

2018



REMY COINTREAU

REGISTRATION DOCUMENT  
INCLUDING THE ANNUAL FINANCIAL REPORT  
2017/2018

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# RÉMY COINTREAU



## REGISTRATION DOCUMENT 2017/2018

### AND ANNUAL FINANCIAL REPORT

All around the world, there are clients seeking exceptional experiences; clients for whom a wide range of terroirs means a variety of flavors. Their exacting standards are proportional to our expertise – the finely-honed skills that we pass down from generation to generation. The time these clients devote to drinking our products is a tribute to all those who have worked to develop them.

It is for these men and women that Rémy Cointreau, a family-owned French Group, protects its terroirs, cultivates exceptional multi-centenary spirits and undertakes to preserve their eternal modernity.

The Group's portfolio includes 12 unique brands, such as the Rémy Martin and Louis XIII cognacs, and Cointreau liqueur.

Rémy Cointreau has a single ambition: becoming the world leader in exceptional spirits. To this end, it relies on the commitment and creativity of its 1,800 employees and on its distribution subsidiaries established in the Group's strategic markets.

Rémy Cointreau is listed on Euronext Paris.

*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.*



This registration document was filed with the French Financial Markets Authority (AMF) on 29 June 2018, in accordance with Article 212-13 of its General Regulation. It may be used in support of a financial transaction if accompanied by a memorandum approved by the AMF. It was prepared by the issuer under the responsibility of its signatories.



A photograph of two people, a man and a woman, standing on the edge of a steep, grassy cliff. The man is leaning forward, looking down at something in his hands, while the woman stands next to him, also looking down. The cliff face is rugged and covered in patches of green grass. The sky above is blue with scattered white clouds.

In keeping with our predecessors, the men and women of Rémy Cointreau, whether they are in Cognac, Angers, Islay, Athens or Barbados, are more attentive than ever to the quality and uniqueness of our spirits. Today, each of our Maisons continues to win over passionate and discerning clients throughout the world.

## CHAIRMAN'S MESSAGE

— MARC HÉRIARD  
DUBREUIL

Our brands are simultaneously rooted in their terroirs, highly contemporary and destined to achieve global recognition. The brands' success is fundamentally linked to the savoir-faire of those women and men who have succeeded each other, sometimes for more than 300 years, and who have crafted their singularity.

This success derives from a scent, aroma or taste that lay within the memory of connoisseurs who recognise that uniqueness and wish to share their experience with others. Around the world, people are experimenting with new ways of savouring our products and, in doing so, contribute to perpetuating the desire for exceptional spirits.

As Chairman of Rémy Cointreau since October 2017, this heritage has forged my commitment: in relation to our clients, to be attentive to product quality and producers' dedication; in relation to our stakeholders, to simultaneously meet targets for growth, profitability and economic sustainability. Nor am I forgetting our ambition in the area of Corporate Social Responsibility.

Across all our activities and for each of our businesses, our emphasis must be on sustainable, responsible, transparent and shared practices. Our 2020 CSR plan, initiated last year, builds on initiatives to decrease our carbon emissions (eco-design of products, freight optimization, etc.) and reduce our environmental footprint (energy, water and liquid waste).

Thanks to our research and actions, this responsibility is now instilled in every part of our Group. Rémy Cointreau has therefore reaffirmed its commitment to the Global Compact initiative and to its 2020 strategy, based on the Sustainable Development Goals (SDGs) as defined by the United Nations. Every company involved in CSR reporting (according to the French "Grenelle II law") reports all of its corporate, environmental and social information. This reporting process also enhances our strategic reflection for the Group.

The legacy of our predecessors also leads us to be bold, standing among new generations who want to create original products for the global economy of today and tomorrow. Our major concerns are to preserve our savoir-faire, enhance skills and motivate talented people, since it is thanks to the commitment



"THE BOND THAT WE CREATE BETWEEN TERROIRS, PEOPLE AND TIME, IS THE BOND THAT UNITES US, IN A SUSTAINABLE WAY, WITH THE WORLD OF TODAY AND TOMORROW."

of all our employees that we will fulfil our ambition: being the leader in exceptional spirits.

The year 2017/2018 has confirmed the relevance of our strategic choices. This year, our growth has accelerated even further under the impetus of Asia, the United States and Global Travel Retail. At constant scope and exchange rates, our sales are up +7.2%. Cognacs were particularly instrumental in this performance, illustrating the relevance of our strategy to move upmarket. Our upgrading efforts within the Liqueurs and Spirits division have further

elevated Rémy Cointreau's ambitions and has given us confidence in the future.

All around the world, connoisseurs seeking exception have the mind of a collector. They seek rare terroirs, recognize the know-how behind exceptional aromas, and appreciate the value bestowed by time.

The bond that we create between terroirs, people and time, is the bond that unites us, in a sustainable way, with the world of today and tomorrow.

# GROUP PROFILE

## — A PORTFOLIO OF EXCEPTIONAL SPIRITS



### Net sales by division

**The House of Rémy Martin:**  
Rémy Martin  
and Louis XIII



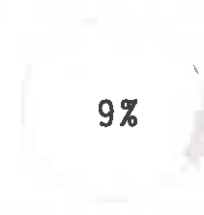
Net sales of  
**€760.0 million**

**The Liqueurs & Spirits division:**  
Cointreau, Metaxa, Mount Gay,  
St-Rémy, The Botanist and single malt whiskies



Net sales of  
**€266.8 million**

**The Partner Brands division:**  
Third-party brands distributed  
by the Group.



Net sales of  
**€100.2 million**

The Rémy Cointreau Group has a portfolio of 12 exceptional world-renowned brands: Rémy Martin and Louis XIII cognacs, Cointreau liqueur, Greek Metaxa spirit, Mount Gay rum, St-Rémy brandy, The Botanist gin, and single malt whiskies Bruichladdich, Port Charlotte, Octomore, Westland and Domaine des Hautes Glaces. During the 2017/2018 financial year, the Group's net sales totalled €1,127 million, with organic growth of 7.2% (with the Group's brands up by 9.2%).

## — HIGH-END POSITIONING IN A HIGH GROWTH SEGMENT

In 2017/2018, the Group's exceptional spirits (with a sales price higher than US\$50) represented 53% of the Group's net sales (compared with 51% in 2016/2017).

Rémy Cointreau therefore has a legitimate position in this segment, which represents around 8% of the global spirits market. Exceptional spirits have seen very high growth in recent years (+12% per year on average compared with +6% for the overall spirits market), driven by a move towards the high-end of the market and an ever more demanding clientele in terms of the quality, production, know-how and history of the spirits that they consume.

The Group's ambition is that our exceptional spirits gradually increase to more than 60% of our net sales, over time.



### Spirits >USD50: a fast-Growing Segment



Source: IWSR, Rémy Cointreau, International Spirits Market estimated at \$200 billion.

### Worldwide spirits market trends

# +6%

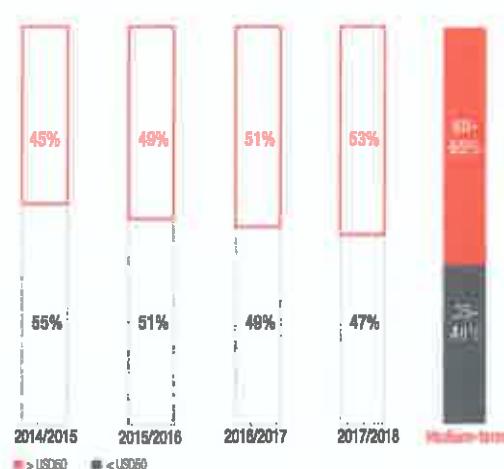
Worldwide average annual growth  
in spirits sales

### Increase in the worldwide ultra- wealthy population, 2017-2021

# +20%

For our clients, this growth should be  
accompanied by a sharp increase in their  
wealth in value terms

### Contribution of exceptional spirits (>US\$50) to the Group's net sales



## — LOCAL KNOW-HOW, AN INTERNATIONAL PRESENCE

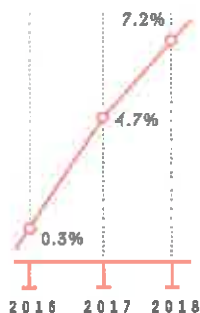
Rémy Cointreau began building its distribution network across all continents at the end of the 1950s.

Today, the Group has a dozen directly-owned subsidiaries (from the United States to China, including the United Kingdom, Belgium, the Czech Republic and Japan). The Group established its latest subsidiary in Malaysia on 1 October 2017. This distribution network allows the Group to implement a price strategy and to be selective about its sales outlets in a manner consistent with its high-end positioning.



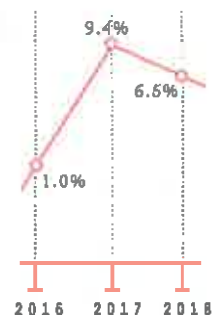
**RC**  
RÉMY COINTREAU  
Group  
€1 127,0 M  
in net sales

Trend in organic growth  
for the Group



**Americas**  
€436 M  
in net sales  
39%  
of Group sales sales

Trend in organic growth  
in zone







Moscow

Johannesburg

Locations marked in the Asia Pacific map:

- Tokyo
- Shanghai
- Taiwan
- Hong Kong
- Ho Chi Minh
- Kuala Lumpur
- Singapore

### Europe, Middle-East & Africa

**€342 M**

in net sales

**30%**

of Group sales

Trend in organic growth  
in zone



### Asia Pacific

**€349 M**

in net sales

**31%**

of Group sales

Trend in organic growth  
in zone



# FIVE STRATEGIC LEVERS TO BECOME THE GLOBAL LEADER IN EXCEPTIONAL SPIRITS

## ASSERTING THE UNIQUE POSITIONING OF THE BRANDS

Each of the Group's spirits is linked to a particular terroir and know-how:

- Within the AOC Cognac region, the House of Rémy Martin's eaux-de-vie come exclusively from Grande Champagne and Petite Champagne, which have unrivalled aromatic profiles and ageing potential.
- Our Islay single malt whiskeys are made uniquely from Scottish barley, then distilled and aged on the Isle of Islay in accordance with traditional methods.

### OUR DISTINCTIVE ADVANTAGE

THE SPECIFIC CHARACTERISTICS  
OF THESE TERROIRS  
AND OUR KNOW-HOW MAKE  
OUR SPIRITS EXCEPTIONAL

## MAXIMISING THE GEOGRAPHIC POTENTIAL OF THE BRANDS AND DIVERSIFYING THE DRIVERS OF GROWTH

- Our brands offer major room for growth in the years to come: Louis XIII in the United States, Rémy Martin in Africa, as well as Cointreau and Metaxa in China.
- The increasing strength of our pioneering brands: single malt whiskies, The Botanist gin or Mount Gay rum provide attractive growth potential.

### OUR DISTINCTIVE ADVANTAGE

OUR BRANDS HAVE NOT YET REACHED  
THEIR FULL POTENTIAL IN ANY  
OF OUR MARKETS

## STRENGTHENING THE EMOTIONAL RELATIONSHIP WITH OUR CLIENTS

- Increasing the desirability of our spirits: establishing a direct and personalised relationship with our clients through media and digital investments with targeted creative content, but also unique and unforgettable events.
- Retaining our clients: a better understanding of their expectations allows a genuine and long-lasting relationship with our brands

### OUR DISTINCTIVE ADVANTAGE

OUR CLIENTS ARE SEEKING EXPERTISE  
AND DISCERNMENT BUT ABOVE ALL,  
EMOTION AND EXPERIENCE, ELEMENTS  
CONSISTENT WITH OUR BRAND  
PORTFOLIO

## IMPROVING THE DISTRIBUTION NETWORK IN ACCORDANCE WITH THE GROUP'S STRATEGY

- The Group's strategy of moving towards the high-end of the market must be based on a distribution network whose expertise is consistent with the positioning of our brands: selective retail (wine merchants), high-end bars, restaurants and hotels, and even "retail": for its Louis XIII cognac, the Group has a specific sales force and has opened two stores dedicated to the brand.
- The development of online sales will also play a role in developing a more direct approach to the distribution of our spirits.

### OUR DISTINCTIVE ADVANTAGE

ACKNOWLEDGED EXPERTISE  
IN HIGH-END SALES OUTLETS

## ACCELERATING THE GROUP'S AMBITIONS IN THE AREA OF CORPORATE SOCIAL RESPONSIBILITY

- Rémy Cointreau's 2020 CSR plan operationally focuses on 10 of the United Nation's 17 Sustainable Development Goals, selected based on relevancy to the Group.
- In particular, by 2020, the Group's ambition is to achieve 100% responsible purchasing (percentage of suppliers having joined SEDEX), and have all of its winemaking partners (Cognac) committed to an environmental approach (AHVE 1).

### OUR DISTINCTIVE ADVANTAGE

EXPERTISE AND CSR INITIATIVES  
FOR MORE THAN 15 YEARS

# GOVERNANCE THAT ENSURES CONTINUITY AND TRANSMISSION

The Rémy Cointreau Group has been administered by a Board of Directors since 7 September 2004. It separates the roles of Chairman of the Board of Directors and Chief Executive Officer. The profiles of the Board members reflect the values of family succession, a clear expertise in the world of luxury goods as well as a deep understanding of international markets.



42%

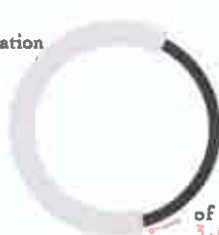
Proportion of women

58%

Proportion of independent members

## Composition of remuneration of senior management (excluding LTIP)

Fixed remuneration  
62.2%



Variable remuneration  
37.8%

of which CSR bonus  
3.4%



	Board of Directors	Audit-Finance	Nomination and Remuneration	CSR
Marc Hériard Dubreuil	Chairman			
Dominique Hériard Dubreuil				
François Hériard Dubreuil				
Laure Hériard Dubreuil				
Florence Rollet *				
Yves Guillemot *				
Bruno Pavlovsky *				
Olivier Jolivet *				
Jacques-Etienne de T'Serclaes *				
Guylaine Dyèvre *				
Emmanuel de Geuser *				
Gisèle Durand				

\* Independent Board member

Chairman of Board/Committee

## Executive Committee with an international dimension

VALÉRIE CHAPOULAUD-FLOQUET\_CHIEF EXECUTIVE OFFICER

Valérie Chapoulaud-Floquet has gathered a team of directors that includes eight different nationalities from a range of backgrounds: Spirits, cosmetics, fashion and accessories, and the art of entertaining.

# PERFORMANCE

## — FINANCIAL INDICATORS

**Sales (in €m)**



**Current operating margin**

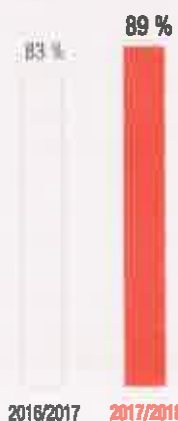


**Net profit/(loss) (excluding non-recurring items) (in €m)**



## — NON-FINANCIAL INDICATORS

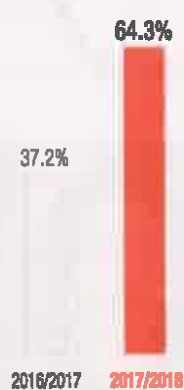
**Responsible purchasing: percentage of suppliers having joined SEDEX**



**Reduction in CO<sub>2</sub> emissions per standard case (CO<sub>2</sub> emissions in kgeq CO<sub>2</sub>)**



**Sustainable winemaking: percentage of AFC cooperative members' land using an environmental approach**



Scope 3: Cognac, Angers and Barbados sites, Domaines Rémy Martin and product transportation.






## — FINANCIAL TARGETS FOR 2020

Following a significant increase in profitability in 2017/2018 (+1.3 points in organic terms), Rémy Cointreau is raising its target for current operating margin growth over the three-year period ending March 2020. For the 2017/2018, 2018/2019 and 2019/2020 financial years, it now expects cumulative growth of 2.4 to 3.0 points (compared with a target of +0.8 to 1.8 points previously) in organic terms (at constant exchange rates and scope).



## — NON-FINANCIAL TARGETS FOR 2020

INDICATORS	SCOPE	VALUES 2016/2017	VALUES 2017/2018	OBJECTIVES 2019/2020
 <b>8 DECENT WORK AND ECONOMIC GROWTH</b> 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%	<b>89%</b>	100%
 <b>13 CLIMATE ACTION</b> Take action to combat climate change and its impacts				
CO <sub>2</sub> emissions reduction: potential to reduce direct and indirect energy consumption	France	0 MWh	<b>423 MWh</b>	900 MWh
 <b>15 LIFE ON LAND</b> Sustainable land management/Protect, restore and promote sustainable use of land ecosystems/ Sustainably manage forests/Preserve biodiversity				
Sustainable viticulture: AFC cooperative surface areas committed to an environmental approach (AHVE 1 or the Sustainable Viticulture standards)	France	37.2%	<b>64.3%</b>	100%

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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## — 2.1 THE GROUP'S POLICY AND COMMITMENTS

Rémy Cointreau's 2016/2017 financial year was notable for the ramping up of our efforts in terms of CSR. In particular, 10 Sustainable Development Goals were selected (out of the 17 goals identified by the UN) following an assessment of their materiality – in order to verify their relevance for our stakeholders – and five CSR criteria were incorporated into the qualitative targets and variable remuneration of our management teams (GRI Indicator G4-51).

The 2017/2018 financial year just ended confirms and, in some way, anchors this trend and makes these CSR commitments an intrinsic (and sustainable) part of the DNA of our Group.

**Terroirs, People and Time.** Our CSR ambitions are now organised around (and in complete harmony with) each of the three basic pillars of our philosophy: a vigilant approach to our terroirs in keeping with sustainable agriculture, the key role of people reflected in the corporate (internal) and societal (external) elements of our global business activities and the protection of air (carbon footprint) and water resources, which are essential to our Houses.

Credit where credit is due... this year the House of Rémy Martin has worked closely alongside its winemaking partners in the Alliance Fine Champagne in order to support the strong push to achieve environmental certification for its Terroirs. At the end of March 2018, two-thirds of the vineyards operated in Cognac had achieved level 1 AHVE (agriculture of high environmental value) certification, and almost a quarter had achieved the maximum level 3. For their part, our own estates, which are members of the Ecophyto national network, had their AHVE 3 certification renewed for three years. But all of our Houses are now part of this major movement: an initial worldwide mapping of the terroirs that are the source of our products (vines, sugar cane, wheat, barley, oranges, etc.) has been carried out and will allow us to combine the traceability that we require with an ambitious environmental policy.

For Rémy Cointreau, **People** are the focus of our areas of social and societal action. This year our Group repeated its biennial survey of all of its 1,861 employees worldwide which once again attracted genuine interest (an 88% response rate). The survey is an accurate and valuable tool for monitoring the working conditions

and expectations of our employees in all our subsidiaries. Also this year, for the first time, we had a specific assessment of the societal footprint of our activities in Barbados (Mount Gay) carried out by an independent firm.

Ethics are fundamental for any CSR policy. They reinforce its credibility and consistency and ensure that targets are achieved in an effective way. A course on ethics for all of the Group's employees is now compulsory and is available to everyone through the Internet. In addition, for the past two years Rémy Cointreau has been a member of the Supplier Ethical Data Exchange (SEDEX), an international organisation set up to foster responsible and ethical business practices in global supply chains. Almost 90% of our suppliers are members.

Finally, since **Time** is at the very heart of the concept of sustainable development it requires us to adopt the highest possible standards in the area of climate issues. Air and water are the two major aspects of climate change that have led us to conduct a detailed assessment of our CO<sub>2</sub>/GHG footprint (scope 3 analysis), to more effectively optimise our water consumption and to improve our liquid waste recycling rates. The Group's CO<sub>2</sub> emissions are mainly due to our raw materials, packaging (glass and cardboard) and freight. Initial life-cycle analyses have been completed in order to lay the foundations for an ambitious eco-design project which, from 2019, should enable us to steer our packaging designs in accordance with their environmental performance. For their part, our logistics teams have carried out an accurate modelling of CO<sub>2</sub> emissions from national and international freight, an essential tool for managing and reducing emissions.

Finally, we must continue to pay attention to external initiatives. In addition to our membership of the UN Global Compact since 2003 (with Rémy Cointreau currently chairing the Club GC Advanced France), last December the Group became a signatory of the French Business Climate Pledge, an initiative launched by 89 French groups with the encouragement of the MEDEF, and has joined the companies that are signatories of Act4Nature, which supports biodiversity under the aegis of the AFEP.

## — 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 2017/2018 financial year, the Group pursued its actions in the areas of employee 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

Over the course of the year, Rémy Cointreau repeated a worldwide satisfaction survey to measure its employees' commitment. 88% 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 plans and training and international mobility 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, 62.2% of its workforce is located outside France as at 31 March 2018. 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 2017/2018 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.

For example in France, five agreements or agreement amendments were signed by all of the trade union organisations: agreement on the Forward Planning for Jobs and Skills, profit-sharing agreement, agreement on the introduction of a collective pension savings scheme (PERCO), amendment to the Time Savings Account agreement (CET) on the gateway to the PERCO and the Gender Equality and Quality of Work Life Agreement.

### 2.2.2 CHANGES IN THE WORKFORCE

#### THE GROUP'S WORKFORCE

At 31 March 2018, the Group's total workforce stood at 1,861 employees on permanent and fixed-term contracts.

The Group recruited 292 people, mainly in the sales teams (17.8%), production roles (16.1%), finance (11.6%) and marketing (18.2%). 62% of the recruitment was for permanent contracts.



At the same time and within the same scope, there were 241 departures, of which 44.4% were resignations, 17.8% were mutually agreed, 23.7% were as a result of fixed-term contracts coming to an end and 7.5% were retirements. Redundancies on personal grounds accounted for 6.6% of departures.

#### WORKFORCE BY GEOGRAPHIC AREA (GRI INDICATOR G4-LA1)

	MARCH 2018	%	MARCH 2017	%	MARCH 2016	%
France <sup>(1)</sup>	704	38.1	683	38.1	690	39.2
Europe (outside France) – Africa	384	20.2	383	20.2	353	20
Americas <sup>(2)</sup>	377	19.7	354	19.7	342	19.4
Asia	396	22	394	22.0	377	21.4
<b>TOTAL</b>	<b>1,861</b>	<b>100</b>	<b>1,794</b>	<b>100</b>	<b>1,762</b>	<b>100</b>

(1) Excluding Domaine des Hautes Glaces (2 employees) in 2017.

(2) Excluding Westland (14 employees) in 2017.

#### WORKFORCE BY DIVISION (GRI INDICATOR G4-LA1)

	MARCH 2018	%	MARCH 2017	%	MARCH 2016	%
Group brands <sup>(1)</sup>	736	39.6	701	39.1	706	40.1
Distribution	1,050	56.4	1,027	57.2	994	56.4
Holding	75	4.0	66	3.7	62	3.5
<b>TOTAL</b>	<b>1,861</b>	<b>100</b>	<b>1,794</b>	<b>100</b>	<b>1,762</b>	<b>100</b>

(1) Excluding Domaine des Hautes Glaces (2 employees) and Westland (14 employees) in 2017.

The distribution business still accounts for more than half of the Group's workforce (56.4%).

#### WORKFORCE BY FUNCTION AND OCCUPATION

	MARCH 2018	%	MARCH 2017 <sup>(1)</sup>	%	MARCH 2016	%
Sales	537	28.9	501	27.9	480	27.2
Marketing	274	14.7	271	15.1	258	14.7
Production and purchasing	352	18.9	350	19.5	350	19.9
Supply Chain	157	8.4	148	8.2	145	8.2
Ageing	158	8.5	138	7.7	136	7.7
Finance & legal	207	11.1	220	12.3	225	12.8
Information systems	51	2.7	50	2.8	50	2.8
Human resources	53	2.9	46	2.6	45	2.6
General services	28	1.5	27	1.5	32	1.8
Senior management	44	2.4	43	2.4	41	2.3
<b>TOTAL</b>	<b>1,861</b>		<b>1,794</b>	<b>100</b>	<b>1,762</b>	<b>100</b>

(1) Excluding Domaine des Hautes Glaces (2 employees) and Westland (14 employees) in 2017.

The breakdown of the workforce by gender remained stable; men accounted for 56.5% of the workforce and women 43.5%, 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

49.5% of the workforce is made up of managers, working mainly in sales, marketing and finance positions.

Production encompasses the majority of operator and technician positions, of which 77.3% are based in France at the Cognac, Angers and Domaine des Hautes Glaces sites. The remainder are

based in Scotland (Progressive Hebridean Distillers – formerly Bruichladdich), Barbados (Mount Gay) and in the USA (Westland).

#### 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 8.4 years, although in France it is higher, at 11.8.

#### 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 2018.

## 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

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/or 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 2017/2018 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 is based on individual salary increases 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 enables the provision of competitive guarantees in light of market practices, including a significant employer contribution.

## 2.2.6 A POLICY THAT ADDRESSES THE GROUP'S CHALLENGES

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

A priority for Rémy Cointreau, the main purpose of the policy is to ensure the employability of all of its employees and the sustainability of its know-how. This year, however, was notably marked by the drive to share the values of our Group on an international scale.

Two major international programmes were trialled this year:

- the Brand Academy tackles the sales and marketing aspects of the Group's brands and the luxury goods sector from a strategic angle. The content of this Academy reflects the Group's new strategic directions and is based on the marketing and communication tools prepared by Strategic Planning. The brands, the markets and the Group's Executive Committee are all invested in this training, from drafting its content to taking part in the trial, as well as approving its content and the teaching methods used;
- the Management Academy was simultaneously launched in three regions: the Americas, Asia/China and France. Supported by the Group's behavioural skills guidelines, it was designed to offer our managers a blended training course that combines group training and individual support over twelve months. The success of the three trials is testament to the quality of the training delivered as well as the appropriateness of the teaching methods selected to overcome cultural differences and speak to Rémy Cointreau employees all over the world. Essential in sharing our values and creating a Rémy Cointreau managerial signature, this training will be steadily rolled out over the coming years.

The year was also marked by the design of two digital training modules, on: The Rémy Cointreau Group Code of Ethics and the Sapin II Law. Launched at the end of the 2017/2018 financial year and exclusively designed and developed in-house, these modules have been the subject of a mandatory training campaign within the Group. To this end, the Group has invested in digitisation tools and a training platform.

In addition, the new employee induction system is still the subject of a joint study with the sites to harmonise approaches, capitalise on local success and share best practices. The result is a complete integration process offering mentoring, digital content and site visits.

Information security remains a significant training focus. The purchase of a library of e-learning modules means we can offer specific programmes throughout the year. An annual calendar (currently being formalised) will allow us to schedule the launch of future modules.

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 to train all stakeholders in the site's crisis cell using real-life situation simulation, led to the introduction of an action plan during the 2017/2018 financial year. This has enabled the preparation of tools that are effective in the event of a crisis and the creation of a file shared by all stakeholders. Lastly, sensitive call exercises were carried out to test the working methods and prepare the employees concerned to react appropriately in such situations.

After the launch of the telework initiative last year, we have introduced an assessment for teleworkers and their managers. The main goals were to promote well-being at work and a good work-life balance.

The number of training hours declared in 2017/2018 for the entire Group scope, including outside of Europe and France, for employees on permanent contracts, was 24,243 hours, of which 10,436 were for women and 13,807 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.

The mentoring programme introduced at the end of the last financial year is still in place 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 2017, the percentage of workers with a disability at the Cognac site complied with the legal requirement of 6%, despite a strong increase in temporary workers who were taken into account. 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 8<sup>th</sup> "Handi Rencontres" Forum held in Cognac in 2017. A dynamic Rémy Martin stand manned by the HR department received large numbers of jobseekers with a disability.

The partnership with *Nos Quartiers ont du Talent*, initiated at Rémy Martin in 2014, continued to gain momentum. In June 2017, a large regional round table was organised by the Rémy Martin HR department in Cognac at which more than 80 sponsors from 20 businesses in the area shared their experiences. Many young people who have found stable permanent employment through this initiative also shared their experiences.

Rémy Martin also continued its proactive professional development policy on its various Cognac sites. In 2017, some 69 professional changes were formalised through work contract amendments (33 blue-collar workers and 36 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 which enables any employee who wishes to spend one week in another department to learn about the business and meet colleagues from other sites. High numbers of employees took part with interest and enthusiasm, expanding their professional knowledge through immersion in another sector (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 2 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 in place 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).

The Angers site regularly develops and provides 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 meetings, e-mails and professional mobile phones. The internal carpooling database continued to promote communication between employees and optimise transportation.

Both at Angers and Cognac, various ergonomic improvements have been made to certain administrative or industrial workstations to improve working conditions.

In terms of safety, the Group offers training courses to all new employees and on-site 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 Angers, specific training sessions were created and adapted on the theme of eco-driving for those who drive regularly as part of their professional duties, as well as those who live some distance from their place of work.



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. During the 2017/2018 financial year, the Angers site introduced a tyre pressure station and electric vehicle charging points for employees, to promote employees' commitment to the environment.

At the Cognac sites, a number of projects were carried out to improve working conditions and employee safety: at the product manufacturing centre, the safety of at-height work was improved with the introduction of baseboards and guard rails on the stainless steel vats and the replacement of access ladders to the barrels and vats; many of the sprinklers and hose systems were brought into compliance in our ageing and fermentation cellars. The Merpins packing unit was the subject of a project to secure access for people working at-height on the palletisers and fall-protection systems were introduced for the palletisers on the various bottling lines.

At the Mount Gay site, improvements to employee health and safety signalling have enabled risks and dangers on the site to be reduced and promote 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, was 2.3% for 2017/2018 (GRI indicator G4-LA6). This rate does not include sick leave periods of more than 90 days.

Lastly, in France, one occupational illness was reported and recognised by the relevant Health Insurance authorities during the 2017/2018 financial year.

The workplace accident frequency rate on the production sites in France (excl. DHG), Barbados and Islay for 2017/2018 was 9.13, expressed as the number of workplace accidents with workdays lost per million actual hours worked (GRI indicator G4-LA6).

The severity rate was low at 0.38, 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, grouped under Domaines Rémy Martin. They are now used as a testing platform to promote the Group's innovative and environmentally-friendly winemaking policy.*

#### PRACTISING ENVIRONMENTALLY FRIENDLY WINEMAKING

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

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.

Domaines Rémy Martin are members of the Ecophyto network, a national initiative originating from the *Granelle 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 Domaines Rémy Martin have again increased their R&D activity with 10 research projects devoted to this subject.

Special attention is given to:

- using biocontrol products to combat vine diseases:  
Within the framework of the Ecophyto national plan, tests are carried out in collaboration with the *Institut Français de la Vigne et du Vin* (IFV) (French Institute of the vine and wine) in order to reduce the use of agrochemicals in vineyards. The study is concerned with researching technical methods that promote the use of biocontrol products using natural mechanisms as part of an integrated approach to combating insects or species that threaten the vines. The principle of biocontrols is accordingly based on the interactions governing relations between species in the natural environment;
- using green fertilisers:  
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. 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-year period required before measuring the first effects;

- using robotics in vineyards:

The purpose of the study conducted with Nao Technologies is to test a prototype autonomous robot in order to make it suitable for vine management methods in Cognac. The tasks mainly concern soil maintenance (between rows and cultivation underneath rows);

- selecting resistant grape varieties:

The study is focusing on new alternatives for combating mildew and powdery mildew with the assistance of new grape varieties selected by the Bureau National Interprofessionnel du Cognac (BNIC) (the national body representing growers in Cognac) and the Institut National de la Recherche Agronomique (INRA) (the French Institute for agricultural research). The selection phase that is ongoing has enabled four different grape varieties to be selected, planted on four plots belonging to Domaines. The purpose of these trials is to measure the potential and the quality of production in order to verify that these new varieties meet current quality standards. The first production will be achieved in three years and the trial will be conducted over 10 years;

- combating mildew:

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 stimulants). Implemented in 2016, this platform was renewed in 2018. The programme's modalities are likely to change over the coming years along with new progress in alternative products. This study is being carried out in partnership with the Chamber of Agriculture and will be extended to powdery mildew;

- natural forms of control such as releasing trichogramma:

A biocontrol platform has been in place since 2014 with the Charente Chamber of Agriculture and the company Biotop. 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. This year, work focused on establishing an experimental platform involving the use of trichogramma to combat grapevine moths (partnership with the Charente Chamber of Agriculture and the company Bioline). The success of this biocontrol work was the subject of a public presentation during the sixth Conference on alternative protection means for integrated production (COMAPPI) in Lille in March 2017.

Domaines Rémy Martin have used the treatment frequency indicator (TFI) since 2016. 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.

This year, the TFI value is 15.4, i.e. a reduction of 19% compared with the 2016/2017 value (19.1), due to specific treatments because of exceptional climatic conditions during the previous year (rain and hail).

The average TFI value over the last five years is 17.2, a reduction of 2.5% compared with the average 2016/2017 value (17.6).

These values are below the regional benchmark validated by the Ministry for the Environment of 18.2 (source: SSP – Agreste, survey on the use of pesticides in winemaking, 2013).

It should however be noted that more than 16% of the TFI value (i.e. 2.5 TFI points) is the result of the obligation to treat against the disease *flavescence dorée*, as Domaines Rémy Martin are situated in the geographical area in which the national fight against this disease is mandatory.

The 2020 CSR plan target is to reduce the TFI value by 10% (benchmark value: 2016/2017 TFI value of 17.6) and achieve a maximum value of 15.8 in 2020.

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

Domaines Rémy Martin has demonstrated its desire to be involved in various tests: More than 30 soil and leaf analyses, which are essential for monitoring vines, have been carried out. This allows fertilisers and trace elements to be applied 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.

This certification was renewed again for three years at the beginning of 2018. Domaines Rémy Martin are now registered in the national directory of HVE level 3 certified agricultural holdings.

In line with this certification, employee training regularly focuses on the use of new spraying 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 created within the AFC in December 2016 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 by 2020 with a majority of winemakers level 3 AHVE certified by 2022. The AFC and Rémy Martin have agreed that by 2020, 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.

The Ministry for Agriculture and Food's AHVE environmental information brochure has been circulated to all of the AFC's winegrowers. Several "Meetings with Maison Rémy Martin" events have been organised in order to encourage winegrowers to become involved in the AHVE system.

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 2017/2018, 208 winegrowers followed the two-day AHVE level 1 training course which includes the local Sustainable Winemaking guidelines. For four years, 363 winegrowers have been following the environmental approach, i.e. 45% of the cooperative's members (representing 64% of the cooperative's vineyards)

This year 62 winegrowers obtained level 3 AHVE certification, the certification's highest level of commitment, bringing total certified winegrowers to 85 over a four-year period, i.e. 11% of the cooperative's members (representing 23% of the cooperative's vineyards)

Since 2018, Rémy Martin has awarded a "Centaur of the Environment" prize, to reward the 69 new HVE-certified winegrowers in 2017, acknowledging their efforts and their commitments to environmental excellence in their agricultural holdings.

Rémy Martin aims to establish close ties 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. It is timed to coincide with the different winemaking phases, i.e. flowering, harvest and distillation.

The newsletter, distributed in hard copy and also available on the rémysphère.com website, also provides regular information to winegrowers on the Group's results, brand updates and news on the economic climate as well as technical developments. The website now includes a regular CSR update in a dedicated section and information on the AHVE project.

### 2.3.2 TERROIR AND REGIONS: ANCHORAGE, CHALLENGES AND PROTECTION

Wherever in the world that the Group operates, Rémy Cointreau's Houses are involved in protecting the land that they cultivate, both directly and indirectly. Looking after and respecting the terroirs from which they extract the character and authenticity of their products is essential. Soil, climate, air, biodiversity, production methods: every region is distinctive. The terroirs are the melting pot in which traditions are handed down and new expertise is developed. As small plots on an enormous planet, they are the places where women and men repeat ancient traditions that are enhanced at every step by each person's experience and intuition. Every aspect of a terroir – geographical, human, cultural – contributes to the individuality of Rémy Cointreau's spirits. The quality of the environment and the wealth of biodiversity contribute directly to the excellence of the products.

#### SUSTAINING AND PROTECTING AGRICULTURE, RAW MATERIALS & KNOW-HOW

Environmental protection is one of the 2020 CSR plan's priorities. Through the objective of "giving back to the land what it gives us", Rémy Cointreau protects its terroirs and their natural resources.

This is reflected in responsible and sustainable agricultural practices to produce all our raw materials and the ambition that all of the land used be covered by a responsible and sustainable agricultural framework or label.

This year has been dedicated to creating a new indicator in order to demonstrate and steer this commitment. The first stage was to estimate the agricultural land used for Rémy Cointreau's strategic supplies:

- vineyards for Rémy Martin and LOUIS XIII cognacs and Saint-Rémy brandy;
- cereal production land for the Brulchladdich, Westland and Domaine des Hautes Glaces whiskies;
- land devoted to growing sugar cane for Mount Gay rum;
- land devoted to growing oranges for the Cointreau liquor.

Based on the information collected to date, almost 18,000 hectares of agricultural land and vineyards are used by Rémy Cointreau. The Group's ambition is that all of this land will be cultivated in accordance with a responsible and sustainable agricultural model by 2024.

#### Revealing the potential of the terroir of the isle of Islay

Brulchladdich employees play a role in revealing their terroir's potential. The introduction of different varieties of traditional barley and preserving Bere barley are now assets for the House, which is also supplied with barley produced on the banks of the Moray Firth in north-east Scotland. A product of organic farming, a five-year crop rotation system is followed in order to preserve soil fertility and to encourage positive impacts for local biodiversity.

The Botanist has also created a Foundation, with the main purpose of working with the isle's residents to improve understanding and conservation of the island's botanical diversity. Protecting species is a vital aspect for the future of The Botanist, the one and only gin on Islay. A total of 22 plants will be harvested for the distillation

process. Ensuring that the harvesting of the plants on the isle is carried out sustainably and responsibly perpetuates the Group's work in Scotland and emphasises the consistent nature of its policy.

#### #1Orange1Tree for orange trees in Senegal

In Angers, the #1Orange1Tree initiative carried out on social networks in 2017 and in partnership with Naziha Mestaoui, the artist-activist behind 1 Heart 1 Tree app, and with the charity Oceanium in Dakar, has enabled a reforestation project in Senegal to be financed, including the planting of orange trees. More broadly, this initiative aims to restore biodiversity in Casamance, a region of Senegal that is threatened by the disappearance of resources.

#### Protecting natural resources in Barbados

In Barbados, Rémy Cointreau incorporates the protection of natural resources in all of its activities. Rémy Cointreau is contributing to the renewal of traditional expertise in sugar cane cultivation. While organising improved management of the raw material, the Group's work to rediscover the local specifics relating to sugar cane is behind the development of a shared awareness. Following the purchase of the Mount Gay distillery, the Group has acquired 134 hectares of sugar cane production land: it is experimenting with organic cultivation and permaculture methods, which also benefit local farmers involved in this scheme.

#### Domaine des Hautes Glaces and local development

In 2017, Rémy Cointreau established a foothold between the Les Ecrins massif and the cliffs of the Vercors in order to rise to the challenge of creating a "French whisky". Using the surrounding cereal crops, Domaine des Hautes Glaces is creating – at the moment on a small scale – products that are the fruit of a local development project in which farmers are committed partners. The young brand proudly demonstrates its relationship with the region, for example, encouraging crop rotation for improved soil life and new equilibriums based on agricultural economics.

The project, which began two years ago, resonates effortlessly with the Group's values. Domaine des Hautes Glaces is working with local farmers to develop new varieties of organic barley, rye, spelt, oats and triticale. The creation of this new rural whisky offering brings a new vision for regional development and sustainable opportunities from converting farms to organic agriculture.

The Group is exploring and bringing about the rebirth of expertise that is many centuries old, far removed from standards and stereotypes. Take the example of the still, made by a neighbouring coppersmith and heated by a wood pellet stove: the heat from this stove, which uses resources that are renewable and abundantly available in the region, allows the temperature to be controlled very accurately. The Group clearly reflects the true nature of the soils, climates, spaces and man's humility in the face of time and nature's work.

#### Protecting forests and biodiversity

In France, the Group has already been involved for several years in protecting forests through a sponsorship initiative in partnership with the Office National des Forêts (the French National Forestry Office). Because forest cover helps to protect the biodiversity of natural habitats, Rémy Cointreau has contributed to the planting of more than 115,000 oak seedlings since 2015. In the coming years, particular efforts will be made to grow the pedunculate oak, characteristic of the production of Rémy Martin.



In partnership with the French Bird Protection League, employees of the Group are conducting ecological monitoring of a plot belonging to Domaines Rémy Martin: from this year, flora and fauna censuses are being carried out in order to improve forest management and to preserve the plot's biodiversity. Other tree species (poplar, ash, etc) also play an important role in filtering drinking water and contribute to preserving biodiversity (GRI Indicator G4-EN13). In addition, after taking part in the creation of a "biodiversity" forest path in the Braconné Forest near Angoulême, Rémy Martin took part this year in a sponsorship initiative to ensure the future of the Moulrières state forest, in the Vienne area: the project plans to renew the forest with the replanting of some 12 hectares with more drought-resistant oaks.

These initiatives strongly resonate with those undertaken by the Westland distillery in support of the Gariana oak plantation in the Pacific Northwest. The distillery which joined the Group at the beginning of 2017, also pays special attention to the different varieties of oak in local forests.

### SUPPORTING LOCAL COMMUNITIES AND ACTING AS A RESPONSIBLE STAKEHOLDER

Throughout the world, Rémy Cointreau's employees are joining forces to serve the community and connect with local people. In the different regions in which it operates, the Group participates, through its activity, its direct and indirect impacts, and thanks to the enthusiasm of its employees, in creating environments for interaction and mutual assistance.

True to Rémy Cointreau's values, various solidarity initiatives provide inspiration to employees and play a full role in the Group's societal commitments.

In the United States, employees have been organising a "national community service week" for several years now. In 2017, this "Community Week" brought together around 100 employees who spent more than 980 hours working to help other people. Six initiatives were supported in different US locations. Some people devoted their talent, time and effort to delivering meals to people in need, preparing packed lunches as part of the #hashtaglunchbag and sorting and repackaging food for the Orange County food bank.

In New York, Rémy Cointreau employees gave their time to a "Volunteer Day" at the city's famous Botanic Gardens. Weeding, cleaning and an introduction to horticulture allowed volunteers to discover the very popular Peggy Rockefeller Rose Garden from a new angle.

In France, in Cognac, Rémy Martin employees also joined in with the "Foulées de Rose" event, an obstacle course to support a disabled child suffering from a rare genetic disease. This solidarity initiative should allow this child to receive intensive treatment in an institution with appropriate facilities for her care.

In Barbados, Rémy Cointreau is one of the main economic stakeholders on the island and is fully aware of its role and responsibilities. The Group encourages and supports its employees' involvement in group plastic waste collection initiatives, implementing selective waste collection and waste transformation activities, training in best practices, promoting the responsible consumption of alcohol at large festive events, mobilising in support of communities devastated after Hurricane Irma and also helping disadvantaged families in order to provide them with decent housing.

Employees also contribute to protecting and safeguarding the terroir. During the "Give forward to our community" day, they came together in order to improve the quality-of-life in Mount Gay village in Saint Lucy. More than 140 employees took part in strengthening buildings, repairing bus stops, landscaping at the entry to the village and planting palm trees. Increased awareness about environmental protection enabled the construction of a greenhouse and the restoration of an orchard belonging to the distillery. Employees decided to prohibit the use of polystyrene, a polluting and little recycled material, across the entire site.

The younger generations are also involved: at the end of 2017 and for several months, agronomy students at the Barbados Community College were able to use the agricultural land acquired by Mount Gay in order to put their knowledge into practice. This exemplary collaboration gave them an opportunity to directly apply what they had learned, with a specific focus on organic and permaculture cultivation methods.

In order to measure the impact of Rémy Cointreau's commitment and its employees in all areas of the company, an initial in-depth study of the overall societal impact of the Group's activities in Barbados was carried out in October 2017. Its purpose is to measure the societal footprint of Mount Gay within the region according to three basic axes: environmental viability, economic viability and social viability. This study will provide a useful decision-making tool to guide future initiatives to be carried out on the island and will allow a common methodological framework to be defined in order to establish the Group's contribution to its terroirs.

### 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 everyone both upstream and downstream of the production process in order to reduce the environmental impact of Rémy Cointreau's activities. In this way they all become true ambassadors for environmental protection in France and abroad. This year, CSR reporting was further extended to Westland and Domaine des Hautes Glaces.*

In 2017/2018, Rémy Cointreau invested €3.1 million in quality, safety and environmental improvements (GRI Indicator G4-EN31) on all of its production sites.

Training on these three components increased sharply in France in 2017/2018, with a total of 4,543 hours of training for 456 people (2,649 hours in 2016/2017 – GRI Indicator G4-LA9). Training primarily covered the eco-design of products, well-being in the workplace, electrical accreditations, and training on "Disability and health in the workplace", which took the form of a theatrical performance.

The companies Cointreau and E. Rémy Martin have Quality Environment and Food Safety certifications (ISO 9001, ISO 14001 and ISO 22001). Cointreau is also OHSAS 18001 certified. The companies Bruichladdich and Mount Gay hold the ISO 9001 quality certification.

This year Cointreau also renewed its ISO 9001, ISO 14001, ISO 22001 and OHSAS 18001 certifications. Some 30 strengths were cited, such as the Group's CSR commitment, the tools deployed to meet the requirements of new versions of standards and supplier assessment by the Purchasing department.

In Cognac, the ISO 9001, ISO 14001 and ISO 22001 QSE monitoring audit also highlighted a number of strengths, such as the roll-out and monitoring of the Group's CSR policy, process reviews, promoting environmental aspects in the field, emphasising the HVE requirement to the AFC's winegrowers and the control by suppliers of packaging items (integrating compliance with Global Compact principles).

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. Preparations to move to the new versions of the 2015 ISO 9001 and ISO 14001 standards enabled risk mapping and stakeholder mapping to be performed at the two sites.

The Group is keen to involve its employees in the QSE initiative. To do this it, it appeals to volunteers in order to create a dense network within the company. In 2017/2018, 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 notably brought together on a quarterly basis in order to reflect on change in practices. This year, three meetings took place with regards to the review of environmental and safety indicators, the results of internal audits and 2018/19 proposed activities. Health, Safety and Environment meetings also took place three times per year between the Angers and Cognac production sites to monitor regulatory decisions on the legal provisions contained in these topics, and to summarise the actions carried out in line with the Group's CSR policy.

This year an international conference brought together all of the Group's "creators" (cellar masters and master distillers / the "Creators' Conference") and their teams at the Cognac site. One of the major items at this meeting was the integration of responsible and sustainable agriculture within the Group's agricultural and winemaking supplies.

In parallel with these actions, the Group's intranet site, which is currently being updated, now includes a CSR section. The information shared will cover the Group's charters and codes in the context of the CSR strategy, CSR commitments and examples of initiatives that will be updated on a regular basis.

### 2.3.4 THE GROUP'S QUANTITATIVE EFFORTS IN ENVIRONMENTAL PROTECTION

Environmental information currently covers the production sites in Cognac, Angers, Barbados and Islay (Scotland), the Paris administrative site, the companies Domaines Rémy Martin, Domaine des Hautes Glaces and Westland. 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 reflect the aims of the 2020 CSR plan.

In 2016, 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 energy consumption (electricity and gas) 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. The main actions include optimising air compressor operation, replacing compressors, monitoring heating modes, managing lighting and renovating buildings.

This year, the initiatives carried out are in line with the plan and correspond to reductions in energy consumption of 423 MWh, or 47% of the 2020 targets.

The main actions included:

- compressor operation (reduction in operating time, reduction in operating pressures, detection of leaks);
- renewal of lighting;
- optimisation of boiler rooms, replacement of gas heaters with reversible air/air rooftop systems;
- regular employee awareness raising about energy saving (flash information).

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

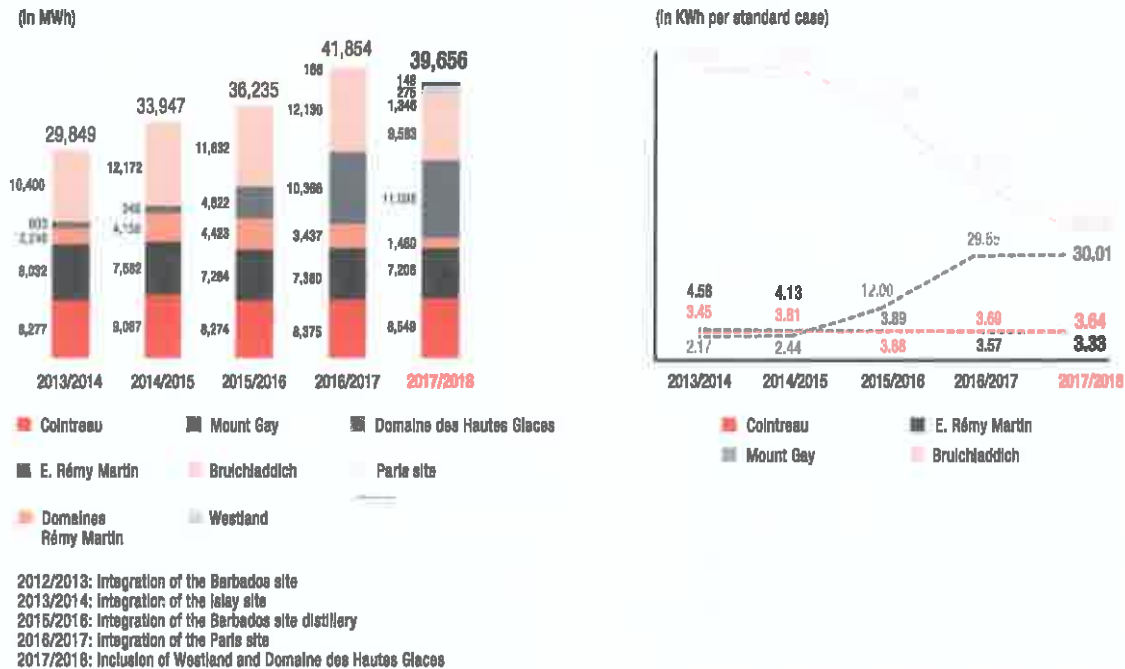
On the Angers site, several actions from the Energy working group were deployed on an everyday basis: the automatic switch-off of computers, screens and printers at the end of the day, automatic lighting in sanitary facilities; new tools were proposed such as programming printer operation times and a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

The studies carried out on sites to assess the potential for integrating green energy into the production processes enabled the signing of contracts to procure renewable energy. Since 2017, all energy consumption on the Group's French sites (except for Domaine des Hautes Glaces) comes from renewable sources (energy from hydraulic production). For Domaine des Hautes Glaces, 91% of total energy consumption is from renewable sources (wood-heated stills).

The sales subsidiaries are also beginning to implement initiatives. The Rémy Cointreau offices in Geneva have introduced a plan to reduce energy consumption by replacing electric bulbs with LED lights and introducing a system that automatically switches off lighting.

The Group's total energy consumption in 2017/2018 was 39,856 MWh, a reduction of 5% compared with the previous year.

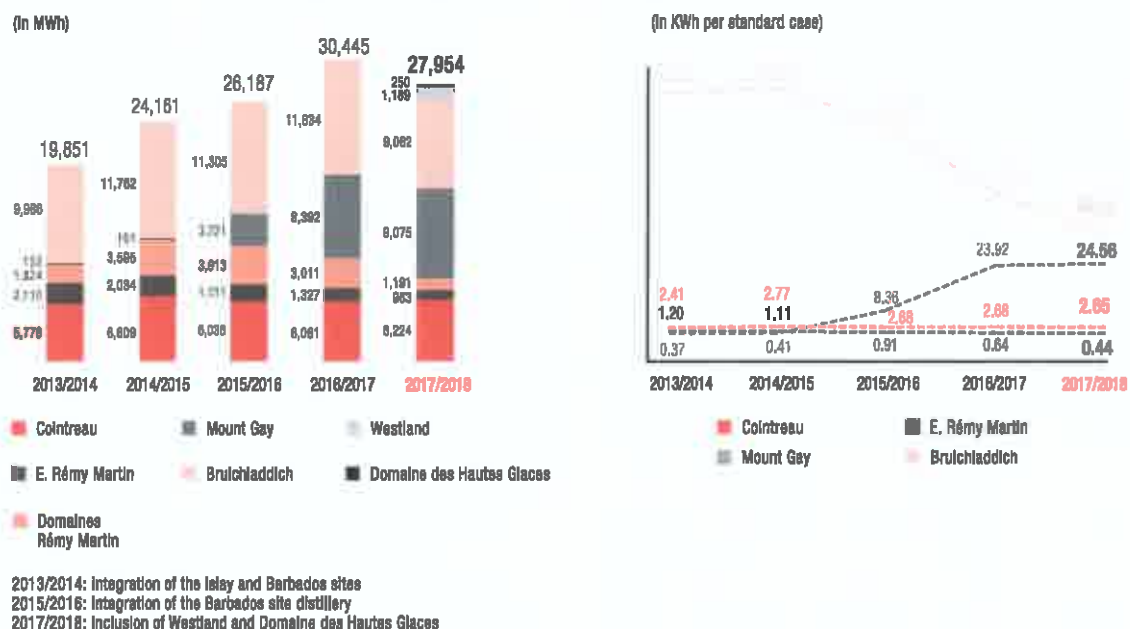
## TOTAL ENERGY CONSUMPTION (GRI INDICATOR G4-EN3)



Total energy consumption amounted to 7.5 kWh per standard case, excluding Domaines Rémy Martin and the Paris site. This value is down by 5% compared with the previous year, principally because of the reduction in direct energy consumption including gas, fuel oil and diesel consumption (GRI indicator G4-EN3).

Consumption of this direct energy came to 27,954 MWh, down 8% compared to the previous year. Per standard case, this was down 7%, from 5.67 to 5.30 kWh (GRI indicator G4-EN5), excluding Domaines Rémy Martin and the Paris site. This was principally due to energy-saving initiatives introduced by the Cognac site and optimisation of distillation processes at the Islay site.

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



Direct energy consumption for the Cognac site (963 MWh) was down 27%. The indicator per standard case was down 31%, from 0.84 to 0.44 kWh, 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 at the Angers site (6,224 MWh) was up 2%, however per case it fell 1%, from 2.88 to 2.85 kWh, demonstrating good control of energy consumption.

Direct energy consumption at the Islay site (9,062 kWh) was down 22%. It was down 29% per case, from 78.76 to 56.07 kWh.

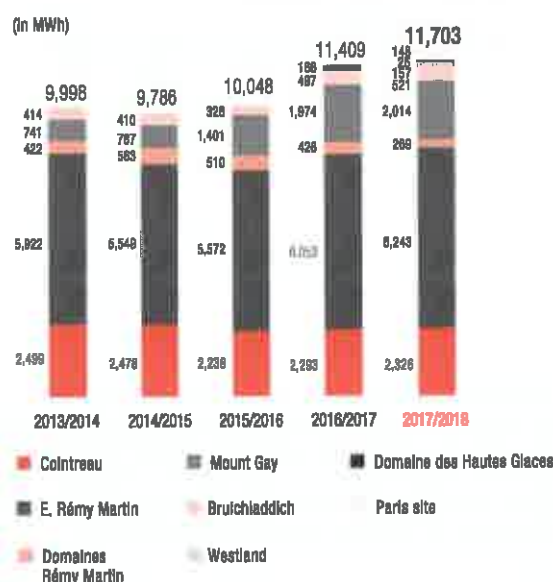
With regards to the Barbados site, direct energy consumption (9,075 MWh) was up 8% (increase in distillery activities) and up 3% per case.

For the first time, CSR reporting includes direct energy consumption by Westland and Domaine des Hautes Glaces, which amounted to 1,189 MWh and 250 MWh respectively.

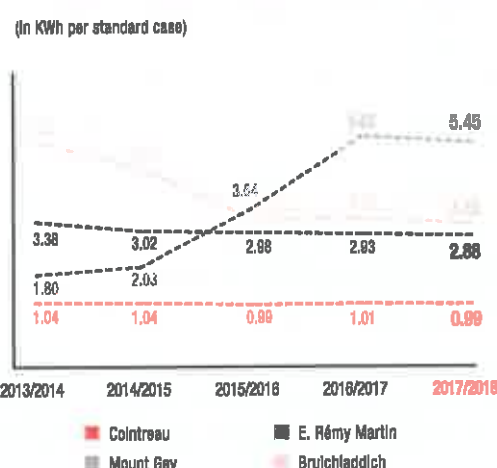
Direct energy consumption for Domaines Rémy Martin (1,191 kWh) decreased by 60% following a decrease in the volume of wine distilled because of poor weather conditions (Cognac vineyards affected by frost).

For indirect energy, electricity consumption (11,703 MWh) was up 3%, mainly due to the first-time incorporation of electricity consumption from the Westland and Domaine des Hautes Glaces sites (GRI indicator G4-EN3). 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.

### 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  
2017/2018: Inclusion of Westland and Domaine des Hautes Glaces



At the Angers site, electricity consumption (2,326 MWh) was stable. Consumption per standard case was down 2%, from 1.01 to 0.99 kWh.

On the Cognac site, it increased by 3% (6,243 MWh). Consumption per standard case was down 2%, from 2.93 to 2.88 kWh, following an increase in the site's production while still controlling energy consumption.

On the Islay site, electricity consumption (521 MWh) was up by 5% because of the creation of a new bottling line, however consumption per standard case was down 4%, thanks to control of the energy process.

Electricity consumption at the Barbados site (2,014 MWh) increased by 2%, while consumption per standard case was down 3%.

For the first time, CSR reporting includes direct electricity consumption by Westland and Domaine des Hautes Glaces, which amounted to 157 MWh and 25 MWh respectively.

Electricity consumption for Domaines Rémy Martin (269 MWh) decreased by 37%, mainly due to the decrease in the volume of wine distilled.

Total indirect energy consumption for the Paris site (148 MWh) was down 11%, following an office refurbishment which boosted natural lighting and incorporated new low-consumption lighting technologies.



## Water consumption

For the last three years, Rémy Cointreau has met CDP Water reporting requests. In line with this reporting, the Group has improved its water resource protection targets. Accordingly, at its Paris site and in all of its main subsidiaries worldwide, Rémy Cointreau has introduced water fountains, makes jugs of water available in meeting rooms for its employees and no longer uses bottled water.

Total water consumption (174,945 m³) was up by 31% (GRI Indicator G4-EN-8). Water consumption per standard case increased by 24%, from 26.2 to 32.4 litres per standard case, excluding Domaines Rémy Martin. This is principally because of the inclusion for the first time in CSR reporting of water consumption at the Westland site and water consumption from a well used at the Barbados site.

Water consumption at the Angers site (26,786 m³) decreased by 2% (-5% per case).

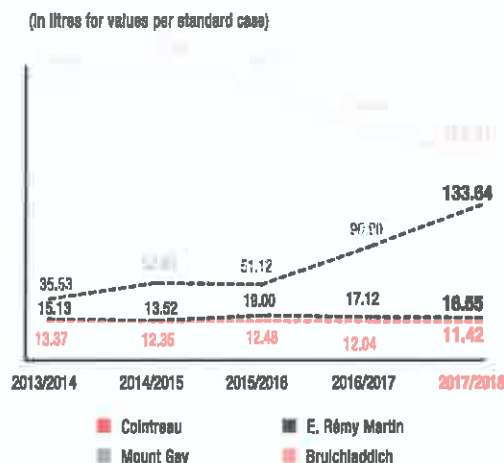
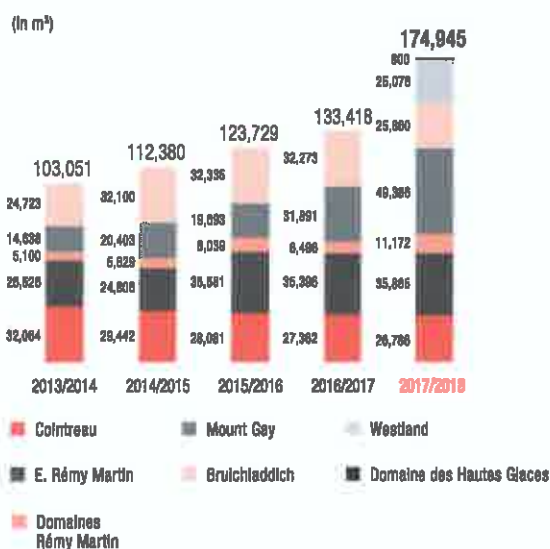
Water consumption at the Cognac site (35,865 m³) was stable and decreased by 3% per case.

At the Islay site, water consumption (25,860 m³) decreased by 20% (reduction in distillation activities). Consumption per standard case was down 27%.

At the Barbados site, water consumption (49,386 m³) increased by 55%, of which 50% was due to scope effects following the inclusion for the first time of the measurement of the consumption of water from the on-site well (16,157 m³). On a like for like basis, water consumption would have only increased by 4% following the increase in distillation activities. This increase in the CSR reporting scope is related to the water management plan for the site, which is located in an area of water stress, the first stage of this plan having been to draw up a complete and reliable mapping of water consumption through measures such as the fitting of a water meter to measure water consumption from the well. Flow meters were also introduced to measure the volume of liquid waste.

Also for the first time, CSR reporting this year includes water consumption from the Westland site and Domaine des Hautes Glaces, which amounted to 25,076 m³ and 800 m³ respectively.

## WATER CONSUMPTION (GRI INDICATOR G4-EN8)



The consumption of Domaines Rémy Martin (11,172 m³) increased by 72%. A major water leak was detected this year at one of the production sites. The necessary works were carried out and a more rapid leak detection procedure was introduced.

## NOISE POLLUTION

Since 2017, several actions have been carried out at the Cognac and Angers sites to implement a Health Safety Environment plan for noise pollution.

At the Cognac site, CARSAT (Retirement and Work Health Office – Caisse de retraite et de santé au travail) was asked to measure workstation and workshop noise levels. As soon as the report was

received, initiatives were put in place this year in order to reduce noise levels: controls on conveyors, installation of silencers on compressed air compressors, introduction of noise reduction enclosures. The initiatives are monitored by the occupational health nurse.

On the Angers site, a personal dosimetry campaign was carried out at packing and operating stations in 2017. New investments were made this year in new noise reduction initiatives for conveyors, installation of acoustic panels on a palletising machine, the installation of an acoustic enclosure on a bottle bank and the installation of a noise reduction wall in the packaging workshop (improvement of 6 dB(A)).



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.

At the Group's Paris 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. Note that after this initiative was shared with all of the companies who occupy the same building, the solid waste sorting and recycling initiative was extended to the entire building. The Paris site also replaced traditional paper towel rolls with electric hand driers.

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). For the first time, solid waste monitoring and processing indicators this year make the distinction between materials recycling and energy recovery. The Group's priority objective is to reduce the tonnage of solid waste and then to encourage material recycling rather than energy recovery. These new indicators have been calculated retrospectively over the last three years.

Since September 2012, the OIW (Ordinary Industrial Waste) from the Angers site has been recycled by a combined energy unit (urban heating). Since October 2017, at the Cognac site, OIW is recovered for use as solid recovered fuel (SRF) to produce energy.

The Cognac site has introduced the sorting and recycling of plastic cups this year. Recycling initiatives are carried out by an organisation offering stable employment to people who find it difficult to enter the workplace or with disabilities and the plastic material is reused in the plastics industry. This has now been extended to the Angers site. From this year, solid waste from the Cognac company restaurant is also being sorted and recycled. A new channel for recycling this type of solid waste is currently in place at the Angers site.

Total solid waste (2,443 tonnes – GRI indicator G4-EN23) increased by 5%, mainly because of the increase in the volume of solid waste at the Islay site (see below). Per standard case, the quantity of solid waste was nevertheless stable at 0.47 kg (excluding Domaines Rémy Martin and the Paris, Westland and Domaine des Hautes Glaces sites).

Solid waste tonnage (872 tonnes) increased by 7% at the Cognac site (up 3% per case), due to the increase in site activity.

Solid waste tonnage (1,211 tonnes) increased by 4% at the Angers site (up 1% per case).

At the Islay site, solid waste tonnage (156 tonnes) increased by 239%, due to an increase in packaging activities and the creation of a new bottling line.

At the Barbados site, the solid waste tonnage (150 tonnes) fell by 11% and by 15% per case.

As regards Domaines Rémy Martin, the quantity of solid waste (54 tonnes) decreased by 21%, following exceptional cleaning operations conducted in 2016/2017.

The rate of materials recycling and energy recovery increased and were measured respectively at 83.0% and 8.7% compared with 83.7% and 5.3% the previous year. The total rate of solid waste recycling stood at 91.6% this year.

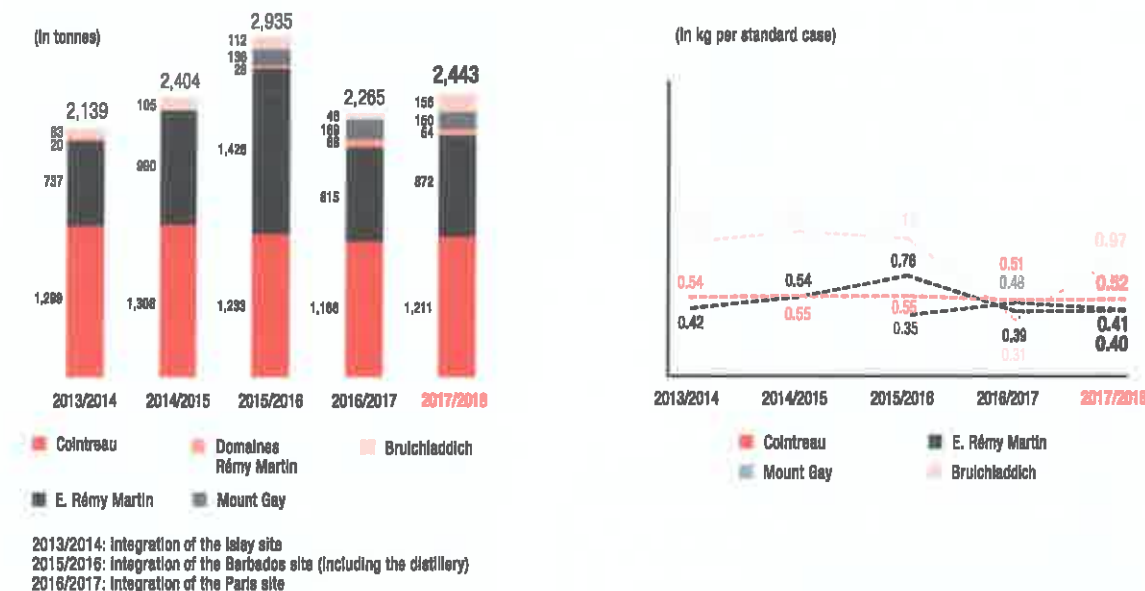
At Angers, the rates of materials recycling and energy recovery were respectively 96.7% and 3.3% (total recycling rate of 100%). The rate of materials recycling increased by 0.9% following the introduction of new waste recycling channels.

At Cognac, the rates of materials recycling and energy recovery were respectively 79.6% and 19.7% (85.3% and 8.7% in 2016/2017), i.e. a total recycling rate of 99.3%. The rate of energy recovery increased by 11% following the increase in energy recovery from OIW waste as solid recovered fuel (SRF).

The Islay site only carries out materials recovery for its solid waste. A rate of 70.5% was achieved, an increase compared with 2016/2017 (47.8%).

On the Barbados site, unsorted waste is sent to the local collection centre. New solid waste treatment channels are being studied with a particular focus on materials recycling. This has led the site to introduce, from this year, selective sorting of its solid waste (skips dedicated to each type of waste, particularly glass collection).

### QUANTITY OF SOLID WASTE (GRI INDICATOR G4-EN23)



### LIQUID WASTE

As part of the 2020 CSR plan, special attention is given to processing liquid waste from production sites. The majority of this liquid waste takes the form of vinasse.

For the Cognac and Angers sites, all liquid waste is processed by local treatment plants.

The Barbados site uses part of its vinasse as fertiliser in accordance with specifications that comply with local regulations, with the remainder being discharged to the natural environment in compliance with local practices.

At the Islay site, and in accordance with local regulations, the vinasse is sent to a reprocessing plant shared with other distilleries on the island. The vinasse is diluted then discharged to sea by pipeline to a point far from the coast in order to ensure that the discharge has no environmental impacts.

All of the Domaines Rémy Martin vinasse is entrusted to a local vinasse methane conversion and green energy production plant (Revico site in Cognac).

Domaine des Hautes Glaces spreads all of its vinasse on agricultural land in accordance with spreading specifications that comply with local regulations. This enables a reduction in the amount of chemical fertilisers used for future crops.

All liquid waste from the Westland site is treated by a local liquid waste processing plant.

Liquid waste volumes (84,047 m<sup>3</sup>) increased by 33% (GRI Indicator G4-EN22). The quantity of liquid waste per standard case increased by 35% from 11.9 litres to 16.0 litres. This is principally because of the inclusion for the first time this year in CSR reporting of liquid waste volumes from the Westland site. On a like-for-like basis with 2016/2017, the liquid waste volume decreased by 8%, following a reduction in distillation activities at the Islay site.

Volumes of liquid waste for the Cognac site (6,639 m<sup>3</sup>) decreased by 31%. The volume of liquid waste per standard case fell by 34%, from 4.64 to 3.06 litres, principally due to exceptional circumstances last year that had a major impact on the volume of site discharges (industrial discharges).

The volume of liquid waste for the Angers site (9,833 m<sup>3</sup>) was stable. The quantity of liquid waste per standard case decreased by 5% from 4.4 litres to 4.19 litres.

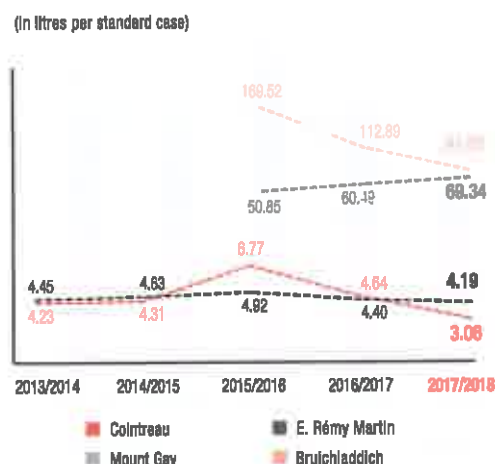
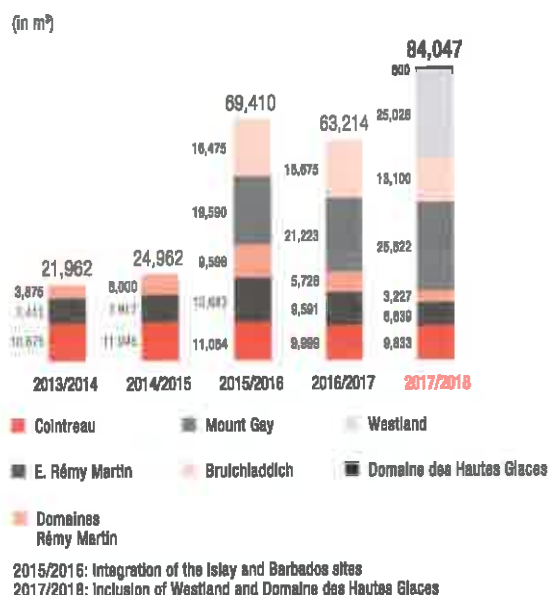
Volumes of liquid waste for the Barbados site (25,622 m<sup>3</sup>) increased by 21%. The increase per case was 15% due to the increase in distillation activities.

On the Islay site, the volume of liquid waste (13,100 m<sup>3</sup>) decreased by 21% (reduction in distillation activities) and by 28% per case.

For the first time, CSR reporting this year includes volumes of liquid waste from the Westland site and Domaine des Hautes Glaces, which amounted to 25,026 m<sup>3</sup> and 600 m<sup>3</sup> respectively.

Liquid waste volumes decreased by 44% for Domaines Rémy Martin (3,227 m<sup>3</sup>), due to a reduction in the volume of wine distilled.

### 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 overall to 13.9 tonnes of biochemical oxygen demand (BOD), down 13%, and 27.5 tonnes of chemical oxygen demand (COD), down 5%. After the waste was treated by external treatment plants and returned to the natural environment, pollution was down on the previous year with 0.5 tonne of BOD (down 19%) and 1.8 tonne of COD (down 3%) with average reduction rates of 98% for BOD and 95% for COD.

For the Cognac and Angers sites, pollution per standard case was down from 0.14 to 0.11 gram of BOD and from 0.43 to 0.40 gram of COD, respectively down 21% and 7% compared to the previous year.

Liquid waste pollution for Domaines Rémy Martin decreased compared with the previous year, with 0.24 tonne of BOD (down 41%) and 1.10 tonne of COD (down 42%) after treatment and return to the natural environment. This is due to the decrease in distillation activities.

Liquid waste pollution discharged from the Barbados site was 533 tonnes of BOD and 1,839 tonne of COD. These values represented reductions of 13% and increases of 18% respectively. BOD pollution per standard case fell by 18%, from 1.75 to 1.44 kg and COD pollution per standard case increased by 12%, from 4.45 to 4.98 kg. This is related to the increase in the site's distillation activities.

For the Islay site, liquid waste pollution discharged from the site comprised 228 tonnes of BOD (down by 6%) and 481 tonnes of COD (down by 23%). BOD pollution per standard case fell by 14%, from 1.64 to 1.41 kg and COD pollution per standard case fell by 30%, from 4.25 to 2.98 kg, following a reduction in distillation activities.

For the first time, CSR reporting this year includes the measurement of liquid waste pollution from Domaine des Hautes Glaces. The site discharged 11 tonnes of BOD and 20 tonnes of COD.

Total liquid waste pollution discharged from the Barbados, Islay and Domaine des Hautes Glaces sites was accordingly 772 tonnes of BOD and 2,340 tonnes of COD. These figures lead to a liquid waste pollution rate per standard case discharged from the Barbados, Islay and Domaine des Hautes Glaces sites of 1.45 kg of BOD and 4.40 kg of COD.

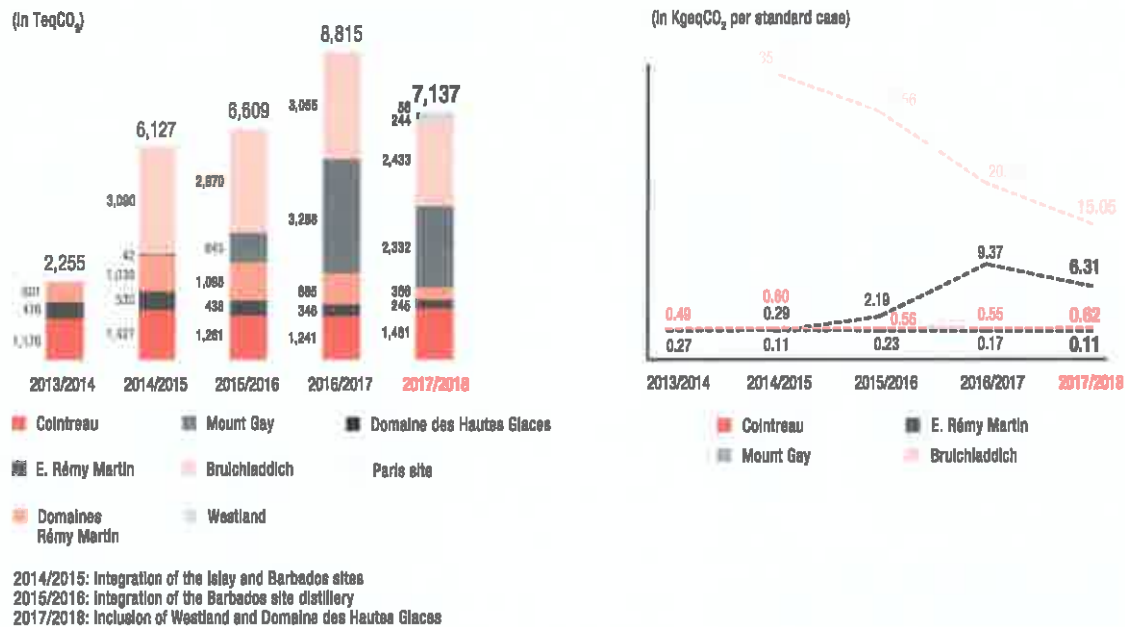
### GREENHOUSE GAS EMISSIONS

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 CO<sub>2</sub> emissions.

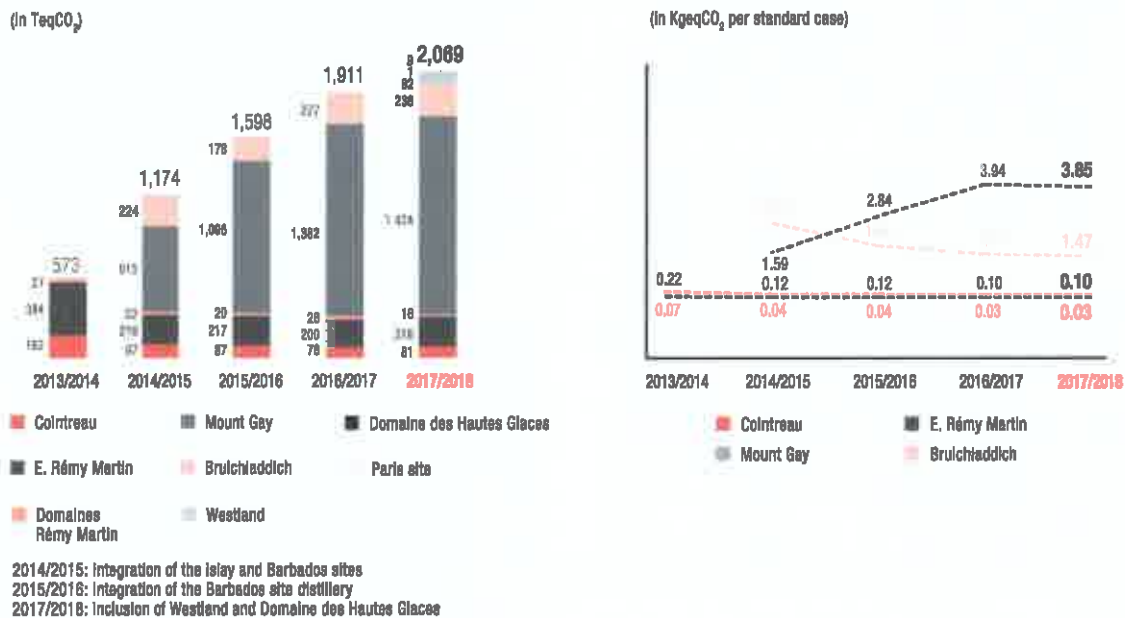
For the first time, CSR reporting this year includes scope 1 and 2 carbon emissions from the Westland site and Domaine des Hautes Glaces.

Scope 1 and 2 CO<sub>2</sub> emissions decreased by 10%, to 9,206 Teq CO<sub>2</sub> (scope 1: 7,137 Teq CO<sub>2</sub>/scope 2: 2,069 Teq CO<sub>2</sub> – GRI indicator G4-EN15/G4-EN16). Per standard case, these emissions, which decreased by 14%, represent 1.7 kgeq CO<sub>2</sub>. This is principally because of reduced energy consumption at the Cognac and Bruchladdich sites.

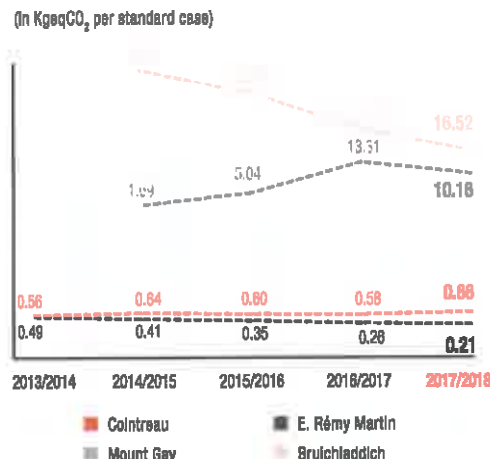
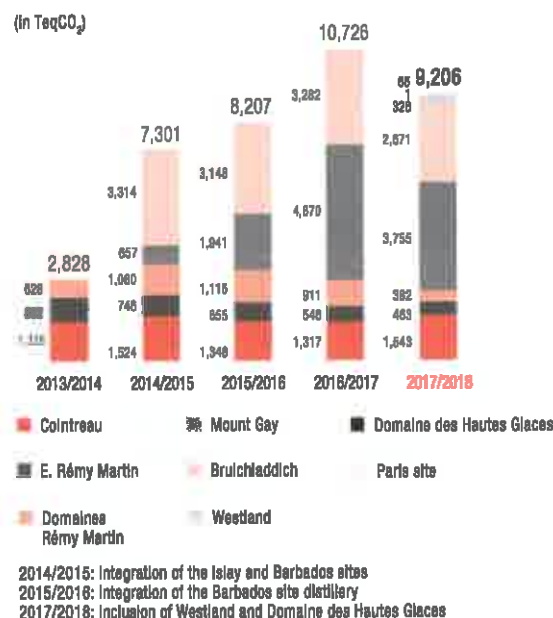
## GREENHOUSE GAS EMISSIONS/SCOPE 1 (GRI INDICATOR G4-EN15)



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



## GREENHOUSE GAS EMISSIONS/SCOPES 1 & 2



GHG emissions from the Angers site (1,543 Teq CO<sub>2</sub>/scope 1: 1,461 Teq CO<sub>2</sub>/scope 2: 81 Teq CO<sub>2</sub>) increased by 17.1%. Emissions per standard case increased by 13.4%, from 0.58 to 0.66 kgeq CO<sub>2</sub>, because of the site's increased energy consumption.

GHG emissions dropped 15% at the Cognac site (463 Teq CO<sub>2</sub>/scope 1: 245 Teq CO<sub>2</sub>/scope 2: 218 Teq CO<sub>2</sub>). Emissions per standard case fell by 18%, from 0.26 to 0.21 kgeq CO<sub>2</sub>, principally because of lower gas consumption.

As regards Domaines Rémy Martin, GHG emissions were down sharply by 58% (382 Teq CO<sub>2</sub>/scope 1: 386 Teq CO<sub>2</sub>/scope 2: 16 Teq CO<sub>2</sub>). This decrease is because of a reduction in distillation activities.

GHG emissions fell by 19% at the Islay site (2,671 Teq CO<sub>2</sub>/scope 1: 2,433 Teq CO<sub>2</sub>/scope 2: 238 Teq CO<sub>2</sub>). Emissions per standard case decreased by 26%, from 22.22 to 16.52 kgeq CO<sub>2</sub>, principally because of a reduction in distillation activities.

As regards the Barbados site, CO<sub>2</sub> emissions fell by 20% (3,755 Teq CO<sub>2</sub>/scope 1: 2,332 Teq CO<sub>2</sub>/scope 2: 1,424 Teq CO<sub>2</sub>). Emissions per standard case fell by 24%, from 13.31 to 10.16 kgeq CO<sub>2</sub>, principally because of a reduction in the use of refrigerant fluids.

For the first time, CSR reporting this year includes scope 1 and 2 carbon emissions from the Westland site and Domaine des Hautes Glaces.

As regards Westland, GHG emissions were 326 Teq CO<sub>2</sub>, with scope 1 of 244 Teq CO<sub>2</sub> and scope 2 of 82 Teq CO<sub>2</sub>.

For Domaine des Hautes Glaces, GHG emissions were 1 Teq CO<sub>2</sub>, solely comprising scope 2. The use of wood for heating the stills means that there are no scope 1 CO<sub>2</sub> 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. This year, scope 3 of the carbon footprint has now been extended to 97% of Rémy Cointreau's production activities (production activities at the Angers, Cognac and Barbados sites and the associated upstream and downstream impacts-GRI Indicator G4-EC2). For the first time, CSR reporting this year includes CO<sub>2</sub> emissions from the transportation of products in the USA and Asia (China, Japan, Taiwan and Vietnam). The information given below is part of the management report.

### Risks linked to the effects of climate change

Rémy Cointreau has been mapping the various risks since 2008. Climate change was identified as one of these risks. 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 21<sup>st</sup> 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 internally by Rémy Cointreau for 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 (GHG) emissions 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.

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, this year the Group's senior executives will see part of their variable remuneration linked to CSR targets, in line with the 10 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 created within the Board of Directors, will monitor compliance with these commitments (GRI Indicator G4-34/ G4-48).

### Information on the main sources of greenhouse gas emissions

Total CO<sub>2</sub> scopes 1, 2 and 3 emissions amounted to 135,528 Teq CO<sub>2</sub>, broken down as follows (GRI Indicator G4-EN17):

- Cognac site: 45,272 Teq CO<sub>2</sub>;
- Angers site: 36,199 Teq CO<sub>2</sub>;
- Barbados site: 29,145 Teq CO<sub>2</sub>;
- Domaines Rémy Martin site: 702 Teq CO<sub>2</sub>;
- product transportation: 24,209 Teq CO<sub>2</sub>.

CO<sub>2</sub> emissions from product transportation were sharply down compared with the previous year because of a more accurate analysis of the modes of transport (air and maritime) used. The information gathered directly from carriers, particularly in the maritime field, has enabled the overestimation of CO<sub>2</sub> emissions in 2016/2017 to be significantly reduced.

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

- transportation of products and miscellaneous freight: 30,780 Teq CO<sub>2</sub> (22.7% of total emissions);
- product packaging: 50,172 Teq CO<sub>2</sub> (37.0% of total emissions);
- raw materials: 41,531 Teq CO<sub>2</sub> (30.6% of total emissions).

Compared with the previous year, the increase in CO<sub>2</sub> emissions related to raw materials is primarily due to the costs of the integration of the Barbados site within the Group's scope 3 measurement perimeter. As regards packaging, CO<sub>2</sub> emissions were down in comparison with 2016/2017 following a reduction in glass consumption at the Angers site and an overestimation of glass tonnage used at the Cognac site. This was corrected this year.

The 2020 CSR plan aims to extend the measurement of CO<sub>2</sub> scope 3 to the Islay, Westland and Domaine des Hautes Glaces sites within two years in order to cover 100% of the Group's production activities. An additional target is to prepare a scope 3 CO<sub>2</sub> emissions reduction plan from next year onwards linked to the SBT (Science Based Targets) global initiative.

At the same time, Rémy Cointreau continued its indirect greenhouse gas emission reduction initiatives. These resulted in savings in these emissions of 1,463 Teq CO<sub>2</sub> (GRI Indicator: G4-EN19).

The main initiatives this year were:

- energy consumption reduction with 756 Teq CO<sub>2</sub> avoided;
- use of videoconferencing with 861 Teq CO<sub>2</sub> avoided;
- the optimisation of site vehicle journeys: 46 Teq CO<sub>2</sub> avoided.

A new indicator was introduced this year in collaboration with the travel agency, Frequent Flyer Travel Paris, which provides business travel services for the Group's employees.

It focuses on the reduction of "short" business journeys by air, replacing them with train journeys, which emit less CO<sub>2</sub> (scope: France and adjacent European countries, train journeys not exceeding a duration of three hours).

A substitution rate serves to illustrate this initiative. An initial assessment of business journeys gave a value of 87.8% in 2016/2017. This year, this rate improved, to stand at 91.9%, which demonstrates the Group's commitment to prioritising business travel by train.

From 2017, the implementation of the CO<sub>2</sub> emissions reduction plan for the company vehicle fleet has led to a new internal policy for company and service vehicles in France. 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. For example, in accordance with this, electric vehicle recharging points have been installed in the car park at the Paris site. The percentage of "clean" vehicles increased this year to 41% compared with 22% in 2016/2017.

In accordance with the regulations in effect since the beginning of 2018, the Angers site has prepared its mobility plan and submitted it to the relevant local authorities. This plan has enabled initiatives which have been implemented for several years to be highlighted. They include the mobility survey carried out in 2017, alternatives to individual cars for site access (two bike shelters, three car-sharing spaces, two electric vehicle recharging points), implementation of telecommuting, the reduction and improvement of business travel (videoconferences, audio conferences, the Skype for Business tool, e-learning) and the 2020 action plan (creation of a third bike shelter, eco-driving training and the installation of a car tyre inflation point).

Currently, average emissions for the Group's entire French vehicle fleet are 92 g CO<sub>2</sub>/km. They amounted to 124 g CO<sub>2</sub>/km the previous year, representing a decrease of 35%.

As regards company cars in France in 2017/2018, six vehicles were acquired including one electric vehicle, replacing 11 diesel or petrol vehicles. The average emissions level for new vehicles is 46 g CO<sub>2</sub>/km, compared with 140 g previously for the vehicles replaced, representing a 67% drop in emissions.

## ECO-DESIGN OF PRODUCTS

In line with the achievement of the 2020 CSR plan, a CSR eco-design Steering Committee, comprising representatives of the Product Development, Liqueurs & Spirits and CSR departments,

was set up in 2017 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 carried out in 2017 had shown that cases and boxes manufactured included respectively 58% and 67% recycled cardboard (GRI Indicator G4-EN2).

This year, the eco-design Steering Committee undertook to define the operating plan for 2020 initiatives, incorporating eco-design in the stages of the product development process.

Two types of training were provided:

- general training in eco-design for employees in Marketing, Purchasing and Product Development, for 24 people;
- technical training in eco-design for Product Development employees at the Cognac and Angers sites, for 14 people.

The general eco-design training module was included in the Group's internal training catalogue.

Life cycle assessments (LCA) for key Rémy Martin and Cointreau products were also carried out and have helped to support technical training for employees.

These different initiatives are the basis for the operational launch of the "packaging environmental performance index" project, which will be rolled out in 2018. The objective is to create internal software that will allow the environmental impacts of Rémy Cointreau product packaging to be measured. Particular attention will be paid to CO<sub>2</sub> emissions and to water consumption (GRI Indicator G4-EN27).

The tool will then be used for all new products developed in 2018/2019 and for current flagship products in the Cointreau, Rémy Martin, LOUIS XIII, Saint-Rémy and Mount Gay ranges.

For three years, Rémy Cointreau has been using 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). Since 2017, the wastage rate for packaging workshops has been included in the calculations.

Tonnage totalled 37,693 tonnes (compared with 35,397 tonnes in 2016/2017) mainly comprising glass (32,726 tonnes), cardboard (4,078 tonnes), plastics (381 tonnes), metals (188 tonnes), paper (62 tonnes) and miscellaneous materials (259 tonnes).

This represents an average packaging waste of 1,001.4 grams per litre of product (based on 2017/2018 production data), which was stable compared with 2016/2017 (998 grams per litre of product). The associated carbon emissions correspond to 42,345 Teq CO<sub>2</sub>, or 1.13 kgeq CO<sub>2</sub> per litre of product, which was stable compared with 2016/2017.

### PRODUCT TRANSPORTATION

As part of the 2020 CSR plan, a "CO<sub>2</sub> Transport Emissions" project was launched in 2017. For the first time, CSR reporting this year includes CO<sub>2</sub> emissions from the transportation of products in the USA and Asia (China, Japan, Taiwan and Vietnam).

Total CO<sub>2</sub> scope 3 emissions associated with product transportation amounted to 24,209 Teq CO<sub>2</sub> (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;
- In Europe;
- in the USA and in Asia (China, Japan, Taiwan and Vietnam), included in the CSR reporting for the first time.

A new tool for collecting data for transportation originating in France has been introduced based on mapping transportation flows. For this, an audit of data collection methods was carried out, leading to the design of an optimised spreadsheet of CO<sub>2</sub> emissions, which is based on identifying the main destinations, developing transportation scenarios for the main destinations and, in particular, identifying air transportation. There will now be a specific focus on freight transport in order to prioritise the reduction of its CO<sub>2</sub> emissions.

The integration of specifications covering environmental conditions applicable to the Group's products in "transport" calls for tender has been repeated this year. All selected carriers must report the greenhouse gas emissions for their transportation services each year. Carriers must also demonstrate their commitment to the voluntary commitment charter to reduce CO<sub>2</sub> emissions, known as "Objective CO<sub>2</sub>".

It should be noted that this year, initial discussions with the main maritime carrier have enabled the validation of the model for reporting CO<sub>2</sub> information for maritime shipments. The carrier provided the first direct information at the end of the first quarter of 2018.

## — 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 is mindful of its societal impact in relation to the sustainable economic development of the areas in which it operates. At the heart of its 2020 CSR plan, particular importance is thus given to initiatives that support the community. 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, such as the association *Dirigeants Responsables de l'Ouest* (Responsible Directors in the West of France) in the Pays de Loire region. The Group played a role in creating this association in 2009.

The Group also participates in the activities of the Altère business association in Poitou-Charentes. This year, the Group shared its experiences in a workshop on non-financial reporting related to the new European directive and took part in two workshops on the topics of the quality of life at work and employee commitment to CSR.

The Group is a member of the Club Carbon'At created in 2008 in the Pays de Loire region. This Club brings together some 30 companies – including Rémy Cointreau – in the Grand Ouest region of France to share best CSR practices through meetings. This year, for example, topics have included promoting the CSR approach at a corporate level and at a regional level in order to improve performance.

This year, the Group took part in discussions on several occasions to share its CSR policy and its commitments to reduce its energy consumption at the Angers site (Angers Loire Métropole Development Council/working group on "Climate Energy Transport"; on CSR "just a trend or genuine awareness" (CSR Café/Angers); on protecting biodiversity (Colbert Committee/meeting of the sustainable development managers' network); and, on incorporating the UN's Sustainable Development Goals within the Group's CSR strategy (conference organised by Dil/GC Advanced club workshop).

#### 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 Alcoolologie* (FRA) (Foundation for Alcohol Research), which it has chaired since it was 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 involved 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 Adults and Alcohol" has been formed.

The FRA's award for alcohol research was awarded for the second time to the Collège de France in February 2018. A second "Young Researcher" award was also made in the field of human and social sciences.

In 2017, the FRA supported 30 research projects through an annual call for tenders. It also organised two *Café des Chercheurs* meetings on the topics of "Alcohol and sexuality: women must remain vigilant" and "Gut microbiota: a natural system for preventing or curing alcoholism". It also held its first research colloquium, which enabled a summary to be drawn up of the results of studies financed by the FRA during the last two years. The FRA has also published a document on key figures on alcohol consumption: global consumption, alcohol consumption trends over a 50-year period, etc.

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. This year, the Group took part in a morning of discussions between sustainable development managers on the topic "Biodiversity, a natural heritage to protect".

Rémy Cointreau also shared examples of its CSR initiatives through its involvement in the publication of the Colbert Committee's Guide, "Values of French luxury goods and corporate and social responsibility goals", which brings together examples of best practice for 15 sustainability goals grouped into four values: aesthetics, high standards, sustainability and compliance.

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 presented its CSR policy, its commitments and initiatives to students at colleges such as Audencia Nantes, Oniris Nantes and ESSCA Nantes.



## 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 in 2016 by Vlgeo Elris – a French agency that 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. SEDEX currently 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 2017/2018, the number of strategic suppliers that are SEDEX members (excluding sub-contractors, as this is very limited and mainly concerns activities performed in France) was 89% (GRI indicators G4-EN32/G4-HR10). The 2020 target is 100%. 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 encourage its stakeholders to adopt such an approach, which is sometimes seen as an additional burden.

This year, thanks to SEDEX, two audits were conducted, mainly on raw material suppliers.

SEDEX has entered into an agreement with the GDP Carbon Disclosure Project, a non-profit organisation focused on studying the impact of the major listed companies globally on climate change. In parallel, Rémy Cointreau has been taking part in GDP surveys since 2006 (CO<sub>2</sub> emissions and water management). 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 leads 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.*

In 2016, Rémy Cointreau updated 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 (Massive open online courses) for employees. Three training videos (in French, English and Chinese) were created this year and made available on the Group's e-learning portal (GRI indicator G4-SO4). Training is ongoing and the rate of training is currently 80%. These training courses have been included in the Group's internal training catalogue.

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. The Whistleblowing Code was circulated to all Group employees this year.

All of these codes, the Code of Ethics and the Whistleblowing Code, reflect a set of reference documents used by Rémy Cointreau to ensure the transparency of its transactions and to combine know-how and life skills (see chapter 3).

For its communications on alcohol consumption, Rémy Cointreau abides by its Responsible Communication Charter. It ensures 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, this year the Group renewed its membership of 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.

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 Gaia (EthiFinance) index, the benchmark sustainable development index that assesses the level of transparency of more than 400 intermediate-sized listed and unlisted European companies, based on CSR-related environmental, social and governance criteria.

This year, the Group improved and was ranked fourth out of 230 companies making up the Gaia index (eleventh out of 230 in 2016/2017). Its ranking also improved in the category of companies with net sales higher than €500 million, where it was ranked fourth out of 87 (tenth out of 85 in 2016/2017). The Group also achieved the maximum score of 100 with regards to relations with external stakeholders, following a materiality study involving suppliers, clients, civil society, etc., (86 in 2016/2017) and a score of 98/100 for its environmental commitments (the same score as in 2016/2017).

The Group is also assessed by the Vigeo Eiris non-financial agency. For the latest rating carried out at the beginning of 2018, Rémy Cointreau made progress in a number of areas compared with the previous rating conducted in 2016:

- in the field of governance with the quality of shareholder relations and the method of executive remuneration based on CSR targets;
- in the HR field with career management and the development of employability;
- in the environmental field with the use of renewable energies, the account taken of the environmental impacts of product transportation and the management of health and safety conditions in the workplace.

Areas of improvement are expected, for example, for societal commitments and the running of the company. The initiatives carried out and referred to above (Code of Ethics, Whistleblowing Code, mandatory employee training in business ethics) form part of the responses to these expectations. This forms part of the 2020 CSR Plan, which aims 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 contribute to the development of 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](http://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 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";
- 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";
- update and new distribution of the RC Alcooflash app for iPhone users (internal audience);
- 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).

This year, these initiatives were supplemented by:

- signing the DFWC (Duty Free World Council) code of conduct, which focuses principally on responsible advertising and the responsible management of points of sale;
- an awareness-raising campaign of responsible consumption in Barbados.

## 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 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 seven new campaigns for the Cointreau, LOUIS XIII, Mount Gay and Metaxa brands.

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

Since 2014, the CCR has been using 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 this year 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 out of 20, stable in relation to the previous year (GRI Indicator G4-PRS).

The Group also replied to the questions of retailer customers operating in the USA and Belgium concerning best environmental practices and its CSR policy.

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. More than 430 visitors took part in visits organised as part of the "Heritage Days".

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, at the end of 2017 the Cognac site once again awarded the Trip Advisor certificate of excellence.

The Angers site still holds its "Quality Tourism" certification.

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 2018, 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. The certification has been renewed for five years.

## — 2.5 TABLE OF ENVIRONMENTAL INDICATORS BY SITE

	2015/ 2016	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2016/ 2017	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2017/ 2018	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE
<b>Total energy consumption, in MWh and in kWh, for values per standard case or hectolitre of wine (GRI indicator G4-EN3)</b>									
<b>TOTAL</b>	<b>36,235</b>	<b>6.91</b>	<b>66.35</b>	<b>41,854</b>	<b>7.91</b>	<b>78.13</b>	<b>39,656</b>	<b>7.53</b>	<b>72.60</b>
o/w Angers site	8,274	3.68		8,375	3.69		8,549	3.64	
o/w Cognac site	7,284	3.89		7,380	3.57		7,206	3.33	
o/w Domaines Rémy Martin	4,423		66.35	3,437		78.13	1,460		72.60
o/w Barbados site	4,622	12.00		10,366	29.55		11,088	30.01	
o/w Islay site	11,632	119.68		12,130	82.12		9,583	59.30	
o/w Westland							1,346		
o/w Domaine des Hautes Glaces							275		
o/w Paris site				166			148		
<b>Direct energy consumption (gas, fuel oil, diesel), in MWh and in kWh, for values per standard case or hectolitre of wine (GRI indicator G4-EN3)</b>									
<b>TOTAL</b>	<b>26,187</b>	<b>4.84</b>	<b>58.70</b>	<b>30,445</b>	<b>5.67</b>	<b>68.44</b>	<b>27,954</b>	<b>5.30</b>	<b>59.21</b>
o/w Angers site	6,036	2.68		6,081	2.68		6,224	2.65	
o/w Cognac site	1,711	0.91		1,327	0.64		963	0.44	
o/w Domaines Rémy Martin	3,913		58.70	3,011		68.44	1,191		59.21
o/w Barbados site	3,221	8.36		8,392	23.92		9,075	24.56	
o/w Islay site	11,305	116.32		11,634	78.76		9,062	56.07	
o/w Westland							1,189		
o/w Domaine des Hautes Glaces							250		
<b>Total indirect energy consumption (electricity), in MWh and in kWh, for values per standard case or hectolitre of wine (GRI indicator G4-EN3)</b>									
<b>TOTAL</b>	<b>10,048</b>	<b>2.07</b>	<b>7.65</b>	<b>11,409</b>	<b>2.24</b>	<b>9.69</b>	<b>11,703</b>	<b>2.23</b>	<b>13.39</b>
o/w Angers site	2,238	0.99		2,293	1.01		2,326	0.99	
o/w Cognac site	5,572	2.98		6,053	2.93		6,243	2.88	
o/w Domaines Rémy Martin	510		7.65	426		9.69	269		13.39
o/w Barbados site	1,401	3.64		1,974	5.63		2,014	5.45	
o/w Islay site	326	3.36		497	3.36		521	3.22	
o/w Westland							157		
o/w Domaine des Hautes Glaces							25		
o/w Paris site				166			148		

	2015/ 2016	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2016/ 2017	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2017/ 2018	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE
<b>Water consumption, in m³ and litres, for values per standard case or hectolitre of wine (GRI Indicator G4-EN6)</b>									
<b>TOTAL</b>	<b>123,729</b>	<b>25.12</b>	<b>120.60</b>	<b>133,418</b>	<b>26.23</b>	<b>147.66</b>	<b>174,945</b>	<b>32.42</b>	<b>555.66</b>
o/w Angers site	28,081	12.48		27,362	12.04		26,786	11.42	
o/w Cognac site	35,581	19.00		35,396	17.12		35,865	16.55	
o/w Domaines Rémy Martin	8,039		120.60	6,496		147.66	11,172		555.66
o/w Barbados site	19,693	51.12		31,891	90.90		49,386	133.64	
o/w Islay site	32,335	332.70		32,273	218.49		25,860	160.01	
o/w Westland							25,076		
o/w Domaine des Hautes Glaces							800		
<b>Quantity of waste, in tonnes and in kg, for values per standard case or hectolitre of wine (GRI Indicator G4-EN23)</b>									
<b>TOTAL</b>	<b>2,935</b>	<b>0.63</b>	<b>0.42</b>	<b>2,265</b>	<b>0.45</b>	<b>1.55</b>	<b>2,443</b>	<b>0.47</b>	<b>2.69</b>
o/w Angers site	1,233	0.55		1,166	0.51		1,211	0.52	
o/w Cognac site	1,426	0.76		815	0.39		872	0.40	
o/w Domaines Rémy Martin	28		0.42	68		1.55	54		2.69
o/w Barbados site	136	0.35		169	0.48		150	0.41	
o/w Islay site	112	1.15		46	0.31		156	0.97	
<b>Volume of solid waste recycled in %</b>									
<b>TOTAL</b>	<b>90.6</b>			<b>89.0</b>			<b>91.6</b>		
o/w Angers site	100.0			100.0			100.0		
o/w Cognac site	92.3			94.0			99.3		
o/w Domaines Rémy Martin	100.0			91.2			96.3		
o/w Barbados site	0.0			0.0			0.0		
o/w Islay site	72.3			47.8			70.5		
<b>Volume of Materials waste recycled in %</b>									
<b>TOTAL</b>	<b>88.6</b>			<b>83.7</b>			<b>83.0</b>		
o/w Angers site	96.2			95.8			96.7		
o/w Cognac site	91.9			85.3			79.6		
o/w Domaines Rémy Martin	100.0			91.2			96.3		
o/w Barbados site	0.0			0.0			0.0		
o/w Islay site	72.3			47.8			70.5		
<b>Volume of energy recovered from waste in %</b>									
<b>TOTAL</b>	<b>1.8</b>			<b>5.3</b>			<b>8.7</b>		
o/w Angers site	3.8			4.2			3.3		
o/w Cognac site	0.4			8.7			19.7		
o/w Domaines Rémy Martin	0.0			0.0			0.0		
o/w Barbados site	0.0			0.0			0.0		
o/w Islay site	0.0			0.0			0.0		

	2015/ 2016	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2016/ 2017	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2017/ 2018	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE
<b>Volume of liquid waste, in m³ and litres, for values per standard case or hectolitre of wine (GRI Indicator G4-EN22)</b>									
<b>TOTAL</b>	<b>69,410</b>	<b>12.99</b>	<b>143.99</b>	<b>63,214</b>	<b>11.88</b>	<b>130.15</b>	<b>84,047</b>	<b>16.00</b>	<b>160.50</b>
o/w Angers site	11,064	4.92		9,999	4.40		9,833	4.19	
o/w Cognac site	12,683	6.77		9,591	4.64		6,639	3.06	
o/w Domaines Rémy Martin	9,598		143.99	5,726		130.15	3,227		160.50
o/w Barbados site	19,590	50.85		21,223	60.49		25,622	69.34	
o/w Islay site	16,475	169.52		16,675	112.89		13,100	81.06	
o/w Westland							25,026		
o/w Domaine des Hautes Glaces							600		
<b>Liquid waste: BOD, after treatment, in tonnes, and in grams for values per standard case or hectolitre of wine</b>									
<b>TOTAL</b>	<b>1.52</b>	<b>0.19</b>	<b>10.94</b>	<b>1.03</b>	<b>0.14</b>	<b>9.24</b>	<b>0.74</b>	<b>0.11</b>	<b>11.94</b>
o/w Angers site	0.78	0.35		0.60	0.27		0.49	0.21	
o/w Cognac site	0.01	0.00		0.02	0.01		0.01	0.005	
o/w Domaines Rémy Martin	0.73		10.94	0.41		9.24	0.24		11.94
<b>Liquid waste: BOD discharged from the site, in tonnes and in grams, for values per standard case or hectolitre of wine</b>									
<b>TOTAL</b>	<b>434.11</b>	<b>899.81</b>		<b>857.25</b>	<b>1,719.55</b>		<b>771.90</b>	<b>1,451.71</b>	
o/w Barbados site	215.49	559.34		615.47	1,754.35		532.68	1,441.50	
o/w Islay site	218.62	2,249.46		241.79	1,636.91		228.07	1,411.23	
o/w Domaine des Hautes Glaces							11.15		
<b>Liquid waste: COD, after treatment, in tonnes, and in grams for values per standard case or hectolitre of wine</b>									
<b>TOTAL</b>	<b>5.42</b>	<b>0.59</b>	<b>44.64</b>	<b>3.78</b>	<b>0.43</b>	<b>43.34</b>	<b>2.91</b>	<b>0.40</b>	<b>54.71</b>
o/w Angers site	2.36	1.05		1.73	0.76		1.78	0.75	
o/w Cognac site	0.09	0.05		0.14	0.07		0.05	0.02	
o/w Domaines Rémy Martin	2.98		44.64	1.91		43.34	1.10		54.71
<b>Liquid waste: COD discharged from the site, in tonnes and in grams, for values per standard case or hectolitre of wine</b>									
<b>TOTAL</b>	<b>1,788.06</b>	<b>3,706.22</b>		<b>2,191.11</b>	<b>4,395.11</b>		<b>2,340.37</b>	<b>4,401.52</b>	
o/w Barbados site	1,272.72	3,303.54		1,562.63	4,454.18		1,838.87	4,976.20	
o/w Islay site	515.34	5,302.43		628.48	4,254.83		481.16	2,977.27	
o/w Domaine des Hautes Glaces							20.34		
<b>GHG emissions (scope 1) in Tq CO<sub>2</sub> and in Kgeq CO<sub>2</sub> for values per standard case or hectolitre of wine (GRI indicator G4-EN15)</b>									
<b>TOTAL</b>	<b>6,609</b>	<b>1.20</b>	<b>16.43</b>	<b>8,815</b>	<b>1.64</b>	<b>20.12</b>	<b>7,137</b>	<b>1.34</b>	<b>18.20</b>
o/w Angers site	1,281	0.56		1,241	0.55		1,461	0.62	
o/w Cognac site	438	0.23		346	0.17		245	0.11	
o/w Domaines Rémy Martin	1,095		16.43	885		20.12	366		18.20
o/w Barbados site	845	2.19		3,288	9.37		2,332	6.31	
o/w Islay site	2,970	30.56		3,055	20.68		2,433	15.05	
o/w Westland							244		
o/w Domaine des Hautes Glaces							0		
o/w Paris site							56		



## 2 CORPORATE SOCIAL RESPONSIBILITY (CSR)

TABLE OF ENVIRONMENTAL INDICATORS BY SITE

	2015/ 2016	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2016/ 2017	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE	2017/ 2018	VALUE/ STAN- DARD CASE	VALUE/ HECTO- LITRE OF WINE
<b>GHG emissions (scope 2) in Teq CO<sub>2</sub> and in Kgeq CO<sub>2</sub> for values per standard case or hectolitre of wine (GRI indicator G4-EN16)</b>									
<b>TOTAL</b>	<b>1,598</b>	<b>0.34</b>	<b>0.30</b>	<b>1,911</b>	<b>0.39</b>	<b>0.59</b>	<b>2,069</b>	<b>0.41</b>	<b>0.80</b>
o/w Angers site	87	0.04		76	0.03		81	0.03	
o/w Cognac site	217	0.12		200	0.10		218	0.10	
o/w Domaines Rémy Martin	20		0.30	26		0.59	16		0.80
o/w Barbados site	1,096	2.84		1,382	3.94		1,424	3.85	
o/w Islay site	178	1.83		227	1.54		238	1.47	
o/w Westland							82		
o/w Domaine des Hautes Glaces							1		
o/w Paris site							9		
<b>GHG emissions (scopes 1 &amp; 2) in Teq CO<sub>2</sub> and in Kgeq CO<sub>2</sub> for values per standard case or hectolitre of wine</b>									
<b>TOTAL</b>	<b>8,207</b>	<b>1.54</b>	<b>16.73</b>	<b>10,726</b>	<b>2.03</b>	<b>20.71</b>	<b>9,206</b>	<b>1.75</b>	<b>19.00</b>
o/w Angers site	1,348	0.60		1,317	0.58		1,543	0.66	
o/w Cognac site	655	0.35		546	0.26		463	0.21	
o/w Domaines Rémy Martin	1,116		16.73	911		20.71	382		19.00
o/w Barbados site	1,941	5.04		4,670	13.31		3,755	10.18	
o/w Islay site	3,148	32.39		3,282	22.22		2,671	16.52	
o/w Westland							326		
o/w Domaine des Hautes Glaces							1		
o/w Paris site							85		
<b>GHG emissions (total scopes 1, 2 &amp; 3) in Teq CO<sub>2</sub> and in Kgeq CO<sub>2</sub> for values per standard case or hectolitre of wine</b>									
<b>TOTAL</b>				<b>145,789</b>	<b>30.13</b>	<b>65.65</b>	<b>135,528</b>	<b>22.65</b>	<b>34.94</b>
o/w Angers site				40,628	17.88		36,199	15.43	
o/w Cognac site				54,032	26.14		45,272	20.89	
o/w Domaines Rémy Martin				2,888		65.65	702		34.94
o/w Barbados site							29,145	78.87	
o/w Product transport				48,241	9.97		24,209	4.96	

## — 2.6 2020 TARGETS

		INDICATORS	SCOPE	VALUES 2016/ 2017	VALUES 2017/ 2018	OBJECTIVES 2019/ 2020
<b>SDG 8</b>	<b>Decent work and economic growth/Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</b>	Responsible purchasing: percentage of suppliers having joined SEDEX	World	83%	89%	100%
<b>SDG 13</b>	<b>Take action to combat climate change and its impacts</b>	Reduction of CO <sub>2</sub> emissions: potential reduction of direct and indirect energy consumption	France	0 MWh	423 MWh	900 MWh
		Reduction of CO <sub>2</sub> emissions: percentage of "clean" vehicles	France	22%	41%	80%
<b>SDG 15</b>	<b>Sustainable land management/Restore and promote sustainable use of land ecosystems/Sustainably manage forests/Preserve biodiversity</b>	Sustainable winegrowing: Domaines Rémy Martin Treatment Frequency Index (TFI)	France	17.8	17.2	15.8
		Sustainable winegrowing: percentage of AFC cooperative members using an environmental approach (HAVE 1 or Sustainable Winegrowing guidelines)	France	19.6%	45.3%	100%

## — 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 2017/2018 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 2017/2018 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](mailto: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 30 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, environmental information covers the production sites in Cognac, Angers, Barbados and Islay (Scotland), as well as the companies Westland (USA), Domaine des Hautes Glaces (France) 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 30 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 2017. 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 recorded only covers the Cognac, Angers, Paris sites and Domaine des Hautes Glaces.

**Absenteeism:** scope limited to French companies, the Barbados and Islay sites.

- Sick leave only for employees recorded in the total Group workforce, i.e. for France, employees on permanent and fixed-term contracts. For permanent employees outside France, 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 and parental leave.
- For CSR reporting, the number of employees is recorded as at 31 March. The indicator is calculated over the last 12 months.
- The absenteeism rate is equal to the number of hours of absence divided by the number of theoretical hours worked (hours at workstation plus hours absent for illness, leave, training, travel, etc.)
- The calculation of the absenteeism rate excludes long-term illness (absence of more than 90 days).

**Workplace accident frequency rate:** scope limited to French companies and the Barbados and Brühl/Ladbach sites.

All accidents in the workplace or on business trips affecting permanent and fixed-term employees counted in the Group's total workforce for the French scope, and permanent employees for the scope outside of France, as at the last day of each quarter and 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 lost time per million actual hours worked, calculated as the number of accidents with lost time multiplied by one million and divided by the actual number of hours worked.
- An actual hour worked is one hour of work carried out within the Group by an employee during a tax period, that is to say an hour actually spent at a workstation. Hours of absence are not included (illness, leave, training, travel, etc.).
- Where hours actually worked not available, the frequency rate may be calculated using the number of theoretical hours worked.

**Workplace accident severity rate:** scope limited to French companies and the Barbados and Islay sites.

- All accidents in the workplace or on business trips affecting permanent and fixed-term employees counted in the Group's total workforce for the French scope, and permanent employees for the scope outside of France, as at the last day of each quarter and 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 calculated as the number of days lost multiplied by 1,000 and divided by the actual number of hours worked.
- The number of lost days has to be calculated as calendar days from the day of the accident
- An actual hour worked is one hour of work carried out within the Group by an employee during a tax period
- Where hours actually worked not available, the severity rate may be calculated using the number of theoretical hours worked.

**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 INDICATORS USED

The 2017/2018 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 recorded
- 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), Domaine des Hautes Glaces, Westland
- Direct energy consumption (fuel): Angers, Cognac, Barbados and Islay sites, and Domaines Rémy Martin (DRM), Domaine des Hautes Glaces and Westland
- Indirect energy consumption: Paris, Angers, Cognac, Barbados and Islay sites, and Domaines Rémy Martin (DRM), Domaine des Hautes Glaces and Westland

## Water and liquid waste

- Water consumption: Angers, Cognac, Barbados and Islay sites, and Domaines Rémy Martin (DRM), Domaine des Hautes Glaces and Westland
- Volumes of liquid waste: Angers, Cognac, Barbados and Islay sites, and Domaines Rémy Martin (DRM), Domaine des Hautes Glaces and Westland
- 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, and Domaine des Hautes Glaces

## 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

## Solid waste

- Quantity of solid waste: Paris, Angers, Cognac, Barbados and Islay sites, DRM
- Volume of solid waste recycled: Paris, Angers, Cognac, Barbados and Islay sites, DRM
- Volume of material and energy recovered from solid waste: 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, Domaines Rémy Martin (DRM), Domaine des Hautes Glaces and Westland
- Scope 3 carbon footprint: Angers, Cognac and Barbados sites, DRM and product transportation
- 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
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Organisation of working hours (duration of working hours for full-time and part-time employees, overtime, external labour)	35
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Workplace accident frequency and severity rate and accounting for occupational illnesses	38
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)	32-33
<b>Training</b>	
Policies implemented with respect to training	35-36
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<b>Overall environmental policy</b>	
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## — 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<sup>(1)</sup>, under the number n° 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, 2018, 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 April 2018 (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 accordance with the Criteria;

Nonetheless, it is not our role to give an opinion on the compliance with other legal dispositions where applicable, in particular those provided for in the Sapin II law n°2016-1691 of 9 December 2016 (anti-corruption).

Our verification work mobilized the skills of four people between February and June 2018 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<sup>(2)</sup>.

(1) Scope available at [www.cofrac.fr](http://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 interviews with the people responsible for the preparation of the CSR information in the following departments CSR, Human Resources and Remuneration 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<sup>(1)</sup>:

- 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;
- at the level of the representative selection of entities that we selected<sup>(2)</sup>, 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

#### (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), solid waste (Env. 10 - solid waste produced, Env. 10a - Rate of Material valuation of solid waste, Env. 10b - Rate of Energy valuation of solid waste); 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, measures for prevention, recycling, other forms of recovery and disposal of waste, water supply based on local constraints, adaptation to climate change impacts.

#### (2) Environmental, social and safety information: Bruichladdich (Isleay, United Kingdom).

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

Environmental and safety information: Cointreau (Angers, France).

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 43% of the total workforce, 46% of energy consumption and 27% 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 20th, 2018

*French original signed by:*

Independent Verifier

ERNST & YOUNG et Associés

Partner, Sustainable Development  
Eric Mugnier

Partner  
Bruno Perrin