global Compact)**

In line with its ratification and application of the UN Global Compact, Rémy Cointreau maintains its pledge to serve as an ambassador for the best practices set out in this global commitment to human rights, labour standards, the environment and the fight against corruption.

A long-standing member of the “Réseau Pacte Mondial France” association (Global Compact Network France), Rémy Cointreau complies with and regularly shares the Compact’s ten principles with its employees and partners. The concept of corporate social responsibility is promoted both inside and outside the company, with customers, suppliers and all other stakeholders.

### **1. Rémy Cointreau’s policy and commitments: CSR governance**

#### **Rémy Cointreau: a responsible actor by nature**

*Business strategy and CSR policy are blended in all facets of Rémy Cointreau’s operations, in the aim of fostering ethical governance in its dealings with all stakeholders.*

It goes without saying that an internationally established group with a profound attachment to the land must seek to act responsibly. Social and environmental responsibility is pivotal to the group’s vision of its activities, as the various commitments it entails provide firm foundations for the company’s value strategy.

Believing that regulatory requirements provide an opportunity to support it in its overriding quest for perfection, Rémy Cointreau has stepped up its efforts to anticipate them and to inspire as many of its stakeholders as possible to follow in its footsteps. Our CSR policy is now aligned with the recommendations of the new ISO 26000 standard. The extension of the reporting scope to group companies affected by decrees stemming from the Grenelle Environment Forum further illustrates our determination. The group’s other commitments remain in place, particularly its adhesion to the Global Compact, and are reflected in the actions we undertake. These requirements guide our teams on a daily basis in their efforts to make progress.

Rémy Cointreau’s social and environmental responsibility also lies in its ability to lead by example, to share its exacting requirements with suppliers and to promote employee awareness with a view to making CSR an integral part of their daily lives. Our ambition in this field goes beyond the scope of our business. For example, the group is committed to maintaining biodiversity in the regions in which it operates. By expanding our actions in this area, our environmental commitment has expanded to become a broader societal commitment.

Integrated and spread in this manner, CSR and the demands it places on us help support the development of our brands with the rigour needed to strengthen a long-standing quest for perfection.

## **Rise to the challenges of the CSR 2015 plan**

Fiscal 2012/2013 was very instructive. The CSR strategy is structured to anticipate regulatory requirements, to convey the group's commitments to all of its stakeholders and to meet the expectations of civil society.

CSR reporting includes social, environmental and societal information relating to Rémy Cointreau, pursuant to the requirements of Decree No. 2012-557 of Article 225 of the "Grenelle II" law of 12 July 2012.

It is subject to verification by the Environment and Sustainable Development Department of Ernst & Young, an independent auditor.

Rémy Cointreau advocates gradual change as a means of achieving its goal, which is to ensure that all companies in the group are able to satisfy the reporting requirement by the time the CSR plan is completed.

To this end, the group plans to introduce new reporting tools, to initiate improvement plans to improve existing results and to remain vigilant on areas where results have already been optimised.

Another aspect of the Grenelle Environment Forum is the Carbon Footprint. Although Rémy Cointreau is not legally bound by the Carbon Footprint decree, the group felt it was natural to comply with its regulations. A plan to reduce CO<sub>2</sub> emissions has accordingly been included as a major plank of CSR policy.

Social responsibility concerns each Rémy Cointreau employee. The group is committed to raising awareness about its involvement. Its CSR Charter, whose commitments are aligned with ISO 26000, has been published in French and English. Distributed to all employees, it has given rise to a large number of information meetings on the subject, to help steer the group's entire corporate culture in the direction of responsibility. In this sense, internal CSR communication has been revised to facilitate the exchange of information and best practices. 2012/2013 saw the implementation of the code of business ethics, the Group's professional conduct framework.

Rémy Cointreau continues to rely on standards guaranteeing its commitment to new issues in the fields of sustainable development and corporate responsibility, particularly in view of international standards. The group regularly renews the certifications acquired by the Cognac and Angers sites, which guarantee standards of quality, food safety, and respect for consumers and their health. More specifically, the Angers site has ISO 9001, ISO 14001, ISO 22000 and OHSAS 18001 certification, and the Cognac site ISO 9001, ISO 14001 and ISO 22000 certification.

Rémy Cointreau's goal is also to optimise its certifications, by combining quality and safety/environment audits, thereby establishing a single integrated QSE certification.

The CSR 2015 plan lays the groundwork for the implementation of an environmental management system (EMS) on the Barbados site, potentially leading to ISO 14000 certification.

Action taken as part of our CSR policy is set out in our 2012/2013 registration document (Chapter 2, Social, environmental and societal responsibility) and the 2012/2013 Annual Report (in the chapter on “Social, environmental and societal responsibility”).

These documents, to be issued in late July 2013, will be available on our website and distributed to all our stakeholders. They will also include all CSR indicators, in line with the international indicators contained in the GRI (Global Reporting Initiative).

## **2. Social information: Human rights and working conditions**

### **2.1 Human resources policy**

The pursuit of excellence is the hallmark of the Rémy Cointreau group, and is central to its philosophy. For three centuries, the quest for perfection has guided the men and women of the group along the path of its future development. This unique position, which distinguishes the group from its competitors, creates a vision of excellence based around five core values, namely traditional production methods, rigour, authenticity, creativity and a sense of connection with people.

As a direct result of these core values, the Rémy Cointreau group is committed to complying at all times with local labour laws wherever it operates. The group respects and promotes the fundamental provisions of the International Labour Organization, including respect for the freedom of association and the right to collective bargaining, the elimination of discrimination and forced labour, and the effective abolition of child labour.

In 2012/2013, the human resources policy was, as ever, based on the group's founding convictions, which govern its objectives and guide its action plans. The group's beliefs and commitments once again guided its action plans this year, particularly on the following themes:

- The professional development of the group's men and women, which contributes to the collective performance of its teams.
- Diversity, which is a strategic issue and an essential asset promoting the international efficiency of the group's organisations.

The human resources policy is also aimed at promoting a feeling of belonging to the group, with a view to building a community sharing the same vision, informed by common values. Lastly, true to its historical choices, Rémy Cointreau's contractual policy in France promotes collective-bargaining agreements in all areas subject to negotiations.

Our commitment is to guarantee social equity and the personal development of all our employees, encourage their adherence to our business strategy and involve them in our socially responsible actions, within the framework of the group's fundamental commitment to the values of listening and dialogue.

Rémy Cointreau applies the principle of excellence in its international human resources policy. The quest for perfection rests on our ability to conceive policies that cover both the entire group and each individual employee. Our aim is to foster our employees' personal and professional development, wherever they are located, and whatever job they do, notably through ongoing training. A company that is growing offers opportunities to identify employees with potential and to adopt more inclusive forms of training. At the same time, we pay particular attention to maintaining a positive and productive working environment.

### **2.1.1 Foster employee development**

Rémy Cointreau has continued to use its development tools – now on an international basis – to encourage the development of the skills of the group's men and women. Performance evaluation processes, succession planning and training policies place strong emphasis on the implementation of collective or individual action plans aimed at supporting the career aspirations of the group's men and women, fostering skills development and contributing to team performance.

In particular, a process to identify key positions, shared by the executive committee, ensures that the group can draw on the skills necessary for its development and/or guide human resources decisions in order to guarantee the company's sustainability.

### **2.1.2 Foster the group's multicultural identity and promote diversity**

Rémy Cointreau is an international group, with more than 60% of its employees based outside France. The group believes that its multicultural dimension represents a significant asset in its international development. Training is increasingly focused on sharing experiences in all countries where the group operates. International mobility, both on a professional and geographic level, contributes to spreading the group's values extensively throughout its organisation. Moreover, the group's commitment to diversity is also demonstrated by its determination to build teams that include men and women of different ages, and with different backgrounds in terms of training and professional experience.

### **2.1.3 Enhance the sense of belonging**

Building on the wealth of this diversity, Rémy Cointreau also aims to promote the feeling that employees belong to a community driven by a shared vision, united around collective values and working to achieve common goals. In addition to this communication, Rémy Cointreau implements ambitious international training programmes aimed at sharing the principles, policies and practices that the group has implemented for its brands in all countries with our marketing, commercial and financial teams.

### **2.1.4 Maintain ambitious social dialogue**

2012/2013 was once again marked by the signing of collective-bargaining agreements that underscored a determination shared by trade unions and the company to foster dialogue and consultation.

In France and Barbados, a wage policy rooted in collective-bargaining agreements was set out. The agreement on the employment of older workers was renewed. A new agreement on employee benefits was implemented, allowing the harmonisation of healthcare providers and improved services at the Cognac and Angers sites. In addition, an amendment to the agreement on the organisation of working time on the Cognac site allowed the group to better meet market demand while taking into account employees' personal organisation.

Lastly, consistent with its determination to allow employees to reap the benefits of the company's growth, incentive contracts and the profit-sharing agreement for French employees were renewed during the year.

## 2.2 Change in the workforce

### 2.2.1 The group's workforce

As of 31 March 2013, the group had 1,704 employees on permanent and fixed-term contracts, an increase of 144 employees compared with March 2012. The acquisition of Bruichladdich (whisky in Scotland) accounted for 65 employees.

In addition to this acquisition, the workforce grew by 79 employees across the group as a whole over the year, an increase of 5% compared with the previous year. The increase in the workforce on a comparable scope of consolidation was of the same magnitude as in the previous year.

Growth in the workforce was attributable chiefly to Rémy Martin and commercial structures in China and Russia.

On the French, American and Asian scope, the group hired a total of 200 employees during the year, of which 107 (53%) on permanent contracts. Of the 200 new hires, 29% joined the sales force, 20% took up production positions and 16% went to marketing positions.

At the same time and on the same scope, 142 departures were recorded, 36% following resignations, 25% following agreements between the two parties and 20% at the end of a fixed-term contract. Note that individual lay-offs accounted for only 4% of departures. (GRI: LA2)

### 2.2.2 Analysis of the workforce by geographic area

The breakdown by geographic area was broadly stable in the year ended 31 March 2013, with the same balance as in the previous year. Europe (excluding France)-Africa experienced the strongest growth, with the consolidation of Bruichladdich during the year, in addition to the start-up of an African structure based in South Africa.

Growth in the workforce in Asia, primarily among sales staff, has been steady for more than three years, allowing this area now to account for a quarter of the workforce.

The French workforce grew by 38, mostly in the Cognac business, including 30 for Rémy Martin, which hired new staff for its production activities.

The workforce in the Americas region was broadly stable.

	March 2013	%	March 2012	%	March 2011	%
<b>France</b>	698	41	660	43	792	49
<b>Europe (excluding France) - Africa</b>	255	15	175	10	151	9
<b>Americas</b>	332	19	320	21	317	20
<b>Asia</b>	419	25	405	26	361	22
<b>TOTAL</b>	<b>1, 704</b>		<b>1, 560</b>	<b>100</b>	<b>1, 621</b>	<b>100</b>

(GRI: LA1)

### 2.2.3 Analysis of the workforce by division

The distribution business still accounts for more than half of the group's workforce (57%). As in previous years, organic growth in the workforce in 2012/2013 was focused primarily on operational functions in distribution subsidiaries (sales, marketing), allowing the group's distribution to be fully efficient in all key markets and building up skills in China and the U.S. For the first time in five years, the number of production staff increased, due to the acquisition of Bruichladdich, rising from 37% to 39% of the workforce.

	Mars 2013	%	Mars 2012	%	Mars 2011	%
<b>Group brands - Production</b>	671	39	573	37	650	40
<b>Champagne</b>	-	-	-	-	155	10
<b>Distribution</b>	967	57	927	59	762	47
<b>Holding company</b>	66	4	60	4	54	3
<b>TOTAL</b>	<b>1,704</b>		<b>1,560</b>		<b>1,621</b>	

(GRI: LA1)

### 2.2.4 Analysis of the workforce by function, occupation and gender

The sales function represents nearly a third of the group's workforce (30%), reflecting the significance of distribution in the group's operations. In addition to the sales function, the development of the network saw the consolidation of local marketing and finance functions needed to implement brand strategies and oversee operations. In the year ended 31 March 2013, the weight of production positions edged up slightly to 21%, following the integration of the Bruichladdich whisky production activity.

	Mars 2013	%	Mars 2012	%	Mars 2011	%
<b>Sales</b>	504	30	497	32	449	28
<b>Marketing</b>	237	14	200	13	190	12
<b>Production and Purchasing</b>	349	21	293	19	364	22
<b>Supply Chain</b>	158	9	151	10	155	9
<b>Ageing</b>	107	6	100	6	127	8
<b>Finance &amp; Legal</b>	187	11	169	11	179	11
<b>Information Systems</b>	45	3	42	3	45	3
<b>Human Resources</b>	39	2	35	2	36	2
<b>General Services</b>	42	2	36	2	43	3
<b>Senior management</b>	37	2	37	2	33	2
<b>TOTAL</b>	<b>1,704</b>		<b>1,560</b>		<b>1,621</b>	

(GRI: LA1)



The breakdown of the workforce by gender was stable, at 57% men and 43% women (GRI: LA13).

Analysed by occupation, men tend to make up the majority of personnel in ageing, maintenance and sales. There are more women in marketing, customer services and packaging.

Analysed by country, the workforce of units in the Asia region are staffed mainly by men (over 60%).

### **2.2.5 Analysis of the workforce by professional category**

Forty-three percent of the Rémy Cointreau workforce are managers, primarily employed in sales, marketing and finance positions.

Production activities account for the majority of operative and technical positions, more than two-thirds of which are located in France, the rest being located in Scotland at Bruichladdich and in Barbados at Mount Gay.

In contrast, 85% of the sales workforce is located outside France, primarily in Asia (43%), the U.S. (30%) and Europe (12%).

### **2.2.6 Average age and length of service**

The average age of Rémy Cointreau's workforce is 41 years, with a higher average in France (44 years) than in the distribution subsidiaries. There is little difference by gender.

By occupation, sales, marketing and finance employees are markedly younger than those of other functions, with an average age of 38.

The average length of service of the group's workforce is 9.9 years, with little difference between men and women, or between managers and non-managers.

### **2.2.7 Combined work-study contracts in France**

The Rémy Cointreau group continued its proactive work-study training policy, with the renewal of all combined work-study contracts where necessary and signing additional contracts in new positions. These contracts accounted for almost 4% of the workforce in France at the end of March 2013, across all legal entities.

## **2.3 Organisation of working hours**

Rémy Cointreau complies with laws and/or collective-bargaining agreements on working hours in force in the countries where it operates. To take into account the particular characteristics of different markets, in France, working hours are either annualised or adjusted for packaging operations in accordance with peak and off-peak periods using shiftwork, so as better to meet customer demand. Other operations feature cyclical work organisation, i.e. ageing, where the organisation mirrors peak and off-peak periods for eaux-de-vie deliveries. The Rémy Cointreau group may on occasion adjust working time for individual employees at their request if the requirements and constraints of the business and schedule permit. In strict compliance with laws and collective-bargaining agreements, overtime may on occasion be used to satisfy the needs of the business.



## **2.4. Remuneration**

To ensure consistency in the group's approach to management, an assessment of levels of responsibility is carried out using the same method in all countries. The competitiveness of remuneration packages is measured on a local basis, close to the relevant markets. Packages are compared with those offered by groups and companies with similar features, to ensure attractive positioning.

In a turbulent and uncertain economic climate, the group's human resources policy contributed to the achievement of ambitious goals in new markets, while at the same time mobilising teams and motivating individual employees.

In each country, the 2012/2013 wage policy was measured against the inflation rate, with average wage increases above inflation, even in countries where local economic conditions were unfavourable or depressed. The wage policy is based on individual pay rises awarded to the best employees.

In contrast, the variable remuneration of group managers was based on a single structure across all countries, while at the same time taking into account specific local factors and practices. Bonus payment structures were thereby linked to business and financial targets, measured as close as possible to the scope of responsibility and according to a consistent weighting for all occupations.

Lastly, depending on the country and the relevant social and tax regulations, savings plans benefiting from tax exemptions or other benefits are examined and implemented when they are compatible with allocated budgetary resources.

## **2.5. Social security and welfare**

The group finalised the implementation of new social welfare and protection plans in each of its subsidiaries, meeting the group standard in terms of benefits. This enabled the provision of competitive guarantees in view of market practices, including a significant employer contribution.

The current objective is to pool these collective insurance schemes by optimising existing schemes and establishing a preferred partnership to cover the risks in question.

## **2.6 A training approach focused on excellence**

Rémy Cointreau's growth has been accompanied by a review of its human resources policy aimed at adapting it to the company's needs and the expectations of its staff, especially in respect of training. Training is the group's priority. It is aimed first and foremost at ensuring the employability of all employees and the sustainability of their skills.

The Rémy Cointreau Academy continued its development and saw the addition of new programmes. Conceived as a set of training courses delivered in person by the group's top managers, this in-house university is fully equipped to train the 300 managers and to instil in them a sense of the group's culture.

Training courses are being introduced in stages: the modules will ultimately cover all key areas of our activity.

- The Brand Academy tackles the sales and marketing issues facing our brands and the luxury goods sector from a strategic angle. All senior managers have already benefited from this unit. A digital module has been designed and offered to managers to allow them to refer to it in the course of their duties.
- The Art of Selling Academy provides training in negotiation and sales techniques, with a pragmatic and differentiating market approach, in order to support the brands and create value for our partners and customers, in line with the group's strategy. These training modules are widely available in the U.S. They will be introduced in Europe and Asia in 2013/2014.
- The Finance Academy is open to all managers. One hundred and fifty non-financial employees have already received training, mainly in France and Europe. Aside from the specific financial aspects of our business, this training aims to make employees more financially aware and to improve their understanding of all the group's criteria for achieving efficiency.
- The Quality Academy opened in November 2012. It will continue to expand in the coming fiscal year.

Lastly, in the longer term, training in HR management will focus more specifically on leadership and managerial functions.

The availability of these modules on the company's intranet will enable new staff quickly to grasp the essential principles of the group's culture, in the most functional and practical way possible.

The training programme also continued to support employees' professional development. E-learning is also promoted, to encourage every employee to develop and be open to foreign languages, with language learning programmes available.

A development library is also available to everyone, so that they can expand their knowledge at their own initiative.

Lastly, a digital integration module has been introduced for new hires internationally. It puts the final touch to an integration process that was already highly appreciated by employees joining our group.

In addition to individual training, collective courses are sometimes provided for particular categories of employees. For example, all employees at the Cognac site attended a full day of training on the "premiumisation of spirits". This training enabled them to learn more about spirits, brand positioning strategies and the different brand trends and identifiers.

The number of training hours reported on the group's entire scope for employees on permanent contracts amounted to 21,536 hours in 2012/2013, covering 8,246 women and 13,290 men (GRI: LA10).

## **2.7 Seize opportunities for employee development**

As an expanding group, Rémy Cointreau fosters the development and broadening of the skills of its teams. The human resources policy, in place for a number of years, places particular importance on encouraging employees to take responsibility and to be proactive in managing their careers. In this context, formalisation of the strategic workforce planning process enables the company to adapt its resources and anticipate its needs. This is particularly true of technical expertise and skills that are in short supply. In Cognac, an ambitious investment programme has been combined with change in the organisation to bring management teams closer to staff in the "field". The aim is to offer the prospect of internal career development, both through technical training designed to support technological progress and by allowing motivated employees to broaden the scope of their responsibilities.

Rémy Cointreau also has a recruitment policy designed to attract the most talented employees and develop their potential. The group's human scale also enables it to identify talented employees internally, and to encourage them to progress by taking the opportunities offered by our growth strategy. The careers of these employees are managed on an individual basis.

Apprenticeships represent another excellent way of recruiting and training talented employees. At our French sites, ten apprentices ranging from vocational school graduates to people with five years' post-secondary training (six in Angers and four in Cognac) are learning their trade in an environment in which rigour and creativity are encouraged. Some of our trainees are offered contracts under France's international volunteer programme (VIE).

The transfer of skills is another key priority, essential in a sector in which know-how is an art rather than an occupation. Junior-senior partnerships have been created in cellars to ensure continuity and respect for traditional methods.

## **2.8 Ensure harmonious social dialogue to foster employees' integration and well-being**

In countries where the law requires it, depending on the size of subsidiaries, and where employees are represented by recognised trade unions, namely France and Barbados, Rémy Cointreau has a long-standing proactive approach to social dialogue fostering the inclusion and well-being of its employees.

In addition to the scrupulous application of collective-bargaining agreements in these countries, Rémy Cointreau and its trade unions make commitments on social issues through company-specific agreements.

## **2.9 Make diversity an opportunity**

The group aims to offer all its employees the opportunity for career development. As a result, we are continuing to adapt our recruitment methods and workstations so that we can employ more disabled people. In Cognac, efforts made have led to the employment of nearly 27 full-time equivalent employees, compared with the legal minimum of 18. In Angers, the group has opted to pay its apprenticeship tax to organisations, schools or entities that promote the employment of disabled people.

In terms of diversity, after two fiscal years that allowed the group to implement a vigorous policy, it has also implemented measures related to diversity in recruitment, gender equality, the integration of disabled employees and reintegration at local level. Cognac is also working in partnership with the French unemployment agency (Pôle Emploi) to recruit people on social reintegration programmes, which has led to employment on permanent contracts.

## **2.10 Equal treatment**

In terms of gender equality and non-discrimination in a broader sense, the Rémy Cointreau group has decided to determine its action on the basis of international processes and procedures to ensure the fair treatment of group employees. Non-discrimination, regardless of race, religion, colour, age, sex, national origin or any other discriminating factor not based on professional criteria is an integral part of the policies and practices of Rémy Cointreau, particularly with regard to recruitments, promotions, transfers, remuneration review decisions and training programmes.

For instance, remuneration policies are guided by role assessments informed by methodologies and expertise external to the company and a performance assessment based on identified skills and shared objectives. Recruitment policies and internal mobility are subject to procedures and/or international charters that guide managers and foster collegial decision-making based on objective criteria.

In addition, collective-bargaining agreements in France dealing with gender equality in the workplace and the employment of older workers have allowed us to formalise goals and progress indicators on the issues of recruitment, remuneration, career development and training, working conditions and the balance between home and work life.

In the chapter devoted to remuneration, the group has committed to ensuring that the remuneration policy in France does not take gender into account when determining pay. Three actions have been formalised, with a single objective and set of measurement indicators:

- No difference between the hiring salary of men and women at a given level of skills,
- No difference between men and women for individual pay rises at a given performance level and market ratio,
- Analysis of differences between men and women at a given job, experience and performance level, and action plans to reduce them.

In the chapter on the balance between home and work life, the company's practices in terms of the organisation of working hours and other time spent in the company are now mindful of each employee's family life, and aim as far as possible to maintain a proper balance between work and family life, thereby promoting good parenting among other benefits.

For instance, in France, working hours can be adjusted to allow parents to spend time with hospitalised children. Moreover, as far as possible, meetings are held within working hours and training sessions are organised far enough ahead of time to allow parents to organise supervision for their children if necessary. Lastly, mindful of the difficulties faced by employees when they have to cope with an event involving the risk of losing a loved one, the parties decided to adapt the application of compassionate leave and to allow the employee concerned and his or her superiors to examine a shift to part-time work.

## **2.11 Health and safety**

The Rémy Cointreau group is committed to providing and maintaining a working environment that ensures the health and safety of its employees, customers, contractors, visitors and any members of the general public that may reasonably be affected by its activities. Its policy in this area is to prevent accidents, illnesses or injuries from occurring, ensuring that health and safety issues are taken into account in the operational management of production processes.

- **Involvement of trade unions in discussions**

In accordance with local legal requirements, committees comprising representatives of employees and management have been formed in Cognac, Angers and Barbados to address aspects of health and safety and to ensure the enforcement of preventive measures. Trade unions are as such closely involved in health and safety issues in the conduct of development projects on production sites. Dialogue between all stakeholders on health and safety issues is constantly sought and encouraged.

- **Commitments**

In France, the group has undertaken, under the terms of the agreement on older employees, to:

- Conduct an analysis of key jobs and professional situations at risk in order to identify situations requiring improved ergonomics and/or working environments;
- Continue the ergonomics improvements already initiated, building on existing structures and covering all sites and services.

In addition, as some positions are predominantly occupied by either men or women, the predominant gender generally being determined by the specific physical constraints of the job or the existence of a very small number of candidates of one gender, the group has asked local health and safety committees to examine the possibility of adapting working conditions to eliminate physical criteria as far as possible, thereby encouraging applications from women in some positions predominantly held by men for physical reasons.

- **Local initiatives**

Each production site has developed a specific mechanism to monitor change in this area, and to ensure continuous improvement of employees' working conditions.

In terms of safety, systematic training is conducted for all new employees or contractors working on site, informing them of the specific security conditions on the site, the rules to be followed and the risks they may encounter. As part of safety procedures, reviews of risk areas and displays are organised regularly to update displays and information provided to staff and visitors.

In terms of working conditions, the Angers site has launched a participatory programme, establishing working groups tasked with reporting areas for improvement and giving thought to possible solutions. Efforts to improve employees' working conditions are focused on a selection of major themes, including workloads, administrative tasks and email management.

The Cognac site organised a second edition of a social audit conducted by Aract (a regional association for the improvement of working conditions). Invited to respond anonymously, employees spoke about their working conditions, relational questions and their vision of the future, among other issues. The results of the audit were excellent, with an improvement compared with 2010, a participation rate of over 60% and very good scores on each item selected. For instance, 91% of respondents see the future at Rémy Cointreau in a positive light.

Three health and safety indicators:

- **Absenteeism**

In France, the absenteeism rate, measured in hours of absence as a proportion of theoretical hours worked by employees on permanent contracts was 3.9% in the year ended 31 March 2013, a fairly low rate, and slightly below the average of 4% in recent years. Sick leave lasting fewer than 90 days accounted for the majority of absences. The rate does not include long-term illnesses involving leave lasting more than 90 days.

- **Workplace accidents**

The frequency of workplace accidents on production sites in the year ended 31 March 2013 was 27.8, expressed in the number of accidents with lost time per million hours actually worked by employees on permanent contracts (GRI: LA7).

The severity rate was a low 0.7, expressed in the number of days lost to accidents per thousand hours actually worked by employees on permanent contracts.

In order to address the causes of each workplace accident, fault tree analysis is systematically conducted for each accident by members of health and safety committees, with their findings and recommendations subsequently passed on to the committee.

- **Occupational illness**

In France, two occupational illnesses classified as periarticular disorders caused by certain work gestures and postures were declared and recognised by the competent health insurance authorities in 2012/2013.

### **3. Environmental information**

*With its deep roots and long history, Rémy Cointreau has made its commitment to the environment a key source of its business success, through both the preservation of natural resources and an ambitious certification policy.*

#### **3.1 Winemaking**

##### **A certification policy to recognise efforts and guide practices**

Rémy Cointreau's objective in winemaking is simple: its actions in all areas are aimed at positioning the group as a leader of an economically competitive viticulture, without compromising quality and at the same time preserving the environment. The inclusion this year of Domaines Rémy Martin in the CSR reporting scope reinforces our determination to measure, report on innovative approaches and make progress. The increase in the number of employees trained in virtuous practices increased significantly, with 56 days of training in viticulture practices this year, compared with 22 last year (GRI: LA10). Training was focused on certificates of aptitude for the use of pesticides (individual "Certiphyto" certificates).

In 2012, Domaines Rémy Martin was one of the first players in France to be awarded AHVE certification (agriculture with high environmental value), along with the renewal of its sustainable agriculture certification, which it has received regularly for several years. Having fully satisfied all aspects of the standards, which include the preservation of biodiversity and the weight of inputs in sales, the group obtained Level 3 AHVE certification, issued by AFNOR, the French standards body. Providing recognition of the work done, while at the same time providing guidance in our daily activities, these standards are a genuine management tool. In addition, Domaines Rémy Martin renewed its PEFC certification, which guarantees the sustainable management of the group's poplar groves and alluvial forests (GRI: EN14).

##### **Practise environmental friendly winemaking**

Rémy Cointreau is a member of the Ecophyto network, a national initiative led by the Ministry of Agriculture and stemming from the Grenelle Environment Forum, aimed at gradually cutting the use of pesticides and reducing soil pollution. The group is closely involved in the initiative, and hosted a regional network meeting this year. The meeting allowed professionals in the viticulture industry to discuss phytosanitary treatments implemented during the growing season as part of an improvement process. Rémy Cointreau has also confirmed its determination to support various experiments: analysis of soil and leaves, essential for monitoring vines, has been made more comprehensive in order to fine tune the use of fertilizers as much as possible. Ten hectares will be devoted to an innovative initiative, using only organic fertilizers.

To ensure that cultivation methods are respectful of the environment, all pesticides used are harmless to other wildlife and flora. The use of pesticides was 16% below the approved amounts, despite difficult weather conditions this year that made it harder to ensure vines' proper development.

The area covered by natural grass increased slightly to 32% of the total. Domaines Rémy Martin has confirmed its commitment not to use herbicides on the entire area under vine. Lastly, four soil analyses and eleven leaf analyses were effective in controlling the use of fertilizers (550kg/ha) for regular vine maintenance. The number of such analyses is increasing rapidly so as better to identify fertilisation needs on plots destined for planting in the future. Means of natural control (natural predators) are used in all vineyards.

### **Promote virtuous viticulture practices by our partners**

One of Rémy Cointreau's major objectives is to encourage all growers and distillers in the Alliance Fine Champagne (AFC) to obtain AHVE certification. Following awareness-raising about these standards among growers last year, some of them, members of the board of directors of Alliance Fine Champagne, undertook a self-assessment process. They were able to compare their practices with the requirements set under the AHVE standard. The initiative had a very positive result, with several growers obtaining certification. Major decisions have now been taken for the next three years, to encourage voluntary steps by distillers wishing to enhance their production. Rémy Cointreau has undertaken a joint environmental project with Rémy Martin-AFC. The group has accordingly given itself an accompanying role, encouraging the AFC to obtain this certification in order to make it a quality label promoting virtuous practices: it shows that pesticide use can be reduced and treatments adjusted to the presence of pests without comprising yields.

Lastly, the Centaures de la Distillation awards, which are given every year to the best distillers, recognised the exceptional quality of the eaux-de-vie produced by 32 of them this year. Fourteen distillers were awarded the Centaure d'Or de la Distillation.

## **3.2 Environment**

€3.4 million was spent this year on the sites in France and Barbados to improve quality, safety and the environment (GRI: EN30). Training on these three components was up 33% compared with the previous year, with a total of 3,348 hours of training. A total of 530 people were trained, compared with 359 in 2011/2012 (GRI: LA10).

### **3.2.1 Energy and natural resources**

#### **Energy consumption**

Reducing energy consumption is a priority for the group, which is continuing its efforts in this area. Applications for energy certificates are made on all new equipment installed, such as lighting and heat pump systems. Extensive long-term work is being conducted on lighting and thermal insulation at Rémy Cointreau sites. On the Cognac site, an older wing is renovated each year to maximise brightness. High-consumption light bulbs are replaced with LED lights. The reduction in heating has also been maintained on the various sites, and the implementation of centralised management of air-conditioning systems continues. Awareness-raising continues among staff to encourage greater care in respect of energy consumption. An internal information campaign is being conducted to encourage a reduction in day-to-day use of electricity and heating, with information and practical advice placed near switches.



This approach to reining in energy consumption requires us to reduce the environmental footprint of our IT infrastructure (Green IT protocol). New hardware that consumes less energy is being assessed.

The first studies conducted on the sites to assess the possibilities for integrating renewable energy in the production process have not yielded conclusive results. The group plans to carry out further studies as part of its CSR 2015 plan, including the possibility of using green energy to reconcile ecology and economy.

**Total energy consumption** was 20,097 MWh, an increase of 31% compared with last year (15,315 MWh) following the inclusion in the reporting scope of Domaines Rémy Martin and Mount Gay Rum in Barbados (for its electricity consumption). At constant scope, energy consumption was 16,726 MWh (+9%).

Total energy consumption was 3.71 kWh per standard case, excluding Domaines Rémy Martin. For Domaines Rémy Martin, total energy consumption was 71.0 kWh per hl of wine. At constant scope, total energy consumption was 3.82 kWh per standard case, an increase of 7% compared with 2011/2012.

**With regard to direct energy use** (gas and fuel oil), total consumption was 11,057 MWh, an increase of 50% compared with the previous year, following the inclusion of Domaines Rémy Martin in the reporting scope (GRI: EN3). At constant scope, consumption was 8,873 MWh, an increase of 20% compared with 2011/2012.

Total direct energy consumption increased from 1.72 to 2.03 kWh per standard case (GRI: EN4), excluding Domaines Rémy Martin. For Domaines Rémy Martin, total direct energy consumption was 58.3 kWh per hl of wine.

Direct energy consumption on the Cognac site increased from 2,017 MWh to 2,712 MWh, an increase of 34% mainly due to the heating of warehouses.

The Angers site recorded a 15% increase from 5,367 MWh to 6,161 MWh, attributable mainly to a harsh winter requiring greater use of heating.

**With regard to indirect energy use** (electricity), consumption now includes Domaines Rémy Martin and the Barbados site. Electricity consumption increased by 14% from 7,931 MWh to 9,041 MWh. At constant scope, consumption edged down slightly from 7,931 MWh to 7,853 MWh (GRI: EN4).

Total indirect energy consumption was 1.82 kWh per standard case, excluding Domaines Rémy Martin. For Domaines Rémy Martin, total indirect energy consumption was 12.74 kWh per hl of wine. At constant scope, total indirect energy consumption was 1.80 kWh per standard case, a reduction of 3% compared with 2011/2012.

At the Angers site, electricity consumption increased by 2.6% from 2,546 MWh to 2,612 MWh. At the Cognac site, it declined by 2.7% from 5,384 MWh to 5,241 MWh.

## **Water consumption**

Up 9%, total water consumption was 65,256 m<sup>3</sup>, with the inclusion of Domaines Rémy Martin in the reporting scope (GRI: EN8). At constant scope, water consumption increased slightly from 59,940 m<sup>3</sup> to 60,999 m<sup>3</sup>.

At the Angers site, water consumption was broadly stable, edging up from 32,048 m<sup>3</sup> to 32,343 m<sup>3</sup>.

At the Cognac site, consumption increased by 3%, rising from 27,892 m<sup>3</sup> to 28,656 m<sup>3</sup>, due mainly to the increase in production on the site.

The Angers and Cognac sites are not located in areas experiencing water stress.

Water consumption amounted to 13.9 litres per standard case, excluding Domaines Rémy Martin. For Domaines Rémy Martin, total water consumption was 113.6 litres per hl of wine.

## **Consumption of office paper**

This year, paper consumption fell by 9% from 3.12 to 2.85 million sheets (GRI: EN1), due mainly to the continuation of efforts to raise staff awareness of the need to save office paper.

Paper consumption totalled 14.43 tonnes, or 20 sheets of paper per day and per person.

### **3.2.2 Noise**

Studies of noise levels at the boundaries of the various sites (both during the day and at night) have been verified. The amounts measured are well within regulatory limits. The sites therefore do not cause noise pollution in their surrounding areas. Internally, noise measurements are carried out to ensure the protection of personnel. Again, the amounts measured are well within regulatory limits.

### **3.2.3 Solid waste**

Rémy Cointreau continues its efforts to reduce solid waste on its sites, with a policy of raising staff awareness on sorting and recycling. In general, sites waste production is either recycled or used as an energy source. It primarily comprises packaging waste (glass and cardboard).

Since September 2012, non-hazardous industrial waste produced at the Angers site has been used in an energy cogeneration unit (district heating).

In the same vein, Rémy Cointreau established a partnership in 2012 with Ateliers du Bocage (Poitou-Charentes region) to recycle or reuse all used mobile phones and electronic mobile telephony equipment. Since the start of the partnership, 50 mobile devices have been recovered from the Cognac site. They were then tested, emptied of their personal data and sent to associations, schools and people on low incomes, allowing them to obtain equipment cheaply.

Total solid waste (GRI: EN22) increased by 11.4% from 1,956 tonnes to 2,179 tonnes over the period. Waste sorting and recycling rates were broadly stable, at 92% and 91% respectively. At the Angers site, waste increased by 18% from 1,062 tonnes to 1,251 tonnes, mainly due to increased activity on the site and the destocking of obsolete products. At the Cognac site, the increase was limited to 2%, from 894 tonnes to 915 tonnes, attributable mainly to an increase in non-hazardous industrial waste related to the destocking of obsolete packaging articles. Waste sorting and recycling rates were stable at 96% and 98% in Angers, and approximately 87% in Cognac. Domaines Rémy Martin produced a total of 13 tonnes of non-hazardous industrial waste. This represented an increase from 0.46 kg to 0.50 kg of waste per standard case.

### **3.2.4 Liquid waste**

Discharges of liquid waste increased by 21% from 19,284 m<sup>3</sup> to 23,314 m<sup>3</sup> (GRI: EN21) with the inclusion of Domaines Rémy Martin. At constant scope, discharges of liquid waste declined by 4% from 19,284 m<sup>3</sup> to 18,421 m<sup>3</sup>. At the Cognac site, discharges of liquid waste declined by 13% from 8,535 m<sup>3</sup> to 7,444 m<sup>3</sup>. They edged up slightly by 2% at the Angers site, from 10,749 m<sup>3</sup> to 10,977 m<sup>3</sup>. The amount of liquid waste per standard case declined by 6% from 4.5 litres to 4.2 litres. For Domaines Rémy Martin, the amount of liquid waste was 131 litres per hl of wine produced.

At the Angers and Cognac sites, production of liquid waste on site before treatment was 17.7 tonnes of BOD and 34.9 tonnes of COD. After treatment by external treatment stations and return to the natural environment, pollution totalled 0.6 tonnes of BOD and 2.3 tonnes of COD (average reductions of 98% for BOD and 95% for COD).

These volumes imply an effluent rate per standard case of 0.13 grams of BOD and 0.53 grams of COD.

### **3.2.5 Greenhouse gas emissions**

Despite the increase in production, many measures can help control our greenhouse gas emissions. In recent years, the more systematic use of videoconferencing and introduction of electric vehicles on the Angers and Cognac sites have reduced our CO<sub>2</sub> emissions. Achieving a better understanding of emissions is an essential step in reducing them, notably in transport, which generates a significant proportion of CO<sub>2</sub> emissions. For the first time, exchanges with the storage platform manager allowed us to measure CO<sub>2</sub> emissions per pallet, which will allow us to put together a reduction plan for the coming year. The group already adheres to forthcoming regulations on road transport in France and Europe. Greenhouse gas emissions at the Cognac and Angers sites amounted to 2,304 t. of CO<sub>2</sub> eq., a slight 3% decrease (2,365 t. of CO<sub>2</sub> eq. in 2011/2012). Per standard case, emissions were unchanged compared with 2011/2012, at 0.53 kg of CO<sub>2</sub> eq.

Greenhouse gas emissions increased by 4% at the Angers site to 1,402 t. of CO<sub>2</sub> eq., with Scope 1 volumes rising from 1,131 t. of CO<sub>2</sub> eq. to 1,233 t. of CO<sub>2</sub> eq. (mainly due to an increase in gas consumption) and Scope 2 volumes declining from 216 t. of CO<sub>2</sub> eq. to 169 t. of CO<sub>2</sub> eq. (GRI: EN16). Emissions were reduced at the Cognac site, with a total of 902 t. of CO<sub>2</sub> eq. At this site, Scope 1 volumes increased from 560 t. of CO<sub>2</sub> eq. to 562 t. of CO<sub>2</sub> eq., while Scope 2 volumes fell from 458 t. of CO<sub>2</sub> eq. to 340 t. of CO<sub>2</sub> eq. (GRI: EN16). Rémy Cointreau continues its efforts to reduce carbon emissions. They have allowed it to reduce CO<sub>2</sub> emissions by 1,221 t. of CO<sub>2</sub> eq. Four major actions are central to our approach (GRI:EN18):

- Ecodesign, which is changing our packaging (Saint-Rémy brandy), resulting in a reduction of 144 t. of CO<sub>2</sub> eq. in emissions (based on 2012/2013 sales);
- A 15% increase in videoconferencing compared with last year: 946 t. of CO<sub>2</sub> eq. were saved in this way this year;
- Change in the car fleet. The purchase of electric vehicles has reduced CO<sub>2</sub> emissions by 4 t. of CO<sub>2</sub> eq., an average 13% reduction in CO<sub>2</sub> emissions per kilometre (from 116 g. of CO<sub>2</sub> eq. to 103 g. of CO<sub>2</sub> eq.);
- A 6% reduction in the carbon footprint of business travel (average CO<sub>2</sub> emissions per kilometre: reduction from 200 kg. of CO<sub>2</sub> eq. to 188 kg. of CO<sub>2</sub> eq.), which represents a reduction of 127 t. of CO<sub>2</sub> eq.

The group also continues to reduce carbon emissions generated by sending mail (Cognac site). Seventy-one percent of mail is now sent at the green postal rate (52% in 2011/2012).

### 3.2.6 Ecodesign

When developing new packaging and new products, Rémy Cointreau seeks to assess their environmental impact upstream by means of an ecodesign system. Since 2010, every new item of packaging has been assessed using a tool that factors in the weight of the packaging, the sales unit, the volume of product content and the route taken by the product. This year, studies helped develop a new St Rémy bottle in Canada. Previously made of glass, the bottle is now made of PET, greatly reducing its environmental impact and significantly increasing its recycling potential (GRI:EN26). The weight of the bottle has been reduced by almost 90%, saving 266 tonnes of unused glass (on the basis of 2012/2013 sales). The optimisation of transport and other measures relating to this product have helped halve greenhouse gas emissions. Again in response to this concern, a deposit system for Mount Gay Rum bottles was introduced in Barbados this year.

In France, for its products sold in the 2012 calendar year, the group used 2,026 tonnes of packaging, mainly glass (1,957 t), cardboard (28 t) and plastic (16 t). The remaining 25 tonnes were made up of various other materials (wood, aluminium, crystal, cork, etc.). These tonnages represent an average packaging weight of 947 g per litre of product (GRI: EN1).

### **3.2.7 Climate change and biodiversity**

To date, in terms of climate change, the group is monitoring the issue, and is present on the inter-professional bodies dealing with this subject.

The erosion of biodiversity is a scientific reality. The gradual destruction of ecosystems is the main threat to animal and plant diversity. Mindful of its role in addressing this critical issue, Rémy Cointreau has over the years undertaken many initiatives to integrate biodiversity conservation into its various activities. The decline in forest cover is one of the most striking examples of the deterioration of natural habitats caused by human activity. This is why the group has for many years been committed to preserving forests.

After the replanting of Senonches forest in France's Eure-et-Loire department, which involved the planting of more than 115,000 oak seedlings, Rémy Cointreau took another step in its commitment to the preservation of biodiversity this year by renewing its partnership with the National Forests Board (NFB) in Cognac. The group is supporting the planting of over 300 trees and the establishment of informative panels to provide information on the importance of maintaining biodiversity in the François 1er park, which was almost completely destroyed during the 1999 storms.

In the same vein, the group has confirmed its commitments made in previous years for the experimental planting of alluvial forests and the conservation of bees, known to be important for the conservation of biodiversity, through the establishment of bee-keeping on fallow land.

Five hives have been installed in the Charente department. In reforestation projects undertaken in partnership with the NFB, the group will also seek to protect wild bees, with the installation of bee "hotels" among other measures.

Rémy Cointreau has also launched an innovative initiative with the Chamber of Agriculture of the Charente department. Following on from its actions in support of bee-keeping on fallow land, the group has confirmed its interest in a three-year programme of agricultural research on the best crops for fallow land.

## **4. Societal information**

### **4.1 Citizenship: relations with stakeholders**

*A global company, Rémy Cointreau has an acute awareness of societal issues and its local impact. By supporting sustainable regional economic development and promoting solidarity, it contributes to collective progress.*

An important player in the local economy, Rémy Cointreau is involved alongside associations, schools and universities and bodies dedicated to economic development, providing expertise on many issues and promoting the virtues of a CSR approach.

As such, Rémy Cointreau took part, for instance, in the annual meeting of the French Chambers of Commerce and Industry, held in Angers. Its commitment is further reflected in its support for regional associations committed to promoting sustainable development.

Its strong attachment to promoting a positive culture of responsibility in its training courses is reflected in its involvement in the Conférence des Grandes Ecoles in La Rochelle.

It is a member of the Colbert Committee network of sustainability correspondents, which defends the values of the French luxury industry and has played a role in spreading CSR best practices.

Rémy Cointreau's active support for local associations committed to social progress is undiminished. It has worked alongside the Fondation de la Deuxième Chance (Second Chance Foundation) for almost ten years, helping vulnerable people map out a viable career path. In addition to financial support, beneficiaries receive help in preparing files and implementing their projects.

In 2012, Rémy Cointreau provided support for 16 projects in the Charente department.

#### **4.2 Suppliers: sharing our responsibility requirements**

Determined to ensure that its suppliers act responsibly, and with a view to encouraging the largest possible number of them to join it in a process of assessing their practices, Rémy Cointreau has introduced a system of reporting and audits for its key suppliers, which are split into two broad categories:

- Production suppliers: raw materials (eaux-de-vie, ingredients, etc.) and packaging items (bottles, cases, bottle tops, etc.);
- "Non-production" suppliers: service and maintenance, advertising agencies and marketing.

Outsourcing is used very sparingly, and only in activities located in geographic areas with limited risks (e.g. packaging of promotional campaigns in France or management of warehouses by providers in France, the UK and Latvia).

An internal code of conduct for purchasing incorporates sustainable development principles, based notably on the ten principles of the Global Compact, an international organisation to which Rémy Cointreau has adhered since 2003. Each contract with providers refers to the Compact, stipulating that the provider must comply with its principles, namely the respect and promotion of human rights and the principles of the ILO, the preservation of the environment and the fight against corruption.

**For production suppliers**, the group continues to conduct CSR assessments and audits, as it has for several years. The CSR questionnaire addressed to them is based on the Global Compact commitments. It allows us to check many criteria including food safety, the implementation of an environmental certification policy or the application of social policies respectful of human rights, international labour law and the fight against corruption.

The first step was the selection of a large majority of providers on two criteria: sales generated with the group and/or the provision of a key ingredient.

In total, more than 99% of Rémy Cointreau suppliers (by sales) were selected and assessed on their corporate social responsibility commitments and actions. Audits by SGS or by group teams are used to round out the CSR assessment.

**For "non-production" suppliers**, discussions with auditors in the previous year prompted us to include this category of providers in the CSR assessment scope.

The questionnaire addressed to them is the same as that prepared for suppliers of packaging items. Sixty-five percent of suppliers (by sales) were selected and 76% (by number) responded.

Building on close collaboration between the purchasing and CSR departments, these mechanisms are pivotal in spreading the culture of responsibility to which the group is particularly committed, since selected suppliers account for 88% of all Rémy Cointreau suppliers by sales, with 89% of them (by number) having undergone a CSR assessment (GRI: HR2).

#### 4.3 Fair trade practices

*Rémy Cointreau maintains relationships of confidence with its suppliers and consumers. The rigour of the group's ethical rules, applicable to employees and partners alike, is also the guarantee of sustainable commercial success. Rémy Cointreau's perpetual search for excellence is reflected in its ethical commitment via its determination to achieve maximum transparency, witness its adhesion to numerous ethical charters.*

##### **A transparent process driven by a set of reference documents**

Ethics are pivotal in ensuring a relationship of confidence with stakeholders in the group's environmental, social and commercial practices. Rémy Cointreau sees it as a duty to make all employees aware of its commitments. The group uses numerous documents to ensure the transparency of its practices:

- **Global Compact:** a member of the Global Compact for several years, Rémy Cointreau is keen to sustain its commitment, which is the backbone of its responsibility and makes international ethical standards the cornerstone of its policies;
- **Charter of Corporate Social Responsibility:** reviewed this year and aligned with ISO 26000, it is the foundation of the group's CSR policy. The charter has been widely distributed in French and English. Determined to make it central to its day-to-day operations, and in the belief that responsibility is everyone's business, Rémy Cointreau accompanied its release by efforts to raise the awareness of all staff;
- **Code of business ethics:** the group's single reference framework, it has been translated into the 13 languages used within the group and distributed. Combining the rules of conduct applicable to Rémy Cointreau and its commitment to the CSR principles of the Global Compact and the OECD, it guides the commercial, social and environmental practices of all employees.

The code covers the following issues in four main sections:

- **Responsibility in business:** compliance with the law, competition, responsible communication, conflicts of interest, gifts and hospitality, corruption;
- **Responsibility towards others:** political activities, respect for people, responsible consumption, respect for the environment, health and safety, obligations to customers, consumers and suppliers;
- **Responsibility towards the company:** protection of the company's reputation, confidentiality and insider trading, company assets and resources, information systems and communications, intellectual property, treasury transactions, business and financial information, illegal activities;
- **Key principles.**

Accessible to all, new employees are made aware of its existence on their arrival. The fight against corruption is also embodied by the no gift letter sent systematically to all suppliers.



- **Responsible communication charters of Rémy Cointreau and the Union des Annonceurs:** these charters ensure the self-assessment of communication campaigns and compliance with principles promoting moderate alcohol consumption;
- **Guide to responsible drinking in the workplace:** updated this year, it will be delivered to French personnel in 2013.

#### 4.4 Consumers

*Rémy Cointreau strives to offer discerning customers products that give them a level of satisfaction that surpasses their expectations. This goal is consistently associated with the promotion of responsible consumption.*

##### Promote responsible consumption

Issues of social responsibility have a special resonance for Rémy Cointreau. In 2004, the group set up a Committee for Responsible Communication (CRC), which looks at prospective communication campaigns and ensures compliance with the internal responsible communication charter.

Its opinions also take into account scrupulous compliance with local regulations in respect of food safety, communication and consumer information.

Validation procedures were revised last year. All services working on such projects are involved. The committee evaluated more than ten campaigns this year (GRI: PR6/PR7).

In 2011, the group also pledged to comply with the charter of responsible communication of the Union des Annonceurs.

Rémy Cointreau manufactures fine products that are intended to be consumed in moderation. The risk of excessive alcohol consumption is a major concern. The Alcohol and Society monitoring unit, created several years ago, allows the group to stay tuned to societal trends. The group continues to invest in research on alcoholism via IREB, the industry-based institute for scientific research on beverages chaired by the group's CSR Director, providing support for its first congress on alcoholism, held in Paris in March 2013.

Rémy Cointreau is also an active stakeholder in the development of prevention programmes for "Alcohol" risk conducted by Enterprise et Prévention, an association.

Further action in favour of consumer food safety can be found in the group's membership of IFSP (International Federation of Spirit Producers), which works to combat counterfeiting worldwide.

The group's actions, in terms of both advertising and public information, are in line with those of other major players in the spirits and liqueurs sector, which advocate self-regulation. Rémy Cointreau has joined forces with them in the governing bodies of national, European and international organisations to promote actions in connection with moderate consumption and support for product labelling aimed at fostering responsible consumption: generalisation of the logo of a pregnant woman in all European countries and reference to the [responsibledrinking.eu](http://responsibledrinking.eu) website.

## **Maintain quality relationships with customers**

Rémy Cointreau keeps a very close eye on the demands of its customers, responding to them as quickly and completely as possible, through constant monitoring, especially on social networks. This year, an overhaul of the Marketing Services sector resulted in the development of a policy that dovetails particularly well with consumer expectations. Similarly, principles governing the respect of private data have been adopted.

Furthermore, to meet consumer expectations in respect of environmental information about its products, Rémy Cointreau invests in reviews carried out on this subject in inter-professional working groups. Internal tools for assessing products' environmental impact have been developed to inform distribution networks and consumers about the environmental impact of its products.

Site visits are a reflection of the group's quest for excellence. Tailor-made programmes, a warm welcome: Rémy Martin's oenotourism offer in Cognac puts an emphasis on developing warm relationships with visitors, while offering tours featuring know-how related to spirits, their heritage and their history.

On 30 January 2013, the quality of "Rendez-Vous Rémy Martin" won the national oenotourism awards in the "development of a cellar or viticulture site" category.

The group was also awarded a "Living Heritage" prize attributed by the French government to companies who maintain artisanal skills and the French tradition of excellence.

## **ANNEXES**

### ***1. Table of environmental indicators by site***

### ***2. Table of societal indicators***

### ***3. CSR 2015 plan***

### ***4. Compliance with the principles of the Global Compact/Concordance table***

**Annexe 1**  
**Table of environmental indicators by site**

	<b>2010 / 2011</b>	amount / standard case	<b>2011 / 2012</b>	amount / standard case	<b>2012 / 2013</b>	amount / standard case	amount / hectolitre of wine
<b>Total energy consumption in MWh and kWh per standard case or hectolitre of wine</b>							
Total	15,884	3.43	15,315	3.56	20,097	3.71	
Of which: Cointreau	7,452	2.73	7,913	3.24	8,774	3.52	
Of which: E. Rémy Martin & Cie	8,432	4.44	7,402	3.99	7,953	4.23	
Of which: Domaines Rémy Martin					2,661		71.0
Of which: Mount Gay Rum					710	2.22	
<b>Direct energy consumption (gas, fuel oil) in MWh and kWh per standard case or hectolitre of wine (GRI: EN3)</b>							
Total	7,912	1.71	7,384	1.72	11,057	2.03	
Of which: Cointreau	5,059	1.86	5,367	2.20	6,161	2.47	
Of which: E. Rémy Martin & Cie	2,852	1.50	2,017	1.09	2,712	1.44	
Of which: Domaines Rémy Martin					2,184		58.3
<b>Indirect energy consumption (electricity) in MWh and kWh per standard case or hectolitre of wine (GRI: EN4)</b>							
Total	7,973	1.72	7,931	1.85	9,041	1.82	
Of which: Cointreau	2,393	0.88	2,546	1.04	2,612	1.05	
Of which: E. Rémy Martin & Cie	5,580	2.94	5,384	2.90	5,241	2.79	
Of which: Domaines Rémy Martin					478		12.74
Of which: Mount Gay Rum					710	2.22	
<b>Total water consumption in m<sup>3</sup> and litres per standard case or hectolitre of wine (GRI: EN8)</b>							
Total	53,605	11.6	59,940	13.9	65,256	13.9	
Of which: Cointreau	27,800	10.2	32,048	13.1	32,343	13.0	
Of which: E. Rémy Martin & Cie	25,805	13.6	27,892	15.0	28,656	15.2	
Of which: Domaines Rémy Martin					4,257		113.6

	2010 / 2011	amount / standard case	2011 / 2012	amount / standard case	2012 / 2013	amount / standard case	amount / hectolitre of wine
<b>Paper consumption, in millions of sheets (GRI: EN1)</b>							
Total	3.08		3.12		2.85		
Of which: Cointreau	0.75		0.66		0.46		
Of which: E. Rémy Martin & Cie	1.44		1.78		1.59		
Of which: Paris site	0.89		0.69		0.80		
<b>Total solid waste production in tonnes and kg per standard case or hectolitre of wine (GRI: EN22)</b>							
Total	1,965		1,956	0.46	2,179	0.50	
Of which: Cointreau	1,136		1,062	0.43	1,251	0.50	
Of which: E. Rémy Martin & Cie	829		894	0.48	915	0.49	
Of which: Domaines Rémy Martin					13		
<b>Volume of solid waste sorted, in %</b>							
Total	94		93		92		
Of which: Cointreau	96		96		96		
Of which: E. Rémy Martin & Cie	90		89		87		
<b>Volume of solid waste recycled, in %</b>							
Total	93		93		91		
Of which: Cointreau	96		96		98		
Of which: E. Rémy Martin & Cie	90		89		87		
<b>Total volume of liquid waste in m<sup>3</sup> and litres per standard case or hectolitre of wine (GRI: EN21)</b>							
Total	17,986	3.9	19,284	4.5	23,314	4.2	
Of which: Cointreau	10,407	3.8	10,749	4.4	10,977	4.4	
Of which: E. Rémy Martin & Cie	7,579	4.0	8,535	4.6	7,444	4.0	
Of which: Domaines Rémy Martin					4,893		131

	<b>2010 / 2011</b>	amount / standard case	<b>2011 / 2012</b>	amount / standard case	<b>2012 / 2013</b>	amount / standard case	amount / hectolitre of wine
<b>Liquid waste: BOD after treatment in tonnes and grams per standard case (GRI: EN21)</b>							
Total					0.56	0.13	
Of which: Cointreau					0.55	0.22	
Of which: E. Rémy Martin & Cie					0.01	<0.01	
<b>Liquid waste: COD after treatment in tonnes and grams per standard case (GRI: EN21)</b>							
Total					2.30	0.53	
Of which: Cointreau					2.15	0.86	
Of which: E. Rémy Martin & Cie					0.16	0.08	
<b>GHG emissions (Scope 1) in t. of CO<sub>2</sub> eq. and kg of CO<sub>2</sub> eq. per standard case (GRI: EN16)</b>							
Total			1,691	0.39	1,795	0.41	
Of which: Cointreau			1,131	0.46	1,233	0.49	
Of which: E. Rémy Martin & Cie			560	0.30	562	0.30	
<b>GHG emissions (Scope 2) in t. of CO<sub>2</sub> eq. and kg of CO<sub>2</sub> eq. per standard case (GRI: EN16)</b>							
Total			674	0.16	509	0.12	
Of which: Cointreau			216	0.09	169	0.07	
Of which: E. Rémy Martin & Cie			458	0.25	340	0.18	
<b>GHG emissions (Scopes 1 &amp; 2) in t. of CO<sub>2</sub> eq. and kg of CO<sub>2</sub> eq. per standard case (GRI: EN16)</b>							
Total			2,365	0.55	2,304	0.53	
Of which: Cointreau			1,347	0.55	1,402	0.56	
Of which: E. Rémy Martin & Cie			1,018	0.55	902	0.48	

**Annexe 2**  
**Table of societal indicators**

	Rate of suppliers selected (by sales), in %	Rate of suppliers assessed (by number), in %
Production suppliers	99.5	100.0
Non-production suppliers	64.8	76.5
Total suppliers	87.6	89.3

(GRI: HR2)

**Annexe 3**  
**CSR 2015 plan**

<b>THEMES</b>	<b>ACTIONS 2013/2014</b>	<b>ACTIONS 2014/2015</b>	<b>ACTIONS 2015/2016</b>
<b>CSR GOVERNANCE</b>	<ul style="list-style-type: none"> <li>• CSR reporting (objective: international extension)</li> <li>• Code of ethics (objective: international scope)</li> <li>• CSR 2015 plan (objective: international extension)</li> </ul>	<ul style="list-style-type: none"> <li>• CSR reporting (objective: international extension)</li> <li>• Environmental management (objective: Barbados site)</li> </ul>	<ul style="list-style-type: none"> <li>• CSR reporting (objective: international extension)</li> <li>• Environmental management (objective: Islay site)</li> <li>• Level 3 Certification AHVE (objective: Domaines Rémy Martin)</li> <li>• ISO 26000 (objective: evaluation of group scope/ISO 26000 compliance rate &gt;90%)</li> </ul>
<b>WORKING CONDITIONS</b>	<ul style="list-style-type: none"> <li>• Reduce the pay gap between men and women in similar positions and with similar levels of experience and competence (objective: reduce disparity between men and women)</li> <li>• Monitor absenteeism (objective: absenteeism &lt;4%)</li> <li>• Implement "Safety at Work" action plans (objective: reduce workplace accidents and occupational illnesses)</li> <li>• Give special attention to the inclusion of disabled people in the workforce (objective: comply with regulations)</li> <li>• Design, develop and implement training programmes (objective: career development)</li> <li>• Examine adjustments to targeted positions (objective: reduce disparity between men and women)</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the pay gap between men and women in similar positions and with similar levels of experience and competence (objective: reduce disparity between men and women)</li> <li>• Monitor absenteeism (objective: absenteeism &lt;4%)</li> <li>• Implement "Safety at Work" action plans (objective: reduce workplace accidents and occupational illnesses)</li> <li>• Give special attention to the inclusion of disabled people in the workforce (objective: comply with regulations)</li> <li>• Design, develop and implement training programmes (objective: career development)</li> <li>• Examine adjustments to targeted positions (objective: reduce disparity between men and women)</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the pay gap between men and women in similar positions and with similar levels of experience and competence (objective: reduce disparity between men and women)</li> <li>• Monitor absenteeism (objective: absenteeism &lt;4%)</li> <li>• Implement "Safety at Work" action plans (objective: reduce workplace accidents and occupational illnesses)</li> <li>• Give special attention to the inclusion of disabled people in the workforce (objective: comply with regulations)</li> <li>• Design, develop and implement training programmes (objective: career development)</li> </ul>
<b>WINEMAKING</b>	<ul style="list-style-type: none"> <li>• Reduce the use of pesticides (objective: soil protection/rate of reduction &gt;15%)</li> <li>• Raise environmental awareness among winemakers (objective: briefings)</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce in the use of pesticides (Env.6)</li> <li>• Raise environmental awareness among winemakers (objective: creation of an Environment reference framework)</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce in the use of pesticides (Env.6)</li> <li>• Raise environmental awareness among winemakers (objective: AHVE certification)</li> </ul>



<b>ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>• Energy, water and paper (objective: optimise consumption)</li> <li>• Renewable energy (objective: feasibility studies)</li> <li>• CO<sub>2</sub> emissions (objective: Carbon Footprint Scopes 1 &amp; 2)</li> <li>• Solid waste (objective: sorting and recycling rate &gt;90%)</li> <li>• Liquid waste (objective: BOD and COD discharges &lt;five tonnes)</li> <li>• Biodiversity (objective: “Bees/Forests” conservation)</li> </ul>	<ul style="list-style-type: none"> <li>• Energy, water and paper (objective: optimise consumption)</li> <li>• Renewable energy (objective: feasibility studies)</li> <li>• CO<sub>2</sub> emissions (objective: Carbon Footprint Scopes 1, 2 &amp; 3)</li> <li>• Solid waste (objective: sorting and recycling rate &gt;90%)</li> <li>• Liquid waste (objective: BOD and COD discharges &lt;five tonnes)</li> <li>• Biodiversity (objective: “Bees/Forests” conservation)</li> </ul>	<ul style="list-style-type: none"> <li>• Energy, water and paper (objective: optimise consumption)</li> <li>• Renewable energy (objective: rate of green energy used 10%)</li> <li>• CO<sub>2</sub> emissions (objective: Carbon Footprint Scopes 1 &amp; 2)</li> <li>• Solid waste (objective: sorting and recycling rate &gt;90%)</li> <li>• Liquid waste (objective: BOD and COD discharges &lt;five tonnes)</li> <li>• Biodiversity (objective: “Bees/Forests” conservation)</li> </ul>
<b>FAIR TRADE PRACTICES</b>	<ul style="list-style-type: none"> <li>• CSR charter, communication and responsible consumption charters, internal code of business ethics (objective: comply with charters and codes/transparent practices)</li> </ul>	<ul style="list-style-type: none"> <li>• CSR charter, communication and responsible consumption charters, internal code of business ethics (objective: comply with charters and codes/transparent practices)</li> </ul>	<ul style="list-style-type: none"> <li>• CSR charter, communication and responsible consumption charters, internal code of business ethics (objective: comply with charters and codes/transparent practices)</li> </ul>
<b>CITIZENSHIP</b>	<ul style="list-style-type: none"> <li>• Exchange of best CSR practices in the fields of education and business (objective: be a player in sustainable regional development)</li> </ul>	<ul style="list-style-type: none"> <li>• Exchange of best CSR practices in the fields of education and business (objective: be a player in sustainable regional development)</li> </ul>	<ul style="list-style-type: none"> <li>• Exchange of best CSR practices in the fields of education and business (objective: be a player in sustainable regional development)</li> </ul>
<b>SUPPLIERS</b>	<ul style="list-style-type: none"> <li>• Sustainable and responsible purchasing (objective: CSR assessment of providers/supplier selection rate &gt;90%/supplier assessment rate 90%)</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable and responsible purchasing (objective: CSR assessment of providers/supplier selection rate &gt;92%/supplier assessment rate 92%)</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable and responsible purchasing (objective: CSR assessment of providers/supplier selection rate &gt;95%/supplier assessment rate 95%)</li> </ul>
<b>CONSUMERS</b>	<ul style="list-style-type: none"> <li>• Monitor and validate campaigns (objective: comply with the internal charter/campaign verification rate &gt;90%)</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor and validate campaigns (objective: comply with the internal charter/campaign verification rate &gt;95%)</li> <li>• ISO 22000 certification (objective: 75% of production sites)</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor and validate campaigns (objective: comply with the internal charter/campaign verification rate &gt;95%)</li> <li>• ISO 22000 certification (objective: all production sites)</li> </ul>

**Annexe 4**  
**Compliance with the principles of the**  
**Global Compact/Concordance table**

<b>CSR concordance table based on the principles of the Global Compact</b>		
<b>Principles of the Global Compact</b>		<b>Related information</b>
<b>Human rights</b>	<b>1. Support and respect the protection of internationally proclaimed human rights</b>	pages : 4-14 21-23 28-30
	<b>2. Not be complicit in human rights abuses</b>	
<b>Labour standards</b>	<b>3. Uphold the freedom of association and the right to collective bargaining</b>	
	<b>4. Eliminate of all forms of forced and compulsory labour</b>	
	<b>5. Effectively abolish child labour</b>	
	<b>6. Eliminate discrimination in employment and occupation</b>	
<b>Environment</b>	<b>7. Support a precautionary approach to environmental challenges</b>	pages 14-22 24-27 29-30
	<b>8. Promote greater environmental responsibility</b>	
	<b>9. Encourage the development and diffusion of environmentally friendly technologies</b>	
<b>Anti-corruption</b>	<b>10. Work against corruption in all its forms</b>	pages 21-23 29-30