

CORPORATE SOCIAL RESPONSIBILITY (CSR)



RÉMY COINTREAU

EXTRACT FROM THE REGISTRATION DOCUMENT
2016 / 2017

CORPORATE SOCIAL RESPONSIBILITY (CSR)

| | | | |
|--|-----------|--|-----------|
| Introduction: Chairman's Commitment | 2 | 2.4 Societal information | 27 |
| 2.1 The Group's policy and commitments | 3 | 2.4.1 Societal impact of Rémy Cointreau | 27 |
| 2.1.1 2016-2020 CSR Plan: new ambitions for the Group | 3 | 2.4.2 Suppliers: sharing responsibility requirements | 28 |
| 2.1.2 A CSR policy in action | 5 | 2.4.3 Ethics of Rémy Cointreau practices | 29 |
| 2.2 Employee-related information | 7 | 2.4.4 Maintaining responsible relationships with clients | 30 |
| 2.2.1 Human resources policy | 7 | 2.5 Table of environmental indicators by site | 32 |
| 2.2.2 Changes in the workforce | 7 | 2.6 2020 targets | 35 |
| 2.2.3 Organisation of working hours | 9 | 2.7 Note on methodology for reporting environmental and employee-related indicators | 36 |
| 2.2.4 Remuneration | 9 | 2.7.1 Reporting protocol | 36 |
| 2.2.5 Social security and welfare | 9 | 2.7.2 Scope | 36 |
| 2.2.6 A training policy that targets excellence | 9 | 2.7.3 Selected indicators | 37 |
| 2.2.7 Career support and developing talent | 10 | 2.7.4 Relevance of indicators | 38 |
| 2.2.8 Smooth social dialogue to foster the integration and well-being of employees | 10 | 2.8 Cross-reference tables | 39 |
| 2.2.9 Making diversity an opportunity | 10 | 2.9 Independent verifier's report on consolidated social, environmental and societal information presented in the management report | 43 |
| 2.2.10 Equal treatment | 11 | Extract from the Report of the Chairman of the Board of Directors | 46 |
| 2.2.11 Health and safety | 11 | | |
| 2.3 Environmental information | 13 | | |
| 2.3.1 Winemaking at the heart of an increasingly environmentally-friendly policy | 13 | | |
| 2.3.2 Terroir and regions: anchorage, challenges and protection | 14 | | |
| 2.3.3 Making employees into environmental ambassadors | 16 | | |
| 2.3.4 The Group's quantitative efforts in environmental protection | 16 | | |

INTRODUCTION: CHAIRMAN'S COMMITMENT

(GRI indicator: G4-1)

Rémy Cointreau's new signature, "Terroirs, people and time", unequivocally conveys the values that have defined the Group since its creation. By invoking these three fundamental pillars, it echoes our CSR ambitions, which in turn are aligned with the Sustainable Development Goals (SDGs) set by the United Nations.

These provide an effective framework for corporate governance commensurate with Rémy Cointreau's requirements. By performing a materiality analysis, we were able to create a priority matrix for selecting SDGs on the basis of their impact on the Group's growth, sustainability and value creation, mirroring our stakeholders' expectations. Of the 17 UN Sustainable Development Goals, Rémy Cointreau has selected ten, mainly linked to sustainable agriculture, climate change and human rights.

For nearly 15 years, Rémy Cointreau has undertaken on a daily basis to uphold and promote the ten principles of the Global Compact, which it joined in 2003. The 2016/2017 financial year once again saw the Group receive the GC Advanced qualification for its annual CSR report – the highest level of distinction under the Global Compact and a testament to the strength of the Group's commitments. Rémy Cointreau also took over the presidency this year of the GC Advanced France club, which shares CSR best practice with other members on issues such as climate change and biodiversity.

Our CSR report covers 23 companies which disclose their employment, environmental and societal data in accordance with Decree No. 2012-557 and Article 225 of France's "Grenelle II" Act of 12 July 2010. The report is audited by a third party. The indicators it contains also refer to the G4 Guidelines of the GRI (Global Reporting Initiative).

Mindful of the environmental impact of its activities, Rémy Cointreau measures its carbon emissions in considerable detail. A listed company, the Group meets the requirements of Article 173-IV-A of the French law on energy transition and green growth. As a result, scope 3 of the carbon footprint assessment now covers 90% of the business.

The Group's CSR policy could not be implemented without the strict observance of ethical principles which underscore its credibility and consistency and ensure that it attains its targets. With this in mind, Rémy Cointreau has joined the Supplier Ethical Data Exchange

(SEDEX), an international organisation set up to foster responsible and ethical business practices in global supply chains.

We are especially keen to involve all our employees so that the CSR policy can be a cornerstone of our corporate culture. Our employees were involved in priority actions during the first year of the CSR 2020 plan. These included our scope 3 carbon footprint assessment, the utilisation of energy performance diagnostics, environmentally responsible packaging design and product transportation. To support the Group's objectives, an international volunteer position was created in Barbados, thereby reinforcing employee involvement worldwide.

In terms of governance from 2017 onwards, the Group's senior executives will see part of their variable remuneration linked to CSR targets, in line with the ten SDGs selected. The CSR Committee, recently set up within the Board of Directors, will ensure compliance with these commitments.

Rémy Cointreau applies ISO standards to ensure quality, food safety and respect for consumers and their health. This year, Bruichladdich was awarded ISO 9001 certification, while E. Rémy Martin and Cointreau renewed their ISO 9001, ISO 14001 and ISO 22000 certifications. Mount Gay also holds ISO 9001 quality certification. Domaines Rémy Martin renewed their level 3 environmentally responsible farming (AHVE) certification, attesting to the Group's environmental commitments. Lastly, to better communicate its values to its stakeholders, the Group has designed a website showcasing its new corporate identity. Relunched this year, remy-cointreau.com provides extensive information about our CSR activities.

While Rémy Cointreau has always been committed to corporate social responsibility, the current international context has only served to confirm – and strengthen – its resolve. More than ever, our CSR policy is at the heart of our strategic ambition. It must fully contribute to the creation of value for the Group, while continuing to support the Group's annual commitment under the Global Compact.

François Hériard Dubreuil
Chairman of the Board of Directors

2.1 THE GROUP'S POLICY AND COMMITMENTS

2.1.1 2016-2020 CSR PLAN: NEW AMBITIONS FOR THE GROUP

To understand the secret of Rémy Cointreau's excellence, you need to look at what generates it. The quality of its products, of course, and also the values anchored in the Group's DNA. The first year of the 2020 CSR plan has just ended with new objectives, in line with those of the COP21. International events over the past few years have served only to strengthen Rémy Cointreau's resolve, the Company having already been very committed to Corporate Social Responsibility.

In 2015, the 21st Conference of the Parties reached an agreement setting a limit on temperature increases of less than 2°C by 2100. In reality, the maximum effort must be made to prevent temperatures from increasing by over 1.5°C. These objectives are those fixed by Rémy Cointreau for 2020. The Group has integrated the reduction in carbon emissions in its CSR plan. The initial priorities have already been defined, and include winemaking practices, energy efficiency, the eco-design of packaging and the optimisation of product transportation.

Rémy Cointreau's strategy naturally incorporates concern for sustainable development: one of the reasons that LOUIS XIII is exceptional is that it needs to be planned one century ahead.

The Group's CSR policy aims to be inclusive, and can be summarised as: *To do things right, do the right thing*. For this reason, Rémy Cointreau has decided to express the values that have shaped it since its origins with greater force and individuality through its new signature "Terroir, people and time", defining the three cornerstones that support its base. They echo the new CSR objectives, modelled on the United Nations Sustainable Development Goals (SDG). Also called "Global Goals", they are a call to end poverty, protect the planet, and ensure prosperity and "peace for all.

These 17 goals characterise Rémy Cointreau's focus. They reflect its CSR ambitions, by including issues such as climate change and sustainable agriculture.

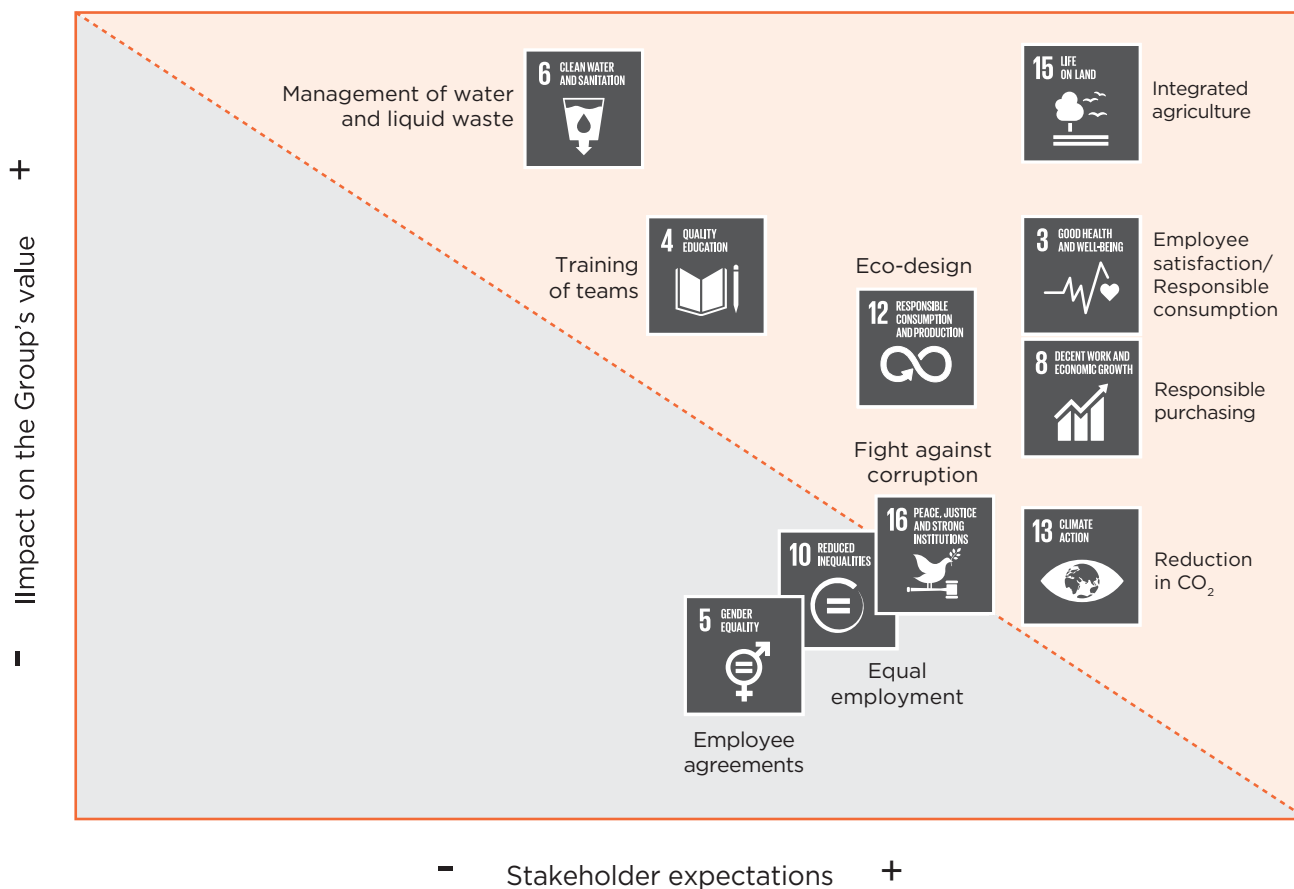
As a true corporate governance tool and in line with Rémy Cointreau's required standards, a materiality analysis was carried out. This year, it aims to set priority objectives and identify those that will have a significant impact on the Group's growth, sustainability and value creation, whilst taking the demands of all stakeholders into account.

Out of the 17 SDGs, Rémy Cointreau has selected 10:

| | | Rémy Cointreau's objective | Scope | Shares |
|--------|--|--|---------------|--|
| SDG 3 | Ensure healthy lives and promote well-being for all at all ages/well-being at work | Employee satisfaction | World | Employee satisfaction surveys |
| | | Responsible consumption | World | "Responsible consumption" awareness-raising actions |
| SDG 4 | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | Training/Learning | World | Training plans |
| SDG 5 | Achieve gender equality | Equality between men and women | World | Company agreements |
| SDG 6 | Ensure availability and sustainable management of water | Preserve the water resource in areas of water stress | World | Reduction in water consumption |
| SDG 8 | Decent work and economic growth/Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | Responsible purchasing | World | CSR assessment of suppliers (validation of scope: suppliers by sales, strategic suppliers, AFC winemakers, etc.) |
| SDG 10 | Reduce inequality within and among countries | Non-discrimination | World | Equality for employees internationally |
| SDG 12 | Ensure sustainable consumption and production patterns | Sustainable production models/ circular economy | World | Eco-design of products |
| SDG 13 | Take action to combat climate change and its impacts | Be an actor in the fight against climate change | USA Europe | Reduction in CO ₂ emissions Transportation of finished products |
| SDG 15 | Sustainable land use/Protect, restore and promote sustainable use of terrestrial ecosystems/Sustainably manage forests/Preserve biodiversity | Deploy sustainable agriculture | World | Environmental commitments by producers |
| SDG 16 | Peace and justice: build effective and accountable institutions | Fight against corruption | World | Respect for the code of ethics |

2 CORPORATE SOCIAL RESPONSIBILITY (CSR) The Group's policy and commitments

MATERIALITY MATRIX



This matrix constitutes the basis for the Group's new CSR Charter, to support it in continuing its efforts towards excellence.

This begins by respect and dignity for every person on the planet in both their personal and professional lives, which is at the heart of the Group's social policy, guided by respect for Human Rights and Employment law.

With its local partners, Rémy Cointreau constantly strives to protect and develop the regions in which it operates, as it is convinced that companies must participate in development whilst respecting shared values. These values reflect a sincere ethics approach by the Group to build trusting relationships with stakeholders.

Aware of the increasingly demanding expectations of both society and the public authorities, Rémy Cointreau is also committed on a societal level as regards the impact of its advertising and its consequences on alcohol consumption. The Group uses

responsible communication that it shares with its employees and final clients.

The aim of the 2020 CSR plan is to transform CSR into a true federating project, involving all, in order to strengthen internal and external cohesion. The main challenges covered by the CSR plan have been set out in line with this desire to involve the whole company and make the Group's employees into ambassadors of its CSR policy.

In terms of governance, from 2017/2018, part of the variable remuneration for the Group's executive managers will be indexed on CSR objectives, in line with the main selected SDGs (GRI Indicator: G4-51). Each Executive Committee member will become an ambassador for a CSR indicator and its improvement for all Group employees worldwide. The CSR commission, recently created within the Board of Directors, will monitor compliance with these commitments.

A VERY ADVANCED REPORTING POLICY

The requirement for responsible business comes as second nature to Rémy Cointreau with its strong ties with its terroirs and its international presence. The Group joined the Global Compact 14 years ago; as a member of the GC Advanced working group, every year it submits a communication on progress made regarding the measures implemented within the context of its policy.

In the continuation of its ratification and application of the Global Compact, since 2003, Rémy Cointreau has kept its undertaking to be an ambassador for the best practices of this worldwide commitment to human rights, labour standards, the environment and the fight against corruption.

As a member over several years of the "Global Compact France" association, Rémy Cointreau is committed to respecting and sharing the ten principles of the Compact with its employees and partners. The concept of Corporate Social Responsibility (CSR) is promoted within the Company, as well as externally, with clients, partners, suppliers and all other stakeholders.

In June 2016, Rémy Cointreau renewed its GC Advanced Qualification for its annual CSR reporting. This is the highest level of differentiation for the Global Compact and demonstrates the strength of the Group's CSR commitment. For 2016/2017, this qualification was awarded by a jury comprising an external expert and Global Compact member companies.

Fully involved in CSR issues, Rémy Cointreau is also a member of the GC Advanced club, of which it assured the chairmanship this year. It aims to share best CSR practices with the other members, on transversal themes: the challenges of climate change and biodiversity, the fight against corruption and changes to the CSR normative framework. Rémy Cointreau endeavours to be a model in all these issues.

As it is convinced that regulatory requirements are not a constraint but an opportunity, Rémy Cointreau has extended the scope of its CSR reporting in application of Article 225 of the French Grenelle II law of 12 July 2010. This reporting is verified by an independent external expert, certifying the inclusion of the required employee-related, environmental and societal information. This year, the environmental audit was extended to the Barbados site and the Domaines Rémy Martin (GRI Indicator: G4-33).

23 companies within Rémy Cointreau's scope now report all or part of their employee-related and environmental information according to the specifications described in the section entitled "Note on methodology". The indicators associated with the information are calculated in accordance with Rémy Cointreau's reporting protocol, which can be obtained on request from the Group's CSR Director and is summarised in the section entitled "Note on methodology". This protocol, which is updated on a yearly basis, is validated by external auditors.

The Group now handles all CSR data using *ad hoc* reporting software that allows for faster and more efficient data processing. Thus, the Group's sites are better informed and more aware. The indicators are linked to GRI benchmarks (Global Reporting Initiative – version G4).

Rémy Cointreau also continues to base its strategy on international ISO standards, which guarantee standards relating to quality, safety and respect for consumers and their health. Aligned with the ISO 26000 standard, Rémy Cointreau's CSR policy aims to comply with best practice in human rights, labour standards, the environment and the fight against corruption.

Rémy Cointreau aims to carry out an ISO 26000 assessment for the whole Group by the end of the 2020 plan. In the meantime, Mount Gay is ISO 9001 Quality certified, while Cointreau and E. Rémy Martin are both Quality, Environment and Food Safety certified (ISO 9001, ISO 14001 and ISO 22001).

This year, these certifications were renewed and extended in view of the 2020 CSR plan. For the first time, Bruichladdich was ISO 9001 certified and hopes to obtain the 14001 and 22001 certifications in 2018. The company E. Rémy Martin renewed its ISO 9001, ISO 14001 and ISO 22001 certifications, with as strengths the commitment and involvement of its teams, its responsible purchasing and the reduction in carbon emissions in line with the energy consumption reduction programme. For the company Cointreau, the following strengths were highlighted: staff involvement thanks to the Energy working group, the reduction in noise pollution and the supplier assessment enabled the ISO 9001, ISO 14001, ISO 22001 and OHSAS 18001 certifications to be renewed. To better meet the changes required by ISO 14001 and ISO 9001, discussion groups were constituted for the Cognac and Angers sites to strengthen the link between their environmental policy and the Group's CSR policy. Process managers were trained within the Group's different sites.

The renewal of the "high environmental value farming" level-3 certification for Domaines Rémy Martin also attests to the Group's environmental commitment.

Ethics and fair trade practices are also at the heart of Rémy Cointreau's values. The Group is a member of the European Union's Transparency Register in order to respect the transparency required for all of its European lobbying actions.

Aware of the social impact of all its businesses, the Group continues to raise awareness of responsible consumption with all stakeholders.

2.1.2 A CSR POLICY IN ACTION

Consistency and high standards are the key elements of an attractive, harmonious CSR policy. Rémy Cointreau understands this and endeavours to act in this direction, to efficiently achieve its goals. It was with this philosophy that the Group's new signature "Terroir, people and time" was designed.

Each of Rémy Cointreau's products is associated with a unique local environment. Men and women work the land to achieve the best possible products from it. And the full value of this work is only realised many years later. This bond, which connects our clients to the terroirs through these people, represents the total authenticity and nobility of Rémy Cointreau's exceptional mission.

To better communicate its values, the Group has created a new website remy-cointreau.com, showcasing its new corporate identity. The new corporate website – launched on 15 December 2016 in French and English – immerses users into Rémy Cointreau's universe. Included in the six sections, the CSR section invites users to find out more about its philosophy in human resources, the environment and societal impact. This new internet site echoes the – ongoing – renovation of the Group's intranet site, for which one of the challenges is to increase employee awareness about the Group's CSR policy.

Aware of the impact of its activities, Rémy Cointreau measures the reduction of its carbon emissions and monitors its environmental indicators. As a listed company, the Group meets the requirements of Article 173-IV-A of the French law on energy transition and green growth. For this reason, the scope 3 of the Carbon footprint has now been extended to 90% of Rémy Cointreau's businesses.

Rémy Cointreau's CSR Charter and code of ethics are disseminated internationally. To support the Group's objectives, an international volunteer position was created in Barbados, to reinforce employee involvement in the CSR policy on the Group's international sites.

INVOLVEMENT OF INTERNAL EMPLOYEES AND EXTERNAL STAKEHOLDERS

Rémy Cointreau has made its CSR policy one of the cornerstones of its corporate culture and encourages its employees to be ambassadors for this policy. New employees receive a detailed overview of the Group's CSR policy and actions as soon as they start the induction process, in order to better incorporate the Company's objectives into their role.

They are made aware of the progress made by Group sites, thanks notably to two working groups at the Cognac and Angers sites. Employees were involved in the priorities of the first year of the 2020 CSR plan: energy, transport, eco-design and the scope 3 carbon footprint assessment. They were involved in the use of energy performance diagnostics, and the improvements to the impact of raw materials used within the Group – such as glass and cardboard – as well as product transportation.

The Global Conference that took place in Cognac in June 2016, bringing together the entire Rémy Cointreau management team, specifically provided for a CSR workshop to raise the awareness of Group managers. Similarly, the new goals were relayed to all the Management Committees of the different Group companies to obtain their buy-in to the project.

Ethics are fundamental for the CSR policy. They reinforce its credibility and consistency and ensure the effectiveness of target

achievement: Last year, Rémy Cointreau joined SEDEX (Supplier Ethical Data Exchange), an international organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains. SEDEX is a collaborative platform through which ethical data is shared. This innovative and effective solution enables responsible supply chain management while minimising risk. It is also a way of involving suppliers in the Group's policy. The long-term goal is that all suppliers sign up to SEDEX, with an initial target of 90% of suppliers becoming members of SEDEX by 2018.

Lastly, the Rémy Cointreau Foundation was created in March 2017. Its mission is to “support public interest initiatives in France and abroad to promote and transmit excellence and know-how. It will also act to promote terroirs with their cultural, environmental and human expression”. It has been granted an initial five-year budget of one million euros.

During its presentation to the Shareholders' Meeting of July 2016, CSR was defined as one of the Group's six strategic priorities. A CSR commission was created within the Board of Directors. The first meeting of this commission was organised in November 2016 to present the 2020 CSR plan, and to approve the CSR initiatives on responsible international consumption and the goals of the new Rémy Cointreau Foundation (GRI Indicators: G4-34/G4-48).

A CONSISTENT HUMAN RESOURCES POLICY

Rémy Cointreau Group's culture focuses on three fundamental cornerstones – terroirs, time and people. These fundamentals guide its human resources policy and all of its action plans.

In all areas in which it operates, the Group strives to comply at all times with local labour legislation and to promote the provisions of the fundamental conventions of the International Labour Organization, including upholding freedom of association and the right to collective bargaining, eliminating discrimination and forced labour and abolishing child labour.

Rémy Cointreau applies the principle of excellence to its international human resources policy. The will to enhance the Group's knowledge rests on its ability to draft a policy that covers both the entire Group and each individual employee. Its aim is to foster the personal and professional development of our employees, wherever they are located, and whatever job they do, notably through ongoing training. A company that is growing offers opportunities to identify employees with potential and to adopt more inclusive forms of traineeships. At the same time, we pay particular attention to maintaining a positive and productive working environment.

2.2 EMPLOYEE-RELATED INFORMATION

The employee-related reporting scope covers all subsidiaries of the Rémy Cointreau Group. Only the production sites of Angers, Cognac, Barbados and Progressive Hebridean Distillers in Islay (formerly Bruichladdich) have included indicators connected with absenteeism and workplace accidents in their CSR reporting scope. The indicator for the number of occupational illnesses recognised only covers the Cognac, Angers and Paris sites. Rémy Cointreau is gradually extending the reporting system to all its subsidiaries for other indicators relating notably to staff training and movements (please see the note on methodology for more details of the reporting scope for each indicator).

2.2.1 HUMAN RESOURCES POLICY

During the 2016/2017 financial year, the Group pursued its actions in the area of employees' professional development, diversity and strengthening the sense of belonging within the Group. Lastly, in France, true to the historical choices it has made, Rémy Cointreau has pursued practices favouring collective agreements in all areas of negotiation.

LISTENING TO EMPLOYEES AND IMPROVING COMMITMENT LEVELS

Last year, Rémy Cointreau launched a worldwide satisfaction survey to measure its employees' commitment. 85% of the Group's employees responded to the survey; its results were presented at each site, together with action plans to improve satisfaction levels. This type of survey will be conducted every two years to measure progress.

ENCOURAGING EMPLOYEE DEVELOPMENT

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

In particular, a process to identify key positions, shared by the Executive Committee, ensures that the Group can draw on the skills necessary for its development and/or guide human resources decisions in order to guarantee the Company's ability to operate in the long term.

FOSTERING THE GROUP'S MULTICULTURAL IDENTITY AND PROMOTING DIVERSITY

As a result of the Group's activity being heavily favoured towards exports, 61.9% of its workforce is located outside France as at 31 March 2017. The Group believes that its multicultural dimension represents a significant asset in its international development. Training is focused on sharing experiences in all countries where the Group operates. International mobility, both on a professional and geographic level, contributes to spreading the Group's values extensively throughout its organisation. The Group's commitment to diversity is also demonstrated by its willingness to favour building teams that include men and women of different ages, and with different training backgrounds and professional experience.

STRENGTHENING A SENSE OF BELONGING

Enriched by this diversity, the Rémy Cointreau Group also seeks to foster a feeling of belonging to a community driven by a shared vision, united around shared values and working towards achieving shared objectives. In addition to this communication, Rémy Cointreau offers ambitious international training programmes aimed at sharing with the marketing, sales and financial teams the principles, policies and practices the Group implements for its brands in every country.

MAINTAINING AN AMBITIOUS SOCIAL DIALOGUE

The 2016/2017 financial year was marked, once again, by the signing of collective agreements that underlined a willingness, shared by trade unions and employee representatives, to favour dialogue and consultation.

In France, wage policy has been defined within the framework of collective agreements. This once again highlighted the maturity of the Group's social partners.

With the increasing use of dematerialised systems, a charter of best practice for digital tools and the right to disconnect was drafted and published in 2017. It provides advice and recommendations on the use of emails and promotes, where possible, direct human contact.

2.2.2 CHANGES IN THE WORKFORCE

THE GROUP'S WORKFORCE

At 31 March 2017, the Group's total workforce stood at 1,794 employees on permanent and fixed-term contracts.

Including the acquisitions of the Domaine des Hautes Glaces (2 employees) and Westland (14 employees) distilleries, the total Group workforce reached 1,810 employees.

The Group recruited 293 people, mainly in the sales teams (20.8%), production roles (10.6%), finance (13%) and marketing (19.1%). 56% of the recruitment was for permanent contracts.

At the same time and within the same scope, there were 258 departures, of which 43.8% were resignations, 10.1% were mutually agreed and 18.6% were as a result of fixed-term contracts coming to an end. Redundancies on personal grounds accounted for 11.2% of departures.

WORKFORCE BY GEOGRAPHIC AREA (GRI INDICATOR G4-LA1)

| | March 2017 | % | March 2016 | % | March 2015 | % |
|----------------------------------|--------------|------------|--------------|------------|--------------|------------|
| France ⁽¹⁾ | 683 | 38.1 | 690 | 39.2 | 705 | 39 |
| Europe (outside France) – Africa | 363 | 20.2 | 353 | 20 | 332 | 18.4 |
| Americas ⁽²⁾ | 354 | 19.7 | 342 | 19.4 | 342 | 18.9 |
| Asia | 394 | 22 | 377 | 21.4 | 429 | 23.7 |
| TOTAL | 1,794 | 100 | 1,762 | 100 | 1,808 | 100 |

(1) Excluding Domaine des Hautes Glaces (2 employees).

(2) Excluding Westland (14 employees).

WORKFORCE BY DIVISION (GRI INDICATOR G4-LA1)

| | March 2017 | % | March 2016 | % | March 2015 | % |
|--------------|--------------|------------|--------------|------------|--------------|------------|
| Group brands | 701 | 39.1 | 706 | 40.1 | 713 | 39.4 |
| Distribution | 1,027 | 57.2 | 994 | 56.4 | 1,032 | 57.1 |
| Holding | 66 | 3.7 | 62 | 3.5 | 63 | 3.5 |
| TOTAL | 1,794 | 100 | 1,762 | 100 | 1,808 | 100 |

The distribution business still accounts for more than half of the Group's workforce (57.2%).

WORKFORCE BY FUNCTION AND OCCUPATION

| | March 2017 | % | March 2016 | % | March 2015 | % |
|---------------------------|--------------|------------|--------------|------------|--------------|------------|
| Sales | 501 | 27.9 | 480 | 27.2 | 528 | 29.2 |
| Marketing | 271 | 15.1 | 258 | 14.7 | 246 | 13.6 |
| Production and purchasing | 350 | 19.5 | 350 | 19.9 | 356 | 19.7 |
| Supply Chain | 148 | 8.2 | 145 | 8.2 | 158 | 8.7 |
| Ageing | 138 | 7.7 | 136 | 7.7 | 143 | 7.9 |
| Finance & legal | 220 | 12.3 | 225 | 12.8 | 201 | 11.1 |
| Information systems | 50 | 2.8 | 50 | 2.8 | 46 | 2.6 |
| Human resources | 46 | 2.6 | 45 | 2.6 | 40 | 2.2 |
| General services | 27 | 1.5 | 32 | 1.8 | 48 | 2.7 |
| Senior management | 43 | 2.4 | 41 | 2.3 | 42 | 2.3 |
| TOTAL | 1,794 | 100 | 1,762 | 100 | 1,808 | 100 |

The breakdown of the workforce by gender remained stable; men accounted for 55.8% of the workforce and women 44.2%, with different figures according to occupation and country (GRI indicator G4-LA1).

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

BREAKDOWN BY PROFESSIONAL CATEGORY

47.5% of the workforce is made up of executives (managers), working mainly in sales, marketing and finance positions.

The Group's production operations comprise the majority of its operator and technician positions, with 81.4% of these located in France on the Cognac and Angers sites, with the remainder in Scotland (Progressive Hebridean Distillers – formerly Bruichladdich) and Barbados (Mount Gay).

AVERAGE AGE AND LENGTH OF SERVICE

The average age of Rémy Cointreau's workforce is 41 years, although in France it is higher, at 43.

The average length of service of the Group's workforce is 9.1 years, although in France it is higher, at 13.9.

WORK-LINKED TRAINING CONTRACTS IN FRANCE

The Rémy Cointreau Group continued its proactive work-linked training policy, with the renewal of all work-linked training contracts where necessary and additional recruitment in new positions. These contracts accounted for 4.4% of the workforce in France at the end of March 2017.

2.2.3 ORGANISATION OF WORKING HOURS

The Rémy Cointreau Group complies with all laws and regulations pertaining to working hours applicable in the countries in which it operates. To take into account the particular characteristics of different markets, the working week in France is either annualised or adjusted for packaging operations in accordance with high and low activity periods using shift work. Other operations feature cyclical work organisation, *i.e.* ageing, where the organisation is linked to *eaux-de-vie* delivery periods. The Rémy Cointreau Group may make individual adjustments to working hours for employees who make such requests, if permitted by activity and scheduling requirements and constraints. The new telework provisions implemented in the organisation add flexibility to employees' organisation of working hours thus allowing them to better reconcile working and family life. In strict compliance with laws and collective bargaining agreements, operational requirements may occasionally require overtime.

2.2.4 REMUNERATION

In order to ensure consistency in the Group's approach to management, evaluation of the levels of responsibility is carried out using a common method in all countries. The competitiveness of remuneration packages is measured on a local basis, close to the markets. They are compared with groups and companies with similar features, to ensure attractive positioning.

This policy helps mobilise the Group's teams and motivate each employee to achieve its ambitious targets on its new markets.

The 2016/2017 salary policy in all countries was measured with respect to inflation, with an average salary increase above inflation even where the local economic context was sometimes adverse or depressed. This salary policy uses individual pay rises deliberately focused on the best-performing employees.

Conversely, the variable remuneration (bonus) of Group managers is applied on the basis of a common structure for all countries, while at the same time taking into account specific local factors and practices. It was thereby linked to business and financial targets, measured as close as possible to the scope of responsibility and according to consistent weighting for all occupations.

Finally, depending on the country and on the social and tax regulations, savings plans benefiting from tax exemptions or other benefits are monitored and implemented when they are compatible with allocated budget resources.

2.2.5 SOCIAL SECURITY AND WELFARE

The Group finalised the implementation of new life and disability policies in its main subsidiaries, in line with Group service provision standards. This enabled the provision of competitive guarantees in light of market practices, including a significant employer contribution.

2.2.6 A TRAINING POLICY THAT TARGETS EXCELLENCE

The human resources policy must anticipate the needs of the Group, particularly where training is concerned.

As a Group priority, the main aim of training is to guarantee the employability of all of its employees and the sustainability of its know-how.

The "Rémy Cointreau Academy" added new subject areas and launched a programme to update the oldest modules, to reflect the changes in our business. This range of training courses is developed at the highest level of the Group's management, who are personally involved in some modules. This internal university is fully tailored to training our employees in the Group's own culture.

The scope of these training courses is extended in stages and by the end of the programme the modules will have covered all the key areas of the Group's activity.

- The Brand Academy tackles sales and marketing aspects of the Group's brands and the luxury goods sector from a strategic angle. The content of this Academy is currently being updated to reflect the Group's new strategic directions; it is based on the marketing and communication tools prepared by Strategic Planning.
- The Art of Selling Academy provides specific training in the Group's sales strategy, centred on our clients. It provides a pragmatic and differentiating market approach, in order to support the brands and create value for our partners and clients.
- Training at the Finance Academy is provided to all employees. 182 non-financial employees have already received training, mainly in France and Europe. Aside from the particular financial aspects of our business, this training will make employees more financially aware and improve their understanding of all the Group's criteria for achieving efficiency.
- The Quality Academy, in a similar way to the other modules, has been updated to relay our "Luxury messages" in an ever more relevant way. We are continuing to roll-out this module in France and internationally.
- The Management Academy was created this year. Supported by the new Group skills guidelines, it was designed to offer our managers a blended training course combining group training and individual support over 12 months. The pilot class has started this course, bringing together participants from Paris, Angers and Cognac. The first US and Asia classes are currently being prepared.

The new employee induction system was subject to a specific project bringing together all our sites with the aim of harmonising the approaches, capitalising on local successes and sharing best practices. The result is a complete integration process offering mentoring, digital content and site visits.

Information security is also a significant training focus. An international campaign started with the purchase of a library of e-learning modules. A training schedule is currently being drafted to pace future module launches.

A Responsible Ambassador training programme was designed to raise employee awareness on responsible consumption in a spirit of conviviality and pleasure.

In addition to individual training, group courses are sometimes provided for particular employee categories. The employees on the Cognac site attended technical training on the changes to industrial tools, as well as management training relative to organisational changes.

CSR training is also built into the induction process for all new arrivals at Cognac. In addition, Quality, Safety and Environmental information is provided *via* regular newsflashes (indicators, first aid, noise pollution, etc.).

In Angers, a specific crisis management support programme was implemented to train all stakeholders in the site's crisis cell using real-life situation simulation. The major challenge is to prepare the concerned employees in how to react in such situations.

The 2016/2017 financial year was also the chance to launch the telework approach and a training programme was implemented in Angers for teleworkers and their managers in order to facilitate management of change to this new working method.

At the Mount Gay site, training and development are essential in order to continue the site's great tradition of high-quality artisan trades, which has existed on the island for over 300 years. Over the previous financial year, training actions were primarily focused on technical aspects and best manufacturing practices (over 90% of employees attended this training course). The Mount Gay site also continued to focus its training on employee safety with the drafting of safety procedures, awareness raising on the use of chemicals and IT skills.

The number of training hours declared in 2016/2017 for the entire Group scope, excluding Europe and including France, for employees on permanent contracts, was 18,463 hours, of which 8,511 were for women and 9,952 for men (GRI indicator G4-LA9).

2.2.7 CAREER SUPPORT AND DEVELOPING TALENT

Rémy Cointreau encourages and supports the development and enhancement of its teams' skills through forward-thinking and continuous management of their talents.

The Group is committed to the development of each individual employee. The Human Resources policy encourages and helps each employee to define his/her professional plans and to implement them.

During the 2016/2017 financial year, a mentoring programme was launched and rolled out in the various Group entities. New employees are allocated a mentor on their arrival. This 3-month programme aims to facilitate their integration into corporate life through social sharing.

Rémy Cointreau identifies talent in all of the Group's business sectors and geographic areas, and provides personalised support. Within this mindset of developing potential, the current recruitment policy is based on the Group's values, in order to attract new professionals and increasingly to support Rémy Cointreau's growth strategy.

Rémy Cointreau offers traineeships to train the talents of tomorrow. On the three French sites, young trainees (from vocational Baccalauréat to Masters level) learn a trade, with a view to quickly developing the meticulousness, creativity and professionalism required by the professional world. Each trainee is also interviewed before their departure, in order to go over their training with the Group and share ideas for their future direction.

In order to develop young talent and skills at an international level, Rémy Cointreau offers worldwide contracts under the international volunteer programme (VIE).

2.2.8 SMOOTH SOCIAL DIALOGUE TO FOSTER THE INTEGRATION AND WELL-BEING OF EMPLOYEES

Depending on the size of the organisation, and more specifically when employees are represented by recognised trade union organisations, Rémy Cointreau takes a pro-active approach to social dialogue.

In addition to the fastidious application of collective agreements in these countries, Rémy Cointreau engages regularly with trade unions and employee representatives on employee-related issues through specific company agreements.

2.2.9 MAKING DIVERSITY AN OPPORTUNITY

The Group aims to offer all its employees the opportunity for career development. Recruitment methods and workstations are thus continuing to be adapted to accommodate an increasing number of disabled employees. In Angers, the Group has opted to pay its traineeship taxes to organisations, schools or entities that promote the employment of disabled people.

In 2016, with 7.7% disabled workers, the Cognac site continued to have the highest percentage of disabled workers of all Rémy Martin sites. Rémy Martin has successfully continued its efforts to integrate disabled people in both permanent and temporary roles, or through the Cognac work-based support centres.

Rémy Martin also took part in the 7th *Handi Rencontres* Forum held in Cognac in 2016. A Rémy Martin stand manned by the HR department provided a dynamic reception for numerous job-seeking disabled employees.

Rémy Martin's ergonomic packaging line started in May 2016 after 18 months of work. This manual business line was specially designed to accommodate all disabilities and medical restrictions

for production staff. This adapted line was inaugurated by the HR Director and Production department in the presence of the Charente Employment Director, the Occupational Doctor and Health and Safety Committee members.

The partnership with *Nos Quartiers ont du talent* (Our Neighbourhoods have Talent) initiated by Rémy Martin in 2014 took on new momentum with 10 new sponsors amongst the Company's managers. This sponsorship of young graduates in difficult social situations allowed 20 young people to find stable employment in line with their studies.

Rémy Martin also continued its proactive professional development policy on its various Cognac sites. In 2016, some 78 professional changes were formalised through work contract amendments (49 blue-collar workers and 29 managers, employees and supervisors were promoted within their function or to another function). This professional momentum is supported by the implementation in 2016 of a new HR process that enables any employee who wishes to spend one week in another department to learn about the activity and meet other colleagues on other sites. To date, 32 interested and enthusiastic employees have taken part in this service exchange (GRI indicator: G4-LA10).

2.2.10 EQUAL TREATMENT

In terms of equal treatment for men and women and non discrimination in general, the Rémy Cointreau Group has taken the decision to implement international procedures and processes that guarantee equal treatment for the Group's employees. Non-discrimination in terms of race, religion, colour, age, gender, nationality or any other discriminatory factor not based on criteria of occupational requirement forms an integral part of Rémy Cointreau's policies and practices, particularly with respect to recruitment, promotion, transfers, salary increases and training.

For example, the remuneration policies are governed by occupational evaluations informed by an external method and appraisal and by a performance assessment based on identifying skills and shared goals. The recruitment and internal mobility policies are subject to procedures and/or international charters that guide managers and encourage joint decision-making based on objective criteria.

Moreover, in France, collective agreements on gender equality and the employment of older workers have helped formalise objectives and progress indicators in the areas of recruitment, remuneration, careers and training, working conditions and work-life balance.

As regards remuneration, in France, the Group has undertaken to implement its policy in such a way as to ensure that the distinction between men and women is not taken into account. Three initiatives have thus been formalised with a shared objective and shared measurement indicators:

- no difference between men and women in terms of starting salary where the employees are equally qualified;
- no difference between men and women in terms of individual salary increases where the employees' performance level and market ratio are the same;
- analysis of differences between men and women in terms of basic salary where the employees' employment, experience and

performance levels are the same, and action plans aiming to reduce any differences.

Rémy Cointreau also strives to ensure that its practices in terms of working hours and other time spent within the Company aim as far as possible to maintain a healthy work-life balance, particularly in order to help employees fulfil their parental duties.

For example, in France, working time arrangements can be made to allow employees to accompany their children on hospital visits. Moreover, wherever possible, meetings are arranged during working hours and training sessions scheduled early to allow parents to arrange childcare where required. Finally, aware of the difficulties encountered by employees when they are required to manage an event that threatens the life of someone close to them, the parties sought to adapt the application of compassionate leave for this eventuality and allow the employee in question to discuss with his or her manager a way of adjusting his or her work to part time hours.

2.2.11 HEALTH AND SAFETY

The Rémy Cointreau Group strives to provide and maintain a working environment that ensures the health and safety of staff, clients, contractors, visitors and the general public who may reasonably be affected by its activities. The Group's policy in this area is to prevent workplace accidents, illnesses and other injuries from occurring by ensuring that the risks are taken into account in the operational management of production processes.

INVOLVING TRADE UNIONS AND EMPLOYEE REPRESENTATIVES IN DISCUSSIONS

In accordance with local legal requirements, committees bringing together employee and management representatives are held in Cognac, Angers and Barbados to examine issues relating to health and safety in the workplace and make sure that prevention rules are applied. These representatives are thus closely involved in the examination of health and safety issues when key projects are conducted on the Group's production sites. Dialogue between all stakeholders on health and safety issues is constantly sought and fostered.

COMMITMENTS

In France, the Group is committed through the agreement on older workers to carrying out an analysis of the main jobs and professional situations deemed to be at risk, with a view to identifying situations that call for improvements to be made to ergonomics and/or the working environment.

LOCAL INITIATIVES

Each production site has implemented a specific system to monitor and continually improve its employees' working conditions (GRI indicator G4-LA8).

Since 2015, the Angers site has provided information on new tools to protect employees and make their daily lives easier, primarily via a professional travel charter and a charter on the proper management of e-mails and professional mobile phones. The

internal carpooling database continued to promote communication between employees, and optimise transportation. We will continue to communicate on this topic.

Both at Angers and Cognac, various ergonomic improvements have been made to certain administrative or industrial workstations to improve working conditions. The Angers site, for example, has developed safety features to optimise the safe delivery of alcohol tanks.

In terms of safety, systematic training courses are given to all new employees and onsite operators to inform them of the site's particular safety conditions, the rules to be followed and the possible hazards. As part of the site's safety procedures, areas deemed to present hazards are regularly reviewed in order to update posters and information aimed at staff and external contractors.

At the Angers site, specific "Movements and Postures" training has been developed and adapted with information on overheating, as well as "safety harness" technical training to adapt behaviour to new safety features.

Various preventive measures were also taken on the Angers site. These related, in particular, to noise pollution and road safety, with the installation of acoustic panels which has considerably reduced noise on packaging lines.

At the CEP (Product development centre) in Cognac, the project to install access walkways in cask storage areas has been finalised. Its purpose is to enable employees to work safely during operations to be conducted at height. The project led to the deployment of more than 20 detachable and entirely secure walkways in all storage cellars.

In addition, as part of the reopening of the Rémy Martin cooperage, considerable work has been completed to ensure good working conditions, particularly as regards dust and noise pollution. A budget of €100,000 was allocated to this project, which covered the construction of a cask cleaning area, the purchase of a lifting

system to handle the casks, laying of a resin (to facilitate cleaning), a class M suction fan, and more.

On the Mount Gay site, improvements to employee health and safety signalling enable risks and dangers on the site to be reduced and promotes better work ergonomics. Moreover, increased employee awareness-raising on the issue of environmental protection was carried out based on team workshops leading to the creation of a greenhouse and the restoration of an orchard belonging to the site. Employees decided to prohibit the use of polystyrene, a polluting and little recycled material, on the site.

HEALTH AND SAFETY INDICATORS

For more information on the scope used, please see the note on methodology.

For the scope comprising France, Barbados and Islay, the cumulative absenteeism rate, measured in hours of absence against theoretical hours worked, is 3.03% for 2016/2017 (GRI indicator G4-LA6). This rate does not include sick leave periods of more than 90 days (except for the Barbados site).

Lastly, in France, no occupational illnesses were reported to and recognised by the relevant Health Insurance authorities during the 2016/2017 financial year.

The workplace accident frequency rate on the production sites in France, Barbados and Islay for 2016/2017 was 13.31, expressed as the number of workplace accidents with workdays lost per million actual hours worked (GRI indicator: G4-LA6).

The severity rate is low at 0.13 expressed as the number of days lost to workplace accidents per thousand actual hours worked (GRI indicator: G4-LA6). In order to remedy the causes of each accident, the members of the Health and Safety Committee systematically carry out a root cause analysis and report their findings and recommendations to the committee.

2.3 ENVIRONMENTAL INFORMATION

One of the 2020 CSR plan's priorities is environmental protection, *giving back to the land what it gives us*. Through this goal, Rémy Cointreau protects both its terroirs and the natural resources from which it derives its raw materials. Since its creation, Rémy Cointreau has made its environmental commitment a long-term driver of its economic success, thanks notably to an ambitious certification policy.

2.3.1 WINEMAKING AT THE HEART OF AN INCREASINGLY ENVIRONMENTALLY-FRIENDLY POLICY

The excellence of Rémy Martin's cognac eaux-de-vie comes from the vine and its fruit. To get the best out of them, Rémy Martin builds on a relationship of trust by sourcing its supplies exclusively from the Alliance Fine Champagne (AFC) since 1966. This cooperative structure accompanies its growth. This partnership needs to reflect the Group's efforts in environmental protection. Rémy Martin also has its own vineyards within the Domaines Rémy Martin, which are used as a testing platform to promote the Group's innovative winemaking and environmental policy.

PRACTISING ENVIRONMENTALLY FRIENDLY WINEMAKING

Taking care of vines means adopting environmentally-friendly growing methods.

The Domaines Rémy Martin are members of the Ecophyto network, a national initiative originating from the *Grenelle de l'Environnement* and steered by the French Ministry for Agriculture. This initiative seeks to gradually decrease the use of pesticides and thus cut soil pollution.

This year, the Domaines Rémy Martin implemented the TFI, treatment frequency indicator. TFI is a monitoring indicator for the use of pesticides at an agricultural production site or group of sites. The reduction in the TFI value enables a production site to assess its progress in reducing pesticide use. The indicator is also used to implement the national Ecophyto plan.

The values provided each year will be calculated on a five-year moving average, compared to the Poitou-Charentes regional Winemaking benchmark approved by the Ministry for the Environment and presented in the latest survey carried out in 2013 on pesticide use in winemaking.

For this year, the value – exceptionally calculated based on the last four years – was 17.6, slightly lower than the regional benchmark of 18.2 (source: SSP – Agreste/survey on the use of pesticides in winemaking/2013).

This year, the specific climatic conditions (heavy rain in May, hail in June) required unusual treatments corresponding to two additional FTI points. It is also important to note that 14% of the FTI value (i.e. 2.4 FTI points) is the result of the obligation to treat against the disease *flavescence dorée*, as the Domaines Rémy Martin comes under the geographical scope for the mandatory fight against this disease on a national level.

The 2020 CSR plan target is to reduce the FTI value by 10% and achieve a maximum value of 15.8 in 2020.

It should also be noted that all pesticides used on the Domaines Rémy Martin are classified as harmless to neighbouring wildlife and plant life.

Domaines Rémy Martin have continued to contribute to the quest for environmental excellence in French winemaking, associated with the reduction in the use of pesticides and fertilisers.

A Mildew platform aims to test different mildew treatment programmes with lower environmental impacts. These programmes focus on reducing doses and promoting the use of alternative products (for example, natural vine defence stimulators). Implemented in 2016, this platform was renewed in 2017. The programme's modalities are likely to change over the coming years along with new progress in alternative products.

A biocontrol platform was also implemented with the Charente Chamber of Agriculture and the company Biotop. In 2014, this partnership was the sole French platform in vineyard research to test the technique in which trichogramma (insects from the same family as bees) are released to fight against vine moths.

The trichogramma's reproduction mode offers it an undeniable interest as a biological combat agent. Since 2014, the results have been promising and the research partnership has been renewed for a fourth year. The success of this biocontrol work was the subject of a public presentation during the 6th Conference on alternative protection means for integrated production (COMAPPI) in Lille in March 2017.

Improvements to soil fertility potential over the long term require environmentally-friendly winemaking practices and water resource quality. Domaines Rémy Martin are studying the use and management of winter coverings such as green fertiliser.

The aim is to generate significant plant biomass during the vine's rest period (Autumn-Winter-Start of Spring), to capture the nitrogen (soil and atmospheric) and to return it to the vine during the growing period in order to reduce external inputs. This technique, which promotes biodiversity, also has a positive impact on soil texture and structure.

These demonstration and experimentation platforms launched in 2014, combine green fertiliser/soil management modes/fertiliser management. The vine's response will be studied over 5 to 7 years minimum, with a 2 to 3 period required before measuring the first effects.

Domaines Rémy Martin has demonstrated its desire to support and invest in various tests: soil and leaf analyses, as well as sap analyses, essential for monitoring the vine, are now more comprehensive, allowing Domaines Rémy Martin to dose the application of fertiliser and trace elements as precisely as possible.

A CERTIFICATION POLICY TO RECOGNISE EFFORTS MADE AND GUIDE PRACTICES

Rémy Cointreau's ambition is to remain the leader in economically-competitive winemaking whilst being intransigent on product quality and environmental protection. The Group endeavours to keep and extend this ambitious bet year after year. The integration of the Domaines Rémy Martin vineyards into the CSR reporting scope strengthens the Group's desire to measure, report on its innovative practices and to improve.

Domaines Rémy Martin, "integrated agriculture" certified since 2009, obtained level 3 in AFNOR's "high environmental value farming" certification in 2012. In addition to rewarding action to preserve biodiversity and reduce pesticides, this is also a recognition of the efforts made and a guideline for daily activity.

The monitoring audit carried out in February 2017 confirmed the certification.

In line with this certification, employee training has primarily focused on the use of new pulverisation equipment to promote the efficient application of treatment products (GRI Indicator: G4-LA9)

PROMOTING OUR PARTNERS' WINEMAKING PRACTICES

Rémy Cointreau would like all of its internal partners and all Alliance Fine Champagne (AFC) winemakers and distillers to follow its lead by obtaining AHVE certifications.

A specific 2020 CSR working group was implemented in December 2016 within the AFC to establish an AHVE certification programme and communicate the objectives of the new CSR plan to the cooperative.

The aim is for 100% of cooperative members to be committed to the environmental approach within three years with a majority of winemakers AHVE certified within five years. The AFC and Rémy Martin have agreed that within three years all cooperative members should have taken part in the environmental training sessions organised jointly with the local chambers of agriculture. AHVE certification is based, amongst other criteria, on the reduction in the Treatment Frequency Index (TFI). This "high environmental value" certification, approved by the Ministry for Agriculture, will be monitored by independent third-party organisations.

By meeting these AHVE targets, the AFC will also meet the objectives set by the National Inter-professional Cognac Office (BNIC), which is now committed to an environmental certification approach thanks to new local "sustainable winemaking" guidelines.

In 2016/2017, 89 winemakers were trained either in AHVE certification level 1 or the Sustainable Winemaking guidelines. Over the last three years, 161 winemakers have committed to an environmental approach, or around 20% of the cooperative's members.

20 winemakers have obtained AHVE level 3 certification, the highest commitment level in this certification.

Rémy Martin aims to establish a real link with winegrowers and to provide them with all the necessary information about the partnership and the Company itself. For this reason, it created the Rémysphère Newsletter, compiled with the support of a group of young AFC winegrowers who are responsible for validating its contents. Sent out three times a year to *eaux-de-vie* suppliers, it is timed to coincide with the different winegrowing phases, *i.e.* flowering, harvest and distillation.

The newsletter is distributed in hard copy and is also available on the remysphere.com website. It allows the Group to provide information about its results, brand updates and news on the economic climate and technical information. The website now includes a regular CSR update in a dedicated section and information on the AHVE project.

As every year, the *Centaures de la distillation* trophies rewarded the best distillers in the AFC cooperative. This year, 49 winegrowers were cited and 11 received the *Centaure d'or de la distillation*.

2.3.2 TERROIR AND REGIONS: ANCHORAGE, CHALLENGES AND PROTECTION

Rémy Cointreau's excellence and perfection come from the land and its resources. Aware of this dependency and its responsibilities, over several years, the Group has undertaken various actions to incorporate the protection of biodiversity into all of its activities. The erosion of biodiversity is today a scientific reality; Rémy Cointreau's commitment has thus been reiterated in the 2020 CSR plan.

SUSTAINING AND PROTECTING AGRICULTURE, RAW MATERIALS & KNOW-HOW

The objective for the first year of the 2020 CSR plan is to improve harvest practices by taking into account changes associated with climate change.

To adapt to climate change, for the last two years the Group has been actively participating in initiatives led by relevant inter-professional bodies. In Cognac, Domaines Rémy Martin joined a research programme run by regional research centres in France on adapting vine varieties to climate change, which contributes to accelerating grape maturity.

A partnership to conduct trials was signed with the Conservatoire du vignoble charentais. The aim is to gradually reintroduce a slower-maturing grape variety. Other studies are being conducted in parallel on resistance to vine diseases and how to maintain the acidity potential in wines.

Rémy Cointreau also uses social networks to raise stakeholder awareness on protecting the land that it uses. The current project aims to restore biodiversity in Casamance, a region of Senegal threatened by the disappearance of natural resources.

Internationally, for each post on social networks with an orange and the hashtag #1Orange1Tree, the Cointreau company has committed to planting 1 tree in Senegal.

The operation is ongoing with the aim of planting 15,000 trees over the coming months (2,500 orange trees and 12,500 mangrove trees) with the participation of Naziha Mestaoui, an artist-activist known worldwide for the creation of the application 1 Heart 1 Tree and the Senegalese association, Oceanium de Dakar.

To conserve land, the Group had already decided to return to Mount Gay, the location in which sugar cane growing originated; 134 hectares of sugar cane production land has been purchased. This is not only a means of overseeing the whole production chain, but also of sharing the Group's know-how with local farmers as well as the practices that it might put in place. It is also a move to return upstream in the production process to the raw materials used, in order to create an environmental policy in the same way as Rémy Cointreau does on other sites (such as the Domaines Rémy Martin).

Rémy Cointreau is deeply involved in preserving the land it operates, particularly on the Isle of Islay. To pay tribute to its motto, We believe terroir matters, the Group has endeavoured over the last 13 years to re-establish different varieties of traditional barley plants on the wild Isle of Islay, with the aim of preserving the terroir. The conservation of Bere Barley was awarded the Scotland Food and Drinks Excellence Award for Innovation in 2015.

Organic barley is also produced as part of the Mid Coull agricultural production, on the coast of the Moray Firth in North-East Scotland, where crop rotation is required for every fifth harvest to protect soil fertility. Bruichladdich is partly supplied from this production, where organic farming has a proven positive effect on local biodiversity.

The Botanist has also launched a Foundation, with the purpose of working with residents of the Isle of Islay to improve understanding and conservation of the island's botanical diversity. This approach continues the efforts made by the Group in Scotland, and reinforces its coherence; the aim is to ensure that the island's crop harvests are sustainable and responsible, which is one of the Foundation's main objectives. The long-term aim is also part of the values contained in the 2020 CSR plan: to ensure the long-term protection of species. Without such diversity, the future of The Botanist brand is also at risk.

On the Isle of Islay, the Bruichladdich Academy has been set up to enable visitors to see and feel the terroir's intensity. It offers visits to Islay's production sites to gain a better understanding not only of the island, but also its culture and the distillery's philosophy. Several hundred people from all over the world have already made the journey.

GIVING BACK TO THE COMMUNITY

Rémy Cointreau is aware that the decline in forest cover is one of the most striking examples of the destruction of natural habitats. This year again, the Group has committed to forest conservation; for the fourth time, Rémy Cointreau agreed a sponsorship project in partnership with the ONF (Office national des forêts, the French National Forestry Office).

Following the replanting of the Senonches forest in the Eure-et-Loir region, which saw more than 115,000 oak seedlings planted, together with the planting of more than 300 trees and the installation of information boards explaining the importance of maintaining biodiversity in the François Ier park in Cognac and the creation of a "Biodiversity" forest trail in Braconnie forest near Angoulême, last year, Rémy Martin funded layout work for the Vouillé Saint-Hilaire forest (Poitou-Charentes).

The ONF has created a multimedia trail in order to raise public awareness of forest protection, using new information and communication technologies to convey the message, thus enabling visitors to discover the forest in a fun and innovative way. A smartphone mobile app was created, inviting the user to join the adventure and take on the challenges. In addition to being a fun awareness raising project for the environment, the project also plans for the replanting of a plot located near the reception site, where the ONF has undertaken to plant 300 oak trees.

It should be noted that the barrels manufactured for the Cognac site are all made from PEFC-certified oak from sustainably managed forests.

With the continued aim of actively taking part in biodiversity conservation, Domaines Rémy Martin have made available three hectares of experimental reforested land located in Merpins, in Charente, to carry out biodiversity conservation experiments with the National Centre for Forestry Ownership (CNPF) and the French Bird Protection League (LPO).

Six years after its creation, several positive factors have been highlighted: the poplars, ash trees and other varieties are growing well. In addition to playing an important role in filtering drinking water, each cubic square metre of wood compensates for one tonne of CO₂ in the atmosphere, thus benefiting air quality in the Charente Valley (GRI indicator G4-EN13).

These biodiversity conservation objectives will continue and intensify as part of the 2020 CSR plan. Ecological monitoring of the plots has been organised with the French Bird Protection League, with the aim of measuring the ecological value of this wooded plantation and its change over nine years. From 2017 to 2020, flora and fauna surveys will be carried out in this zone classified Natura 2000, to improve forest management. In the long-term, the aim is to regenerate the flora and fauna that existed along the Charente river and conserve biodiversity.

Driven by the awareness of the importance of bees in biodiversity conservation, the Group confirmed the commitments undertaken in previous years via the installation of fallow land dedicated to bees by Domaines Rémy Martin.

The partnership with the *Un toit pour les abeilles* association was renewed in 2017. Ten hives have already been installed in the Charente, in a truffle oak growing area surrounded by 40 hectares of flowers, thus enabling pure honey to be produced pesticide-free with both nectar and pollen being uncontaminated. This honey is then distributed to all employees in France (874 pots accompanied by an educational leaflet on the importance of protecting bees).

2.3.3 MAKING EMPLOYEES INTO ENVIRONMENTAL AMBASSADORS

Rémy Cointreau is aware that its employees are the Group's backbone. To apply its CSR policy in a solid and consistent way, the Group intends to involve its employees both upstream and downstream of the production process to reduce the environmental impact of Rémy Cointreau's activities. They will become true ambassadors for environmental protection in France and abroad.

In 2016/2017, Rémy Cointreau invested €2.6 million in quality, safety and environmental improvements (GRI indicator G4-EN31) on all of its production sites.

Training on these three components was maintained in 2016/2017, with a total of 2,649 hours of training for 285 people (GRI indicator G4-LA9). Training primarily covered ISO 9001 and 14001 standards, regulations on materials in contact with food, electrical accreditation and behavioural training for Health, Safety and Environment reference contacts (SSE).

The Group is keen to involve its employees in the QSE initiative, and called for volunteers to create a corporate network. In 2016/2017, on the Cognac site, 35 Health, Safety and Environment reference contacts are deployed in different departments. They are relays and spokespeople for staff in their business sector. They take part in assessing practical arrangements for reducing environmental impacts (solid waste sorting, incidents, near misses, etc.) and to pass on any suggestions for improvement to our Environment and Safety Management System.

SSE reference contacts help to achieve Safety and Environment objectives, and are required primarily to reflect on changes in practice, respond to surveys or help to distribute surveys. In 2016/2017, three meetings took place on different themes, including a reminder about the role of reference contact, the statement of environmental indicators and the processing of solid waste. Last December, a reference contact day was organised to visit a household waste landfill centre, which reaffirmed the importance of waste sorting for each reference contact. This visit continued with behavioural training on the role of SSE contacts.

Health, Safety and Environment meetings also took place three times per year between the Angers and Cognac production sites to monitor parliamentary decisions on the legal provisions contained in these topics, and to summarise the actions carried out in line with the Group's CSR policy.

Improving employee well-being is also a priority for Rémy Cointreau, and is one of the 2020 CSR objectives. In Cognac, monthly newflashes on safety are drafted for employees. To improve everyday life, ergonomic training sessions are organised for the administrative staff (with ergonomics experts from the Inter-Company Work Health Service in Cognac). First aid training sessions and an awareness raising day on road safety were also organised. The latter was implemented with the Charente prefecture for carriers and all employees.

An energy awareness day was held at the Angers site last year, to add to the energy management process which has already been applied to technical roles for around 10 years. The day was a resounding success, with around 100 of the 170 site employees attending. The suggestions box provided the Energy group with 46 ideas suggested by employees, of which 18 were implemented by the working group this year (see *et seq.*: 2.3.4/Energy and natural resources/Energy consumption).

Terroir and land conservation efforts extended to Barbados where Mount Gay employees organised a Clean and green day to promote environmental protection in June 2016. The Don't trash our future spirit mobilised almost 140 employees who worked together on several environmental protection projects. These included the creation of a greenhouse and the restoration of an orchard. The second part of their slogan Reduce, Reuse and Recycle demonstrates the Group's coherence with its CSR values in France and abroad.

2.3.4 THE GROUP'S QUANTITATIVE EFFORTS IN ENVIRONMENTAL PROTECTION

Today, environmental information covers the production sites in Cognac, Angers, Barbados and Islay (Scotland), as well as the Domaines Rémy Martin and the Paris administrative site. The distribution subsidiaries are excluded from providing the information referred to below as their environmental impact is not deemed to be significant. The scope of application of each indicator is specified in the "Note on methodology" section.

Provisions and guarantees for environmental risks are limited to a guarantee granted to E. Rémy Martin & Co for €2.65 million with respect to the Seveso risk.

ENERGY AND NATURAL RESOURCES

Energy consumption

The Group has chosen to view the regulatory constraints as an opportunity to make ambitious plans, following in the footsteps of the 2020 CSR plan.

This year, based on the energy diagnosis carried out in 2015, an energy consumption reduction plan was drafted for the Angers and Cognac sites, with the choice of targets for reductions in electricity and gas consumption by 2020 (GRI indicator G4-EN6). The target to be achieved by the end of the 2020 CSR plan is a 900 MWh reduction in energy consumption on the French sites (5.7% of the energy consumption for the Angers and Cognac sites in 2016/2017). The main actions include optimising air compressor operation, replacing compressors, monitoring heating modes, managing lighting and renovating buildings.

On the Cognac site, as part of the “Eco-gesture” approach, the light switch systems in the packaging workshops were modified this year to optimise electricity consumption. Awareness raising actions for employees were carried out on this specific subject.

Information sheets were also installed next to the air conditioning thermostats, particularly in meeting rooms, to ensure the optimal use of this equipment.

On the Angers site, several actions from the Energy working group were deployed on an everyday basis: the automatic switch-off of computers, screens and printers at the end of the day, automatic lighting in sanitary facilities; new tools were proposed such as programming printer operation times and a master switch-off button for computer hardware in offices.

This initiative naturally encompasses the reduction of the environmental footprint of the Group's IT equipment (Green IT protocol). New, more energy-efficient equipment is regularly rolled out at sites. Computer servers were removed, which reduced energy consumption on the site (removal of air conditioning in premises where the servers were located).

The studies carried out on sites to assess the possibility of integrating green energy into the production process enabled the signing of contracts to procure renewable energy. In 2015, these contracts had led to 21% of electricity consumed at French sites being “green” energy.

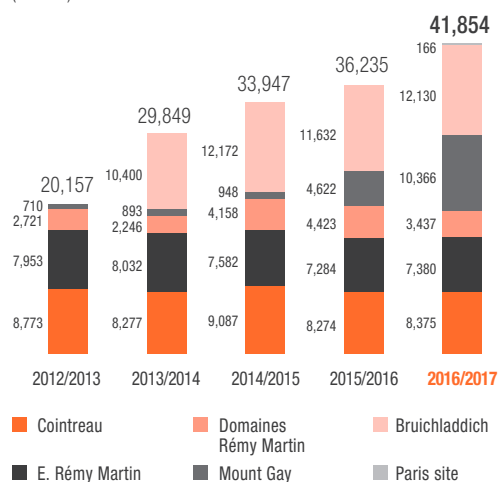
In 2017, all energy consumption on the Group's French sites comes from renewable sources (energy from hydraulic production).

On the Barbados site, the ramp-up of the distillation activities since the distillery acquisition in 2015 has generated a sharp increase in energy consumption (electricity and fuel oil). These consumption increases are now under control in line with the Group's CSR activities to reduce environmental impacts. As part of the 2020 CSR plan, once the distillery activity has been stabilised, an energy audit of the site will be carried out, followed by an energy consumption reduction plan.

Total energy consumption amounted to 41,854 MWh, up 16% compared to last year, due to the inclusion of the electricity consumption for the Paris site and the increase in distillation activities for the Barbados site (GRI indicator G4-EN3).

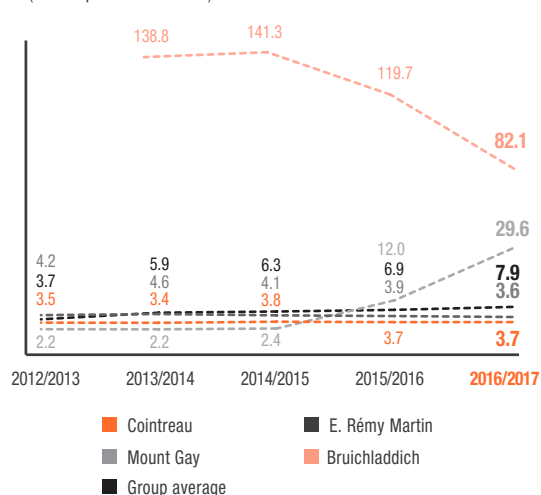
TOTAL ENERGY CONSUMPTION (GRI INDICATOR G4-EN3)

(in MWh)



2012/2013: integration of the Barbados site
 2013/2014: integration of the Islay site
 2015/2016: integration of the Barbados site distillery
 2016/2017: integration of the Paris site

(in kWh per standard case)

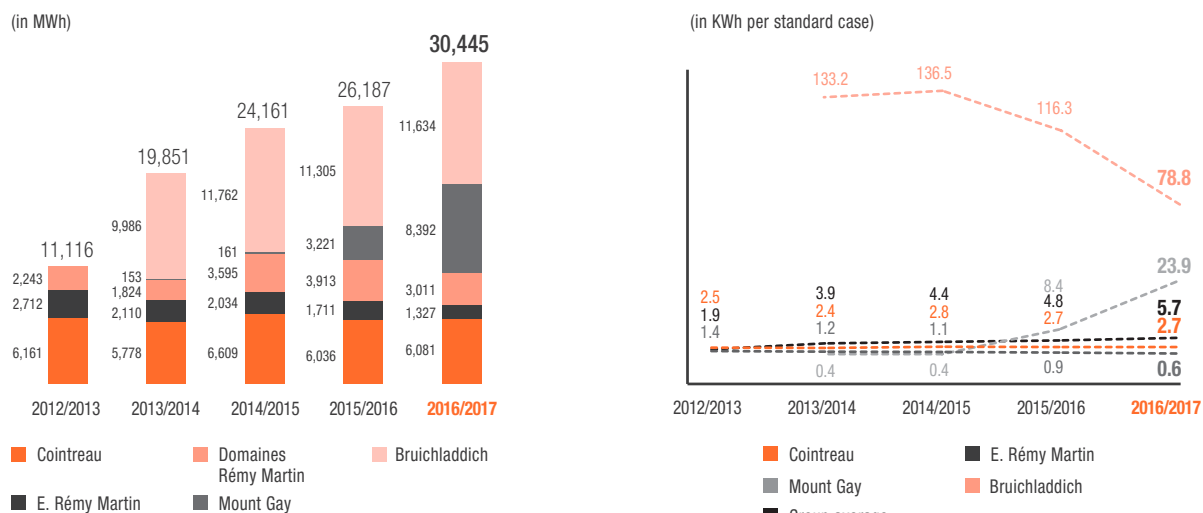


Total energy consumption came to 7.9 kWh per standard case, excluding Domaines Rémy Martin and the Paris site. This value is up 14%, due to the increase in distillation at the Barbados site.

For Domaines Rémy Martin, total energy consumption came to 78.1 kWh per hectolitre of wine produced, up 18% compared to the previous year, due to the reduction in the volume of wine distilled, which strongly impacted the calculation of this indicator.

As regards direct energy (gas, fuel oil, diesel), total consumption came to 30,445 MWh, up 16% compared to the previous year. This is mainly due to the increase in distillation at the Barbados site (GRI indicator: G4-EN3)

DIRECT ENERGY CONSUMPTION (GAS, FUEL OIL, DIESEL) (GRI INDICATOR G4-EN3)



2013/2014: integration of the Islay and Barbados sites
2015/2016: integration of the Barbados site distillery

Direct energy consumption on the Cognac site was down considerably, falling from 1,711 MWh to 1,327 MWh, representing a 22% drop in consumption. This is mainly due to the replacement of old gas boilers by more energy-efficient equipment (condensing boilers, reversible air conditioning, electrical heating/air conditioning equipment).

Consumption for the Angers site was stable, rising slightly from 6,036 MWh to 6,081 MWh.

Direct energy consumption on the Islay site saw a slight 3% increase, from 11,305 MWh to 11,634 MWh.

On the Barbados site, direct energy consumption increased sharply from 3,221 to 8,392 MWh, as a result of the sharp increase in distillation activities.

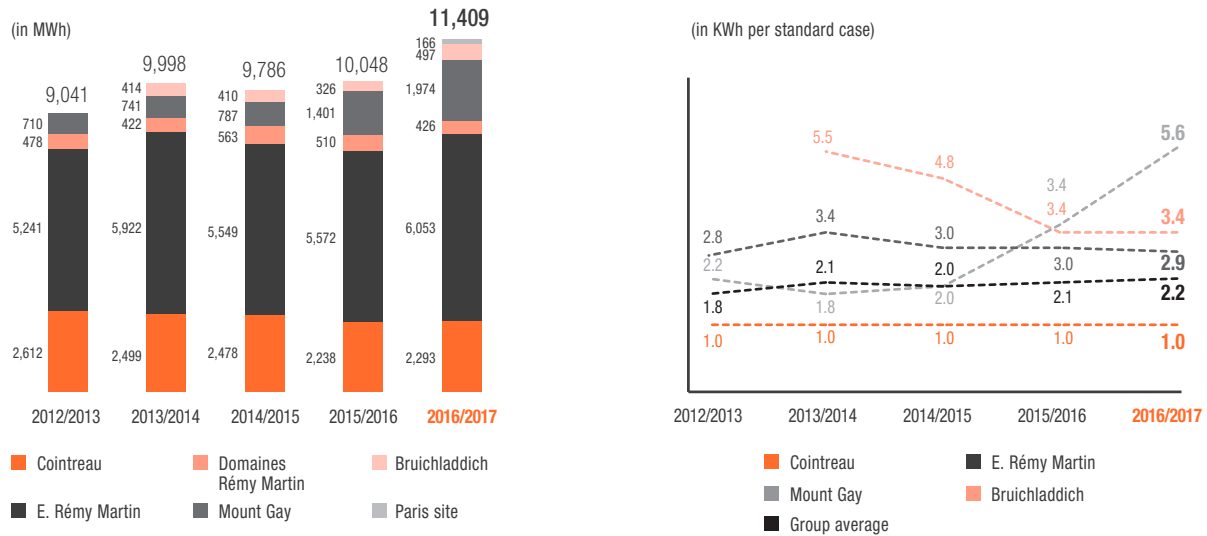
Total direct energy consumption was 5.7 kWh per standard case (GRI indicator G4-EN5), excluding Domaines Rémy Martin and the Paris site. This is a 17% increase, mainly due to the increase in distillation at the Barbados site.

Direct energy consumption for Domaines Rémy Martin decreased by 23% from 3,913 to 3,011 (in MWh) due to a decrease in the volume of wine distilled following poor weather conditions (hail on the vines).

Total direct energy consumption for Domaines Rémy Martin came to 68.4 kWh per hectolitre of wine, up 17% on the previous year. This is due to the reduction in the volume of wine distilled, which strongly impacted the calculation of this indicator.

As regards indirect energy, electricity consumption rose from 10,048 MWh to 11,409 MWh, representing a 14% increase. This is mainly due to the inclusion of electricity consumption for the Paris site and the increase in activity for the Islay and Barbados sites (GRI indicator G4-EN3).

INDIRECT ENERGY CONSUMPTION (ELECTRICITY) (GRI INDICATOR G4-EN3)



2012/2013: integration of the Barbados site
 2013/2014: integration of the Islay site
 2015/2016: integration of the Barbados site distillery
 2016/2017: integration of the Paris site

At the Angers site, electricity consumption was stable, going from 2,238 to 2,293 MWh. On the Cognac site, it increased by 9% from 5,572 to 6,053 MWh. This is due to the replacement of gas heating equipment by electrical energy equipment.

On the Islay site, electricity consumption increased by 52% (497 MWh compared to 326 MWh in 2015/2016) due to the extension to the packaging hall and the creation of a second bottling line.

Electricity consumption on the Barbados site saw a sharp 41% increase from 1,401 MWh to 1,974 MWh, due to the increase in distillation activities.

Total indirect energy consumption per standard case was stable compared to the previous year at 2.2 kWh, excluding Domaines Rémy Martin and the Paris site.

Electricity consumption for Domaines Rémy Martin decreased by 16% from 510 to 426 MWh, mainly due to the decrease in the volume of wine distilled.

Total indirect energy consumption for Domaines Rémy Martin came to 9.7 kWh per hectolitre of wine, up 27% on the previous year. This is due to the reduction in the volume of wine distilled, which strongly impacted the calculation of this indicator.

Total indirect energy consumption for the Paris site was 166 MWh in 2016/2017.

Water consumption

For the last two years, Rémy Cointreau has met CDP Water reporting requests. In line with this reporting, the Group has improved its water resource protection targets. Rémy Cointreau has installed water fountains on its Paris administrative site and provided employees with water pitchers in meeting rooms to avoid purchasing bottles of water. On the Cognac site, automatic detection taps have been installed.

Total water consumption has increased by 8% and now stands at 133,418 m³ instead of 123,729 m³ (GRI indicator G4-EN-8). This is mainly due to the increase in distillation activities on the Barbados site.

On the Angers site, water consumption fell by 3%, from 28,081 to 27,362 m³ of water.

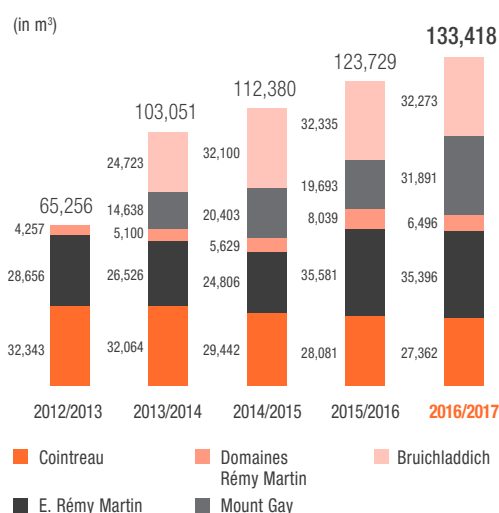
Water consumption on the Cognac site was stable, going from 35,581 to 35,396 m³.

Water consumption on the Islay site was also stable, going from 32,335 to 32,273 m³.

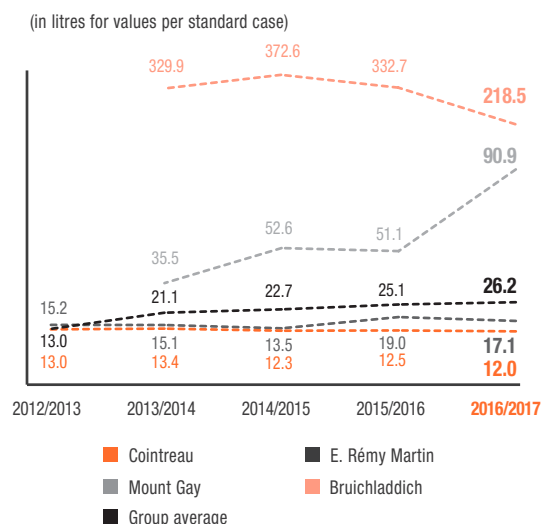
Water consumption on the Barbados site rose by 62% from 19,693 to 31,891 m³. This is due to the increase in distillation. This consumption does not include water consumption from wells used on-site. As the Barbados site is located in a hydric stress zone, a water management plan will be introduced over the coming months.

Water consumption amounted to 26.2 litres per standard case, excluding Domaines Rémy Martin. This figure is up 4%, primarily due to the increase in distillation at the Barbados site.

WATER CONSUMPTION (GRI INDICATOR G4-EN8)



2013/2014: integration of the Islay and Barbados sites
 2015/2016: integration of the Barbados site distillery



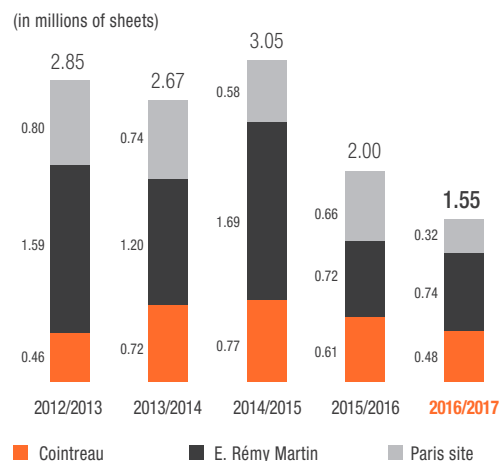
Water consumption for Domaines Rémy Martin saw a 19% decrease (6,496 m³ instead of 8,039 in 2015/2016). This is mainly due to the reduction in the volume of wine distilled.

Total water consumption came to 147.7 litres per hectolitre of wine, an increase of 22% in relation to 2015/2016. This is due to the reduction in the volume of wine distilled, which strongly impacted the calculation of this indicator.

Consumption of office paper

Paper consumption fell this year by 23%, from 2.00 to 1.55 million sheets (GRI indicator G4-EN1), mainly as a result of lower consumption on the Paris site following increased printer pooling and awareness raising for employees on the reduction in office paper use.

Paper consumption amounted to 8.2 tonnes, *i.e.* 11 sheets of paper used per person per day.



NOISE POLLUTION

In 2017, several actions were carried out on the Cognac and Angers sites to implement a Health Safety Environment plan on noise pollution.

On the Cognac site, the CARSAT (Retirement and Work Health Office – Caisse de retraite et de santé au travail) was asked to measure the noise level in the two noisiest workshops, at the work station and workshop levels. As soon as the report is received, action will be taken to reduce noise levels. Almost 200 employees (around 60% of the total headcount) also took part on a voluntary basis in the hearing day last March, implemented by the Health Safety Environment service with a nurse present. Several one-hour sessions were organised on the Cognac site with several workshops.

This work continues the initiative launched during the 2015/2016 financial year. A working group was created to reduce noise pollution. This meant that an automation engineer could be called in to adjust bottle conveyors to prevent bottles from banging together on the bottling line. Work station and individual measurement schemes led to an extension of the areas in which personal protective equipment must be worn. Noise reduction panels were also installed in the new area of the packaging workshop.

On the Angers site, a personal dosimetry campaign was carried out at packing and operating stations. Investments were made to install silencers on some pieces of equipment and purchase new equipment addressing the issues of noise and noise reduction. At the same time, acoustic panels were installed in the noisiest part of the packing workshop. The installation of acoustic panels on the K line significantly reduced reverberation time and spatial decay.

For work stations, an average reduction of 1.9 dB(A) was noted on the K line compared to 2015 and a reduction of 2.4 dB(A) compared to 2012.

In 2015/2016, an inventory of all blow guns was performed, following which a blow gun benchmark was defined. A total of 13 blow guns were changed for an average 4.8 dB (A) improvement.

The Group's noise pollution is managed inside and outside. The studies carried out on the sites by an external service provider relating to noise pollution on the property line (during the day and at night) have ensured that the values measured were below regulatory limits. These regulatory limits are also complied with internally.

SOLID WASTE

Rémy Cointreau takes measures to reduce the amount of solid waste on its sites with a policy of educating staff about waste sorting and recycling. In view of its activities, the type and stability of its products, the Group is not concerned by the fight against food waste.

This year, the Paris site implemented paper waste sorting in its offices. On the Group's administrative site, sorting has been in place since December 2016 with the company Greenwishes. Office bins have been replaced by three centralised sorting bins and waste collected is guaranteed to be 100% locally recycled. Monthly reporting enables the recycling rate and quantity of waste to be monitored. Since January 2017, almost 1.5 tonnes of waste has been collected and 95% recycled.

Generally, solid waste from the Group's production sites supplies energy or materials recycling channels. It is mainly comprised of packaging waste (glass and cardboard). Since September 2012, the OIW (Ordinary Industrial Waste) from the Angers site has been recycled by a combined energy unit (urban heating). Since October 2016, this is also the case for the Cognac site. The OIW is recovered for use as Solid Recovered Fuel (SRF) to produce energy.

In a similar vein, since 2012 Rémy Cointreau has put in place a partnership with Ateliers du Bocage in the Poitou Charentes region to recycle or reuse all used mobile phones and electronic mobile phone equipment and ink cartridges.

As regards the Domaines Rémy Martin vineyards, waste from dirty containers is not included in volumes of hazardous waste, since it is fully recovered and reprocessed by the national ADIVALOR network.

Total waste (GRI indicator G4-EN23) was down 23% over the year from 2,935 tonnes to 2,266 tonnes. This is primarily due to the non-repetition of the exceptional sorting activities (Cognac site) and the building constructions (Islay site) that took place the previous year.

Waste tonnage decreased by 43% on the Cognac site (815 tonnes compared with 1,426 in 2015/2016). This is due to the high level of waste from exceptional cleaning operations in 2015/2016.

On the Angers site, solid waste tonnage fell by 5%, from 1,233 tonnes in 2015/2016 to 1,166 tonnes this year.

On the Islay site, waste tonnage was down 59% (46 tonnes instead of 112 in 2015/2016), due to the exceptionally high level of waste in 2015/2016 from the new building construction.

On the Barbados site, waste tonnage increased by 24%, from 136 to 169 tonnes.

Per standard case, the quantity of waste decreased from 0.63 to 0.45 kg (excluding Domaines Rémy Martin and the Paris site), due to the non-repetition of the exceptional activities that took place the previous year.

As regards Domaines Rémy Martin, exceptional cleaning operations produced 68 tonnes of waste this year compared to 28 tonnes the previous year.

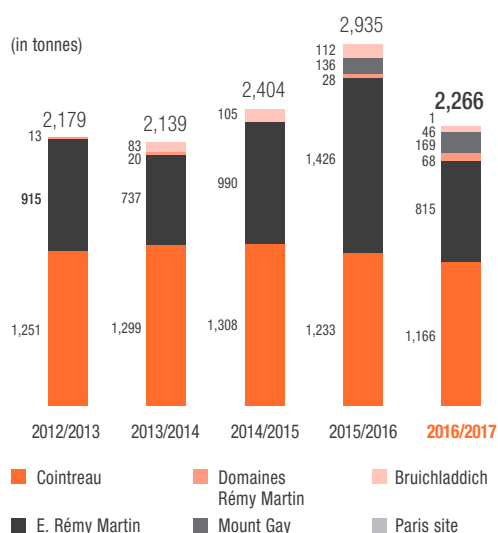
Sorting and recycling rates were slightly down, measured respectively at 87% and 89%, down from 89% and 90% in 2015/2016.

Waste sorting and recycling volumes were respectively 96% and 100% for Angers (stable in relation to 2015/2016).

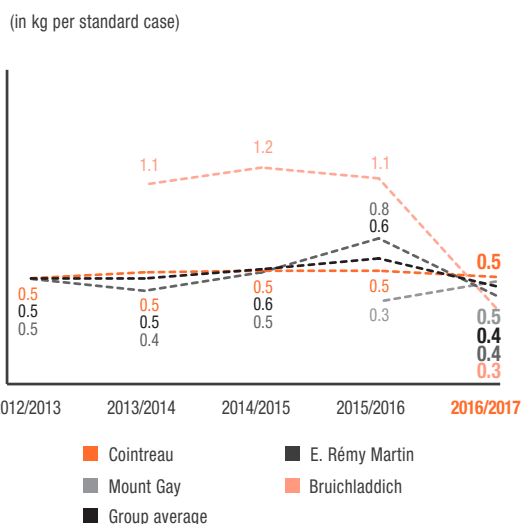
The rates were 94% in Cognac (92% in 2015/2016) and 48% on the Islay site, a decrease compared to 2014/2015 (72%). The lower sorting rates for Islay were mainly due to the exceptionally high level of waste sorted in 2015/2016, from the new building construction.

On the Barbados site, unsorted waste is sent to the local collection centre.

QUANTITY OF SOLID WASTE (GRI INDICATOR G4-EN23)



2013/2014: integration of the Islay site
 2015/2016: integration of the Barbados site (including the distillery)
 2016/2017: integration of the Paris site



LIQUID WASTE

Liquid waste volumes decreased by 9%, from 69,410 m³ to 63,214 m³ (GRI indicator G4-EN22). This is primarily due to the decrease in distillation activities at Domaines Rémy Martin and a return to normal liquid waste volumes at the Cognac site.

They were down 24% on the Cognac site, from 12,683 m³ to 9,591 m³. This is due to an abnormally high level the previous year from a water leak.

They were also down 10% on the Angers site, from 11,064 m³ to 9,999 m³.

Volumes of liquid waste for the Barbados site increased by 8%, from 19,590 m³ to 21,223 m³ due to the increase in distillation activities.

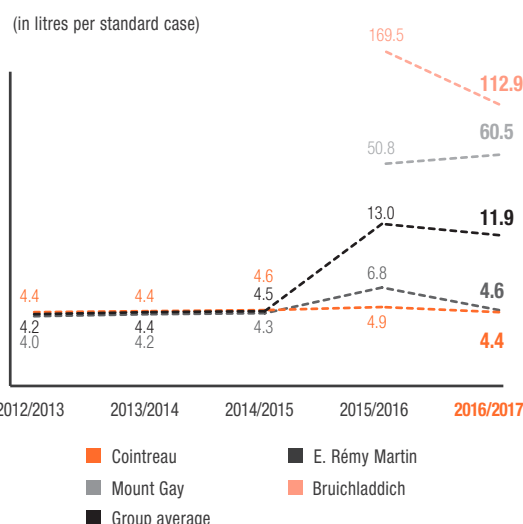
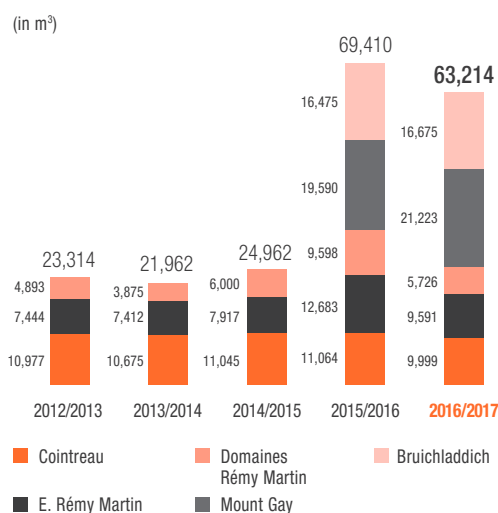
On the Islay site, the volume of liquid waste was stable at 16,675 m³ (16,475 m³ in 2015/2016).

The quantity of liquid waste per standard case decreased by 9% from 13.0 litres to 11.9 litres. This is primarily due to the return to a normal volume of liquid waste on the Cognac site (a water leak the previous year strongly impacted the calculation of this indicator).

Liquid waste volumes decreased by 40% for Domaines Rémy Martin, from 9,598 m³ to 5,726 m³, due to the reduction in the volume of wine distilled.

The quantity of liquid waste per hectolitre of wine decreased by 10%, to 130.1 litres per hectolitre of wine produced.

VOLUME OF LIQUID WASTE (GRI INDICATOR G4-EN22)



For the Angers and Cognac sites, overall liquid waste pollution discharged from the site (pre-treatment) was down to 16.0 tonnes of BOD – biochemical oxygen demand (down 14% from 18.6 in 2015/2016) and 29.0 tonnes of COD – chemical oxygen demand (compared to 33.8 in 2015/2016). After the waste was treated by external treatment plants and returned to the natural environment, pollution was down on the previous year from 0.8 to 0.6 tonnes of BOD and from 2.4 to 1.9 tonnes of COD (average reduction rate of 97% for BOD and 95% for COD).

For the Cognac and Angers sites, pollution per standard case was therefore 0.14 grams of BOD and 0.43 grams of COD, respectively down 25% and 27% compared to the previous year.

Liquid waste pollution for Domaines Rémy Martin decreased on the previous year, with 0.41 tonnes of BOD and 1.91 tonnes of COD after treatment and return to the natural environment. This is due to

the decrease in distillation activities. The liquid waste pollution rate was stable compared to the previous year, with 9.3 grams of BOD and 43.3 grams of COD per hectolitre of wine produced.

Liquid waste pollution discharged from the Barbados site was 615 tonnes of BOD and 1,563 tonnes of COD. These figures have risen following the increase in distillation activities on the site.

For the Islay site, they amounted to 242 tonnes of BOD and 628 tonnes of COD, up compared to the previous year following the increase in the site's activities.

The total liquid waste discharged from the Barbados and Islay sites was 857 tonnes of BOD and 2,191 tonnes of COD.

These figures lead to a liquid waste pollution rate per standard case discharged from the Barbados and Islay sites of 1.72 kilograms of BOD and 4.40 kilograms of COD.

GREENHOUSE GAS EMISSIONS

Aware of the impact of its activities, Rémy Cointreau measures its carbon emissions using the Bilan Carbone benchmark®. As a listed company, the Group meets the requirements of Article 173-IV-A of the French law on energy transition and green growth. For this reason, the scope 3 of the Carbon footprint has now been extended to 90% of Rémy Cointreau's production business (production business at the Angers and Cognac sites and the associated upstream and downstream impacts).

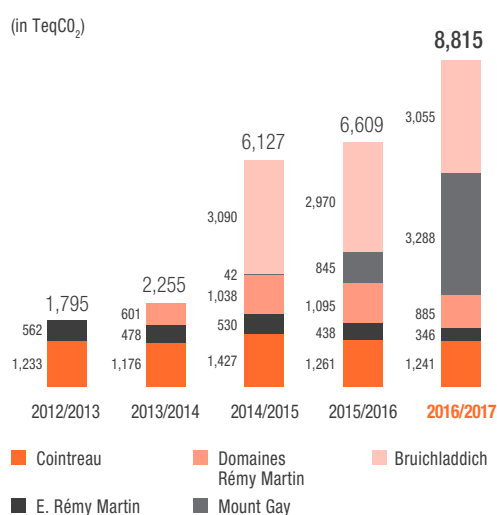
Since 2006, Rémy Cointreau completes the annual Climate Change survey from the Carbon Disclosure project. A number of measures have been implemented in order to control Greenhouse Gas

Emissions (GHG). Since 2011, eco-design actions, the increasingly systematic use of videoconferencing and the introduction of electric vehicles on the Angers and Cognac sites have all helped reduce CO₂ emissions.

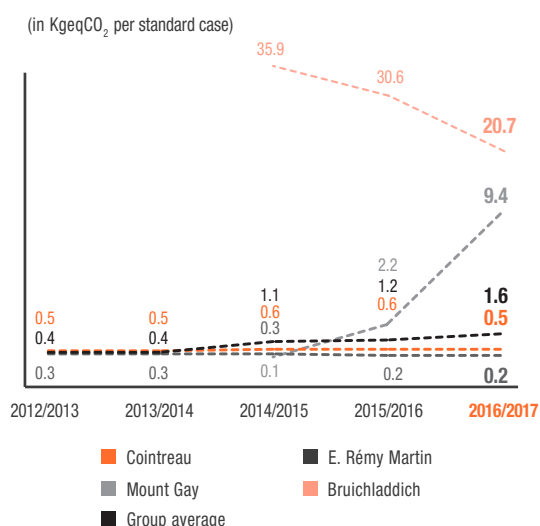
Following the increase in distillation activities on the Barbados site, CO₂ emissions for scopes 1 and 2 have increased to 10,726 Teq CO₂ (scope 1: 8,815 Teq CO₂/scope 2: 1,911 Teq CO₂ – GRI indicators G4-EN15/G4-EN16).

Per standard case these emissions amounted to 2.0 kgeq CO₂. For Domaines Rémy Martin they amounted to 20.7 kgeq CO₂ per hectolitre of wine produced.

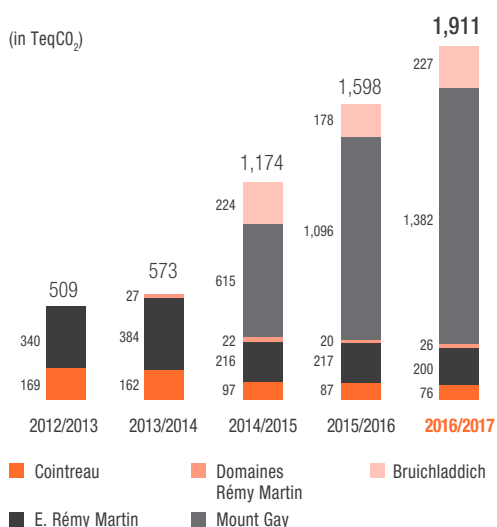
GREENHOUSE GAS EMISSIONS/SCOPE 1 (GRI INDICATOR G4-EN15)



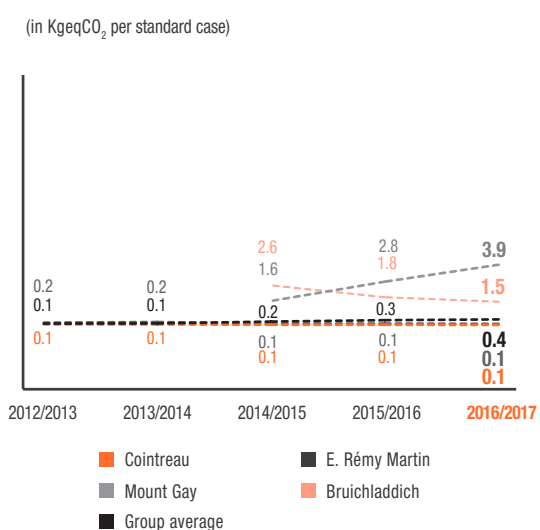
2014/2015: integration of the Islay and Barbados sites
2015/2016: integration of the Barbados site distillery



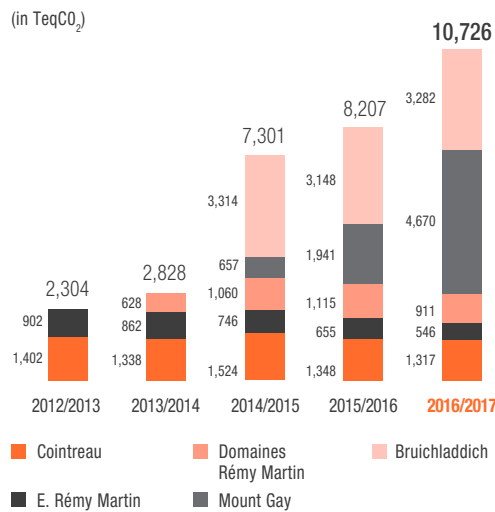
GREENHOUSE GAS EMISSIONS/SCOPE 2 (GRI INDICATOR G4-EN16)



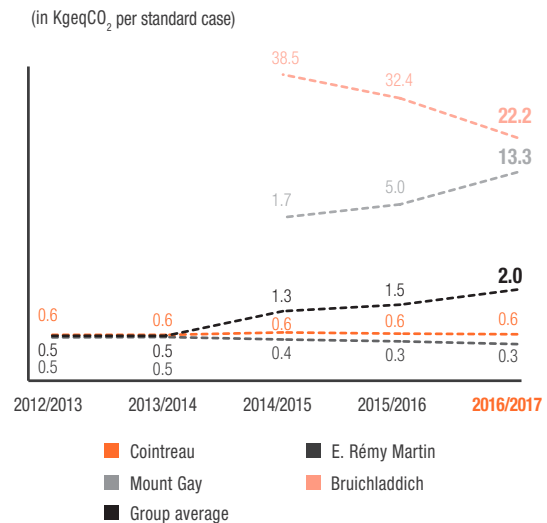
2014/2015: integration of the Islay and Barbados sites
2015/2016: integration of the Barbados site distillery



GREENHOUSE GAS EMISSIONS/SCOPES 1 & 2



2014/2015: integration of the Islay and Barbados sites
 2015/2016: integration of the Barbados site distillery



GHG emissions were stable for the Angers site with 1,317 Teq CO₂ (scope 1: 1,241 Teq CO₂/scope 2: 76 Teq CO₂). GHG emissions dropped 17% on the Cognac site with 546 Teq CO₂ emitted in 2016/2017. Scope 1 values on this site fell from 438 to 346 Teq CO₂ (primarily due to lower gas consumption), and scope 2 values fell from 217 to 200 Teq CO₂.

As regards Domaines Rémy Martin, GHG emissions are down at 911 Teq CO₂, due to the decrease in distillation activities. Scope 1 values fell from 1,095 to 885 Teq CO₂, and scope 2 values rose from 20 to 26 Teq CO₂.

GHG emissions on the Islay site increased to 3,282 Teq CO₂ due to the increase in the site's packaging activities. Scope 1 values increased from 2,970 to 3,055 Teq CO₂, and scope 2 values rose from 178 to 227 Teq CO₂.

For the Barbados site, CO₂ emissions increased significantly following the increase in distillation activities on the site and the use of cooling fluids for installation maintenance. They reached 4,670 Teq CO₂, with scope 1 of 3,288 Teq CO₂ and scope 2 of 1,382 Teq CO₂.

This year, to comply with Article 173 of law no. 2015-992 of 17 August 2015 on energy transition for green growth, the Group carried out its carbon footprint scope 3 assessment for its production activities in France (90% of its worldwide production activities) and the worldwide transportation of its products (GRI indicator G4-EC2).

Total CO₂ scope 3 emissions amounted to 145,789 Teq CO₂, broken down as follows (GRI indicator G4-EN17):

- Cognac site: 54,032 Teq CO₂;
- Angers site: 40,628 Teq CO₂;
- Domaines Rémy Martin site: 2,888 Teq CO₂;
- product transportation: 48,241 Teq CO₂.

The significant greenhouse gas emission generators for Rémy Cointreau's business are as follows:

- transportation of products and various freight activities: 55,488 Teq CO₂ (38.1% of total emissions);

- product packaging: 54,637 Teq CO₂ (or 37.5% of total emissions);
- raw materials: 26,684 Teq CO₂ (or 18.3% of total emissions).

The 2020 CSR plan aims to extend the measurement of CO₂ scope 3 within two years to the Barbados and Islay sites in order to cover 100% of the Group's production activities. The additional aim is to draft a reduction plan for CO₂ scope 3 emissions by 2018.

At the same time, Rémy Cointreau continued its indirect greenhouse gas emission reduction initiatives. These resulted in savings in these emissions of 2,135 Teq CO₂ (GRI indicator: G4-EN19).

The main initiatives this year were:

- eco-design initiatives to modify our packaging: this led to a reduction in GHG emissions of 298 Teq CO₂ (based on 2016/2017 sales);
- use of videoconferencing: 1,716 Teq CO₂ were avoided this year, up from 1,134 in 2015/2016;
- the optimisation of business travel: 121 Teq CO₂ were avoided this year, up from 31 in 2015/2016.

This year, the implementation of the CO₂ emissions reduction plan for the company vehicle fleet led to a new internal policy for company and service vehicles. Each vehicle renewal or acquisition must be a rechargeable hybrid or electric vehicle. Depending on technological availabilities, the target is to reach a level of 80% clean vehicles by 2020.

Currently, average emissions for the whole fleet are 124 g CO₂ per km.

They amounted to 139 g CO₂/km the previous year, representing a decrease of 11%.

In 2016/2017, three vehicles were acquired, including two rechargeable hybrids, to replace three diesel vehicles. An average emission for new vehicles is 87 g CO₂/km, compared with 159 in the past, which represents a 45% drop in emissions.

The Angers site has also set up a car-pooling database for commuting, as well as an electricity recharging terminal to support employees that wish to acquire their own electric vehicles. This terminal is now used by three employees who have acquired electric vehicles.

Four electric vehicle recharging points have been installed at the Paris site.

ECO-DESIGN OF PRODUCTS

In line with the achievement of the 2020 CSR plan, a CSR-eco-design Steering Committee has been set up with a project to train the Purchasing, Marketing and Product Development teams in eco-design. The aim is to raise awareness on reducing the environmental impact of packaging by analysing and improving the product life cycle. For these teams, the aim is to work upstream with simple indicators, shared by the three business sectors, with well-defined objectives such as reducing raw materials or increasing the use of recycled materials.

These indicators need to be taken into account when designing products. The first product eco-design study shows that the production of cases and boxes respectively include 58% and 67% recycled cardboard (GRI indicator G4-EN2).

Rémy Cointreau is already involved in these processes to reduce the environmental impact of its packaging. As part of the Eco-Design project, the Group has built a Bottle library this year, recording all the glass containers that it produces. The bottle library was completed this year. Information is held for each bottle on the glass weight and related CO₂ emissions, to provide a comparison between the different bottles and the type of glass used by the Group. The aim is to identify ways of reducing the weight of the different containers, in order to reduce the environmental impact caused by transportation, for example.

Last year, Rémy Cointreau reduced the weight of its Passoã bottle by 2%, giving a saving of 14 tonnes of glass (based on 2015/2016 sales). In addition, the type of glass used for the Passoã bottle has been changed, to increase the volume of recycled glass used to make this bottle.

This year, the 70cl Metaxa 5 star bottle has seen its weight reduced by 12%.

This eco-design action has enabled savings of 290 tonnes of glass and a reduction in GHG emissions of 298 Teq CO₂ (based on 2016/2017 sales – GRI indicator G4-EN27).

Three years ago, Rémy Cointreau rolled out a piece of software which can estimate the quantities of materials used in the manufacture of products on the Angers and Cognac sites and sold throughout the

world, i.e. 90% of the Group's production (GRI indicator G4-EN1). For the first time, the wastage rate for packaging workshops was included in the calculations. Tonnage totalled 35,937 tonnes (compared with 33,983 tonnes in 2015/2016, excluding wastage) mainly comprising glass (31,225 tonnes), cardboard (3,955 tonnes), plastics (349 tonnes), metals (176 tonnes), paper (56 tonnes) and miscellaneous materials (176 tonnes). This represents an average packaging weight of 998 grams per litre of product (based on 2016/2017 sales data), which represents a very slight increase compared with 2015/2016 (984 grams per litre of product, excluding wastage rate). The associated carbon emissions correspond to 40,405 Teq CO₂, or 1.12 kgeq CO₂ per litre of product.

PRODUCT TRANSPORTATION

As part of the 2020 CSR plan, a "CO₂ Transport Emissions" project was launched this year.

Firstly, this year, to comply with Article 173 of law no. 2015-992 of 17 August 2015 on energy transition for green growth, the Group carried out its carbon footprint scope 3 assessment on its production activities in France (90% of its worldwide production activities) and the worldwide transportation of its products.

Total CO₂ scope 3 emissions associated with product transportation amounted to 48,241 Teq CO₂ (GRI indicator G4-EN30). This is one of the significant greenhouse gas emission generators for Rémy Cointreau.

This value includes product transportation:

- in France, between production sites and logistics platforms;
- between logistics platforms and the first shipping ports or airports;
- maritime and air transport between the first shipping ports or airports and the arrival ports or airports worldwide.

By 2020, the aim is to include the CO₂ emissions related to freight on the US and Asian continents, and be able to roll out a plan to reduce CO₂ emissions related to transport of the Group's products on a worldwide level.

A second stage was reached with the integration of specifications including environmental conditions applicable to the Group's products in "Transport" calls for tender.

All selected carriers must communicate the greenhouse gas emissions for their transport services each year.

From 2018, carriers must demonstrate their commitment in the voluntary commitment charter to reduce CO₂ emissions, known as "Objective CO₂".

2.4 SOCIETAL INFORMATION

Rémy Cointreau helps to ensure progress for all by supporting sustainable local economic development and community initiatives. In order to achieve success with its all stakeholders, the Group must be fully aware of its societal impact. It will continue its effort in this respect with the objectives of its 2020 CSR plan. Rémy Cointreau shows local commitment by sharing its responsibility requirements with its suppliers and ensuring the sharing of ethical practices. Despite its global scope, the Group does not forget its privileged relationship with its clients.

2.4.1 SOCIETAL IMPACT OF RÉMY COINTREAU

With its numerous international investments, Rémy Cointreau cannot overlook its societal impact in relation to the sustainable economic development of the areas in which it operates. In the 2020 CSR plan, core importance is thus given to supportive initiatives. The Group contributes to community progress by helping to create value in its regions of operation.

SUPPORTING LOCAL NGOS

As a notable player in local economic life, Rémy Cointreau provides its expertise on numerous topics and promotes the merits of corporate social responsibility. The Group works alongside schools, universities and organisations dedicated to economic development. Its commitment is also reflected in its support for regional associations that work to promote sustainable development. The Group also supports business associations which promote discussions on CSR-related topics.

As an example, it participates in the activities of the Altère business association in Poitou-Charentes. This year, the Group was involved in the drafting of a partnership agreement with La Rochelle's Sup de Co business school. A round table discussion was organised during the international diversity meetings in September 2016. The event included a testimonial by the Altère association on the company's societal role. Another workshop was organised with IRSI (French Institute of Societal Responsibility through Innovation) on the means of involvement of socially responsible companies in their local regions.

Rémy Cointreau took part in the organisation of the 5th Sustainable Development Awards in the Cognac region. These awards highlight and recognise local sustainable development initiatives conducted by local authorities, associations, companies, educational establishments and even individuals. For several years now, the Group has been a member of the jury.

The family-controlled Group wants to share its CSR experience at the local level. To this effect, in June 2016, it received a visit from members of IFRÉE (French Institute for Environmental Education Research) – an organisation involving the New Aquitaine Region, the French Government and associations dedicated to environmental education and nature protection. For its Shareholder's Meeting,

the organisation wanted to visit a local company committed to a sustainable development approach and selected Rémy Cointreau.

For several years now, the Group's societal initiatives have included its involvement in Club Carbon'At in the Pays de la Loire region. Founded in December 2008, this Club brings together some thirty companies – including Rémy Cointreau – in the Grand Ouest region of France to share good CSR practices through meetings focused on topics such as responsible road transport.

Since the 1992 Rio Earth Summit, Comité 21 – the French Sustainable Development Committee – has been promoting the appropriation and deployment of sustainable development within organisations and regions. Since 2010, the committee has been coordinating a network of companies, local authorities, associations and education and research institutions in the Grand Ouest region (Pays de la Loire and Brittany).

Since the committee's objectives reflect those of Rémy Cointreau, the Group made a presentation on CSR and communication at the Committee meeting of last November.

ACTIVE INVOLVEMENT IN PROJECTS

Aware of its responsibility with respect to the consumption of its products, Rémy Cointreau strives to go further in its support for research into alcohol and responsible consumption.

In particular, Rémy Cointreau is involved in initiatives within the Fondation pour la recherche en alcoologie (Foundation for Alcohol Research), which it chairs. Founded in 2015, the FRA is dedicated to developing and sharing knowledge on alcohol. Under the aegis of the Fondation de France, its missions, recognised as being of public interest, consist in supporting research and disseminating knowledge, in the aim of improving public health.

In collaboration with the teams working on alcohol research, the FRA is currently engaged in a four-year research programme. It is aimed at determining the initial causes of excess alcohol use, the impacts of its various forms of consumption (chronic, acute, moderate) and how to overcome addiction. In conjunction with this programme, a working group on "Young People and Alcohol" was formed.

Moreover, for the very first time, the FRA organised awards for alcohol research. The ceremony took place at the Collège de France in February 2017. Two prizes of €5,000 each were awarded to a biomedical science researcher and a humanities and social science researcher who made remarkable contributions in the field of alcohol research over recent years.

In biomedical science, the prize was awarded to Hélène Beaunieux, (Neuropsychology Professor in the Psychology department of the University of Caen); in the humanities and social science category, the prize was awarded to Thierry Fillault (Professor at the University of Bretagne-Sud). Furthermore, a "Young Researcher" prize of €2,000 was awarded to Yannick Le Hénaff (Sociology Lecturer at the University of Rouen) for the originality of his alcohol research.

In 2016, the FRA supported 26 projects through calls for tenders. It also organised a *Café des Chercheurs* meeting on the topic of “Virtual Therapies: Fiction or Reality?” and a science day on “Sport, a factor of protection from or exposure to alcohol risk?”.

Moreover, as a member of the network of “Sustainable Development” correspondents of the Colbert Committee, which upholds the values of the French luxury industry, Rémy Cointreau contributes to the pooling of CSR best practices, in particular through the dissemination of fact sheets on the topic. The Group is also a member of the BNIC (National Interprofessional Cognac Office) Sustainable Development Project group.

Rémy Cointreau is very keen to promote a positive corporate responsibility culture in educational syllabuses, and has been involved, for example, with students graduating from France’s Grandes Écoles and universities. The Group introduced students to the responsible approach it takes towards its business activities, through topics as varied as Responsible Leadership (École Audencia Nantes) and developing CSR in industrial areas (IAE in Poitiers). Rémy Cointreau also took part in a working group with the Sup de Co La Rochelle business school during environmental meetings in La Rochelle. This working group produced a book entitled *L’humain au cœur des politiques RSE* (The Human Factor in CSR Policies) published in April 2016. It includes a Rémy Cointreau case study on the following topic: “Towards structured and reliable CSR reporting based on financial reporting processes”. During the year, this book was accredited by the FNEGE (French National Foundation for the Teaching of Business Management). This qualification distinguishes books focused on management research. The accreditation was awarded by an independent jury made up of lecturers and researchers specialised in the various fields of management.

Last year, other events took place at the Sup de Co La Rochelle Business School to discuss the topic of *CSR as an innovation opportunity* with lecturers-researchers. In 2016, Rémy Cointreau was present in Angers to present its CSR policy to the ONIRIS higher education establishment of Nantes. The Group also took part in the student project of ESAIP in Angers on the circular economy in the industrial estate of St-Barthélémy d’Anjou.

CULTURAL SPONSORSHIP

This year, in addition to the creation of the Rémy Cointreau Foundation, the Group has taken part in charity work through awards, auctions and grants for cultural projects. In the US, the Group supported “The Film Foundation” created by film director Martin Scorsese and dedicated to the restoration of old films. Thanks to three auctions and a partnership between LOUIS XIII Cognac and three prestigious establishments representing the very best in French know-how, the operation called *L’Odyssée d’un roi* collected nearly \$560,000 towards the preservation of cinema masterpieces.

In addition to its foreign investment, the Group continues to actively support local associations working towards social progress. An example is the partial funding of the project entitled *L’Eau d’une Vie* involving the Circle of Young Business Managers of Cognac. This is a community support project aimed at bringing water to the NGO Village Pilote at Lac Rose, Senegal. For the past 20 years, this NGO’s goal has been to get disadvantaged youths off the streets of the cities. It involves them in a borehole project to make them independent in their agricultural activities and enable them to become self-sufficient in food.

Working alongside the Fondation de la Deuxième Chance (Second Chance Foundation) for the last 12 years, Rémy Cointreau has helped disadvantaged people formulate a viable career plan. Through this commitment, the Group wants to support the creation of businesses by those who, in the face of considerable difficulties, wish to rebuild their lives through a new career path.

In addition to financial support, users in the Poitou-Charentes region benefit from mentoring to help them put together the relevant documents and set up their projects (so far, support has been provided to 54 people, and 223 project-monitoring meetings have been scheduled). This year, the Group participated in several meetings to present the Fondation de la Deuxième Chance to social bodies and associations. With Rémy Cointreau’s support and since the installation of the foundation’s Cognac site in 2005, 165 applicants have received a total of nearly €580,000 in grants from the Fondation de la Deuxième Chance.

2.4.2 SUPPLIERS: SHARING RESPONSIBILITY REQUIREMENTS

For Rémy Cointreau, CSR implies the involvement of all its stakeholders, including its suppliers. To meet the objectives of the 2020 CSR plan, the Group has further increased the efficiency of its responsible purchasing policy by simplifying it through common tools.

Rémy Cointreau’s involvement with its suppliers earned the Group a prize, awarded on 14 June 2016 by Vigeo Eiris – a French agency which analyses companies based on environmental, social and governance criteria. The Group won the 2016 Top Performers Award in the category “Responsible Supply Chain Management: Sustainable Relationship with Suppliers”.

This award recognises Rémy Cointreau’s increasingly demanding requirements with its suppliers. In January 2016, Rémy Cointreau joined SEDEX (Supplier Ethical Data Exchange), an international organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains.

This platform has greatly simplified the Group’s purchasing practices, also enabling it to save time. Prior to joining SEDEX, the Group asked its suppliers to complete questionnaires, and used these as a basis on which to decide whether or not to conduct an audit. Now, SEDEX shares supplier audits performed by their other customers: information on working standards, health and safety, the environment and sales ethics is available online.

In an effort to improve transparency and the ethics of its trade practices, Rémy Cointreau now expressly asks its suppliers to join SEDEX.

In 2016/2017, the number of strategic suppliers that are SEDEX members (excluding sub-contractors, as this is very limited and mainly concerns activities performed in France) went from 54% to nearly 83% (GRI indicators G4-EN32/G4-HR10). The 2018 target is 90%. This is an ambitious, but feasible objective: it mainly involves convincing the smallest suppliers that joining the platform will enable everyone to save time and drive everyone’s CSR ambitions forward. Rémy Cointreau is aware that it needs to incite its stakeholders to adopt such an approach, which is sometimes seen as an additional burden.

In October 2016, a SEDEX training session was organised for the purchasing teams to enable internal staff to understand the procedure. A tool kit was produced and sent to all Rémy Cointreau suppliers, to inform them of how the platform works. This training confirms that the 2015/2016 financial year was a year of transition and adaptation to the platform. This year, thanks to SEDEX, seven audits were conducted, mainly on raw material suppliers.

SEDEX has entered into an agreement with the CDP Carbon Disclosure Project, a non-profit organisation focused on studying the impact of the major listed companies globally on climate change. Rémy Cointreau has been participating in CDP surveys since 2006. In the upcoming years, the Group will be developing initiatives with its suppliers to incite them to reduce their carbon emissions.

2.4.3 ETHICS OF RÉMY COINTREAU PRACTICES

(GRI indicator G4-15)

The search for excellence in the sustainable development of Rémy Cointreau's brands drives the Group to take a close look at its corporate behaviours. Throughout the world, the Group wants to show the same level of requirements in its relations with all its stakeholders. This starts with trust, which underpins the solidity of the Group's trade relations and their success. At the heart of this trust is the ethics of the Group's practices. To achieve this, transparency is necessary and desirable. Indeed, the Group has adopted various charters, one of which specifically concerns business ethics.

This year, Rémy Cointreau focused efforts on improving its code of business ethics. (GRI indicator G4-56) It supplements the Sustainable Development aspect of the Global Compact, to which the Group is committed and which underpins its culture of integrity and ethics.

This code of business ethics reiterates the Group's values:

- its business values: by complying with applicable laws and regulations in the countries where the Group operates, particularly concerning healthy and fair competition. The Group is also committed to communicating in a responsible way on alcohol consumption;
- its community values: by respecting people, including its employees and the partners accompanying them in their development;
- its professional values: Rémy Cointreau puts emphasis on the quality and excellence of its work – in particular its traditional work. It also puts emphasis on loyalty toward the company by inciting its employees to only undertake commercial initiatives if they are in the best interest of the Group.

To convey these values, this Code has been used as a basis for the creation of two MOOCS for employees. Three e-learning videos (in French, English and Chinese) should be available on all Group sites starting next year (GRI indicator G4-SO4).

This code of business ethics reflects a set of reference documents used by Rémy Cointreau to ensure the transparency of its transactions and to combine know-how and life skills.

For its communication on alcohol consumption, Rémy Cointreau refers to two responsible communication charters: its own and that of Union des Annonceurs. They ensure self-regulation of advertising campaigns and compliance with principles promoting moderate alcohol consumption. In addition, a guide to responsible consumption in the workplace has been given to all French employees. Translated into several languages, it has also been distributed to teams in Asia.

As Rémy Cointreau's lobbying forms part of a transparent decision-making process within the European Union, the Group abides by the Transparency Register to provide the required transparency on the lobbying operations in which it may participate across Europe. This message has been put out for several years now, ever since the Group joined the Global Compact. This commitment is very dear to the Group, as it guarantees its responsibility and the compliance of its policy with international ethics standards.

The Corporate Social Responsibility Charter, which is aligned with ISO 26000, forms the basis of the Group's CSR policy. This charter is disseminated in French and English to all Group employees, as Rémy Cointreau is determined to put it to use on a daily basis. In the belief that responsibility concerns everyone, Rémy Cointreau supports the dissemination of the CSR Charter with awareness-raising initiatives for all staff.

In response to the French Sapin II law, the Group is committed, through the internal control officer, to respond to whistleblower concerns (GRI Indicator: G4-58). This legal commitment proves to be a real opportunity for the Group. It requires it to work upstream on the responsibility and transparency requirements – which it has set itself – in order to be irreproachable in all aspects.

For greater consistency, this ethics and transparency requirement is also implemented by the Group in terms of Socially Responsible Investment (SRI) and non-financial rating. Since 2010, Rémy Cointreau has been assessed by the non-financial Gaïa (EthiFinance) index, which is the benchmark Sustainable Development index for medium-sized listed and unlisted companies.

The Gaïa index assesses transparency on environmental, employee-related and governance criteria, which are linked to the CSR processes of 400 European companies. The Group primarily answered questions on its carbon emissions and reducing its emissions. In 2016, Rémy Cointreau improved its "Governance" and "Environment" ratings, which went from 83 to 90/100 and 93 to 98/100 respectively.

The Group is also assessed by the Vigeo Eiris non-financial agency. For the last rating conducted at end-2016, Rémy Cointreau performed well in several areas: its relationship with its suppliers and the information provided to its clients, communication and responsible consumption, protection of biodiversity, audit and internal control. Vigeo Eiris also pointed out areas for improvement: reducing energy consumption and CO₂ emissions, and environmental impacts of transport. The 2020 CSR Plan aims to

address these last points in order to improve the Vigeo Eiris rating by 2020.

Rémy Cointreau also regularly responds to information requests from SRI funds wanting to find out about the Group's CSR policy.

2.4.4 MAINTAINING RESPONSIBLE RELATIONSHIPS WITH CLIENTS

Sometimes far away, but always close, the clients of Rémy Cointreau are at the heart of its concerns. Intent on creating authentic products today and in a century's time, the Group strives to be irreproachable upstream, from the cultivation of raw materials to their processing, while ensuring the responsible marketing of its products.

PROMOTING RESPONSIBLE CONSUMPTION

The promotion of responsible consumption is a particularly important aspect of CSR for Rémy Cointreau. The fact that the Group's products are positioned at the high end of the range brings with it a major commitment to responsible consumption and the protection of our exacting clients, from both an ethical and performance point of view.

This responsibility is embodied in two priorities:

- promoting responsible consumption;
- promoting responsible advertising.

THE KEY ROLE OF REPRESENTATIVE ORGANISATIONS

By actively participating in the "Alcohol and Society" or "Alcohol and Health" working groups of professional organisations, Rémy Cointreau contributes to implementing a "strategy developed by the spirits industry (GRI indicator G4-16).

The main organisations are:

- in France: the FFS (French Spirits Federation), the FEVS (Federation of Wines & Spirits Exporters), Avec Modération! and the Fondation pour la Recherche en Alcoologie (Foundation for Alcohol Research) which Rémy Cointreau has chaired since its inception in November 2015;
- in Europe: spiritsEUROPE (the European Spirits Industry Federation);
- in the United States: DISCUS;
- in China: FSPA.

One of the objectives shared by all these groups is to develop alcohol action plans to assist governments to protect consumers, through their members' ethical commitments and advertising self-regulation.

By their very nature, it is impossible to measure quantifiable results on these major and long-term measures. Nonetheless, the outcomes of these programmes mean that international bodies (WHO, OECD) consider that:

- the primary objective of the actions is to combat excess alcohol consumption;

- the voice of the spirits industry is important in establishing consumer protection programmes and, as a result, representative organisations must be present during discussions addressing the issue of responsible consumption by consumers;
- the principle of ethical self-regulation of the promotion and advertising of spirits provides a guarantee of safety for the consumer;
- the spirits industry continues to improve the information provided to consumers (packaging, development of online information) by developing web sites dedicated to disseminating knowledge about the health risks of alcohol.

INITIATIVES TO PROMOTE RESPONSIBLE CONSUMPTION

A raft of initiatives conducted over recent years reflect Rémy Cointreau's commitment to promoting responsible consumption of its products:

- the Group is gradually rolling out voluntary decisions in Europe and Asia to include logos on its packaging designed to inform pregnant women (GRI indicator: G4-PR3);
- a willingness, in Europe, to include the [responsibledrinking.eu](#) URL on packaging. This is the EU portal for consumers of 28 European countries, which provides comprehensive information on the risks of alcohol abuse;
- the voluntary application, in China, of wording promoting moderation and "Don't Drink and Drive" warnings on all Rémy Cointreau brand advertising;
- the development of a responsible consumption page on the Rémy Cointreau Intranet;
- a responsible consumption awareness campaign on the French production sites;
- posting of information on our three French websites on "How to plan for reasonable consumption of our products when welcoming and receiving guests";
- a responsible consumption and advertising awareness campaign for marketing teams;
- distribution of Responsible Consumption materials to the sales teams: the Responsible Communication Charter, Responsible Consumption guide, a booklet on "How to plan for responsible consumption of Rémy Cointreau products when hosting and receiving our guests", and a "Responsible Consumption menu".

This year, these initiatives were supplemented with the following measures:

- update and new distribution of the RC Alcooflash app for iPhone users (internal audience);
- organising of a Consom'Action event focused on road safety at the Paris site, in order to raise the awareness of employees on the issue of responsible consumption; employees have been taking part in prevention actions for several years now (internal audience);
- production of new Drink Responsibly videos, with Rémy Cointreau employees, members of the Executive Committee and the brands' ambassadors (internal and external audiences);
- broadcasting of Drink Responsibly videos and messages in the United States and China, with the participation of external personalities (internal and external audiences);

- Responsible Consumption kit given to all new employees (internal audience);
- opening of a series of conferences at the Paris site, the first being on the topic of alcohol and the social link, led by Véronique Nahoum Grappe, Anthropologist and Researcher at EHESS (School for Advanced Studies in Social Sciences) (internal audience).

ADVERTISING CONTROL FOR RÉMY COINTREAU BRANDS

Compliance with the Rémy Cointreau code of ethics concerns the following points:

- responsible consumption;
- specific properties of alcohol;
- minors and other vulnerable groups;
- alcohol content;
- activities involving risk;
- respectful communication.

This is ensured by the Responsible Communication Committee (CCR), which is made up of eight members representing the Public Relations and CSR, Legal, Marketing, Communications and Sales departments.

The CCR is tasked with carefully analysing all new advertising campaigns involving amounts in excess of €100,000 (including creation and the media plan) on the basis of Rémy Cointreau's ethical undertakings.

The Public Relations teams heading up the CCR this year checked with the Rémy Cointreau brand directors that all new advertising had indeed been sent to the committee.

This year, the CCR approved 11 new campaigns:

1. LOUIS XIII ;
2. Rémy 2016 (video);
3. Rémy Martin Express;
4. Rémy Martin XO USA;
5. Rémy Martin (Responsible Consumption videos);
6. Passoã;
7. Rémy Martin One Life/Live Them (China);
8. Metaxa 12 stars;
9. Cointreau Spain;
10. LOUIS XIII Heritage Past Present;
11. Rémy Martin One Life/Live Them (Vietnam).

The other adverts used throughout the past year had been created and validated during previous years.

In 2013/2014, the CCR introduced an audit tool to analyse the cost of advertising campaigns (by country, brand and type of expenditure)

to guarantee that the CCR's audit process is duly complied with and applied systematically.

The tool, which is used every year, has once again provided proof that all new creative advertising work and initiatives are sent to the CCR for approval.

MAINTAINING HIGH-QUALITY RELATIONSHIPS WITH CLIENTS

clients are a core concern for Rémy Cointreau, which constantly strives to closely meet their needs and expectations. To respond to them as precisely and as quickly as possible, Rémy Cointreau keeps a very close eye on client demand through constant monitoring, especially on social networks. Rémy Cointreau wants to cultivate this indispensable closeness with its clients worldwide. They are attached to the brands' essential traditional values. The Group strives to always remain attractive while preserving the authenticity of its products.

For several years now, Rémy Cointreau has been carrying out internal rating twice a year. Areas for improvement are then systematically examined and shared to assess the satisfaction level of all retailer customers. This year, the rating was 17.8/20, stable in relation to the previous year (GRI Indicator G4-PR5).

The Group also replied to the questions of retailer customers operating in the US, Belgium and Great Britain concerning best environmental practices.

The site visits offered by the Group also reflect its quest for excellence. Rémy Martin's oenotourism offer features tailor-made programmes and a warm welcome. It puts emphasis on developing warm relationships with visitors, while offering tours highlighting know-how related to spirits, their heritage and their history.

Internally, the Cognac and Angers sites published a welcome, visits and reception Quality Charter incorporating responsible consumption.

After winning the national oenotourism award in 2012/2013 in the "development of a cellar or viticulture site" category, the Cognac site was once again awarded the Trip Advisor certificate of excellence this year.

The Angers site's "Quality Tourism" certification was also renewed in 2016.

At Cognac and Angers, the visitor circuit guides are trained each year in the CSR policy so that they can explain and promote the Group's best practices to visitors. In 2017, the guides benefited from revamped CSR training.

Since 2012, the Cognac site has also held the French government's *Entreprise du Patrimoine Vivant* (Living Heritage Company) label, which was established to reward businesses who promote French craftsmanship and tradition.

2.5 TABLE OF ENVIRONMENTAL INDICATORS BY SITE

| | 2014/2015 | Value/ std case | Value/ hectolitre of wine | 2015/2016 | Value/ std case | Value/ hectolitre of wine | 2016/2017 | Value/ std case | Value/ hectolitre of wine |
|---|----------------|--------------------|---------------------------------|----------------|--------------------|---------------------------------|----------------|--------------------|---------------------------------|
| Total energy consumption, in MWh, and in kWh for values per standard case or hectolitre of wine (GRI indicator G4-EN3) | | | | | | | | | |
| Total | 33,947 | 6.35 | 69.54 | 36,235 | 6.91 | 66.35 | 41,854 | 7.91 | 78.13 |
| o/w Cointreau | 9,087 | 3.81 | | 8,274 | 3.68 | | 8,375 | 3.69 | |
| o/w E. Rémy Martin | 7,582 | 4.13 | | 7,284 | 3.89 | | 7,380 | 3.57 | |
| o/w Domaines Rémy Martin | 4,158 | | 69.54 | 4,423 | | 66.35 | 3,437 | | 78.13 |
| o/w Mount Gay | 948 | 2.44 | | 4,622 | 12.00 | | 10,366 | 29.55 | |
| o/w Bruichladdich | 12,172 | 141.29 | | 11,632 | 119.68 | | 12,130 | 82.12 | |
| o/w Paris site | | | | | | | 166 | | |
| Direct energy consumption (gas, heating oil, diesel), in MWh, and in kWh for values per standard case or hectolitre of wine (GRI indicator G4-EN3) | | | | | | | | | |
| Total | 24,161 | 4.38 | 60.13 | 26,187 | 4.84 | 58.70 | 30,445 | 5.67 | 68.44 |
| o/w Cointreau | 6,609 | 2.77 | | 6,036 | 2.68 | | 6,081 | 2.68 | |
| o/w E. Rémy Martin | 2,034 | 1.11 | | 1,711 | 0.91 | | 1,327 | 0.64 | |
| o/w Domaines Rémy Martin | 3,595 | | 60.13 | 3,913 | | 58.70 | 3,011 | | 68.44 |
| o/w Mount Gay | 161 | 0.41 | | 3,221 | 8.36 | | 8,392 | 23.92 | |
| o/w Bruichladdich | 11,762 | 136.53 | | 11,305 | 116.32 | | 11,634 | 78.76 | |
| Indirect energy consumption (electricity), in MWh, and in kWh for values per standard case or hectolitre of wine (GRI indicator G4-EN3) | | | | | | | | | |
| Total | 9,786 | 1.97 | 9.41 | 10,048 | 2.07 | 7.65 | 11,409 | 2.24 | 9.69 |
| o/w Cointreau | 2,478 | 1.04 | | 2,238 | 0.99 | | 2,293 | 1.01 | |
| o/w E. Rémy Martin | 5,549 | 3.02 | | 5,572 | 2.98 | | 6,053 | 2.93 | |
| o/w Domaines Rémy Martin | 563 | | 9.41 | 510 | | 7.65 | 426 | | 9.69 |
| o/w Mount Gay | 787 | 2.03 | | 1,401 | 3.64 | | 1,974 | 5.63 | |
| o/w Bruichladdich | 410 | 4.76 | | 326 | 3.36 | | 497 | 3.36 | |
| o/w Paris site | | | | | | | 166 | | |
| Water consumption, in m3 and in litres for values per standard case or hectolitre of wine (GRI indicator G4-EN8) | | | | | | | | | |
| Total | 112,380 | 22.75 | 94.15 | 123,729 | 25.12 | 120.60 | 133,418 | 26.23 | 147.66 |
| o/w Cointreau | 29,442 | 12.35 | | 28,081 | 12.48 | | 27,362 | 12.04 | |
| o/w E. Rémy Martin | 24,806 | 13.52 | | 35,581 | 19.00 | | 35,396 | 17.12 | |
| o/w Domaines Rémy Martin | 5,629 | | 94.15 | 8,039 | | 120.60 | 6,496 | | 147.66 |
| o/w Mount Gay | 20,403 | 52.60 | | 19,693 | 51.12 | | 31,891 | 90.90 | |
| o/w Bruichladdich | 32,100 | 372.62 | | 32,335 | 332.70 | | 32,273 | 218.49 | |
| Paper consumption, in millions of sheets (GRI indicator G4-EN1) | | | | | | | | | |
| Total | 3.05 | | | 2.00 | | | 1.55 | | |
| o/w Cointreau | 0.77 | | | 0.61 | | | 0.48 | | |
| o/w E. Rémy Martin | 1.69 | | | 0.72 | | | 0.74 | | |
| o/w Paris site | 0.58 | | | 0.66 | | | 0.32 | | |

Table of environmental indicators by site

| | 2014/2015 | Value/ std case | Value/ hectolitre of wine | 2015/2016 | Value/ std case | Value/ hectolitre of wine | 2016/2017 | Value/ std case | Value/ hectolitre of wine |
|--|---------------|--------------------|---------------------------------|---------------|--------------------|---------------------------------|---------------|--------------------|---------------------------------|
| Quantity of waste, in tonnes, and in kg for values per standard case or hectolitre of wine (GRI indicator G4-EN23) | | | | | | | | | |
| Total | 2,404 | 0.56 | | 2,935 | 0.63 | 0.42 | 2,266 | 0.45 | 1.55 |
| o/w Cointreau | 1,308 | 0.55 | | 1,233 | 0.55 | | 1,166 | 0.51 | |
| o/w E. Rémy Martin | 990 | 0.54 | | 1,426 | 0.76 | | 815 | 0.39 | |
| o/w Domaines Rémy Martin | | | | 28 | | 0.42 | 68 | | 1.55 |
| o/w Mount Gay | | | | 136 | 0.35 | | 169 | 0.48 | |
| o/w Bruichladdich | 105 | 1.22 | | 112 | 1.15 | | 46 | 0.31 | |
| o/w Paris site | | | | | | | 1 | | |
| Volume of solid waste sorted in % | | | | | | | | | |
| Total | 94 | | | 89 | | | 87 | | |
| o/w Cointreau | 96 | | | 96 | | | 96 | | |
| o/w E. Rémy Martin | 91 | | | 92 | | | 94 | | |
| o/w Domaines Rémy Martin | | | | 100 | | | 91 | | |
| o/w Mount Gay | | | | 0 | | | 0 | | |
| o/w Bruichladdich | 83 | | | 72 | | | 48 | | |
| o/w Paris site | | | | | | | 95 | | |
| Volume of solid waste recycled in % | | | | | | | | | |
| Total | 95 | | | 90 | | | 89 | | |
| o/w Cointreau | 100 | | | 100 | | | 100 | | |
| o/w E. Rémy Martin | 91 | | | 92 | | | 94 | | |
| o/w Domaines Rémy Martin | | | | 100 | | | 91 | | |
| o/w Mount Gay | | | | 0 | | | 0 | | |
| o/w Bruichladdich | 83 | | | 72 | | | 48 | | |
| o/w Paris site | | | | | | | 95 | | |
| Volume of liquid waste, in m3, and in litres for values per standard case or hectolitre of wine (GRI indicator G4-EN22) | | | | | | | | | |
| Total | 24,962 | 4.49 | 100.35 | 69,410 | 12.99 | 143.99 | 63,214 | 11.88 | 130.15 |
| o/w Cointreau | 11,045 | 4.63 | | 11,064 | 4.92 | | 9,999 | 4.40 | |
| o/w E. Rémy Martin | 7,917 | 4.31 | | 12,683 | 6.77 | | 9,591 | 4.64 | |
| o/w Domaines Rémy Martin | 6,000 | | 100.35 | 9,598 | | 143.99 | 5,726 | | 130.15 |
| o/w Mount Gay | | | | 19,590 | 50.85 | | 21,223 | 60.49 | |
| o/w Bruichladdich | | | | 16,475 | 169.52 | | 16,675 | 112.89 | |
| Liquid waste: BOD, after treatment, in tonnes, and in grams for values per standard case or hectolitre of wine | | | | | | | | | |
| Total | 1.17 | 0.17 | 7.73 | 1.52 | 0.19 | 10.94 | 1.03 | 0.14 | 9.24 |
| o/w Cointreau | 0.70 | 0.29 | | 0.78 | 0.35 | | 0.60 | 0.27 | |
| o/w E. Rémy Martin | 0.01 | 0.01 | | 0.01 | 0.00 | | 0.02 | 0.01 | |
| o/w Domaines Rémy Martin | 0.46 | | 7.73 | 0.73 | | 10.94 | 0.41 | | 9.24 |
| Liquid waste: BOD, discharged from the site, in tonnes, and in grams for values per standard case or hectolitre of wine | | | | | | | | | |
| Total | | | | 434.11 | 899.81 | | 857.25 | 1,719.55 | |
| o/w Mount Gay | | | | 215.49 | 559.34 | | 615.47 | 1,754.35 | |
| o/w Bruichladdich | | | | 218.62 | 2,249.46 | | 241.79 | 1,636.91 | |

| | 2014/2015 | Value/ std case | Value/ hectolitre of wine | 2015/2016 | Value/ std case | Value/ hectolitre of wine | 2016/2017 | Value/ std case | Value/ hectolitre of wine |
|--|--------------|--------------------|---------------------------------|-----------------|--------------------|---------------------------------|-----------------|--------------------|---------------------------------|
| Liquid waste: BOD, after treatment, in tonnes, and in grams for values per standard case or hectolitre of wine | | | | | | | | | |
| Total | 3.99 | 0.52 | 29.91 | 5.42 | 0.59 | 44.64 | 3.78 | 0.43 | 43.34 |
| o/w Cointreau | 2.12 | 0.89 | | 2.36 | 1.05 | | 1.73 | 0.76 | |
| o/w E. Rémy Martin | 0.08 | 0.05 | | 0.09 | 0.05 | | 0.14 | 0.07 | |
| o/w Domaines Rémy Martin | 1.79 | | 29.91 | 2.98 | | 44.64 | 1.91 | | 43.34 |
| Liquid waste: BOD, discharged from the site, in tonnes, and in grams for values per standard case or hectolitre of wine | | | | | | | | | |
| Total | | | | 1,788.06 | 3,706.22 | | 2,191.11 | 4,395.11 | |
| o/w Mount Gay | | | | 1,272.72 | 3,303.54 | | 1,562.63 | 4,454.18 | |
| o/w Bruichladdich | | | | 515.34 | 5,302.43 | | 628.48 | 4,254.83 | |
| GHG emissions (scope 1) in Teq CO₂ and in Kgeq CO₂ for values per standard case or hectolitre of wine (GRI indicator G4-EN15) | | | | | | | | | |
| Total | 6,127 | 1.08 | 17.36 | 6,609 | 1.20 | 16.43 | 8,815 | 1.64 | 20.12 |
| o/w Cointreau | 1,427 | 0.60 | | 1,261 | 0.56 | | 1,241 | 0.55 | |
| o/w E. Rémy Martin | 530 | 0.29 | | 438 | 0.23 | | 346 | 0.17 | |
| o/w Domaines Rémy Martin | 1,038 | | 17.36 | 1,095 | | 16.43 | 885 | | 20.12 |
| o/w Mount Gay | 42 | 0.11 | | 845 | 2.19 | | 3,288 | 9.37 | |
| o/w Bruichladdich | 3,090 | 35.87 | | 2,970 | 30.56 | | 3,055 | 20.68 | |
| GHG emissions (scope 2), in Teq CO₂, and in Kgeq CO₂ for values per standard case or hectolitre of wine (GRI indicator G4-EN16) | | | | | | | | | |
| Total | 1,174 | 0.25 | 0.37 | 1,598 | 0.34 | 0.30 | 1,911 | 0.39 | 0.59 |
| o/w Cointreau | 97 | 0.04 | | 87 | 0.04 | | 76 | 0.03 | |
| o/w E. Rémy Martin | 216 | 0.12 | | 217 | 0.12 | | 200 | 0.10 | |
| o/w Domaines Rémy Martin | 22 | | 0.37 | 20 | | 0.30 | 26 | | 0.59 |
| o/w Mount Gay | 615 | 1.59 | | 1,096 | 2.84 | | 1,382 | 3.94 | |
| o/w Bruichladdich | 224 | 2.60 | | 178 | 1.83 | | 227 | 1.54 | |
| GHG emissions (scopes 1 & 2) in Teq CO₂ and in Kgeq CO₂ for values per standard case or hectolitre of wine | | | | | | | | | |
| Total | 7,301 | 1.33 | 17.73 | 8,207 | 1.54 | 16.73 | 10,726 | 2.03 | 20.71 |
| o/w Cointreau | 1,524 | 0.64 | | 1,348 | 0.60 | | 1,317 | 0.58 | |
| o/w E. Rémy Martin | 746 | 0.41 | | 655 | 0.35 | | 546 | 0.26 | |
| o/w Domaines Rémy Martin | 1,060 | | 17.73 | 1,115 | | 16.73 | 911 | | 20.71 |
| o/w Mount Gay | 657 | 1.69 | | 1,941 | 5.04 | | 4,670 | 13.31 | |
| o/w Bruichladdich | 3,314 | 38.47 | | 3,148 | 32.39 | | 3,282 | 22.22 | |
| GHG emissions (Total scopes 1, 2 & 3) in Teq CO₂ and in Kgeq CO₂ for values per standard case or hectolitre of wine (GRI indicator G4-EN17) | | | | | | | | | |
| Total | | | | | | | 145,789 | 30.13 | 65.65 |
| o/w Cointreau | | | | | | | 40,628 | 17.88 | |
| o/w E. Rémy Martin | | | | | | | 54,032 | 26.14 | |
| o/w Domaines Rémy Martin | | | | | | | 2,888 | | 65.65 |
| o/w Mount Gay | | | | | | | | | |
| o/w Bruichladdich | | | | | | | | | |
| o/w Product transport | | | | | | | 48,241 | 9.97 | |

2.6 2020 TARGETS

| | | Indicators | Scope | Values 2016/2017 | Objectives 2019/2020 | Change 2019/2020 |
|---------------|---|---|-----------------------------|----------------------------|---------------------------|---------------------|
| SDG 8 | Decent work and economic growth/Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | Responsible purchasing: percentage of suppliers having joined SEDEX | World | 83% | 100% | +17% |
| SDG 13 | Take action to combat climate change and its impacts | Reduction of CO2 emissions: reduction of direct and indirect energy consumption | France | 15,755 MWh | 14,855 MWh | -5.7% |
| | | Reduction of CO2 emissions: percentage of "clean" vehicles | France | 22% | 80% | +58% |
| SDG 15 | Sustainable land management/Restore and promote sustainable use of land ecosystems/Sustainably manage forests/Preserve biodiversity | Sustainable winegrowing: Domaines Rémy Martin Treatment Frequency Index (TFI) | France | 17.6 | 15.8 | -10% |
| | | Sustainable winegrowing: percentage of AFC cooperative members using an environmental approach (AHVE 1 or Sustainable Winegrowing guidelines) | France (161 winegrowers) | 19.6% (820 winegrowers) | 100% (820 winegrowers) | x 5.1 |

2.7 NOTE ON METHODOLOGY FOR REPORTING ENVIRONMENTAL AND EMPLOYEE-RELATED INDICATORS

Rémy Cointreau complies with the Grenelle II law requiring listed companies to apply Article 225: “publish information on the way in which the Company takes into account the environmental and employee-related consequences of its activities and its societal commitments towards sustainable development”.

Since 2003, Rémy Cointreau has been a signatory to the *UN Global Compact*, and aims to be an ambassador for the best practices of this worldwide commitment to human rights, labour standards, the environment and the fight against corruption.

The concept of Corporate Social Responsibility (CSR) is promoted within the Company, as well as externally, with clients, suppliers and all other stakeholders.

Rémy Cointreau's Corporate Social Responsibility (CSR) Charter is based on six main commitments modelled on standard ISO 26000 and applied to the particular characteristics of the Group.

The measures implemented in the context of the CSR policy are regularly presented in the annual reports, which describe all the CSR indicators in line with the GRI (Global Reporting Initiative indicators.).

These documents are available on the Rémy Cointreau website and are sent to all stakeholders. (<http://www.remy-cointreau.com>)

2.7.1 REPORTING PROTOCOL

The 2016/2017 reporting protocol/is an internal document that describes Rémy Cointreau's CSR commitments and presents the structure and the resources implemented to ensure that reports are of a high standard and reliable.

It acts as a guide for internal reporting and a standard for the external verification in 2016/2017 of the/ various CSR indicators set forth in Article 225 of the Grenelle law on the Environment.

The reporting protocol is established by Rémy Cointreau's HR and CSR departments. It can be obtained on request from the Corporate Social Responsibility Director at the following address:

Christian Lafage
Corporate Social Responsibility Director
20, rue de la Société-Vinicole
BP 37
16102 COGNAC

christian.lafage@remy-cointreau.com

Tel: +33 (0)5 45 35 77 25

The reporting protocol is updated annually in order to take into account any changes in reporting requirements and CSR indicators.

2.7.2 SCOPE

Rémy Cointreau's CSR commitments apply to all companies within the Group. There are three main areas of focus: employee-related, environmental and societal.

The CSR reporting scope is based on the Group's consolidated financial scope and includes 23 companies in accordance with Article 225 of the Grenelle II law (production sites and distribution companies).

Companies that are exclusively financial and joint ventures not controlled by the Group are not included in the CSR reporting scope. The same applies to companies disposed of and acquired during the year.

ENVIRONMENTAL REPORTING SCOPE

Generally speaking, the environmental information covers the production sites of Cognac and Angers, Barbados, Islay (Scotland) and Domaines Rémy Martin (Cognac).

All production sites are therefore included in the environmental reporting scope. The distribution subsidiaries are excluded, as their environmental impact is not deemed to be significant.

EMPLOYEE-RELATED REPORTING SCOPE

The methodologies used for certain employee-related indicators may have limitations, owing mainly to:

- the absence of common definitions at national or international level;
- necessary estimates, the representativeness of the measures taken or the limited availability of external data required for the calculations.

The definitions and methodologies used for the following indicators are as follows:

1. Employees

The employee-related reporting scope covers all 23 companies.

2. Training

Companies based in Europe (excluding France), as well as Bruichladdich, are not covered by the training indicator.

The training data of the French subsidiaries takes into account training programmes taken both as part of and outside continued professional development. The number of employees trained takes into account all employees who took at least one training course during the calendar year, including those who were no longer present as of 31 December 2016. For all companies, only training courses lasting for at least one hour are listed.

3. Other indicators

Only the production sites at Angers, Cognac, Barbados and Islay, as well as the Paris site, are included in the indicators relating to employee relations, absenteeism and workplace accidents. The indicator for the number of occupational illnesses recognised only covers the Cognac, Angers and Paris sites.

Absenteeism: scope limited to French companies, the Barbados and Islay sites. All illness-related absences (illnesses lasting for less than 90 days, workplace accidents, occupational illnesses) of employees are included in the absenteeism rate on the last day of each quarter with the exception of paid leave, special leave (weddings, christenings, house moves, etc.), absences for training, authorised unpaid leave, leave for trade union activities, sabbaticals and business creation, time off in lieu, compensatory leave, bank holidays, parental leave and long-term illnesses (more than 90 days). The absenteeism rate is calculated over the last twelve months and is equal to the number of hours of absence per theoretical hours worked.

Workforce scope for health and safety indicators:

- fixed-term contracts, permanent contracts and work-linked training contracts for the Cognac and Angers production sites and Paris site,
- permanent contracts for the Bruichladdich and Barbados production sites.

Workplace accident frequency rate: scope limited to French companies and to the Barbados and Bruichladdich sites. All accidents to employees counted in the workforce as of 31 March, in the workplace or on business trips, requiring both a declaration to be made and leave of at least one day, irrespective of applicable national regulations. This rate is expressed as the number of workplace accidents with workdays lost per million actual hours worked. Actual hours worked are the theoretical hours worked less hours taken for trade union delegate and employee representative activities, training hours, compensatory hours and information meeting hours on the initiative of the management.

Workplace accident severity rate: scope limited to French companies and to the Barbados and Islay sites. All accidents to employees counted in the workforce as of 31 March, in the workplace or on business trips, requiring both a declaration to be made and leave of at least one day, irrespective of applicable national regulations. This rate is expressed as the number of days lost to workplace accidents per thousand actual hours worked. Actual hours worked are the theoretical hours worked less hours taken for trade union delegate and employee representative activities, training hours, compensatory hours and information meeting hours on the initiative of the management.

Any workplace accident involving sick leave of more than two consecutive years is excluded from the severity rate calculation.

Occupational illnesses: scope limited to French companies. The occupational illnesses listed are those declared and acknowledged by the Health Authorities during the year.

2.7.3 SELECTED INDICATORS

The 2016/2017 protocol presents the indicators available at the end of the year.

SOCIAL INDICATORS

- Total Group workforce
- Breakdown of employees by gender and position
- Breakdown of employees by geographic area
- Number of recruitments by position and contract type
- Number of departures detailed per reason
- Average age by gender and by professional category
- Average length of service by gender and by socio-professional category
- Average salary by gender and professional category
- Absenteeism rate
- Workplace accident frequency rate
- Workplace accident severity rate
- Number of occupational illnesses recognised
- Percentage of disabled employees in the total workforce
- Number of training hours by gender
- Workforce trained by gender
- Number of training hours per person

ENVIRONMENTAL INDICATORS

Energy

- Total energy consumption: Angers, Cognac, Paris, Barbados and Islay sites, and Domaines Rémy Martin (DRM)
- Direct energy consumption (fuel): Angers, Cognac, Barbados and Islay sites, DRM
- Indirect energy consumption: Paris, Angers, Cognac, Barbados and Islay sites, DRM

Water and liquid waste

- Water consumption: Angers, Cognac, Barbados and Islay sites, DRM
- Volumes of liquid waste: Angers, Cognac, Barbados and Islay sites, DRM
- Liquid waste pollution rate after treatment (BOD & COD): Angers and Cognac sites, DRM
- Liquid waste pollution rate, discharged from the site (BOD/COD): Barbados and Islay sites

Winemaking

- Reduction in the use of pesticides (TFI index): DRM

Raw materials for packaging

- Raw materials: Angers and Cognac production sites
- Quantities of glass saved in packaging by eco-design of bottles and containers

Office paper

- Paper consumption: Angers, Cognac and Paris sites

Solid waste

- Quantity of solid waste: Paris, Angers, Cognac, Barbados and Islay sites, DRM
- Volume of solid waste sorted: Paris, Angers, Cognac, Barbados and Islay sites, DRM
- Volume of solid waste recycled: Paris, Angers, Cognac, Barbados and Islay sites, DRM

Carbon footprint (*Référentiel Bilan Carbone®*)

- Regulatory GHG Footprint – GHG emissions (scopes 1 & 2): Angers, Cognac, Barbados and Islay sites, DRM
- Carbon Footprint scope 3: Angers and Cognac sites, DRM and product transport
- Reduction in Greenhouse Gases (GHG)
- Use of videoconferences
- Monitoring of business travel: Angers, Cognac and Paris sites
- Vehicle fleet GHG emissions: Angers and Cognac sites

Investment and training

- QSE training hours: Angers and Cognac sites
- Amount of annual investment in quality, safety and the environment

2.7.4 RELEVANCE OF INDICATORS

The CSR indicators used by Rémy Cointreau demonstrate the concrete nature and reliability of the measures it implements in relation to its CSR commitments.

They contribute to the decision-making process of the users of these indicators in respect of plans designed to enable Rémy Cointreau to make the necessary progress and achieve its CSR objectives.

2.8 CROSS-REFERENCE TABLES

CSR cross-reference table based on decree no. 2012-557 of 24 April 2012

Pages

Employee-related information

Employment

| | |
|---|-----|
| Total workforce (breakdown of employees by gender, age and geographic area) | 7-8 |
| Employees recruited (permanent and fixed-term contracts, any recruitment difficulties) | 7-8 |
| Redundancies (reasons, efforts to reclassify staff, to re-employ staff and accompanying measures) | 7-8 |
| Remuneration (change, social security charges, profit sharing and employee savings plan) | 9 |

Organisation of working hours

| | |
|--|----|
| Organisation of working hours (duration of working hours for full-time and part-time employees, overtime, external labour) | 9 |
| Absenteeism (reasons) | 12 |

Employment relations

| | |
|---|----------|
| Organisation of social dialogue (rules and procedures for informing, consulting and negotiating with staff) | 10 |
| Review of collective agreements | 7, 10-11 |

Health and safety

| | |
|--|----------|
| Health and safety conditions in the workplace | 11-12 |
| Agreements signed with trade union organisations and staff representatives pertaining to health and safety in the workplace | 7, 10-11 |
| Workplace accident frequency and severity rate and accounting for occupational illnesses | 12 |
| Promotion of and compliance with the provisions of the core conventions of the ILO (upholding freedom of association and the right to collective bargaining, eliminating discrimination and forced labour and abolishing child labour) | 3-7 |

Training

| | |
|---|------|
| Policies implemented with respect to training | 9-10 |
| Total number of training hours | 10 |

Equal treatment

| | |
|--|-------|
| Measures to promote equality between men and women | 10-11 |
| Measures to promote the employment and integration of the disabled | 10 |
| Policies to combat discrimination | 10-11 |

Environmental information

Overall environmental policy

| | |
|---|-------|
| Company organisational structure and assessment or certification procedures | 5 |
| Training and information for employees on protecting the environment | 13-14 |
| Resources devoted to preventing environmental hazards and pollution | 16 |
| Amount of provisions and guarantees for environmental risks | 16 |

Pollution and waste management

| | |
|--|-------|
| Prevention, reduction and repair of discharges into air, water and soil severely affecting the environment | 21-26 |
| Prevention of waste production, waste recycling and elimination | 21-23 |
| Handling of noise pollution | 21 |
| Handling of all other forms of pollution specific to an activity | na |

| CSR cross-reference table based on decree no. 2012-557 of 24 April 2012 | Pages |
|--|-------------------|
| Sustainable use of resources | |
| Water consumption and supply according to local constraints | 20 |
| Consumption of raw materials and measures taken to improve their efficient use | 21, 26 |
| Energy consumption, measures taken to improve energy efficiency and use of renewable energy | 16-19 |
| Use of soil | 13-16 |
| Climate change | |
| Greenhouse gas emissions | 24-26 |
| Adaptation to the consequences of climate change | 3, 14, 35, 46-47 |
| Protection of biodiversity | |
| Measures taken to preserve or develop biodiversity | 14-16 |
| Societal information | |
| Regional, economic and social impact of activity | 7-8, 11-14 |
| Impact of activity on employment and regional development | 7-8, 11-14, 27-28 |
| Impact of activity on local and neighbouring populations | 7-8, 11-14 |
| Relations with stakeholders | |
| Terms of dialogue with stakeholders (work integration associations, educational establishments, environmental protection associations, consumer associations and neighbouring populations) | 27-28 |
| Partnership and sponsorship initiatives | 14-16, 27-28 |
| Subcontractors and suppliers | |
| Taking social and environmental issues into account in the purchasing policy | 28-29 |
| Importance of subcontracting and taking suppliers' corporate social responsibility into account in relations with them | 28-29 |
| Fair trade practices | |
| Actions undertaken to prevent corruption | 29 |
| Measures taken to promote consumer health and safety | 30-31 |
| Other actions undertaken to promote human rights | 3-7 |

| Cross-reference table of CSR/Sustainable Development Goals (SDGs) | Pages |
|---|-------------------|
| SDG 3 Ensure healthy lives and promote well-being for all at all ages/in the workplace | 7-12, 30-31 |
| SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | 7, 9-10, 16 |
| SDG 5 Gender equality: achieve gender equality | 7, 11 |
| SDG 6 Ensure availability and sustainable management of water | 20 |
| SDG 8 Decent work and economic growth/Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | 14, 28-29 |
| SDG 10 Reduce inequality within and among countries | 7-12 |
| SDG 12 Responsible consumption/Ensure sustainable consumption and production patterns | 26 |
| SDG 13 Take action to combat climate change and its impacts | 13, 14, 35, 46-47 |
| SDG 15 Sustainable land management/Restore and promote sustainable use of land ecosystems/Sustainably manage forests/Preserve biodiversity | 13-15 |
| SDG 16 Peace and justice: build effective and accountable institutions | 29 |

| Cross-reference table of CSR/Global Compact GC Advanced commitments | | Pages |
|---|---|-----------------------------|
| General information | Chairman & Chief Executive Officer's declaration of ongoing support for the United Nations Global Compact and its principles | 2 |
| | Description of policies or measures implemented with regard to human rights, international labour standards, the environment and the fight against corruption | 3-7 |
| | Quantitative measurement indicators | 8, 12, 28, 32-33 |
| | Assessment by a credible third party of the accuracy and scope of the information | 43-46 |
| | Use of high standards of transparency and disclosure such as the GRI (Global Reporting Initiative) guidelines | 42 |
| | Integration of Sustainable Development Goals (SDGs) | 3-4 |
| | Actions to advance Sustainable Development Goals (SDGs) | 3-6 |
| GC Advanced criteria: Implementing the ten principles into Strategies & Operations | Criterion 1: description of mainstreaming into corporate functions and business units | 2, 3-7, 16, 30-31, 33 |
| | Criterion 2: description of value chain implementation | 13-16, 28-29 |
| | Criterion 3: description of robust commitments, strategies or policies in the area of human rights | 7, 28-29 |
| | Criterion 4: description of effective management systems to integrate the human rights principles | 2, 7, 29 |
| | Criterion 5: description of effective monitoring and evaluation mechanisms of human rights integration | 2-12, 27-29 |
| | Criterion 6: formulation of robust commitments, strategies or policies in the area of labour standards | 6-7, 10-11, 28-29 |
| | Criterion 7: description of effective management systems to integrate the labour principles | 6-12, 27-29 |
| | Criterion 8: description of effective monitoring and evaluation mechanisms of labour principles integration | 7, 10-12, 14, 28-29 |
| | Criterion 9: formulation of robust commitments, strategies or policies in the area of environmental stewardship | 2, 3-6, 13-14, 28-29, 35 |
| | Criterion 10: description of effective management systems to integrate the environmental principles | 2, 5, 14, 16, 26, 29, 32-34 |
| | Criterion 11: description of effective monitoring and evaluation mechanisms for environmental stewardship | 2, 3-6, 14, 28-29, 32-34 |
| | Criterion 12: formulation of robust commitments, strategies or policies in the area of anti-corruption | 2, 29 |
| | Criterion 13: description of effective management systems to integrate the anti-corruption principle | 28-29 |
| | Criterion 14: description of effective monitoring and evaluation mechanisms for the integration of the anti-corruption principles | 29 |
| GC Advanced criteria: Taking action in support of broader UN goals and issues | Criterion 15: description of core business contributions to broader UN goals and issues | 2, 3-6, 27-28 |
| | Criterion 16: description of strategic social investments and philanthropy | 2, 3-6, 14-15, 27-28 |
| | Criterion 17: description of advocacy and public policy engagement | 14-15, 27-28, 30-31, 46-47 |
| | Criterion 18: description of partnerships and collective actions | 13-15, 27-29 |
| GC Advanced criteria: CSR Governance and Leadership | Criterion 19: description of CEO commitment and leadership | 2, 3-6 |
| | Criterion 20: description of Board adoption and oversight | 2, 3-6 |
| | Criterion 21: description of stakeholder engagement | 6, 7-12, 14, 16, 28-31 |

| Cross-reference table of CSR/Global Reporting Initiative (GRI) Indicators - Version G4 | | Pages |
|--|---------|----------------|
| Strategy & analysis | G4-1 | 2 |
| Organisation profile | G4-15 | 29 |
| | G4-16 | 30 |
| Report profile | G4-33 | 5 |
| Governance | G4-34 | 6 |
| | G4-48 | 6 |
| | G4-51 | 4 |
| Ethics and integrity | G4-56 | 29 |
| | G4-58 | 29 |
| Economy/Economic performance | G4-EC2 | 25 |
| Environment/Materials | G4-EN1 | 21, 26, 32 |
| Environment/Energy | G4-EN3 | 17, 18, 19, 32 |
| | G4-EN5 | 18 |
| | G4-EN6 | 16 |
| Environment/Water | G4-EN8 | 20, 32 |
| Environment/Biodiversity | G4-EN13 | 15 |
| Environment/Emissions | G4-EN15 | 24, 34 |
| | G4-EN16 | 24, 34 |
| | G4-EN17 | 25, 34 |
| | G4-EN19 | 25 |
| Environment/Effluents and waste | G4-EN22 | 23, 33 |
| | G4-EN23 | 21, 22, 33 |
| Environment/Products and services | G4-EN27 | 26 |
| Environment/Transport | G4-EN30 | 26 |
| Environment/General | G4-EN31 | 16 |
| Environment/Environmental assessment of suppliers | G4-EN32 | 28 |
| Social/Employment | G4-LA1 | 8 |
| Social/Health and safety at work | G4-LA6 | 12 |
| | G4-LA8 | 11 |
| Social/Training and education | G4-LA9 | 10, 14, 16 |
| | G4-LA10 | 11 |
| Human rights/Assessment of suppliers' respect for human rights | G4-HR10 | 28 |
| Society/Fight against corruption | G4-SO4 | 29 |
| Responsibility for products/Labelling of products and services | G4-PR3 | 30 |
| | G4-PR5 | 31 |

2.9 INDEPENDENT VERIFIER'S REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC⁽¹⁾, under the number no 3-1050, and as a member of the network of one of the statutory auditors of the company Rémy Cointreau, we present our report on the consolidated social, environmental and societal information established for the year ended on the March 31st, 2017, presented in the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L. 225-102-1 of the French Commercial code (*Code de commerce*).

Responsibility of the company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105 of the French Commercial code (*Code de commerce*), in accordance with the protocols used by the company composed of the HR, environmental and societal reporting protocol in its version dated March 2017 (hereafter referred to as the "Criteria"), and of which a summary is included in the management report and available on request to the CSR manager at the following address: christian.lafage@remy-cointreau.com.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code (*Code de commerce*) (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria.

Our verification work mobilized the skills of four people between February 2017 and the date of signature of the report for an estimated duration of six weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000⁽²⁾.

(1) Scope available at www.cofrac.fr.

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

1. ATTESTATION OF PRESENCE OF CSR INFORMATION

Nature and scope of the work

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial code (*Code de commerce*).

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code (*Code de commerce*).

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L. 233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial code (*Code de commerce*) with the limitations specified in the Methodological Note in chapter 2.7 of the management report.

Conclusion

Based on this work, and given the limitations mentioned above we confirm the presence in the management report of the required CSR information.

2. LIMITED ASSURANCE ON CSR INFORMATION

Nature and scope of the work

We undertook 5 interviews with the people responsible for the preparation of the CSR Information in the following departments CSR, Human Resources and Remuneration, Purchasing and Public Affairs, in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important⁽¹⁾:

- at the level of the consolidated entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;

(1) Social information:

- KPIs (quantitative information): group workforce (Soc.1 Total Group workforce), departures (Soc. 5 Number of staff departures analysed by reason), absenteeism (Soc. 9 Rate of absenteeism), work accidents, especially frequency rate (Soc.10 Rate of frequency of workplace accidents), and severity rate (Soc. 11 Rate of severity of workplace accidents in total workforce), occupational illness (Soc. 12 Recognized occupational illness) and the total number of training hours (Soc. 14 Number of hours of training by gender).
- Qualitative information: salary and their evolution, organization of working time, health and safety conditions at work.

Environmental and societal information:

- KPIs (quantitative information): energy consumption (Env. 1 Total Energy Consumption, Env.1a - Direct energy consumption (fuels), Env.1b - Indirect energy consumption), water consumption (Env. 2 - Water consumption), liquid waste (Env. 3 - Volumes of liquid waste, Env. 3a - Pollution rate of liquid waste/Biological Oxygen Demand, Env. 3b - Pollution rate of liquid waste/Chemical Oxygen Demand), significant greenhouse gas emissions generated as a result of the company's business, especially the use of produced goods and service (Env. 11 - Regulatory GHG audit - GHG emissions (scopes 1 and 2)).
- Qualitative information: Overall environmental policy (the environmental assessment approaches or certifications, amount of provisions and guarantees for environmental risks), prevention, reduction or compensation measures for air rejections, water and soil discharge that seriously harm the environment, water supply based on local constraints, adaptation to climate change impacts..

- at the level of the representative selection of entities that we selected⁽¹⁾, based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average 44% of the total workforce, 51% of energy consumption and 58% of liquid waste, that were considered as representative characteristics of the environmental and social domains.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, June 13th, 2017

French original signed by:

Independent Verifier
ERNST & YOUNG et Associés

Partner, Sustainable Development
Eric Mugnier

Partner
Bruno Perrin

⁽¹⁾ Environmental, social and safety information: Mount Gay site (Brandons, Barbados).

Social information: French entities (E. Rémy Martin & Cie, CLS France Holding, Cointreau, Domaines Rémy Martin, RCIMS France companies).

Environmental and safety information: Rémy Martin site (Cognac, France) and Domaines Rémy Martin (Cognac, France).

EXTRACT FROM THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS: FINANCIAL RISKS LINKED TO THE EFFECTS OF CLIMATE CHANGE AND MEASURES TAKEN TO MITIGATE THEM

Following on from the ratification and application of the Global Compact Charter, since 2003 Rémy Cointreau has maintained its commitments to be an ambassador for best practice in the field of human rights, labour standards, the environment and the fight against corruption.

A member of the Global Compact France Association for several years, Rémy Cointreau respects and regularly shares the ten principles of the charter with its employees and partners. The concept of Corporate Social Responsibility (CSR) is promoted within the Company, as well as externally, with its customers, partners, suppliers and all of its other stakeholders.

In June 2016, Rémy Cointreau renewed its GC Advanced Qualification for its annual CSR reporting. This is the highest level of differentiation for the Global Compact and attests to the strength of the Group's commitment.

RISKS LINKED TO THE EFFECTS OF CLIMATE CHANGE

Rémy Cointreau has been mapping various risks since 2008, including climate change. In 2008, this was not considered critical, *i.e.* it did not have a significant impact and require a dedicated action plan to be put in place.

However, the latest updates to the Group's risk map reflect a growing awareness of the risks of climate change. Rémy Cointreau's new motto, "Terroirs, people and time", underscores the importance of nature for its business. It has been shown that climate change would have a highly significant impact on the level of production and quality of our products, whether it be cognac, whisky and gin from Islay, whisky from Isère, or whisky from Washington State.

The main consequences in terms of risks would be:

- a change in meteorological conditions (warming or cooling) which could affect harvests and production:
 - in a few years, Rémy Cointreau could face smaller harvests, forcing it to scale back production,
 - in the longer term, the displacement of growing areas would have a critical impact on Rémy Cointreau, calling into question the notion of *terroir*;

- an impact on Rémy Cointreau's financial performance, since any decline in production would necessarily entail a sharp rise in the price of raw materials.

To that end, Rémy Cointreau has already embarked on a raft of measures to help its producer and winegrower partners adapt. Depending on the outcome of the next risk mapping, it will adjust the scope and scale of these efforts.

INTRODUCTION OF A LOW-CARBON STRATEGY ACROSS ALL AREAS OF THE BUSINESS

As regards environmental issues, the Group has made long-standing and strong commitments, as it shares the concerns expressed during the 2015 COP21 conference held in Paris. The conference brought together countries from around the world to discuss these issues. The 21st Conference of the Parties reached an agreement to limit the temperature rise to less than 2°C, or even 1.5°C, by 2100. These targets are consistent with those set by Rémy Cointreau by 2020. The Group has integrated the reduction in carbon emissions in its 2020 CSR plan.

The Group's objective for the 2020 CSR plan is to transform CSR into a truly unifying project involving all Brand, Region and Support teams. The project is set to adopt a mindset in keeping with the Group and Brand values, in order to strengthen both internal and external cohesion.

The main challenges covered by the 2020 CSR plan have been set out in line with this desire to involve the whole Company:

- the measurement, reduction and offsetting of Greenhouse Gas emissions (GHG) at all levels of the business, including the eco-design of products and their transportation;
- responsibility for the consumption and conservation of natural resources, both for water and the raw materials used in production.

The plan to reduce the Group's GHG emissions and carbon footprint is an indicator shared by the whole Group, and enables each contributor to assess itself and be aware of its responsibilities in its own area. The initial priorities have already been defined; these include wine-making practices, energy efficiency, the eco-design of packaging and optimised product transportation.

Rémy Cointreau's new motto, "Terroirs, people and time", echoes the new CSR goals to be achieved based on the Sustainable Development Goals (SDGs) defined by the United Nations. Also known as "Global Goals", they are a call to end poverty, protect the planet, and ensure prosperity and peace for all.

More than ever, Rémy Cointreau has its sights set on these 17 objectives, which reflect its CSR ambitions by including issues such as climate change and sustainable agriculture.

As a true corporate governance tool and in line with Rémy Cointreau's required standards, a materiality analysis was carried out. Its aim is to set priority objectives and identify those that will have a significant impact on the Group's growth, value creation and sustainability, while taking all stakeholder expectations into account. Out of the 17 goals, Rémy Cointreau has selected 10, among which:

- SDG 13: Take urgent action to combat climate change and its impacts;
- SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

In terms of governance, from 2017/2018, part of the variable remuneration for the Group's senior executives will be index-linked to CSR targets, in conjunction with the main SDGs selected. Each Executive Committee member will become an ambassador for a CSR indicator and its improvement for all Group employees worldwide. The CSR Committee, recently created within the Board of Directors, will monitor compliance with these commitments.

INFORMATION ON THE MAIN SOURCES OF GREENHOUSE GAS EMISSIONS

Mindful of the impact of its activities, Rémy Cointreau measures its carbon emissions. As a listed company, the Group meets the requirements of Article 173-IV-A of the French law on energy transition and green growth.

Accordingly, a scope 3 carbon audit was carried out on production in France (90% of total production) and global product transportation.

Total scope 3 Teq CO₂ emissions came to 145,789 Teq CO₂. These break down as follows:

- Cognac site: 54,032 Teq CO₂;
- Angers site: 40,628 Teq CO₂;
- Domaines Rémy Martin site: 2,888 Teq CO₂;
- product transportation: 48,241 Teq CO₂.

The main sources of greenhouse gas emissions for Rémy Cointreau are as follows:

- transportation of products and miscellaneous freight: 55,488 Teq CO₂ (38.1% of total emissions);
- product packaging: 54,637 Teq CO₂ (37.5% of total emissions);
- raw materials: 26,684 Teq CO₂ (18.8% of total emissions).

The aim of the CSR 2020 plan is to extend the measurement of scope 3 CO₂ emissions to the Barbados and Ilay sites within two years, in order to cover 100% of the Group's production activities. In parallel, a plan will be drawn up to reduce greenhouse gas emissions by 2018 by tackling the main sources of emissions.



RÉMY COINTREAU

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