



BACARDI LIMITED

2016 CORPORATE RESPONSIBILITY REPORT



RESPONSIBILITY
starts with *me.*

CHAMPIONS
DRINK RESPONSIBLY

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A welcome from our Chairman and our Chief Executive Officer

This past year has been a time of excitement and growth within Bacardi. We are proud to share our 2016 Corporate Responsibility (CR) Report, and an updated and interactive Corporate Responsibility site within www.BacardiLimited.com. This will provide an update on progress made against our targets in our core pillars of Marketplace, Environment, Responsible Sourcing, People and Philanthropy & Community Investment.

We continue our commitment to the UN Global Compact as an active participant and this report outlines our progress in the areas covered by the 10 principles. We have also begun to review the UN Sustainable Development Goals and align them with our medium and long-term strategies. This report contains Standard Disclosures from the GRI (G4) Sustainability Reporting Guidelines.

- In FY 16, we continued to work with other industry members on the Beer, Wine and Spirits Producers' Commitments to Reduce Harmful Drinking, in line with the World Health Organization's (WHO) goal to reduce harmful consumption of alcohol. As part of these commitments, we achieved a 100% compliance with regard to marketing agency contracts, ensured at least 76% of our measured advertising had an audience above the Legal Drinking Age (LDA), and through our work with the International Alliance on Responsible Drinking (IARD), piloted drunk driving prevention campaigns in key markets.

- Our ambitious Good Spirited initiative has led the way in our sourcing, packaging and operations strategy. We are pleased we exceeded many of our Environmental targets in FY16, including improvement in water use efficiency, a reduction in greenhouse gas (GHG) emission intensity, installing our third biomass boiler at our distillery in Royal Brackla, reducing our waste to landfill, expanding our Green Champions network, and maintaining our "Triple Crown" certification status (ISO 9001, ISO 14001, OHSAS 18001). Our Responsible Sourcing vision is for all of our raw materials and packaging to come from sustainably sourced, renewable and/or recycled materials – reducing environmental and social impacts, while maintaining or enhancing the economic status of growers and suppliers. We are on track to achieve our target of 100% of sugarcane-derived products from sustainably certified sources by 2022, ahead of schedule.

- Bacardi is committed to the communities in which we live and work. We encourage employees to volunteer their time in programs and activities to support local charitable organizations and we support the many worthwhile charities in our towns working to better our communities. This past year our employees volunteered more than 9,000 hours in 30 countries.

• Our People strategy is built on the belief that outstanding people will deliver excellent results. We aspire to unleash the potential of our people by creating a working environment where every employee can take advantage of the development opportunities Bacardi offers. We recognize employees for exemplifying the Bacardi values, equip them to excel within the Company, and promote the importance of diversity at all levels. In FY16, 33% of our senior management roles were held by women, a result of our Women in Leadership (WIL) program. In Safety, we continued the implementation of our Safety First program and reported our lowest ever rate of Total Reportable Incidents (TRI). The number of accident free sites increased to 19 of 30 total sites, as we move closer to our vision for an accident free Bacardi.

We are grateful to our dedicated employees who support our Corporate Responsibility efforts globally. In FY17, we plan to engage in updated stakeholder research to make sure our strategies remain aligned and prioritized with those issues most important to our stakeholders and the Company as we move forward. We will continue to be committed to following our core values of Trust, Caring, Passion and Excellence, and exemplify them throughout our Corporate Responsibility program.



Facundo L. Bacardi
Chairman



Michael J. Dolan
CEO

Corporate Responsibility at Bacardi Limited

Bacardi's commitment to being corporately responsible extends into every aspect of our business.

From the importance of quality of ingredients and how we source our materials, to the impact we leave on the world around us and the need to reduce alcohol-related harm, coupled with our strong corporate governance, ethics and compliance, we actively strive to fulfill our broader responsibilities to society at large.

This commitment has been a part of our company since our founder, Don Facundo Bacardí Massó, started using surplus amounts of molasses in Cuba in 1862 to craft his rum and repurposed old whisky barrels to age his rum. Our founder was also a committed corporate citizen, taking care of his community when he led relief efforts after a devastating earthquake struck Santiago de Cuba in 1852.

Our corporate values of Trust, Passion, Caring, and Excellence guide our approach to Corporate Responsibility. Our aim is to deliver Corporate Responsibility programs that make a difference and are responsive to stakeholder expectations.

By living our values every day, we also commit ourselves to contributing to a more sustainable future for all our stakeholders. By caring deeply and passionately about our business and the world around us, we excel in creating brands consumers can trust.

For the third consecutive year, Bacardi Limited has been named among the most reputable companies in the world. This praise comes from the annual Global RepTrak® 100 list released by Reputation Institute and published in Forbes. The ranking is based on the public's perception of innovation, leadership, governance, citizenship, workplace, performance, and products/services.



Our Core Pillars:

Through stakeholder research and a materiality assessment, we have identified priority areas which have been grouped under five pillars. These broad themes are where our business impacts society and where we are focusing our Corporate Responsibility efforts.

These are:

- Marketplace (Responsible drinking and marketing)
- Environment
- Responsible Sourcing
- People
- Philanthropy & Community Investment



Our Approach in Context

Our Corporate Responsibility approach is guided by the world in which we live and work. As a signatory to the UN Global Compact, we commit to their principles and communicate on our progress every year. We are also mindful of other global standards and we strive to align our targets with their goals, including:

- UN Sustainable Development Goals
- The Ethical Trading Initiative (ETI) Base Code
- The United Nations Universal Declaration of Human Rights
- The Fundamental Conventions of the International Labor Organization
- UN Convention on Biological Diversity
- World Health Organization's Global Strategy to Reduce Harmful Use of Alcohol
- United Nations Framework Convention on Climate Change

We are proud of the quality and heritage of our company and our brands, and Corporate Responsibility is an integral component of our business. We invite you to learn more about our work in each of our priority areas and our goals for the future.

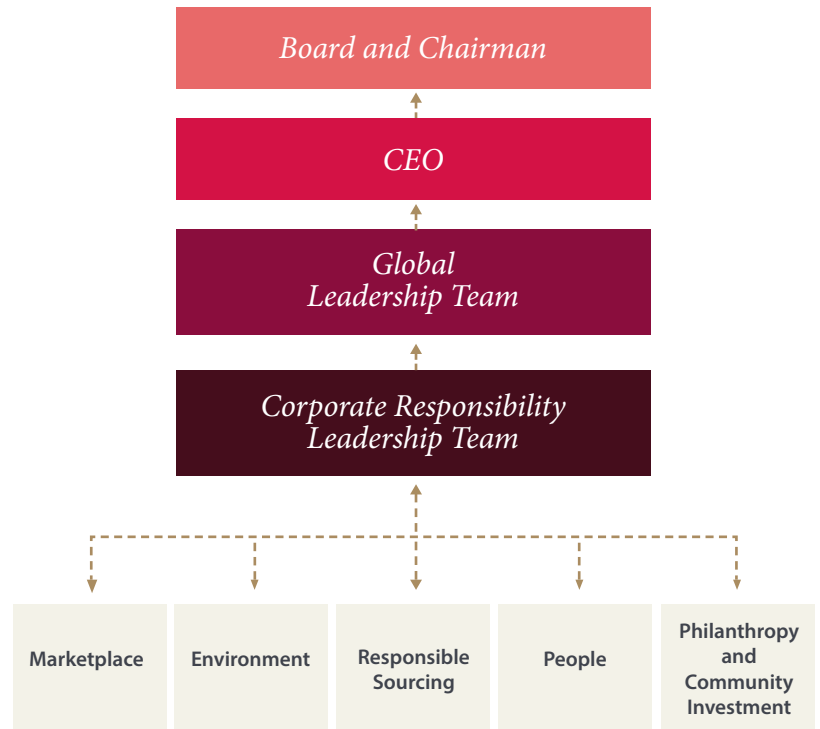
Corporate Responsibility Governance and Management

Overall responsibility for Corporate Responsibility rests with the office of the Chief Executive Officer (CEO).

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 is comprised of senior executives from across Bacardi's business functions: Global Operations, Human Resources, Corporate Communications, Marketing, and External Affairs; and is led by the Senior Vice President of External Affairs & Corporate Responsibility.

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

Our Governance Structure:



Communicating Corporate Responsibility Internally

We use the Corporate Responsibility community on our ONE Bacardi intranet to communicate with employees on a regular basis. In addition, we work with our global communications team to highlight the work being done in all pillars through other communications tools, including email, infographics, videos, and office Lunch & Learns.

Reporting Progress

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

Integrating Corporate Responsibility

Each CR pillar is overseen by a leader from the relevant business area. They ensure the approach is fully embedded within the business strategy for that area. These leaders come together to form the CRLT.

Stakeholder Research

We commissioned independently conducted stakeholder research in FY12 as part of a more structured approach to stakeholder engagement. We intended to repeat this research in FY16, although delays due to changes in management responsibilities internally meant it took place at the beginning of FY17. The results of the FY12 research, which are summarized below, were used to inform our approach in FY16 which focused on continued progress in our core pillars, the broad themes that remain applicable to our Corporate Responsibility program.

Research Approach

The research involved structured, one-on-one interviews with a global range of individuals from each of our main stakeholder groups: Customers, Employees, Industry Associations, Non-governmental Organizations (NGOs), Regulators and Suppliers. The interviews focused on a number of areas, including what stakeholders think are the most important responsibilities for the sector and the Company specifically

Key Results:

Responsibility in the Spirits Sector

The results showed 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 and Responsibility

Stakeholders generally considered Bacardi in a positive light. With regard to our approach to Corporate Responsibility, the results were mixed. While many stakeholders felt Bacardi strived to be a responsible business, others were unsure, due to their limited awareness of our Corporate Responsibility activity.

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 key Corporate Responsibility issues for the spirits sector, as shown below.

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.

Materiality

The five pillars of our Corporate Responsibility program – Marketplace; Environment; Responsible Sourcing; People; Philanthropy & Community Investment – 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, the Corporate Responsibility Leadership Team (CRLT) undertake a biennial review of our materiality assessment to determine whether it needs to be updated. We use stakeholder research to inform our materiality assessment, which prioritizes the relative importance of the issues within each pillar by combining the level of priority given by stakeholders with the current or potential impact of the issues on our business.

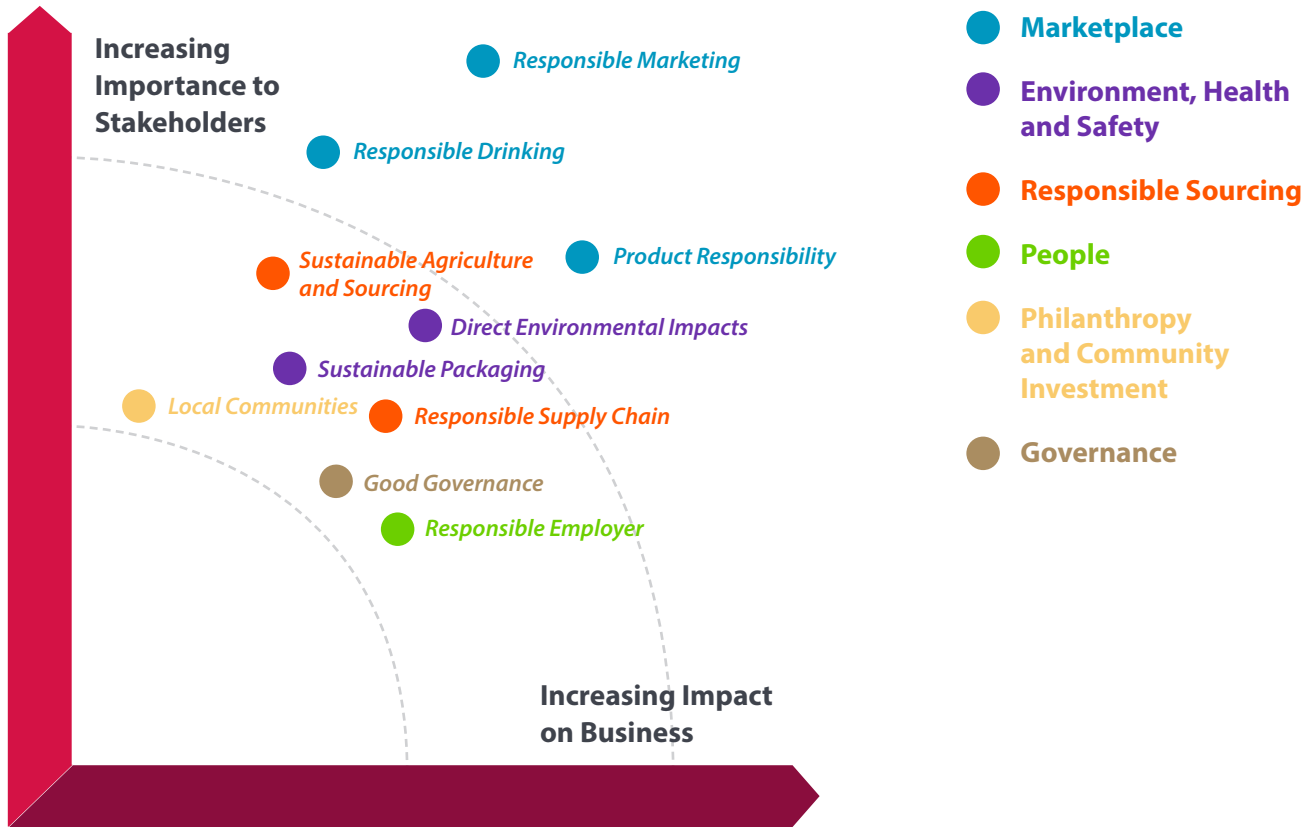
We use the results of these assessments to inform our Corporate Responsibility strategy and the specific approach taken within each pillar of our program.

Stakeholder Research and Materiality Assessment FY17

Stakeholder Research undertaken at the beginning of FY17 was used to update the materiality assessment. Although there are some changes in the relative priority of issues, there was a consensus among stakeholders that all remained important and should continue to be actively managed and reported upon. Full findings from the research were incorporated in the updated materiality assessment which is being used to manage the Corporate Responsibility program in FY17 and will be included in the FY17 report.

Our Material Issues

The results of our materiality assessment (last conducted in 2012) are shown on the matrix below.



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 and 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

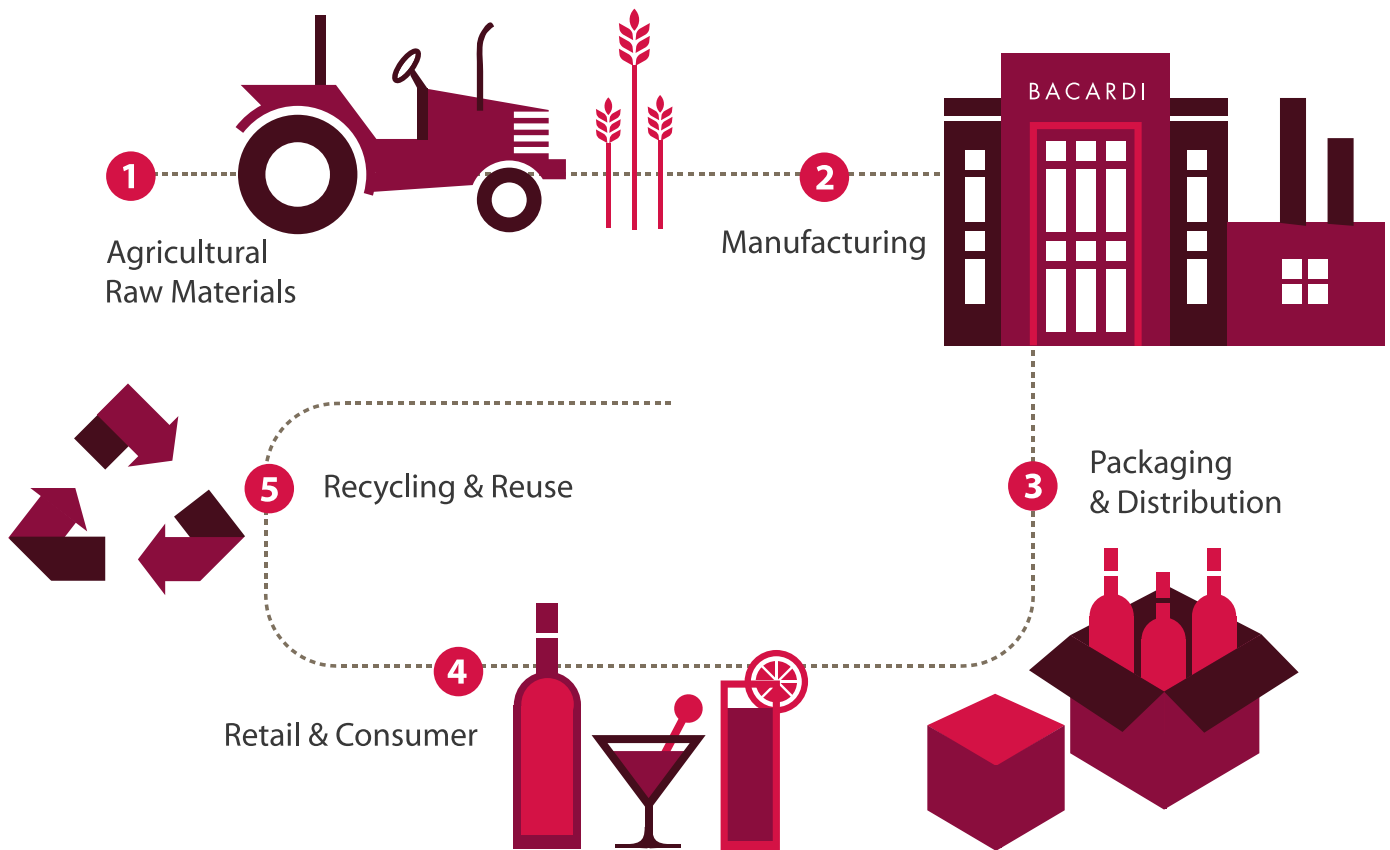
focuses on making our packaging more sustainable including material type, packaging weight and recyclability.

Local Communities

includes employee volunteering in community projects, as well as fundraising and donations.

Our Impacts

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

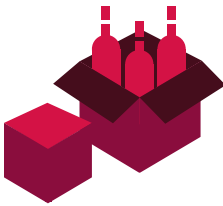
Sourcing ingredients from carefully selected suppliers is the first step of producing our premium spirits. We value our partners in the supply chain and work with them to achieve the highest standards in their own operations.



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 other 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 and appropriate labor standards are maintained. 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. We contribute to reducing the potential risk of irresponsible or excessive consumption by ensuring we adhere to responsible marketing codes and providing an influential voice in raising awareness of responsible drinking through our engagements with industry bodies and consumers.



Recycling and Reuse

Our products are sold to customers and consumers in packaging that will subsequently be disposed. Furthermore, our manufacturing process generates waste.

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.

GRI Aspect

In addition to informing our strategy, our materiality assessment also guides our reporting including relevant indicators. The following table maps the GRI's aspects considered within each pillar. GRI aspects not included in this table are not considered material.

BACARDI CR PILLAR/BUSINESS AREA	GRI MATERIAL ASPECT
Governance & Ethics	<ul style="list-style-type: none"> Compliance Anti-corruption Anti-competitive Behaviour Environmental Grievance Mechanisms Labor Practices Grievance Mechanisms Human Rights Grievance Mechanisms Grievance Mechanisms for Impacts on Society
Marketplace (Responsible Drinking & Marketing)	<ul style="list-style-type: none"> Public Policy Customer Health & Safety Product and Service Labelling Marketing Communications
Environment	<ul style="list-style-type: none"> Materials Energy Water Biodiversity Emissions Effluents and Waste Products and Services Transport Overall Environment
People	<ul style="list-style-type: none"> Economic Performance Market Presence Indirect Economic Impacts Employment Equal Remuneration for Women and Men Human Rights Investment Human Rights Assessment Labor/Management Relations Occupational Health and Safety Training and Education Diversity and Equal Opportunity Non-discrimination Freedom of Association and Collective Bargaining Child Labor Forced or Compulsory Labor
Responsible Sourcing	<ul style="list-style-type: none"> Procurement Practices Supplier Environmental Assessment Supplier Assessment for Labor Practices Supplier Assessment for Impacts on Society Supplier Human Rights Assessment
Philanthropy & Community Investment	Local Communities

United Nations Global Compact Principles

UNGC PRINCIPLE

Human Rights (Principles 1 & 2)

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

BACARDI CR STRATEGY

Responsible Sourcing Standards
People Strategy

Our suppliers have to meet our Responsible Sourcing Standards, which were developed in line with the Universal Declaration of Human Rights, which commit our suppliers to complying with human rights principles. Through our Responsible Sourcing process, in connection with Sedex, suppliers undergo self-assessments and on-site audits. In FY17 we will formalize our human rights policy.

Labour (Principles 3, 4, 5 & 6)

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

Responsible Sourcing Standards
People Strategy
Code of Conduct
Anti-Slavery and Human Trafficking Statement

Through our People Strategy and Responsible Sourcing Standards, we respect the right to freedom of association among all of our employees, require our suppliers to respect freedom of association and the right to collective bargaining. In addition, we do not use forced or child labor in any of our operations. Our Company Code of Conduct includes a commitment to equal opportunity and non-discrimination.

Our Responsible Sourcing Standards and Sedex self-assessments and audits set out the same requirements for our suppliers.

Environment (Principles 7, 8, & 9)

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

Environment Strategy

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.

Bacardi's Good Spirited initiative has specific environmental sustainability goals in sourcing, packaging and operations by 2022. The initiative covers more than 160 markets, including 75 offices and 29 manufacturing and bottling facilities, touching every employee. Within Bacardi, we have focused on energy, greenhouse gas emissions, water and waste. This complements the efforts in our Responsible Sourcing pillar and their focus of sourcing and packaging.

Through our Vendor Qualification Process and Responsible Sourcing Standards, our suppliers are required to protect the environment as part of business practice.

Anti-Corruption (Principle 10)

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

Code of Conduct summary
Responsible Sourcing Standards

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.

Marketplace at Bacardi Limited

Many people drink moderately and as part of a healthy lifestyle. However, we recognize that alcohol, if abused or misused, can cause consumers harm.

As a producer of beverage alcohol, we recognize we have a responsibility to market our brands in such a way as to ensure we do not target those under the legal drinking age and to encourage all those who choose to drink, to do so responsibly.

This approach is not new. In the early 1930s in Mexico, the Company pioneered programs creating awareness against excessive consumption with the wording “Desea vender, pero no quiere el dinero que debe comprar pan” (“Bacardi wants to sell, but it does not want the money you should use to buy bread”). During the 1970s, creation of the “Bacardi mixes with everything. Not driving.” advertisement was widely acclaimed for its social responsibility against drunk driving.

In addition, for more than 25 years, Bacardi, along with our industry partners, have supported social aspect organizations that promote responsible consumption in the markets where we operate, implementing responsible drinking initiatives at the local level. Today, we remain committed to prioritizing our marketplace pillar and our commitment to responsible marketing and consumption.

Our Approach

Through stakeholder research first conducted in 2012 and updated in early FY17, stakeholders agree the issues of responsible marketing and responsible drinking should be the top priority for the Bacardi CR program. Stakeholders also identified concerns in defining what encompasses responsible drinking and the issues of product responsibility, harmful drinking, and promotion of products to audiences under the legal drinking age (LDA). We understand these concerns, have implemented programs to address them, and will keep these issues the main focus of our CR program moving forward.

In FY14, Bacardi, along with 12 other producers signed the Beer, Wine and Spirits Producers’ Commitments to Reduce Harmful Drinking. The Commitments support the WHO Global Strategy to Reduce the Harmful use of Alcohol and the United Nations (UN) Sustainable Development Goals 3 (Good Health & Wellbeing) and 17 (Work with public and civil society partners).



Our Bacardi Global Marketing Principles represent our minimum standards for producing all marketing materials. Our Principles are fully aligned with the industry codes of the Distilled Spirits Council of the United States and spiritsEUROPE, as well as the country codes and regulations in which we operate. We also abide by relevant local laws and regulations. In addition, we continue to ensure a 100% training rate for new marketing staff and key agency personnel on the Principles. In FY17, we will update our compliance e-training module and implement a new marketing compliance database in partnership with our advertising agency, BBDO. We expect these updates will better help us track training and compliance data.



We work to encourage Responsible Drinking through Bacardi-led initiatives and working with industry associations, for example:

Champions Drink Responsibly is the Bacardi Limited award-winning responsible drinking campaign, which began in 2008. Starting with global ambassadors, who were champions in their fields of F1 motor racing and tennis, the approach then moved to local ambassadors, starting with Australia in FY15. In FY16, action was taken to align our Champions Drink Responsibly campaign with responsibledrinking.org and the work of the International Alliance on Responsible Drinking (IARD), a global industry association. While implementation was delayed, we believe it is important our message across the Company and our brands is consistent and we will work on this further in FY17.

Working with Social Aspect Organizations and Trade Associations Through our ongoing partnerships with IARD, the Foundation for Advancing Alcohol Responsibility (FAAR), and country-level organizations, including France, Germany, Spain, Denmark, Australia, Mexico, the UK, Brazil, Canada, and China, we prioritized key markets to work with underage drinking and drunk driving education campaigns during FY16.

Moving Forward

In FY17 and beyond, we will look to the new stakeholder research conducted in early FY17 to inform our strategy regarding addressing alcohol harm and being a responsible marketer. It is also imperative we share best practices from the programs in country and replicate their successes and learn from their challenges.

Targets and Progress

MARKETPLACE TARGETS FOR FY16

Align the responsibledrinking.org website with the CDR website and our other Company social media sites.

Develop a plan - in collaboration with other industry members - to implement a responsible drinking initiative with key performance indicators in at least 5 key markets.

Train 100% of all marketing staff and key agency personnel on the Global Marketing Principles, encompassing all media including Digital.

Finalize review of BBDO's (Bacardi's advertising partner) marketing compliance database system to determine if it can meet Bacardi's compliance and auditing needs. Implement a new marketing compliance database system.

Increase the reach of underage drinking educational campaigns.

100% of marketing agency contracts in compliance with the Producers' Commitments and include clauses mandating compliance with responsible alcohol advertising codes.

PROGRESS IN FY16

There was a delay in finalizing IARD's responsibledrinking.org until Nov 2015, so progress on target was held up until FY17. However, responsibledrinking.org was used as a resource on responsible drinking materials after site was launched.

Through country SAOs and/or Trade Associations, Bacardi, along with other industry members implemented responsible drinking initiatives in ten key markets, including: France, Spain, Denmark, Sweden, Australia, Mexico, United Kingdom, USA, Brazil, Canada. This progress was reported in the 2015 Producers Commitment report.

All new Bacardi staff and agency partners are trained on the Global Marketing Principles, encompassing all media, including Digital.

Implementation was delayed until FY17 due to system issues within BBDO, tailoring the database to Bacardi's needs, and hiring of project manager.

Through an increased engagement with more country SAOs, the reach of underage drinking programs has matured; this means better data collecting from IARD (Secretariat for the Producers' Commitments). The latest report shows that Bacardi reached more than 1,660,000 underage individuals through 103 education programs in 2015.

100% of marketing agency contracts were in compliance.

Targets and Progress

MARKETPLACE TARGETS FOR FY16

100% of ads placed by Bacardi having a minimum 70% legal drinking age audience.

Implement plan for website to include consumer information and responsibility logos on all bottles.

Launch the Guiding Principles for Responsible Retailing along with other Global Alcohol Producers.

PROGRESS IN FY16

External auditor, as part of Producers' Commitments assurance process, confirmed 100% of ads placed by Bacardi that were measured, had a 76% minimum legal drinking age audience.

Due to the delay of the finalization of the IARD responsible drinking website until November 2015, this goal has been pushed to FY17.

As part of the Producers' Commitments and as an industry, the Guiding Principles for Responsible Retailing was successfully launched in November 2015 in South Africa at the World Retail Congress.

TARGETS FOR FY17

Launch updated Bacardi responsible drinking website and incorporate responsibledrinking.org site on brand specific websites.

Work directly with other industry members to support best practice responsible drinking initiatives in new markets where there are less established Social Aspect Organizations (SAOs).

Update Company marketing compliance e-training module in order to better track training completion data.

Implement new marketing compliance approval database system for all Company marketing and creative excellence staff and BBDO personnel.

Work with IARD and country-level SAOs to better collect evidence of successful underage drinking campaigns and share those in partnership with other SAOs and Trade Associations in order to reach more than 1.8 million underage persons with LDA campaigns, as measured through the Producers' Commitment reporting.

100% of marketing agency contracts are in compliance with the Producers' Commitments.

100% of ads placed by Company with at least a 70% minimum legal drinking age audience.

Incorporate responsibledrinking.org on Company websites and implement plan to include responsibledrinking.org and responsibility messaging or logo on all labels by end of FY18.

Global Marketing Principles

Our Global Marketing Principles are comprised of nine core values that govern all marketing practices and act as our Company's internal marketing code.

Together with our implementation guidelines, they form the basis of our corporate strategy for responsible marketing. We produce content that upholds advertising standards and represents honest and truthful communications, while respecting the privacy of our consumers.

The Global Marketing Principles were introduced in 2004 and revised in 2009. In FY14, we updated them again, adding a new principle. The revisions address changes in digital marketing and the power of social media, explain policy on energy drinks, and support the Producers' Commitments.

Principle 1

All Bacardi 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 products will provide clear information on alcohol content. A message of responsible enjoyment will be included in commercial communications and on packaging. Bacardi products will be clearly identifiable as alcohol beverages; and will provide accurate information concerning alcohol strength.

We will not place undue emphasis on the strength of alcohol content as a key basis of appeal in any of our commercial communications.

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 energy enhancing properties for Bacardi products.

Principle 7

Marketing and promotional practices will not be associated with any individual or group behavior that is antisocial, 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 are to be honest, transparent and truthful and ensure none of our communications attempt to mislead our consumers. The privacy of the consumer in the digital space should be observed at all time.

Compliance

All new marketing staff and key agency personnel are trained on our Principles. In addition, refresher training is available for existing staff if needed. 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 this approach is that country managers are not involved in developing marketing materials, so they can be independent and objective about the local suitability of materials developed by our marketing teams. Our plan for FY17 includes implementing a new compliance database in partnership with our agency partner, BBDO. The new system will expedite and better track the compliance process.

External Codes and Regulations

The first priority in our approach to marketing is to comply with our own Global Marketing Principles that act as the minimum standard across the world – and are particularly helpful in markets where there are weak advertising regulations or no industry marketing codes. Our second priority is to adhere to local marketing regulations.

Finally, in many parts of the world we have agreed with our competitors to voluntary, industry marketing codes that capture local cultural needs. In countries where availability or sale of alcohol beverages is prohibited, we respect the local traditions.

Responsible Drinking

Beer, Wine & Spirits Producers' Commitments to Reduce Harmful Drinking

In 2012, Bacardi, along with other leading producers of spirits, wine and beer, decided to unite in a concerted effort to tackle the global problem of harmful use of alcohol through the creation of five Commitments to Reduce Harmful Drinking for delivery over a five-year period (2013-2017). The intention was that these will make a real contribution towards the global target set by the world's governments of "at least a 10% relative reduction in the harmful use of alcohol" by 2025.

Each commitment is supported by a number of KPIs and the 12 signatories report against these with collective progress reported in an annual progress report available at: www.producerscommitments.org

	Commitment 1 Reducing underage drinking
	Commitment 2 Strengthening and expanding marketing codes of practice
	Commitment 3 Providing consumer information & responsible product innovation
	Commitment 4 Reducing drinking and driving
	Commitment 5 Enlisting the support of retailers to reduce harmful drinking

Specific activity Bacardi has undertaken to contribute toward these in FY16 included:

- Ensuring all marketing agency contracts are in compliance with the Producers' Commitments and include clauses mandating compliance with responsible alcohol advertising codes.
- Ensuring advertisements for all brands had an audience of at least 70% above minimum legal drinking age and confirming this through an independent auditor.

- Support of pilot program drink driving prevention campaigns in targeted markets.
- Education programs with Social Aspect Organizations, like those done in Mexico through FISAC (Fundación de Investigaciones Sociales, A.C.), reached 1,660,000 underage individuals through 103 education programs.

Examples include:

- Working with schools to share facts and materials on the effects of alcohol in children.
- Working with parents and other influencers on how to talk to kids about drinking.
- Working with retail outlets and bartenders on ID checking and other retail initiatives.
- Support of the Guiding Principles on Responsible Retailing and launch at the World Retail Congress in South Africa in November 2015.

Producers' Commitments Signatories:

Anheuser-Busch InBev
Asahi
Bacardi Limited
Beam Inc.
Brown-Forman Corporation
Carlsberg
Diageo
Heineken
Kirin
Molson Coors
Pernod Ricard

Responsibility.org

Bacardi U.S.A. is an active member of the Foundation for Advancing Alcohol Responsibility (Responsibility.org), a membership organization funded by America's leading distillers that promotes responsible drinking, working to eliminate drunk driving and underage drinking. Since Responsibility.org's inception in 1991, drunk driving and underage drinking have reached record low levels in the United States. Drunk driving fatalities have decreased 36% since 1991 and lifetime alcohol consumption among the nation's youth has decreased 42%. However, there are still challenges the members work to improve, including the increase in binge drinking. In FY16, FAAR continued to promote responsible decision making through a number of initiatives.



Virtual Bar

The Virtual Bar app (available on iTunes and Google Play) uses the latest science to help individuals not only get a better understanding of how different factors affect their blood-alcohol concentration, but also can help users see how their night could go depending on the food eaten, the water drank throughout the night, and other important variables. It also helps give a sense of how long it would take for blood-alcohol concentration to return to 0.00, which can be a surprise to many. Launched in March 2016, there were 600 downloads in the first month, which has steadily increased since.

Talk Early - Reaching millions of bloggers

By joining forces with influential parenting bloggers, #TalkEarly inspires conversations between parents and friends and provides parents with the tools to lay the foundation and continue the dialogue with their kids for years to come. It wants families to talk early, talk often, and be healthy.



As at April 2016 the online engagement had been significant:

- 7.7 million blog readership impressions
- 10.4 million Twitter impressions (#TE, #RYF)
- 84,097 "likes" on Instagram
- 4,983 Pinterest Shares
- 447 comments

In 2014, Responsibility.org engaged in an ongoing tracking study of parents with children between ages 6 and 17 about alcohol and the #TalkEarly program. The goal of the research is to better understand the conversations between parents and their children concerning alcohol – what topics are discussed, how often conversations take place, and what influences parents' decisions to talk with their children. The research showed some things about how parents talk with their kids about alcohol and other topics that can be tough for parents to navigate. For instance, households with teens, including large families, are more likely to talk about the dangers of underage drinking. At the same time, families with tweens are more likely to talk about drinking on special occasions. And, in every case, discussions happen more frequently with older aged children despite the fact that parents reported the average age they believe they should start talking with their kids about alcohol is 9 ½ years old.

MARTINI. ROAR FOR LIFE

MARTINI, together with Williams Martini Racing, initiated an international social campaign ROAR FOR LIFE, drawing attention and awareness to responsible driving in Eastern Europe.



World famous responsible drivers and top celebrities started the online challenge. People were asked to make a video of a F1 car roar, share it on social media or upload on site with the #ROARFORLIFE hashtag and nominate their friends. Everyone could contribute to the campaign by accepting the challenge.

Racing events, flash-mobs, street activations were installed to support the ROAR FOR LIFE campaign in Russia, Kazakhstan, Poland and Ukraine. At Woodstock Rock Festival, 6,000 people roared instantaneously. Within just 100 days, the desired number of 150,000 roars had been multiplied almost twice.

At the final event in Sochi during Formula 1, MARTINI donated the \$120,000 dollars to support activities to promote responsible driving of local nonprofit organizations in Russia, Poland, Ukraine and Kazakhstan.

Environment at Bacardi Limited

For Bacardi, environmental sustainability is good business – an approach that dates back to the very beginning of the Company more than 150 years ago.

Bacardi founder, Don Facundo Bacardí Massó, opened his first distillery on February 4, 1862, in Santiago de Cuba. When building his business, he utilized the Spanish government's challenge to reduce surplus amounts of molasses in Cuba, leading to the crafting of BACARDÍ rum. Repurposing old whisky barrels to age his rum was also part of the founder's original plan, a practice still in use today.



Our sustainability commitment has grown over the past 150-plus years and we are proud of the voluntary actions we have taken to be an industry leader in environmental performance in our operations. We recognize the environmental impact of producing our products and have implemented procedures to continually improve efficiency. Key potential areas of impact include:

- Water use: fresh water is fundamental to our business and we recognize the importance of water conservation.
- Climate change: the fossil fuels we consume in our value chain process: operating our facilities, manufacturing our products, and transporting them to our customers, create greenhouse gases that contribute to climate change.
- Waste: effluents and waste from our operations need to be kept to a minimum as well as the use of our materials

in bottling and packaging to reduce the overall impact on the environment.

Our Approach

In FY16, our priorities were to see an improvement in water use efficiency, a reduction in GHG emissions, install our third biomass boiler at our distillery in Royal Brackla, reduce our waste to landfill, expand our Green Champions network, and maintain our "Triple Crown" certifications under ISO 9001, ISO 14001 and OHSAS 18001.

In FY 14, Bacardi launched an ambitious environmental initiative called Good Spirited with specific goals in sourcing, packaging and operations by 2022. The initiative covers more than 160 markets, including 75 offices and 29 manufacturing and bottling facilities, touching every employee. Within Operations, we have focused on energy, greenhouse gas emissions, water and waste. This complements the efforts in our Responsible Sourcing pillar and their focus of sourcing and packaging.

Moving Forward

Our targets are aligned with our initial Good Spirited goals, which will conclude at the end of calendar year 2017, though some goals continue until 2022. Our environment leaders are currently exploring how we can maintain the momentum created since Good Spirited was launched and build upon its successes. As we look ahead, we will work both in our own facilities and with our suppliers to reduce impacts and risks across our whole value chain. We will also be ensuring our targets support the relevant UN Sustainable Development Goals (SDG's) and the expectations set out in the COP 21 the Paris Climate Conference.

Targets and Progress

ENVIRONMENT TARGETS FOR FY16

Achieve a 3% improvement in water use efficiency in production sites and a 15% improvement in GHG emissions intensity index, both compared with FY15.

Complete the installation of a third biomass boiler at our Royal Brackla Scotch whisky distillery in Nairn (Scotland).

Solid waste to landfill from production sites will be less than 0.5% of total waste.

Expand Green Champions network to also cover functional areas including Procurement and Packaging Development. Continue with internal awards program (2nd year).

Maintain our "Triple Crown" by passing our re-certification audits for ISO 9001, ISO 14001 and OHSAS 18001 management systems standards.

PROGRESS IN FY16

Achieved an annual 1.8% improvement in water use efficiency vs. FY15, and an overall 46.4% improvement vs. FY06. Despite being slightly behind on our incremental annual step towards our long-term target, we believe we remain on track to meet our long term goal of 55% improvement by Dec 2017.

For GHG emissions, we achieved a 20% reduction in GHG emissions intensity index vs. FY15, achieving an overall 48.9% reduction vs. FY06. We believe we will meet our long term goal of 50% reduction ahead of our target date of Dec 2017.

Installation in Royal Brackla was complete in October 2015. The system now is fully operational and contributes to the over delivery of the GHG reduction target.

Achieved 0.59% waste to landfill, which is on track to achieve our long term zero waste to landfill by 2022. In addition, already 7 of our 29 facilities have achieved the Zero Waste to Landfill status.

Green Champion network now includes representatives of Procurement and Packaging. Good Spirited Awards have been delivered with six award categories.

We successfully maintained our "Triple Crown" status by passing our re-certification audits for ISO 9001, ISO14001 and OHSAS 18001 management systems standards for existing sites. New sites have 18 months to achieve certification, completing pre-audit first.

Targets and Progress

TARGETS FOR FY17

Continue implementation of resource efficiency action plans to ensure we achieve a reduction of 55% in water use efficiency index and 50% in GHG emissions intensity index by Dec 2017 vs. FY06.

Improve the efficiency and reliability of the three existing biomass boilers to ensure GHG reductions maximized.

Implementation of waste stream action plans, aiming to achieve less than 0.4% of total waste from production sites to landfill. Our long-term vision is to achieve Zero Waste to landfill in all our facilities by 2022.

Expand the Green Champion rosters to increase employee involvement in additional functional areas outside of Operations.

Successfully pass our surveillance audits and get our new manufacturing site in Laverstoke in the scope of the "Triple Crown" certifications (ISO 9001, ISO 14001, and OHSAS 18001).

Good Spirited Awards

The 2nd Annual Good Spirited Awards were given out for employee and corporate initiatives in FY16.

The noteworthy, eco-conscious endeavors recognized with the Good Spirited awards provide Bacardi with long-term improvements and reductions for a more sustainable future across operations, packaging and responsible sourcing. They also drive the Company's global infrastructure closer to its goal to reach a net-zero impact—to put back into the environment at least as much as it takes away. The award recipients and their campaigns represent only the tip of the iceberg with regard to the many Bacardi Limited Good Spirited activities that took place over the last fiscal year that produced sizable reductions in water, GHG emissions, and waste to landfill.



Royal Brackla Introduces Biomass Boiler

During FY16, the John Dewar & Sons Limited (JDSL) Royal Brackla Distillery made the switch from the exclusive use of heavy fuel oil to 100% clean-burning renewable fuel biomass. The change substantially reduced the amount of greenhouse gas (GHG) emissions produced and nearly cut energy use in half. As a result of JDSL's transition to biomass – Royal Brackla is a FY16 Good Spirited Co-Winner for Production Facility Sustainability Project. This project tied with the BACARDÍ rum facility in Puerto Rico for a first place win.

While the changeover to biomass is monumental, it is in addition to the years of hard work at the JDSL sites to reduce energy consumption and associated GHG emissions.

For all of the greening efforts, JDSL achieved successful certification to the Carbon Trust Standard and also sailed through the process of recertification. These projects also required heavy engagement and communication with local agencies including Historic Scotland for planning and permissions.

Mexico – “Clean & Lean” Campaign

The FY16 Good Spirited Award Winner for Production Facility Improvement was Tultitlán, Mexico, for its Clean & Lean campaign. This Good Spirited award recognizes Company production facilities with the biggest overall combined efficiency improvement in water use, greenhouse gas (GHG) emissions and waste-to-landfill reductions. This year’s winner reached not only the highest standards within our global infrastructure, but also garnered the highest recognition from a government agency.

The multi-facility Clean & Lean program, specifically focused on the Company’s treatment of wastewater, reduction in water, energy consumption, and waste management at three Bacardi facilities in Mexico.



The campaign aggressively addressed environmental practices and prompted the Federal Environment Protection Attorney’s Office (PROFEPA) to freely bestow “Clean Industry” certificates for all three facilities: La Galarza distillery, Tultitlán bottling plant, and the Tequila CAZADORES® distillery and bottling facility in Arandas.

This is an extraordinary achievement as the rare Clean Industry distinction identifies exemplary companies that go well beyond regular environmental compliance regulations to demonstrate exceptional social commitment. Moreover, government certification is only awarded to companies after legal environmental requirement standards are verified through rigorous and exhaustive audits that document and collect direct evidence on compliance levels regarding all environmental impact mitigation activities that affect sustainability.

Pessione – Waste Reduction

For 153 years, cork has been used at the Martini & Rossi facility in Pessione, Italy, to preserve the world’s favorite sparkling wines. In an effort to reduce its waste to landfill, Pessione found a way to give new life to old corks through a recycling partnership that will now also help preserve the environment. Pessione’s discarded cork stoppers are delivered close by to Artimestieri, a nonprofit cooperative and environmental advocacy organization, to be reused for natural decorations and green building. This program saves approximately 100,000 corks from becoming landfill waste as Artimestieri’s technical consulting, green-building, woodworking and sewing departments repurpose the cork plugs. For their joint cork plugs initiative, Pessione and Artimestieri are the FY16 Honorable Mention award recipients in the Good Spirited Awards Partnership category.

This award recognizes Company teams that developed partnerships with external stakeholders to progress the Bacardi Good Spirited initiative and increase sustainability companywide. Cork has long been known for its elasticity, near-impermeability and fire retardant properties, which make it both a suitable as a material for bottle stoppers and for building.

*Bacardi USA & Ryder –
SmartWay Excellence Award*

Bacardi U.S.A., Inc., is methodical about carrying out logistics and transportation in the most sustainable ways, so it is only natural that it partnered with Ryder System, Inc., another company meticulous about sustainably moving product. Ryder procures all of the Bacardi domestic shipments in the U.S. and has fully supported all Bacardi USA’s environmental and sustainability efforts. Because of its partnership and judicious SmartWay® practices, the U.S. Environmental Protection Agency (EPA), honored the Company with a SmartWay Excellence Award as an industry leader in freight supply chain environmental performance and energy efficiency.

The EPA’s SmartWay program, which has more than 3,000 partnering companies, helps businesses move goods in the cleanest, most efficient way possible through recommended strategies and technologies. The goal of the program is to reduce related emissions that affect climate change, decrease environmental risk for companies and increase global energy security.

Since 2008, Bacardi USA and Ryder have worked together to institute the EPA’s SmartWay Program and have successfully reduced carbon emissions by more than 20%. Because of this achievement, Bacardi USA Supply Chain and Ryder, together, are the Good Spirited FY16 Partnership winner.

In 2009, 65% of Bacardi shipments out of its Jacksonville bottling facility were transported by road. In just six years, Bacardi USA reversed that with just 35% of shipments by truck; 65% by rail. In the last nine years, Bacardi USA reduced the weight of its packaging by more than 7%—equivalent to taking 1,100 full truckloads off the road.

Bacardi USA is one of only 11 companies nationwide recognized this year in the shipper and logistics category.



How we measure our performance

Bacardi measures performance in two ways: absolute totals and efficiency metrics. Absolute measures are straightforward – for example, total quantity of water consumed. Efficiency metrics normalize these absolute totals against an appropriate business output – for example, water used per unit of product manufactured.

Bacardi Environmental Sustainability Tracking (BEST) uses a common accounting practice – flexible budgeting – to measure the performance in our reporting year against our base year. Full details of this approach are described in our 2013 report.

Our targets are based on improvements in our performance against our efficiency index. These have been restated as required to reflect changes in the business, such as closures. Absolute baselines for all measures were established in FY06. We have not restated our absolute baselines and therefore do not make any claims based on absolute improvements against our baselines. As we develop our next cycle of long term targets during 2017 we intend to develop absolute as well as efficiency improvement targets.

Restatements – data for previous financial years is sometimes updated when corrections are identified. We have not made any corrections in FY16 to prior year data published in FY15.

Water

Water Use

Our total water used measured by the efficiency index in FY16 was 1.8% less than FY15 (2.2% absolute improvement) achieving an overall improvement on our water use efficiency index of 46.4% vs. FY06.

Action Plans are in place at each of our manufacturing sites in order to continue to improve our water use efficiency. Although we made good progress during FY16, it was not at the expected level. The main reason for that is warmer than average temperatures at some of our locations triggered an increase of water abstraction for cooling purposes.

We have focused on water reduction and improving water efficiency during FY16. Changes in production volumes and mix at specific sites impacted the water source mix. The increase in reliance on groundwater complies with licensing conditions.

Water Discharge by Volume

	FY15	FY16
Direct Discharge (m³)	936,275	975,263
Indirect Discharge (m³)	434,334	303,650
Beneficial Land Application (m³)	243,665	116,376
Total Volume Discharged (m³)	1,614,274	1,395,289

Changes in the production mix in FY16 affected water discharge in the same way as water use.

We manage used process water from our facilities in three ways:

1. Direct discharges of treated wastewater to local bodies of water following onsite treatment (70 percent)
2. Indirect discharges of treated wastewater to municipal treatment facilities (22 percent)
3. Beneficial land application, including irrigation and fertilizer to improve crop production (in countries where it is permitted) (8 percent)

Of the total water released by our production facilities, 1,278,913 cubic meters was discharged as wastewater and 116,376 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.

Water Used

	FY13	FY14	FY15	FY16
Water Use Efficiency Index (per unit of production) (Baseline FY06 100)	60.1	56.4	54.6	53.6
Total Water Used (000 cubic meters)	3,870	3,840	3,690	3,608

Water Supply

EN8: Total Water Withdrawal by Source (liters)

WATER SOURCE	
Public Supplies	868,009,721 844,493,068
Groundwater	788,213,304 787,801,413
Surface Water	2,031,367,273 1,975,831,815
Harvested	0 0
SUM	

Water used includes non contact cooling water.

Waste

Waste Management

In FY 16:

- Only 0.59% of Total Waste sent to Landfill
- 7 manufacturing sites have achieved “Zero Waste to Landfill”

By characterizing the different waste streams, we’ve been able to identify opportunities, focusing on reduction at the source and then followed by reuse/recycling options. We are building on progress at our production sites to reduce landfill waste, and plan to work more closely with supply partners to ensure that all the packaging we receive can be recycled.

EN23 Total Weight of Waste by Type and Disposal Method (Metric Tons)

	FY15	FY16	% CHANGE Y+Y
Non-Hazardous Waste			
Recycling/Reuse/Recovery	171,794	162,390	
Incineration/Treatment	100	425	
Landfill	1,264	939	
Subtotal (and % Y+Y change)	173,158	163,754	-5.4%
Hazardous Waste			
Recycling/Reuse/Recovery	16.0	29.1	
Incineration/Treatment	26.0	4.5	
Landfill	1.4	23.1	
Subtotal (and % Y+Y change)	43.3	56.6	+30.8%
Total Waste			
Recycling/Reuse/Recovery	171,810	162,419	
Incineration/Treatment	126	430	
Landfill	1,265	963	
Total (and % Y+Y change)	173,201	163,811	-5.4%

* The increase in hazardous waste was due to an unusual disposal of biomass boiler ash from one of our sites.

Energy

Energy Use

- 42.9% improvement in non-renewable energy intensity index since FY06

- 2.7% improvement on total energy intensity index since FY15

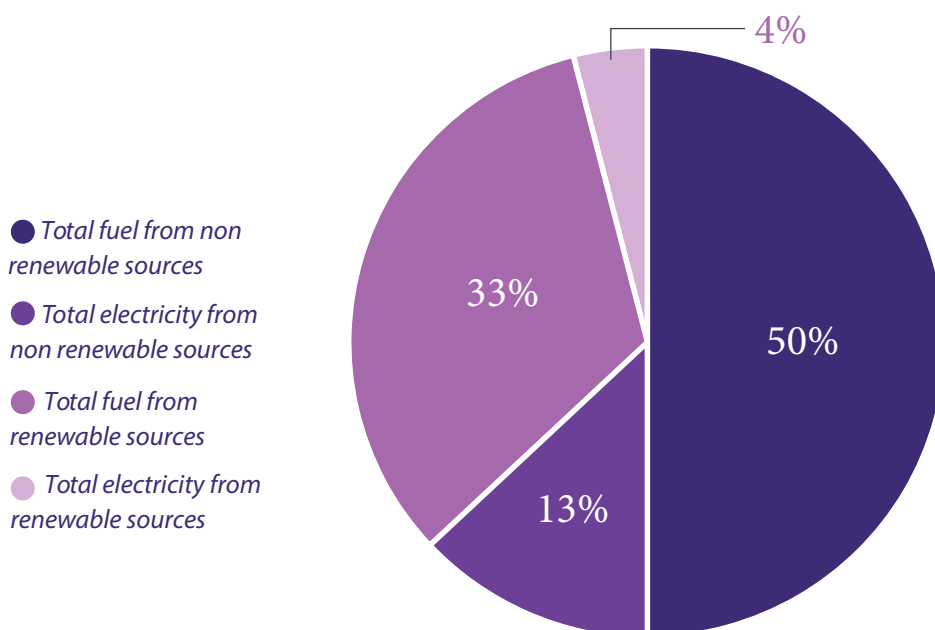
- Greatest improvements achieved in direct energy, by switching to renewable fuel sources (e.g. biomass boilers)

Hydro power and wind power includes only that from dedicated contract suppliers. Grid electricity includes all forms of renewable and non-renewable energy on the national grids.

	FY13	FY14	FY15	FY16
Non-renewable Energy Intensity Index (Total non-renewable energy per unit of production) (Baseline FY 06 = 100)	75.2	71.5	69.7	57.1
Total Energy Intensity Index (Total energy per unit of production) (Baseline FY 06 = 100)	85.2	85.0	85.1	82.9

EN3: Energy Consumption within the Organization (TJ)

	FY13	FY14	FY15	FY16
Heavy fuel oil	623	616	496	249
Natural Gas	408	432	432	431
Total fuel from non-renewable sources	1,031	1,048	928	680
Biogas	175	213	208	231
Biomass	0	0	64	211
Total fuel from renewable sources	175	213	272	442
Grid Electricity	208	191	188	176
Hydro Electricity	32	34	38	52
Wind Electricity	1	1	11	
Total Electricity	241	226	227	229
Total Energy Consumption within Bacardi	1,447	1,487	1,427	1,351



Renewable Energy

In FY16, 23% of electricity was purchased through renewable contracts and 39% of fuel was from renewable sources. The overall proportion of renewable energy increased from 22% in FY15 to 37% in FY16.

Emissions

Long term target – Reduce total GHG emissions intensity index by 50% versus FY06 by end of 2017.

Current status – Total GHG emissions intensity index for FY16 is 48.9% lower than FY06.

In FY16:

- GHG Emission (Direct and Indirect) reduced 24% versus FY15 of which the majority came from a 32% decrease in GHG emissions from direct sources (fossil fuel combustion).
- The installation of a biomass boiler was completed at our Scotch whisky distillery in (Royal Brackla). This boiler is expected to reduce the plant's CO₂ emissions by 6,600 tons of per year.

EN15: Direct GHG Emissions (Tons) (Scope 1)

EN16: Indirect GHG Emissions (Scope 2)

	FY13	FY14	FY15	FY16
Direct CO₂ Emissions (Tons)	67,000	67,700	58,700	40,100
Indirect CO₂ Emissions (Tons)***	27,300	24,800	24,600	23,200
Production Process Emissions (Tons)*	500	500	500	500
Offices (>25 people) Indirect Emissions (electricity)(Tons)*	5,600	5,600	5,600	5,600
TOTAL (Tons)	100,400	98,600	89,400	69,400
GHG Intensity Index (GHG Emissions per unit of production) (Baseline FY 06 100%)**	71.6	67.4	64.5	51.1

*Estimated figures. We are in the process of defining a more accurate way to track these emissions

** Intensity index doesn't include estimations for production emissions and offices

***Scope 2 emissions are calculated using location based (country) emission factors, with the exception of 2 sites that have renewable contracts. These sites use the emission factors for the energy they purchase (0). This is consistent with our approach in previous years as well as baseline and targets. In the future we plan to report scope 2 emissions using the dual reporting approach recommended in the latest GHG Protocol Scope 2 Guidance.

Significant reduction achieved on emission of conventional pollutants, by increasing the use of renewable energy. By maximizing the use of biogas, and the installation of biomass boilers, we reduced the use of fossil fuels responsible for these emissions.

EN21: NO_x SO_x and Other Significant Air Emissions (Tons)

	FY13	FY14	FY15	FY16
SO_x	998	993	786	344
NO_x	115	116	97	57
Particulates	18	18	14	7
Total Air Emissions	1,131	1,127	897	408

Responsible Sourcing at Bacardi Limited

Aligned with the Bacardi Good Spirited initiative, our Responsible Sourcing vision is for all 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.

The quality of our materials is a priority for Bacardi and we aim to use only the finest ingredients in making our premium spirits. We recognize the challenges faced within the supply chain, including ethical sourcing, compliance, advancing human rights and reducing environmental impacts. Bacardi believes in building strong, cooperative relationships with our suppliers and we work together to ensure suppliers meet our global sourcing and supplier standards.

Our Approach

Bacardi's Responsible Sourcing Standards apply to all suppliers providing goods and/or services to Bacardi. The standards encompass what we expect from our suppliers in terms of labor standards, human rights, health and safety, environmental protection and business integrity. These standards, along with our Vendor Qualification Process (VQP), represent the minimum requirements for our supplier partners. Our VQP covers important topics with potential vendors, including:

- Commercial Questionnaire
- Global Quality Risk Questionnaire
- Responsible Sourcing Questionnaire
- Factory Information Questionnaire

In order to trade with Bacardi, vendors must comply with the standards set out in these documents and



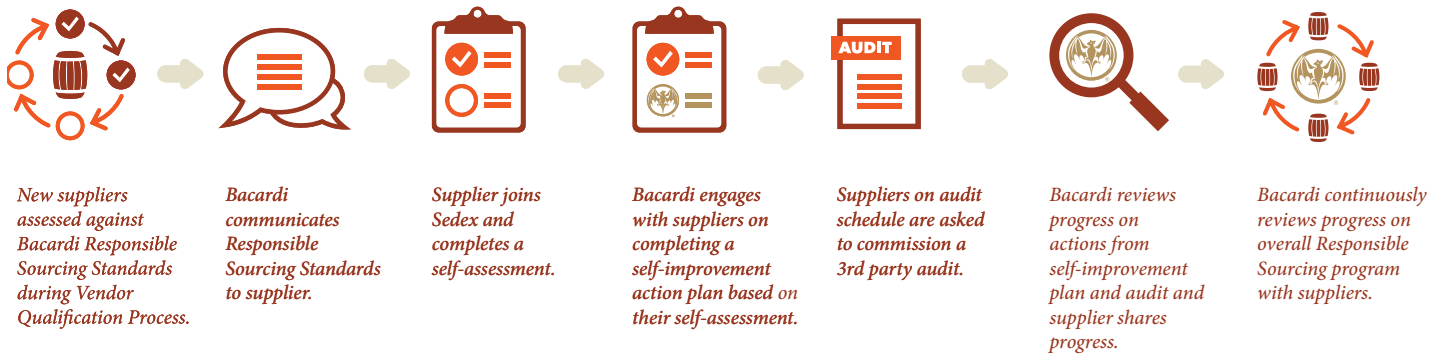
ensure their suppliers and subcontractors do likewise. We require the agreement to and return of a satisfactorily completed and executed copy of these documents, for each manufacturing plant used, including principal subcontractors (i.e. where main manufacturing is outsourced). Bacardi is committed to only selecting suppliers (vendors, agents, and manufacturers) that strive to conduct business in a professional and ethical manner.

Sustainability is one of the six main value drivers that we have included in our Supplier Integration Program, which is aimed at defining a common vision and action plan across the value chain. Through this program we work with suppliers on the benefits of local sourcing, reviewing our specifications to reduce our footprint and other ways to reduce our environmental impact.

Our Responsible Sourcing program prioritizes engagement and assessment efforts with Global Direct and Global Point of Sale suppliers where we have the best opportunity to work with them and influence their standards. Bacardi Global Direct suppliers include raw materials and packaging producers. Our Point of Sale suppliers include branded bar-related materials, promotional giveaways and glass drinkware. We ask our suppliers to join Sedex to share information with us, and any other customers, on their relevant standard; and to take a similar approach with their suppliers, as we recognize there are risks further along our supply chain.

We have developed additional category specific approaches for some significant supplies. For example, sugarcane-derived products are our most significant agricultural supply and we are working with our suppliers and industry groups to ensure all suppliers achieve certification to the Bonsucro standard by 2022. This is still our highest priority and we are on schedule to meet this goal by the end of 2017. Further, we are developing Responsible Sourcing strategies for our other key agricultural ingredients.

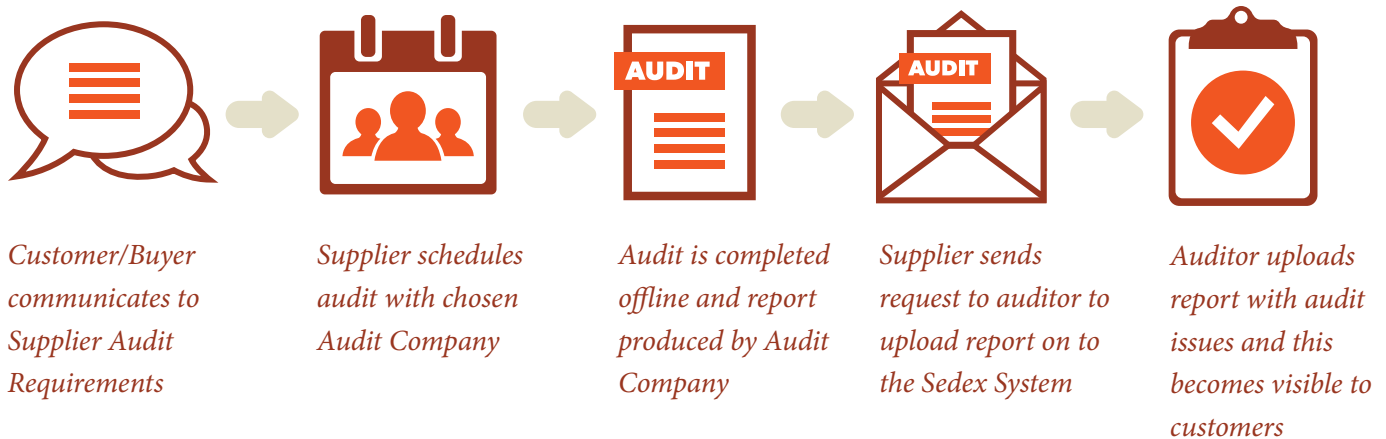
Supplier Engagement Approach



In FY14 we implemented a third-party Responsible Sourcing audit schedule. We do this in partnership with Sedex, a nonprofit organization dedicated to improving ethical business practices in global supply chains. Using the Sedex Audit Management Service we engage our suppliers in our Responsible Sourcing program, ensuring they develop a self-improvement action plan with our Category Managers. As of the end of FY16 we have 84 audited suppliers for raw materials and 51 for packaging. In FY16 we reached a 79% rate of spending with Sedex linked Direct suppliers; for our Global Point of Sale suppliers it was 96%.

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Sedex Audit Management Service Process



Moving Forward

Responsible Sourcing continues to rank high among our stakeholders as a priority matter and it will remain a focus of our CR program. However, due to an internal realignment of our Operations and Procurement functions in FY16, some of our initiatives were delayed. With new leadership in place long-term strategies are now underway to deliver our Responsible Sourcing vision. In FY16 we undertook training with all our Global Operations team to inform them of progress across our Good Spirited program including Responsible Sourcing. This training will be shared with all strategic suppliers over the next few years.

Targets and Progress

RESPONSIBLE SOURCING TARGETS FOR FY16

100% of all new suppliers to be assessed according to the Vendor Qualification Process.

85% of spending with Global Direct suppliers and 95% of Global Point of Sale suppliers linked to Bacardi through Sedex.

Define and implement the sustainable agriculture sourcing strategy focusing on the most relevant crops.

Develop the Good Spirited sustainability training program and integrate the RS training program.

Ensure 40% of our sugarcane-derived products will be certified as sustainable by 2017, and 100% by 2022.

PROGRESS IN FY16

Achieved. All new and existing suppliers assessed against the Company's Vendor Qualification Process.

79% of Global Direct suppliers and 96% of Global Point of Sale suppliers linked to Bacardi through Sedex.

Although delayed, the sustainable agriculture action plan for crops related to sugarcane-derived product was defined and implemented in FY16.

In collaboration with EHS (Environment, Health & Safety) team, the Good Spirited training program (which encompasses responsible sourcing and environmental impacts in operations and packaging) was developed and deployed at the Safety Days and Town Hall for Global Operations teams.

By the end of FY16 40% of our sugarcane-derived product suppliers for rum were certified through ISCC or Bonsucro.

TARGETS FOR FY17

Ongoing target: 100% of all new and existing suppliers to be assessed according to our Vendor Qualification Process.

85% of Global Direct suppliers and 100% of Global Point of Sale suppliers linked to Bacardi through Sedex with process led by our Category Managers. A completed self-assessment questionnaire and audit to be completed by end of FY18 for each supplier.

Define and implement sustainable agriculture sourcing strategy beyond sugarcane-derived products for rum. Focus crops include: LCD, Molasses, Botanicals, Agave, and Wheat. Category Managers are responsible for action plan implementation.

Deploy Good Spirited training program with our strategic direct suppliers to build awareness and develop action plans to meet our Good Spirited goals together.

100% of sugarcane-derived products suppliers for rum Bonsucro certified by the end of FY17.

Botanical Sourcing

Sustainable Sourcing for Botanicals

Many exotic botanicals used for BOMBAY or MARTINI production have been historically sourced from remote locations in developing countries. In those countries, small suppliers and farmers have limited resources, and are often not properly trained in efficient cultivation techniques.

In FY16, Bacardi engaged with key suppliers and local NGOs to launch several projects to address sustainability challenges associated with the production of exotic botanicals and support our small suppliers and farmers in achieving sustainable livelihoods.



- Ghana / Grains of Paradise: worked with local NGO to develop farming capabilities and reduce intermediaries to improve revenues for original producer.
- Java / Cubeb Pepper: signed three-year commitment contracts with local farmers to support them economically and encourage them to continue harvesting.
- Ecuador / Cinchona Bark: Bacardi together with key suppliers invested in local reforestation to be able to export the Yellow Cinchona bark without affecting the local biodiversity.
- China / Rhubarb: Bacardi, along with a key supplier, worked to train farmers to properly dry the Rhubarb outside the home to avoid health consequences. Bacardi also supports the initiative of developing seedlings of Chinese Rhubarb in collaboration with Mediplant (a Swiss organization specialized in plants development) and helping our supplier in the development of an efficient drying system. The supplier will then deploy the system in China.

These initiatives support the economic and capability development of Bacardi's suppliers' feedstock, as well as ensure Responsible Sourcing standards, which is a key value for the Company.

Responsible Sourcing Standards

Bacardi Limited is the largest privately held distilled spirits company in the world and produces and markets a variety of internationally recognized spirits and wines that are distributed and sold globally.

The main raw materials are derived from agricultural products such as cane sugar, grapes, wheat, barley and various plant flavorings. These materials are sourced from around the world including developing economies in Latin America and the Caribbean.

Bacardi's Responsible Sourcing Standards apply to all suppliers providing goods and/or services to Bacardi. Bacardi also applies these standards within its own operations. Our standards are based on the:

- Ethical Trading Initiative (ETI) Base Code
- United Nations Universal Declaration of Human Rights
- Fundamental Conventions of the International Labor Organization
- UN Global Compact Principles (of which Bacardi is a signatory)
- UN Convention on Biological Diversity

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

We have developed a Responsible Sourcing program to work with our suppliers in implementing our standards, which is set out in this document. We understand that achieving these standards presents varying challenges for suppliers operating in different sectors and countries; however, we do expect our suppliers to work together with us to drive up their standards over time.

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 should 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 must 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 where 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
 - 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 or 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.

Implementation of the Responsible Sourcing Standards

New suppliers receive a copy of our Responsible Sourcing Standards and existing suppliers receive updates when they are published. Bacardi Category Managers explain the Responsible Sourcing Standards and our expectations to all suppliers as part of the supplier relationship management process. Achieving continual and measurable improvement in Responsible Sourcing is integral to Bacardi's business strategy. We recognize that, within our supply chains, there are many different national cultures with their own laws, norms and traditions. Some suppliers will face more complex issues than others in implementing and meeting our Responsible Sourcing Standards. In these areas, Bacardi is committed to working with suppliers and relevant bodies to deliver effective action plans for change.

1. SCREENING

We conduct a risk assessment for all suppliers for their likely ability to comply with our Responsible Sourcing Standards. We consider the country of operation and operating sector in the risk assessment. Suppliers who we believe are at higher risk of finding compliance challenging are prioritized higher for assessment and support through our Responsible Sourcing program.

2. SELF-ASSESSMENT QUESTIONNAIRE

Suppliers identified through our screening process are asked to join Sedex and complete a Self-Assessment Questionnaire. The questionnaire covers all aspects of our Responsible Sourcing Standards and suppliers should complete it as fully as possible. For a small number of suppliers, it is not practical or appropriate to join Sedex; and where we agree this is the case suppliers will be asked to complete the Bacardi Self-Assessment Questionnaire. The responses to the questionnaire will be reviewed by the relevant Category Manager who may request further information or a follow-up meeting or to clarify responses. At a meeting a supplier may be asked to show evidence for responses such as a policy or procedure. All suppliers who have been asked to complete a Self-Assessment Questionnaire will be asked to update it every two years to ensure the responses are current. Suppliers who are asked to join Sedex and completed a Self-Assessment Questionnaire are expected to do so within two months.

3. AUDIT

Suppliers will be asked to undergo an audit if they have been unable to provide sufficient information to demonstrate compliance through the Self-Assessment Questionnaire or Bacardi believes there may be gaps in their ability to comply with one or more of the standards. Bacardi expects suppliers who are asked to undergo an audit to do this within three months of the request. The supplier is responsible for commissioning an audit that is aligned with the Sedex Members Ethical Trading Audit (SMETA) approach. It will also be accepted if a supplier has undergone an audit within the last two years and the audit is shared with Bacardi. Bacardi encourages suppliers to share their audits with us via Sedex as this also enables a supplier to share the audit with other customers when requested.

Any major non-conformances identified through the audit are expected to be addressed within six months of the audit. Bacardi will meet with suppliers who have major non-conformances to understand any challenges or barriers to addressing these and will endeavor to provide appropriate support in implementing corrective actions.

4. RIGHT TO TERMINATION

Where serious breaches of the Responsible Sourcing Standards persist, we will consider termination of the business relationship with the supplier. Where suppliers are unwilling to share information relating to their management processes through the Responsible Sourcing Program, we will consider termination of the business relationship with the supplier.

People at Bacardi Limited

Bacardi people are guardians of a tradition of excellence. It is the employees who are our best ambassadors of our brands and our Company, and who live the Bacardi values of Trust, Passion, Caring and Excellence.

Our ability to achieve our Corporate Responsibility objectives depends a lot on how well our people understand our vision and practice high ethical standards in the workplace. In FY16 we employed nearly 6,000 people in 40 countries.

Our Approach

Our People strategy is built on the belief that outstanding people will deliver excellent results. We aspire to unleash the potential of our people by creating a working environment where every employee can take advantage of the development opportunities Bacardi offers. We will inspire, engage and support our people and intend to become recognized internally and externally as the Envy of the Industry for our People, Brands and Performance. We do this by recognizing employees for exemplifying the Bacardi values, equip them to excel within the company, and promote the importance of diversity at all levels.

In addition, we recognize the importance of, and align our standards to, the UN Global Compact, the UN Declaration for Human Rights, and Fundamental Conventions of the ILO. Our people, whether direct employees or as members of our supply chain, are our greatest asset and our Code of Conduct and Responsible Sourcing Standards exemplify this commitment.

We believe being a responsible employer is necessary in the world in which we live and work and strive to go beyond the basics.

For us this means:

- Developing our People
- Connecting with our People
- Supporting our People



Developing Our People

In every market there are programs available to employees to support their career growth. This includes initiatives such as updated online tools and platforms as well as leadership training and coaching and mentoring pilots. In addition, developing local leaders has become an essential step in supporting our communities. We do this through our Bacardi Ready program, which was recently launched in South Africa. We also believe it is important to recognize outstanding employee efforts and do this through our recognition program.

Our Women in Leadership (WIL) program has spread across the globe into offices in the U.S., Europe and Latin America. The program focuses on identifying and developing women leaders in the organization who will enhance the long-term growth of the Bacardi business. WIL committees, such as program and training, external partnerships, community outreach, workplace engagement, and the newly launched mentoring program all work to build awareness and engagement of our women leaders. In FY16, the WIL committees focused on quarterly “Lunch & Learn” workshops on women’s career development, leadership, and marketing your own brand.

We aim for 70% of our vacancies to be filled by internal candidates to allow employees to develop their careers within Bacardi. Our global internal Human Resource Information System, Workday, is one of the tools that helps us achieve this by better understanding the individual career aspirations and mobility of our people.

Connecting with Our People

Our employee engagement survey is a key part of measuring whether Bacardi is “the place I want to be.” The results of the biennial survey are reviewed by management and action teams across the business through workshops to understand feedback and determine improvement actions. Our latest survey, in



FY15, revealed some challenges and concerns among employees due to leadership changes and reorganization. The results have influenced internal communications and areas to focus on among all departments. We track performance in the key areas of satisfaction, pride, retention and advocacy and have targets to improve these scores in the next survey (FY17).

Across all of the countries where we have employees, we have constructed over the years, a transparent channel of communication with our employees or their representatives through Town Halls or Skip-Level Meetings, that ensures issues affecting our people are accurately presented in a timely manner. Equally, management get to hear quickly what areas our employees need more information about, training on, or simply offer up suggestions on how we could improve our ways of working together.

Supporting Our People

Bacardi Assist, the Bacardi global employee assistance program remains an important resource to support our people. Bacardi Assist has been active for five years and is available to all employees globally. It has helped employees on issues such as work-life balance and includes counseling sessions if needed. More than 230 Bacardi employees or their dependents took advantage of the service either over the phone or through the web portal in FY16.

Safety

We have a responsibility to keep our people safe at work and our vision is an accident-free Bacardi. In FY14, we embarked on an upgraded five-year health & safety strategy, which was introduced in FY15. A first step was achieved in FY16 with the consistent implementation of more than 380 new practices in all our facilities. The goal is to put “safety first” to achieve an accident-free environment.

Moving Forward

In FY17 we will run our 3rd Employee Engagement Survey and are aiming to improve scores across our key indices. We will also be further embedding our existing programs including Becoming Bacardi, Bacardi Ready, and Women in Leadership. In safety we will be working towards Silver standard in our Safety First program.



Targets and Progress

PEOPLE TARGETS FOR FY16

80% of all new hires to complete Becoming Bacardi training within first four months of hire.

Launch the global Human Resource Information System to give greater visibility to internal talent and help achieve a 70% internal hire ratio.

33% of senior management roles to be held by women. (A senior leader in Bacardi is someone who is running a large department in a country, our country managers, our regional teams and those who run departments in our global functions in addition to the global executive team.)

Employee Engagement Survey Action Team present in each hub/large country.

Build Global Recognition Program, strongly linked to our Values to celebrate performance and key career milestones. Develop roll-out plan.

Launch YOUniverse, our engaging, online career planning tool, across all markets to provide greater visibility to employees on how they develop rich and meaningful career paths and support them in thinking through the choices people take in developing careers.

PROGRESS IN FY16

Close to 100% of senior and middle management new hires have completed Becoming Bacardi. 90% of all new hires across all levels have completed some form of the Becoming Bacardi program as part of their on-boarding.

Workday was globally launched as the main tool for performance management, talent reviews and merit and bonus planning. Internal hire percentage was 72% in FY16.

32.8% of Executive & Management positions are filled by female leaders.

50 Action Teams in place across the Company to celebrate the success of employee-driven initiatives, including at least one in each hub/large country.

Global Recognition Program framework built (service, values, business impact). First phase of launch is to roll out clear communications around the basic principles of recognition. This is underway. Local pockets of excellence identified in a few markets. Project to globally scale these best practices is currently under review.

Tool launched in all markets through webinars and local briefing sessions to select employees. Future plan to modernize the user interface for maximum uptake, however, is on hold due to reorganization of several key functions.

Targets and Progress

TARGETS FOR FY17

Globally launch Becoming Bacardi mobile app (in English) across five pilot markets. Make Becoming Bacardi toolkit materials available in local languages for all markets.

Improve communication of Workday resource as an internal search firm for Bacardi employees. Continue to achieve 70% internal hire ratio.

Develop Women in Leadership (WIL) strategy and plan to ensure gender diversity continues among Bacardi leadership. Strive to maintain at least 33% of senior management roles held by women.

Ensure Action Team (grassroots employee led teams who review survey results and build and implement action plans to address areas of greatest interest/concern) presence and engagement in all Bacardi hubs. Run third Global Employee Engagement Survey in January 2017, with “best in class” participation and improved levels of engagement across key indices, including: satisfaction, pride, retention and advocacy.

Roll-out Company “Coaching to Win” and “Bacardi Ready” internal training to employees to accelerate professional development of employees. Pilot Bacardi Ready in emerging markets and run at least 1 Coaching to Win in each region/function.

Develop Company Human Rights Policy encompassing already existing Bacardi Responsible Sourcing standards and codes, Universal Declaration of Human Rights, the UNCG, the SDGs, and the ILO, to showcase Bacardi’s commitment to workforce and community human rights.

Build People scorecard to measure yearly KPIs. Indicators will include diversity, internal hire ratio, Becoming Bacardi uptake, Bacardi Ready and other training programs, talent review and succession planning efforts, implementation of Action Team efforts, performance management, and recognition programs.

Key Highlights

Recognition Programs

At Bacardi, we want to recognize employees and teams whose contributions take the business forward in achieving our objectives. During FY16, we developed the framework for a Global Recognition Program which recognized employees in three areas: service, values and business impact. We have identified pockets of excellence where local markets have developed their own recognition program in one or more of these areas. Budgetary constraints in this fiscal year mean that we will wait until the next fiscal year to roll out the framework in the way intended. Instead we will be sharing pockets of excellence identified and encouraging markets to adopt similar approaches locally.

Russia - Values



The Russia Golden Bat awards are awarded annually to an individual or team who has demonstrated one of the four company values (Trust, Excellence, Caring, Passion) with one award for each value. Any employee can put forward a nomination and the winners are determined through employee voting and leadership team review. Winners receive a Bat-pin made of real gold and a certificate, presented at an annual celebration.

It was incredible to know that employees really appreciate the results of our work, use them on a daily basis and vote for us. What could be better recognition?

WINNER | Sales Information Reporting Team

In FY17, the program is extending to include the Eastern Europe Hub (incorporating Poland, Ukraine, Kazakhstan, Turkey, Hungary).

India



In India, the Fly Beyond Award has been developed to recognize outstanding teams. In FY16, two awards were made: for the best sales team and for the best plant. Winners received a trophy, an all-expenses paid trip to an international location and a dinner with the India Leadership Team. The best sales team achieved the highest overall growth in sales volume, revenue and profit, together with delivering specific growth initiatives for their region. The best plant team had strong performance across a number of parameters including cost reduction, quality complaints and continuous improvement.

Real glory is not only in winning the 'Fly Beyond' Award but wanting to win it! The joy of consistent hard work and success of achieving the best business targets was amazing! Enjoying the 'Fly Beyond' award as the winning team made it a memorable experience!

LEADER | Best Plant Team

Women in Leadership (WIL)

The Women in Leadership (WIL) initiative is the key aspect of our diversity commitment. Established in 2010, it has evolved to incorporate a number of programs that support women developing their careers within Bacardi at offices worldwide. This includes trainings and workshops, external partnerships, communications, workplace engagement, community relations, and a mentoring program that supports women to be promoted and succeed in executive and management positions.

The WIL Mentoring Committee launched its inaugural Mentoring Program in July 2015 with approximately 22 pairs of mentors matched to mentees across North America, with plans to duplicate the program's success in additional markets. The team designed a one-of-a-kind experience for both mentors and mentees that provided opportunities for personal and professional development; continuous learning; and networking, while enhancing the mentees full leadership potential. The specific objectives were to:

- Provide deliberate, systematic knowledge transfer.
- Job specific knowledge and insight for positions requiring experience, judgment, discretion, and “soft skills” in order to be effective.
- Create and reinforce a positive organizational culture.
- Shape the workforce of the future in an intentional, deliberate way to meet Bacardi’s strategic goals and objectives.
- Provide structured learning for employees assuming new or expanded responsibilities.
- Develop organizational leadership.

Men and women participated as mentors while the mentees selected were limited to women.

Through open and honest dialogue, my mentor and I have focused on discovering my true passion and identifying the best paths to reaching my career goals.

Mentee in the Program



Code of Conduct

Our code of conduct applies to all employees and articulates our minimum standards for conducting business. The code is communicated to employees through online training and yearly certification, which provides examples of acceptable and non-acceptable practices. Employees also have access to an independent, anonymous hotline, for reporting violations, and compliance is overseen by a compliance committee.

The code provides guidance on standards required in the following areas:

- Compliance with laws and regulations
- Conflicts of Interest
- Company records and financial reporting
- Confidential information
- Electronic communications
- Working with customers, supplier and governments
- Competition laws and relationships with competitors
- Domestic and cross border trade
- Non-discrimination
- Health, safety and the environment
- Social responsibilities
- Political activity
- Insider trading and securities law compliance
- External communications
- Government and legal processes

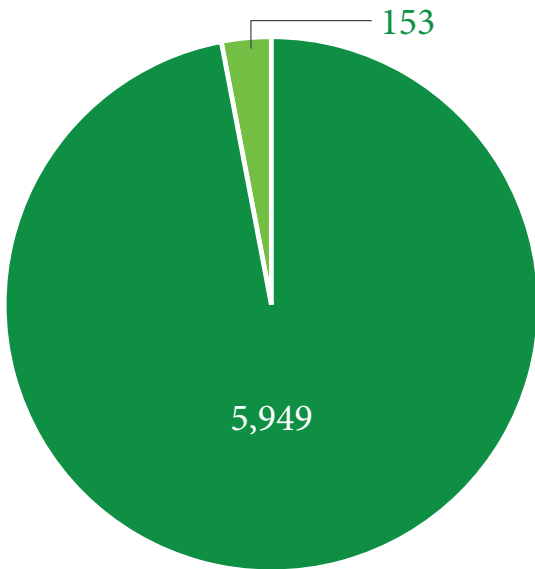
People Data

G4-10

Total number of permanent employees by employment contract, employment type, region & gender
 At the end of FY16, our total workforce was 6,102, comprising 5,949 employees and 153 supervised workers.

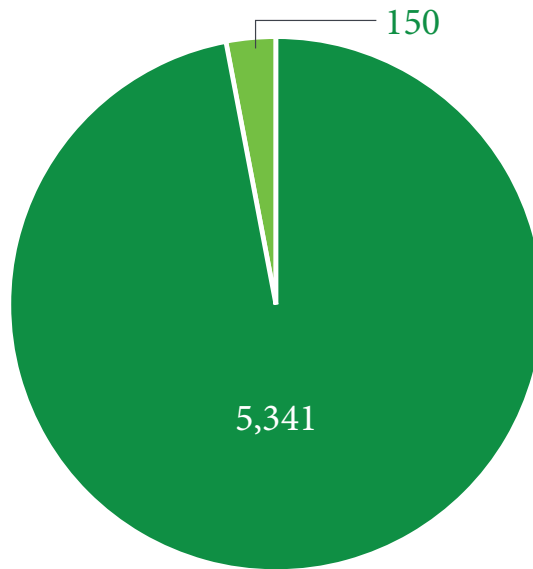
Total Workforce

● Employees ● Supervised Workers



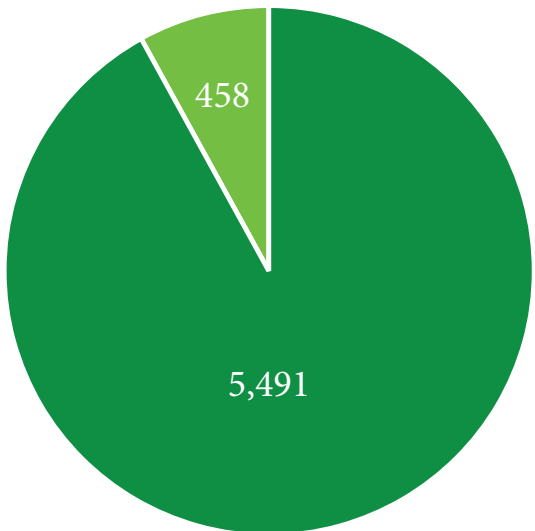
Employees by type of employment contract

● Full Time ● Part time



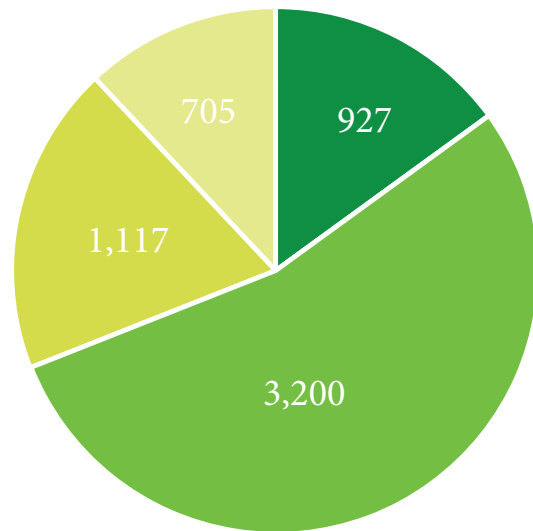
Permanent employees by employment type

● Permanent ● Temporary



Workforce by Region

● North America ● Europe, Middle East and Africa
 ● Latin America ● Asia Pacific

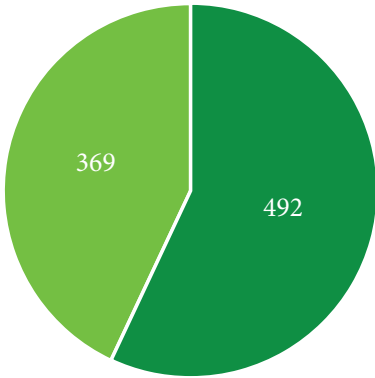


G4-LA1

Total number and rates of new employee hires and employee turnover by age group, gender and region. In FY16 861 external new employees joined the business, representing a hire rate of 14%. In FY16 1,267 employees left the company representing a turnover rate of 21%

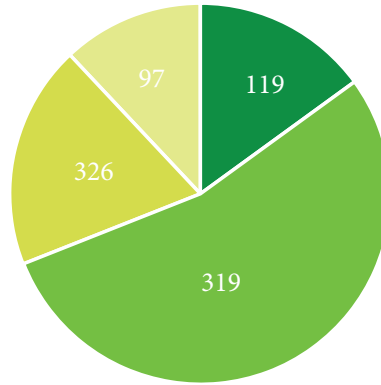
New hires by gender

● Male ● Female



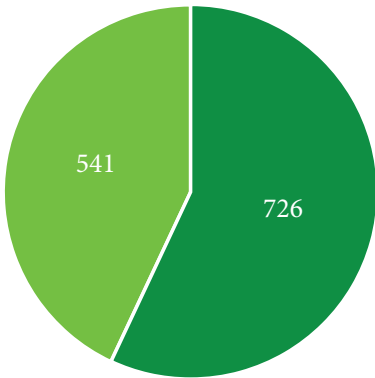
New Hires by Region

● North America ● Europe, Middle East and Africa ● Latin America ● Asia Pacific



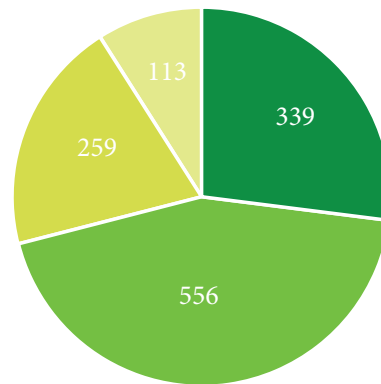
Employee Turnover by Gender

● Male ● Female



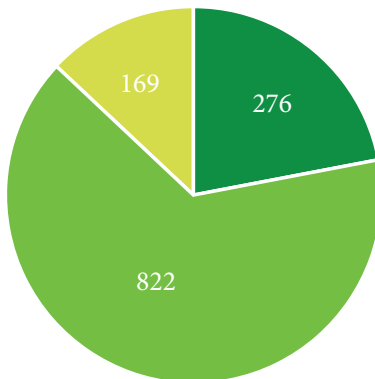
Employee Turnover by Region

● North America ● Europe, Middle East and Africa ● Latin America ● Asia Pacific



Employee Turnover by Age

● Under 30 ● 30 to 50 ● Over 50



G4-11

Percentage of total employees covered by collective bargaining agreements

In FY16 36% of employees were covered by collective bargaining agreements.

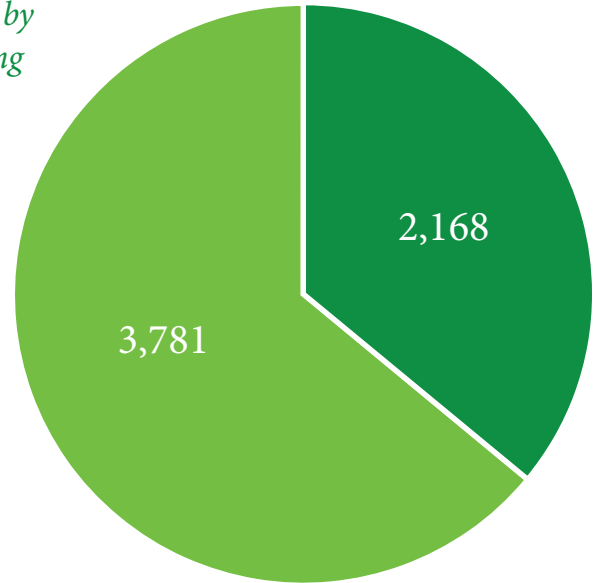
Employees Covered by Collective Bargaining Agreements:

Covered: 2,168

Not Covered: 3,781

Employees Covered by Collective Bargaining Agreements:

- Covered
- Not Covered

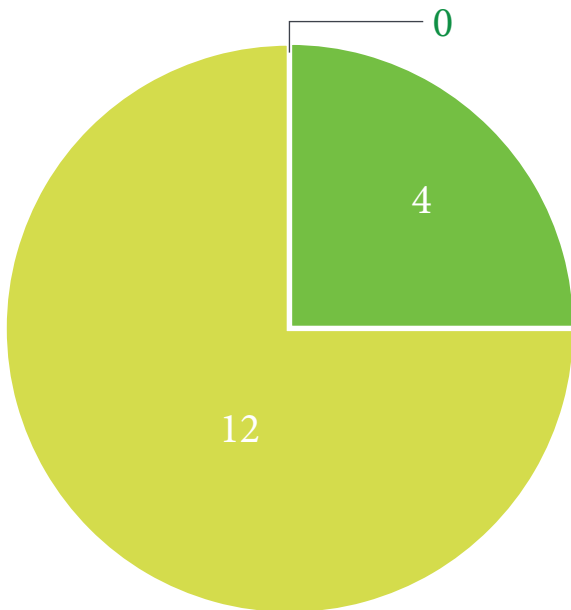


G4-LA12

Composition of governance and ethics bodies and breakdown of employees per employee category according to gender and age group.

Total Board Members

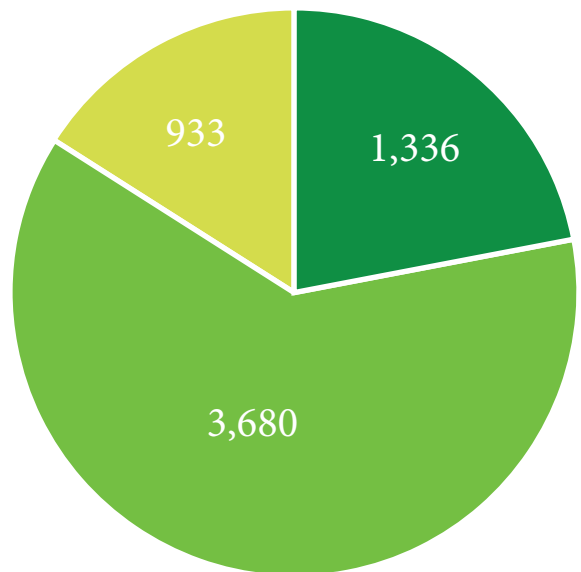
- Under 30
- 30 to 50
- Over 50



Male: 14 Female: 2

Total Employees

- Under 30
- 30 to 50
- Over 50



Male: 3,789 Female: 2,160

Safety

Safety First

The “Safety First” Health & Safety platform to build an accident-free culture, was launched to all our operations sites in FY15. It is a roadmap approach that will enable Bacardi to reach a higher maturity level in its safety culture and deliver an even better performance in the future.

Safety First builds on the success of our existing safety platform, B-Safe. It consists of three levels and to achieve each level the site must demonstrate all the standards within that level.

Level	Number of Standards
Bronze	37
Silver	53
Gold	39

This program, taking a 360-degree approach to safety, is designed to make people think about safety and act safely every day. Safety First is unique to Bacardi and is the perfect fit for our company culture and values. It was developed by an internal project team considering external best practice. It will continuously evolve as what proves successful in one site will become standard practice and rolled-out to all others.

Examples of safety standards:

Bronze – Accident boards at the entrance to all sites

Silver – Safety warnings on stairs to highlight step edge

Gold – Self Directed teams with health and safety champions

In FY16, Bronze level has been achieved across all sites and we are targeting Silver for FY18. Achievement levels at each site are determined through a combination of self-assessment and cross audits.



Safety

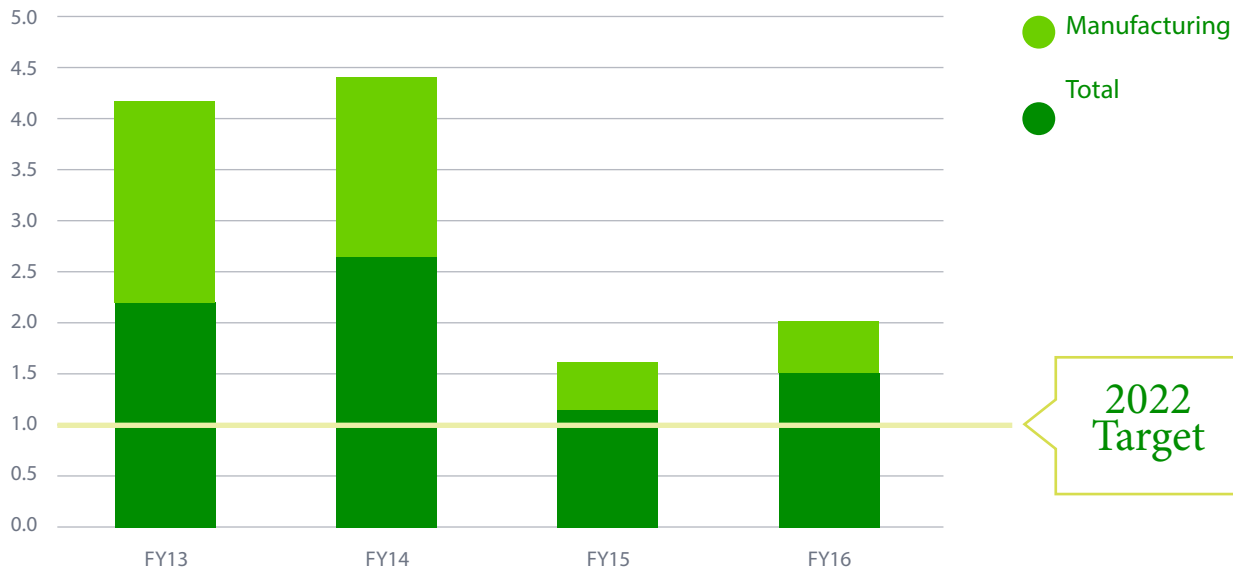
Safety Data

FY16 is the second best ever year in our company LTA (Lost Time Accident) rate both in our manufacturing sites and globally: in FY16 we consolidated our FY15 breakthrough performance.

We increased our total number of accident free sites to 19 of 30 total sites in FY16 (up from 14 in FY15).

	Number of LTAs			LTA Rate (per million of worked hours)	
	Manufacturing	Non- Manufacturing	Total	Manufacturing	Non- Manufacturing
FY13	22	6	28	4.2	2.2
FY14	22	9	31	4.4	2.6
FY15	8	6	14	1.6	1.1
FY16	10	9	19	2.0	1.5

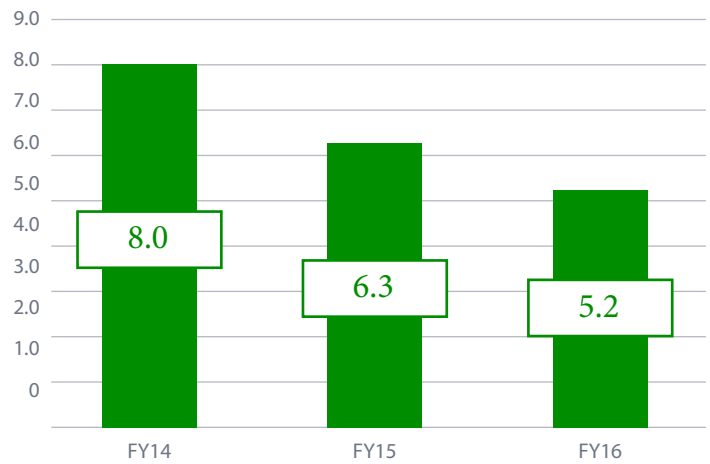
Bacardi LTA Rate: Per Million of Worked Hours



Three years ago we started to track and report consistently Total Recordable Incidents (TRI) in all our manufacturing sites. TRI includes all accidents, with and without lost time. We therefore believe it is a more comprehensive indicator. We intend that TRI will become our benchmark in the future as we believe it is more complete.

In FY16 we are publishing our first 3-year trend on TRI rate for our manufacturing sites. Over the last 3 years we have steadily decreased our Global Total Recordable Incident rate in our Manufacturing sites. In FY16 we improved by 17% vs FY15 - our best performance to date.

*Total Recordable Incident Rate (Manufacturing Sites)
Per Million of Worked Hours*



B-Safe Observations rate FY 16 = 711 observations performed per million of worked hours.

We are currently training all manufacturing employees in conducting B-Safe observations, and aim to complete this by end FY18. B-safe observations can cover a specific working area or task and require the observer to give feedback to the observee to enhance safety. The objective is to ensure unsafe practices are removed before accidents happen. Our aim for FY17 is to increase the number of B-Safe observations by 10% versus FY16.

We recorded no fatalities in FY16.

Targets and Progress

SAFETY TARGETS FOR FY16

Observations rate tracked monthly in all plants as our first leading health and safety performance indicator.

Our long-term target is an overall LTA rate of less than 1 per million of worked hours by 2022. Thanks to the significant improvement achieved in 2015, we are now anticipating we will reach this target by 2017.

Safety First program implementation in all plants up to bronze level. (Additional target subsequent to FY15 report publication)

PROGRESS IN FY16

B-Safe Observations rate tracked monthly in all plants as our first leading health and safety performance indicator, closing the year at 711 observations performed per million worked hours.

Overall company LTA rate: 1.5 per million of worked hours.

Safety First program – Bronze level achieved in all plants.

TARGETS FOR FY17

Improve overall B-Safe Observations rate by 10% versus FY16.

Overall LTA rate of less than 1 per million of worked hours by 2022.

Safety First program – Work towards achieving Silver priority standards in all plants as a step towards achieving all Silver standards by FY18.

Philanthropy & Community Investment at Bacardi Limited

Philanthropy & Community Investment (PCI) has been a foundation of Bacardi since the family arrived in Santiago de Cuba more than 150 years ago.

The tradition of responsibility -- providing local disaster relief assistance, building a new city library, or supporting charitable organizations -- continued with the inception of the company in 1862 and has remained to this day.

Our Approach

Bacardi is committed to the communities in which we live and work. We encourage employees to volunteer their time in programs and activities to support local organizations and we support the many worthwhile charities in our towns working to better our communities. Despite being rated as a relatively lower priority on our materiality matrix, engaging our employees in supporting local communities remains an important part of our overall CR approach as it benefits our communities and organization.

Our signature *Spirit for Life*, Caring Together initiative, our annual Corporate Responsibility Month, encourages all Bacardi operations to hold events important to their communities. Employees from around the world volunteered more than 9,000 hours in more than 30 countries in FY16.

Part of measuring our community investment is assessing the effect our charitable donations, both cash and in-kind, have on the organizations and communities we support. In FY16, due to an upgrade in our tracking systems and administrative reorganization, we have been unable to adequately record these numbers. We have reviewed the challenges faced and hope to begin a new process of measurement this fiscal year.

We support local community initiatives across a range of activities in four broad areas:

- Arts & Culture
- Education
- Environment
- Health & Social Services

Moving Forward

In FY17, we will also review our current CR Ambassador and CR Month strategy to ensure we are implementing a process that works on a local level, is guided through global standards, and makes a measurable impact in our communities. In addition, we will be redesigning our community investment tracking database to better accurately reflect our employee volunteer time, charitable contributions and in-kind donations.



Targets and Progress

PCI TARGETS FOR FY16

Through stakeholder research we will review and confirm four broad areas with external stakeholders.

New PCI Database and tracking system to be selected and put into place by the end of FY16.

Increase total number of employees actively participating in community activities and the total number of hours contributed by employees during Company work time.

PROGRESS IN FY16

Stakeholder research delayed until FY17.

Progress on this target was delayed due to company and department reorganization.

More than 3,000 Bacardi employees volunteered in 100 different activities in 36 countries, leading to over 9,600 volunteer hours. (Please note: This data is for FY16 and was reported in error in the FY15 report as FY15 data. Similarly, FY15 data was reported in the FY14 report. These errors happened due to a change in the reporting tool and have since been fixed.)

PCI TARGETS FOR FY17

Through internal engagement and external benchmarking, Bacardi to update PCI guidelines and donations policy for community outreach, and communicate new policy globally to all employees.

Launch internal database and tracking system to adequately track Company community investment, aligned with internal financial reporting systems. Identify and train community champions to manage and report on these activities within all markets. This system will support benchmark reporting from FY18 onwards.

Update CR Ambassador Program & CR Month tool-kit in order to engage more Company employees worldwide.

Corporate Responsibility (CR) Month – Spirit for Life, Caring Together



CR Month took place from May 1 to June 30, 2015. This annual corporate event is held across all Bacardi sites and offices and is an opportunity for employees to support projects in their local communities that are relevant to them. The company gives all employees at least one day to work on a community project, and encourages teams of people to work on projects together. CR Ambassadors in each region are provided with a toolkit that includes examples and ideas for encouraging local staff to take part in CR Month. Local sites have the freedom to choose projects relevant to their staff and communities. At a group level we encourage CR Ambassadors to promote projects linked to one of our five Corporate Responsibility pillars or four PCI areas.

Bermuda

25 Bacardi employees at our global headquarters in Bermuda volunteered at The Bermuda Aquarium Museum & Zoo where they cleaned up debris and helped move and plant foliage around the premises.

UK

80 employees took part in a day of team-based activities to support two charities:

- For the Trussell Trust, a National Food Bank Charity, activities included food and clothing collections, taking stock process, helping out at food banks and marketing advice.
- For St. Mungo's Broadway, supporting homeless people within the London borough, employees took part in a major fundraising activity that encourages homeless people to start up their own businesses through a fund administered by the charity. The event splits participants into teams who raise starting capital and then are given 24 hours to raise as much as possible.



Australia

70 employees across Australia took part in a Global Legacy Cocktail Competition Sweepstakes across the country to raise funds for a health charity.

Spain

Bacardi employees collected plastic and bottle caps to be recycled. The proceeds went to the local Multiple Sclerosis (MS) Foundation to help with research and to learn more about MS.

Switzerland

Geneva employees worked with Carrefour Rue to prepare and distribute a meal for over 200 homeless people. In addition, 125 employees of the Geneva office also cleaned local parks and collected food and supplies for a local food bank.

USA

30 Bacardi employees together with American Forests and Million Trees Miami got together to work on a planting project in Miami Gardens, Florida. The volunteers planted 20 oak trees to improve the trail canopy along the canal. Despite the Miami summer heat, the volunteers planted all the trees in record time! In addition, the BUSA offices contributed more than \$300,000 to charities in cash and in-kind donations. Some of the recipients included the Coral Gables Museum, the Miami City Ballet, Shake-A-Leg, and the National YoungArts Foundation.



Canada

65 Bacardi employees in Canada teamed up with the City of Brampton and other local businesses to try and help make Brampton “Green and Clean.” The Bacardi corporate cleanup took place at Norton Place Park. More than 97,671 resident volunteers took the time to organize and coordinate individual and group cleanups across the city. Because of their efforts - parks, trails, walkways and greenspaces everywhere, received the special care and attention they deserved.

China

Employees in China continued their support for Heart to Heart (H2H) Shanghai, a non-profit community outreach organization to support Chinese children from extremely poor families undergoing heart surgery. Over 250 employees were involved in one of the three initiatives: clothing, toy and book drive for children and families; volunteers to visit children and deliver donations; fundraising to buy books for a rural school library to help at least 1 child undergoing heart repair surgery.

India

53 employees took part in a blood donation campaign and donated 193 units of blood.



10th June 2015
Gurgaon

About this Report

This is the 9th 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.

Reporting Format

This year we have decided that our main Corporate Responsibility report will be online, and it is our intention to provide updated content during the year. We will however continue to make a .PDF version available including all the content published at the year end.

Data

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

Data on indirect 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 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 restatements 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.

Boundary

Bacardi Limited refers to the Bacardi group of companies, including Bacardi International Limited. 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 2016 Corporate Responsibility report. Please email us at corporateresponsibility@bacardi.com to send us your comments.

Thank you

GRI Content Index

Strategy & Analysis

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization, and the organization's strategy for addressing sustainability.	Welcome Letter

Organizational Profile

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-3	Name of the organization	Bacardi Limited
G4-4	Primary brands, products and services	Bacardi Limited brands
G4-5	Location of the organization's headquarters	Bermuda
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations, or that are specifically relevant to the sustainability topics covered in the report.	We operate 29 production facilities including bottling, distilling and manufacturing, located strategically in 15 countries, including Brazil, Canada, Chile, China, France, Germany, India, Italy, Mexico, Portugal, Puerto Rico, Switzerland, UK, Uruguay and USA. In addition, we have offices in another 25 countries.
G4-7	Nature of ownership and legal form.	Family-owned Bacardi Limited is the largest privately held spirits company in the world. Bacardi Limited is headquartered in Bermuda and incorporated under Bermudian law.
G4-8	Markets served	The corporate structures of Bacardi includes five geographical regions - North America, Europe, Middle East and Africa, Latin America and the Caribbean and Asia Pacific - and the global functions that support the Company.

Organizational Profile: Cont'd

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-9	Scale of the organization (including number of employees, total number of operations, net sales, total capitalization - debt & equity, quantity of products provided)	While we understand the importance of sharing financial information to assess a company's size and structure and for comparison of CR programs among others of a similar size, Bacardi is a private company and considers this confidential information. Our FY16 revenues were in excess of \$4B, but less than \$6B. While we have shared specific additional information in the past, moving forward our position is not to publish this information.
G4-10	Total number of permanent employees by employment contract, employment type, region & gender.	People data charts
G4-11	Percentage of total employees covered by collective bargaining agreements	People data charts
G4-12	Describe the organization's supply chain	Bacardi operates a network of plants on a global basis. The first element of the value chain is our supply base, which is carefully selected through a holistic process encompassing evaluation of capabilities, service, costs, innovation and corporate responsibility. Bacardi's Operations team is committed to making sure we have a robust vendor selection, validation and qualification process, followed with a strong vendor management and supply control methodology. Our processes and methodologies are centered on 4 key areas of focus: Labor Standards, Health & Safety, the Environment, and Business Ethics. We also rely on 3rd party support such as Sedex and SMETA audits. Bacardi invests significant amount of efforts in developing long-term strategic relationships with suppliers that enables strong partnerships yielding for the parties and the local communities.
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership or supply chain.	A comprehensive redesign of the Company's business model was implemented to better align all aspects of the Company's operations; improving the commercial, marketing and support function capabilities and providing overhead cost savings.
G4-14	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.

Organizational Profile: Cont'd

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses.	CR landing page and Responsible Sourcing Standards
G4-16	Memberships of associations and national or international advocacy organizations.	<p>CR landing page, Marketplace, Responsible Sourcing.</p> <p>In addition, Bacardi is also members of IARD, WFA, CEPS, spiritsEurope, DISCUS, FAAR, Sedex, Bonsucro, BIER, and various local trade associations and SAOs in the markets in which we operate.</p>

Identified material aspects and boundries

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-17	All entities included in the organization's consolidated financial statements or equivalent documents, and whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	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 more than 100 companies and sales offices that are wholly-owned.
G4-18	Process for defining the report content and the aspect boundries and how the organization has implemented the reporting principles for the defining report content.	Materiality and About this Report
G4-19	Identified material aspects	Materiality and GRI Aspects table
G4-20	For each material aspect, the aspect boundary within the organization.	Issues identified as material are relevant across the organization. No parts of the business are excluded unless otherwise stated.
G4-21	For each material aspect, the aspect boundary outside the organization.	Issues identified as material are relevant for our entire value chain, including suppliers, customers, partners and communities.
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Environment and PCI . Any restatements are noted in the relevant section.
G4-23	Significant changes from previous reporting periods in the scope and aspect boundries.	No significant changes

Stakeholder engagement

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-24	Stakeholder groups engaged by the organization.	Stakeholder Research
G4-25	Basis for identification and selection of stakeholders with whom to engage.	Materiality and Stakeholder Research
G4-26	Organization's approach to stakeholder engagement	Materiality
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded.	Materiality

Report profile

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-28	Reporting period	About this Report
G4-29	Date of most recent report	About this Report
G4-30	Reporting cycle	About this Report
G4-31	Contact point for questions regarding the report or its contents	About this Report and Contact
G4-32	Report the 'in accordance' option the organization has chosen, the GRI content index, reference to external assurance report.	This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report.	At the current time we do not seek assurance over our report, although this is something we will consider in future.

Governance

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-34	Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	The Bacardi Limited Board of Directors is the highest governance body within the organization and consists of 16 members. The BOD has established three principal committees covering Audit, Compensation, and Nominating & Governance (tasked with oversight of the Company's corporate governance).
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	CR Governance
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics and whether post holders report directly to the highest governance body.	CR Governance
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom, and any feedback processes to the highest governance body.	The Board of Directors receives updates at least once a year on Corporate Responsibility related issues, including feedback from stakeholder research and the employee engagement survey. If needed, the CEO and members of the Global Leadership Team will work with the SVP for External Affairs & Corporate Responsibility to develop action plans in response to the results.
G4-39	Whether the chair of the highest governance body is also an executive officer.	Bacardi Limited has adopted the practice of separate appointments of the Chairman of the Board and the CEO of the Company. The Chairman is non-executive.
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	Directors of the Board 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. There is a Board policy on the qualifications for nominations to the BOD 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 the nominees meet certain criteria and have the necessary education and experience.

Governance (Cont'd)

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed.	Conflicts of interest are handled at the Board level and at the Company level. Both must adhere to the Company's Code of Conduct, unless a nominated Board member conflict is waived by the Nominating and Governance Committee following full disclosure of potential conflicts. Our by-laws also provide a director must disclose any direct or indirect interest in any contract or arrangement with us. At the Company level, the Code of Conduct is monitored by the Compliance Committee which reports to the Audit Committee.
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, values or mission statements, strategies, policies and goals related to economic, environmental and social impacts.	The Board of Directors is entrusted with directing and conducting the business, including determining the Company's strategic direction. The Board receives a report on the Corporate Responsibility program once a year, as well as ad hoc updates from the CEO and Global Leadership Team.
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	Self-assessments are conducted for the Board and its committees on a regular basis.
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities and whether stakeholder consultation was used.	Once a year the Board receives a report on our CR program, which covers all initiatives in this area. The Board has appointed a Compliance Committee which has, among other things, the responsibility of overseeing and implementing the Code of Conduct.
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Once a year the Board receives a report on our CR program, which covers all initiatives in this area. The Board has appointed a Compliance Committee which has, among other things, the responsibility of overseeing and implementing the Code of Conduct.

Ethics and integrity

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Code of Conduct
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Bacardi has since 2006, made available to all of its employees a Whistleblower Hotline and to ensure its confidentiality and impartiality, instructed a third party organisation to operate the hotline on their behalf. The hotline operates 24/7/365, is specific to Bacardi employees and currently operates in 49 countries with a dedicated telephone number for each country. The hotline is one of many channels available to Bacardi employees to report any perceived unethical behaviour occurring within Bacardi. It offers employees the opportunity of reporting anonymously if they do not wish to report to any internal channels. They can do so by telephone or file a report via the dedicated web portal. Employees can call or report via the web portal in their chosen language. Any reports made are immediately delivered confidentially to our Global Compliance Team who will then manage any necessary investigation to its conclusion.

Economic performance

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Responsible Sourcing

Environment

Materials

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Responsible Sourcing and Environment
G4-EN2	Percentage of materials used that are recycled input materials.	Our main contributor is glass, where cullet from recycled glass is between 20 - 50% depending on color and country.

Environment

Energy

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Environment
G4-EN3	Energy consumption within the organization.	Energy Data
G4-EN5	Energy intensity	Environment

Water

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Environment and Water Data
G4-EN8	Total water withdrawal by source.	Water Data

Biodiversity

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Our current strategy is based on identifying the local biodiversity where we operate, and understanding the potential impact of our activities. Measures are taken to minimize the impact, and initiatives are implemented in support of protecting the eco-systems and the biodiversity within, including partnerships with local communities and organizations. Internal and external awareness is also part of this effort. Some current activities include: Protecting Native species (Laverstoke; India; Puerto Rico; Nairn, Poniel); Protecting/enhancing local eco-systems (Puerto Rico, Meyrin); Pollinator gardens (Jacksonville; Canada); Bats (Laverstoke); Fish (Laverstoke).

Environment (Cont'd)

Biodiversity

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	<p>15 sites near areas of notable biodiversity, some of which are internationally recognized:</p> <ul style="list-style-type: none"> o Laverstoke (England) River Test (SSSI 1006638) adjacent o Aberfeldy (Scotland) River Tay (SAC UK 0030312) near: approx. 0.2km away o Deveron (Scotland) Buchanan Ness Coast (SPA UK 9002491) near: approx. 3.6km away o Aberlour (Scotland) River Spay (SSSI UK 0019811) adjacent o Nairn/Royal Brackla (Scotland) Kildrummie Kamex (SSSI 845) near: approx. 2km away o Poniel (Scotland) Coalburn Moss (SSSI UK 0019760) approx. near: 2.5km away o Gensac (France) inside: Natura 2000 protected area o Meyrin (Switzerland) Mategnin - mountain area reserve naturelle – near: Approx. 4-5km away
G4-EN14	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	<p>Poniel European Eel – critically endangered Gensac Daisy – protected status</p>

Environment (Cont'd)

Emissions

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Environment
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	Emissions Data
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Emissions Data
G4-EN18	GHG emissions intensity	Emissions Data
G4-EN21	Nox, Sox, and other significant air emissions.	Emissions Data

Effluents and waste

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Environment
G4-EN23	Total weight of waste by type and disposal method.	Waste Management Data
G4-EN24	Total number and volume of significant spills.	Bacardi employs a rigorous system for reporting spills and releases. In FY16, no significant spills were reported. Our sites reported a total of 14 minor environmental releases that did not result in environmental harm.

Compliance

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Bacardi had no significant fines for environmental non-compliance at any of our global operations during FY16.

Supplier environmental assessment

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Responsible Sourcing
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	100% of new suppliers completed the VQP, which includes a screening for environmental criteria.

Environment (Cont'd)

Environmental grievance mechanisms

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	No environmental grievances were filed.

Social

Employment

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	People
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	People Data

Occupational health and safety

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Safety
G4-LA6	Type of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and gender.	Safety Data

Training and education

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	People

Diversity and equal opportunity

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	People
G4-LA12	Composition of governance and ethics bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	People Data Bacardi's BOD is composed of 16 members, 2 of which are women. Of the 16, 4 are between the ages of 30-50, with 12 over 50.

Social (Cont'd)

Supplier assessment for labour practices

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Responsible Sourcing
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria.	100% of new suppliers completed the VQP, which includes a screening for labor practices.

Human Rights

Non-discrimination

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	People Responsible Sourcing Code of Conduct

Freedom of association and collective bargaining

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Responsible Sourcing

Child labor

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Responsible Sourcing

Forced or compulsory labor

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Responsible Sourcing

Social (Cont'd)

Supplier human rights assessment

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Responsible Sourcing
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	100% of new suppliers completed the VQP, which includes a screening for human rights.

Society

Local communities

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Philanthropy and Community Investment

Anti-corruption

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Code of Conduct
G4-SO4	Communication and training on anti-corruption policies and procedures.	Code of Conduct

Product and service labelling

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-PR3	Why the aspect is material.	Responsible Sourcing

Forced or compulsory labor

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Type of product and service information required by the organization's procedures for product and service information and labeling.	As part of our commitment to responsible marketing and the Global Beer, Wine and Spirits Producers' Commitments we have committed to reviewing all our products to ensure they will carry at least one responsible drinking symbol and a responsibility website by the end of 2017. In addition, we follow all labeling requirements as governed by law.

Social (Cont'd)

Marketing communications

INDICATOR	DESCRIPTION	LINKS & NOTES
G4-DMA	Why the aspect is material.	Markeplace
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	We ensured 100% compliance with marketing codes.