

Our Spirit is Clear



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A welcome from our Chairman and our Chief Executive Officer

Welcome to the latest Bacardi Limited Corporate Responsibility Report.

As you interact with this report, you'll learn about the considerable progress we made to responsibly manage our environmental and social impacts during our 2013 fiscal year, which ended on March 31, 2013.

As in earlier years, we are reporting in line with the comprehensive framework developed by the Global Reporting Initiative, or GRI. Widely used around the world, these GRI guidelines enable us to measure and report on our economic, environmental, social and governance performance.

We also are aligned with the principles set forth by the United Nations 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 to how we communicate our progress.

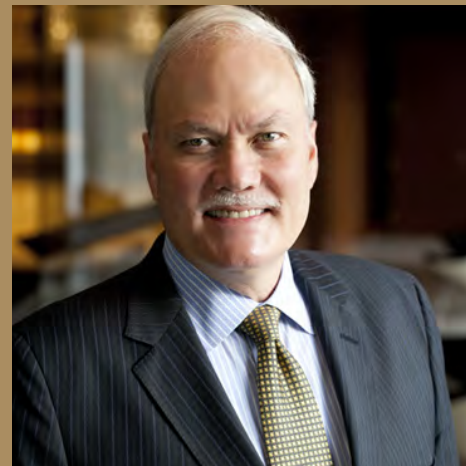
Our aim is to be best-in-class in Corporate Responsibility in the spirits industry. We believe that by responsibly managing our environmental and social impacts, Bacardi will be a more sustainable business in the long term.

Through our Corporate Responsibility programs, we regularly introduce new ways of working to increase efficiencies, reduce our global footprint and support grower communities and other partners, all while promoting responsible consumption.

We are proud that the spirit of giving back to people and communities in need has been a cornerstone of our Company's existence since its founding more than 150 years ago. Thanks to this long-standing Corporate Responsibility commitment, we have no doubt that this legacy of giving will continue for 150 more.



Facundo L. Bacardi
Chairman



Edward D. Shirley
President and CEO



[Watch Video](#)

As we look ahead, we intend to continue to play a role in helping address key global issues such as responsible sourcing, world population growth and climate change. Our increased engagement with stakeholders shows that our actions, as we deal with these and other challenging issues, are aligned with stakeholder interests.

The Bacardi Limited Corporate Responsibility program comprises five pillars that reflect our principal areas of activity. These pillars are Marketplace; Environment, Health and Safety; Responsible Sourcing; People; and Philanthropy and Community Involvement.

Although there is much more work to do, we're pleased to report we made progress in all five of these areas during fiscal 2013.

Through our Marketplace activities, we continued to strengthen our commitment to promoting responsible drinking and the responsible marketing of alcoholic drinks. We remain very actively involved in the Global Alcohol Producers Group (GAPG), and are placing all necessary resources behind implementation of GAPG commitments to reduce alcohol-related harm. We work diligently to comply with our strict Global Marketing Principles, as well as with international industry codes. We take these responsibilities seriously and in fiscal 2013, as in previous years, no consumer complaints on our marketing materials were upheld by regulators.

In the area of Environment, Health and Safety, we continue to strive for environmental improvement and best practice, seeking to minimize our impact on the natural world around us. In fiscal 2013, we focused strongly on improving the environmental performance of our production facilities. Among the many initiatives undertaken in this ongoing effort were programs aimed at reducing our use of water resources, which play such a vital role in our business.

We remain committed to promoting sustainable sourcing practices across our business. Through our Responsible Sourcing program and our substantial activity as a founding member of the multi-stakeholder initiative, Bonsucro™, we are working to meet our target of sourcing 100% of our sugarcane-derived products from sustainably certified sources by 2022, and Bonsucro is our preferred standard.

As described in the People section of this report, we are actively building engagement, based on the overwhelming and positive response to our first-ever Global Employee Engagement Survey, conducted in 2012. Employees

Our aim is to be best-in-class in Corporate Responsibility in the spirits industry. We 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*



asked for greater emphasis to be placed on development opportunities, and during fiscal 2013 we focused on providing more effective employee feedback channels, enhanced coaching from line managers and targeted training programs to support career progression and development.

Our progress in the area of Philanthropy and Community Involvement was highlighted by two key developments. In fiscal 2013, we expanded our Corporate Responsibility (CR) Week, successfully launching CR Month, which resulted in over 7,600 volunteer hours being contributed by our global workforce. The other key highlight was the donation by Bacardi companies and brands of US\$6.06 million to local communities around the world, including a significant in-kind donation, valued at US\$2.7 million, of the iconic Bacardi Tower and Museum building complex in Miami, Florida.

This improving performance, as we continue to embed Corporate Responsibility throughout our global operations, would not have been possible without the unwavering dedication, skillful efforts and hard work of our employees around the world. On behalf of the Bacardi senior leadership team, we thank them.

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

Facundo L. Bacardi
Chairman

Edward D. Shirley
President and CEO

Corporate Responsibility at Bacardi Limited

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

In this Section:

**Our Corporate
Responsibility Program**

Stakeholders

Materiality

Our Impacts

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

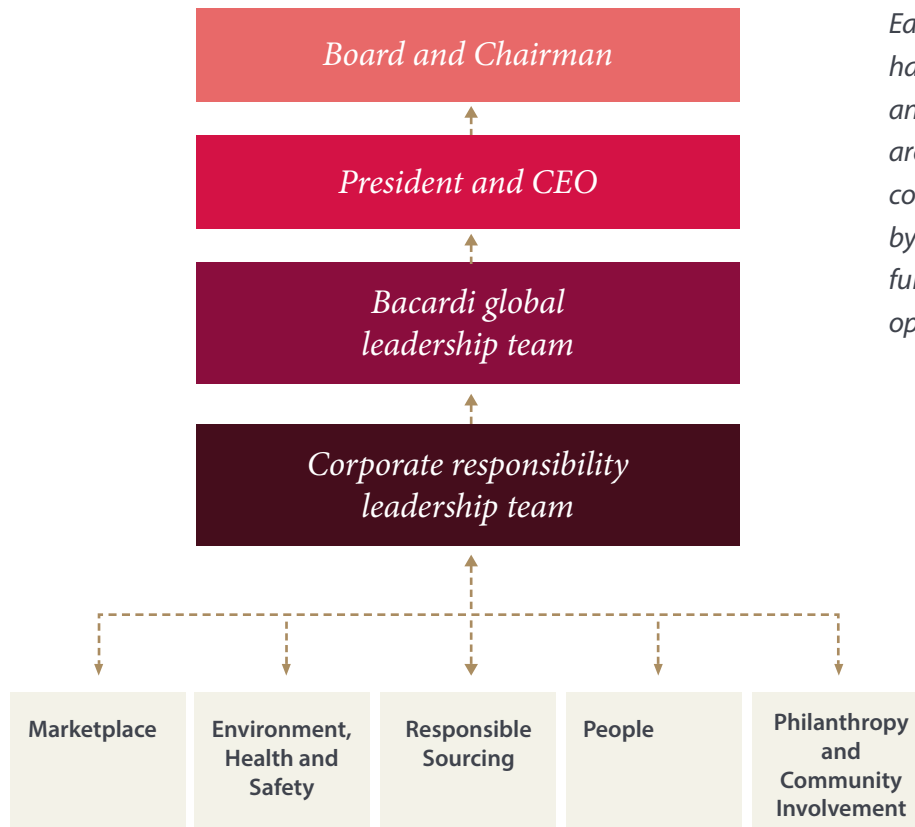
Overall responsibility for Corporate Responsibility rests with the office of the Chief Executive Officer (CEO), which updates the Board and Chairman once yearly.

The Corporate Responsibility leadership team (CRLT) sets and delivers the goals of our Corporate Responsibility strategy. It updates the CEO and Bacardi global

leadership team on a regular basis. The CRLT comprises senior managers from various global functions and business units and is led by the global CR Director.

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

Our Governance Structure:

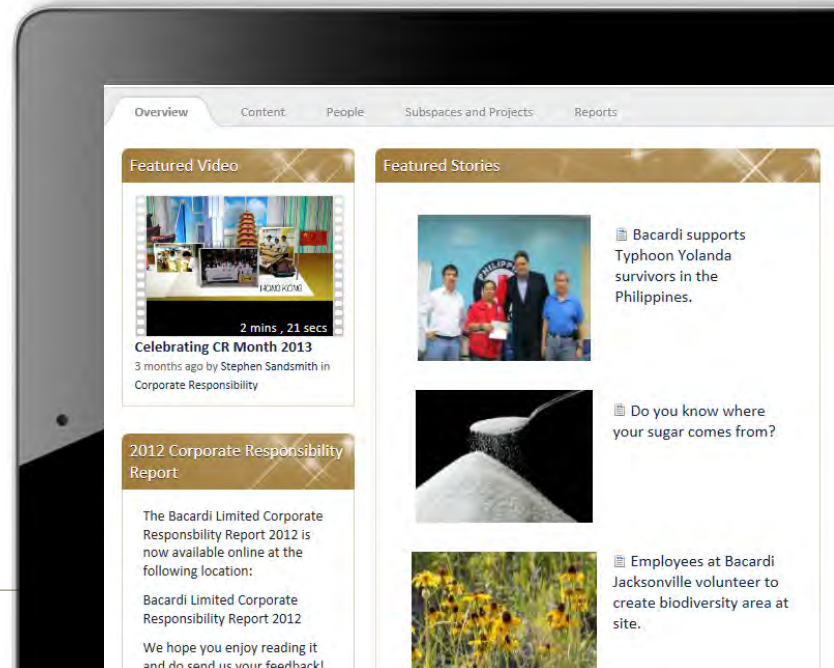


Each of the five pillars has its own strategies and targets, which are delivered through coordinated activity by the relevant global functions and/or operating companies.

Senior executives from across Bacardi's business functions contribute to the Corporate Responsibility leadership team, and are drawn from global operations, human resources, legal, sales, corporate communications and external affairs departments. This group is led by the Bacardi global leadership team director.

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.



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 global leadership team (GLT) 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 GLT.

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 has begun to evolve from being a specialist program within Bacardi to becoming an essential way of working that will be 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.

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:

689,271

fans were on the “Champions Drink Responsibly” Facebook™ page by March 2013.

0

No consumer complaints on our advertising were upheld in 2013.

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 & Safety](#)

Measuring the Results:

3 Years

We successfully recertified all of our production facilities to ISO 9001, ISO 14001 and OHSAS 18001 standards.

54%

We continued to drive improvement in water efficiency, and in FY2013 we used 54% less water than in FY2006.*

**This includes only those sites tracked since fiscal 2006 and, therefore, excludes JDSL distilleries and Santo Stefano Belbo.*

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:

320

suppliers registered and were linked to Bacardi in Sedex by end of fiscal 2013.

77%

of Global Webshop POS suppliers underwent the Vendor Qualification Process (VQP) for screening vs RS Standards in fiscal 2013.

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:

50%

We are targeting that 50% of business units and global functions hold local awareness and engagement sessions by the end of fiscal 2014.

53%

of job openings at management level and above were filled by internal talent in fiscal 2013.

Philanthropy and Community Involvement

Bacardi Limited 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 today.

Pillar Overview:

As part of the Bacardi Limited commitment to the communities within which it operates, employees are encouraged to participate in community programs and activities on behalf of the Company. This participation by employees increases the public's awareness of the nature and extent of Bacardi community involvement and also generates among our people a strong sense of pride in themselves and in our Company.

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 \$6.06 million

The total value of support given by Bacardi companies and brands in fiscal 2013.

7,600 hours

Bacardi employees in 28 countries around the world contributed over 7,600 hours of their time during CR Month in fiscal 2013.

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:

GROUPS	DESCRIPTION	PRIORITIZED AREAS OF INTEREST
 Consumers	Identifying and understanding consumer trends, including attitudes to alcohol, is essential to ensuring that our responsibility messages resonate with our consumers.	<ul style="list-style-type: none"> • Responsible drinking. • Responsible marketing. • Sustainable agriculture and sourcing. • Sustainable packaging.
 Customers	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.	<ul style="list-style-type: none"> • Responsible drinking. • Responsible supply chain. • Sustainable agriculture and sourcing. • Product responsibility.
 Employees	We keep our people up-to-date on important issues about Bacardi Limited with CEO webcasts, management roadshows and our global ONE Bacardi intranet.	<ul style="list-style-type: none"> • Employer responsibility. • Product responsibility. • Responsible drinking. • Responsible marketing.
 Industry Associations	Sharing knowledge and experiences with industry partners promotes a collective response on industry-wide matters, such as responsible marketing and responsible drinking.	<ul style="list-style-type: none"> • Responsible marketing. • Responsible drinking. • Managing direct environmental impacts. • Sustainable agriculture and sourcing.
 Local Communities	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.	<ul style="list-style-type: none"> • Responsible drinking. • Responsible marketing. • Managing direct environmental impacts. • Sustainable agriculture and sourcing.
 NGOs	We exchange views with NGOs on alcohol issues at various fora, including the World Health Organization (WHO), the EU Alcohol and Health Forum and a range of trade associations.	<ul style="list-style-type: none"> • Responsible marketing. • Responsible drinking. • Good governance. • Supporting local communities.
 Regulators	We engage with regulators through trade bodies, one-to-one meetings and written responses to policy consultation documents.	<ul style="list-style-type: none"> • Responsible marketing. • Good governance. • Responsible supply chain. • Responsible drinking.
 Shareholders	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.	<ul style="list-style-type: none"> • Good governance. • Product responsibility. • Responsible marketing. • Being a responsible employer.
 Suppliers	We engage suppliers on our Responsible Sourcing standards both through our regular procurement processes and our Responsible Sourcing program.	<ul style="list-style-type: none"> • Responsible drinking. • Product responsibility. • Responsible marketing. • Sustainable agriculture and sourcing.

Stakeholder Research

We undertook independently conducted stakeholder research in fiscal 2012 as part of our move to a more structured approach to stakeholder engagement. The results of this research, which are summarized below, remain applicable in fiscal 2013.

Stakeholder Research

The research involved structured, one-to-one interviews with a global range of individuals from each of our main stakeholder groups, except for shareholders. 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.

Key Results:

Responsibility in the Spirits Sector

The results showed that the larger companies in the spirits sector were generally considered to be responsible. There was 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 considered 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 strived 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 were 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 were 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 used the stakeholder research to inform our biannual materiality assessment. The assessment 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. Since then, we have set up Action Teams to address challenges and gaps identified in the survey. Read more on the follow-up to the 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 undertake a biannual materiality assessment to prioritize the importance of the issues within each pillar.

Our last materiality assessment, undertaken in fiscal 2012, used the results of the **independent stakeholder research**. We have reviewed the materiality rankings and have concluded that they remain relevant for fiscal 2013. Our next assessment will be conducted in fiscal 2014.

To complete the 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.

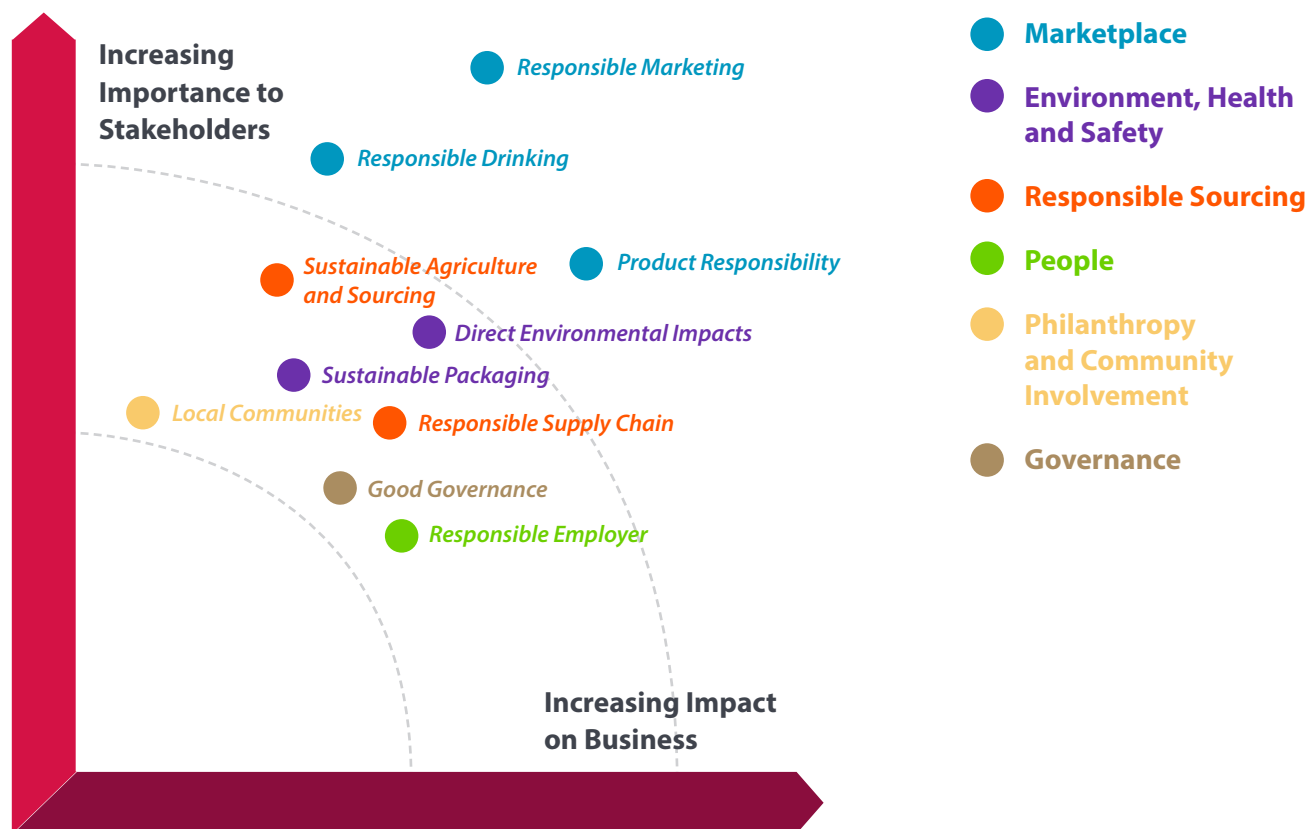
The results of the materiality assessment reflect the relative importance of issues within our Corporate Responsibility program, not the overall importance of the issues to Bacardi Limited. For example, being a responsible employer is critically important to our business overall but is less material 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 Material Issues

The results of our biannual materiality assessment (last conducted in 2012) are shown on the matrix below. We have reviewed these results and have concluded that they are still appropriate for fiscal 2013. The matrix shows the relative level of stakeholder interest in our Corporate Responsibility issues and the current or potential impact of these issues on Bacardi Limited.



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

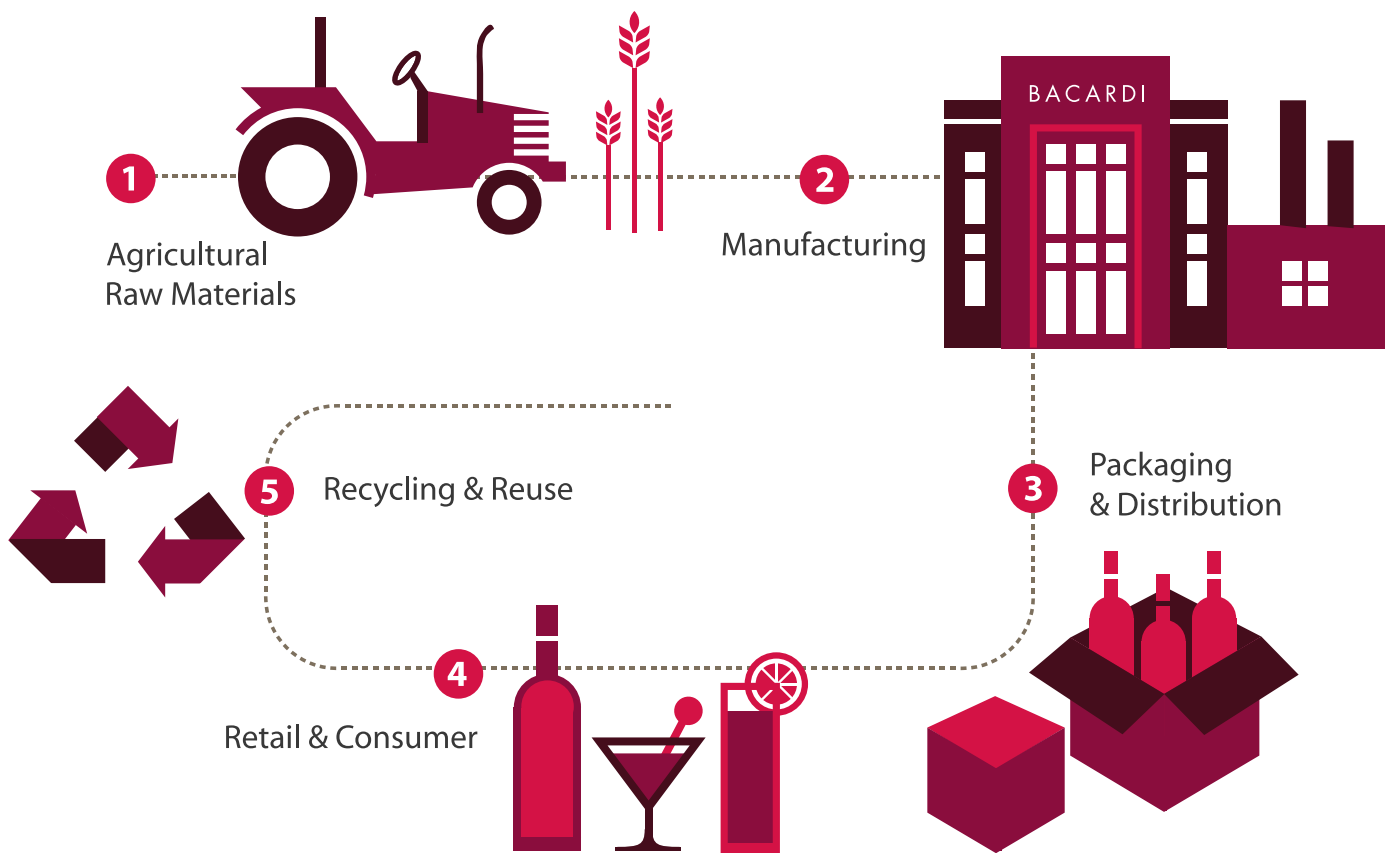
focuses on making our packaging more sustainable including material type, packaging weight and recyclability.

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.



Agricultural Raw Materials

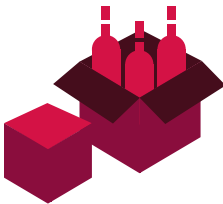
Bacardi Limited has a more than 150-year history of quality, excellence, ethics and social involvement. These values were important to our founder, Don Facundo Bacardí Massó, and are still important to us today.



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.



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.



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.



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.



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 who choose to drink do so in moderation. Alcohol can cause harm if it is misused, however. It is therefore in our interest 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 (LDA) consumers and discouraging inappropriate consumption of our products is a key priority for our Company.

The Bacardi Limited Global Marketing Principles represent our highest global standards for producing all of our marketing materials, and our commercial teams are trained and held accountable to comply with these principles. We expect to comply with relevant local laws and regulations and in fiscal 2013, as in previous years, we had no consumer complaints that were upheld by regulators.

CHRIS SEARLE | *International Affairs and Global CSR Director*



Chris Searle

International Affairs and Global CSR Director

[Watch Video](#)

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 highest global standards for producing all of our marketing materials. Our commercial teams are trained and held accountable to comply with these principles. Our code of marketing principles is fully aligned with industry codes of the International Center for Alcohol Policies (ICAP), the Distilled Spirits Council (DISCUS) and spiritsEurope. We also expect to comply with relevant local laws and regulations.

We take our responsibilities seriously and in fiscal 2013, as in previous years, no consumer complaints on our marketing materials were upheld by regulators.

We have robust processes in place to review and approve marketing materials. We have activities under way to update our systems, and we will elaborate on this subject in our next report.

On responsible drinking, we promote drinking in moderation to LDA consumers globally. We use “enjoy responsibly” as a moderation statement on our labels and in our advertising. This statement replaced our previous admonition to “drink responsibly” after NGOs commented that it actively instructed consumers to drink. We encourage regular consumption and responsible enjoyment of our brands for those who choose to drink. This is part of our business strategy to encourage consumers to choose our premium spirit brands.

Our responsible drinking flagship project is our award-winning global campaign, “Champions Drink Responsibly.” This year marked the second full year that tennis great Rafael Nadal has served as the Bacardi Limited Global Social Responsibility Ambassador and champion of this campaign.

We raised awareness around the world of our four key responsible drinking messages, shown below, as we hosted consumer and media events in New York, Majorca, Acapulco and Barcelona.

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.

In this way, consumers can ensure that they have a great and memorable evening.

We also share these messages through digital and social media. In its first year, the campaign's Facebook™ page attracted over half a million fans. We also conduct press conferences, consumer events and global online competitions (e.g., Ace Rafa, Mix with Rafa) to spread these four core messages.

Our 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 strategy 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.

Our Approach

Our strategy for the Marketplace pillar is to be very focused on a few best-in-class activities 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, in many cases working through industry associations. 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 brand marketing is not targeted at under-LDA consumers. We focus on achieving this everywhere that we promote our products -- including print, television and, increasingly, digital media -- by observing the 70/30 age profile, whereby a minimum of 70% of the applicable media audience is over the LDA. This is our global objective; in some markets the percentage can be higher. We continue to have an excellent record of compliance with our Global Marketing Principles and with relevant industry codes in areas where local laws do not exist. We also recognize that the spirits industry as a whole has a good compliance record on responsible marketing, compared to other business sectors.

Material Issues

Our priorities relating to responsible marketing and tackling alcohol-related harm closely correspond to the results of our last biannual assessment of the most material Corporate Responsibility issues for Bacardi Limited.

The materiality assessment judged that issues relating to “responsible drinking,” which is defined as actions to promote responsible drinking and to 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.](#)



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 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
Achieve 500,000 Facebook™ fans by the end of fiscal 2013.	We achieved 689,271 fans on our Facebook pages by March 2013. This is supported by a strong analytical evaluation to prove consumer engagement.	✓	Develop the Champions Drink Responsibly campaign by building its consumer reach across additional social media groups, e.g., Instagram, as well as by increasing our consumer engagement on Facebook.
Launch a global competition to align more clearly the “Champions Drink Responsibly” campaign messaging with other brand consumer activity.	We launched “Mix with Rafa,” a global online competition to align our campaign messaging with other Bacardi rum consumer activity.	✓	Target of 1 million fans to be reached across all social media platforms.
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.	Created a new edition of the Bacardi Global Marketing Principles, which included a ninth principle to cover our digital approach and achieve an integrated policy.	✓	Develop plans to increase local market activation beyond current core markets. Launch a training app to reach our commercial teams globally.
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.	New e-module to provide digital training was created to complement the current social responsibility module.	✓	Launch third edition of Global Marketing Principles book and follow up with training programs to achieve 80% target of all marketers trained.
Include the responsible sourcing of the botanicals for BOMBAY SAPPHIRE Gin as part of the brand story.	Bombay Sapphire brand equity program is supplemented by educating consumers on its responsible botanicals sourcing.	✓	Introduce new marketing compliance approval process through a dedicated database to gain greater internal transparency around campaign developments.

TARGETS FOR FISCAL 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
Include responsible drinking messaging within BACARDÍ Rum consumer party events.	Bacardi brand activity that focuses on house parties also incorporated responsible drinking messages and other Corporate Responsibility (CR) elements.	✓	Integrate brand advocacy into the new Corporate Sustainability strategy through the brand alignment workshops.
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.	Global Alcohol Producers Group (GAPG) commitments covering five key areas were signed by Bacardi CEO.	✓	Implement first year of the GAPG commitments plan.
Assist in reforming the Foreign Spirits Producers Association in China, including widening the program of activities on responsible drinking.	FSPA body in China was reformed and new Secretary General appointed with key Bacardi involvement.	✓	Pilot CR initiatives with retail partners to contribute to the reduction of alcohol-related harm to positively influence antisocial issues.
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.	Continued to play an active role in U.K. Responsibility Deal by co-chairing the education group.	✓	Develop Community Alcohol Partnerships that are included in the Responsibility Deal.

 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.

An important part of our commitment to encourage the responsible use of our products is to ensure that our marketing does not promote inappropriate alcohol consumption, while reinforcing the responsible drinking message. Our marketing colleagues have a range of tools to support this objective, and we particularly focus on ensuring that our communications are aimed only at LDA consumers.

Global Marketing Principles

Our Global Marketing Principles are a set of nine core principles that govern all of our marketing practices and act as our Company's internal marketing code. Together with our implementation guidelines, they form the basis of our strategy for responsible marketing.

Our Global Marketing Principles, introduced in 2007 and revised in 2009, were updated again in fiscal 2013 with the addition of a new principle that takes into account changes in our approach to digital

marketing and recognizes the power of social media. We are committed to producing content that both upholds advertising standards and represents honest and truthful communications that respect the privacy of our consumers. The updated Global Marketing Principles were introduced at a global marketing conference that included our top 150 commercial managers.

[Read our Global Marketing Principles.](#)

Compliance

Our country managers, supported by legal or external affairs specialists, are responsible for ensuring the compliance of all of our local marketing materials. Key to our approach is that country managers are not involved in developing marketing materials, so they are better able to be more independent and objective about the local suitability of marketing materials developed by our marketing teams.

External Codes and Regulations:

Our first priority in our self-regulatory approach to marketing 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 the highest standard and are particularly helpful 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.

Measuring the Results:

0

No consumer complaints on our advertising were upheld in fiscal 2013.

Developing Digital Marketing

In fiscal 2013, we continued to see a major shift in our brand marketing to incorporate greater use of digital and social media communication, supplementing our more traditional marketing such as print and television advertising. In addition, we invested in a central PR event unit to set best practices in experiential and sponsorship marketing, where key brands focus on contacting consumers more directly.

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 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.

The importance of this media targeting was reinforced by a commitment made by EU alcohol advertisers who are members of WFA (World Federation of Advertisers) to the Directorate-General for Health and Consumers (DG SANCO) Alcohol and Health Forum. While Bacardi is a founding member of the Forum and, since 2007, has been a member of WFA, our Company already had this standard in place, governing operations within our business throughout this time.

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 new Global Marketing Principles summarize specific guidance on responsible digital marketing and help ensure that our policy is consistent with industry bodies like spiritsEurope and DISCUS, which also have their own codes. This supports international alignment on our approach and consistency across our brands.

Our global digital guidelines, reinforced by a training module, also give direction on how brand and digital community managers should handle digital communities on our social media platforms, such as Facebook™, YouTube™ and Twitter™, including how to ensure that user-generated content complies with our responsible marketing approach.



The key concern with social media is to avoid contact with underage consumers. Our home pages carry age-verification mechanics so that only LDA+ consumers enter the sites, although these gateways rely on consumers' self-reporting.

Digital marketing establishes interaction with, and conversations among, consumers over the life of the campaign. The challenge is to ensure that the tone of this conversation does not breach our responsible marketing principles and that user-generated content similarly reflects our marketing code.

To this end, we require our digital community managers to actively monitor both on-site consumer conversations and user-generated content on our digital platforms to ensure their conformation 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 2013, all new marketing hires received training in responsible digital marketing, as well as in our Global Marketing Principles.

Training on the implementation of the guidelines that support these principles began at Bacardi Global Brands in London, where our global brands are managed. A roadshow to introduce the guidelines around the Company kicked off in Miami in June 2012, and these workshops are continuing in fiscal 2014.

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. All new marketers must complete the training module, and more than 400 have done so since the course was launched in fiscal 2011.

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



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.

Principle 9

We recognize the digital space is an alternative community for consumers to network, communicate and comment on products and services. We aim to uphold our legal commitments and be honest, transparent and truthful in our marketing materials to ensure that none of our communications attempts to mislead our consumers. Consumer privacy in the digital space should be observed at all times.

Global Marketing Principles

These principles were originally created in 2004, and we subsequently revised them in 2007 because of our experience in training, which revealed the need to have explanatory guidelines.

We also realized that the Global Marketing Principles needed a high level of visibility and continuous review and training within our marketing community, and we have published three editions in this time period.

As part of our review process, recognizing the advent of digital media and the emphasis that marketers now place on digital content generation, we added a new principle (Principle 9) relating to this in 2013.



[Watch Video](#)

*Andy Gibson
Chief Marketing
Officer of Bacardi &
President of Bacardi
Global Brands*

Tackling Alcohol-Related Harm

Alcohol-related harm is recognized as a serious public health concern by a range of stakeholders, including the WHO, national governments, 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 supports 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 10-year framework set by the WHO.

Despite our commitment to tackle the challenge of alcohol misuse and the recognition by the WHO Global Alcohol Strategy that the beverage alcohol industry needs to be part of the solution, we still face calls from NGOs for governments to reduce total alcohol consumption through measures such as restricting the availability of alcohol, increasing taxation and implementing advertising bans. In 2013, this topic was debated as part of the U.N. non-communicable diseases plan.

Internal Management

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

The team comprises regional External Affairs Directors and meets regularly to coordinate initiatives and share best practices from across the Company. More recently, the team has worked with Corporate Communications in a new structure that raises the profile of these issues with the BLT.

WHO Global Alcohol 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 that took place in 2013. This 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 website: 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.

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.

WHO recognizes that leading alcohol producers can make a positive contribution to WHO objectives to reduce alcohol-related harm. To this end, GAPG unveiled 10 key commitments in five areas of interest to WHO that would be delivered over a five-year period that started in January 2013.

These commitments were presented at the International Center for Alcohol Policies (ICAP) conference in Washington, D.C., in October 2012. The conference was attended by over 300 stakeholders, of which 65% were non-industry representatives.

The 10 commitments, detailed on the website shown below, cover the following five areas of interest to GAPG members, WHO and its government members:

1. Underage consumption.
2. Responsible marketing.
3. Consumer information.
4. Drink drive initiatives.
5. Responsible retailer initiatives.

The CEOs of GAPG member companies formally agreed to these commitments, which were presented to WHO Director General Dr. Margaret Chan.

Bacardi Limited has embraced the obligations of the program, and planning is under way to set out our five-point plan for implementation. We are working with other alcohol producers through our trade associations to provide support in these areas.

These commitments are being cascaded into the business units within our regional and global operations. Our focus is to deliver more on-pack information to consumers and to ensure that our media messaging is reaching only LDA consumers. The progress achieved in the implementation of these commitments by all of the signatories will be published regularly on 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.

Various perspectives on tackling alcohol-related harm were presented. These included the role of industry self-regulation and the issue of non-commercial alcohol, which reflect work currently taking place to support the WHO strategy on alcohol-related harm.

Further developments in fiscal 2013 on NCDs, as WHO built on the U.N. agenda, led the industry to review how it could work more effectively to coordinate the efforts of its global organizations, including ICAP and GAPG.

GLOBAL ACTIONS ON HARMFUL DRINKING



Global Actions on Harmful Drinking is the headline program developed by GAPG and managed by ICAP to support the WHO Global Alcohol Strategy. This program, which represents a significant collective commitment to reduce the harmful use of alcohol, established projects in the following 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.

The projects started in 2010 and were aligned to key aspects of supporting the WHO Global Alcohol Strategy, which was planned to be reviewed after three years and, initially, ran until the end of 2012.

Local ICAP coordinators, working closely with local government officials, supported 27 projects in these three areas that were established in 18 countries. Special emphasis was placed on low- and middle-income economies, such as China, India and Russia, where existing alcohol responsibility programs are not so advanced. The projects were delivered via a range of stakeholders and local third-party organizations. Bacardi Limited provided direct support to projects establishing self-regulation frameworks in Mexico, Russia and China.

Two of these projects - Drink/Drive and Self-Regulation - subsequently formed part of the GAPG Commitments and are merged into that program.

ICAP commissioned an independent audit to report on the progress of some of these projects, and this is discussed below.

Evaluation

In order to evaluate the effectiveness of Global Actions on Harmful Drinking, ICAP commissioned an independent social development consultancy, specializing in evaluating public programs, to assess the projects. The evaluation took place over the life of the projects, from 2010 to 2012, and a mid-term evaluation report, with recommendations, was completed in September 2011. Details are available on the Global Actions on Harmful Drinking website, www.global-actions.org. A full evaluation was scheduled for the end of 2013.

European Activity:

EUROPEAN UNION DG SANCO ALCOHOL AND HEALTH FORUM

We take part in meetings of the European Union (EU) DG SANCO Alcohol and Health Forum. During fiscal 2013, we gave the European Commission an interim evaluation of the “Champions Drink Responsibly” campaign that was run in the EU, as our commitment to meet the goals of the Forum spans a three-year period ending in March 2014. In fiscal 2013, we decided not to further engage in commitments relating to the Forum’s digital marketing efforts, but rather to support the efforts of leading companies in fashioning our response to the Responsible Marketing Pact that has been developed by the World Federation of Advertisers (WFA), to which we belong. www.ec.europa.eu/eahfa



The WFA commitments, which run until 2015, aim to develop common standards relating to commercial communications and marketing. In particular, these standards put in place media monitoring to enforce the 70/30 audience profile for LDA consumers. This means that all media and publicity purchased or generated has to reach an LDA audience that is composed of over 70% LDA consumers. Details can be found on the WFA website, www.wfanet.org

SPIRITSEUROPE

spiritsEUROPE is the representative body for the spirits industry in Europe. spiritsEUROPE successfully promotes the interests of our sector with the European Commission, including defending commercial interests like competitive pricing, during the debate over minimum-pricing restrictions.

Bacardi Limited currently chairs spiritsEUROPE’s Alcohol and Society Committee. This committee is at work renewing its regional marketing plan and road map for delivering a more effective process for responsible marketing standards in Europe. More information can be found at www.spirits.eu



In fiscal 2014, Bacardi Limited is offering a link to the website of spiritsEUROPE so consumers can access a multilingual website and obtain educational information about responsible consumption. This link is featured on all back labels of our brands sold in Europe. For further information, see www.spirits.eu

United States 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.



A Common Approach to Responsible Digital Marketing

In fiscal 2012, DISCUS in the U.S. and EFRD in Europe (a predecessor organization to spiritsEUROPE) 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 (another predecessor organization to spiritsEUROPE) and GAPG, Bacardi Limited representatives held leadership roles in local associations in Russia, France, Italy and Chile in fiscal 2013.

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” (CDR), is now in its fifth year and has completed its second full year with our Global Social Responsibility Ambassador, world tennis champion Rafael Nadal (“Rafa”).

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

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



HOW DO YOU WANT TO REMEMBER YOUR NIGHT?

BACARDI LIMITED CHAMPIONS DRINK RESPONSIBLY

CDR awareness material with Rafael Nadal.

All four messages are designed to give people useful and practical suggestions for behaviors that will help them enjoy their night to the fullest -- creating The Champion’s Way!

In fiscal 2013, we further developed the program by expanding its reach through new platforms and media.

Ace Rafa Promotion Event

“Ace Rafa” was an online game hosted on the CDR Facebook page that enabled players to serve to Rafa virtually by using “RoboServ,” a state-of-the-art ball-serving machine. To win, players had to show that they had the attributes of a Champion to know where the line is.

In fiscal 2013, 2.2 million people were reached globally by “Ace Rafa” content, resulting in more than 20,000 people from over 45 markets entering to win a chance to replicate the “Ace Rafa” game for real and meet CDR Champion Rafa Nadal.

A total of 19 winners (and their guests) were invited to the live “Ace Rafa” event in Majorca, where they were treated to a luxury weekend of 5-star accommodation and cuisine. The highlight of the weekend was meeting Rafa in person and attempting to ace him using a real-life robotic ball-serving machine.

The “Ace Rafa” live event was a huge success that not only provided a once-in-a-lifetime experience for lucky Facebook fans but also effectively communicated a challenging responsible drinking message in an engaging manner.



CDR Facebook Page

Since its launch in April 2011, the CDR Facebook page has gone from strength to strength, communicating to a global audience encompassing more than 40 markets in all five Bacardi Limited geographic regions. By the end of fiscal 2013, this Facebook page had attracted a following of 689,271 fans.

The CDR Facebook page offers a mixture of responsible drinking behaviors that will enable LDA consumers to make the most out of their night out, tips about how Mocktails (otherwise known as non-alcoholic cocktails) can control the pace of a night out and a range of

Rafa-related content that demonstrates The Champion’s Way. All of this communication is designed to spell out the campaign’s key responsible drinking messages with an appropriate tone, one that never preaches or condescends to people about drinking alcohol.

With over 40,000 engagements on Facebook content per month and an ever-growing fan base, we expect that the CDR Facebook community will soon achieve over one million Champions. This level of consumer response clearly demonstrates the tremendous impact of our campaign.

Mocktails

Taking a break from alcoholic drinks during an evening is a good way for LDA consumers to pace themselves during an evening out. Through CDR Mocktails, we remind fans that responsible drinking does not mean that you need to drink soft drinks or water all evening. Instead, we offer a more exciting alternative.

Through a mix of recipe cards and tips about how to incorporate Mocktails into a night out, we have developed a stream of content that gives fans a refreshing alternative to drinking alcohol that will help LDA consumers enjoy and remember a great night out.

We launched another global online competition in fiscal 2013 that focused more on social occasions and less explicitly on tennis. "Mix with Rafa" was created to enable consumers to win a place at a house party hosted by Rafa, in unique Bacardi style. The promotion was launched in February 2013 and closed in mid-April, with the final event –meeting Rafa in person at a great party -- held in July 2013.



Mark Plumridge shows Rafa how to make The Champion's Mix.

Mexico Event

In February 2013, just ahead of the 2013 Mexican Open, CDR Champion Rafa Nadal visited Acapulco to educate LDA Mexicans on responsible drinking behavior through "The Champion's Way." This was Rafa's first visit to Mexico as part of the "Champions Drink Responsibly" campaign, and it offered a tremendous opportunity to widen the appeal of the CDR campaign and its messages. Due to local laws, our Mexican company can't link the promotion of alcohol with sport, and therefore it ran a local promotion to reward its consumers with this opportunity.

Rafa also was able to debut for his Mexican fans the latest campaign Mocktail, The Champion's Mix. To communicate this concept at the event, Rafa tried his hand at mixing up a few Mocktails, showing how simple and delicious non-alcoholic alternatives can be.



T-Sign

The “T-Sign” is a call-to-action signal in the CDR campaign, which has adopted this well-recognized gesture to indicate “Time Out.” Rafa launched the “T-Sign” at a press event in Sitges, Spain, in November 2012 to promote responsible drinking among LDA consumers.

The “T-Sign” symbolizes many of the CDR campaign’s responsible drinking messages, as well as the behaviors that can make a Champion and ensure that friends enjoy a great night out together.

A series of ads was created incorporating this gesture into different messages, e.g., hailing a taxi to get home safely at the end of an evening.

To support the new initiative, Champions Drink Responsibly developed the “T-Sign” Facebook app in March 2013 that encourages fans to show that they have the qualities of a Champion through their own “T-Sign” images.



New York Event

Due to an injury that Rafa suffered prior to the U.S. Open tournament, Tennis Grand Slam Champion and world number-one-ranked Victoria Azarenka took his place at a CDR event in August 2012, just ahead of the Open. Victoria swapped her tennis racquet for a cocktail shaker, joining five of New York’s top bartenders to judge a contest to find a new signature CDR Mocktail.

Amid fierce competition, Victoria chose The Champion’s Mix as the winning Mocktail recipe, and this drink joined Rafa’s Berry Smash as the campaign’s lead Mocktail. To strengthen engagement between fans of the CDR page and mixology, all five Mocktail recipes were shared online so that fans could try them for themselves.

The event generated significant content for the CDR Facebook page and great PR for the campaign, including a video that was broadcast on NBC’s First Look.



Responsible Drinking Programs from Around the World

Bacardi is very active in participating in local initiatives which are coordinated and led by local industry organizations. We regard educating consumers in responsible drinking as a key business imperative, as part of our long-term brand-building.

United States

In December 2011, legendary NBA basketball star Shaquille O'Neal visited 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, which runs until 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

Mexico

In Mexico, the social aspects organization Fundación de Investigaciones Sociales AC (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, including Facebook and Twitter.

www.alcoholinformate.org.mx (in Spanish)



Shaquille O'Neal attending a binge-drinking awareness event at The University of Alabama

Russia

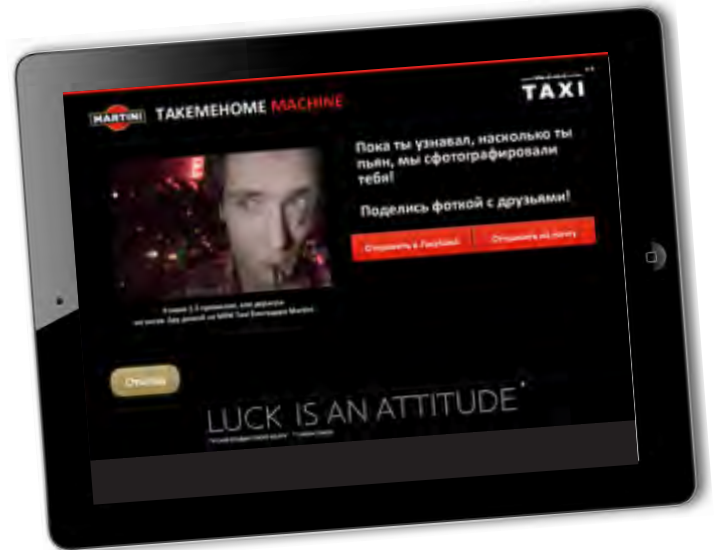
During the winter of 2013 in Russia, Bacardi developed the TAKEMEHOMEMACHINE project, which was piloted in a popular Moscow nightclub. In this innovative assist to responsible drinking, a bar patron who orders a MARTINI Royale or any other MARTINI drink also receives a straw from the bartender that can be used to blow into a breathalyzer device. This machine measures the individual's blood alcohol content and, if it is too high, the machine also supplies the consumer with a 30% discount for a taxi service that can provide a safe ride home.

Additional features have been incorporated into the breathalyzer device, including social network access that enables people to take amusing photos of themselves or friends when blowing into the breathalyzer and then post the photos on their social networking profile.

This project won four awards at Russia's "RED APPLE" Advertising and Marketing festival in the following categories:

- Best promo campaign using the new technology
- The best use of non-standard advertising
- Non-standard media
- Smart outdoor AD in Alcohol drinks nomination

In fiscal 2013, the project also won the prestigious ACE Award, encouraging further project development and roll-out to additional bars, nightclubs and restaurants in Russia and to similar venues in other markets.



France

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 10 principles of Slow Drinking, which include always combining drinks with food and taking your time. A dedicated website 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)



Netherlands

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 website, which provides information about responsible drinking and facts about alcohol in general.

www.drinkwijzer.info

(in Dutch)

Bacardi Netherlands won the Lean & Green STAR in 2012, one of the first 15 companies in the Netherlands to do so. The Lean & Green STAR is awarded to companies that have significantly decreased CO₂-

gas emissions in the “freight to customer” process. Bacardi achieved a reduction of more than 20% in the five-year period from 2007, an accomplishment verified by independent auditor Deloitte.

In order to achieve this decrease in CO₂ emissions, Bacardi undertook a number of initiatives, including reducing the frequency of orders delivered to customers and increasing the volume of products being distributed in each delivery.

Germany

Since 2005, Bacardi has spread the message “don’t drink and drive” to LDA German consumers, adding value for our on-trade partners, providing tangible results and making a real contribution to stakeholder dialogue. During on-trade events, Bacardi supports designated drivers with free soft drinks, sponsored by Coca Cola Germany, at the Driver’s Corner bar.

This is a simple idea close to our business, one attractive to strong partners like Coca Cola Germany, Chevrolet, DEKRA (full-service provider for safe and efficient mobility) or BDT (the German on-trade association). It has involved more than 200 events with 80,000 designated drivers and passengers

and 58 million PR contacts for responsible drinking messaging via media coverage.

www.driverscorner.de

(in German)



Advertising campaign for the Driver's Corner responsible drinking initiative.

Sweden

In Sweden, Bacardi is actively involved in the successful youth education initiative, "Teach about Alcohol." The program focuses on taking a social and life skills approach to encourage young people to behave sensibly with alcohol. Since the program began in 2006, over 9,000 teachers and 450,000 students have undertaken the program across Sweden. The program also has been successfully implemented in Finland, Denmark and Estonia and will be introduced shortly in Latvia.

United Kingdom

Bacardi continued to support the independent public-facing education charity, the Drinkaware Trust, as it helped educate U.K. consumers about responsible drinking. Furthermore, we assisted innovative schemes for responsible retailing in local on-premise businesses through active involvement with Best Bar None. We also supported Community Alcohol Partnerships, which work with local stores to foster responsible retailing.

In addition, Bacardi continued to take a leadership role within the Portman Group, the social responsibility body for alcohol producers in the U.K., assisting efforts to ensure that self-regulation is effective in naming, packaging and promoting alcohol drinks.

Italy

In Italy, Bacardi distributed 1,500 CR leaflets at Bartenders Advocacy sessions at the Terrazza Martini in Milan.

We also participated in the Welfare Exhibition (Giornata Nazionale Della Previdenza), which took place in Milan in May 2012. At this event, we shared the history of Corporate Responsibility within Bacardi, including the Company's efforts on behalf of responsible drinking.

New Zealand

Bacardi has been involved in a new initiative that addresses the stronger regulatory climate in New Zealand. The initiative reflects the market's close collaboration with the Australian team that oversees the local sales office and provides expertise.

The set-up and launch of an industry-wide initiative, www.cheers.org.nz, represents a new consumer-facing social change project within the market. It gives New Zealanders commonsense information about alcohol and tips on subjects that include talking to teens, how to host a safe party or event and general information such as what actually constitutes a Standard Drink. Please see the website for more details:

cheers.org.nz/about.html

More specifically related to spirits, a Voluntary Industry Code (VIC) was developed for the Ready to Drink (RTD) category. This VIC will be in force in fiscal 2014 and will result in the removal of non-compliant products from the marketplace. Although the New Zealand Government had indicated that it would legislate on the RTD category, the industry argued successfully to be allowed to self-regulate.

Japan

In Japan, Bacardi is actively involved in the STOP campaign, launched in 1980 by the Japanese Brewers Association and the Alcohol Health Medical Association. This initiative has been highly successful in promoting responsible drinking and preventing drink driving. In fiscal 2013, activities included the development and distribution of poster campaigns and handbooks, and the delivery of seminars to raise awareness and promote responsible drinking.





India

Activities in fiscal 2013 focused on our Walk The Line program, which promotes responsible drinking in premium on-premise spaces selling alcohol. The initiative involved developing mobile apps to enable consumers to take sobriety tests using their mobile phones and subsequently to give them the option of calling a taxi to take them home were they found to be intoxicated. Walk The Line won a Silver award in the category of Best Mobile Application at India's premier marketing awards ceremony, GOAFEST.

In fiscal 2013, India also was part of the global Champions Drink Responsibly (Mix with Rafa) campaign, which was offered on the Indian Bacardi Facebook fan page, which then channeled fans to the global contest page. There were 947 correct contest entries from India; from these entries two winners were selected to fly to Barcelona to meet Rafael Nadal, subject to visa approvals by the Spanish Embassy

in India.

Brazil

Bacardi Brazil is a member of the Brazilian Beverages Association (ABRABE). Our local managers are members of many of its committees, including communications and labor relations, and our Finance Director is the association's Vice President. One main goal of ABRABE is responsible drinking, and we use the website "[No excess" semexcesso.com.br](http://semexcesso.com.br) to publish best practices in this area.

In fiscal 2013, in line with our commitment to responsible consumption of alcoholic beverages, the Company engaged its employees in raising consumers' awareness about the dangers of drinking and driving.

In May 2013, Bacardi Brazil employees visited more than 25 pubs while wearing t-shirts displaying the message, "Today, the Bat will give you a ride." Our employees reinforced to pub patrons the serious consequences of driving drunk and distributed cards with information on taxi companies, encouraging patrons to go home by taxi if that was the safe choice.

In all, 54 employees, including our local management team, participated in this activity, which took place in six Brazilian cities -- Sao Bernardo do Campo, Rio de Janeiro,

Belo Horizonte, Recife, Curitiba and Salvador. The team met more than 1,500 consumers in their pub visits.

Chile

In Chile, Bacardi actively participates in the Asociacion pro-Consumo Responsable (APROCOR), alongside other alcohol-producing companies. In fiscal 2013, our main activities relating to this membership were implementing point-of-sale (POS) materials in the off-trade, advising our consumers to drink responsibly and developing targeted marketing campaigns to promote responsible drinking.

As part of this work, we helped conduct a study to evaluate consumer opinions of new legislation banning all drink-driving (defined as having a blood alcohol concentration (BAC) of no more than 30 milligrams of alcohol per 100 milligrams of blood). The findings showed that consumers have a largely positive opinion of this new legislation and think that fewer accidents have occurred since it was passed. Additionally, participants highlighted the importance of education in promoting and upholding the legislation and, therefore, in reducing alcohol-related driving accidents.

Working with the On-Trade

We have worked successfully with the International Bartenders Association (IBA) for six years to help provide social responsibility training to bartenders working towards IBA certification.

In fiscal 2013, we worked with the Education committee to review and 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

In fiscal 2013, we signed a new three-year Memorandum of Understanding with the IBA, strengthening our commitment to support the education of bartenders around the world on responsible serving practices.

To date, more than 1,000 bartenders from countries including Bulgaria, Colombia, Ecuador, Italy, Singapore and Uruguay have participated in the global training.

We continue to be a patron of the Wine & Spirit Education Trust (WSET) in the U.K., generally considered the world's leading provider of wine education. In fiscal 2013, WSET trained nearly 50,000 people in 61 countries in its wine and spirits diploma, which includes training on responsible serving. Bacardi has actively worked in the U.K. with WSET to run rum master-class events at consumer exhibitions, e.g., The Restaurant Show, to demonstrate the variation in taste of different kinds of rums. We then incorporate this information into a cocktail workshop, where Bacardi Trade Advocacy managers produce a variety of Bacardi drinks that demonstrates the versatility of their rum variants. www.wsetglobal.com

Clear Respect

Minimizing our impact on water resources is a key focus area.

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.

We continue to focus on environmental improvement and are pleased to report continuing strong gains in water reduction, particularly at our Scotch whisky distilleries. Safety remains a central focus, and our behavioral safety program is providing ongoing performance improvements.

STUART LOWTHIAN | *Global Technical Director*



Stuart Lowthian

Global Technical Director

[Watch Video](#)

Managing our environmental commitments is important to us, which is why we established in 2006 a baseline for measuring our environmental performance. Since then, we have worked together across Bacardi to improve our performance year-on-year.

In pursuing this goal, we have made considerable environmental, health and safety (EHS) progress, achieving significant improvements in the environmental performance of our production facilities. In fiscal 2013, we continued to focus on performance gains across our operations, centered on finalizing our vision and strategy for Environmental Sustainability. We recognize that by embedding environmental sustainability throughout our operations, we can drive further improvements in our performance without compromising the integrity of our business.

Over the six years up to fiscal 2012, we reduced our water use by almost one-half, energy use by one-quarter and greenhouse gas (GHG) emissions by one-third. In fiscal 2013, we continued to focus strongly on water reduction targets across our operations, and we delivered particularly encouraging results in our Scotch whisky distilleries. Similarly, over the past six years, we have had a steady reduction in GHG emissions at our Puerto Rico distillery due to a steady increase in renewable energy generation. Unfortunately, this year we had a setback arising from decreased renewable energy generation. Remedial actions are in place to return the distillery's GHG emissions to a reduction trajectory in the future.



We have achieved these results by establishing best practice ways of working.

Alongside our environmental initiatives, health and safety remain key focus areas for Bacardi. Our Bacardi Behavioral Safety program continues to deliver measurable results in our most advanced facilities. The global roll-out of this program remains ahead of schedule.

The best-in-class results that we constantly strive for in EHS performance are achievable only through 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 18001 for health and safety. This ensures that all of our Bacardi facilities worldwide use the same best-practice methods, and all sites strive for ongoing improvement.

None of our gains would be possible without the unwavering commitment and hard work of our employees, who have a passion for sustainability and who are determined to strengthen our environmental performance. Through their ongoing efforts, we intend to achieve a best-in-class environmental record.



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 multifaceted. 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. This information has been reviewed recently and is still up-to-date today.

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

Read more on our materiality process in the materiality section.



Work begins on our sustainable Bombay Sapphire distillery in Laverstoke, U.K.

During fiscal 2013, work got under way to convert an old banknote-printing mill site into a new distillery and visitors' center for the Bombay Sapphire brand. The location is near Laverstoke, in Hampshire, U.K., and we have focused heavily on ensuring that this distillery's impact on the environment is as small as possible. This includes:

- The whole site is being constructed under strict BREEAM regulations.

What is BREEAM?

BREEAM (Building Research Establishment's Environmental Assessment Method) is the U.K.'s most established and widely used environmental assessment method for buildings. It sets the standards for best practice in sustainable development and determines the comprehensive environmental performance of a new, existing or refurbished building or development. BREEAM assesses the performance of buildings in key areas that affect the built environment, including: Management policy, Energy use, Pollution, Ecology, Use of Material, Waste, Water, Transport and the Health and well-being of building users. Credits are awarded in each area according to performance. A set of environmental weightings then enables the credits to be added together to produce a single overall score. The building is then rated on a scale of PASS, GOOD, VERY GOOD, EXCELLENT or OUTSTANDING. Bombay Sapphire is aiming to achieve the OUTSTANDING rating.

- A biomass boiler that runs on wood chips will be installed. This boiler alone will be responsible for around 15 megawatt hours (MWh) per day, or 15% of the site's energy needs. It will generate steam to serve production distillation and the heating requirements for the visitors' center and glasshouse.



Bombay Sapphire distillery in Laverstoke, United Kingdom

- The spent botanicals from the distillation process also will be incinerated in the biomass boiler. In fact, we will try to burn as much solid waste as possible in the boiler in order to reduce landfill waste. Ash from the boiler will be used for compost. The remaining power will be provided by a natural gas boiler.
- We will receive hydropower via a turbine located in the stream running through the site. This will generate up to 144 kilowatt hours (KWh) per day. This is enough power to heat the visitors' center.
- In terms of biodiversity, we are working hard to ensure that there is a returning natural ecosystem, particularly concerning the River Test. We also are striving to make certain that a nearby colony of bats is protected by supplying bat boxes around the site. In addition, the fish stocks in the River Test will be fully restored as part of our plan to fully return the river to its natural standard.

Environmental Sustainability Strategy

In fiscal 2013, we began to roll out the Bacardi Sustainability Program within our Global Operations function.

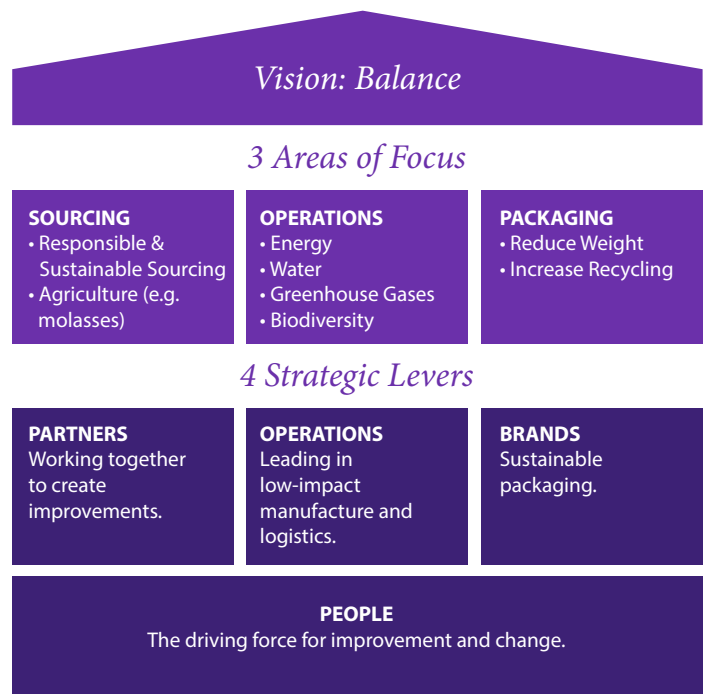
By creating a focused approach to sustainability, we can continue our work to reduce energy and water use. We also are able to begin integrating the benefits of sustainability into our brands to support business growth and ensure that our sourcing practices are both responsible and sustainable (see Responsible Sourcing).

A Strategy for Leadership

The updated strategy primarily focuses on bringing together two of the five pillars of our Corporate Responsibility strategy – Environment, Health and Safety and Responsible Sourcing -- under the umbrella of the Bacardi Sustainability Program. We did this in order to better align and manage our upstream activities, our manufacturing operations and the downstream impacts of our products because we recognize that many environmental and potential social impacts of our products are in our supply chain. We also understand 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.

Our environmental sustainability strategy has three areas of focus: sourcing, operations and packaging. To drive progress in these areas, we have four strategic levers, 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 lead the way in low-environmental-impact operations – the emphasis is on our Bacardi Limited manufacturing operations.
- We will craft sustainability into our premium spirits – our focus is on packaging.
- We will support the passion of our people for sustainability – we will engage with and support our people to act on sustainability.

We aim to roll out our Sustainability Program across the whole Company in fiscal 2014.

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 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
Seek continual improvement in environmental performance, targeting a 1% reduction in greenhouse gas (GHG) emission intensity and a 1% improvement in water use efficiency.	We partially achieved this target. We continued to improve our water use efficiency, expanding our program across all operations and achieving a 6.3% improvement in our efficiency metric. We had a significant setback in our GHG emissions intensity, due to reduced generation of renewable energy at our Puerto Rico distillery.		<p>Achieve a 1% reduction in volume of water used in production sites and a 1% improvement in non-renewable energy efficiency, both compared with fiscal 2013.</p> <p>Begin to implement projects to enhance renewable energy generation.</p> <p>Solid waste to landfill from production sites will be less than 2% of total weight to landfill.</p> <p>Overall packaging weight will be reduced 0.5% per nine-liter case vs. 2008 benchmark year</p>
Launch the environmental sustainability strategy across Bacardi Limited.	Our launch focus was with our Global Operations and core brand teams.		Extend the roll-out across the business.
67% of sites to have a behavior-based safety program under way by the end of the fiscal year.	We exceeded this objective, with 81% of our sites now actively implementing behavior-based safety programs.		100% of sites to have a behavior-based safety program under way by the end of the fiscal year.

TARGETS FOR FISCAL 2013

PROGRESS IN FISCAL 2013

STATUS

TARGETS FOR FISCAL 2014

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.

We have achieved this objective and established an office-safety network primarily made up of human resources managers who actively track and report on safety performance. These individuals will continue to work with Global EHS to establish appropriate policies and programs to protect employee health, safety and well-being.



Maintain certification of all production facilities to the ISO 9001, ISO 14001 and OHSAS 18001 management system standards.

In 2012 we successfully recertified, for a three-year period, all of our production facilities to these standards. Our original certification in 2009 also was good for three years, and in 2010 and 2011 we maintained our certification by passing surveillance audits.



Continue to 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

[View all our Targets](#)

Taking the Long View on Bacardi Environmental Targets

We recognize the importance of improving our environmental performance across our operations, year-on-year, which is why we have set strong targets that we review every year.

As well as keeping on track with some of our more immediate targets, we also established a number of key longer-term sustainability targets, developed in response to stakeholder feedback. These include:

Achieve a 50% reduction in GHG emissions by 2017, from 2006 baseline

How we plan to achieve this:

- We plan to install a biomass boiler at our tequila distillery in Arandas, Mexico. By doing this, we will be able to convert operations from using heavy fuel oil to using the husks of the agave plants, which are the source of the tequila spirit, thus implementing a waste-free, closed-loop system.
- We are also installing a woodchip biomass boiler in our Scotch whisky distillery at Aberfeldy, Scotland. Installing this boiler will reduce the plant's CO₂ emissions by more than 5,900 tons of CO₂ per year.
- We are undertaking a review of our energy sourcing strategy in the coming year which will focus on our opportunities for implementing renewable energy systems within our production network.

Achieve a 55% reduction in water use by 2017, from 2006 baseline

How we plan to achieve this:

- Each of our production and distillery sites has water use reduction targets and projects in place to achieve them. One example is our malt distillery in Craigellachie, Scotland, where we have worked during the last three years to decrease water use by converting the cooling process to a closed-loop system. Work carried out up to and through fiscal 2013 enabled us to cut total water use by 88% at this site during that time.

Achieve continual reductions in our packaging weight, against 2008 baseline

- **10% reduction by 2017**
- **15% reduction by 2022**
- **30% reduction by 2032**

How we plan to achieve this:

- We currently have packaging weight reduction projects with Grey Goose vodka, Martini Sparkling wines and Camino Real, which will deliver up to 4,000 tons reductions from fiscal 2014 onwards.

Zero negative impact on biodiversity at our production sites by 2017

How we plan to achieve this:

- We will undertake a review of the impacts of our production sites on local biodiversity and roll out plans to mitigate potential issues. One example is our new Bombay Sapphire distillery in Laverstoke, U.K., where we are protecting a colony of bats by supplying built roosts.

Zero solid waste to landfill from production sites by 2017

How we plan to achieve this:

- We are building on the work already done at our production sites to reduce our landfill waste, and we will work more closely with our supply partners to ensure that all the packaging we receive from them can be recycled.

Reduce our wastewater loadings by 85% by 2022, from 2006 baseline

How we plan to achieve this:

- We will increase efforts to use more of our residual water from production for beneficial use. For example, we are also working on wastewater management at our rum distilleries in Mexico and Puerto Rico, which will greatly contribute to this target.

Achieve a Lost Time Accident Rate (LTAR) of less than 1 lost time accident per million hours worked by 2022.*

How we plan to achieve this:

- We will complete the roll-out of our behavior-based safety program to all manufacturing sites and continue to build safety awareness at non-production locations throughout the world.

**Lost Time Accident is any occupational injury or illness which results in an employee being unable to work a full shift.*

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 practices across Bacardi Limited and set the benchmark for all facilities to achieve. This approach has helped all of our facilities deliver strong performances that exceed our goals.

Internal Management

Strategic direction for EHS is provided by the EHS steering team, which is made up of senior managers from throughout 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, comprising our most experienced EHS managers from around the world. This team provides technical advice, agrees on best practices and develops procedures, plans and guidance for use throughout the Company, as well as identifies training needs to support success.

Both the steering and core teams meet quarterly.

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, with this certification remaining valid for three years from the initial date. In fiscal 2013, Bacardi operations were successfully recertified under all three standards for another three years.

Our 27 facilities are covered by a group-wide certification. Half of our facilities are audited every 12 months by our external registrar, DNV, while the other half undergoes internal cross-audits by our own EHS teams. This demonstrates our commitment to uphold our "Triple Crown" status.

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

We continue to work with the faculty at North Carolina State University's Poole College of Management (NCSU) to develop and improve our advanced method for measuring sustainability performance: the Bacardi Environmental Sustainability Tracking (BEST) Method. This method was publicly introduced at the Manufacturers' Alliance (MAPI) Sustainability Conference held in Chicago, Illinois in October 2011. One week later, the method was presented at the National Association of Environmental Managers' (NAEM) Environmental Sustainability Conference in Tucson, Arizona. Considerable interest was generated, and in October 2012, we presented the method to an international group of environmental and sustainability managers representing the world's leading beverage companies at the Beverage Industry Environmental Roundtable in Fort Collins, Colorado.

The method also was presented at the Academy of Business Research (ABR) 2012 Fall Conference in Atlantic City, New Jersey and was voted the "Best Paper Award" in its session. The ABR extended an invitation to NCSU and Bacardi to publish the method in the ABR Journal. We submitted an article for publication and are pleased to report that it passed a "double blind peer review" and has been accepted for publication in the Volume 1, 2014 issue.

During this period, we also submitted an article on an advanced application of the method to the Institute of Management Accountants (IMA) for publication in its monthly journal, Strategic Finance. The article not only passed the publication's peer review process, but also was selected as the cover story in the December 2012 issue.

Flexible Budgeting

Bacardi Environmental Sustainability Tracking (BEST) 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.



The Bacardi BEST Method was featured as the cover story in the December 2012 issue of Strategic Finance.

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 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.

As we move forward, we may need to update our Company activities by choosing a new “reference year” – the year that subsequent years are compared to for efficiency. In the event this happens, we will maintain continuity in tracking our progress by retaining the performance index score of the new reference year and measuring subsequent progress from this value. To do this, the flexible budget for the reporting year will be calculated using rates from the reference year; the ratio of actual performance to flexible budget will be multiplied by the index score for the reference year (rather than 100).

In this way, we will maintain fiscal 2006 as our base year (index scores = 100), but will establish new reference years in fiscal 2009 (due to the integration of water data from our malt distilleries) and in fiscal 2010 (major changes in sourcing practices and the addition of a new plant in Italy).

Spills and Releases

Bacardi Limited employs a rigorous system for reporting spills and releases. In fiscal 2013, our sites reported a total of 42 environmental releases. Of these, 41 were minor and did not result in environmental harm. Only one event was deemed significant. It involved the accidental release of wastewater from its primary containment (a holding tank). The spilled wastewater was entirely contained within secondary containment systems, and no material was released to the local environment. The wastewater system has strict permit requirements, and abnormal events such as this are reported to the local environmental authorities.

** 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.*

An example of a minor release would be a spill (e.g., of alcohol) during operational handling that is immediately cleaned up.

Fines and Prosecutions

Bacardi Limited had no significant fines for environmental non-compliance at any of our global operations during fiscal 2013**. However, Bacardi is in discussion with the US Environmental Protection Agency (EPA) concerning wastewater discharge levels which we hope to conclude within the next 12 months.

We received one significant fine for an incident of safety non-compliance, amounting to US\$110,000, related to a fatal accident that occurred in our Jacksonville, Florida bottling plant, which we disclosed in the last report and discuss later in this report.

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

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.

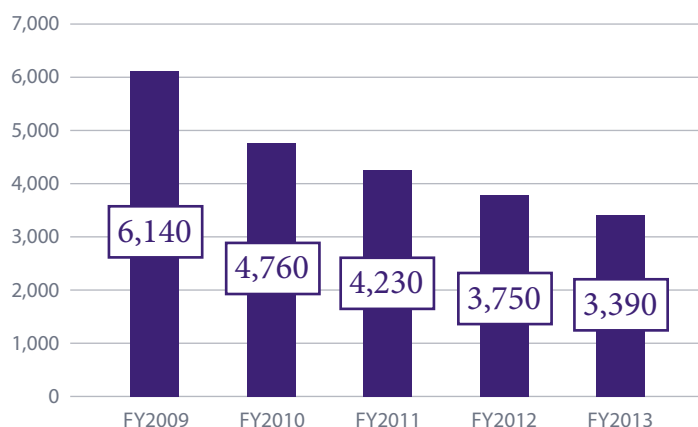
Water Use and Water Efficiency

We have now expanded our water measurement to encompass all of our production activities, which since 2009 have included the malt whisky distilleries in Scotland. These facilities use large quantities of cooling water and, prior to fiscal 2009, lacked adequate means to measure flow. These sites now have metering systems in place to track their water use. We have confidence in the accuracy of their data and have integrated it with the rest of our production operations.

We report our total water use over the previous rolling five years. Since fiscal 2009, we have decreased our total water use by nearly 45% (44.8%) and achieved a one-year reduction of nearly 10% (9.6%) in fiscal 2012. Over the past four years, we have lowered water use by more than 2,750 million liters.

In fiscal 2013, we were more efficient in our water use by 6.3% versus the previous year, while total water use was reduced by nearly 10%; the reduction in volume reflected lower production. We also were able to use more of our residual water from production for beneficial use, while reducing the amount of wastewater discharged to the environment.

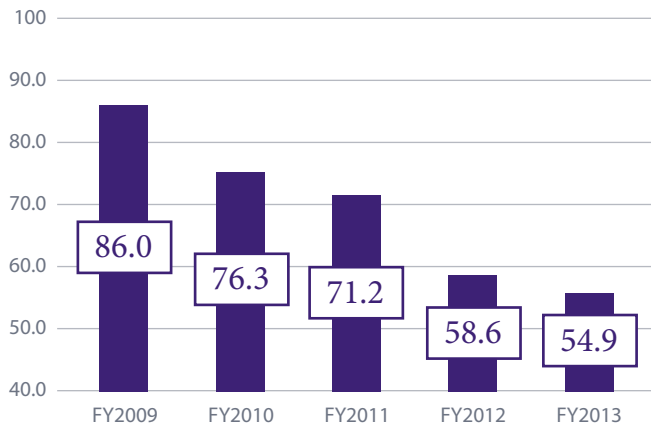
Total Water Consumed, (000) Cubic Meters



Much of this reduction is the result of improving our water use efficiency. Since fiscal 2006, our water use efficiency index benchmark year, we have improved our water use efficiency by 45.1%. In the past five years, we improved by 36.1% and, our water use efficiency index score showed a gain of 6.3% in fiscal 2013.

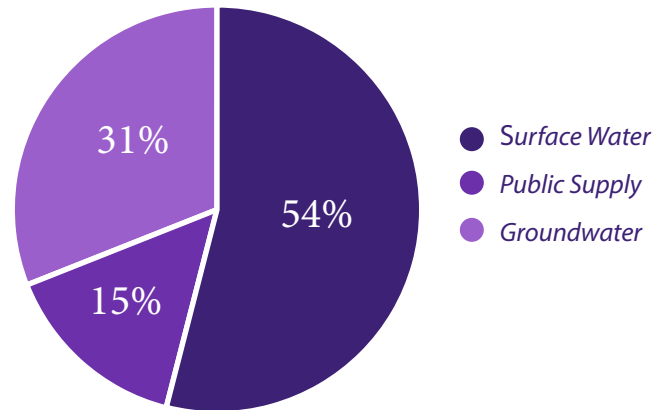
A combination of better operating discipline, water conservation measures, new water-efficient equipment and advanced water recycling systems has delivered the improved performance.

Water Use Efficiency Index
Water Use per Unit of Production
Improvement Index: Base Year FY06 = 100



*** Note: data from fiscal 2009 to 2012 has been restated to include data from our JDSL distilleries. This required us to establish fiscal 2009 as a new reference year. We used 86.0 as our new baseline index, as that was the progress we achieved since the original base year of 2006. For more details, click here.*

GRI EN8: Water Supply Profile



EN8: Water Supply to Manufacturing Sites, m³

WATER SOURCES	FY2012	FY2013
Public Supply	673,183	520,744
Groundwater	998,865	1,035,961
Surface Water	2,085,700	1,837,041
Harvested	0	0
SUM	3,757,748	3,393,746

Water used includes non-contact cooling water.

Water use reduction at Craigellachie, Scotland

Our distillery in Craigellachie, Scotland, distills single malt whisky that is bottled and sold under its own label or is used as an ingredient in blended whisky. The distillery traditionally withdrew water from the River Fiddich to cool distilled product and then returned it to the river. The River Fiddich is a main tributary of the River Spey, which is designated by the Scottish Environmental Protection Agency (SEPA) as a Special Area of Conservation, due to the presence of freshwater pearl mussels.

This river is also the habitat of a number of other important species, including salmon, sea trout, lamprey (brook, river and sea), pike and eel. To protect these species, SEPA sets strict limits on the temperature and volume of the water discharged. While our distillery has always been careful to meet these standards, the site decided to remove any potential for impacting water quality by eliminating this discharge.

We have worked for the last three years to reduce our water use by converting the cooling process to a closed-loop, recirculated water cooling system. We also worked closely with SEPA on a



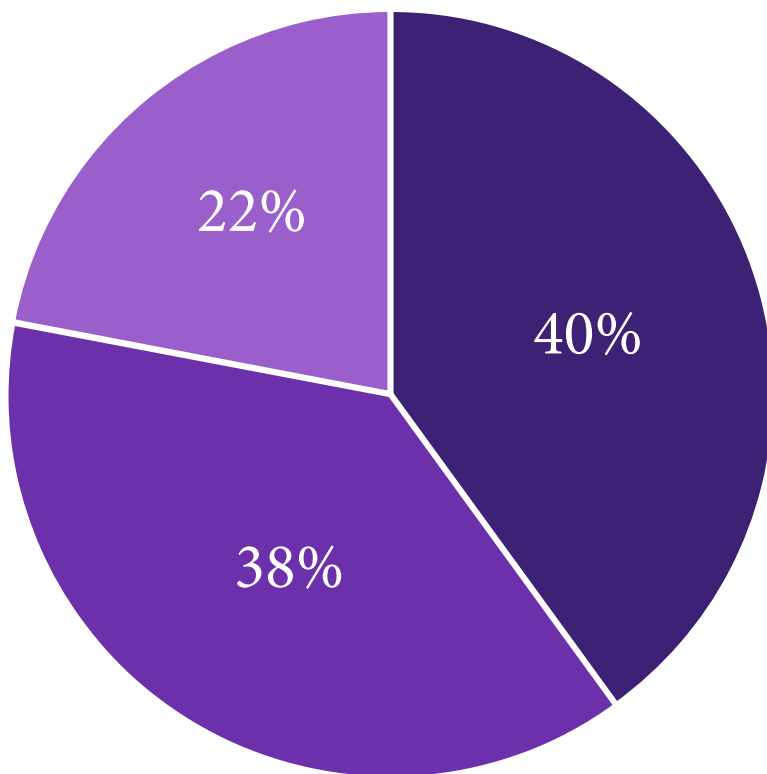
project that focused on the thermal impacts on the receiving stream in order to protect local streams and fisheries. One of the benefits of this project is that it helps protect large game species, such as salmon and trout, which has a positive effect on local biodiversity and the local economy.

As a result of work carried out up to and through fiscal 2013, the site achieved an 88% reduction in its water use and ensured that our operations will not affect the ecology of an important local water course.

Water Discharges

We manage used process water from our facilities in one of three ways: 1) direct discharges of treated wastewater to local bodies of water following on-site treatment (40%); 2) indirect discharges of wastewater

to municipal treatment facilities (38%); and 3) beneficial land application, including irrigation and fertilizer uses to improve crop production (22%).



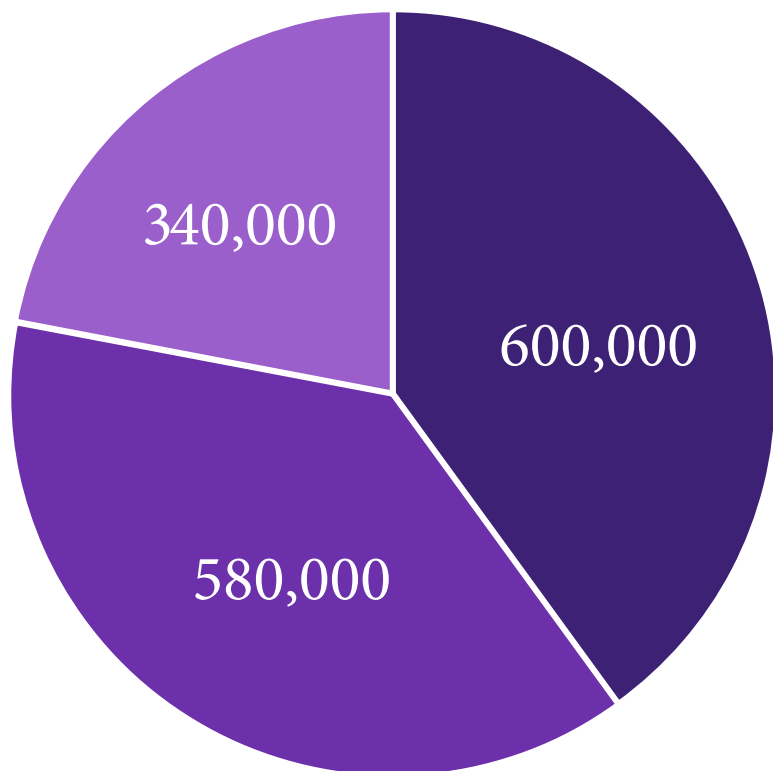
Used Process Water

Wastewater Discharges by Type:
1,520,000 m³ Discharged or Applied to Land

- Direct Discharges
- Indirect Discharges
- Beneficial Land Application

Of the total water released by our production facilities, 1,180,000 cubic meters was discharged as wastewater and 340,000 cubic meters was applied to cropland as a fertilizer or for irrigation. The water that is applied to land for beneficial reuse is returned to the crops that provide our raw feedstock to make spirits in countries where regulatory authorities permit it.*

** subject to regulatory authorization*



Water Discharges by Volume, (1,520,000 m³ of Water Discharged)

- Direct Discharges
- Indirect Discharges
- Beneficial Land Application

Total Water Discharges

CUBIC METERS	
Direct Discharges, m³	600,000
Indirect Discharges, m³	580,000 <i>1,180,000 Discharged</i>
Beneficial Land Application, m³	340,000 <i>1,520,000 Discharged and Applied</i>

Total Loading of BOD and TSS

	BOD, TONS	TSS, TONS
Direct Discharges, m³	2,900	3,100
Indirect Discharges, m³	1,100	200

- Note 1A:** Direct Discharges = Discharges to local surface water bodies.
- Note 1B:** Indirect Discharges = Discharges to local public wastewater utility.
- Note 1C:** Beneficial Land Application = Use as soil amendment on local cropland.*
- Note 2:** BOD = Biochemical Oxygen Demand (5-Day); TSS = Total Suspended Solids

* subject to regulatory authorization

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 2013, our direct treated wastewater discharges included 2,900 tons of BOD and 3,100 tons of TSS. This represents a 20% improvement in the quality of our wastewater discharges from fiscal 2012, mostly due to better treatment techniques, such as more efficient operation of our wastewater treatment systems.

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

We have a strong plan in place to continue to reduce our reliance on nonrenewable energy, with projects ongoing in Scotland and Mexico.

Despite our efforts to reduce and effectively manage our energy consumption, our fiscal 2013 performance in energy use, renewable energy and greenhouse gases (GHGs) was adversely affected by our inability to produce sufficient biogas at our largest distillery in Puerto Rico. The facility has numerous environmental licenses designed to protect the local environment and employs advanced technologies to achieve and maintain compliance with the standards established by these permits. To comply with our wastewater discharge permit, Bacardi employs anaerobic reactors that not only treat the wastewater but also convert the organic residues into biogas, which is used as fuel to produce steam and electricity to run the plant.

The anaerobic reactors can typically operate for more than 10 years before they must be taken out of service, thoroughly cleaned and rebuilt (“refurbished”). Refurbishing is a costly procedure that requires nearly two years to complete. At the end of fiscal 2012, one

of the operating reactors failed before its planned refurbishment date and before the replacement reactor was ready to go online. As a result, the plant had to lower production to match the remaining capacity of the wastewater treatment system.

This reduced mode of operation resulted in lower volumes of production and lower quantities of wastewater treated. Biogas production dropped below normal levels, and the site had to switch to using mostly heavy fuel oil to meet steam and electricity needs. There were several consequences: 1) less renewable energy use (biogas); 2) more use of nonrenewable energy (heavy fuel oil); and 3) poorer overall energy efficiency for the site due to lower utilization of production capacity. Because this site accounts for more than one-quarter of the Company’s energy use and much of its renewable fuel, the Company’s global energy efficiency, nonrenewable energy use efficiency, renewable energy use and greenhouse gas intensity all suffered in fiscal 2013.

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 33% efficiency for electricity generation and transmission. We therefore multiply the electricity we purchase by three to obtain 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 estimate for total primary energy use.

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

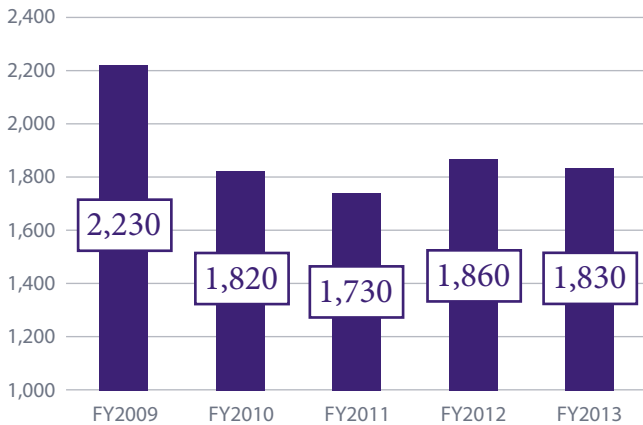
Understanding our Energy Mix

Our total “primary energy” use is the combined direct energy we use for our operations (fuels) and the estimated fuel used to produce the electricity that we use. For dedicated renewable energy, such as from solar, wind and hydro, there is no primary energy involved (i.e., no fuel consumed).

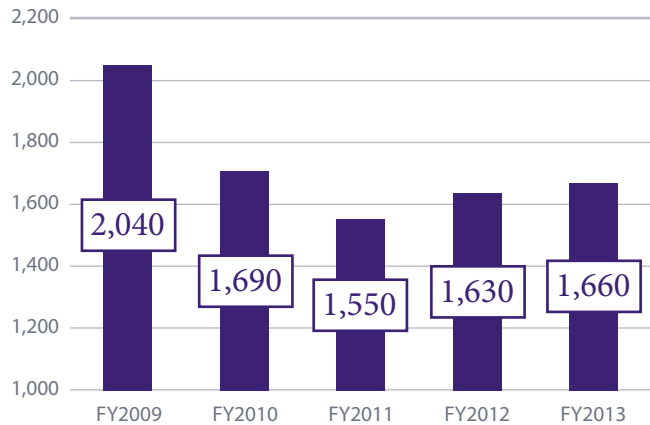
For this report, we have restated our performance using fiscal 2009 as a base year to be consistent with our water reporting. We also have expanded our coverage to include our grape-processing center at Santo Stefano Belbo, Italy, as of fiscal 2010. These changes have caused our efficiency index to be restated from fiscal 2010 forward.

Our primary focus continues to be on improving our nonrenewable energy use efficiency. In doing so, we strive to be more efficient in consuming nonrenewable energy and to strengthen efforts to switch from nonrenewable to renewable sources of energy.

Total Energy Used, (1,830 TJs)



Total Nonrenewable Energy Used, (1,660 TJs)



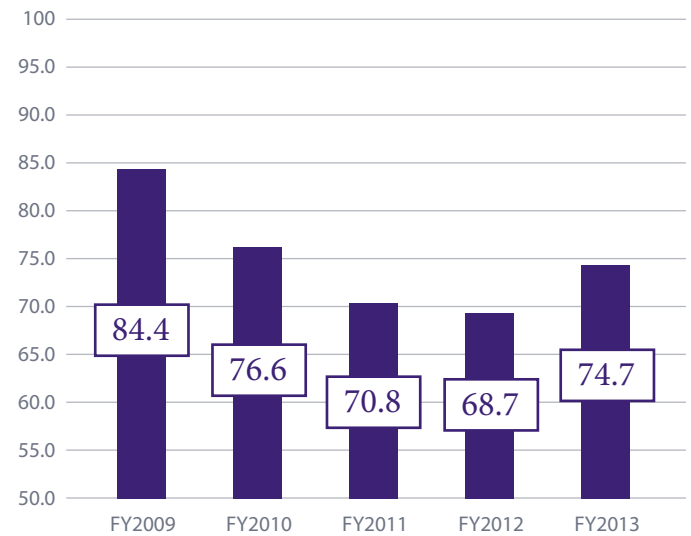
As seen in these graphs, our nonrenewable energy use rose in fiscal 2013, even though our total energy use decreased. As stated previously, this was due to the failure of a wastewater reactor at our distillery in Puerto Rico, resulting in lower biogas production that required us to burn additional heavy fuel oil.

Energy Use Efficiency

Our focus for energy efficiency improvement is on nonrenewable energy. We want to ensure that our operations concentrate on reducing use of fossil-based fuels, which deplete finite resources and contribute to the buildup of greenhouse gases in the atmosphere. Our calculations are consistent with water use performance, with a new reference year established in fiscal 2009. We have restated our performance accordingly, while retaining 84.4 as the starting point to reflect the progress achieved against our original base year of 2006.

For nonrenewable energy use efficiency, from fiscal 2006 to 2009 we increased our efficiency by 15.6% (as reflected by the starting index of 84.4). From fiscal 2009 to 2012, we improved our performance by an additional 18.6%, but in fiscal 2013 we had a setback of 8.7%. Nonetheless, our fiscal 2013 efficiency index score is still 25% better than it was in our original base year of 2006.

Nonrenewable Energy Use Efficiency Index: Energy Use per Unit of Production



Improvement Index: Base Year FY06 = 100

Direct and Indirect Energy Use

The following table shows the breakdown of our fiscal 2013 direct and indirect energy consumption in terajoules (TJ):

Direct and Indirect Energy Consumption (TJ)

	TJ
EN3: Total Direct Energy, TJ	1,207
EN4: Total Indirect Energy, TJ	240

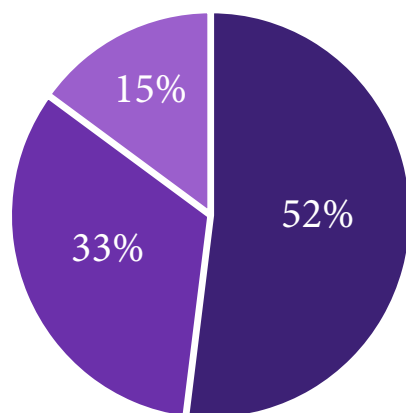
All Indirect Energy is supplied electricity consumed by the site.

Fiscal 2013 Direct Energy Sources in Terajoules (TJ):

	TJ
Fuel Oil	630
Natural Gas	402
Biogas	175
TOTAL DIRECT ENERGY	1,207

Direct Energy Sources (%)

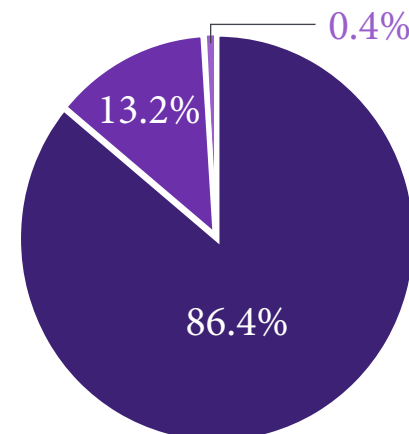
● Fuel Oil* ● Fossil Gas* ● Biogas



*Fuel Oil is >99% Heavy Fuel Oil, Fossil Gas is > 99% Natural Gas

Indirect Energy Sources (%)

● Public Power* ● Hydro Power* ● Wind Power



*Hydro Power and Wind Power include only that from dedicated contract suppliers; Public Power includes all forms of renewable and nonrenewable energy on the national grids.

Annual Savings from Energy Efficiency (see GRI EN5)

Bacardi annually estimates its energy savings via a holistic approach that uses the Bacardi Environmental Sustainability Tracking (BEST) Method. BEST enables us to estimate how much energy we would have used if we had performed the fiscal 2013 set of activities in the previous year. While we saved energy in many of our manufacturing activities, our overall efficiency was worse in fiscal 2013; as a result, we cannot report any net energy savings.

Indirect Nonrenewable and Renewable Energy Sources (TJ)

	TJ
Public Power	207
Hydro Power	32
Wind Power	1
TOTAL INDIRECT ENERGY	240

Use of Renewable Energy Sources

This chart (below right) shows that 14% of our total primary energy is renewable, made up of 5% renewable electricity, provided under exclusive renewable electricity contracts, and 9% renewable fuel (biogas and wind).

Looking at electricity and fuel individually, 14% of our electricity was derived from renewable energy contracts and 14% of our total fuel was renewable biogas.

Energy Mix for Total Equivalent Primary Energy, TJ

	FY2012	FY2013
Fuel Oil	585	630
Natural Gas	409	402
Bio Gas	235	175
Grid Electricity	649	628
Renewable Electricity	120	99
TOTAL, kWh	1,998	1,934

Energy Mix for Total Equivalent Primary Energy

	%
Fuel Oil	33%
Natural Gas	21%
Bio Gas	9%
Grid Electricity	32%
Renewable Electricity	5%
TOTAL, kWh	100%

Primary energy is energy consumed directly plus the estimated energy consumed to produce the indirect energy used.

As discussed in the EHS Strategy section, our energy performance suffered as a result of operational challenges at our largest distillery. The site's constraints in producing sufficient biogas caused less renewable energy to be

available to run the operation. These effects produced lower overall energy efficiency, further reductions in our nonrenewable energy use efficiency and decreased use of renewable energy.

Greenhouse Gas (GHG) Emissions

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 Initiatives and GHG Intensity

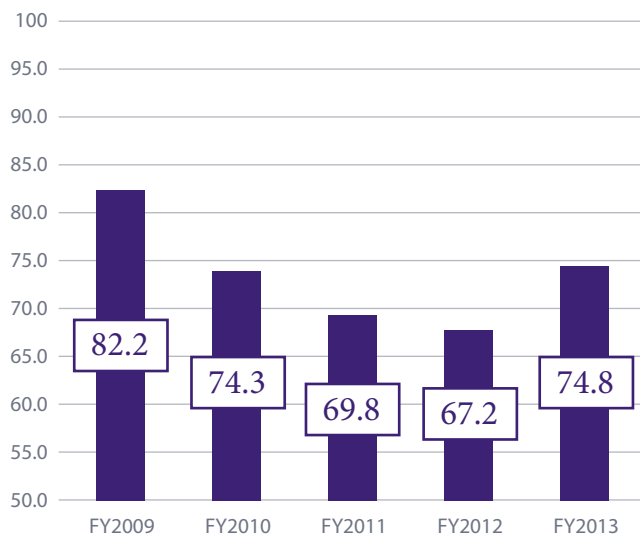
We have expanded our coverage of GHG emissions to include our grape-processing center at Santo Stefano Belbo, Italy, as of fiscal 2010. In addition, we calculate the GHG emissions for our electricity use by applying the national carbon emission factors published annually by the International Energy Agency (IEA). The IEA often revises its national factors; therefore, we must revise our GHG estimates for previous years. As a result, our total

GHG emissions and efficiency indices have been restated to reflect these changes.

From fiscal 2006 to fiscal 2009, we reduced our GHG intensity by 17.8%. From fiscal 2009 to fiscal 2012, we improved our performance by an additional 20.4%, but in fiscal 2013 we had a setback of 12.5%. Our fiscal 2013 efficiency index improvement score is still 26.4% better than that of our fiscal 2006 base year.

GHG Intensity Index

GHG's per Unit of Production



Improvement Index: Base Year FY06=100

Direct and Indirect GHG Emissions

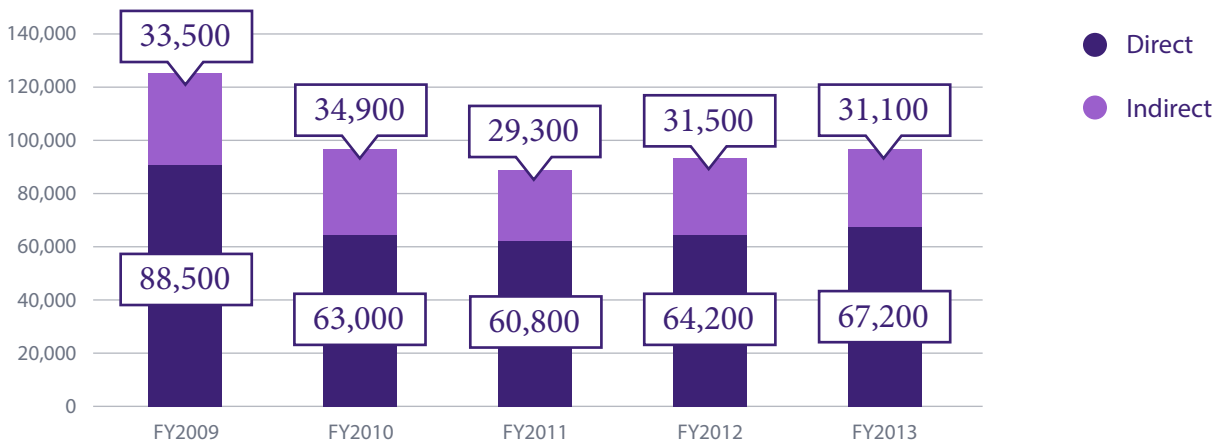
Our direct GHG emissions from manufacturing are primarily from burning fuel, with a small contribution from GHG process losses, primarily leakage of refrigerants from cooling and chilling systems. Indirect emissions are the GHGs estimated to have been released by the electric power companies serving our sites. The GHG emission factors are those published by the International Energy Agency, unless we are able to provide a more accurate factor directly from the utility.

Total CO₂e, Tons

Our total CO₂-equivalent emissions increased again in FY2013. While the increase in FY2012 was the result of higher production, FY2013 emissions increased mostly because of the higher consumption of heavy fuel oil to compensate for low biogas production as previously discussed. CO₂e emissions from indirect sources (power supply) decreased 1.3% but direct emissions (fuel combustion) increased by 4.7%.

	FY2009	FY2010	FY2011	FY2012	FY2013
Direct	88,500	63,000	60,800	64,200	67,200
Indirect	33,500	34,900	29,300	31,500	31,100
TOTAL	122,000	97,900	90,100	95,700	98,300

Direct and Indirect GHG Emissions (Tons)

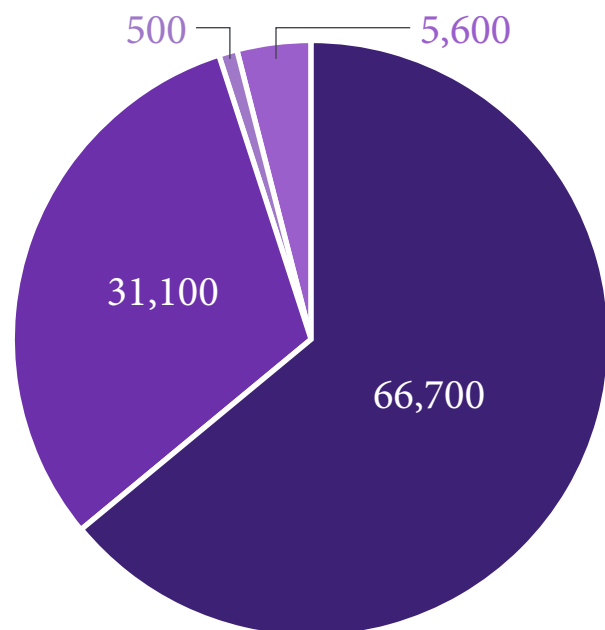


Annual GHG Emissions Reduction

Bacardi annually estimates GHG emission reductions in much the same way we calculate energy savings, by using the Bacardi Environmental Sustainability Tracking (BEST) Method. BEST enables us to estimate what our GHG emissions would have been if we had performed

our fiscal 2013 set of activities in the previous year. As was the case for energy efficiency, our overall GHG intensity was higher in fiscal 2013; therefore, we cannot report any net reduction in GHG emissions.

Direct and Indirect GHG Emissions by Source



Total Direct and Indirect GHG Emissions, Tons

- Direct (Fuels)
- Indirect (Power)
- Process
- Offices (Power)

Note: Direct, Indirect and Process emissions are from production facilities.

Total Direct and Indirect GHGs

	GHGs, Tons
Production, Direct GHGs (Combustion), Tons	66,700
Production, Indirect GHGs (Power), Tons	31,100
Production Process GHGs, Tons	500
Offices (large*), Indirect GHGs, Tons	5,600
TOTAL, Tons	103,900

*Large offices include those over 25 people.

Other Relevant Indirect GHG Emissions (Tons)

Transport (dedicated*), Direct GHGs, Tons	11,400
Contract Production (dedicated*), Tons	TBD [1]
Business Travel - Air	29,000
Business Travel - Other (rail, auto)	TBD [2]
TOTAL, Tons	40,400

[1] Estimate < 35,000 Tons

[2] Estimate < 2,000 Tons

*Dedicated transport and contract production is done by a contractor exclusively for Bacardi.

THE CARBON TRUST STANDARD RECERTIFIES BACARDI U.K. LIMITED

In fiscal 2013, Bacardi recertified all of its U.K. operations, including subsidiaries, against The Carbon Trust Standard.

Overall, we achieved a 19% improvement in carbon efficiency, relative to an output unit of 1,000 nine-liter cases.

Bacardi was certified with a qualitative assessment score of 73.8%, which reflects our demonstrated effectiveness at responding to climate change through governance, carbon accounting and carbon management.

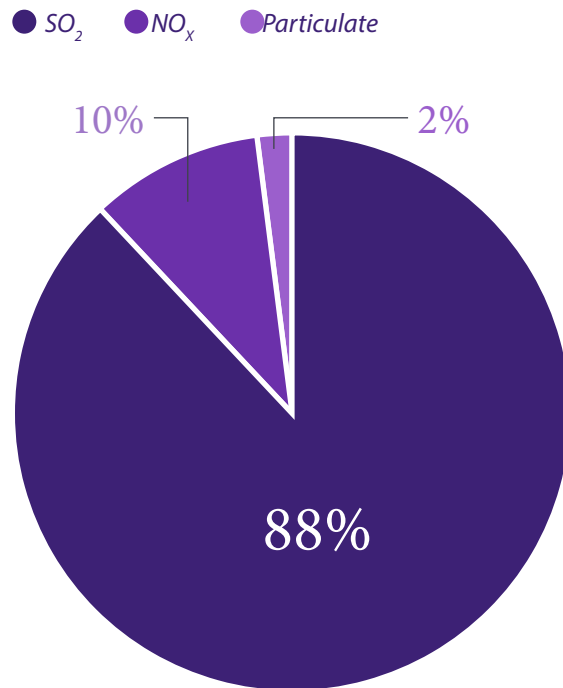


Other Air Emissions

Other significant air emissions result from the combustion of fuel on our sites. These three major air pollutants are sulfur dioxide (SO₂), nitrogen oxides (NO_x) and particulate matter (PM). These emissions increased by nearly 12% in fiscal 2013, from 1,010 metric tons to 1,134 metric tons, primarily due to our burning a greater amount of heavy fuel oil to compensate for our decreased biogas generation.

Our GHG emissions increased in fiscal 2013 for the reasons already stated in the energy section. Due to operational challenges at our largest distillery in Puerto Rico, biogas production was reduced, and so less renewable energy was available. These effects resulted in higher emissions of GHGs and other air emissions, as well as higher GHG intensity.

EN20: Other Air Emissions: Metric Tons



SO₂, Metric Tons	1,001
NO_x, Metric Tons	115
Particulate, Metric Tons	18
TOTAL Air Emissions Tons	1,134

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.

Waste

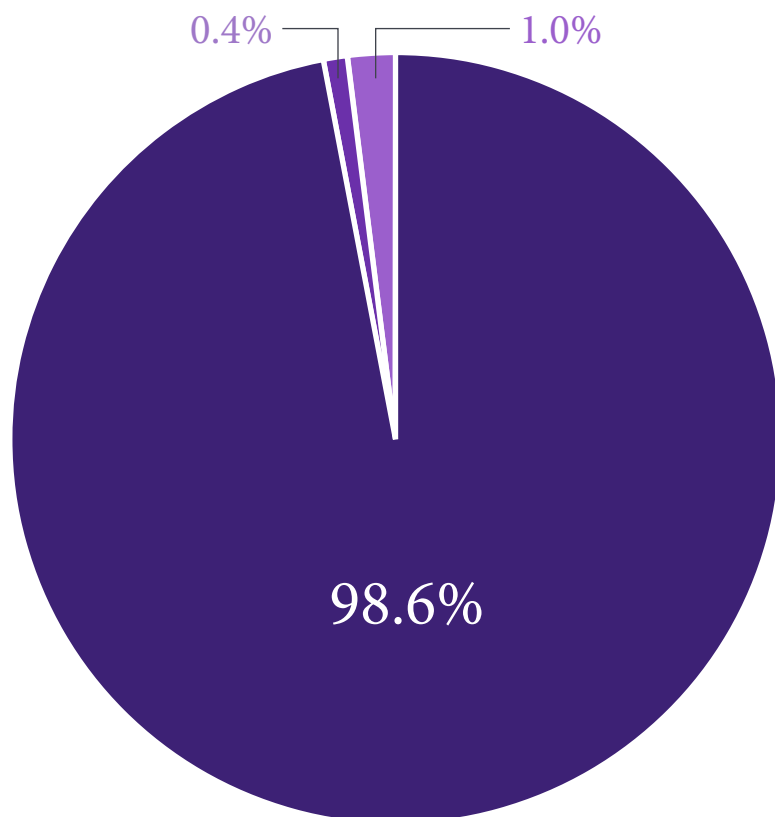
98.6% of our waste was recycled, reused or recovered in fiscal 2013. We have reduced the weight of our packaging by 23,000 tons since 2008, a reduction of 7.1%.

Hazardous and Non-Hazardous Waste Generation Volumes

Total waste decreased by 1.5% in fiscal 2013.

Hazardous waste makes up only 0.04% of our total waste output. In fiscal 2013, our volume of waste produced rose by 44% from the previous year. This increase was due to activities relating to cleaning out an old fuel oil tank at one of our distilleries, which caused 30 tons of redundant fuel to be sent to a facility to be filtered and then blended as fuel for a power plant. Although the redundant fuel was used in a beneficial manner for its intended purpose, local regulations required that it be classified as "hazardous waste" that was "recovered." The remaining hazardous waste from our operations totaled 25 tons, 34% less than our total in fiscal 2012.

Waste and Waste Management



EN22: Waste Management Methods

- Recycling/Reuse/Recovery
- Incineration/Treatment
- Landfill

Most of our waste (98.6%, as shown in the left chart) is recycled, reused or recovered. Most hazardous waste that is not recovered (mostly waste oils and off-specification spirits) and some non-hazardous wastes are incinerated or otherwise treated (0.4% of the total). Our total waste to landfill decreased by 35%; we currently send only 1.0% of our waste to landfill.

EN22: Waste and Waste Management (Tons)

	FY2012	FY2013	%
Non-Hazardous Waste			
Recycling/Reuse/Recovery	151,080	148,990	98.6%
Incineration/Treatment	70	670	0.4%
Landfill	2,310	1,500	1.0%
Subtotal (and % year-to-year change)	153,460	151,160	-1.5%
Hazardous Waste			
Recycling/Reuse/Recovery	11	36	65.0%
Incineration/Treatment	24	11	20.6%
Landfill	3	8	14.4%
Subtotal (and % year-to-year change)	38	55	44.4%
Total Waste			
Recycling/Reuse/Recovery	151,090	149,030	98.6%
Incineration/Treatment	90	680	0.4%
Landfill	2,310	1,510	1.0%
Total (and % year-to-year change)	153,490	151,220	-1.5%
%Waste that is Hazardous			0.04%

Note: Percentages in black are relative contribution; purple are year-to-year change

Sustainable Packaging

Packaging is very important to our consumers globally, and it is, therefore, very important to our business. Consumers expect companies to reduce the environmental impact of packaging as a matter of course. Packaging is the most visible and “hands on” part of the consumer experience; it is where our consumers encounter the passion of our brands. We need to innovate and strive for excellence in our packaging, developing a clearer understanding of what this means for each brand and how this contributes to our corporate values.

Sustainable packaging, when used to stimulate innovation, can create new marketing and consumer engagement opportunities. When aligned with, and promoting, our Sustainability and Corporate Responsibility messages, our packaging demonstrates that we are a responsible and trustworthy Company. Integrating sustainable packaging into our consumer brand experience is one of the strategic levers of the Bacardi Sustainability Program.

Sustainable packaging also will reduce our environmental impact and costs. Packaging makes up approximately 57% of Bacardi spending on raw materials. It also amounts to about 400,000 tons of raw materials each year and is responsible for half of the Company’s “extended” CO₂ emissions, which include emissions from within our own operations and those of our suppliers. Working toward more sustainable packaging decreases our impact on the environment and contributes to our bottom line. In fact, in the three years leading to fiscal 2014, Bacardi saved more than US\$5 million per year by right-weighting its packaging.

The new Bacardi Sustainable Packaging Manual provides a focus for the continued development of sustainable packaging within Bacardi. It helps to concentrate attention on the potential for changes in our thinking and on the implications for performance across the product/packaging lifecycle. Checklists, tools and links are highlighted within the document to support this process.

Bacardi has set a packaging weight-reduction target of 10% by fiscal 2017, increasing to 15% by fiscal 2022, based on the benchmark figure from fiscal 2008. Use of the Bacardi Principles of Sustainable Packaging will inform the way we make decisions to achieve these targets.

The Bacardi Principles of Sustainable Packaging are Shown Below:

- Support the belief that our packaging can be both sustainable and premium to create the best consumer experience.
- Integrate sustainability into each step of a holistic packaging development process, starting at the design board covering primary and secondary packs + delivery formats.
- Ensure packaging is effective, safe and protects consumers’ health throughout its lifecycle and results in minimum levels of waste in the environment.
- Understand and optimize the environmental impact of our packaging at the design stage, including ensuring that:
 - We develop the optimal packaging weight during the design phase to ensure optimal performance of the product throughout its lifecycle.
 - We use innovative packaging formats and materials, especially those from recycled, renewable and low-impact sources.
 - We develop packaging that is as easy and efficient as possible for the consumer to recycle or recover after use.
- Utilize the most effective manufacturing technologies and predictive tools to deliver the best packaging performance at the lowest environmental impact.
- Use successful sustainable packaging executions as benchmarks for future projects across our brands. Drive strong awareness by decision-makers on the potential impacts.
- Measure improvements to ensure progress toward Global Sustainability packaging targets.
- Involve suppliers at the earliest stage possible in the design phase of each project.

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

Safety Strategy

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 have been working on an upgraded safety strategy that has 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:

Operations:

We will strive for operations that are best-in-class in the spirits industry.

Commercial:

We will enhance health and safety initiatives in the commercial (non-manufacturing) side of our business.

Working
Together to
Create a Safer
Bacardi

Logistics:

We will improve standards within Bacardi-owned or -managed logistics and implement loss-control standards for third-party logistics warehouses.

Culture & Behavior:

We will foster a positive health and safety culture and encourage safe behaviors. All manufacturing facilities will have a behavior-based safety program in place by 2015.

We have established an office and traffic safety network, and we now receive basic safety reports from all of our operations worldwide. We will use this network to promote other initiatives, such as environmental sustainability, in future years.

While safety is our top priority, our 2012 Corporate Responsibility Report reported a tragic workplace fatality that occurred at our Jacksonville, Florida, bottling plant in August 2012. Bacardi cooperated with representatives from the U.S. Occupational Safety and Health Administration (OSHA) during their investigation. As a result of the investigation, OSHA issued several safety and health citations, and placed Bacardi on the OSHA Severe Violators Program list for the next three years.

The Company and OSHA entered into a Settlement Agreement, where all the citations were addressed and abated. During and after the OSHA inspection, the Company has implemented an extensive set of safety improvements. It has also reviewed its entire safety program while working with a third-party safety professional. This is in addition to the OHSAS 18001 safety certification designation that the Jacksonville plant previously received.

Following the accident, we undertook a comprehensive review of the safety requirements embedded in our standards and codes of practices. We also evaluated our machine-guarding standards and our policies and procedures for systems, including lock-out/tag-out (LOTO), contractor management and safety training. The

results of this review enabled us to strengthen our design and work standards further, including enhancing safety requirements across several of our standards.

We have made substantial investments and improvements in our Jacksonville facility's health and safety programs and practices, and we will work hard to complete our obligations with OSHA, under the agreed procedures as part of the Settlement Agreement.

Following our review, we independently audited all of our global facilities and are implementing improvement actions.

Reporting on our safety performance

We have successfully expanded our safety reporting to all of our Company locations and activities.

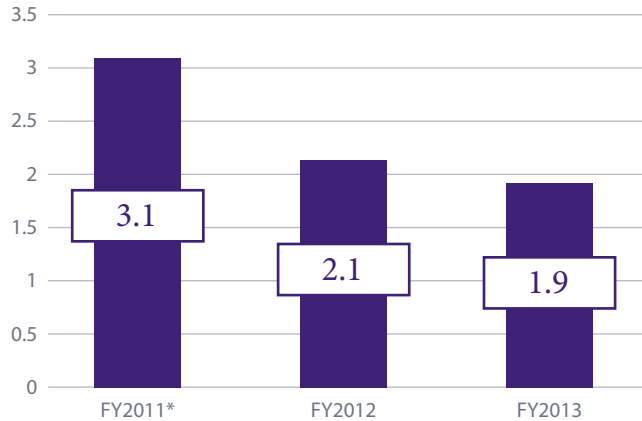
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In fiscal 2013, we improved the Company's overall Lost Time Accident Rate (LTAR) by 10%.

Total Lost Time Accident Rate

Bacardi Total LTA Rate

*Extrapolated using production trend data.



Number of LTA's

*Extrapolated using production trend data.

	MFG	NON-MFG	TOTAL	
FY2011*	3.1	30	10	40
FY2012	2.1	19	8	27
FY2013	1.9	21	3	24

Non-Production Facilities

We began collecting safety data from all facilities, including offices and distribution centers, in fiscal 2012. We assembled a team to represent our sales regions on workplace and travel safety. Team members are responsible for reporting on safety performance, communicating safety policy and guidance to employees in their region and establishing workplace standards and practices to protect employee health and safety.

In fiscal 2013, we had three workplace accidents at non-manufacturing locations, down from eight in fiscal 2012. Two accidents occurred in offices and one involved a traffic accident. Our Company-wide lost time accident rate (LTAR) was 1.9 per million hours worked, about 10% lower than our LTAR in fiscal 2012*.

*Our FY2012 LTAR was adjusted from 2.3 to 2.1 to correct for two traffic-related accidents that were double-counted.

Safety Culture and Behavior

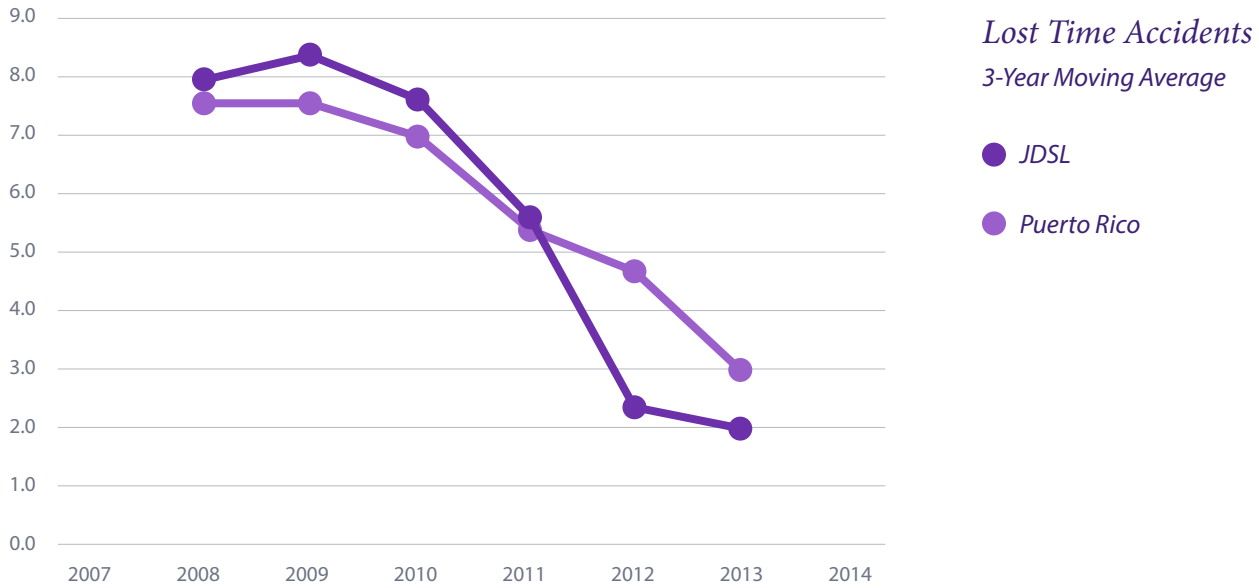
We have established and are rolling out globally a behavior-based safety program, which helps facilities to improve their safety culture – one of the key areas of our safety strategy. By 2015, 100% of our manufacturing facilities will have implemented the behavior-based safety program.

By the end of fiscal 2013, 81% of our manufacturing sites had implemented a behavior-based safety program, versus a target of 67%, and nearly half of our sites had completed the program through the initial seven stages that we established when we launched the program. Our target for fiscal 2014 is for 100% of our manufacturing sites to have at least begun implementation.

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. Puerto Rico was Bacardi's first site to implement B-Safe, and our Dewar's whisky business (JDSL) was the first to implement B-Safe in Europe. In fiscal 2008, these two sites accounted for nearly 40% of the lost time accidents at Bacardi's manufacturing sites. Over the past two years, these sites accounted for 15% of lost time accidents. The graph on the next page demonstrates these sites' dramatic improvement in safety performance.

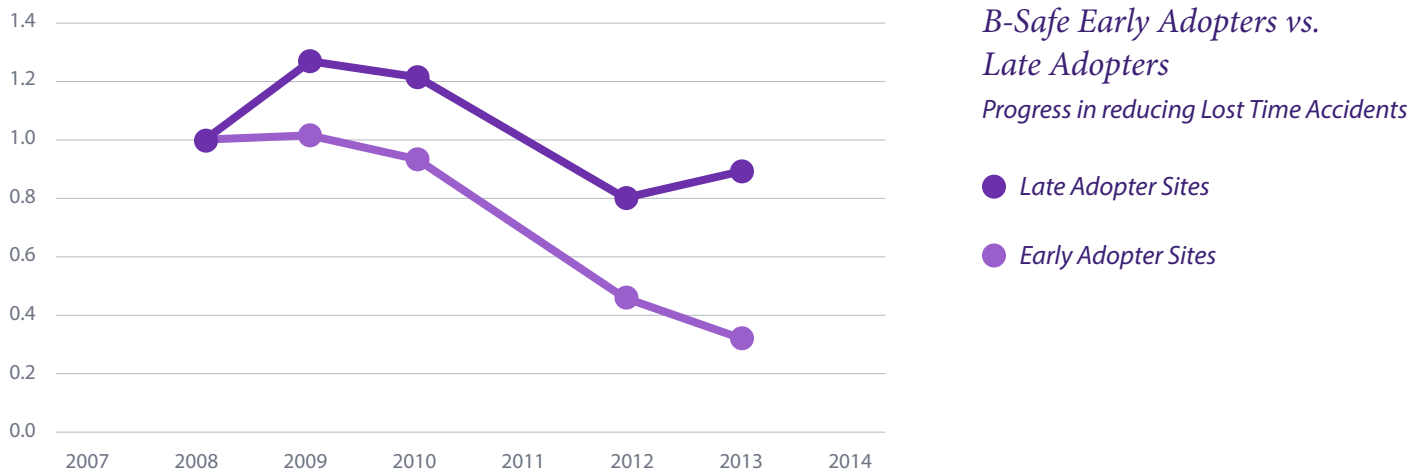
Bacardi B-Safe Program

	2013	%	CUM%
Phase 7	13	48%	48%
Phase 5	8	30%	78%
Phase 3	1	4%	81%
Not Begun	5	19%	
	27		



The rapid improvement of these two “early adopter sites” of B-Safe can be compared to the performance of the five sites that will just begin implementing B-Safe in fiscal 2014 (“late adopter sites”). The graph below highlights the contrast in performance: sites that have mastered the fundamentals of the B-Safe program show significantly better performance in preventing accidents.

We anticipate that JDSL and Puerto Rico will continue their long-term improvement in safety performance and that the remainder of Bacardi sites will show similar progress in their safety programs as they fully implement B-Safe.



Quality Environmental, Health and Safety (QEHS) Day at our Buxtehude, Germany plant

Our Buxtehude plant celebrated its very first QEHS Day in fiscal 2013. The QEHS Day emphasized the importance of safety at work, as well as environmental and health issues. For the first time in the plant's history, we held a Work Safety Day on a scale previously unknown. The organization and planning for our QEHS Day was challenging, but we were committed to making the day memorable for everyone.

All of our employees were invited to take part in an exciting day of activities. These events ranged from active employee participation in first-aid training, to witnessing a large-scale accident scenario that involved 25 emergency responders from the local Fire Brigade, Ambulance Services and Buxtehude Police Department, supported by seven firefighting vehicles and ambulances.

Safety in Logistics

In fiscal 2012, we set out to have all of our distribution centers be at least 90% compliant with our Logistics EHS Code of Practice Standards. The Jacksonville, Florida Distribution Center was first assessed in June 2011 and scored 62% against our new Logistics EHS Code of Practice. The site implemented most of the corrective actions from that assessment, and in February 2012 scored 92%. Since that time, the site has continued to upgrade its programs and facilities, and we believe it will score even higher when the next assessment is conducted.

Our Moscow Distribution Center was first assessed in April 2012 and was found to conform to 81% of the standards. The site has used the findings to further improve its programs, and we believe that the next assessment will show that the site now exceeds the 90% conformance target. Our logistics operations completed fiscal 2013 without a lost time accident. In fiscal 2012, there were two lost time accidents related to logistics.



In line with Bacardi's One-Plant Policy, we invited our logistical contractors, Fiege, as well as teams from our temporary workers' agency, Uniserv, and our export consultants, Procurus, to participate in QEHS Day.

Improving Our Standards

*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.

In the last year, we have reaffirmed our commitment to embedding RS within the Procurement function by providing more training for our Global Direct Spend and Point-of-Sale (POS) Procurement teams. We also undertook a thorough review and updating of our RS standards and Supplier Code of Practice, which has made our RS process easier to manage.

DAVE HOWSON | Global Sustainability Director



Dave Howson

Global Sustainability Director

[Watch Video](#)

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 responsibly sourced 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 sustainably-certified sources by 2022 and to making sure that evidence of this is externally verified. Bonsucro is our preferred standard.



We remain committed to working with responsible suppliers as part of our Responsible Sourcing program.

Strategy

Our responsible sourcing program is based on the Bacardi Limited Responsible Sourcing (RS) 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 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. We do this by focusing on embedding responsible sourcing into the way we do business in Procurement and especially focusing on our Direct Spend (packaging and ingredients) and Point-of-Sale (POS) Procurement functions.

This year, we have restructured our Global Direct Spend Procurement team to ensure that responsible sourcing is more embedded in the day-to-day business of the function. There are some new faces in the global team, and the RS training has enabled them to better engage our suppliers in the RS program. We also undertook a comprehensive review to update our Responsible Sourcing standards and Supplier Code of Practice, which has resulted in a single clear document that is easier for our suppliers to work with.

Michael Hinrichs | Director, Global Procurement, Global Operations Group

In fiscal 2013, we undertook a comprehensive evaluation of our responsible sourcing governance documents. We reviewed the then-separate documents of the RS Policy, RS Standards and Supplier Code of Practice. We updated the wording, added an extra standard and consolidated the three documents into a single, more user-friendly document that is easier for our suppliers to navigate and use.

In addition, we also updated our RS Self-Assessment Questionnaire (SAQ), as well as our pre-engagement RS Risk Assessment Tool.

To align with our governance review and tools revision, we restructured our Global Direct Spend Procurement team to ensure that responsible sourcing is more embedded in the day-to-day business of the function. To be sure that the team was up-to-speed on our responsible sourcing practices and code, we rolled out internal RS training to our Global and Regional Direct Spend Procurement management team across the U.K. and Continental Europe, India, China, Canada, Mexico, Brazil and the U.S.

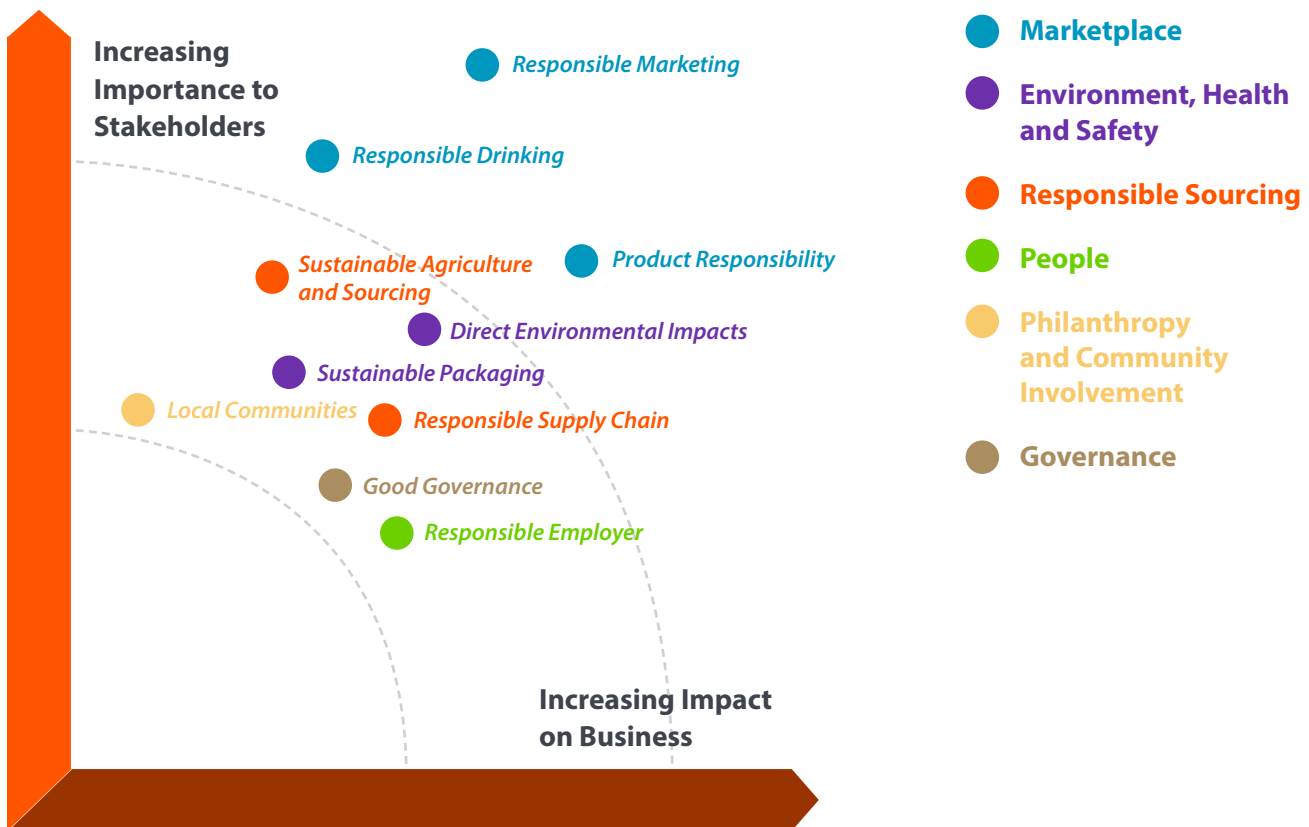
Responsible Sourcing & Strategy

Material Issues

In our biannual materiality assessment of the most material Corporate Responsibility issues for Bacardi Limited (last carried out in 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. We have reviewed the materiality ranking for “sustainable agriculture and sourcing” this year and have concluded that high is still appropriate. Our review of “responsible supply chain” also concluded that a medium-to-high ranking remains appropriate.

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.



Looking Ahead

We remain focused on embedding responsible sourcing into the way we do business in Procurement, especially in our Direct Spend (packaging and ingredients) and Point-of-Sale (POS) Procurement functions. As part of this effort, we are working to accelerate our supplier audit schedule. Audits are an important source of information about how suppliers operate with regard to human rights and labor, health and safety, environmental management and business integrity.

While supplier auditing is important to demonstrate compliance, it is not the sole or even principal measure of supplier engagement. Rather, responsible sourcing is evolving year-on-year to “move beyond compliance” toward developing long-term, sustainable and mutually beneficial sourcing relationships with suppliers. For Bacardi and others, this essentially means working directly with suppliers after audits are completed to ensure ongoing adherence to standards, support capacity-building and raise supplier awareness of responsible sourcing in order to continue to foster effective, long-term supplier partnerships for the future.

How Bacardi measures its Sedex® supplier performance:

One of the best ways to measure the impact and value of Sedex® is to assess our level of spend with the suppliers linked to us. For example, having 100 suppliers linked to us who represent 80% of our global spend in a given category is more impactful than having 250 suppliers who represent only 25% of our global spend.

During fiscal 2014, we will continue to establish responsible sourcing as a central way of working within our Procurement function. Support for this effort will include the following activities:

- We will agree on our Sustainable Procurement strategy, including nominating POS and Direct Spend “Champions” who will manage the strategy from within the Procurement function.
- All of our key Direct Suppliers will complete the Sedex® Self-Assessment Questionnaire (SAQ) by factory site (key = c80% of our global spend).
- All of our key Global Webshop and Bacardi USA POS suppliers will complete the Sedex® SAQ by factory site (key = c80% of our global spend).
- We will audit more than 10 of our supplier sites at high risk of non-compliance (POS & Direct Spend).
- We will ensure that all light cane distillate (LCD) purchases are covered by either an EU- or U.S.-recognized sustainability certification chain of custody.

The long-term targets for our Responsible Sourcing program are as follows:

- We will source 40% of our sugarcane-derived products from sustainably-certified sources by 2017, and 100% by 2022, and we will ensure that evidence of this sourcing is externally validated. Bonsucro is our preferred standard.
- We will make certain that 100% of our paper-based packaging is sourced from sustainably certified sources by 2017.
- We will strive, longer term, to extend our sustainable agriculture targets beyond sugarcane products to a more comprehensive program covering both our major commodities (cane, beet, wheat, barley, grapes and agave) and our smaller scale, but strategically important, herbs and botanicals. This will involve becoming closer to small-holder farmers and co-operatives.
- We will seek to actively participate with suppliers in mutually beneficial projects, such as increasing the level of cullet (recycled glass) into our glass bottle supply chain.

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, NGOs and trade unions. This alliance is committed to working together to identify and promote good practices in the implementation of codes of labor practice and key international standards, including the International Labor 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.

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.

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.

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

The Ethical Trading Initiative (ETI) Base Code
www.ethicaltrade.org

The Fundamental Conventions of the
International Labor Organization (ILO)
www.ilo.org

UN Global Compact Principles
www.unglobalcompact.org

The United Nations (UN)
Universal Declaration of Human Rights
www.un.org/en/documents/udhr

UN Convention on Biological Diversity
www.biodiv.org

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 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
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.	A review of our key Direct Spend and Global POS Webshop suppliers determined that we are sourcing from fewer than 100 supplier sites based in countries deemed high-risk in our assessment model. All of these suppliers have been or are being screened, either internally or through Sedex, as part of our RS program process.		This is an ongoing target. Each new supplier will be risk-assessed and engaged to ensure compliance with our RS standards and Code of Practice.
We will ensure the Direct Spend and Global POS Webshop suppliers linked to us in Sedex® represent 80% of our spend in these key categories.	At the end of fiscal 2013, we had over 320 supplier sites registered on Sedex® and access to more than 120 audits. This represented an increase of over 20% from the previous year.		This is an ongoing target. Each new supplier will be risk-assessed and engaged to ensure compliance with our RS standards and Code of Practice.
Deliver focused training to develop the individuals running the SPM tool at our 10 largest sites in fiscal 2013 and the remainder to be trained in fiscal 2014.	All of our production sites now have a defined Procurement Single Point of Contact (SPOC), and the Global Procurement management team, all members of which have been trained, has begun to deploy this training.		We will agree on a Sustainable Procurement strategy that includes nominating “Champions” from our Direct Spend and Global POS Procurement teams, who will manage the RS strategy within their function.
We will start our local audit program during fiscal 2013, focusing initially on suppliers with a higher risk of non-compliance.	Our Direct Procurement team has highlighted a list of suppliers for audit in fiscal 2014. This will be aligned with the results of a Sedex® SAQ review to create a more focused list for fiscal 2014.		We will commission third-party ethical audits at a minimum of 10 global suppliers at high risk of non-compliance and ensure closure of any instances of non-compliance revealed in the audits.

TARGETS FOR FISCAL 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
In fiscal 2013 we will develop a sourcing plan to achieve our interim target to source 50% of our sugarcane-derived products from sustainably certified sources by 2017.	We reviewed growth progress of Bonsucro and our supplier engagement plan and decided we need to update our target. Our new target is to source 40% of our cane-derived product from sustainable sources by 2017 and we are on course for that.		We will ensure at least one of our key sugarcane product suppliers is covered by either an EU- or U.S.-recognized sustainability certification chain of custody.
We will work with WWF to develop an agreed set of key performance indicators for the Fiji project that will be reported monthly.	Fiji report from WWF covers the KPIs.		We will continue to support this project and review progress with our project partners.
A gap analysis of the Labasa sugar mill in Fiji against the Bonsucro™ standard will also be completed in fiscal 2013.	As above, this is covered in the WWF report on Fiji.		
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.	The review of new POS items is part of the ongoing POS Sedex® activity.		This is an ongoing activity, part of the rationalization of our POS supply base.

Achieved
 Partially achieved
 Not achieved
 Target ongoing

[View all our Targets](#)

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 in 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.

Sedex acts as a communication platform which provides a wealth of information between us and our clients. This allows our member clients to undertake an initial appraisal and evaluation of our company. It gives access to a shared pool of information for many of our clients, which in turn allows us to 'streamline' the information we send out by reducing the number of audits and questionnaires equaling time saved.

JACQUES COUSIN | Q.S.E. Corporate Manager



*Supplier Insight:
Sleever International*

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.

Our Global Webshop and Bacardi USA (BUSA) POS teams have nominated Responsible Sourcing Champions who are responsible for ensuring that our POS suppliers are engaged in our RS program through the VQP or the Sedex® onboarding process. Our teams have reviewed the suppliers in Sedex® and are following up on the Self-Assessment Questionnaire (SAQ) gaps and questions.

Bish Creative Display joined Sedex® to better serve the Bacardi community. We have recently initiated sourcing and facilities initiatives at our global resourcing partners, where we have added a clean-store policy that rewards our factories for providing a clean and safe environment for their work activities. We currently manufacture wire, wood, metal and plastic components. We also have introduced social activities into the weekly schedule so that employees may have a more enjoyable lifestyle.

JERRY FOX | President / CEO, BCD

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.

Over the years, we have taken the necessary steps to constantly improve our social responsibility code of conduct, through our factories and third-party production units.

Thanks to Bacardi, we had the opportunity to join Sedex® in order to exchange ideas and techniques to reduce our global footprint, as well as improve employee working conditions in our factories worldwide.

Our screen-printing operation has had a mission to eliminate toxic inks and screen-washing residues. We have taken the following steps to achieve a 100% level as a Non-Toxic/Hazardous Waste screen-printing facility.



NRG
Screen-Printing
Facility

Some examples of our actions to achieve this mission:

- 1) *Screen-Washing Liquid: All of our screens are washed with a non-toxic liquid. Once the liquid is mixed with water, it is 100% biodegradable (meets biochemical oxygen demand, B.O.D. levels). The liquid also meets threshold limit values (TLVS) of the Occupational Safety and Health Administration (OSHA) and has a bubble gum odor, which is pleasant for employees.*
- 2) *Biodegradable Inks: We are slowly implementing the add-on to Plastisol inks with water-based, 100% organic color inks to all ink mixes. As a result, our prints are smoother and less chemically dependent.*
- 3) *Workers Safety: We have always been very proud of the working conditions in our facilities. As a result of our partnership with Bacardi, we are seeking to consult externally on how to further improve in this area, so that we retain our reputation as "Safety First" factory.*

We are working hard to find new methods to improve our social responsibility standing. In doing so, we strive to be a responsible leader in our industry.

PATRICK ATLAN | CEO, NRG Global Sourcing

Supplier Performance Management

Last year, 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.

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

A best-practice association to partner with, IBCShell is constantly monitoring its supply chain, and Sedex® provides us with the resources to assess performance, ethics and labor standards encapsulated within one uniform methodology.

MARGARET MAHER | *Healion, IBCShell*

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 Limited 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 2013, we had increased the number of supplier sites registered in Sedex® to more than 320, which represented more than a 20% increase on the previous year. We also had access to over 120 registered Sedex® audits.

In fiscal 2013 (and continuing in fiscal 2014), we worked to ensure that 100% of high-risk and very high-risk direct suppliers and global POS suppliers were compliant with our Responsible Sourcing standards. This was achieved either through Sedex® membership or by completing the Responsible Sourcing section of our VQP.

In order to ensure that the value of our ongoing membership in Sedex® is harnessed and disseminated across the business, in fiscal 2013 we initiated Sedex® training with our POS Global Webshop category managers and the Bacardi USA (BUSA) POS team, both of whom nominated RS Champions. This training supports our efforts to achieve our target of 100% compliance of high-risk and very high-risk direct suppliers and global POS suppliers with our Responsible Sourcing standards.

Supplier Sites Registered with Sedex® and Linked to Bacardi Limited

Fiscal Year 2013	324
Fiscal Year 2012	257
Fiscal Year 2011	244
Fiscal Year 2010	175
Fiscal Year 2009	20

Breakdown of Linked Supplier Sites on Sedex® (324 Suppliers Registered with Sedex®)

Packaging	141
Point-of-sale	62
Ingredients	102
Flavors	19

Working with Suppliers and Partners

Point-of-Sale Suppliers

A strong 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 thousands of items from hundreds of suppliers. With this level of complexity, applying our Responsible Sourcing standards and researching the source of each item is time consuming. One of the ways we reduce this complexity is to rationalize our POS supply base and implement a preferred supplier list, where we can more easily verify the correct quality standards and compliance with responsible sourcing. About 40 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 really feasible only with longer-term supplier relationships.

Another challenge is that many purchases are made through intermediaries and agents, rather than directly with manufacturers. Reaching out to POS agents to ensure they share their actual factory information for responsible sourcing generally or for Sedex® engagement purposes remains one of the biggest POS challenges. To address this, our Vendor Qualification Process (VQP) includes a factory assessment document that requires the information provided to come from the site of manufacture, rather than the point of purchase.



POS suppliers are vital in supporting Bacardi's on-trade and off-trade retailing.

Another method of removing some of the POS supply chain complexity is to shorten our POS preferred supplier list. In fiscal 2013, our BUSA POS team reduced the number of suppliers from whom they sourced by nearly 40%, following a review of their suppliers in Sedex®. The BUSA team are currently in the process of following up with the remaining suppliers on their preferred list to focus on any gaps there might be in their Sedex SAQs and any questions that relate to them.

Despite these challenges, in fiscal 2013 we continued to encourage POS suppliers to join Sedex® and to use our VQP for new Global POS Webshop suppliers and key suppliers in Europe, the Middle East and Africa.

Our aim is to focus our sourcing pool on fewer preferred suppliers with whom we can build a longer-lasting and sustainable relationship, ensuring that compliance can be achieved on most issues and that any instances of noncompliance can be worked through successfully and in a timely fashion.

At the end of fiscal 2013, 77% of our Global POS Webshop suppliers had undergone the VQP, and 71% were registered with Sedex® and linked to Bacardi Limited.



Sedex® is recognized by many clients, and this is particularly favorable for developing customer relationships. Specifically, through the Self-Assessment Questionnaire, improvement plans, labor standards and other data-sharing in the Sedex® online tool, our customers, including Bacardi China, can learn about these aspects of Doehler Shanghai quickly and easily. Meanwhile, our work will become more efficient, since both work preparation and auditing costs for new suppliers will be reduced. What's more, our customers will have more trust and respect for Doehler Shanghai, and we anticipate that all this will help us to increase our business by 30%. We also recommend Sedex® to our suppliers and ensure their operation is in line with Sedex®'s standard. Over 20 customers and suppliers have now consulted the details of Sedex®, because they are really encouraged by our great success!

KAILIN FENG | Sales Manager of Brewing, Doehler Food & Beverage Ingredients (Shanghai) Co., Ltd

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.

The aim of AIM-PROGRESS supplier forums is to share with suppliers the importance of responsible sourcing and to give them the opportunity to ask questions and share experiences.

At an AIM-PROGRESS Supplier Capability Summit in Gurgaon, India, suppliers heard from speakers representing members' brands, including Bacardi, as well as organizations such as Bonsucro™, the Indian Sugar Mills Association and Solidaridad.

The AIM-PROGRESS Supplier Capability Summit provided an opportunity for suppliers to share a common platform with organizations that included Coca-Cola, Nestlé, GSK & Kraft Foods. The forum helped to demonstrate Bacardi Limited's commitments to responsible sourcing within our supply chain. We were able to share our experience and provide guidance to attending suppliers in order to promote responsible sourcing and ethical business practices.

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 discussed.



AIM-Progress Supplier Capability session in Gurgaon, Delhi, India, in July 2012

Presenting at the AIM-PROGRESS Supplier Capability event in Gurgaon, India, meant I could speak directly to many of our key suppliers about how important our Responsible Sourcing program is to Bacardi and about the added value of using Sedex to store our suppliers' ethical data.

SANDEEP KUMAR

Procurement Manager, Bacardi India

SSL has been a registered Sedex® member since 2008. Since then, we have been growing with Sedex® in terms of business ethics, code of conduct and also good business practices.

Sedex® has provided a good business platform for suppliers and business partners. This not only has facilitated better communication between its registered members, but also has reduced the cost of business ethics certification by sharing relevant information with other members. In addition, we can also discover new business opportunities among its members. As such, we wish to extend our utmost appreciation to Sedex®.

SHANGHAI SUPER LABELS CO., LTD

The value of these Supplier Capability Building events is not just that suppliers are introduced to Sedex, but that they become aware of their peer companies' responsible sourcing journeys, which enable them to create networks, share their experiences and the good practices that can help them move towards compliance, and beyond.

We are member of Sedex with the help of Bacardi India. Now we are trying to figure how to move forward in the most effective way with all of the ideas you have given us. It has become a road map to follow other ethical practices through Sedex as well.

SANJEEV DUTT | Nutech Security Printers

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 in our brands only sustainably produced sugarcane products.

- 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.

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™.

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 promoting a sustainable sugarcane industry, we have reviewed our current plans and have set a new long-term target to source 40% of our sugarcane-derived products from sustainably-certified sources by 2017 and 100% by 2022. We want to ensure that evidence of this sourcing is externally validated and Bonsucro is our preferred standard. Our current sugarcane supplier engagement plan should achieve

this target. Given how things can change within the sugarcane supply chain, we will keep a close eye on progress toward this target. We are committed to source our molasses and light cane distillate from sustainable sources, and our preferred standard is Bonsucro. If, however, the capacity of Bonsucro-certified product is insufficient at the time we are sourcing, we will consider other EU- and U.S.-authorized sustainably certified standards, such as the ISCC Standard.

In fiscal 2013, we continued our support for Bonsucro. At the Bonsucro conference and Annual General Meeting held in London in November 2012, Bacardi Limited delivered a keynote address as part of our role on the Board of Directors. The speech focused on the reasons Bacardi Limited has supported Bonsucro since its inception, the challenges faced by all members to make the initiative



The Bacardi keynote address at the Bonsucro AGM 2012, London

work and grow and the critical message that more end-user companies should drive market demand for sustainable sugarcane by making public commitments to buy cane products certified to the Bonsucro standard.

BONSUCRO'S YEAR OF PROGRESS IN 2012/2013

- Membership increased by over 42%, against a target of 25% for this year. As of May 2013, there were 87 members of Bonsucro.
- Bonsucro is now a full member of the ISEAL Alliance.
- The Global Producers' Innovation Network (GPIN) was relaunched as the Bonsucro Farmer Community, and it holds monthly meetings.
- Bonsucro certification has now been achieved by 30 sugar mills, all in Brazil, representing 2.88% of sugarcane production globally. The target is 20% by 2017.
- A newly created Standards Review Committee is undertaking a full review of the Bonsucro Production Standard for the first time.
- The Bonsucro Secretariat has increased to seven full-time employees, comprising a Chief Executive, Head of Engagement, Head of Operations, Head of Sustainability, Head of Farmer Engagement, Certification Coordinator and Research & Policy Analyst.

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, Guatemala and Mexico. Our first program working with sugarcane communities has been established in Fiji, a major sugarcane producer.



Goals of the Fiji Sustainable Sugar Program:

1) Conservation of the Great Sea Reef based on improved water quality from soil run-off.

2) Improved local livelihoods of farmers and communities.

3) Bonsucro certification achieved for farm and mill areas in Labasa, a town in the northeastern part of the island of Vanua Levu.

Highlights of activities undertaken in the last year:

Established foundations for the program:

- A Memorandum of Understanding (MOU) between WWF South Pacific Program Office (SPPO) and Labasa Cane Producers Association (LCPA) has been signed, and as per the MOU, joint activities in undertaking such analysis will be pursued to ascertain farmer income and expenditure data sets. This MOU establishes the working relationship between the two organizations to undertake mutually desirable activities for better management practices (BMP) in the Labasa Sugarcane Sector. It ensures all stakeholders are fully aware of their roles in the project.
- The WWF SPPO Sustainable Sugar Program Coordinator has now been recruited. This means that progress in the project can be accelerated.
- The program work plan has been revisited and finalized.

Developed baseline findings:

- Collation of baseline data has commenced in consultation with the sugar industry stakeholders that would provide data sets for analysis.
- Initial report completed on "The Opportunities and Challenges of Labasa Sugarcane Farmers Relating to Certification Standards." This report highlights the areas that need increased focus to facilitate improvements.



Identified model farms (pilots):

- Two demonstration/model farms have been identified to illustrate activities of Better Management Practices (BMPs).
- These farms, located six and 10 miles, respectively, from Labasa, have been selected because they are ideally located to provide the varying data required to understand the different challenges faced by the farmers and the different methods they use to overcome these challenges. Owners of both farms fully support the project and are willing to put their farms forward for this demonstration as a model for other farms.

Targeted stakeholder outreach:

- Consultation meetings were carried out in February 2013 in Lautoka. The Conservation Director and Sugar Program Coordinator met with key stakeholders (CEOs mostly), such as Fiji Sugar Corporation, Sugar Cane Growers Council, Sugar Industry Tribunal, Sugar Ministry, Sugar Research Institute of Fiji, South Pacific Fertilizers and Coordination Office of the Fairtrade/ EU.
- The stakeholders were briefed on WWF's work activities in the sugar sector and particularly in Labasa. The stakeholders appreciated the planned work activity and offered their full support, cooperation and assistance towards this worthwhile initiative.

Trained outreach trainers:

- "Train the trainer" sessions were conducted by a sugarcane expert for 31 sugar industry extension officers.
- Training was developed in collaboration with Fiji Sugar Corporation (FSC). The training covered practical aspects of extension work, in particular an evaluation of the technical robustness of extension packages, identification of grower needs, techniques for effective engagement and communication tools to align adoption objectives with the practical needs of growers, as well as values-based needs.
- These skills will be built into future extension programs and reviewed at quarterly review meetings.

Bacardi Limited is proud to continue to support this project. During a recent visit to Labasa, the Program Coordinator planned arrangements for a visit that will be made by the Bacardi team. The aim of the team's visit is to gain a better understanding of the progress being made and the needs of the stakeholders. This will enable us to see for ourselves the positive impact the project is making, as well as the work that still needs to be done.

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 and are very proud of our brands and our work in the Corporate Responsibility area. We have seen that pride reflected in the high levels of participation in our employee-driven action teams, created to suggest ways we can leverage our strengths and address areas that could be improved.

JOHN MCCUSKER | *Global Head of Talent Management*



John McCusker

Global Head of Talent Management

[Watch Video](#)

At Bacardi, we aspire to be recognized internally and externally as a Great Place to Work. To assist us in achieving this ambition, we launched our first-ever Global Employee Engagement Survey in 2012.

It was clear from the results that our people are very proud to work for Bacardi and are very proud of our brands and our work in the Corporate Responsibility area.

We also heard from employees that we should put more emphasis on development opportunities. We made a commitment to work on the following areas: ensuring that our people understand more clearly their options for career development; giving greater visibility to the tools available to help our people build their skills; and providing more feedback and coaching from line managers.

We are pleased about the progress made in the last fiscal year to address these opportunities, and we are convinced that the work that we have started will enhance the engagement of the wider Bacardi organization and will help build an even stronger Company.



We remain committed to being recognized as a Great Place to Work.

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 an 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.

We continue to review our progress in delivering this strategy and to assess its ongoing relevance and linkage to our overall business strategy.

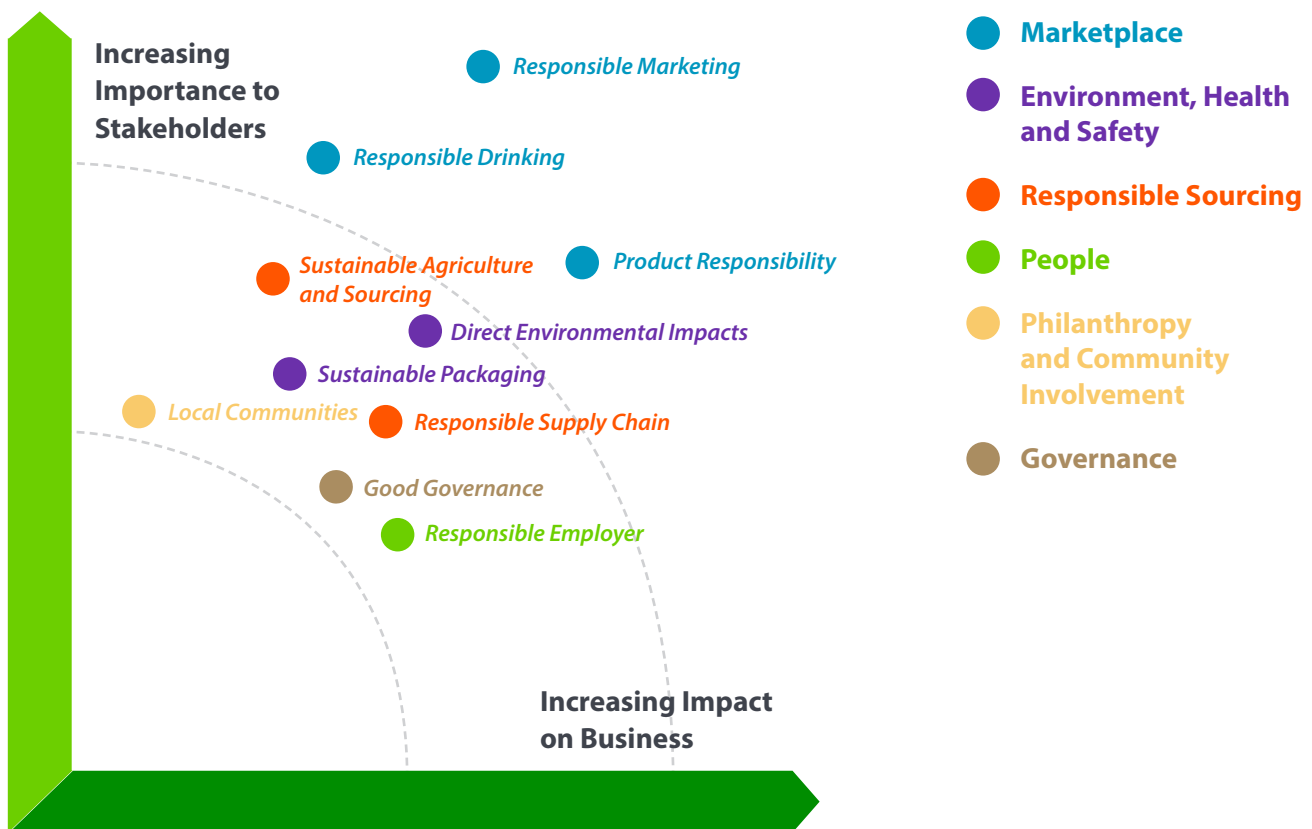
Material Issues

We completed an updated assessment of our most material Corporate Responsibility issues in April 2012. We recently reviewed this information and determined that it remains up-to-date. 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. It also shows that stakeholders consider other Corporate Responsibility issues that we are addressing to be more significant.

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. This survey is now part of our regular People Management practices, and it will be conducted again in fiscal 2015 for further feedback and actions, also relating to materiality.

Read more on our materiality process in the materiality section.



Corporate Responsibility and Our People

We maintain our belief 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 our striving to be a leader in Corporate Responsibility.

Responsible Employer

At Bacardi Limited, being a responsible employer means:

- **Developing our People:** Offering our people opportunities to develop to their fullest potential.
- **Connecting with our People:** 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 People:** Supporting our employees if they encounter personal or professional challenges.

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 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
<p>Enhance the user experience for current users of the Global Performance Management System (GPS), making the system more intuitive.</p> <ul style="list-style-type: none"> • Focus on the link between employee performance and Company performance. • Focus on functionality. • Focus on development planning. 	<p>GPS became accessible to 4,000 employees.</p> <p>Development Planning was supported through Leadership Fundamentals training program for line managers.</p>	✓	Further streamline and simplify the GPS.
<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. 	The TR process expanded to cover over 1,000 leaders across the organization.	✓	We plan to place more emphasis on TR in all functions, reaching even deeper into the organization.
<p>Continue to establish our portfolio of leadership development initiatives across Bacardi Limited:</p> <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. 	<p>Coaching 2 Win programs for middle managers & senior leaders were piloted and tested.</p> <p>Leadership Fundamentals program was developed internally and two programs (Performance Review and Development Discussion) were delivered across the globe. Completed over 80 sessions globally, covering more than 900 managers at different levels, in 10 languages.</p>	✓	Complete roll-out of Coaching 2 Win programs to all senior leaders and to 1/3 of middle management. Additional Leadership Fundamentals programs will be developed, and the most critical need will be covered in our next wave.
Action Teams established in fiscal 2013 will identify key improvement areas and develop plans for delivering improvements over the next 24 months.	In fiscal 2013, more than 700 employees participated in Action Teams to identify and address areas for improvement. This number represents 12% of the employee population.	✓	

TARGETS FOR FISCAL 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
<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. 	<p>Awareness and Engagement sessions were held in 30% of global functions and business units covering 1,975 people.</p> <ul style="list-style-type: none"> • In Jan 2013, 24 talented women leaders attended the Winning @ Bacardi leadership development program in Miami. The first global leadership program to be held in years, the program was attended by our CEO, members of our Board, external speakers and members of the Bacardi Leadership Team (BLT). • Four Spotlight sessions were held in Geneva, London, Paris and U.S., with women leaders sharing their leadership stories and advising emerging women leaders on managing their careers. CEO & BLT Connection meetings were held in Brazil, Russia and Miami. • We prepared to launch Business Networks. • We increased focus on women’s development in the fiscal 2013 Talent Reviews. • Recruitment best-practice diversity guidelines were communicated, setting our clear expectation that talented women will be included in all candidate shortlists. • We assessed how to create a balanced work environment for all employees, with two areas of focus: <ul style="list-style-type: none"> • Work-life fit • Returning to work after maternity and adoption leave 		<ul style="list-style-type: none"> • 50% of business units and global functions to hold local Awareness and Engagement sessions. • Part 2 of the Winning@ Bacardi program was run in October 2013 on coaching skills and targeted development areas. • 24 participants to have career sponsors. • 11 additional women to highlight their leadership stories in local Spotlight forums within our business units. • Business Networks to be launched in Hong Kong, Geneva, London and Miami. • More women leaders to undertake stretch assignments and participate in the talent development tools of Talent Exchange and Step Up. • Recruitment guidelines to be implemented in 100% of HR teams. • Pilot winning work environment initiatives with six teams.
<p>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.</p>	<p>We have built a toolbox for change, supported by training tools and online support that has been tested with the IT community. In addition, we have developed a suite of change modules (8) that has been tested with the HR group in Europe.</p>		<p>The eight change modules will be incorporated into the Leadership Fundamentals frame.</p>

 **Achieved**
  **Partially achieved**
  **Not achieved**
  **Target ongoing**

[View all our Targets](#)

Developing our People

We want people to 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.

Diversity

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 fiscal 2011 to support this belief.

Women in Leadership (WIL)

Initially, the Global Reflections program has focused on Women in Leadership (WIL), with the aim to position Bacardi Limited as a magnet for talented, high-performing women and to unlock 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 in fiscal 2013 on raising awareness of the benefits of a more gender-diverse workforce, 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 fiscal 2013, we also piloted coaching programs for women and introduced policies on adoptions and equal opportunities. In addition, 24 female leaders participated in the first global leadership development program, which we piloted in Miami.

Sponsoring

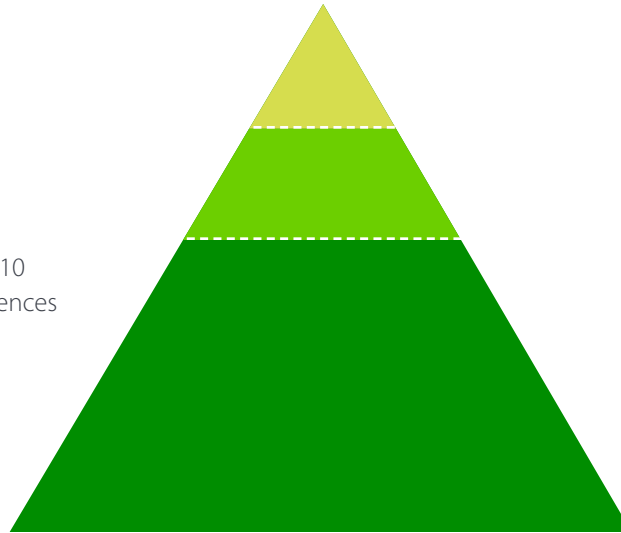
We have identified 40 female leaders who will be sponsored by senior executives within or outside Bacardi. The goal is to support the career path of our female talent to build a stronger pipeline of leaders for the Bacardi business.



*Women in Leadership (WIL)
Miami seminar*

70-20-10 Framework

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



10%
Formal Training

20%
Coaching and
Mentoring

70%
On-the-Job
Experiences

Looking Ahead

To establish the Women in Leadership program across Bacardi Limited, we set a target for half of our business units and global functions to hold Awareness and Engagement sessions and have their own local three-point (formal training, coaching and mentoring, and on-the-job experiences) WIL action plan by the end of fiscal 2013. During fiscal 2013, we were able to only partially achieve this target, with 30% of our business units and global functions participating. We aim to reach our original target of 50% of business units and global functions completing their three-point plans by the end of fiscal 2014. In addition, each member of the BLT will develop a specific action plan for his or her region or function in order to establish and track progress against the overarching Women in Leadership strategy.

Other targets for fiscal 2014 include:

- Developing plans for the roll-out of further modules in fiscal 2015 and fiscal 2016.
- Ensuring that gender balance is built into our Talent Review process and that talent development tools are equally available to male and female employees.
- Embedding 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, Hong Kong, Miami and 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.

Performance Management

When we have the right talent in the right place, we need to provide the right management of an employee's performance, objective-setting and career path, aligning the 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 each employee's personal objectives, thereby transforming the vision of the Company into specific individual action plans for all of our people.

The process starts with the CEO and his leadership team, as they translate the business strategy to Annual and Quarterly priorities, highlighting areas of interdependency. This allows us to quickly align the efforts and focus of our entire organization with the critical activities that will drive overall Company success.

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, we have cascaded workshops to explain the Vision-to-Action process.

50%

We are targeting that 50% of business units and global functions hold local Awareness and Engagement sessions by the end of fiscal 2014.

Development Opportunities

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.

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

During fiscal 2013, members of our BLT designed a framework for Leadership Excellence that will be used to shape their own development and that of all leaders throughout the business.

In fiscal 2013, we added to our portfolio of tools developed to support the growth of our internal talent by:

- Launching Exceleator for Global Operations and Marketing functions
- Expanding our Coaching 2 Win program within middle and senior management
- Hosting the first Winning@Bacardi leadership program
- Creating our first in a series of Leadership Fundamentals programs
- Launching a new online development tool in partnership with Harvard Business Publishing
- Launching our Talent Development page on the ONE Bacardi intranet



Scribes capture participants' thoughts at the Winning@Bacardi conference .

Excellerator

We firmly believe that the richest and most meaningful development occurs “on the job,” in line with the principles of the widely known 70-20-10 development model. To help employees become more personally accountable for their own development, we created a tool to assist people in choosing which development experiences will help accelerate their learning the skills to drive excellence in both current and future roles. We call this product “Excellerator.” In fiscal 2013, we piloted this tool with our global marketing workforce, and we plan to roll out this tool across all Marketing and Commercial functions in fiscal 2014.

Coaching

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 we have highlighted this area for improvement. To do so, we will continue to focus on providing current and future leaders with a range of talent development programs.

During fiscal 2013, our coaching programs gained significant momentum. Our Coaching 2 Win program, which is aimed at middle managers and senior leaders, is designed to provide them with a common set of tools to facilitate powerful coaching conversations. Coaching 2 Win is proving highly successful across the business.

In fiscal 2013, we also launched pilot training for middle managers in the IT function and then rolled it out within IT, training more than 30 middle managers in all. In addition, we piloted two programs with senior leaders to support the enhancement of their coaching and engagement skills with their direct teams.

For fiscal 2014, we plan a global roll-out to embed a coaching culture within Bacardi. We will reach all senior leaders and about one-third of our middle managers.

“Winning@Bacardi”

In fiscal 2013, we rolled out our first global leadership development program in over eight years. We used the Bacardi Leadership Excellence framework as the core content, and the program was facilitated by our CEO and members of the BLT. In addition, members of our Board of Directors, including Chairman Facundo Bacardi, spoke to program participants. The first session of this program was attended by 24 female leaders as part of our focus on accelerating their development.

The program’s objectives were to enable participants to develop and align their leadership skills around essential behaviors important to the long-term success of our business. In addition, participants were encouraged to connect with others from across the Bacardi network, sharing their experiences and supporting one another to further career development within the organization.

Moving forward, both male and female leaders will attend this leadership program in mixed classes.

Leadership Fundamentals

Our new Leadership Fundamentals program was launched in fiscal 2013. In this program, managers pass through a series of modules to enhance their line management skills. The program focused on

Other Talent Development Programs

Following successful trial periods, several talent development initiatives, including the two shown below, were 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 growth 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.

how to have robust, meaningful conversations about performance and how to support effective planning for career development. Other program elements will be introduced in fiscal 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.

In fiscal 2013, we hosted over 80 Leadership Fundamentals sessions globally that were offered in 10 languages and reached more than 900 leaders. To date, just over 400 leaders have taken advantage of the online tools, making nearly 3,000 visits to the site and investing over 900 hours in individual development.

One important resource for learning at Bacardi is the Talent Development page on ONE Bacardi, where employees can find resources and tools to support their individual development. We have made the content personal by providing “Lessons in Leadership” from influential Bacardi leaders on how to be successful in all aspects of leadership.

Global Talent Acquisition

Fiscal 2013 was a strong year for Talent Acquisition across Bacardi. We began to work closely with business units on a global approach to recruitment, which has enabled us to meet increased demand for talent more quickly and proactively.

We further professionalized our internal talent-acquisition capabilities during fiscal 2013 by piloting an Internal Search Firm concept in three markets – the U.S., Russia and Switzerland. This pilot included the implementation of the recruitment module of our Global Performance Management System (GPS), which enabled these three countries to both track and promote job applications posted through the system. Feedback has been positive.

Given our goal to both develop and promote from within, we aim to fill internally 70% of vacancies at the top three levels of the organization by fiscal 2016 on our way to deliver against our medium-term goal of 80%. In fiscal 2013, we added new roles to our structure and, because many employees moved into new positions in fiscal 2011 and 2012, only 53% of the vacancies at the top three levels of our organization were filled by internal talent in fiscal 2013.

We have worked to enhance our internal employer branding, improve our global job-posting process and strengthen our ability to proactively identify internal talent for career opportunities. To complement our internal talent pipeline, we also have increased our capabilities to identify strong outside talent for those opportunities where we need to hire externally, both

53% of job openings at management level and above were filled by internal talent in fiscal 2013.

now and in the near future.

In the external job marketplace, we have burnished our employer brand image and have launched a Company page on LinkedIn. Our presence on this professional networking site has been extremely well received: during our first 12 months on the site, we have gained an impressive 34,000 active followers.

Apart from the recruitment systems, we have made good progress in developing best-practice recruitment processes for both internal and external recruitment. In fiscal 2013, we piloted our Recruitment Academy workshop for HR and hiring managers. We also introduced best-practice guidelines for Talent Acquisition and are finalizing the new Employer Branding framework that complements our Employer Value Proposition.

Talent Review

A core part of developing a strong talent pipeline is effective succession planning, particularly for management positions. This is crucial to providing stability, continuity and, ultimately, sustainable business success.

Fiscal 2013 was the third year of the global Talent Review

Becoming Bacardi

Our global onboarding program for new employees, Becoming Bacardi, also was enhanced during fiscal 2013. The multilingual e-learning component of the program has been positively received and is viewed as a valuable source of information for new employees, as well as for veteran employees who wish to refresh their knowledge of the Company.

During fiscal 2013, we also expanded the experience-based component of the program to include a comprehensive engagement process for senior executives and built a new framework that allows for a more tailored approach for the levels below. For fiscal 2014, we will further strengthen the experience-based portion of Becoming Bacardi to provide more development options and a consistent approach across all our offices. We also will change the Becoming Bacardi “Welcome Kits” to a lighter, more eco-friendly design.



(TR) process, and with each year we have improved the process to gain greater insight into our talent pool. Our TR process currently covers more than 1,000 leaders throughout the organization in over 50 local, regional and global employee development discussions.

The TR process maps the current performance and future potential of our people against our projected business needs. For individual employees, a Personal Development Plan (PDP) containing key actions is developed during the TR process and is kept within our Global Performance Management System (GPS). Each PDP outlines areas for continued personal growth that also will 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

To support and communicate the talent assessments and action planning that follow the Talent Reviews, we will kick off a campaign in fiscal 2014 to raise awareness of internal moves through a “Movers & Shakers” segment that will be highlighted on ONE Bacardi, our intranet. This segment will feature employees who have been

recently promoted into leadership roles, along with their perspectives on building a career with Bacardi Limited.

Based on the findings of the completed Talent Reviews, we will pay close attention to developing the talent we need for effective succession planning in fiscal 2014. This will include a formal assessment of progress each quarter using a newly developed Global Talent Scorecard. We will evaluate all of our functions to gain a better understanding of the breadth and depth of our talent throughout the organization.

Connecting with Our People

Global Employee Engagement Survey

Since the results of the Global Employee Engagement Survey were announced in fiscal 2013, more than 700 employees, representing 12% of our worldwide workforce, joined Action Teams to address workplace challenges and gaps identified in the survey.

Action Teams are groups of employees who work collaboratively to create robust plans for meaningful action that will improve their local areas.

Several representative examples include:

- The team in India wanted to improve the focus on development and created an “Individual Development Day” that employees could tap into for personal and professional development. This model was later shared with the team in Bacardi Global Brands (BGB), which created its own “Development Day.”
- In a move to open the lines of communication in Japan, we have launched “Sho’s Bar,” where twice a month after work Japan’s Managing Director serves employees drinks and encourages conversation in a relaxed environment that reinforces the art of mixology, while enabling unfettered discussion and employee feedback.
- In Russia, the team challenged employees to get involved by introducing “Innovation Teams” to create new ideas and new ways of doing things.
- The team in Mexico developed an innovative approach to increased brand awareness through mixology. Every month, the team hosts dynamic one-hour workshops at Casa Bacardi to generate new levels of excitement about Bacardi products.

Actions like these have taken place all over the world, and we are thrilled to see so many employees involved.

Finally, the CEO and his leadership team have continued to sponsor Action Teams and have made this topic of discussion an important part of country visits.

In fiscal 2014, we will start the preparation of our second Global Employee Engagement Survey, which we will run in fiscal 2015. Our goal is to hear from all employees worldwide to gain insights on where we have achieved a positive impact and where we can still improve. We will continue to strive for best-in-class engagement scores and hope to see that we have made a difference.

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

In fiscal 2013, we launched more than 70 employee-led Action Teams to help identify key improvement areas relating to our employee engagement activities and to develop plans for delivering improvements over the next 24 months.

Supporting Our People

Global employee assistance program

In fiscal 2013, the Bacardi Assist program remained an important resource for employees around the world. Through ongoing communications, employees have learned more about the value that this service provides to support life's ordinary and extraordinary events.

The Bacardi Assist program is only two years old, and we have seen a gradual increase in employee usage over this period. In fiscal 2013, more than 400 people used the service for information or support. With 41% of cases utilizing services related to work-life concerns (legal issues and daily living/convenience) and 59% of cases involving counseling, the program continued to add everyday value.

We raised awareness of the program through quarterly communications to employees that provided additional details on the types of services offered. To improve access, we supplied local answers for questions arising from any country with more than 70 Bacardi Limited employees, and we provided a call center to support all other locations.

Our intention in fiscal 2014 is to maintain fresh, relevant communication around the program in order to increase awareness of the value of its services. We also will monitor employee perceptions of the program and enhance it where appropriate.

Clear Support

Employee volunteers supporting community programs in Miami

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, by participating in community activities on behalf of the Company, employees feel a strong sense of pride in Bacardi and in themselves.

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 today.

Continuing the caring legacy of our founder, Don Facundo Bacardi Masso, this year we continued to look for ways to strengthen our support of the communities in which we live and work, particularly in the areas of arts and culture, education, environment and supporting the needy.

RICK WILSON | *Senior Vice President, External Affairs and Corporate Responsibility - Americas*



Rick Wilson

Senior Vice President, External Affairs and Corporate Responsibility - Americas

[Watch Video](#)

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 began with 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 compassionate act initiated our legacy of giving back to local communities, a full decade before the founding of the Company in 1862.

We are very proud of this legacy, which continues today in the community investment and philanthropy that remain an important part of our Company and our Corporate Responsibility program.

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

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 successfully expanded Corporate Responsibility (CR) Week into CR Month, which resulted in more than 7,600 hours of volunteer time from the worldwide Bacardi workforce. We plan to continue running CR Month as our annual global community event across the Company.

In fiscal 2013, Bacardi companies and brands donated a total of US\$6.06 million to local communities around the world. This included a significant in-kind donation, valued at US\$2.7 million, of the iconic Bacardi Tower and Museum building complex in Miami, Florida. This landmark was sold to a non-profit organization at a sizable reduction in the market value of the property.

Together, we look forward to sustaining Don Facundo's legacy of supporting local community initiatives well into the future.

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 in 2013.

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, CR Month, is intended to engage our global workforce and give our employees the opportunity to be involved in community activities.

There is a strong link among our efforts to engage our people in community activities, to focus on Corporate Responsibility and to be recognized as a Great Place to Work.

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

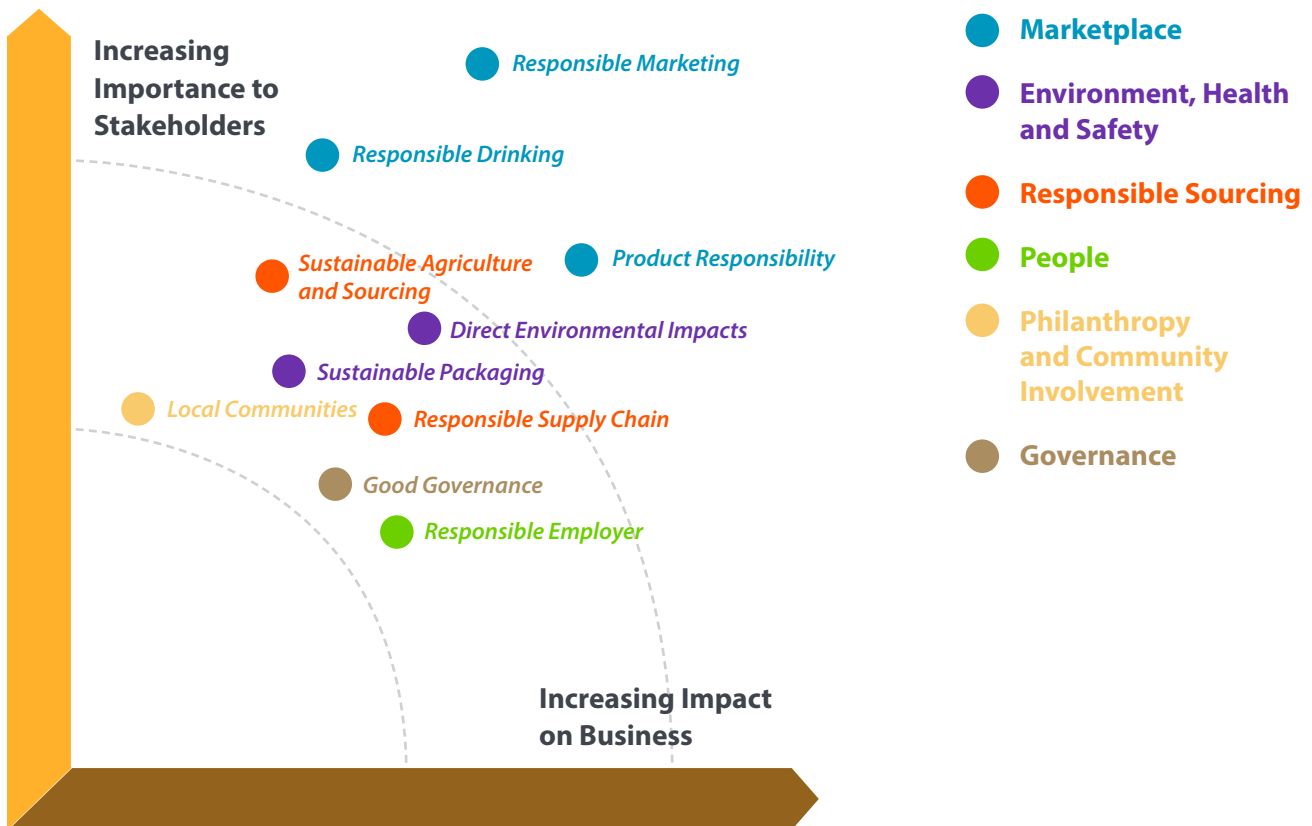
In early fiscal 2014, we reviewed our approach to PCI and are developing a strategy based around three themes: producer communities, adult education and art & architecture. We will report on our revised strategy in our 2015 Corporate Responsibility report.

Material Issues

In our biannual materiality assessment (last completed in 2012), “local communities” was ranked of moderate interest relative to other Corporate Responsibility issues based on the level of stakeholder interest in the issue and the potential impact on the Company. Please see the materiality section for more detail. We have reviewed the materiality ranking for “local communities” this year and have concluded that this ranking is still appropriate.

This underlined that our approach to community involvement, with an annual Company-wide community event (“CR Month”) and local operations supporting local causes, worked well for our stakeholders and for Bacardi Limited.

Read more on our materiality process in the materiality section.



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 2013. The LBG model provides a standardized way of managing and measuring a company's community involvement.

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

During the year, we continued reporting community activities and donations into our community database using the updated and improved instructions and definitions issued last year to our community ambassadors. For fiscal 2014, we will focus on encouraging full reporting of community activities and on improving the quality of data collected using the LBG model.

The total value of support given by Bacardi companies and brands in fiscal 2013 was US\$6.06 million. This figure reflects our total recorded community investment, including not only financial support, but also time volunteered, in-kind donations and management costs.

The US\$6.06 million total includes an in-kind donation, valued at US\$2.7 million, of the iconic Bacardi Tower and Museum building complex in Miami, Florida. This landmark was sold to a non-profit organization at a sizable reduction in the market value of the property. For more detail, please see case study.

Comparing fiscal 2013 to 2012 on a like-for-like basis (excluding the US\$2.7 million building donation), the total value of our support increased by 5% to US\$3.36 million from the US\$3.20 million* donated in fiscal 2012.

For more information on the LBG model, see: www.lbg-online.net

**Fiscal 2012 total donated restated from US \$3.23 million*

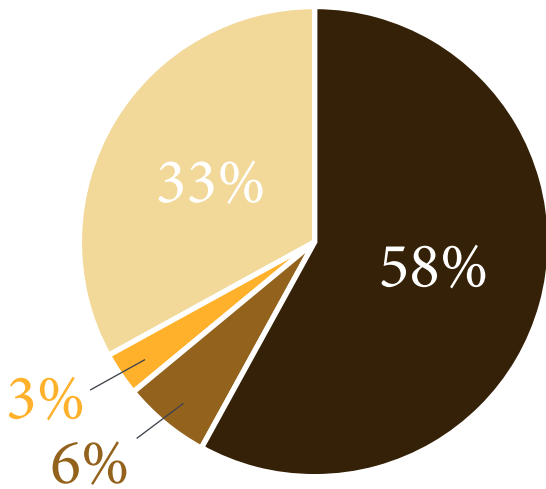


US\$ 6.06M

Reported giving of Bacardi companies and brands in fiscal 2013 measured using the LBG model.

How We Contribute:

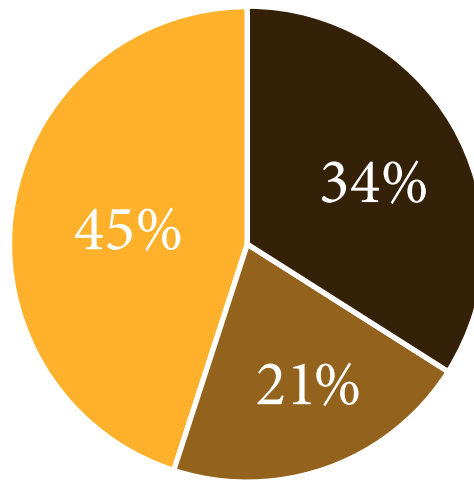
- Cash Contributions
- Value of Employee Time
- Management Costs
- In-Kind Contributions



2013 excluding the building donation.

How We Contribute:

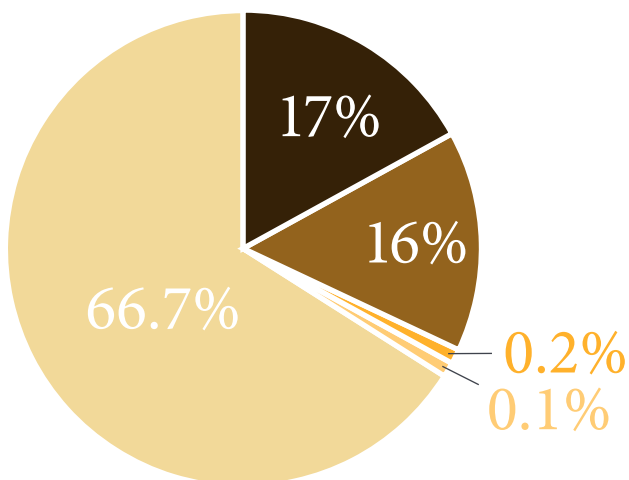
- Charitable Gifts
- Community Investment
- Commercial Initiatives



2013 excluding the building donation.

Where We Contribute:

- U.K
- Rest of Europe
- Asia-Pacific
- Latin America
- North America



2013 excluding the building donation.

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.

TARGETS FOR FISCAL 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
Continue to monitor the effectiveness of our philanthropy and community approach and develop our employees' understanding of and involvement in community activities.	PCI approach monitored throughout fiscal 2013, with review conducted in early fiscal 2014. Employee understanding of and involvement in community activities demonstrated in increased participation in CR Month.	ⓘ	Implement and deliver a PCI and community investment strategy for fiscal 2014 and beyond based around three themes: producer communities, adult education and art & architecture.
Continue to roll out the LBG model within the business and deliver benchmarking feedback in line with LBG.	The LBG model was used across the Company to record our community investment support for fiscal 2013. While the total number of PCI activities increased, we are aware that activities are under-reported.	ⓘ	Focus on encouraging more complete reporting of community activities and improving the quality of PCI data collected using the LBG model.
Successfully deliver the expanded CR Month at the beginning of fiscal 2013 and continue planning and refinement to run a global community event annually.	CR Month held in May 2012, with offices and plants participating in 28 countries, contributing more than 7,600 hours of time. CR Month has become our annual global community event, with CR Month 2013 held in May 2013 (results will be published in the 2014 CR Report).	✔	100% of Bacardi business units to participate in CR Month during May 2013. Evaluate CR Month 2013 and develop approach for 2014.

✔ Achieved
ⓘ Partially achieved
○ Not achieved
🔄 Target ongoing

[View all our Targets](#)



Global CR Month

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.

First CR Month a Success

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.

Launched in fiscal 2011 as CR Week, the event was a great success, strengthening the concept of volunteering across the Company. To encourage even greater participation, we expanded the event from one week to an entire month and held CR Month in May 2012 (at the beginning of fiscal 2013).

The expanded CR Month 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. Activities were organized around four of our five pillars of CR: marketplace; environment, health and safety; people; and philanthropy and community involvement.

Like CR Week, 2012's CR Month was another great success, with nearly 100 separate events taking place in offices and facilities in 28 countries, resulting in employees volunteering more than 7,600 hours. Activities included home building and meal distribution for needy families; fundraisers for educational, arts and cultural programs; clothing and blood drives; young adult mentorship programs; park and community center clean-ups; recycling programs; and bat conservation efforts, among others. A sample of the projects held during 2012's CR Month is included in Community Activities.

It is extremely generous of a company such as Bacardi to become so involved in the work we do here in Hampshire to help the homeless and to take so much of its time out from work to assist us. The impact Bacardi has had on providing basic needs of shelter, food and hygiene to the homeless is truly tremendous. We would not be able to achieve anything on this scale without such help.

MICHÈLE PRICE | Manager | *Winchester Nightshelter*

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 in the local communities where we operate.



Community Activities

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

Arts and Culture:

United States – Bacardi Entrusts Landmark Buildings in Miami to National YoungArts Foundation

In October 2012, Bacardi USA announced it had conveyed to the National YoungArts Foundation (YoungArts), a non-profit organization, the iconic landmark Bacardi Tower and Museum building complex in Miami, Florida. By selling the property to YoungArts at half its market value, Bacardi made a major philanthropic contribution and also ensured that an important part of Miami's architectural, social and cultural fabric will be preserved and honored.

The Biscayne Boulevard complex, including the iconic blue-and-white-tiled and stained-glass buildings, was granted an historic designation by the City of Miami Preservation Board in October 2009. Bacardi has always maintained a core philosophy that design, art and architecture reflect both a quality of life and the quality of the superior spirits brands produced and marketed by the Company.

YoungArts, founded in 1981 to identify and assist outstanding emerging young artists ages 15 and up, will convert the buildings into the organization's first national headquarters, creating a permanent home that will enable YoungArts to carry forward an expansion of activities unprecedented in its history.

The new YoungArts campus will support existing

activities such as master classes and forums with renowned arts leaders; multi-disciplinary performances; and exhibitions with emerging and established artists. Given the significant role the campus will play in its expanded activities, YoungArts will add a new discipline — architecture and design — to its nine current disciplines of cinematic arts, dance, jazz, music, photography, theater, visual arts, voice and writing.

"These buildings served Bacardi well for more than 40 years, and we're extremely pleased to have found a committed, locally based steward who loves these iconic buildings, understands their importance and will continue to share them with the community," stated Facundo L. Bacardi, a fifth-generation family member and Chairman of the Board of Bacardi Limited, parent company of Bacardi USA. "If we ever had to let go of these buildings, all of us at Bacardi knew we wanted to ensure they would continue to be shared with the South Florida community. The heritage and significance of these buildings will be with Bacardi forever."

"The development of this headquarters will benefit young artists across the country and is driven by the dramatic expansion of our programs," stated Paul T. Lehr, Executive Director of YoungArts. "Moreover, by acquiring the Bacardi campus, we are able to honor and preserve an important part of Miami's cultural history and plan to make it a thriving arts and cultural center for our community. We thank the Bacardi organization for its extraordinary act of civic-minded generosity."

Bermuda - Supporting the Bermuda National Gallery Biennial Exhibition of Contemporary Art

Located in the City Hall Arts Centre in Hamilton, the Bermuda National Gallery (BNG) is the Island’s leading art museum, with a diverse collection and exhibition program of past and present works by local and international artists.

Since 1992, the BNG has brought the world of art to Bermuda and Bermuda’s art to the world. Bacardi has supported the BNG since 1998, furthering its tradition of excellence, just as Bacardi similarly upholds the tradition of excellence in its crafting of quality premium brands.

Each year, the BNG shows three temporary exhibitions, as well as smaller installations and special events. Every two years, The Bacardi Limited Biennial Exhibition features contemporary Bermuda art in an international juried show. The 10th Biennial was held in 2012.

One of the most prestigious events in the Bermuda arts calendar, the Biennial Exhibition is a world-class forum that showcases the passion, diversity and excellence of local artists.

United States – supporting El Museo del Barrio to Preserve Art & Culture of Puerto Ricans

The mission of El Museo del Barrio, New York’s leading Latino cultural institution, is to present and preserve the art and culture of Puerto Ricans and all Latin Americans in the United States.

Bacardi is a long-time sponsor of El Museo del Barrio and has loaned three paintings from its collection to the museum for a new exhibit opening in June 2012 entitled, “Caribbean: Crossroads of the World.” Bacardi USA provided a cash donation of US\$25,000 for El Museo’s 19th-anniversary fundraising gala banquet.

Through its extensive collections, varied exhibitions and publications, bilingual public programs, educational activities, festivals and special events, El Museo educates its diverse public in the richness of Caribbean and Latin American arts and cultural history.

By introducing young people to this cultural heritage, El Museo is creating the next generation of museum goers, while satisfying the growing interest displayed by a broad national and international audience in Caribbean and Latin American art.



Education:

United Kingdom – Interview Training

For a second year, Bacardi Global Brands in London supported a local charity, SPEAR, which aims to spark a transformation in the lives of unemployed younger people. Bacardi participated in a six-week program tailored to each student to ensure that he or she finds a new sense of vision and direction in life.

As part of the program, students were offered interview training with Bacardi staff, providing a valuable experience for the students, many of whom had never before interviewed. Additionally, the program gave the students insights into the working world, so they could become aware of the benefits, realities and challenges of work. They can then be better prepared and have realistic expectations when they start working.

“Thank you SO much. The students loved their time with you and were raving about everything they had learnt as we left. In particular they enjoyed the challenge you set them, as well as finding out all of your career backgrounds.”

— SPEAR Leader

“It was great to see how each of the people who worked there brought their individual skills to the company, and I liked that everyone had taken a different path to where they were now – that means I could be something one day too.”

— Student Participant

Thailand – Children’s Foundation

During CR Month in May 2012, Bacardi Thailand worked with “Ban Nokkamin” children’s foundation, which supports orphans, street/ homeless children and less privileged children. Bacardi provided a US\$1,200 donation to the foundation, and Bacardi employees and their families volunteered their time to work with the children, providing a “second family” for them.

Bacardi Thailand staff also have a long-term relationship with the foundation by providing funding for particular children. Donation boxes were installed in the office to raise money for the foundation, with each box supplying funds for individual children.

Bacardi staff -- including the HR Director, Business Development Manager and Marketing Manager -- provided 240 volunteer hours of activity with the children at the foundation.

Bermuda – Assistance for Higher Education Degrees

The Association of Bermuda International Companies (ABIC) Education Awards scholarship program (ABICEA) provides financial assistance to Bermudian students pursuing higher education degrees (full undergraduate or post graduate), primarily in areas related to International Business.

Top students are selected based on financial need, academic ability and course of study. Each year, between 15 and 25 students receive awards valued at US\$15,000 for two years for the undergraduate award and US\$20,000 for one year for the post-graduate awards. The awards are presented at a summer luncheon attended by the winning students and their parents, sponsor companies and Government Ministers.

Since the program's inception, more than 500 students have been awarded scholarships. Students have attended accredited colleges and universities in Canada, United States, United Kingdom, Ireland, Continental Europe and Australia. Most recipients return to Bermuda, holding top-level positions in the International Business industry, strengthening Bermuda's economy and giving back to the community.

The ABICEA has been in existence for 36 years and is the most comprehensive college scholarship program for Bermudian students. More than US\$5 million has been donated to the ABICEA scholarship program by international businesses in Bermuda. Approximately 50 companies typically contribute to the program annually, and the number of awards granted each year is determined by the size of the corporate donations. Through the ongoing and generous support of its members, ABIC will continue to help secure Bermuda's future by investing in education.

Bacardi has been a supporter of the ABICEA scholarship fund since its inception in 1977, donating \$20,000 per year in the last five years.

France – Les Enfants du Desert

In fiscal 2013, Bacardi facilities in France took part in a series of events to support the charity Les Enfants Du Desert (Children of the Desert), including the donation of good-quality, second-hand school equipment by Bacardi employees. The charity distributes school supplies, clothing and educational objects as part of a broader initiative aimed at improving the lives of children in southern Morocco by supporting access to education.

Puerto Rico – Universidad Sagrado Corazón

Universidad del Sagrado Corazón [USC], the oldest private educational institution in Puerto Rico, was established in 1880 by the religious order of the Society of the Sacred Heart as an all-girls' school. It is now a coeducational, comprehensive, selective, liberal arts university that serves a predominantly low-income student body with many first-generation college students.

Outside support for the university is critical to supplement its very low tuition charges, which are less than those of most public institutions on the mainland. Bacardi supports the annual Students Scholarship Fund for talented, low-income students with a donation of US\$26,500.

Russia – Supporting a School for Disadvantaged Children

In fiscal 2013, Bacardi Russia chose to dedicate its CR Month activities to supporting a special boarding school for disadvantaged children from vulnerable families. Like many other government-funded facilities in Russia, this school suffers from shortages in state financing, which is sufficient only to satisfy basic needs such as food, clothing and medical treatment.

The Bacardi Russia project was devoted to renewing the school's library. Its furniture was worn out, and its bare supply of books consisted mostly of old, poor-quality volumes. The goal was to buy new library equipment (furniture and hardware), as well as to renew the book collection.

Furniture and equipment purchase was financed by the Company, while Bacardi employees collected a substantial quantity of all kinds of books, from fairytales for the young readers to fiction and non-fiction literature for high-school students.

Environment:

United States – Bike to Work

With gas prices squeezing consumers' wallets and the nation's obesity rates at unhealthy levels, biking has been gaining momentum as an alternative mode of transportation.

Bacardi launched an innovative twist on the bike-to-work concept. To support U.S. National Ride Your Bike to Work Day on May 18, 2012, Bacardi introduced a bike-share program at the Bacardi Americas headquarters in Coral Gables, Florida. Spearheaded by the 42BELOW vodka team, the program provided employees access to bicycles to get around the local community. Each bike was supplied with a helmet, lock and a basket for running quick errands.

Biking around the local community offered a great opportunity for those looking to get a little exercise while reducing their carbon footprint.

Bermuda – Volunteering on a National Nature Reserve

One activity undertaken by the staff at Bacardi headquarters during CR Month in May 2012 was volunteering on the Trunk Island national nature reserve, located on the largest island in Harrington Sound, Bermuda. Bacardi volunteers contributed nearly 85 hours of work.

Trunk Island's owner, the late Frances Gardner, bequeathed two-thirds of it to the Atlantic Conservation Partnership charity, which then transferred a parcel to the Bermuda Zoological Society. The Bacardi team participated in a habitat restoration project that involved removing invasive plants so indigenous vegetation could grow, cutting a path to the island's northeastern section and trimming trees on the shoreline. Invasive Casuarina trees, Mexican peppers and Chinese fan palms were removed and replaced by native species, such as the Bermuda cedar and palmetto. Work with the nature reserve will be ongoing.

Health & Social Services:

India – Eye Care Awareness and Blood Donation

Eye Care Awareness

A free vision screening and eye care awareness camp was held during the May 2012 CR Month for the villagers of Golur, near the Bacardi India site in Nanjangud.

Sponsored by Bacardi, the medical care was provided by M/s Vasan Eye Care, Mysore (a division of the largest eye care provider in the world).

Villagers were briefed about the importance of vision care and screening, and each was then offered free vision screening. The camp was highly successful, with over 80 people checked and, where needed, advised about further treatment for conditions ranging from nearsightedness to cataracts.

As a follow-up, Bacardi arranged for the villagers to receive needed eyeglasses and medicines, as well as obtain any further recommended treatment at the M/s Vasan Eye Care Mysore City hospital.

Blood Donation

Every day, thousands of people in India require blood for transfusion, surgery or some medical procedure. There is a huge gap, however, between the demand for blood and its supply. Bacardi India organized a Blood Donation Camp across India during CR Month in association with the Indian Red Cross and other charitable groups. The response was overwhelming: 208 people donated blood, including 83 Bacardi employees and 125 donors who volunteered from other companies.

Australia – Working with the Salvation Army

Throughout CR Month in May 2012, the Australian team at Bacardi Lion supported The Salvation Army in many of its state-based activities, engaging 105 employees in the effort. Bacardi Lion donated more than 600 hours (equivalent to 15 work weeks) to helping The Salvation Army complete projects designed to support and encourage communities in every state.

New South Wales and Victoria worked with their local sorting stations to organize hundreds of donated products. New South Wales also had a team visit the Campbelltown Women's Refuge to assist with painting and decorating rooms, clearing gutters, gardening and other projects.

The Salvation Army Conference Centre New Heights, in West Australia (WA), needed a new floor and general maintenance, work with which the WA team helped. The Centre provides affordable accommodation for large groups, such as camps, and for individuals who need a place to stay. The WA team stripped, buffed and sealed the dining room floor, among other much needed renovations.

In South Australia, the Bacardi Lion team turned its attention to the general restoration of Bramwell House, which houses victims of domestic violence and their dependents. Bacardi Lion's Queensland sales force collected more than US\$1,000 in two hours to support The Salvation Army's Red Shield Appeal.

Iberia – CR Month Activities in Spain, Portugal and Andorra

For the second consecutive year, Bacardi ran Corporate Responsibility Month Iberia, entitled “Spirit for Life, Caring Together 2012.”

Throughout May, a number of coordinated activities took place across three countries -- Spain, Portugal and Andorra -- focusing on people in need within local communities. More than 170 employees across the three countries were involved in activities that included:

- Spain – Food, clothing and blood were donated, and cash collected, for Comedor Social in Mollet del Vallés, a social services charity. The cash donation financed 1,022 meals in the organization’s dining room, guaranteeing that it could feed its clients for three months.
- Portugal – Financial donations were made to a local cancer charity, Liga Portuguesa Contra o Cancro, and to Grupo Lobo, a local conservation charity.
- Andorra – Some 270 pounds of food was collected and more than US\$900 raised for Càritas Andorrana, which used the donations for its “Primary Attention” program, designed to help Andorran families with financial difficulties.

In total, nearly 500 pounds of food was donated, more than 1,000 meals were supplied and over US\$5,500 was given to the local charities involved.

Brazil

In fiscal 2013, Bacardi undertook a campaign to collect winter clothes for donation to disadvantaged people. The campaign lasted for the entire month of May, just ahead of the beginning of the Brazilian winter in June. All of the local management team, along with 115 other employees, participated in the campaign, and a total of 171 items of winter clothing were donated.

The Company partnered with a non-profit organization, “Assistencia Social Irma Maria Dolores” (asimd.org.br), which runs a day care nursery for 120 children living in local, socially vulnerable communities and provides training courses to help low-income communities gain skills to find employment.

Additionally, Bacardi Brazil developed a partnership with a group of women supported by “Consulado da Mulher” (consuladodamulher.org.br), an institute that assists low-income women who are attempting their first entrepreneurial undertaking. In this case, the women sold healthy food each day from a food cart at the Bacardi office in Sao Bernardo do Campo, generating income to fund a better life for themselves and their families.

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 that are 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 CORE GLOBAL BRANDS:



BACARDÍ Rum

World's number one selling rum.

[Visit Website](#)



GREY GOOSE Vodka

World leader in super premium vodka.

[Visit Website](#)



MARTINI Vermouth

World's number one vermouth.

[Visit Website](#)



DEWAR'S Scotch Whisky

World's most awarded blended Scotch whisky.

[Visit Website](#)



BOMBAY SAPPHIRE Gin

World's top valued and fastest growing premium gin.

[Visit Website](#)



ERISTOFF Vodka

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

[Visit Website](#)

Key Statistics:

6,198

In fiscal 2013, we had 6,198 employees across the world.

US \$4,470M

Our fiscal 2013 net sales less excise taxes were US\$4,470,000,000.

US \$1,947M

Our total net debt was US\$1,947,000,000.

US \$5,623M

Our total equity was US\$5,623,000,000 (includes US\$93M non-controlling interests).

US \$9,539M

Our total assets were US\$9,539,000,000.

62M

We sold 62 million nine-liter cases of our Group brands in fiscal 2013.

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 28 production facilities including bottling, distilling and manufacturing facilities located strategically in 15 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



The Americas

Canada

We have one facility in Canada located in Brampton, at which we bottle BACARDÍ Rum and blend BACARDÍ BREEZER.

United States

We have one facility in the United States located in Jacksonville, at which 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 which we distill BACARDÍ and CASTILLO Rum.

Chile

We have one facility in Chile located in Santiago, at which we bottle MARTINI Vermouth and ERISTOFF Vodka.

Uruguay

We have one facility in Uruguay located in Montevideo, at which site we bottle MARTINI Vermouth and ERISTOFF Vodka.

Brazil

We have one facility in Brazil located in São Bernardo, at which site we bottle BACARDÍ Rum and MARTINI Vermouth.



Europe

France

We have six facilities in France located in Marseillan, Cognac, Fécamp, Bordeaux, 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 Bordeaux we produce ST-GERMAIN; 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 which we bottle BACARDÍ Rum and produce BACARDÍ BREEZER.

Italy

We have one facility in Italy located in Pessione, at which we produce MARTINI Vermouth and MARTINI sparkling wines.

Portugal

We have one facility in Portugal located in Lisbon, at which we bottle MARTINI Vermouth.

Spain

We have one facility in Spain located in Mollet, at which we produce MARTINI Vermouth and bottle BACARDÍ Rum.

Switzerland

We have one facility in Switzerland located in Meyrin, at which 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.



Asia

China

We have one facility in China located in Shanghai, at which we bottle BACARDÍ Rum and produce BACARDÍ BREEZER.

India

We have one facility in India located in Nanganjud, at which 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 and 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. These global functions are supported by General Management functions, including IT, Legal and External Affairs, Communications and Corporate Affairs, 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 Bacardi Global Leadership Team



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 product 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

This is the sixth 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, 2013 (fiscal 2013) and builds upon our first five annual Corporate Responsibility reports. Our previous Corporate Responsibility report was published in March 2013. This report is not independently verified.

This is the second time that the Bacardi Limited Corporate Responsibility report has been produced as an online report and as an integral part of our corporate website. www.BacardiLimited.com

Global Reporting Initiative

In this report, for the second time, we have followed the Global Reporting Initiative (GRI) G3 framework for sustainability reporting. 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 2013. There were no significant acquisitions or divestments during 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 2013 Corporate Responsibility report. We are particularly interested in your views on the following:

- Any information we have included
- Any information we have not included
- 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 2013 and our targets for fiscal 2014. 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 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
Achieve 500,000 Facebook™ fans by the end of fiscal 2013.	We achieved 689,271 fans on our Facebook pages by March 2013. This is supported by a strong analytical evaluation to prove consumer engagement.	✓	Develop the Champions Drink Responsibly campaign by building its consumer reach across additional social media groups, e.g., Instagram, as well as by increasing our consumer engagement on Facebook.
Launch a global competition to align more clearly the “Champions Drink Responsibly” campaign messaging with other brand consumer activity.	We launched “Mix with Rafa,” a global online competition to align our campaign messaging with other Bacardi rum consumer activity.	✓	Target of 1 million fans to be reached across all social media platforms.
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.	Created a new edition of the Bacardi Global Marketing Principles, which included a ninth principle to cover our digital approach and achieve an integrated policy.	✓	Develop plans to increase local market activation beyond current core markets. Launch a training app to reach our commercial teams globally.
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.	New e-module to provide digital training was created to complement the current social responsibility module.	✓	Launch third edition of Global Marketing Principles book and follow up with training programs to achieve 80% target of all marketers trained.

TARGETS FOR FISCAL 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
Include the responsible sourcing of the botanicals for BOMBAY SAPPHIRE Gin as part of the brand story.	Bombay Sapphire brand equity program is supplemented by educating consumers on its responsible botanicals sourcing.	✓	Introduce new marketing compliance approval process through a dedicated database to gain greater internal transparency around campaign developments.
Include responsible drinking messaging within BACARDÍ Rum consumer party events.	Bacardi brand activity that focuses on house parties also incorporated responsible drinking messages and other Corporate Responsibility (CR) elements.	✓	Integrate brand advocacy into the new Corporate Sustainability strategy through the brand alignment workshops.
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.	Global Alcohol Producers Group (GAPG) commitments covering five key areas were signed by Bacardi CEO.	✓	Implement first year of the GAPG commitments plan.
Assist in reforming the Foreign Spirits Producers Association in China, including widening the program of activities on responsible drinking.	FSPA body in China was reformed and new Secretary General appointed with key Bacardi involvement.	✓	Pilot CR initiatives with retail partners to contribute to the reduction of alcohol-related harm to positively influence antisocial issues.
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.	Continued to play an active role in U.K. Responsibility Deal by co-chairing the education group.	✓	Develop Community Alcohol Partnerships that are included in the Responsibility Deal.

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 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
Seek continual improvement in environmental performance, targeting a 1% reduction in greenhouse gas (GHG) emission intensity and a 1% improvement in water use efficiency.	We partially achieved this target. We continued to improve our water use efficiency, expanding our program across all operations and achieving a 3.5% improvement in our efficiency metric. We had a significant setback in our GHG emissions intensity, due to reduced generation of renewable energy at our Puerto Rico distillery.		<p>Achieve a 1% reduction in volume of water used in production sites and a 1% improvement in non-renewable energy efficiency, both compared with fiscal 2013.</p> <p>Begin to implement projects to enhance renewable energy generation.</p> <p>Solid waste to landfill from production sites will be less than 2% of total weight to landfill.</p> <p>Overall packaging weight will be reduced 0.5% per nine-liter case vs. 2008 benchmark year</p>
Launch the environmental sustainability strategy across Bacardi Limited.	Our launch focus was with our Global Operations and core brand teams.		Extend the roll-out across the business.
67% of sites to have a behavior-based safety program under way by the end of the fiscal year.	We exceeded this objective, with 81% of our sites now actively implementing behavior-based safety programs.		100% of sites to have a behavior-based safety program under way by the end of the fiscal year.
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.	We have achieved this objective and established an office-safety network primarily made up of human resources managers who actively track and report on safety performance. These individuals will continue to work with Global EHS to establish appropriate policies and programs to protect employee health, safety and well-being.		
Maintain certification of all production facilities to the ISO 9001, ISO 14001 and OHSAS 18001 management system standards.	In 2012 we successfully recertified, for a three-year period, all of our production facilities to these standards. Our original certification in 2009 also was good for three years, and in 2010 and 2011 we maintained our certification by passing surveillance audits.		Continue to maintain certification of all production facilities to the ISO 9001, ISO 14001 and OHSAS 18001 management system standards.

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 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
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.	A review of our key Direct Spend and Global POS Webshop suppliers determined that we are sourcing from fewer than 100 supplier sites based in countries deemed high-risk in our assessment model. All of these suppliers have been or are being screened, either internally or through Sedex, as part of our RS program process.		This is an ongoing target. Each new supplier will be risk-assessed and engaged to ensure compliance with our RS standards and Code of Practice.
We will ensure the Direct Spend and Global POS Webshop suppliers linked to us in Sedex® represent 80% of our spend in these key categories.	At the end of fiscal 2013, we had over 320 supplier sites registered on Sedex® and access to more than 120 audits. This represented an increase of over 20% from the previous year.		This is an ongoing target. Each new supplier will be risk-assessed and engaged to ensure compliance with our RS standards and Code of Practice.
Deliver focused training to develop the individuals running the SPM tool at our 10 largest sites in fiscal 2013 and the remainder to be trained in fiscal 2014.	All of our production sites now have a defined Procurement Single Point of Contact (SPOC), and the Global Procurement management team, all members of which have been trained, has begun to deploy this training.		We will agree on a Sustainable Procurement strategy that includes nominating “Champions” from our Direct Spend and Global POS Procurement teams, who will manage the RS strategy within their function.
We will start our local audit program during fiscal 2013, focusing initially on suppliers with a higher risk of non-compliance.	Our Direct Procurement team has highlighted a list of suppliers for audit in fiscal 2014. This will be aligned with the results of a Sedex® SAQ review to create a more focused list for fiscal 2014.		We will commission third-party ethical audits at a minimum of 10 global suppliers at high risk of non-compliance and ensure closure of any instances of non-compliance revealed in the audits.
In fiscal 2013 we will develop a sourcing plan to achieve our interim target to source 50% of our sugarcane-derived products from sustainably certified sources by 2017.	We reviewed growth progress of Bonsucro and our supplier engagement plan and decided we need to update our target. Our new target is to source 40% of our cane-derived product from sustainable sources by 2017 and we are on course for that.		We will ensure at least one of our key sugarcane product suppliers is covered by either an EU- or U.S.-recognized sustainability certification chain of custody.

TARGETS FOR FISCAL 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
We will work with WWF to develop an agreed set of key performance indicators for the Fiji project that will be reported monthly.	Fiji report from WWF covers the KPIs.	✓	We will continue to support this project and review progress with our project partners.
A gap analysis of the Labasa sugar mill in Fiji against the Bonsucro™ standard will also be completed in fiscal 2013.	As above, this is covered in the WWF report on Fiji.	✓	
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.	The review of new POS items is part of the ongoing POS Sedex® activity.	ⓘ	This is an ongoing activity, part of the rationalization of our POS supply base.

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 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
<p>Enhance the user experience for current users of the Global Performance Management System (GPS), making the system more intuitive.</p> <ul style="list-style-type: none"> • Focus on the link between employee performance and Company performance. • Focus on functionality. • Focus on development planning. 	<p>GPS became accessible to 4,000 employees.</p> <p>Development Planning was supported through Leadership Fundamentals training program for line managers.</p>		<p>Further streamline and simplify the GPS.</p>
<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. 	<p>The TR process expanded to cover over 1,000 leaders across the organization.</p>		<p>We plan to place more emphasis on TR in all functions, reaching even deeper into the organization.</p>
<p>Continue to establish our portfolio of leadership development initiatives across Bacardi Limited:</p> <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. 	<p>Coaching 2 Win programs for middle managers and senior leaders were piloted and tested.</p> <p>Leadership Fundamentals program was developed internally and two programs (Performance Review and Development Discussion) were delivered across the globe. Completed over 80 sessions globally, covering more than 900 managers at different levels, in 10 languages.</p>		<p>Complete roll-out of Coaching 2 Win programs to all senior leaders and to 1/3 of middle management. Additional Leadership Fundamentals programs will be developed, and the most critical need will be covered in our next wave.</p>
<p>Action Teams established in fiscal 2013 will identify key improvement areas and develop plans for delivering improvements over the next 24 months.</p>	<p>In fiscal 2013, more than 700 employees participated in Action Teams to identify and address areas for improvement. This number represents 12% of the employee population.</p>		

TARGETS FOR FISCAL 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
<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. 	<p>Awareness and Engagement sessions were held in 30% of global functions and business units covering 1,975 people.</p> <ul style="list-style-type: none"> • In January 2013, 24 talented women leaders attended the Winning @ Bacardi leadership development program in Miami. The first global leadership program to be held in years, the program was attended by our CEO, members of our Board, external speakers and members of the Bacardi Leadership Team (BLT). • Four Spotlight sessions were held in Geneva, London, Paris and U.S., with women leaders sharing their leadership stories and advising emerging women leaders on managing their careers. CEO & BLT Connection meetings were held in Brazil, Russia and Miami. • We prepared to launch Business Networks. • We increased focus on women's development in the fiscal 2013 Talent Reviews. • Recruitment best-practice diversity guidelines were communicated, setting our clear expectation that talented women will be included in all candidate short-lists. • We assessed how to create a balanced work environment for all employees, with two areas of focus: <ul style="list-style-type: none"> • Work-life fit • Returning to work after maternity and adoption leave 		<ul style="list-style-type: none"> • 50% of business units and global functions to hold local Awareness and Engagement sessions. • Part 2 of the Winning@ Bacardi program was run in October 2013 on coaching skills and targeted development areas. • 24 participants to have career sponsors. • 11 additional women to highlight their leadership stories in local Spotlight forums within our business units. • Business Networks to be launched in Hong Kong, Geneva, London and Miami. • More women leaders to undertake stretch assignments and participate in the talent development tools of Talent Exchange and Step Up. • Recruitment guidelines to be implemented in 100% of HR teams. • Pilot winning work environment initiatives with six teams.

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.

We have built a toolbox for change, supported by training tools and online support that has been tested with the IT community. In addition, we have developed a suite of change modules (8) that has been tested with the HR group in Europe.






The eight change modules will be incorporated into the Leadership Fundamentals frame.

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.

TARGETS FOR FISCAL 2013	PROGRESS IN FISCAL 2013	STATUS	TARGETS FOR FISCAL 2014
Continue to monitor the effectiveness of our philanthropy and community approach and develop our employees' understanding of and involvement in community activities.	PCI approach monitored throughout fiscal 2013, with review conducted in early fiscal 2014. Employee understanding of and involvement in community activities demonstrated in increased participation in CR Month.		Implement and deliver a PCI and community investment strategy for fiscal 2014 and beyond based around three themes: producer communities, adult education and art & architecture.
Continue to roll out the LBG model within the business and deliver benchmarking feedback in line with LBG.	The LBG model was used across the Company to record our community investment support for fiscal 2013. While the total number of PCI activities increased, we are aware that activities are under-reported.		Focus on encouraging more complete reporting of community activities and improving the quality of PCI data collected using the LBG model.
Successfully deliver the expanded CR Month at the beginning of fiscal 2013 and continue planning and refinement to run a global community event annually.	CR Month held in May 2012, with offices and plants participating in 28 countries, contributing more than 7,600 hours of time. CR Month has become our annual global community event, with CR Month 2013 held in May 2013 (results will be published in the 2014 CR Report).		100% of Bacardi business units to participate in CR Month during May 2013. Evaluate CR Month 2013 and develop approach for 2014.

 Achieved

 Partially achieved

 Not achieved

 Target ongoing

[View all our Targets](#)

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.

- ✓ Fully reported
- Not reported

1. Strategy and Analysis

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
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

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
2.1	✓	Name of the organization.	• About Bacardi Limited
2.2	✓	Primary brands, products, and/or services.	• About Bacardi Limited
2.3	✓	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	• About Bacardi Limited
2.4	✓	Location of organization's headquarters.	• 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.	• About Bacardi Limited
2.6	✓	Nature of ownership and legal form.	• About Bacardi Limited
2.7	✓	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	• About Bacardi Limited

2. Organizational Profile (Continued)

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
2.8	✓	Scale of the reporting organization, including: <ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • About Bacardi Limited
2.9	✓	Significant changes during the reporting period regarding size, structure, or ownership.	<ul style="list-style-type: none"> • About this Report
2.10	✓	Awards received in the reporting period.	<ul style="list-style-type: none"> • Responsible marketing • EHS management

3. Report Parameters

Report Profile

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
3.1	✓	Reporting period (e.g., fiscal/calendar year) for information provided.	<ul style="list-style-type: none"> • About this Report
3.2	✓	Date of most recent previous report (if any).	<ul style="list-style-type: none"> • About this Report
3.3	✓	Reporting cycle (annual, biennial, etc.).	<ul style="list-style-type: none"> • About this Report
3.4	✓	Contact point for questions regarding the report or its contents.	<ul style="list-style-type: none"> • About this Report

Report Scope and Boundary

3.5	✓	Process for defining report content <ul style="list-style-type: none"> • Determining materiality; • Prioritizing topics within the report; and • Identifying stakeholders the organization expects to use the report. 	<ul style="list-style-type: none"> • Stakeholders • Materiality
3.6	✓	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	<ul style="list-style-type: none"> • About this Report

Report Scope and Boundary (Continued)

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
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.	• EHS Management • Energy
3.10	✓	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/ periods, nature of business, measurement methods).	• EHS Management • Philanthropy and community investment
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.	• GRI Content Index
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4. Profile

Governance

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
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>• Our Corporate Structure</p> <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</p> <p><i>Continued on next page</i></p>

Governance (Continued)

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES																																		
4.1		<p>Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.</p>	<p>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: The following list presents information concerning our directors in fiscal 2013:</p>																																		
			<table border="0"> <thead> <tr> <th data-bbox="950 632 1024 659">Name</th> <th data-bbox="1284 632 1386 659">Position</th> </tr> </thead> <tbody> <tr> <td data-bbox="950 667 1166 695">Facundo L. Bacardi⁽¹⁾</td> <td data-bbox="1284 667 1458 730"><i>Chairman of the Board</i></td> </tr> <tr> <td data-bbox="950 737 1224 764">Adolfo L. Danguillecourt⁽¹⁾</td> <td data-bbox="1284 737 1474 800"><i>Deputy Chairman of the Board</i></td> </tr> <tr> <td data-bbox="950 806 1127 833">Barry E. Kabalkin</td> <td data-bbox="1284 806 1474 869"><i>Deputy Chairman of the Board</i></td> </tr> <tr> <td data-bbox="950 875 1138 903">Edward D. Shirley</td> <td data-bbox="1284 875 1442 968"><i>President and Chief Executive Officer</i></td> </tr> <tr> <td data-bbox="950 974 1175 1001">Victor R. Arellano, Jr.⁽¹⁾</td> <td data-bbox="1284 974 1370 1001"><i>Director</i></td> </tr> <tr> <td data-bbox="950 1008 1101 1035">Jaime Bergel⁽²⁾</td> <td data-bbox="1284 1008 1370 1035"><i>Director</i></td> </tr> <tr> <td data-bbox="950 1041 1252 1068">Francisco V. Carrera Justiz⁽¹⁾⁽²⁾</td> <td data-bbox="1284 1041 1370 1068"><i>Director</i></td> </tr> <tr> <td data-bbox="950 1075 1133 1102">Robert J. Corti⁽²⁾⁽³⁾</td> <td data-bbox="1284 1075 1370 1102"><i>Director</i></td> </tr> <tr> <td data-bbox="950 1108 1279 1136">Georgia Garinois-Melenikiotou⁽³⁾</td> <td data-bbox="1284 1108 1370 1136"><i>Director</i></td> </tr> <tr> <td data-bbox="950 1142 1208 1169">Paul M. de Hechavarria⁽²⁾</td> <td data-bbox="1284 1142 1370 1169"><i>Director</i></td> </tr> <tr> <td data-bbox="950 1176 1175 1203">Ignacio de la Rocha⁽¹⁾</td> <td data-bbox="1284 1176 1370 1203"><i>Director</i></td> </tr> <tr> <td data-bbox="950 1209 1138 1236">Michael J. Dolan⁽²⁾</td> <td data-bbox="1284 1209 1370 1236"><i>Director</i></td> </tr> <tr> <td data-bbox="950 1243 1133 1270">John S. Galantic⁽³⁾</td> <td data-bbox="1284 1243 1370 1270"><i>Director</i></td> </tr> <tr> <td data-bbox="950 1276 1117 1304">Patrice Louvet⁽²⁾</td> <td data-bbox="1284 1276 1370 1304"><i>Director</i></td> </tr> <tr> <td data-bbox="950 1310 1187 1337">Roman Martinez IV⁽²⁾⁽³⁾</td> <td data-bbox="1284 1310 1370 1337"><i>Director</i></td> </tr> <tr> <td data-bbox="950 1344 1175 1371">Theodore C. Walker⁽³⁾</td> <td data-bbox="1284 1344 1370 1371"><i>Director</i></td> </tr> </tbody> </table>	Name	Position	Facundo L. Bacardi ⁽¹⁾	<i>Chairman of the Board</i>	Adolfo L. Danguillecourt ⁽¹⁾	<i>Deputy Chairman of the Board</i>	Barry E. Kabalkin	<i>Deputy Chairman of the Board</i>	Edward D. Shirley	<i>President and Chief Executive Officer</i>	Victor R. Arellano, Jr. ⁽¹⁾	<i>Director</i>	Jaime Bergel ⁽²⁾	<i>Director</i>	Francisco V. Carrera Justiz ⁽¹⁾⁽²⁾	<i>Director</i>	Robert J. Corti ⁽²⁾⁽³⁾	<i>Director</i>	Georgia Garinois-Melenikiotou ⁽³⁾	<i>Director</i>	Paul M. de Hechavarria ⁽²⁾	<i>Director</i>	Ignacio de la Rocha ⁽¹⁾	<i>Director</i>	Michael J. Dolan ⁽²⁾	<i>Director</i>	John S. Galantic ⁽³⁾	<i>Director</i>	Patrice Louvet ⁽²⁾	<i>Director</i>	Roman Martinez IV ⁽²⁾⁽³⁾	<i>Director</i>	Theodore C. Walker ⁽³⁾	<i>Director</i>
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			<p>(3) Compensation Committee member.</p>																																		
			<p><i>Continued on next page.</i></p>																																		

Governance (Continued)

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
4.1			<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		<p>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).</p>	<p>Bacardi Limited has adopted the practice of separate appointments of the Chairman of the Board and the CEO of the Company.</p>

Governance (Continued)

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
4.3	✓	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.
4.4	✓	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 400 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. <p><i>Continued on next page.</i></p>

Governance (Continued)

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
4.4	✓		<ul style="list-style-type: none"> • 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.
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>

Governance (Continued)

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
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 bylaws 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>
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 website and through messaging in employee communication, training and development.</p>

Governance (Continued)

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
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.	A Compliance Committee is in place and has, amongst other things, the responsibility of overseeing and implementing the Code of Conduct. The Compliance Committee is a management committee which reports into the Board appointed Audit Committee.

Commitments to External Initiatives

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
4.11	✓	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	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.
4.12	✓	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	<ul style="list-style-type: none"> • Responsible sourcing standards <p>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) BonsucroTM (www.bonsucro.com) LBG (http://www.lbg-online.net/)</p>
4.13	✓	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	<ul style="list-style-type: none"> • Stakeholders • Tackling alcohol-related harm • Responsible drinking campaigns • Responsible supply chain • Working with suppliers and partners • Sustainable agriculture and sourcing <p><i>Continued on next page.</i></p>

Commitments to External Initiatives (Continued)

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
4.13	✓		<p>International Council for Alcohol Policies (ICAP) (www.icap.org/)</p> <p>Global Alcohol Producers Group (GAPG) (http://www.global-actions.org/)</p> <p>World Federation of Advertisers (WFA) (www.wfanet.org)</p> <p>European Spirits Organisation (CEPS)* (www.spirits.eu)</p> <p>European Forum for Responsible Drinking (EFRD)* (www.spirits.eu)</p> <p>Distilled Spirits Council (DISCUS) (www.discus.org)</p> <p>The Century Council (www.centurycouncil.org)</p> <p>AIM-PROGRESS (http://www.aim-progress.com/)</p> <p>Sedex® (http://www.sedexglobal.com/)</p> <p>Bonsucro™ (www.bonsucro.com)</p> <p>Beverage Industry Environmental Roundtable (BIER) (http://www.bieroundtable.com/)</p> <p>We are also members of various local trade associations and social aspects organizations in the markets in which we operate.</p> <p>* In November 2012, after the close of fiscal 2012, CEPS and EFRD merged to become spiritsEUROPE.</p>

Stakeholder Engagement

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
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

5. Management Approach and Performance Indicators

Economic Performance Indicators

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
DMA		Disclosures on Management Approach	• Responsible Supply Chain

Market Precense

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.</p> <p>In fiscal 2012, 79% of packaging and ingredient suppliers (329 of a total of 414) were local suppliers.</p> <p>Packaging and Ingredient Supplier Defined As Local (%)</p> <table border="1"> <thead> <tr> <th>Region</th> <th>Ingredient Suppliers (%)</th> <th>Packaging Suppliers (%)</th> </tr> </thead> <tbody> <tr> <td>EMEA*</td> <td>73</td> <td>71</td> </tr> <tr> <td>North America</td> <td>82</td> <td>84</td> </tr> <tr> <td>Latin America</td> <td>91</td> <td>96</td> </tr> <tr> <td>Asia Pacific</td> <td>100</td> <td>81</td> </tr> <tr> <td>Total</td> <td>81</td> <td>78</td> </tr> </tbody> </table> <p>■ Ingredient Suppliers ■ Packaging Suppliers</p> <p>*Europe, Middle East and Africa</p>	Region	Ingredient Suppliers (%)	Packaging Suppliers (%)	EMEA*	73	71	North America	82	84	Latin America	91	96	Asia Pacific	100	81	Total	81	78
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Environmental Performance indicators

DMA		Disclosures on Management Approach	• EHS strategy • EHS management
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Materials

Energy

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
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

Water

EN8	✓	Total water withdrawal by source.	• Water
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Biodiversity

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
EN20	✓	NOx, SOx, and other significant air emissions by type and weight.	• Other air emissions
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)	• Waste and packaging

Products and services

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
EN26	✓	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation.	<ul style="list-style-type: none"> • Sustainable packaging

Compliance

EN28	✓	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	<ul style="list-style-type: none"> • EHS management
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Labour Practices and Decent Work Performance Indicators

DMA	✓	Disclosures on Management Approach.	<ul style="list-style-type: none"> • People • Safety
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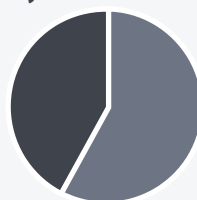
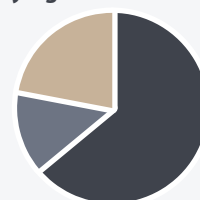
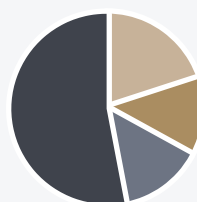
Employment

LA1	✓	Total workforce by employment type, employment contract and region.	<p>At the close of fiscal 2013, our total workforce numbered 6,533, comprising 6,198 employees and 335 supervised workers.</p> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <p>Total Workforce</p> <p>■ Employees 6,198 ■ Supervised Workers 335</p> </div> <div style="width: 50%;"> <p>Employees by Type of Employment Contract</p> <p>■ Permanent 5,731 ■ Temporary 467</p> </div> <div style="width: 50%;"> <p>Permanent Employees by Employment Type</p> <p>■ Full-time 5,619 ■ Supervised Workers 112</p> </div> <div style="width: 50%;"> <p>Workforce by Region</p> <p>■ North America 1,075 ■ Europe, Middle East and Africa 3,548 ■ Latin America 1,058 ■ Asia Pacific 852</p> </div> </div>
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Employment

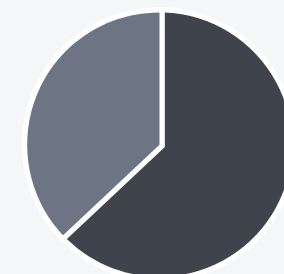
INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
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LA2	✓	Total number and rate of employee turnover by age group, gender, and region.	<p>In fiscal 2013, 673 employees left the Company, representing a turnover rate of 10.8%.</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Employee Turnover by Gender</p> <p>■ Male 392 (6.32%) ■ Female 281 (4.53%)</p> </div> <div style="text-align: center;"> <p>Employee Turnover by Age</p> <p>■ Over 50 years 97 (1.57%) ■ 30 to 50 years 430 (6.94%) ■ Under 30 years 146 (2.36%)</p> </div> </div> <div style="text-align: center; margin-top: 20px;"> <p>Employee Turnover by Region</p> <p>■ North America 112 (1.6%) ■ Europe, Middle East and Africa 410 (6.5%) ■ Latin America 162 (2.6%) ■ Asia Pacific 101 (1.6%)</p> </div>
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Labour/Management Relations

LA4	✓	Percentage of employees covered by collective bargaining agreements.	<p>In fiscal 2013, 36.94 % of employees were covered by collective bargaining agreements.</p> <p>Employees Covered by Collective Bargaining Agreements</p> <p>■ Covered by a collective bargaining agreement 2290 ■ Not covered by a collective bargaining agreement 3,908</p>
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Human Rights and Performance Indicators

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
DMA	✓	Disclosures on Management Approach.	<ul style="list-style-type: none"> • Responsible Sourcing • People

Investment and Procurement Practices

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. 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>
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Society Performance Indicators

DMA		Disclosures on Management Approach.	<p>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.</p> <p>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.</p>
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Corruption

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
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 global leadership team (GLT) have undertaken specific training on anti-corruption practices. Similar training was rolled out to all direct reports of GLT members during fiscal 2013.
SO4	✓	Actions taken in response to incidents of corruption.	In fiscal 2012, ten separate allegations of corruption were reported. 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. 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. There was one allegation of theft of company assets, which resulted in an employee dismissal followed by a review of local internal business practices.

Compliance score

SO8	✓	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	• Fines and regulations
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Product responsibility performance indicators

DMA	✓	Disclosures on Management Approach.	• Marketplace
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Marketing Communications

PR6	✓	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	• Responsible Marketing
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Marketing Communications (Continued)

INDICATOR	STATUS	DESCRIPTION	LINKS & NOTES
PR7		Total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.	<ul style="list-style-type: none">• Responsible Marketing

Compliance

PR9		Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	We have not received any significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.
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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.

TARGETS FOR FISCAL 2013

PROGRESS IN FISCAL 2013

TARGETS FOR FISCAL 2014

Human Rights

Businesses should:

1. support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

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. Our suppliers have to meet our Responsible Sourcing standards, which commit them to complying with human rights principles. We have a structured process for engaging suppliers with our standards. This includes supplier self-assessments and on-site inspections.

Environment, Health and Safety

Responsible Sourcing

Labor Standards

Businesses should uphold:

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.

We respect the right to freedom of association among all of our employees.

Our Responsible Sourcing standards require our suppliers to respect freedom of association and the right to collective bargaining.

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.

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.

We are also members of industry-wide

Responsible Sourcing

GRI content index

Labor Standards (Continued)

partnerships such as Bonsucro™, which aims to ensure minimum labor and environmental standards are achieved within the sugarcane growing and processing sector.

Environment

Businesses should:
 7. support a precautionary approach to environmental challenges;
 8. undertake initiatives to promote greater environmental responsibility; and
 9. encourage the development and diffusion of environmentally friendly technologies.

Our Group-wide environmental policy adheres to the precautionary principle.

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.

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.

Our Responsible Sourcing standards require our suppliers to protect the environment as part of business practice.

Environment, Health and Safety

Responsible Sourcing

GRI content index

Anti-corruption

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

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.

Our Responsible Sourcing standards state that bribery and corruption are not tolerated.

Responsible Sourcing

GRI content index