



RÉMY COINTREAU

STATEMENT
OF NON-FINANCIAL
PERFORMANCE
2018/2019

EXTRACT OF THE REGISTRATION DOCUMENT

The Rémy Cointreau Group is one of the major operators in the global Wine & Spirits market with a portfolio of exceptional brands, which include the Rémy Martin et LOUIS XIII cognacs and the Cointreau liqueur. The brands are mostly distributed by a network of subsidiaries established in the Group's various strategic markets.

Rémy Cointreau is listed on Euronext Paris. The free float represents approximately 42%. The Rémy Cointreau Group is controlled by the majority shareholder, the Andromède family holding company.



MARC HÉRIARD
DUBREUIL

It is with great pride that we end this year. In a buoyant high-end spirits market, the uniqueness of our brand portfolio, the quality of our execution, and the creativity and commitment of our teams have enabled the Group to deliver historic results in 2018/2019 across all areas: sales, operating margin and profits.

It has taken some time to get to this point, but we are confident in remaining here in the future, despite the changing environment with which we are faced. Our performance allows us to look to the future without fear.

Our brands have taken their time to mature, to thrive and craft these exceptional spirits that win over our clients and which will continue to attract new

generations. They are the wealth on which we can capitalise as we pave the way forward, harnessing the momentum provided by digital technology to accelerate the pace.

And I am even prouder to say that our results have been achieved by respecting our CSR commitments, which are at the heart of our strategic ambition. It is more important than ever that our CSR policy is an active part of the Group's value



creation, while continuing to build on its annual commitment to the Global Compact.

A key point of our strategic CSR vision, is our environmental commitment to responsible and sustainable winemaking that respects our terroirs. All our brands have their roots in the earth. The attachment that they have to their terroirs helps to build awareness of the importance of preserving resources.

Accordingly, in Cognac, 94% of the vineyards supplying the House of Rémy Martin are committed to this approach and 42% are now High Environmental Value certified. On the isle of Islay, our Bruichladdich distillery has been certified "Biodynamic" by the European Union, just like that of Domaine des Hautes

Glaces in the French Alps. And at Cointreau, a certification process for oranges has been initiated with our suppliers. Our ambition is clear: over the next five years, 100% of the land used to grow our ingredients and produce our *eaux-de-vie* will be managed responsibly and sustainably. This commitment is essential for preserving our brands over the centuries.

The age-old reasoning of the Group's brands considers the long term. The Group's Houses have survived the test of time, and always with the same preoccupation: transmitting everything they can to ensure the future.

Time is our challenge but it is also our ally in assisting our ambition: to be the leader in exceptional spirits.

"ALL OUR BRANDS HAVE THEIR ROOTS IN THE EARTH. THE ATTACHMENT THEY HAVE TO THEIR TERROIRS HELPS TO BUILD AWARENESS OF THE IMPORTANCE OF PRESERVING RESOURCES."

HISTORY OF THE GROUP

The Rémy Cointreau Group, whose charentaise origins date back to 1724, is the result of the merger in 1990 of the holding companies of the Hériard Dubreuil and Cointreau families, which controlled E. Rémy Martin & C° SA and Cointreau & Cie SA respectively. It is also the result of successive alliances between companies operating in the same Wines and Spirits business segment.

KEY DATES AND EVENTS

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| <p>1703 ■ Creation of Mount Gay Rum in Barbados</p> <p>1724 ■ Establishment of The House of Rémy Martin Cognac</p> <p>1849 ■ Creation of Cointreau & Cie by the Cointreau brothers</p> <p>1881 ■ Creation of the Bruichladdich Distillery in Islay</p> <p>1888 ■ Creation of the Metaxa brand</p> <p>1924 ■ Acquisition by André Renaud of E. Rémy Martin & C° SA</p> <p>1965 ■ André Hériard Dubreuil takes over from his-father-in-law, André Renaud</p> <p>1966 ■ Creation of Rémy Martin's international distribution network</p> <p>1980 ■ Creation by Rémy Martin of the French-Chinese joint venture Dynasty Winery in partnership with the city of Tianjin (China)</p> <p>1985 ■ Acquisition by the Rémy Martin Group of Charles Heidsieck Champagne</p> <p>1986 ■ Creation of the Passoã brand</p> <p>1988 ■ Acquisition by the Rémy Martin Group of Piper-Heidsieck Champagne</p> <p>1989 ■ Acquisition by the Rémy Martin Group of Mount Gay Rum</p> <p>1990 ■ Transfer by Pavis SA of Rémy Martin shares to Cointreau & Cie SA</p> <p>1991 ■ Adoption by the Group of the corporate name of Rémy Cointreau</p> <p>1998 ■ Dominique Hériard Dubreuil becomes Chair of Rémy Cointreau</p> <p>1999 ■ Establishment of the Maxxium distribution joint-venture with three partners, the Rémy Cointreau Group, the Edrington Group and Jim Beam Brands Worldwide (Fortune Brands)</p> <p>2000 ■ Acquisition of Bols Royal Distilleries including, in particular, the Bols and Metaxa brands</p> <p>2001 ■ Vin & Sprit joins the Maxxium network as its fourth partner</p> <p>2005 ■ Initial public offering of Dynasty Fine Wines Group on the Hong Kong Stock Exchange</p> <p>Disposal of Bols' Polish operations to CEDC</p> | <p>2006 ■ Disposal of the Dutch and Italian Liqueurs & Spirits operations</p> <p>Decision by Rémy Cointreau to resume full control over its distribution by March 2009</p> <p>2008 ■ Creation of a proprietary distribution network</p> <p>2009 ■ 30 March: Rémy Cointreau exits the Maxxium distribution joint venture</p> <p>1 April: Rémy Cointreau controls 80% of its distribution</p> <p>2011 ■ 8 July: Rémy Cointreau sells its Champagne division to EPI</p> <p>2012 ■ 3 September: acquisition of the Bruichladdich Distillery, which produces single malt whiskies on the isle of Islay in Scotland</p> <p>20 November: François Hériard Dubreuil becomes Chairman of the Rémy Cointreau Group</p> <p>18 December: acquisition of the cognac company Larsen</p> <p>2013 ■ 30 August: disposal of Larsen to the Finnish Altia group</p> <p>2015 ■ 27 October: disposal of Izarra to Spirited Brands</p> <p>2016 ■ 1 December: set-up of a joint-venture for the activities of Passoã</p> <p>2017 ■ 5 January: acquisition of The Domaine des Hautes Glaces distillery, which produces single malt whiskies in the French Alps</p> <p>6 January: acquisition of the Westland distillery, which produces single malt whiskies in the state of Washington, US</p> <p>1 October: Marc Hériard Dubreuil becomes Chairman of the Rémy Cointreau Group</p> <p>2019 ■ 1 April: Rémy Cointreau sells its distribution subsidiaries in the Czech Republic and Slovakia</p> |
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A PORTFOLIO OF EXCEPTIONAL SPIRITS

The French family-controlled Rémy Cointreau Group boasts a portfolio of exceptional world-renowned spirits: Rémy Martin and LOUIS XIII cognacs, Cointreau liqueur, Greek Metaxa spirit, Mount Gay rum, St-Rémy brandy, The Botanist gin, and the single malt whiskies Bruichladdich, Port Charlotte, Octomore, Westland and Domaine des Hautes Glaces.

During the 2018/2019 financial year, the Group set a new record with net sales of €1,216.5 million (*proforma*) and organic growth of 7.8% (with the Group Brands up by 9.8%). The Group's current operating profit totalled €263.6 million and current operating margin increased to 21.7% (*proforma*).

The Rémy Cointreau Group's internal organisation is based on nine brand divisions and four sales divisions (Americas, Europe, Middle-East, Africa, Asia-Pacific and Global Travel Retail). All these divisions receive support from the holding company. Depending on the spirit category, production process and geographic sales distribution, the Group's brands are allocated to one of the following two divisions: "The House of Rémy Martin" or "Liqueurs & Spirits".

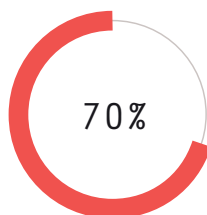
Brands which Rémy Cointreau distributes through its network on behalf of third parties form a separate category, "Partner Brands".

Rémy Cointreau's Group Brands



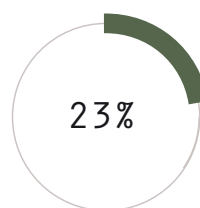
Net sales by division*

The House of Rémy Martin:
Rémy Martin and LOUIS XIII



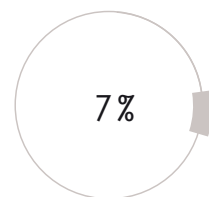
Net sales of
€851.9 million

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



Net sales of
€276.6 million

Partner Brands:
Third-party brands distributed by the Group



Net sales of
€87.9 million

* *Proforma figures (pre-IFRS 15, 16 and 9).*

HOUSE OF RÉMY MARTIN

HOUSE OF RÉMY MARTIN BRANDS

The House of Rémy Martin produces a range of cognacs under the Rémy Martin and LOUIS XIII brands. These cognacs are made exclusively from *eaux-de-vie* sourced in Grande Champagne and Petite Champagne, the two leading crus of the Cognac appellation, which offer the greatest ageing potential (more than 100 years, for some Grande Champagne *eaux-de-vie*).

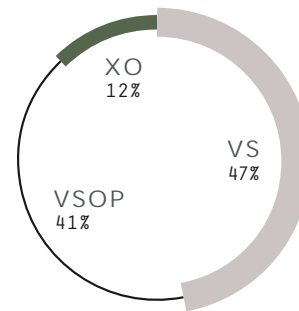
The House of Rémy Martin is thus positioned in the high-end segment, with four flagship products:

- VSOP Fine Champagne;
- The “intermediate” quality products 1738 Accord Royal and CLUB;
- XO Excellence Fine Champagne;
- LOUIS XIII Grande Champagne.

COMPETITIVE POSITIONING

Four Cognac brands share around 85% of the world market by volume and nearly 90% by value (source: IWSR): Hennessy (LVMH), Martell (Pernod Ricard), Rémy Martin (Rémy Cointreau), and Courvoisier (Suntory). Rémy Martin’s market share of cognac shipments for all qualities combined is 12% by volume (source: BNIC March 2019). Rémy Martin makes 98% of its shipments in the QS (*Qualité Supérieure*) segment, which accounts for 53% of the total cognac market (source: BNIC March 2019). In the superior qualities (QS) segment, Rémy Cointreau has a market share of 23% by volume (source: BNIC).

Global cognac shipments by quality (source: BNIC)



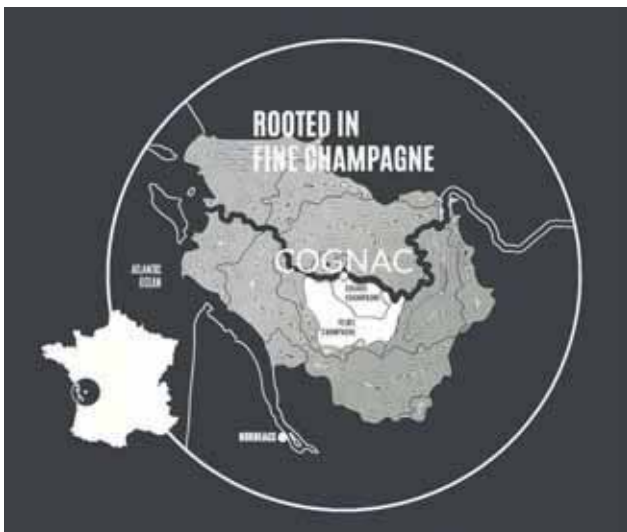
COGNAC APPELLATION D’ORIGINE CONTRÔLÉE AND “FINE CHAMPAGNE”

Cognac is an *appellation d’origine contrôlée* (AOC) brandy (*eau-de-vie* distilled from grapes) that comes from vineyards in the Cognac region (south-west France). The appellation covers six crus: Grande Champagne, Petite Champagne, Borderies, Fins Bois, Bons Bois and Bois Ordinaires. “Fine Champagne”, which refers to a cognac made exclusively from the first two crus, Grande Champagne (at least 50%) and Petite Champagne make up a separate *appellation d’origine contrôlée* within the Cognac AOC.

Rémy Martin only selects its *eaux-de-vie* from the “Fine Champagne” (Grande Champagne and Petite Champagne) AOC, whose quality is best suited to the production of its superior quality cognacs with their longer ageing potential.

Cognac is a blend of *eaux-de-vie* of different vintages (after ageing in oak barrels). Accordingly, there are several quality levels classified in accordance with legal standards (BNIC) based on the youngest *eau-de-vie* used:

- VS (“Very Special”), which by law must be aged for a minimum of two years;
- QS (*Qualité Supérieure*), covering all the VSOP and QSS labels;
- VSOP (“Very Superior Old Pale”), which by law must be aged for a minimum of four years;
- QSS (*Qualité Supérieure Supérieure*), which by law must be aged for a minimum of ten years;
- XO (“Extra Old”), which is included in the QSS category.



THE HOUSE OF RÉMY MARTIN AND THE SOURCING OF EAUX-DE-VIE

All House of Rémy Martin cognacs are produced in and around the town of Cognac, on a site that includes ageing and fermentation cellars, laboratories, a packaging complex, offices and a visitor and reception centre.

The House also owns wine estates (238 hectares of vines eligible for the Cognac appellation), as well as a new distillery in Juillac, which opened in November 2018. However, the stock of Cognac *eaux-de-vie* has been built up largely as a result of exclusive partnerships with Grande and Petite Champagne producers. This partnership policy, introduced in 1966, has enabled the Group to manage its long-term supplies and meet the quality standards required by the House of Rémy Martin.

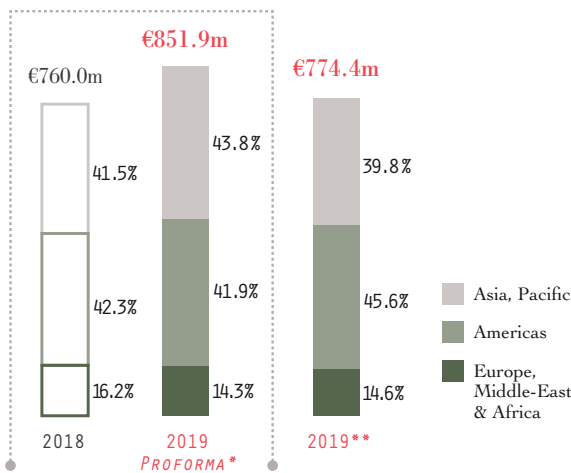
The partnership mainly consists of a cooperative, Alliance Fine Champagne (AFC), whose members manage around 60% of the Grande Champagne and Petite Champagne vineyards, via different types of collective and individual long-term agreements.

From an accounting point of view, the commitments made by the House of Rémy Martin through the AFC are fully recognised in the consolidated statement of financial position of the Rémy Cointreau Group, once the *eaux-de-vie* covered by these agreements have been produced and have passed quality control. Any contractual commitments not yet produced are disclosed in off-balance sheet commitments.

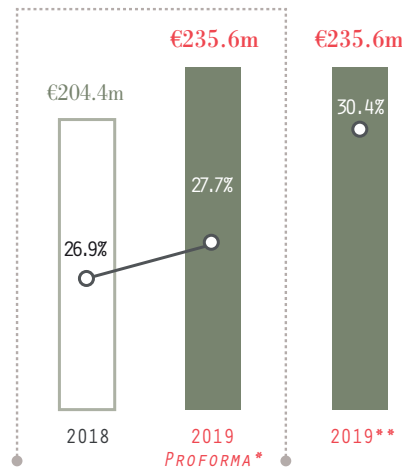
HOUSE OF RÉMY MARTIN KEY FIGURES

In 2018/2019, the House of Rémy Martin accounted for 70% of the Group's total net sales and 99% of its international sales.

Net sales (in €m) and breakdown by geographic area (in %)



Current operating profit/(loss) (in €m) and current operating margin (in %)



* Proforma figures (pre-IFRS 15, 16 and 9).
 ** Figures post-IFRS 15, 16 and 9.

LIQUEURS & SPIRITS

LIQUEURS & SPIRITS BRANDS

The Liqueurs & Spirits division is made up of ten spirit brands in categories such as liqueurs, brandy, gin, single malt whisky and rum. Within each category, the spirits have particular characteristics, the main one being that all the brands are produced in their country of origin, often with know-how passed down through generations:

- Cointreau, an orange-peel liqueur;
- Metaxa, a Greek brown spirit, produced from a blend of wine distillates and aged Muscat wine;
- Mount Gay, a rum from Barbados;
- St-Rémy, a French brandy;
- The Botanist, a gin from Islay (Scotland);
- Bruichladdich, Port Charlotte and Octomore, three brands of single malt Scotch whisky from the Isle of Islay (Scotland);
- Domaine des Hautes Glaces and its range of single malt whiskies produced in the heart of the French Alps;
- Westland and its range of single malt whiskies produced in the state of Washington, US.

COMPETITIVE POSITIONING

The Liqueurs & Spirits brands operate in a market characterised by a large number of players (of various sizes), with numerous international brands coexisting alongside local brands.

LIQUEURS & SPIRITS: SOURCING AND PRODUCTION SITES

The Group's Liqueurs & Spirits brands do not have significant sourcing or production constraints. Consequently, the Group purchases the necessary ingredients (barley, oranges, aromatics, sugar cane, etc.) for the *eaux-de-vie* distillation process, utilising the specific know-how of each brand. The Group's master distillers and blenders then take care of the ageing and blending of the *eaux-de-vie* as required.

The Rémy Cointreau Group also sub-contracts part of its bottling operations to other companies located abroad, in particular Greece for the production of Metaxa, for all markets. Sub-contracting represents 15% of the total volume of Group brands.



Angers (France)

The production of the Cointreau liqueur and the St-Rémy brandy range is located in St-Barthélémy d'Anjou (on the outskirts of Angers). This site also carries out bottling operations for other Group brands.

It comprises distilling facilities, fermentation cellars, laboratories, a packaging complex, offices, a visitor and reception centre.

Trièves (France)

The Domaine des Hautes Glaces, located in the heart of the Trièves region of the Alps, is a mountain farm/distillery which combines French know-how (distilling with traditional Charente stills) and ingredients from local producers. The supplies of barley, rye and spelt (organically grown) come exclusively from growers in the Alps.



Brandons and St Lucy (Barbados)

Mount Gay rum is produced at the distillery of the same name, located close to Mount Gay in the north of the island of Barbados, in the parish of St Lucy. The storage cellars in which the casks of rum are aged are also located at this historic site. Since January 2015, an additional 134 hectares of agricultural land at this site have been devoted to the farming of sugar cane. Mount Gay Distilleries' head office and bottling facilities are located in Brandons, close to the port of Bridgetown in the south of the island.



Isle of Islay (Scotland)

The Bruichladdich distillery is located on the isle of Islay in Scotland, one of the world's most iconic locations for the production of single malt Scotch whiskies.

The production operation (distilling, ageing, bottling) is carried out on the island, on a historic site created in 1881. In March 2018, the acquisition of around 12 hectares of agricultural land was signed. This agricultural land adjoins the distillery, and will mainly be devoted to growing barley and trialling different varieties.



Seattle (USA)

Westland Distillery (US), located in South Downtown Seattle in the state of Washington, gets its malt from producers in the terroirs of the Pacific North-West.



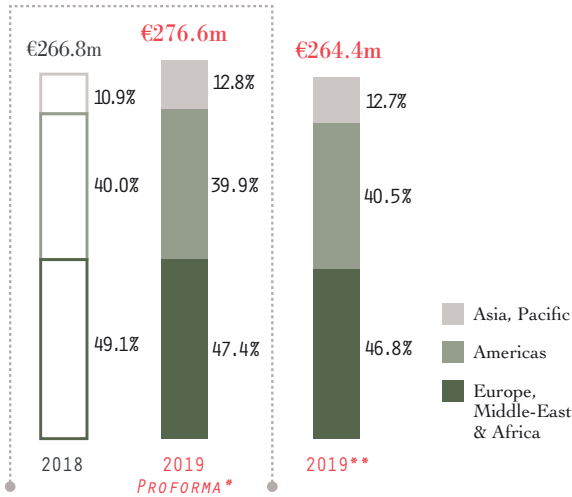
Samos (Greece)

As part of its "terroir" policy, the House of Metaxa acquired a 1.2 hectare wine property on the island of Samos, located at the heart of the island's muscat vineyards. Muscat wine is an essential component in Metaxa's signature taste.

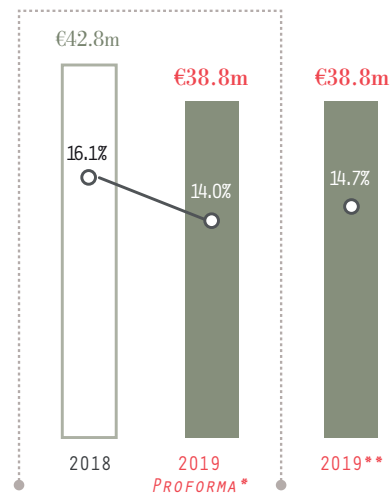
LIQUEURS & SPIRITS KEY FIGURES

In 2018/2019, the Liqueurs & Spirits division accounted for 23% of the Group's total net sales.

Net sales (in €m) and breakdown by geographic area (in %)



Current operating profit/(loss) (in €m) and current operating margin (in %)



PARTNER BRANDS

In 2018/2019, Partner Brands accounted for 7% (proforma) of the Group's total net sales.

This category includes brands belonging to other operators in the Wines & Spirits sector. These are distributed by Rémy Cointreau under global agreements or agreements limited to a particular country or region.

Following the non-renewal of many distribution agreements in recent years (as part of the Group's move upmarket), the brands still distributed (as of 31 March 2019) are Passoa liqueur, Jägermeister spirits and certain spirits of the William Grant & Sons Group.

* Proforma figures (pre-IFRS 15, 16 and 9).

** Figures post-IFRS 15, 16 and 9.

STRATEGIC VISION: HIGH-END POSITIONING IN A HIGH-GROWTH SEGMENT

A SINGLE AMBITION: TO BECOME THE GLOBAL LEADER IN EXCEPTIONAL SPIRITS

The Spirits market features an extensive number of co-existing local and international brands in a particularly competitive environment.

Against this background, Rémy Cointreau has, for many years, implemented a value creation strategy aimed at developing its upmarket brands in the high-end segments of the global markets, which offer high growth and earnings potential. Over the past 15 years, the implementation of this strategy has led the Group to dispose of brands and other assets deemed less suited to its value creation strategy and to resume full control of its distribution in key markets (exit from Maxxium in April 2009).

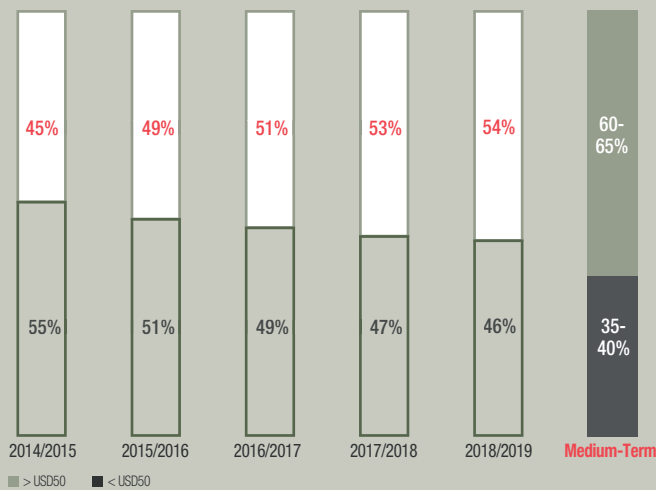
With its own distribution network in Asia, the US and in some European countries, Rémy Cointreau controls around 85% of its

net sales. The Group is therefore able to implement a pricing and distribution strategy consistent with its high-end positioning.

For the past four years, the Group has accelerated its strategy of moving upmarket so as to differentiate itself and emphasise its uniqueness: ultimately, the Group's ambition is to become the world leader in exceptional spirits (which retail at more than \$50). In 2018/2019, the Group's exceptional spirits represented 54% of the Group's net sales (compared with 53% in 2017/2018 and 45% in 2014/2015).

The Group's ambition is for its exceptional spirits to increase gradually so that in the medium term they make up between 60% and 65% of its net sales.

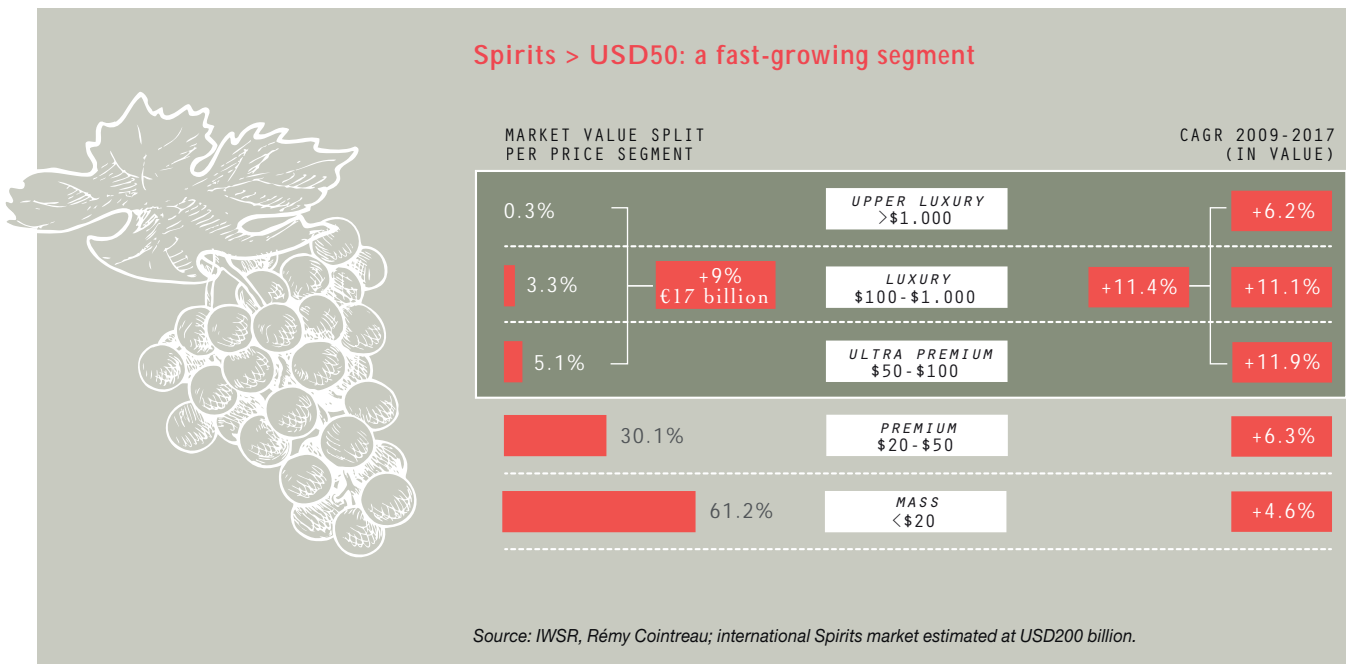
Contribution of exceptional spirits (> US\$50) to the Group's net sales



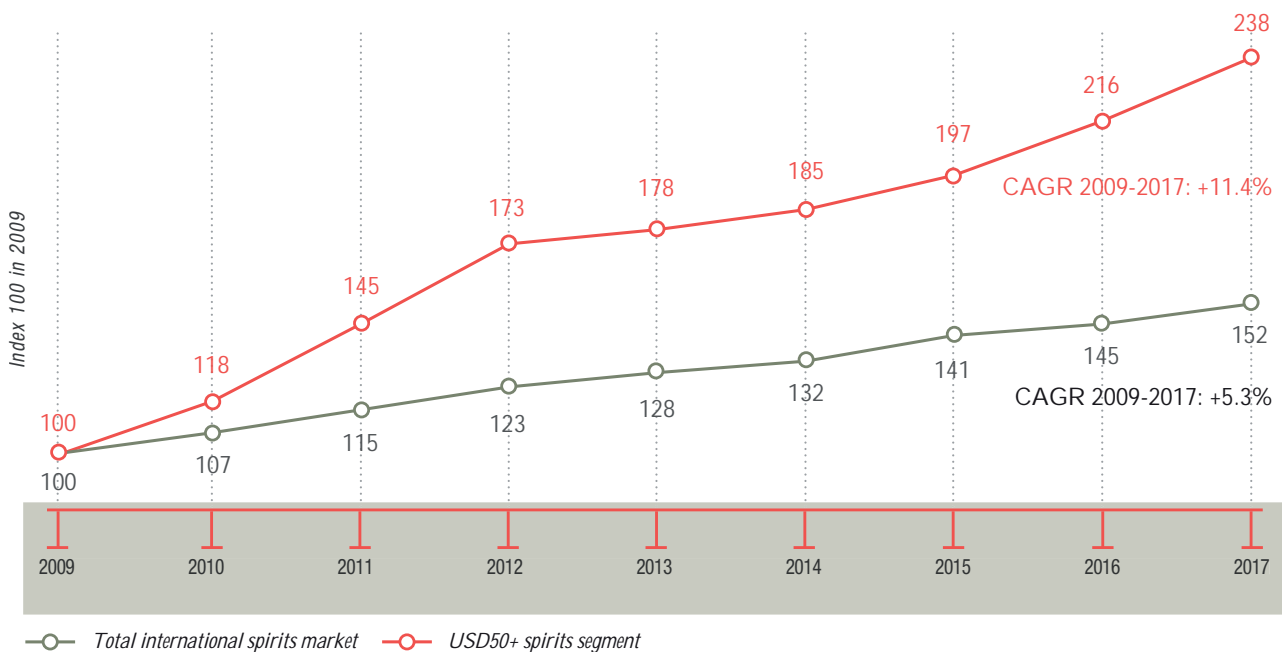
EXCEPTIONAL SPIRITS ENJOY AN ATTRACTIVE DYNAMIC

Rémy Cointreau has solid credentials in the exceptional spirits segment: exceptional spirits represent 54% of the Group's sales, whereas they comprise just 9% of the global spirits market. These exceptional spirits enjoy an attractive dynamic (+11% growth per year on average, compared with +5% for the spirits market as a

whole over the last eight years), driven by a move towards the high-end of the market and an increasingly discerning clientele in terms of the quality, production, know-how and history of the spirits they consume.



The exceptional spirits segment has structurally outperformed the global spirits market since 2009.



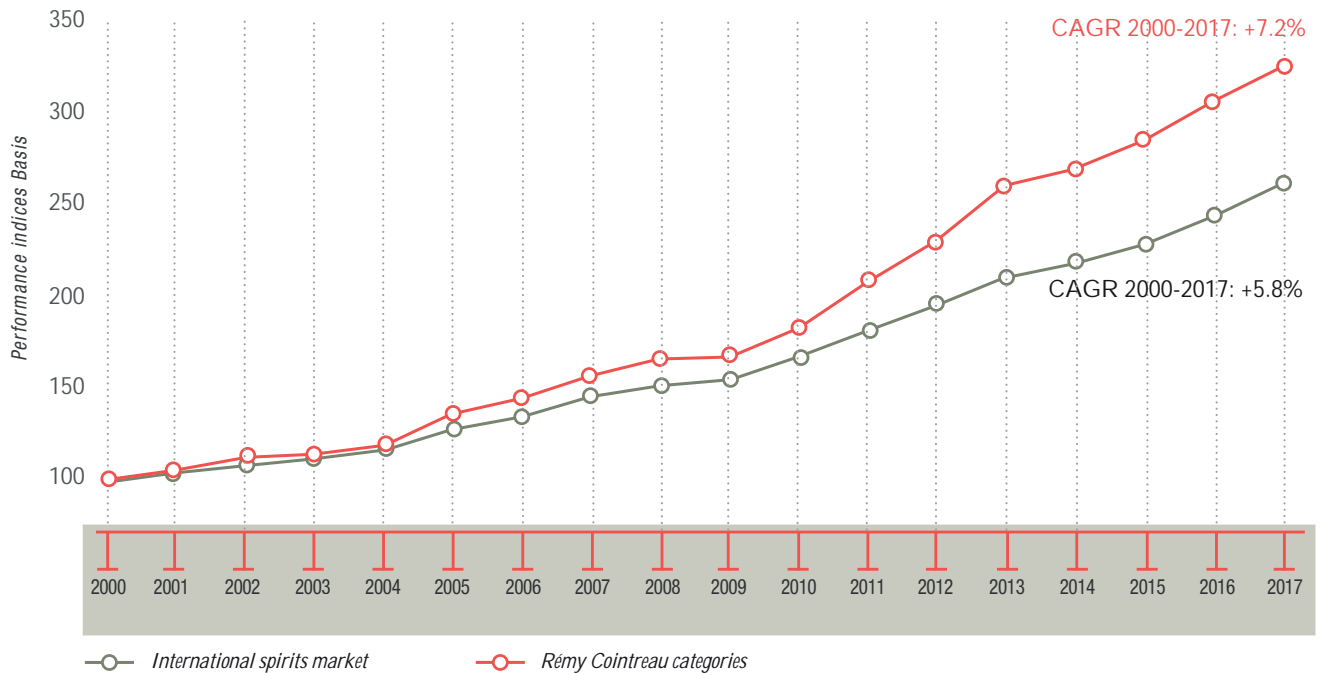
Source: IWSR, Rémy Cointreau, international spirits market estimated at around 200 billion USD.

— POSITIONED ON FAST-GROWING CATEGORIES OF SPIRITS

In addition, Rémy Cointreau Group brands belong to categories of spirits (such as cognac, single malt whisky, dark rum or gin) that have significantly outperformed the market in recent years (+7.2%

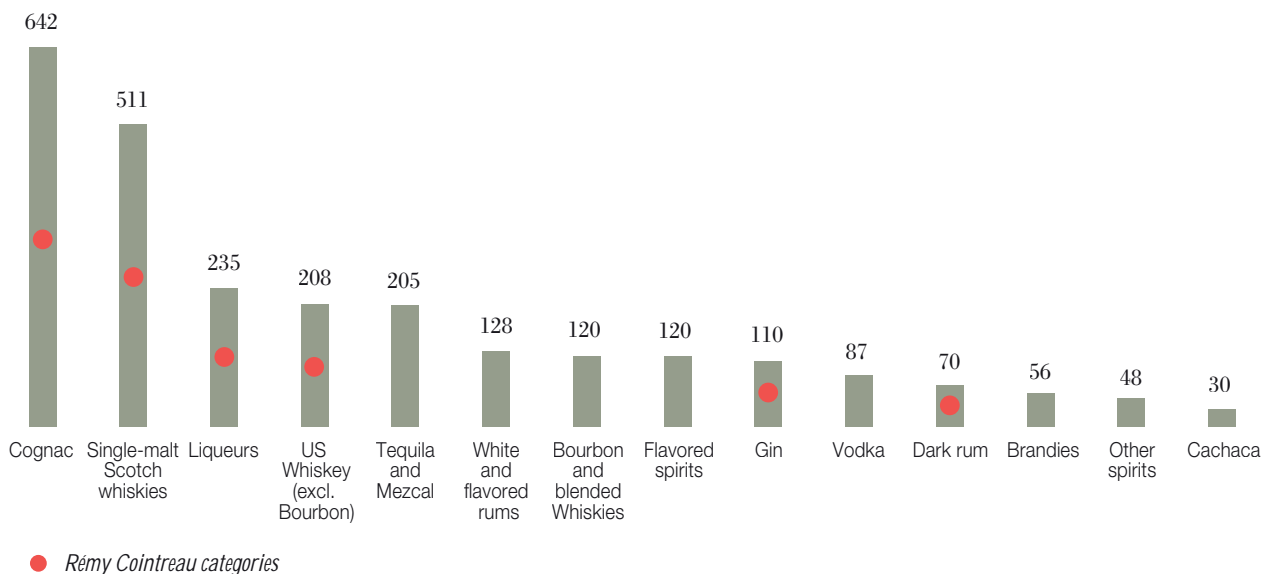
per year on average during the period 2000-2017, compared with 5.8% for the market) and that retain a strong consumer appeal.

Rémy Cointreau Group categories structurally outperformed market growth



Correspondingly, these categories offer very attractive valuation levels (“value per case”): cognac, single malt whisky and liqueurs are the categories of spirits with the highest value per case on the market.

Value per case by category of spirits (in €)

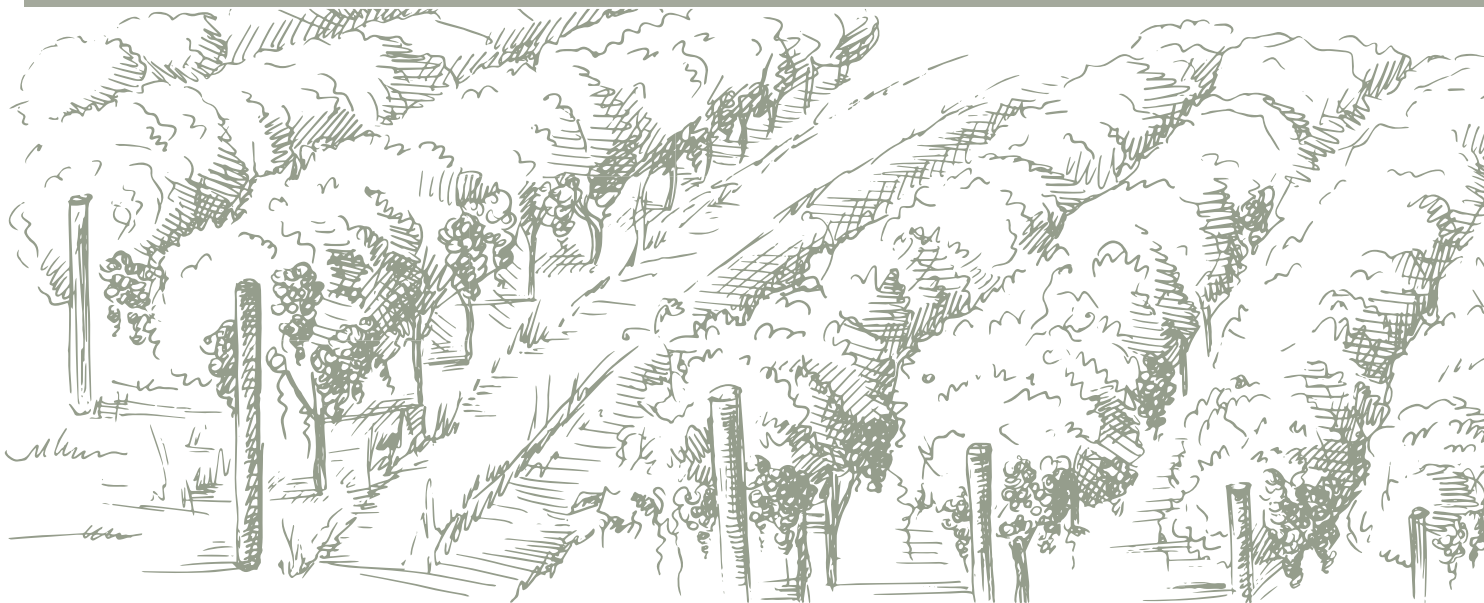
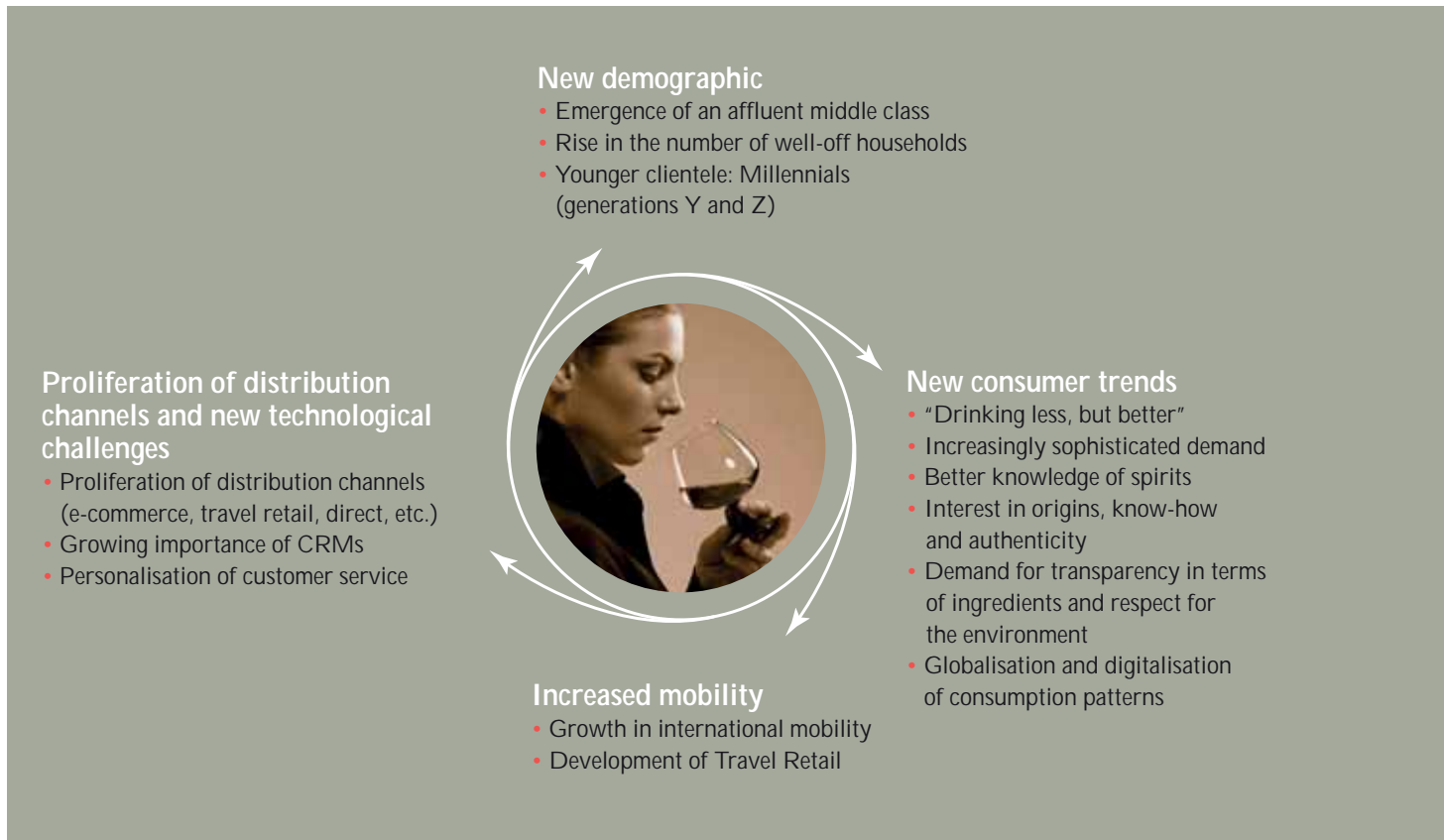


Source: IWSR, Rémy Cointreau.

A NEW GENERATION OF CLIENTS

Clients of high-end spirits have changed in recent years. Younger, more connected and from affluent backgrounds, these globetrotting millennials from generations Y and Z want to know about the origins of the spirits, their history, how they are made and what makes them different. At the same time, there is a growing demand for

transparency about the quality of the products. Our clients are also looking for a more convenient way of buying our spirits (growth of e-commerce), as well as more services, an enhanced shopping experience and a tailor-made offering.



FIVE STRATEGIC LEVERS TO BECOME THE GLOBAL LEADER IN EXCEPTIONAL SPIRITS

EMPHASISING THE UNIQUE BRAND POSITIONING

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.

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

- Our brands are still under-potentialized from a geographic standpoint: 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

THE SPECIFIC CHARACTERISTICS
OF EACH TERROIR
AND OUR KNOW-HOW
MAKE OUR SPIRITS EXCEPTIONAL

OUR DISTINCTIVE ADVANTAGE

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



BUILDING AN 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.

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 three stores dedicated to the brand.
- The development of online sales will also play a role in building a more direct approach to the distribution of our spirits.

ACCELERATING THE GROUP'S CSR AMBITIONS

- 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 committed to an environmental approach (AHVE 1).

OUR DISTINCTIVE ADVANTAGE

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

OUR DISTINCTIVE ADVANTAGE

RECOGNISED EXPERTISE AT HIGH-END RETAILERS

OUR DISTINCTIVE ADVANTAGE

EXPERTISE AND CSR ACTIONS FOR MORE THAN 15 YEARS

A DISTRIBUTION NETWORK: LOCAL KNOW-HOW, AN INTERNATIONAL PRESENCE

DISTRIBUTION AND ADMINISTRATION

The Group has premises and commercial or administrative offices in many countries, including the USA (primarily New York), China (Shanghai and Hong Kong), Singapore, Russia and the United Kingdom (London and Glasgow). The Group does not own any premises in these countries and therefore uses leasing contracts.

Moreover, the headquarters of Rémy Cointreau, which includes most of the Group's central services, is based in rented premises at 21 boulevard Haussmann, Paris.

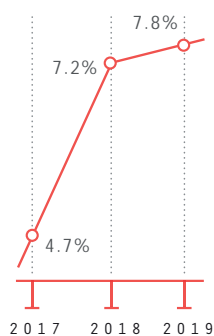
RÉMY COINTREAU BEGAN BUILDING ITS DISTRIBUTION NETWORK ACROSS ALL CONTINENTS AT THE END OF THE 1950S.

Today, the Group has a dozen directly owned subsidiaries (from the United States to China, including the United Kingdom, Belgium, Malaysia and Japan). 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
€1,216.5M
in net sales*

Organic sales growth for the Group

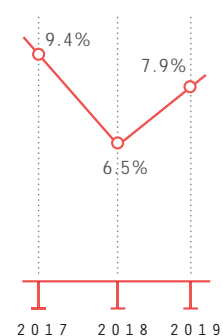


* Proforma (pre-IFRS 15, 16 and 9).

Americas

€474.4M
in net sales*
39%
of Group sales

Organic sales growth for the zone



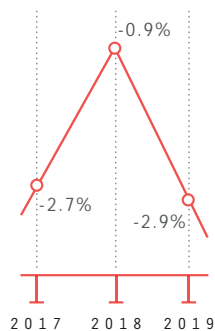


Europe, Middle-East & Africa

€329.3M
in net sales*

27%
of Group sales

Organic sales growth for the zone

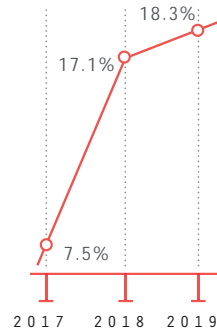


Asia Pacific

€412.8M
in net sales*

34%
of Group sales

Organic sales growth for the zone



VALUE CREATION

THE GROUP'S DNA



TERROIRS

- Exceptional terroirs (Cognac, Islay, Samos, Barbados, etc.)
- Supply agreements that advocate sustainable agriculture
- **92%** of suppliers are SEDEX members



PEOPLE

- Preservation of ancestral know-how (cellar masters)
- Commitment to employee well-being
- Shared ethical responsibility



TIME

- Family-owned company since 1724
- Ageing of certain of our *eaux-de-vie* for more than 100 years
- Engaged governance to support the Group for the long term

EXCEPTIONAL SPIRITS THAT TASTE LIKE THEIR TERROIR...

High-end positioning in high-growth segments

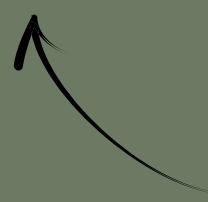


A portfolio of 12 exceptional spirits (retail price > \$50)



SUSTAINABLE VALUE CREATION

Stronger pricing power behind our spirits (price/mix gains)



Reinforcement of brand recognition and attractiveness



...AND CREATE VALUE

Above-market growth in sales
(+9.8% for the Group Brands
in 2018/2019)



Significant
increase
in gross margin
(up 1.2 points
in 2018/2019)

Sustained investment in:

- **Brands (media, digital education)**
- **Distribution network:**
 - Development of a direct distribution network (boutiques, e-commerce, Private Client Directors, etc.)
 - Growing contribution of the on-trade (bars, restaurants, clubs, etc.) and selective distribution (wine merchants)

SHARED WITH ITS STAKEHOLDERS



EMPLOYEES

- Average Group salary: score of **107** compared with international benchmark
- **26,615** hours of training



GOVERNMENT

- **€68m** paid in corporate income tax in 2018/2019 (tax rate: 29%)



CIVIL SOCIETY

- **€1m** (over a five-year period) invested by the Rémy Cointreau Foundation to promote and transfer exemplary skills and know-how



SHAREHOLDERS

- Steady increase in dividends over the past 20 years (2018/2019: ordinary dividend of **€1.65** and extraordinary dividend of **€1.00**)
- Stock market capitalisation up **€3 billion** over the last five years (at 31 March 2019)



LOCAL COMMUNITIES

- Strong commitment within the communities of Cognac (France), Angers (France), Islay (Scotland) and Barbados



SUPPLIERS

- Alliance Fine Champagne: **2.26%** shareholder of Rémy Cointreau
- Partner training provided by our agronomists (sustainable agriculture)

GROUP'S MAIN CHALLENGES AND RISKS






THE GROUP'S MAIN NON-FINANCIAL CHALLENGES

Terroirs, People and Time. The Rémy Cointreau Group's CSR ambition is built around the three key pillars of our signature:

- **protecting our terroir** through sustainable agriculture;
- **making a commitment to people** to protect their ancestral know-how, ensure their well-being within the Group and teach them about the ethics that are so vital for the Group's credibility. At the same time, pledging to protect all stakeholders, both internal and external, through a policy of responsible consumption;
- **recognising the value of time**, protecting the atmosphere (through our carbon footprint) and water supply as essential resources for our businesses.

Following a materiality assessment in 2016/2017, 10 key Sustainable Development Goals were selected (out of the 17 identified by the United Nations). Based on these SDGs, we have now identified the 10 major challenges facing the Group, the risks associated with these challenges and the indicators that will enable us to monitor their development in the future. In some cases, the Group has already committed itself by setting targets for improvement.

The targets cover SDGs 6, 8, 12, 13 and 15, which are used as CSR performance criteria to calculate the Executive Committee's variable remuneration.

SDGs		CHALLENGES	RISKS ASSOCIATED WITH THE CHALLENGE	RISK INDICATORS (QUANTIFIED TARGETS/ PROGRESS PLAN)	CHALLENGES LINKED TO THE REMUNERATION OF AN EXECUTIVE COMMITTEE MEMBER
	Clean water and sanitation	Water management	Availability of water/ water quality	Water consumption	Operations Director
	Decent work and economic growth	Employee well-being	absenteeism, turnover, workplace accidents, occupational health, work-related alcohol consumption	Turnover and absenteeism	Human Resources Director
	Responsible consumption and production	Circular economy and reduction of raw material consumption	Company's reputation among customers	EPI (Environmental Performance Index) of packaging	CEO Liqueurs & Spirits
	Climate action	Contribution to the global effort (2°C limit) and sustainability of the business	Changes in regulatory and fiscal framework (carbon tax)	CO ₂ emissions: significant emissions, by brand, focus on transport/reduction of CO ₂ emissions	CEOs of the Americas, EMEA and Asia Pacific regions
	Life on land	Sustainable agriculture: adapting the terroir and protecting biodiversity	Sustainable production of our agricultural raw materials	Percentage of sustainably managed land	CEO House of Rémy Martin and CEO Whisky Business Unit

The remaining members of the Executive Committee are also linked to these targets, with their variable "CSR" component corresponding to the average of the achievements of the Executive Committee members directly concerned.

— THE GROUP'S MAIN STRATEGIC AND FINANCIAL RISKS

The Group has set up a system to anticipate and manage its risks. This system is constantly updated to take into account any regulatory, legislative, economic, societal, geopolitical and competition changes.

The main risk factors to which the Group is exposed given its business model are presented in this table (more details can be found in section 2 of this document).

SUBJECT	RISKS	DESCRIPTION	MEASURES TAKEN
Strategic risks	Principal contracts and customers	Capacity to manage a risk of strong dependence on a supplier or customer	This risk is covered, as regards suppliers, by a diversification of the procurement sources and, as regards customers, a diversification of the distribution networks
	Changing tastes and consumer preferences	Change in consumer trends, for reasons such as taste, health and prices, which have a negative impact on the Group's sales	Rémy Cointreau is seeking to diversify its brand portfolio and develop its product range in order to limit its exposure to a particular brand and price range
Brand and product-related risks	Reputational risk	Reputational risk is any event that could negatively impact on the image and reputation of the Group or its brands in any or all of its markets	To address these risks and their consequences, the Group has expanded its digital marketing teams and set up an effective media monitoring strategy, enabling it to respond quickly and effectively to potential rumours
Financial, legal and IT risks	IT and digital risks	IT risks consist of data loss (both commercial and financial), the inability to operate effectively due to a technical fault, system intrusion or hacking and attacks against the digital platforms of the Rémy Cointreau Group	To guard against these risks, a data protection and backup plan and business continuity plan have been implemented in each company, allowing the Group to continue operating in all circumstances
	Non-compliance risks and unethical conduct	The Group's business is international and therefore subject to many laws and regulations. These include various regulations regarding anti-corruption, data protection as well as principles set out in the Global Compact	In order to guarantee compliance, the Group has implemented relevant action plans to fight against corruption and protect data. A whistleblowing line has been set up, as well as ethics training modules, which have been followed by 84% of employees

GOVERNANCE THAT ENSURES CONTINUITY AND TRANSMISSION

THE BOARD OF DIRECTORS

The Rémy Cointreau Group is administered by a Board of Directors which, since September 2004, has adopted a governance structure that 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.



From left to right, back row: Florence Rollet, Emmanuel de Geuser, Olivier Jolivet, Laure Hériard Dubreuil, Marc Hériard Dubreuil, Dominique Hériard Dubreuil, François Hériard Dubreuil, Gisèle Durand, Bruno Pavlovsky, Elie Hériard Dubreuil (non-voting member), Jacques-Étienne de T'Serclaes. Front row: Yves Guillemot, Guylaine Saucier, Marie-Amélie Jacquet (non-voting member).

	Board of Directors	Audit-Finance	Nomination and Remuneration	CSR
Number of members	12	4	4	3
Number of meetings in 2018/2019	8	3	6	3
Attendance rate	93%	100%	85%	89%
Marc Hériard Dubreuil	●			
Dominique Hériard Dubreuil	●		●	●
François Hériard Dubreuil	●	●		
Laure Hériard Dubreuil	●			
Florence Rollet*	●			●
Yves Guillemot*	●		●	
Bruno Pavlovsky*	●		●	
Olivier Jolivet*	●			●
Jacques-Étienne de T'Serclaes*	●	●		
Guylaine Saucier*	●	●		
Emmanuel de Geuser*	●	●		
Gisèle Durand	●		●	
Marie-Amélie Jacquet (non-voting member)	●			
Elie Hériard Dubreuil (non-voting member)	●			

* Independent Board member ● Board/Committee Chairman



EXECUTIVE COMMITTEE WITH AN INTERNATIONAL DIMENSION

Valérie Chapoulaud-Floquet, Chief Executive Officer, 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.

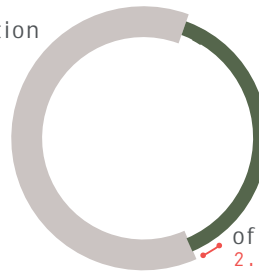


From left to right, back row: David Ennes (CEO Asia-Pacific and Global Travel Retail); Spyridon Ghikas (CEO EMEA); Simon Coughlin (CEO Whisky Business Unit); Ian McLernon (CEO Americas); Marc-Henri Bernard (Human Resources Director); Luca Marotta (CFO); Philippe Farnier (CEO House of Rémy Martin).
 Front row: Valérie Chapoulaud Floquet (CEO), Jean-Denis Voin (CEO Liqueurs & Spirits); Valérie Alexandre (Senior Vice President Strategic Planning); Patrick Marchand (Operations Director).



Composition of remuneration of senior management (excluding LTIP)

Fixed remuneration
64.1%



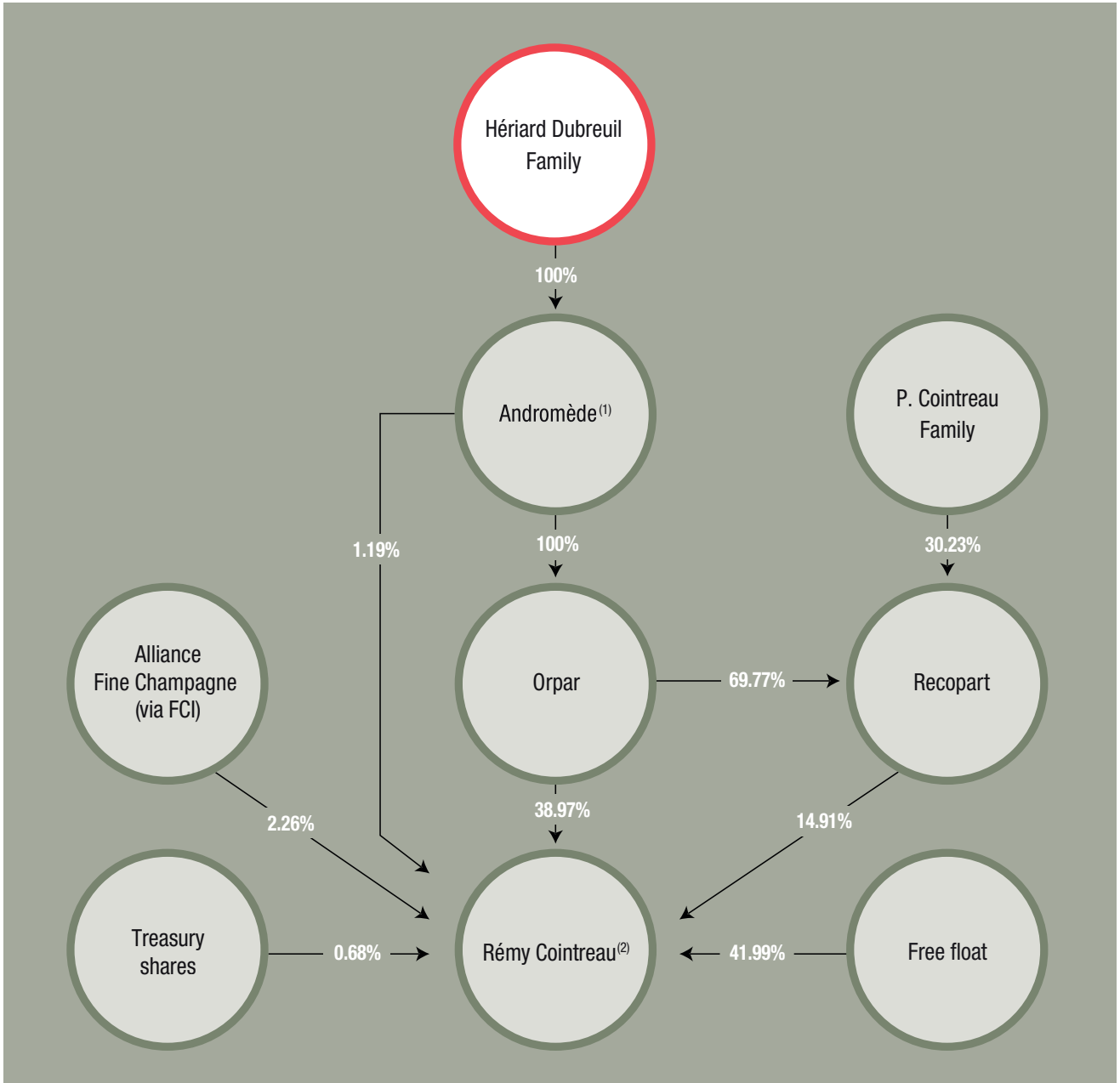
Variable remuneration
35.9%

of which CSR bonus
2.8%

SHARE OWNERSHIP STRUCTURE

At 31 March 2019

(% equity interest)



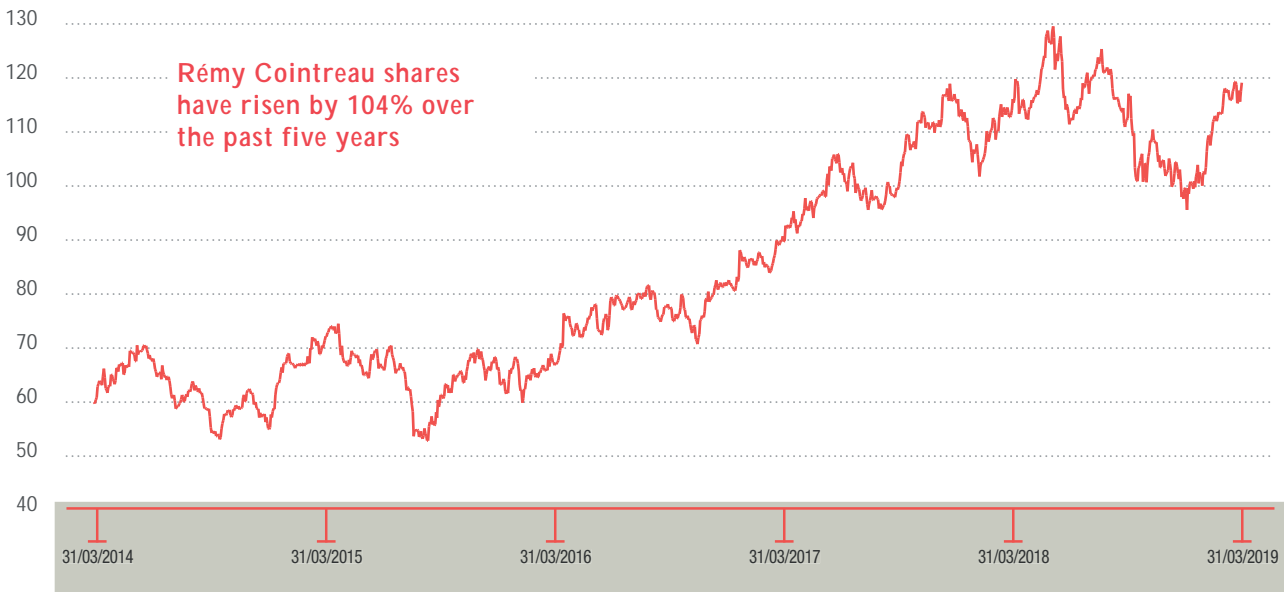
(1) Rémy Cointreau is consolidated within the Andromède Group.

(2) Only Rémy Cointreau shares are traded on the stock market.

SHARE PERFORMANCE AND DIVIDENDS

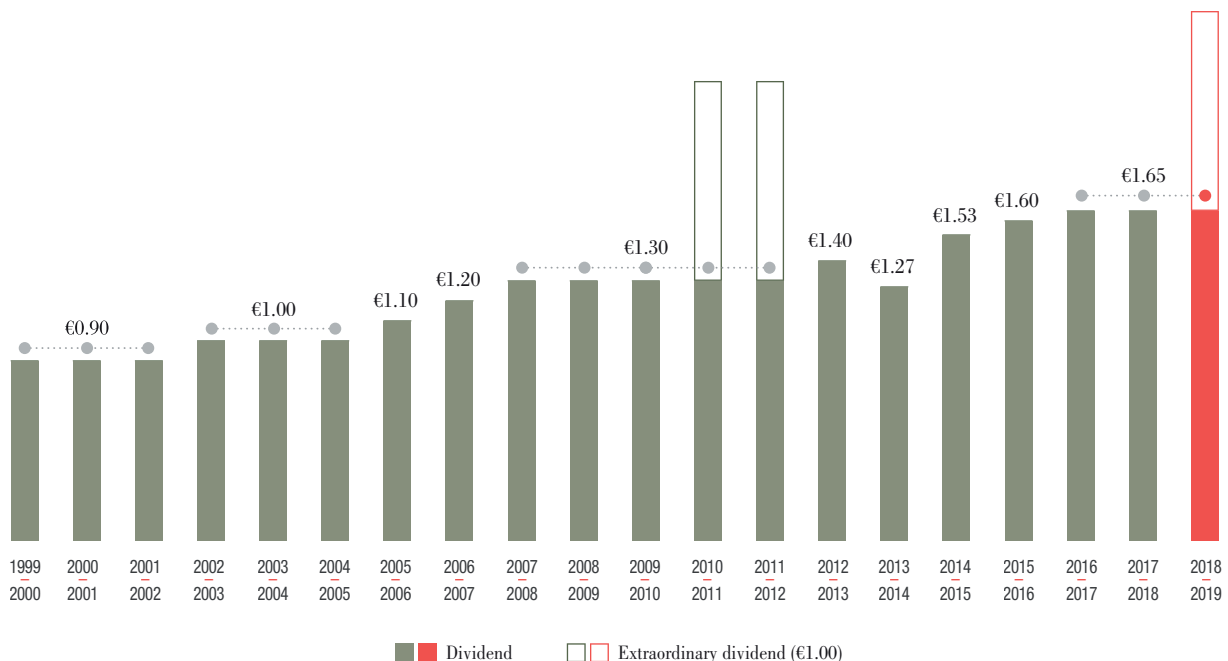
THE GROUP'S STRATEGY HAS BOOSTED THE SHARE PRICE OVER THE PAST FIVE YEARS.

Rémy Cointreau shares have risen by 104% over the past five years, reflected in an increase of nearly €3 billion in the market capitalisation. This value creation confirms the relevance of the strategy put in place by the Executive Committee and implemented by the Group's employees.



REGULAR DIVIDEND POLICY

Over the past 20 years, the Group has paid an annual dividend which has increased in stages. In addition, it paid an extraordinary dividend of €1.00 per share in respect of 2010/2011, 2011/2012 and will also pay such a dividend in 2018/2019 (subject to the approval of the Ordinary Shareholders' Meeting on 24 July 2019).



KEY FIGURES 2018 / 2019

Data in € millions, for the period ¹ April to 31 March	2019	2019 PROFORMA*	2018
Net sales	1,125.9	1,216.5	1,127.0
Current operating profit/(loss)	264.1	263.6	236.8
Current operating margin	23.5%	21.7%	21.0%
profit (loss) for the period	159.2	157.1	148.2
Net profit/(loss) excluding non-recurring items	169.9	167.8	151.3
Capital expenditure and administrative investments	44.9	44.6	33.6
Equity – Group share	1,425.1	1,450.1	1,407.1
Net financial debt	343.3	313.0	282.8
Ratio of net debt/EBITDA	1.19	1.08	1.48
Dividends paid during the financial year (per share in €):	2.65**	2.65**	1.65
Earnings per share (basic, in €):			
On net profit excluding non-recurring items – attributable to the owners of the parent	3.39	3.35	3.04
On net profit – Group share	3.18	3.14	2.98

Net sales by division	2019	2019 PROFORMA*	2018
House of Rémy Martin	774.4	851.9	760.0
Liqueurs & Spirits	264.4	276.6	266.8
Sub-total Group brands	1,038.8	1,128.6	1,026.8
Partner Brands	87.2	87.9	100.2
TOTAL	1,125.9	1,216.5	1,127.0

Current operating profit/(loss) by division	2019	2019 PROFORMA*	2018
House of Rémy Martin	235.6	236.6	204.4
Liqueurs & Spirits	38.8	38.8	42.8
Sub-total Group brands	274.4	274.4	247.2
Partner Brands	4.9	4.9	5.3
Holding	(15.2)	(15.8)	(15.7)
TOTAL	264.1	263.6	236.8

Net sales by geographic area	2019	2019 PROFORMA*	2018
Europe, Middle-East, Africa	311.9	329.3	342.3
Americas	467.8	474.4	435.8
Asia Pacific	346.3	412.8	348.9
TOTAL	1,125.9	1,216.5	1,127.0

Net sales by currency	% TOTAL	2019	2019 PROFORMA*	2018
Euro	16%	174.1	182.0	200.0
US dollar, HK dollar, Chinese yuan, Barbadian dollar	65%	735.3	799.4	709.5
Other currencies	19%	216.6	235.1	217.4
TOTAL		1,125.9	1,216.5	1,127.0

Non-financial data	2019	2018
Percentage of AFC cooperative members' land using an environmental approach:		
High environmental value farming (AHVE) certification level 1	94.0%	64.3%
High environmental value farming (AHVE) certification level 3	42.0%	23.0%
Number of hours training	26,615	24,243
Percentage of women managers	44%	43%
Average age of Group employees	40 years	41 years
Absenteeism rate (hours of absence per hours worked)	2.0%	2.3%
Responsible purchasing: percentage of suppliers having joined SEDEX	93%	89.0%
Ethifinance rating	3 rd out of 230	4 th out of 230

* Proforma : pre-IFRS 15, 16 and 9.

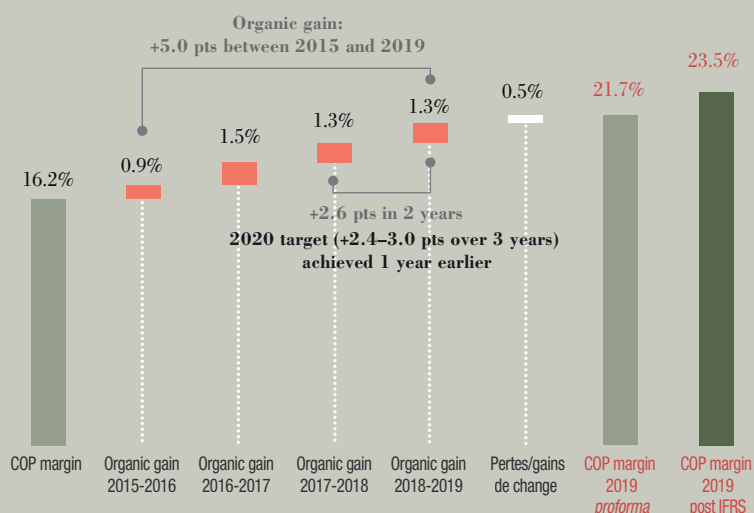
** Of which an extraordinary dividend of €1.00.

FINANCIAL TARGETS

2018/2019 WAS A RECORD YEAR FOR ALL THE GROUP'S FINANCIAL INDICATORS.

This is due to the strong acceleration in organic sales growth over the past three years, combined with a sharp increase in profitability as a result of the Group's strategy to move upmarket. Current operating margin stood at 21.7% in 2018/2019, a cumulative organic increase of 5.0 percentage points (at constant currency and scope) since the 2014/2015 financial year (new senior management team). Over the last two years, cumulative organic growth in the current operating margin was 2.6 points, thereby hitting the 2019/2020 target (+2.4-3.0 points over three years) one year early.

Change in the Group's current operating margin



NEW MEDIUM-TERM PROSPECTS

In an uncertain economic and geopolitical context, the Rémy Cointreau Group reiterates its ambition to become the world leader in exceptional spirits. In the medium term, this will result in 60 to 65% of its turnover being generated by exceptional spirits (retail sales price over USD50).

In addition, after a strong increase in profitability in recent years, the Group remains ambitious regarding the potential of its Current Operating Margin in the medium term, as it will continue to benefit from its value strategy, while continuing to invest significantly

behind its brands and distribution network. Rémy Cointreau's objective is to build an increasingly sustainable, resilient and profitable business model.

In the short term, Rémy Cointreau anticipates that 2019/20 will unfold within the framework of the Group's medium-term objectives. It will also include the termination of distribution contracts for partner brands (in the Czech Republic, Slovakia and the United States), which are estimated to have an impact of €56 million on sales and €5 million on Current Operating Profits.

NON-FINANCIAL TARGETS TO 2020

INDICATORS	SCOPE	VALUES 2016/2017	VALUES 2017/2018	VALUES 2018/2019	TARGETS 2019/2020
Decent work and economic growth/Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all Responsible purchasing: percentage of suppliers having joined SEDEX	World	83%	89%	92%	100%
Take action to combat climate change and its impacts Potential reduction of direct and indirect energy consumption in order to reduce CO ₂ emissions.	France	0 MWh	-423 MWh	-441 MWh	-900 MWh
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%	64%	94%	100%



1

CSR CHALLENGES (STATEMENT OF NON-FINANCIAL PERFORMANCE)

1.1	MAIN CHALLENGES	30	1.5	NOTE ON METHODOLOGY FOR REPORTING INDICATORS	61
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1.3	MANAGING THE RISKS AND CHALLENGES: POLICY, ACTION PLANS AND INDICATORS	34	1.5.2	Scope	61
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1.3.4	Ethical risks	57	1.7	REPORT BY THE INDEPENDENT THIRD PARTY	67
1.4	TABLE OF INDICATORS	59			



1.1 MAIN CHALLENGES

All over the world, people are looking for exceptional experiences. For these customers, diversity of terroirs goes hand in hand with a variety of flavours. Our expertise, passed down from generation to generation over the centuries, is equal to their expectations. 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: to become the world leader in exceptional spirits. For that, it relies on the commitment and creativity of its 1,900 employees and on its distribution subsidiaries.

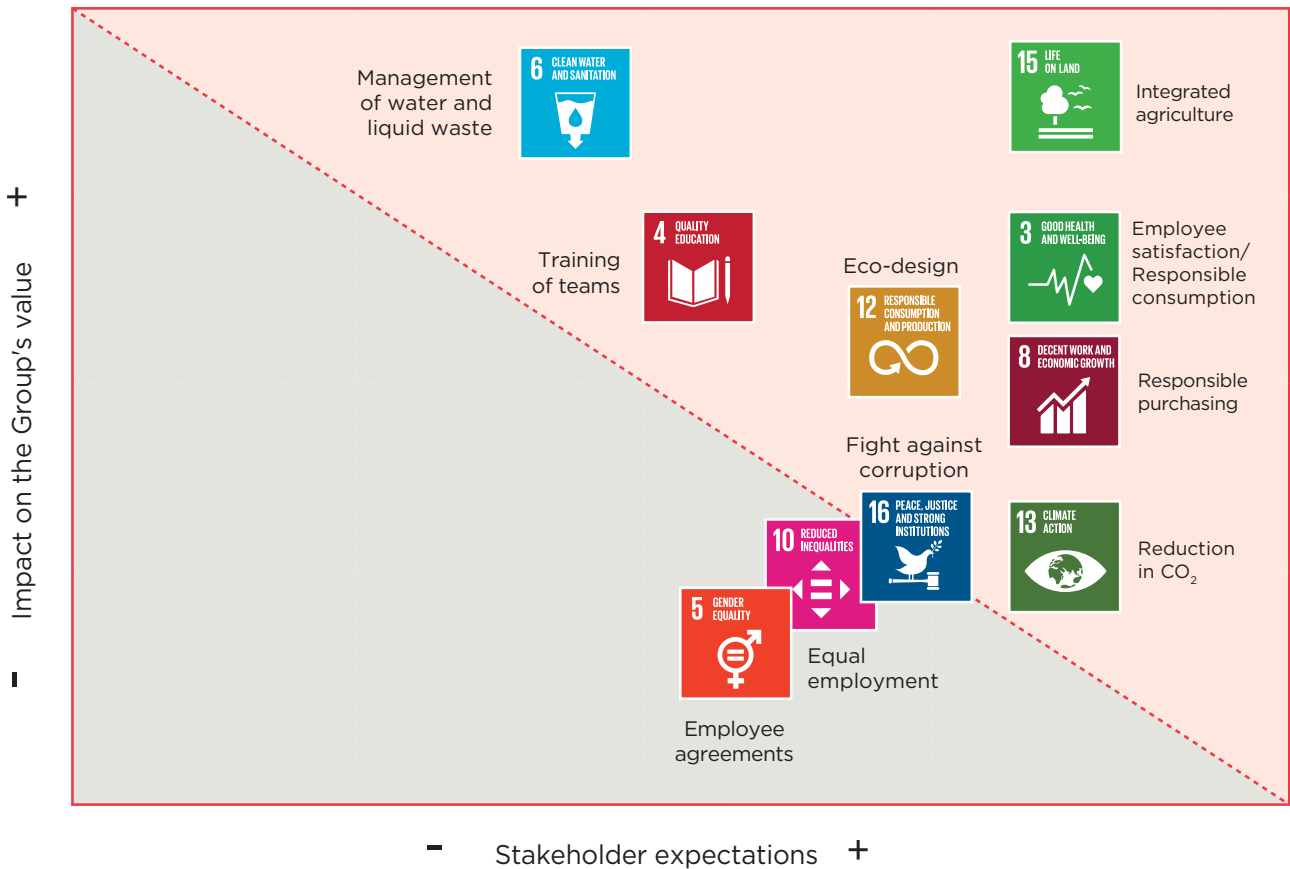
The secret of Rémy Cointreau's excellence is based on the quality of its products, and the values rooted in the Group's DNA. While Rémy Cointreau has always been committed to corporate social

responsibility, the international context in recent years has only served to confirm – and strengthen – its resolve.

The Group's CSR policy is intended to be unifying and can be summarised as follows: To do things right, do the right thing. That's why Rémy Cointreau has decided to assert the unique values that have always been at its core. Its motto "Terroirs, people and time" refers to the three pillars that underpin its organisation. They echo the Group's main CSR challenges, inspired by the Sustainable Development Goals (SDGs) defined by the United Nations. Rémy Cointreau has its sights firmly set on these 17 objectives. They reflect its CSR ambitions by incorporating 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 was to prioritise the challenges and identify those that have a significant impact on the Group's growth, value creation and sustainability, while taking all stakeholder expectations into account.

MATERIALITY MATRIX



Out of the 17 SDGs, Rémy Cointreau has selected 10 relating to its main challenges:

RÉMY COINTREAU'S CHALLENGES		
	Ensure healthy lives and promote well-being for all at all ages	Responsible consumption (internally and externally)
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	In-house training Skills development
	Gender equality: achieve gender equality	Non-discrimination and internal social balance
	Ensure availability and sustainable management of water	Water management (specific case of the Barbados site)
	Decent work and economic growth/ Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Employee well-being Responsible purchasing Local impact (terroir)
	Reduce inequality within and among countries	Internal social balance Global consistency
	Ensure sustainable consumption and production patterns	Circular economy and reduction of raw material consumption Customer information (labelling, recycling)
	Take action to combat climate change and its impacts	Contribution to the global effort (2°C limit) Sustainability of the business
	Sustainable land management/Protect, restore and promote sustainable use of land ecosystems/Sustainably manage forests/Preserve biodiversity	Sustainable agriculture Biodiversity conservation
	Peace and justice: build effective and accountable institutions	Business ethics Governance

1

NB: The materiality analysis did not identify food waste, food poverty, animal welfare or responsible, fair and sustainable nutrition as key CSR challenges for the Group.

The various challenges selected form the basis of our new CSR Charter, produced this year.

It is based on three main pillars:

- **Protecting our terroirs** in order to showcase their excellence, by encouraging responsible cultivation methods, safeguarding the unique characteristics of each terroir and finding new ways to preserve them;
- **Looking after people** in order to highlight our uniqueness, by ensuring workplace wellness, gender equality and non-discrimination, promoting responsible purchasing, engaging with local communities and promoting responsible consumption of our products to customers;

- **Recognising the importance of time** in creating exceptional products, taking an active part in the fight against global warming, conserving water resources and taking steps to reduce the environmental impact of our activities.

Due to the alignment of the Group's CSR strategy with the UN SDGs, the Group featured this year in the second edition of the Comité 21 report on the adoption of SDGs by French actors. Particular attention has been paid to the five priority SDGs (SDGs 6, 8, 12, 13 and 15), which are now linked to the variable compensation of the Group's senior management. The Board of Directors' CSR Committee, responsible for implementing the CSR strategy, monitors compliance with this commitment.

— 1.2 IDENTIFICATION OF RISKS AND INDICATORS ASSOCIATED WITH THE CHALLENGES

During the past year, an internal working group focusing on the statement of non-financial performance was set up with representatives from the HR, Public Relations and CSR, Internal Audit and Finance departments.






The working group identified the risks associated with the main challenges described in the previous paragraph (GRI Standard 102-15).

A plan to manage these risks has been approved. It consists of various actions linked to quantified targets and progress indicators.

Some quantified targets will be finalised this year. These will provide the framework for the future 2024 CSR plan, to be unveiled in March 2020.

Risk management is also supplemented from time to time by monitoring indicators. These are used to test the effectiveness and continuation of the actions implemented, without significant progress being expected on the subject concerned.

Other management indicators will complete the risk management framework

RÉMY COINTREAU'S CHALLENGES	RISKS RELATING TO THE CHALLENGES	INDICATORS
 Responsible consumption (internally and externally)	Binding regulatory and fiscal framework (risk of prohibition)	Qualitative information
 In-house training	Loss or deterioration of certain know-how	% of employees completing at least one training course per year ⁽¹⁾
	Skills development	Hours of training ⁽²⁾
 Non-discrimination and internal societal balance	Lack of appeal of the Company	Ratio of male/female managers ⁽¹⁾
	Reputation of the Company	Weighted difference in promotion rate between women and men ⁽¹⁾
		Breakdown of male/female training ⁽²⁾
 Water management (specific case of the Barbados site)	Water availability and quality	Water consumption ⁽¹⁾
	Pollution from liquid waste discharges	Volume of liquid waste recovered ⁽²⁾
	Employee well-being	Turnover ⁽¹⁾
		Absenteeism ⁽¹⁾
		Workplace accident frequency and severity rate ⁽²⁾
		Average age ⁽²⁾
		Seniority ⁽²⁾
		Workforce by region, business and occupation ⁽³⁾
 Responsible purchasing	Failure of suppliers to comply with regulations	Percentage of suppliers who are Sedex members ⁽¹⁾
	Company's reputation among customers (boycott)	Supplier CSR rating ^{(1)*}
	Local impact (terroir)	Qualitative information
	Reputation of the Company	

RÉMY COINTREAU'S CHALLENGES	RISKS RELATING TO THE CHALLENGES	INDICATORS
 <p>Internal social balance/ global consistency</p>	Lack of appeal of the Company	Employment rate of people with disabilities ⁽³⁾ % of work-study contracts ⁽³⁾
	Reputation of the Company	
 <p>Circular economy and reduction of raw material consumption</p> <p>Customer information (labelling, recycling)</p>	Increased raw material costs	Packaging EPI (Environmental Performance Index) ⁽¹⁾ Change in EPI ^{(1)*} Volume of solid waste recovered ⁽²⁾
	Company's reputation among customers	
 <p>Contribution to the global effort (2°C limit) and sustainability of the company</p>	Binding regulatory and fiscal framework (carbon tax)	Significant CO ₂ emissions (scope 3) ⁽¹⁾ CO ₂ emissions reduction rate ⁽¹⁾ Energy consumption ⁽²⁾ % renewable electricity consumption ⁽²⁾ CO ₂ emissions from business travel ⁽³⁾
	Company's reputation among customers	
 <p>Sustainable agriculture</p> <p>Biodiversity conservation</p>	Sustainable production of our agricultural raw materials	Percentage of agricultural land managed sustainably ⁽¹⁾ Percentage of HVE certification of the Cognac wine cooperative (AFC) ⁽¹⁾ Qualitative information
	Company's reputation among customers	
 <p>Business ethics</p> <p>Governance</p>	Binding regulatory and fiscal framework (prohibition)	Percentage of the workforce trained in the Code of ethics ⁽¹⁾ Number of alerts ⁽²⁾ Executive Committee compensation linked to the % achievement of CSR targets ⁽³⁾
	Efficiency and consistency in the implementation of the CSR strategy within the Company	

Key to indicators:

(1): progress indicators.

(1)*: progress indicators under development.

(2): monitoring indicators.

(3): management indicators.

For several years, Rémy Cointreau has been linking its indicators to those of the Global Reporting Initiative (GRI), using the GRI G4 guidelines. This year, the Group is applying the new "GRI Standards" (see references in the text and section 1.6 "Cross-reference tables").

The CSR reporting covers 29 companies which provide all their employee-related, environmental and societal information (see section 1.5 "Note on methodology for reporting indicators"). The reporting is verified by an independent external expert (see section 1.7 "Report of the independent third-party body on the consolidated employee-related, environmental and societal information contained in the management report").

— 1.3 MANAGING THE RISKS AND CHALLENGES: POLICY, ACTION PLANS AND INDICATORS

1.3.1 EMPLOYEE-RELATED RISKS

1.3.1.1 EMPLOYEE WELL-BEING

Challenge

The women and men at Rémy Cointreau's are the Company's key asset because they embody the expertise that has been passed down from generation to generation and which is fundamental to crafting exceptional products. We have a responsibility to ensure their safety, with the best working conditions, and to help them flourish in their careers. We believe, for example, that the absenteeism and employee turnover indicators provide a good overall picture of how we meet the needs of our employees.

Policy

The Group is committed to employee career development, diversity and strengthening the sense of belonging within the Group. The Rémy Cointreau Group also strives to provide and maintain a working environment that ensures the health and safety of staff, clients, external 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 by ensuring that the risks are taken into account in the operational management of production processes. In addition, in France, true to the historical choices it has made, Rémy Cointreau favours collective agreements in all areas of negotiation.

Moreover, the Group closely monitors the evolution of Human Resource indicators in order to implement preventive measures as early as possible when a deterioration in the overall working conditions is identified.

In addition, the Group encourages the implementation of security management systems at production sites on a local scale. In some cases, this translates into the creation of a health and safety policy.

Action plans

Rémy Cointreau promotes, both locally and Group-wide, initiatives that target the improvement of working conditions and foster the well-being of employees.

Over the course of the year, Rémy Cointreau repeated a worldwide satisfaction survey to measure its employees' commitment. This type of survey will be conducted every two years to measure progress. 88% of the Group's employees responded to the survey; its results were presented at each site during the 2018/2019 financial year. Following this, meetings were organised with groups of employees. This enabled action plans to be drawn up, taking into account the recommendations and feedback provided during these meetings.

Both at Angers and Cognac, various ergonomic improvements continued to be made to certain administrative or industrial workstations to improve working conditions. Accordingly, at Cognac, the site continued its work aimed at improving working conditions: setting-up of new healthcare and social premises, building of a lift to improve access for people with disabilities, creation of a new pallet storage area.

This year also saw the construction of a new distillery and wine-making cellar at the sites of Rémy Martin's agricultural domains in Cognac, in compliance with safety and ergonomics standards. Walkways and railings were installed for access to the wine-making vats and boilers. Special equipment to remove the lids of the boilers was designed and put in place to minimise human constraints. All the presses were equipped with security ladders to make their access and maintenance easier. 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.

Moreover, the Group closely monitors the Group employee turnover rate to analyse any possible deterioration if necessary. In the 2018/2019 financial year, the Group recruited 270 people, mainly in the sales teams (18.9%), production roles (15.2%), finance (13.3%) and marketing (13.7%). 67.8% of the recruitment was for permanent contracts.

At the same time and within the same scope, there were 223 departures, of which 27.8% were resignations, 13.0% were mutually agreed, 16.1% were as a result of fixed-term contracts coming to an end and 14.8% were retirements. Redundancies on personal grounds accounted for 15.7% of departures.

The turnover rate was 13.2% of employees (GRI Standard 401-1). Given the difficult employment conditions in certain markets in which the Group operates, the Company's target is to make sure that this rate does not exceed 17%.

The Group also continues to monitor changes in the workforce as a vigilance indicator. Thus at 31 March 2019, the Group's total workforce stood at 1,908 employees on permanent and fixed-term contracts.

WORKFORCE BY GEOGRAPHIC AREA (GRI STANDARD 401-1)

	MARCH 2019	%	MARCH 2018	%	MARCH 2017	%
France ⁽¹⁾	719	37.7	704	37.8	683	38.1
Europe (outside France) – Africa	375	19.7	384	20.6	363	20.2
Americas ⁽²⁾	380	19.9	377	20.3	354	19.7
Asia	434	22.7	396	21.3	394	22.0
TOTAL	1,908	100	1,861	100	1,794	100

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

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

WORKFORCE BY ACTIVITY (GRI STANDARD 401-1)

	MARCH 2019	%	MARCH 2018	%	MARCH 2017	%
Group brands ⁽¹⁾	750	39.6	736	39.5	701	39.1
Distribution	1,077	56.4	1,050	56.4	1,027	57.2
Holding	81	4.0	75	4.0	66	3.7
TOTAL	1,908	100	1,861	100	1,764	100

(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 2019	%	MARCH 2018	%	MARCH 2017 ⁽¹⁾	%
Sales	539	28.2	537	28.9	501	27.9
Marketing	309	16.2	274	14.7	271	15.1
Production and purchasing	355	18.6	352	18.9	350	19.5
Supply Chain	139	7.3	157	8.4	148	8.2
Ageing	156	8.2	158	8.5	138	7.7
Finance & legal	217	11.4	207	11.1	220	12.3
Information systems	57	3.0	51	2.7	50	2.8
Human resources	60	3.1	53	2.9	46	2.6
General services	29	1.5	28	1.5	27	1.5
Senior management	47	2.5	44	2.4	43	2.4
TOTAL	1,908	100	1,861	100	1,764	100

(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 55.6% of the workforce and women 44.4%, with different figures according to occupation and country (GRI Standard 401-1).

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.

The average age of Rémy Cointreau's workforce is 40.5 years, although in France it is very slightly higher.

The average length of service of the Group's workforce is 7.9 years, with a very similar average in France, at 8.

Aware that a number of its employees work in an industrial environment, Rémy Cointreau pays special attention to the impact of noise pollution. To this end, several actions have been carried

out since 2017 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 in order to reduce noise levels: controls on conveyors, installation of silencers on compressed air compressors, introduction of noise reduction enclosures.

This year, special focus was placed on the noisiest packaging line and work was done on regulating the conveyor belts. A significant noise reduction was also achieved thanks to work on a new corking machine (reduction in noise/vibration at source). Other efforts are underway on machines that generate noise pollution, such as the case erectors.

On the Angers site, a personal dosimetry campaign was carried out at packing and operating stations in 2017. Subsequently to this campaign, investments were made towards measures aimed at reducing the noise from conveyor belts, the fitting of soundproofing panels on a pallet unloader and the construction of a soundproof wall in the packaging workshop (improvement of 6 dB(A)).

This year, the optimal utilisation of a soundproofing casing for a glass skip used for decanting, enabled a reduction of 10 dB(A) in ambient noise.

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.

The Group also monitors the absenteeism rate for France, Barbados and Islay. In the coming five years, the Group is looking to include the Domaine des Hautes Glaces and Westland entities. For the financial year ended, the absenteeism rate, measured in hours of absence per theoretical hours worked, stood at 2%, down from the previous financial year. This rate does not include sick leave periods of more than 90 days (GRI Standard 403-2).

In addition, the workplace accident frequency rate at the production sites in France (excl. DHG), Barbados and Islay for 2018/2019 was 8.51, expressed as the number of workplace accidents with workdays lost per million actual hours worked (GRI Standard 403-2). In the coming five years, the Group is looking to include the Domaine des Hautes Glaces and Westland entities.

The severity rate, expressed as the number of days lost to workplace accidents per thousand actual hours worked (GRI Standard 403-2), was 0.59. 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.

1.3.1.2 NON-DISCRIMINATION AND INTERNAL SOCIAL BALANCE

Challenge

Rémy Cointreau aspires to fairly reflect the employment areas in which it is located, the markets in which it operates and its customers. To this end, the Group seeks to preserve the good reputation it has vis-à-vis its various stakeholders to maintain its attractiveness and ensure social balance.

Policy

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.

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.

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.

Action plans

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.

Moreover, working time arrangements can be made to allow employees to accompany their children on hospital stays. Moreover, wherever possible, meetings are arranged during 2 working hours and training sessions scheduled early to allow parents to arrange childcare where required. In addition, the parties sought to adapt the application of compassionate leave and allow the employees in question to discuss with their manager a way of adjusting their work to part-time hours when they have family issues to deal with.

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.

To further distil the Group's multicultural identity and foster diversity, the Group is actively committed to encouraging the professional inclusion of recently graduated students, with a *Bac* +3 or higher degree, who are aged under 30 and come from a modest social environment or priority economic areas. The partnership with *Nos Quartiers ont du Talent*, initiated at Rémy Martin in 2014, continued to gain momentum. In December 2018, a major 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 jobseekers were actively involved at this special event which was dedicated to them. Rémy Martin hosted the Chairman of the NQT non-profit, which provides certification to companies committed to equal employment opportunities. A total of 70 young people were mentored by 15 managers of the Company over the past five years and 40 of them found a job in line with their expectations.

In Angers, the Group has opted to pay its traineeship taxes to organisations, schools or entities that promote the employment of disabled people.

In 2018, the percentage of workers with a disability at the Rémy Martin Cognac site complied with the legal requirement of 6%, despite a strong increase in temporary workers who were incorporated into the figures. 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 Cointreau also took part in the annual job fair which was held in Angoulême in March 2019. A dynamic Rémy Martin stand manned by the Human Resources department received large numbers of people with a disability and/or jobseekers.

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. The Rémy Cointreau Group thus 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 3.3% of the workforce in France at the end of March 2019.

Moreover, 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.

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

The Group monitors the Women/Men manager ratio, which stood at 44% for the 2018/2019 financial year at Group level and which remained stable compared with the previous financial year (43%). In France, we also monitor the indicator for the weighted difference in the rate of promotion between women and men per calendar year. In 2018, it was -0.14%, which reflects a promotion percentage (proportion of employees promoted in terms of socio-economic category) of 1.6% for women vs. 1.1% for men. This indicator is included in the calculation of the women/men equality index, as established by the implementing Decree and published in the French Official Journal of Legal Announcements of 9 January 2019. Please note that the more negative the weighted difference, the higher the proportion of women promoted. The Group will also publish the women/men equality index during the 2019/2020 financial year, in accordance with legal provisions.

Moreover, the Group makes sure that female and male employees have an equal access to training. In the 2018/2019 financial year, the ratio of Women/Men that benefited from at least one training course stood at 46%, in line with the proportion of Women/Men in the Group (44%) and with the ratio for the previous year (43%).

1.3.1.3 IN-HOUSE TRAINING AND SKILLS DEVELOPMENT

Challenge

Rémy Cointreau's challenge is to keep its employee skills development in line with the Company's needs in terms of qualification. The human resources policy must constantly anticipate the Group's needs and this is particularly the case as regards training.

Policy

Rémy Cointreau is committed to fostering skill development, particularly through in-house training, which is necessary to pass down the fundamental expertise required to craft our exceptional products.

Action plans

Rémy Cointreau has continued to use its international 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.

Due to the international dimension of its business, as of 31 March 2019, 62.3% of Rémy Cointreau's workforce was located outside France. 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.

In particular, a process to identify key positions, shared with 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.

For the 2018/2019 financial year, the Group set up an indicator expressed as a percentage of employees who have benefited from at least one training course a year. In this financial year, this indicator was 79.3% of employees for the scope covered (excluding Europe and Domaines des Hautes Glaces). The Group's ambition is to extend this indicator to production sites worldwide and sales subsidiaries of more than 20 people and keep this percentage above 50%.

In addition, the number of training hours declared in 2018/2019 for the entire Group scope, including both outside Europe and France, for employees on permanent contracts, was 26,615 hours, of which 11,677 were for women and 14,938 for men (GRI Standard 404-1). The aim is to be able to extend this indicator to production sites worldwide and sales subsidiaries with more than 20 people.

1.3.2 ENVIRONMENTAL RISKS

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 eaux-de-vie storage site in Cognac is classified as Seveso high threshold on account of the quantities of eaux-de-vie ageing. The site is subject to a comprehensive Safety Management System (SMS).

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 *section 1.5* “Note on methodology for reporting indicators”.

1.3.2.1 SUSTAINABLE AGRICULTURE

Challenge

Rémy Cointreau’s ambition is to remain the leader in economically-competitive winemaking whilst being intransigent on product quality and environmental protection. In this respect, Rémy Cointreau has a duty to help protect its terroirs and natural resources, which are key to the exceptional quality of its products.

The main challenge is to secure the long-term production of our agricultural raw materials by protecting know-how and refining the wine-growing and agricultural practices of our supplier partners.

Policy

One of the 2020 CSR plan’s priorities is environmental protection: *giving back to the land what it gives us*. 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 to recognise the efforts made and to influence cultivation.

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 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.

At the Cognac site, the excellence of Rémy Martin’s cognac *eaux-de-vie* is down to its grapes. To make the most of them, Rémy Martin relies on a trusted partner, the Alliance Fine Champagne (AFC) agricultural cooperative, from which it has sourced its supplies 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.

Action plans

The policy of protecting terroirs is reflected in the responsible and sustainable agricultural practices used to produce all our raw materials and the ambition that all the land used be covered by a responsible and sustainable agricultural standard or label.

In 2017/2018, the focus was on creating the first global terroir map and introducing a new indicator to demonstrate and manage this commitment. This first stage enabled an estimation of 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 Bruichladdich, 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.

This year, based on the information collected, just over 18,000 hectares of agricultural land and vineyards are used by Rémy Cointreau in total.

The Group’s ambition is that all of this land will be cultivated in accordance with a responsible and sustainable agricultural model by 2024.

At present, 52% of the land is farmed sustainably. This has risen by 16 percentage points in one year (36% in 2017/2018), largely thanks to the work carried out in Cognac with the AFC.

Introducing eco-friendly growing methods at the Cognac site

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 *Grenelle de l’Environnement* and steered by the French Ministry for Agriculture. This initiative seeks to gradually decrease the use of pesticides and thus cut soil pollution.

Around 30 of the 220 hectares of vineyards owned by Domaines Rémy Martin are set aside for wine-growing, agronomic and environmental experiments. The aim of these experiments is to address various challenges, such as reducing pesticide use, producing quality *eaux-de-vie* while factoring in climate change and developing new technologies.

Particular attention is paid to the application of these new technologies. They are seen as a real way forward in improving knowledge among wine-growers, adapting techniques and optimising work from a technical, economic and environmental point of view.

Several tools are being tested on the ground or in the air:

- on-board sensors:
These are used to assess the intensity of the vegetation and therefore the health of the vines. Some 5,500 measurements are carried out over a single hectare. These are then used to improve how the vineyard is managed;
- drones:
In partnership with several drone image analysis companies, an aerial study is being carried out to detect whether the vines are infected with *flavescence dorée*. Successfully detecting the symptoms of this disease will be invaluable in identifying the correct treatment;
- robotisation:
Robotisation is a possible alternative for mechanical weeding and reducing the use of herbicides. In partnership with Naïo Technologies, the first robot is being trialled on a *section* of the vineyard. Equipped with suitable tools, it can carry out mechanical weeding efficiently and thus offer a considerable time saving. Ultimately, the aim is for it to function autonomously.

Other studies are also being carried out on:

- using biocontrol products to combat vine diseases:
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;
- using green fertilisers:
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;
- 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;
- 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);
- natural forms of control such as releasing trichogramma:
An experimental platform has been set up to study the use of trichogramma to combat grapevine moths (partnership with the Charente Chamber of Agriculture and the company Bioline).

Domaines Rémy Martin, "integrated agriculture" certified since 2009, obtained level 3 in AFNOR's "high environmental value farming" (HVE) 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 this year for another three years. Domaines Rémy Martin are now registered in the national directory of HVE level 3 certified agricultural holdings.

As part of this certification, employee training continues to focus on the responsible use and management of treatment products (GRI Standard 404-1).

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

A specific 2020 CSR working group was created within the AFC in 2016 to establish an HVE certification programme and communicate the objectives of the Rémy Cointreau 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 HVE 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. HVE certification is based, amongst other criteria, on the reduction in the Treatment Frequency Index (TFI).

The Ministry for Agriculture and Food's HVE 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. The aim of these meetings was to unveil the ambitions of the AFC and Rémy Martin in terms of HVE certification. Rémy Martin's cellar master and winegrowing and wine production consultants have hosted some 20 meetings, fostering direct and constructive discussions in a bid to achieve the HVE certification targets.

By meeting these HVE 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 2018/2019, 226 winegrowers followed the two-day AHVE level 1 training course which includes the local Sustainable Winemaking guidelines. For five years, 601 winegrowers have been following the environmental approach, *i.e.* 75% of the cooperative's members (representing 94% of the cooperative's vineyards).

This year 103 winegrowers obtained level 3 HVE certification, the certification's highest level of commitment, bringing total certified winegrowers to 183 over a five-year period, *i.e.* 23% of the cooperative's members (representing 42% of the cooperative's vineyards).

Largely as a result of the AFC certification project, the Charentes region is France's third most-involved region in the HVE certification process.

For the past two years, Rémy Martin has held an annual *Centaure de l'Environnement* award ceremony in recognition of HVE-certified winegrowers. This year, 103 winegrowers received recognition for their efforts and their commitment to the environmental excellence of their vineyards.

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 also features a special section with a regular CSR update and provides information on the progress of the AHVE project. Rémy Cointreau's first CSR report was also published on the Rémysphère website in an effort to share the Group's employee-related, societal and environmental ambitions with all winegrowers.

To promote the AFC certification process to a wider audience, a digital press kit consisting of nine short films has been posted online (env.reymymartin.com). It provides factual information on Rémy Martin's environmental approach, highlighting the various initiatives led by the AFC and Domaines Rémy Martin.

Islay site: acquisition of plots of land and introduction of sustainable agriculture

The actions of our teams on Islay in Scotland (PHD: Progressive Hebridean Distillers, which covers the Bruichladdich, Port Charlotte, Octomore and The Botanist brands) are helping to showcase the potential of the local terroir. The reintroduction of different varieties of traditional barley and the preservation of Bere barley are now assets for the Company, 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 maintain soil fertility.

This year, PHD acquired 12 hectares of land to develop programmes to study sustainable farming practices. These plots of land will also be used to test different varieties of barley.

A "Croft Summit", which included representatives from Domaine des Hautes Glaces and Westland, was held on Islay in late 2018 to examine different ways of cultivating the new plots as sustainably as possible. The event was attended by soil and crop experts, specialists, organic farmers and researchers from all over the world. Following discussions with PHD teams, a major project was devised to plant several varieties of barley on test plots, in order to test those best suited to the island's terroir, without using synthetic products. The aim is to improve knowledge of local growing conditions and to adapt farming practices to preserve the terroir. Ultimately, other farmers on the island will also benefit from it.

In addition, as of this year the Bruichladdich distillery has been certified in accordance with EU legislation on organic production and labelling of organic products (Council regulation (EC) No 834/2007 and Commission regulation (EC) No 889/2008).

Cointreau: measuring the use of sustainable agriculture in orange production

In order to measure the environmental commitment of orange suppliers, Cointreau has published its own internal standards for sustainable agriculture, based on the French HVE standards.

An initial audit was carried out at one of our main suppliers. This confirmed a real commitment to sustainable agriculture and was accompanied by an improvement plan.

In Ghana, all of the Group's partner orange plantations are already certified as organic.

This initiative is part of the "Orange & Terroir" project launched this year. The project focuses on four key areas:

- the use of responsible and sustainable agriculture;
- environmental protection;
- building partnerships with suppliers modelled on Cognac's AFC wine cooperative;
- the search for an international standard for responsible and sustainable agriculture.

On the latter point, the "Fruit and Vegetables Certification" section of the GLOBALG.A.P. standard could be used. Eventually, all oranges used to make Cointreau liqueur will have to be grown sustainably.

St-Rémy: supplier awareness of sustainable agriculture

To raise supplier awareness of Rémy Cointreau's "Sustainable Agriculture" project, an initial information meeting was held this year with the main supplier of *eaux-de-vie*.

This addressed the following points:

- presentation of Rémy Cointreau's CSR policy;
- method of calculating the size of the area used for supplies;
- the agricultural practices implemented;
- carbon emissions associated with *eaux-de-vie* production.

Regarding agricultural practices, a decision was made to circulate a questionnaire to the main wine cooperatives to gather environmental information on their wine-making practices.

A review was also carried out of the environmental certification standards that could be used to ensure best practices in wine-growing (HVE certification or others recognised in France).

Protecting natural resources in Barbados

In Barbados, Rémy Cointreau incorporates the protection of natural resources in all of its activities. Mount Gay 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, in 2018 the Group acquired 134 hectares of sugar cane plantations. It is continuing to experiment with new organic growing and permaculture techniques, with advice from the world's leading experts in soil cultivation.

Domaine des Hautes Glaces and local development

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. This relatively new brand emphasises its links to the region, for example by encouraging crop rotation to improve soil management and creating a balance through agricultural economics.

The project 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. This includes the still, made by a local boilermaker and heated by a wood pellet burner. Domaine des Hautes Glaces thus captures the essence of the local area, soil and climate.

In addition, as of this year, the Domaine des Hautes Glaces distillery has been certified in accordance with EU legislation on organic production and labelling of organic products (Council regulation (EC) No 834/2007 and Commission regulation (EC) No 889/2008).

Westland and crop rotation

Westland, based in Seattle in the United States, joined the Group in early 2017. It produces single-malt whiskey exclusively from local barley. A study is currently under way to examine the most suitable crop rotation in this terroir, which boasts one of the best climates in the world for growing barley.

1.3.2.2 BIODIVERSITY CONSERVATION

Challenge

Biodiversity conservation has become a major concern. Natural habitats such as farmland and woodland are under threat. This could potentially have an impact on terroirs and the production of raw materials (cereals, grapes, sugar cane, oranges, wood, etc.). Rémy Cointreau thus has a duty to play an active role in biodiversity conservation. It is also a question of the Group’s reputation with its customers.

Policy

Rémy Cointreau prioritises the long-term development of its brands. They share common core values, central to which are responsible agriculture and biodiversity.

As mentioned in the previous paragraph (and in section 1.3.2.1 “Sustainable agriculture”), at each of the Group’s locations around the world, Rémy Cointreau is committed to the stewardship of the land it farms either directly or indirectly. The biodiversity of each region is unique and plays a major part in the distinctiveness of Rémy Cointreau’s spirits. It is vital therefore that the Group takes action to protect biodiversity according to the terroirs and natural resources used.

From the Charente to the Pacific North West, Rémy Cointreau gives special consideration to each site, taking steps to conserve its biodiversity so that it can secure the site’s long-term future and continue making exceptional products.

To reflect this commitment, Rémy Cointreau has decided to support the “act4nature” initiative this year, joining other leading French companies in campaigning for biodiversity. To that end, Rémy Cointreau has signed a collective declaration on the inclusion of nature (fauna, flora, ecosystems, etc.) in the Company’s strategy. The aim is to take concrete action for biodiversity conservation and restoration. Rémy Cointreau has chosen six major commitments, ranging from employee engagement to agricultural practices, HVE certification in France and the protection of terroirs, forests and bees.

Action plans

Cognac site

Because forest cover helps protect biodiversity by safeguarding natural habitats, Rémy Martin has been involved for nearly ten years in protecting forests in France through a corporate sponsorship initiative in partnership with the French Forestry Commission (*Office National des Forêts* – ONF):

- **2010/2012:** funding for a scheme to plant 115,000 oak trees on around 40 hectares in the Senonches national forest in Eure-et-Loir, France.
The aim was to replace existing tree species on this site (Sitka fir and Douglas fir) with sessile oak, and thus encourage biodiversity through improved compatibility with the region’s climate, terrain and soil;
- **2013/2014:** funding for the restoration of the Parc François I^{er} in Cognac, which was severely damaged during the great storm of 1999.
The new landscaping work was approved by the local council and consisted of planting more than 300 oak trees and building a wooden observatory on a natural promontory. A nature trail with information boards was also created, to raise public awareness of biodiversity conservation issues;
- **2015/2016:** funding for improvements at La Braconne Bois-Blanc national forest.
Located east of Angoulême, this forest is the largest forested area in the Charente region and was also affected by the 1999 storm. To raise public awareness of forestry protection by providing first-class visitor facilities offering enjoyable new ways for visitors to experience the forest, the ONF has developed a multimedia trail and harnessed new information and communication technologies to communicate its message (smartphone app);
- **2016/2017:** funding for improvements in the Vouillé Saint-Hilaire national forest (Poitou-Charentes). Designed to raise public awareness of biodiversity, the project involves afforestation and the planting of 300 oak trees near to a visitor centre;
- **2017/2018:** funding for a sponsorship scheme to secure the future of the Moulières national forest in Vienne. The project focused on forestry renewal with the reforestation of a dozen hectares with more drought-resistant oaks;
- **2018/2019:** funding for two sponsorship schemes involving pedunculate oak.
The first project, entitled “Renaissance”, is aimed at creating a network of small plantations to find out whether pedunculate oak trees in Poitou-Charentes can adapt to climate change. The second project consists of establishing pedunculate oak in the Monnaie national forest (Maine-et-Loire), to promote and preserve this species in the forest.

In the coming years, a special effort will be made to grow pedunculate oak, characteristic of the production of Rémy Martin cognac.

Rémy Martin also renewed its partnership this year with the non-profit organisation *Un toit pour les abeilles*. Ten beehives have been set up in Charente, in a truffle oak growing area surrounded by 40 hectares of flower meadows. This allows pure honey to be produced, which is then distributed to all employees in France. Each pot of honey is accompanied by an educational leaflet on the importance of bee protection.

Domaines Rémy Martin, in partnership with the French Bird Protection League, is involved in the ecological monitoring of a site on the banks of the Charente: flora and fauna surveys were carried out in 2017 and will be repeated every three years. These will improve forest management and preserve the biodiversity of the site. The monitoring carried out to date shows an improvement in species diversity on the site. The planting of several tree species (poplar, ash, etc.) on this site also plays an important role in filtering drinking water and contributes to biodiversity conservation (GRI Standard 304-3). The first diagnostic assessment carried out revealed a high floral diversity, the presence of four remarkable plant species on the banks of the Charente, and fourteen remarkable species of wildlife, also near the river bank.

Domaines Rémy Martin, in partnership with the Charente Chamber of Agriculture, uses green fertiliser to fertilise the soil naturally at the vineyard and thus promote biodiversity. Wildlife corridors have been set up at various locations on the estate to allow fauna, insects and flora to re-establish habitats. The preservation of hedges and the cultivation of wildflower meadows also help encourage bees, which are essential for natural ecosystems to function.

Islay site

The principal mission of the Botanist Foundation is to work with the island's inhabitants. The aim is 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 are harvested for the distillation process. Ensuring that the island's crops are harvested sustainably and responsibly builds on the Group's work in Scotland, underscores the coherence of its policy and makes a substantial contribution to local biodiversity conservation.

Westland site

Westland pays special attention to the different varieties of oak. The Company uses an unusual variety of oak, *Quercus garryana*, to age its whiskeys. The oak, which is sourced exclusively from local forests, is what makes Westland so distinctive. Over the past two years, 600 *Quercus garryana* have been planted, with the goal of reintroducing an additional 2,000 over the next five years.

1.3.2.3 CLIMATE CHANGE

Challenge

Mindful of the impact of its operations, Rémy Cointreau has an obligation to contribute to the global effort to reduce global warming to 2°. It is a question of the Company's sustainability, its reputation with its customers, and its response to the possibility of a future carbon tax.

Climate change could 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 whiskey from Washington State.

Rémy Cointreau's new motto, "Terroirs, people and time", underscores the importance of nature for its business.

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.

Policy

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

The main challenges of the CSR 2020 plan have been defined with a view to involving the whole company. One of the most important of these concerns the measurement and reduction of greenhouse gas (GHG) emissions at all levels of the business, as well as the eco-design of products and their transportation.

The plan to reduce the Group's GHG emissions and carbon footprint is a common indicator that enables everyone in the Group to assess their practices and be aware of their responsibilities at their own level. The initial priorities have already been defined; these include wine-making practices, energy efficiency, the eco-design of packaging and optimised product transportation.

Since 2006, Rémy Cointreau has measured its carbon emissions using the Bilan Carbone® standard. For the first time this year, the GHG Protocol standard has been used to harmonise the responses to global surveys such as the Climate Change survey of the Carbon Disclosure Project (CDP).

This year, scope 3 of the Bilan Carbone has been extended to all Rémy Cointreau's production business. As in the previous year, it includes the production activities of the Cognac, Angers and Barbados sites and the upstream and downstream impacts of product transportation worldwide. For the first time this year, it includes the activities of the Islay, Westland and Domaine des Hautes Glaces production sites and the transportation of products in Australia (GRI Standard 305-3).

Various measures have been implemented to control greenhouse gas (GHG) emissions. Since 2011, eco-design actions, the increasingly systematic use of videoconferencing and the introduction of electric vehicles on the Angers and Cognac sites have all helped reduce CO₂ emissions.

As a listed company, the Group meets the requirements of Article 173-IV-A of the French law on energy transition and green growth.

The information given in the following paragraph is taken from the management report.

Action plans

Information on the main sources of greenhouse gas emissions

CO₂ emissions for scopes 1, 2 and 3 totalled 174,842 tCO₂eq. This breaks down as follows (GRI Standard 305-3):

- Cognac site: 93,949 tCO₂eq;
- Angers site: 45,017 tCO₂eq;
- Barbados site: 22,135 tCO₂eq;
- Islay site: 8,881 tCO₂eq;
- Domaine des Hautes Glaces site: 21 tCO₂eq;
- Westland site: 610 tCO₂eq;
- Domaines Rémy Martin site: 4,229 tCO₂eq.

Compared with the previous year, total scope 3 CO₂ emissions have increased by 22%. This is due to the change in how emissions are calculated (migration from the *Bilan Carbone* tool to the GHG Protocol tool) and the inclusion of the Islay, Domaine des Hautes Glaces and Westland sites in the measurement.

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

- product packaging: 81,232 tCO₂eq (46.5% of total emissions);
- upstream transportation of products and freight: 33,804 tCO₂eq (i.e. 19.4% of total emissions);
- raw materials: 25,701 tCO₂eq (14.7% of total emissions).

Compared with the previous year, significant emission items remain the same.

In the 2020/2021 financial year, the preparation of the 2024 CSR plan will include a plan to reduce scope 3 CO₂ emissions from the following year, in line with the Assessing Low-Carbon Transition (ACT) method devised by the French environment and energy management agency (ADEME) and the global initiative SBT (Science Based Targets).

It should also be noted that for the first time this year, a breakdown of CO₂ emissions was given for each of the main brands:

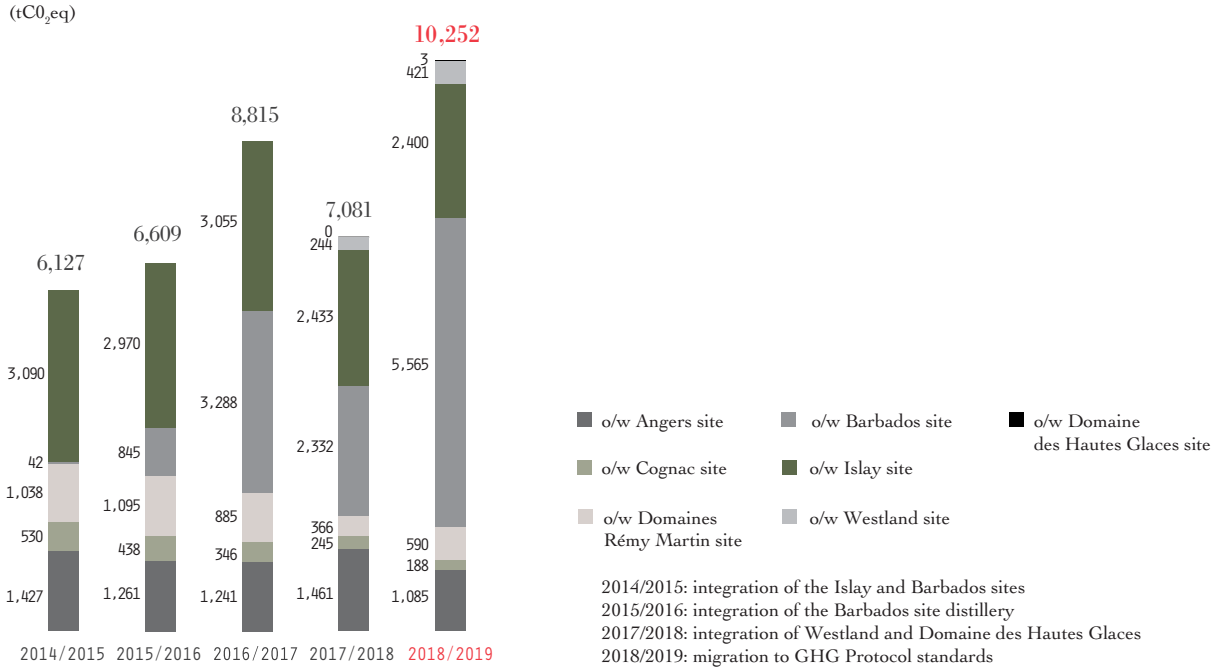
- Rémy Martin cognac: 98,178 tCO₂eq;
- Cointreau liqueur: 24,624 tCO₂eq;
- St-Rémy brandy: 13,652 tCO₂eq;
- Bruichladdich whisky: 2,759 tCO₂eq;
- Botanist Gin: 6,122 tCO₂eq;
- Westland whisky: 610 tCO₂eq;
- Domaine des Hautes Glaces whisky 21 tCO₂eq.

This breakdown will allow each brand to move increasingly towards carbon neutrality and to measure progress effectively. The actions to be implemented in this respect will form part of the future 2024 CSR plan.

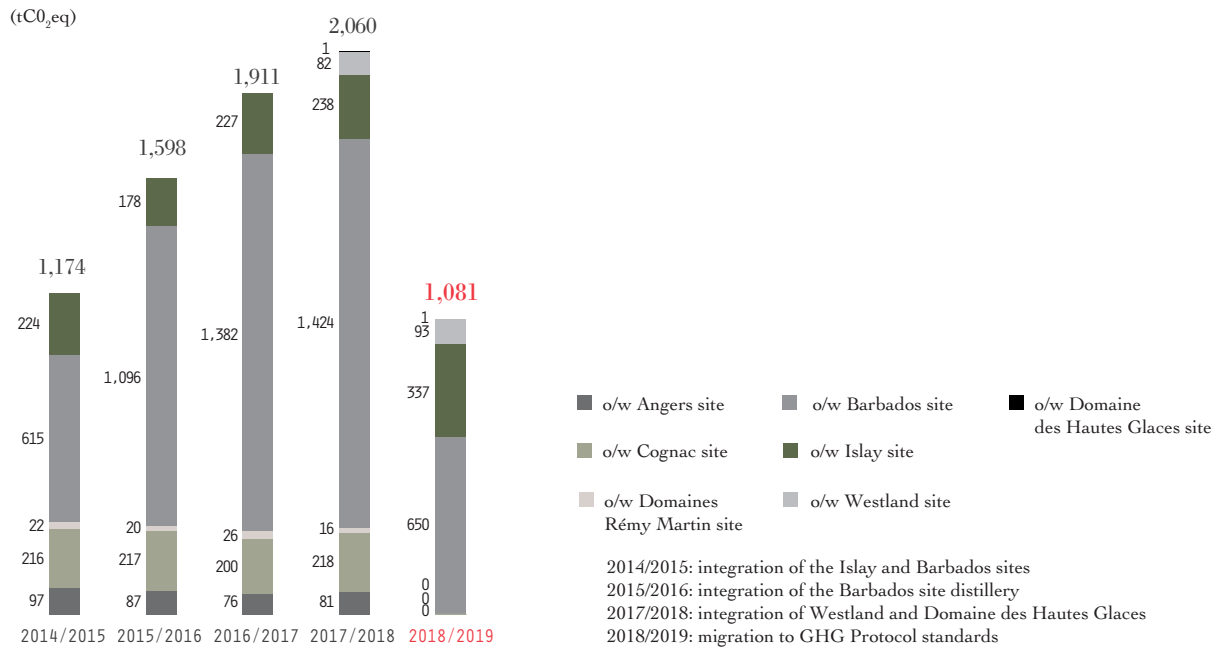
By defining quantified targets for reducing carbon emissions, Rémy Cointreau is determined, through its 2024 CSR plan, to contribute to the international effort to limit global warming to 2°C.

CO₂ emissions under scopes 1 and 2 have risen 19% to 11,333 tCO₂eq (scope 1: 10,252 tCO₂eq/scope 2: 1,081 tCO₂eq – GRI Standards 305-1 and 305-2). The reasons for this change are identical to those mentioned above for scope 3.

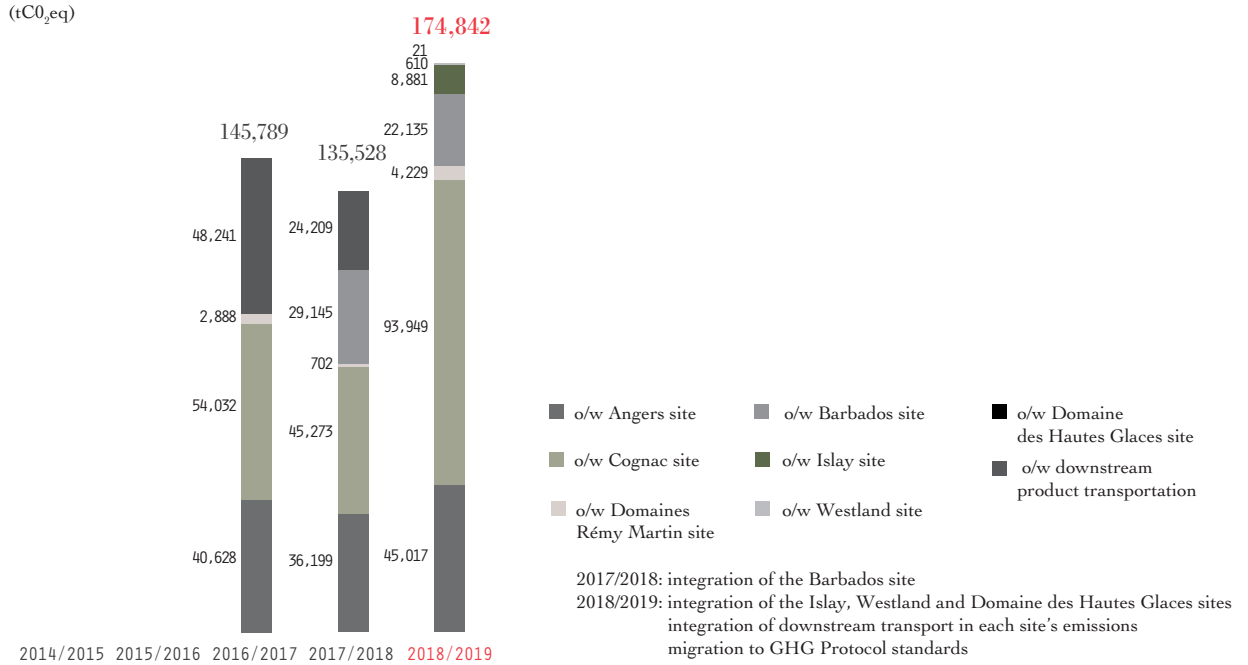
GHG EMISSIONS / SCOPE 1 (GRI STANDARD 305-1)



GHG EMISSIONS / SCOPE 2 (GRI STANDARD 305-2)



GHG EMISSIONS/SCOPES 1,2 & 3 (GRI STANDARD 305-3)



Introduction of a low-carbon strategy across all areas of the business

Rémy Cointreau is pursuing its efforts to reduce indirect GHG emissions. It has reduced emissions by 317 tCO₂eq (GRI Standard 305-5), mainly as a result of improvements to business travel.

The “substitution rate” indicator introduced in association with the travel agency Frequent Flyer Travel Paris, looks at business travel by the Group’s employees.

It measures the replacement of short-haul flights by train travel, which emits less CO₂ (scope: France and neighbouring European countries, train journeys of three hours or less).

The substitution rate serves to illustrate this initiative. An initial assessment of business journeys gave a value of 87.8% in 2016/2017 and 91.9% in 2017/2018. It rose again this year to 97.6%, reflecting the fact that nearly 98% of short journeys are made by train.

From 2017, the implementation of the CO₂ 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. For that purpose, electric vehicle charging points have been installed in the car park at the Paris site. The percentage of “clean” vehicles (electric or hybrid vehicles or those with CO₂ emissions of less than 100 g/km) continued to increase this year to 64%, compared with 41% in 2017/2018 and 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 charging points), the introduction of telecommuting, and the reduction and improvement of business travel (videoconferences, audio conferences, the Skype for Business tool and e-learning).

The 2018/2019 action plan continued to be rolled out this year, with training in eco-driving for employees and the installation of a car tyre inflation point.

Currently, average emissions for the Group’s entire French vehicle fleet are 85 gCO₂/km. These were 92 gCO₂/km in 2017/2018 and 124 gCO₂/km in 2016/2017, a fall of 31% in two years.

In 2018/2019, 14 vehicles were acquired, including 9 petrol hybrid vehicles, replacing 16 vehicles. The average emissions level for new vehicles is 75 gCO₂/km, compared with 127 g previously for the vehicles replaced, representing a 41% drop in emissions.

The Group is also continuing its efforts to use communication technologies such as Skype, to encourage videoconferencing and thus avoid CO₂ emissions linked to business travel. This year, 12,313 videoconferences were held, compared with 787 in 2017/2018. The sharp increase is mainly due to the use of Skype tools.

As part of its effort to cut carbon emissions, the Group is also switching to paperless processes. This year, new systems were set up in the Accounts Payable department to enable the receipt and processing of electronic tax invoices from suppliers. All suppliers were contacted to inform them and raise awareness of the new document exchange procedures.

Product transportation

As part of the 2020 CSR plan, a “CO₂ Transport Emissions” project was launched in 2017. For the past two years, CSR reporting has included CO₂ emissions from the transportation of products in the USA and Asia (China, Japan, Taiwan and Vietnam).

As of this year, the reporting has also included Australian transport emissions for the first time.

Total scope 3 CO₂ emissions associated with downstream product transportation amounted to 25,176 tCO₂eq (GRI Standard 305-3). This is one of the significant greenhouse gas emission generators for Rémy Cointreau. Emissions are broadly stable compared with the previous year (limited increase of 4%).

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);
- in Australia.

A specific focus on air freight transport is designed to prioritise the reduction of its CO₂ emissions.

The specifications for “Transport” tenders define the environmental conditions applicable to the Group’s products. Each month, all selected carriers must report the greenhouse gas emissions for their transportation services during the year. Carriers must also demonstrate their commitment in charters for the reduction of CO₂ emissions.

This year, 44% of carriers sent CO₂ information on shipments handled for the Group. This represents 86% of the volumes transported.

Energy consumption

In 2016, based on the energy audits carried out in 2015, an energy consumption reduction plan was drawn up for the Angers and Cognac sites, with the choice of targets for potential reductions in energy consumption (electricity and gas) by 2020 (GRI Standard 302-4). 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 441 MWh, or 49% of the 2020 targets.

The main actions consisted of replacing lighting, optimising boilers and replacing gas heaters with air to air rooftop units.

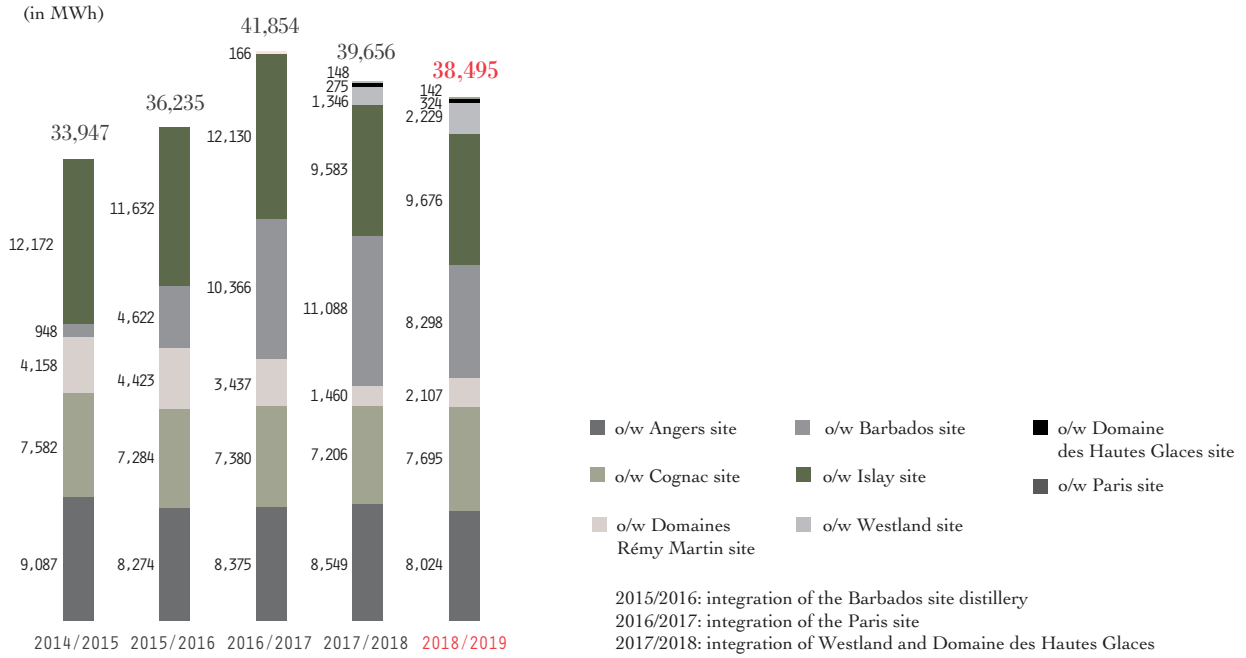
On the Angers site, the reduction in energy consumption continued to rely on actions from the Energy working group: the automatic shutdown of computers, monitors and printers at the end of the day; automatic lighting in bathrooms; scheduled printer operation times; a master off-switch for computer hardware 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 2016, 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, 94% of total energy consumption is from renewable sources (wood-heated stills).

This year, a site generated photovoltaic energy for the first time: solar panels have been installed at the Barbados site, which in the coming weeks will cover 25% of the total electricity consumption of the packaging site.

In 2018/2019, the Group’s total energy consumption stood at 38,495 MWh, down by 3% compared with the previous year, principally because of the reduction in direct energy consumption including gas, fuel oil and diesel consumption (GRI Standard 302-1).

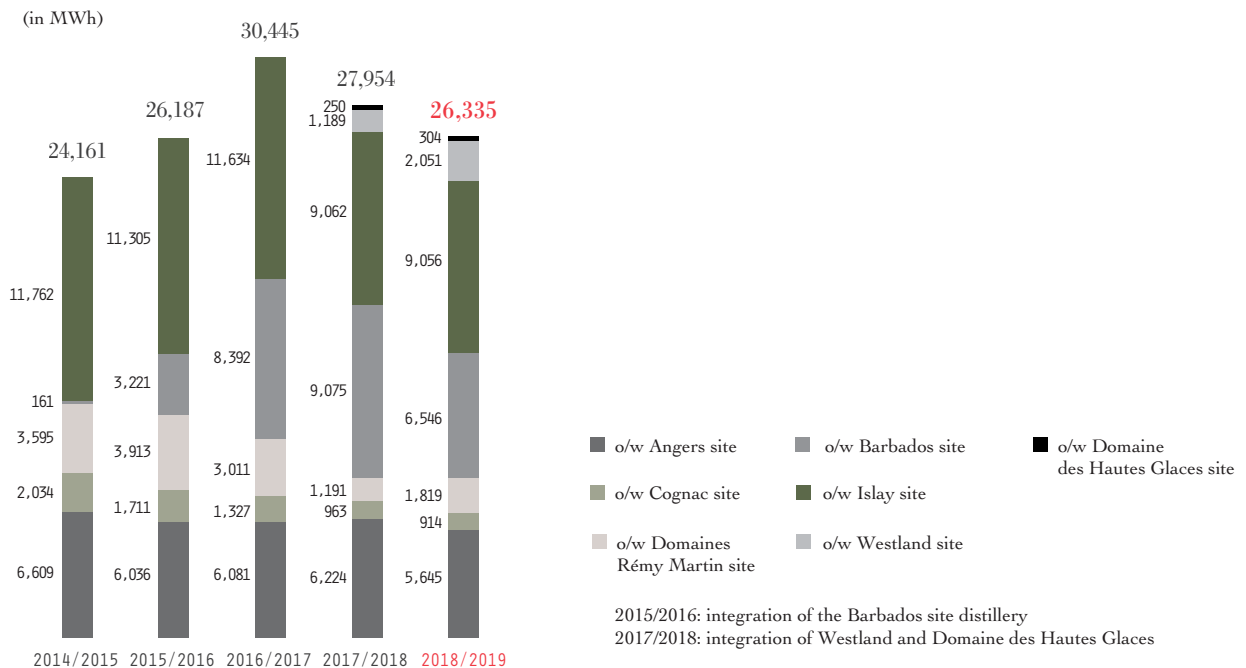
TOTAL ENERGY CONSUMPTION (GRI STANDARD 302-1)



Consumption of this direct energy came to 26,335 MWh, down 6% compared to the previous year. This year, the Angers site recorded a 9% fall in natural gas consumption, as a result of the milder winter and the introduction of a new boiler management process. The decline in the Group's

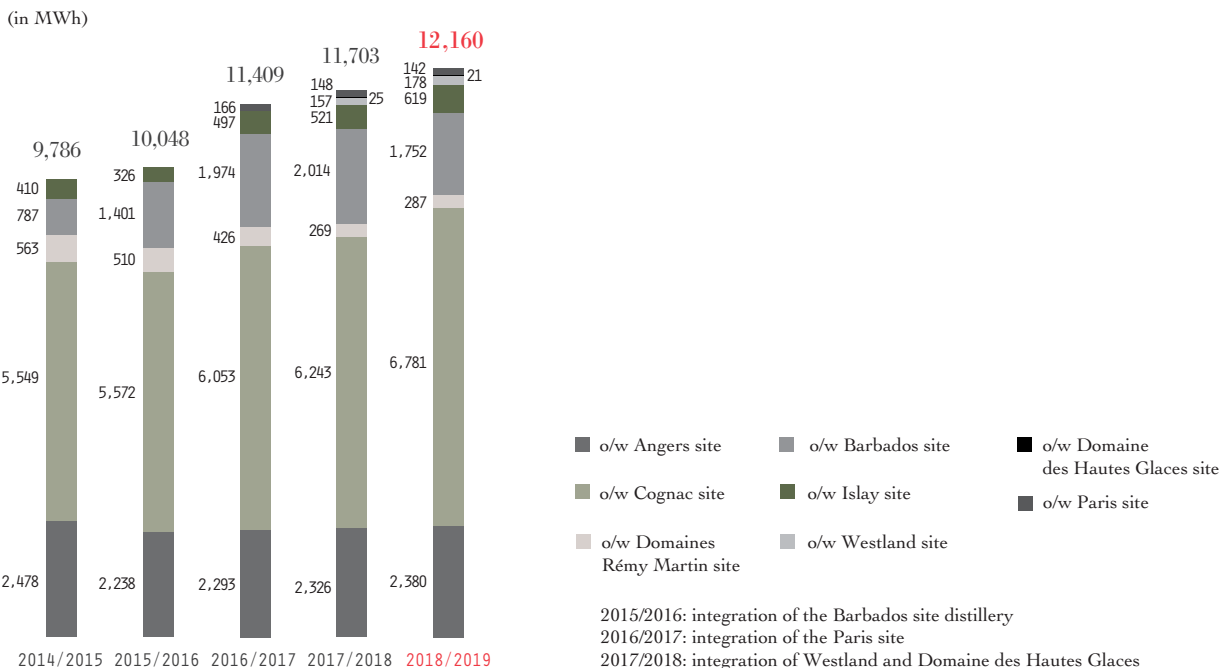
direct energy consumption is also partly due to the use by the Barbados site of locally recycled fuels (marine and automotive oils). These recycled fuels do not count towards the site's energy consumption.

DIRECT ENERGY CONSUMPTION (GAS, FUEL OIL, DIESEL) (GRI STANDARD 302-1)



For indirect energy, electricity consumption (12,160 MWh) was up 4%, mainly due to the 19% rise in consumption at the Islay site following the addition of a second bottling line.

INDIRECT ENERGY CONSUMPTION (ELECTRICITY) (GRI STANDARD 302-1)



1.3.2.4 WATER MANAGEMENT

Challenge

Rémy Cointreau’s ambition is to remain the leader in economically-competitive winemaking whilst being intransigent on product quality and environmental protection. In this respect, Rémy Cointreau has a duty to help protect its terroirs and natural resources, which are key to the quality of its products.

Among these natural resources, water poses a major challenge for the Group, particularly in terms of its availability for distillation activities at the Barbados, Islay, Domaines Rémy Martin and Domaine des Hautes Glaces sites, and its quality for the production of the Group’s products.

The same is true of liquid waste discharges. Rémy Cointreau is committed to protecting its terroirs and preserving their biodiversity. It is essential therefore to minimise liquid waste and ensure that it is treated before being discharged into the natural environment.

Policy

The Group has long pledged its commitment to the environment. As early as 2016, the 2020 CSR plan identified water consumption and conservation as an environmental objective.

For the last four years, Rémy Cointreau has met CDP Water reporting requirements. In line with this reporting, the Group has improved its water resource protection targets. The first step – which is in the process of being finalized – was to make consumption measurements more reliable at all production sites. This target was achieved this year. As of next year, the focus will be

on validating targets for reducing and optimising water consumption under the 2024 CSR plan.

In parallel with these actions, the commercial subsidiaries are also committed to managing water consumption, with the installation of water fountains and the provision of water carafes to employees in meeting rooms in order to eliminate the use of water bottles.

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 several years, the volume of liquid waste has been monitored and BOD/COD analyses are carried out regularly before and after treatment and before discharge into the natural environment (GRI Standard 306-1).

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. Some of the vinasse is spread on agricultural land in Barbados, contributing to the natural fertilisation and irrigation of the soil. This initiative is carried out in partnership with local environmental bodies.

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, on whose board Rémy Martin sits (Reviso 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.

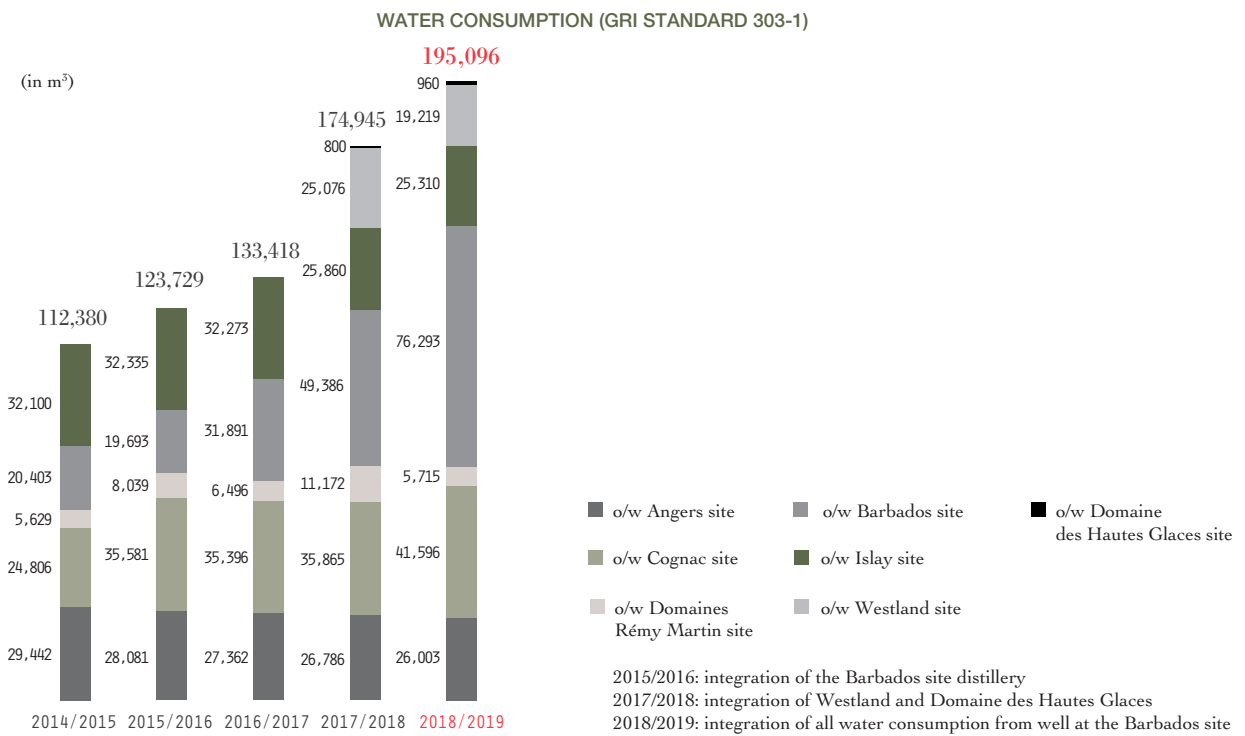
All liquid waste from the Westland site is treated by a local liquid waste processing plant.

Action plans

Water availability and quality

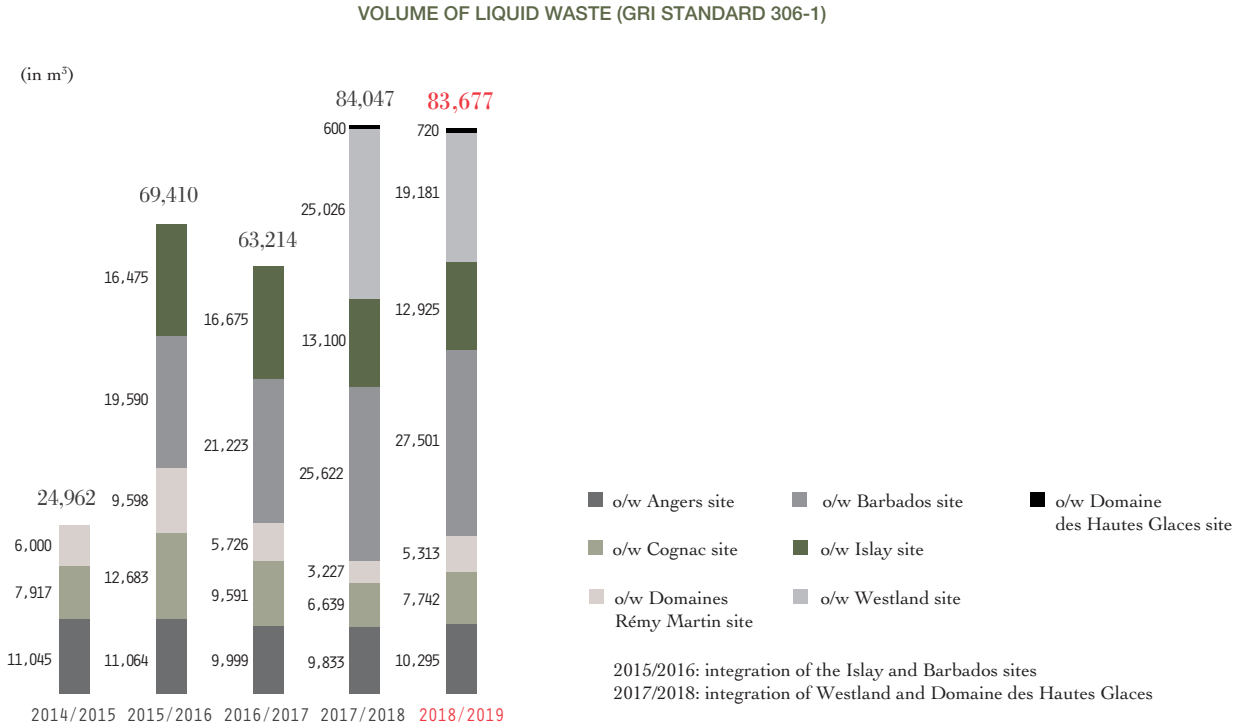
Total water consumption (195,096 m³) was up 12% (GRI Standard 303-1). This is largely due to the inclusion for the first time in CSR reporting of all water consumption from a well used at the Barbados site. This will allow the site, which is situated in a water stress zone, to implement a water management plan as part of the 2024 CSR plan. The first step was taken this year and consists of accurately mapping water consumption so as to measure the water actually consumed and discharged from the site.

This mapping process will also be used at the Cognac, Angers and Domaine des Hautes Glaces sites.



Liquid waste discharges

Liquid waste discharges (83,677 m³) are stable compared with the previous year (GRI Standard 306-1).



At the Angers, Cognac and Domaines Rémy Martin sites, after treatment in water treatment plants and being returned to the natural environment, pollution from liquid waste rose slightly compared with the previous year, with 0.9 tonnes of BOD (Biochemical Oxygen Demand – 0.7 tonnes in 2017/2018) and 3.6 tonnes of COD (Chemical Oxygen Demand – 2.9 tonnes in 2017/2018).

This increase is mainly due to the growth in wine production at Domaines Rémy Martin, as well as an accidental spill of a finished product into the network leading to the waste pre-treatment plant on the Angers site.

Total liquid waste pollution discharged from the Barbados, Islay and Domaine des Hautes Glaces sites was 1,264 tonnes of BOD and 2,041 tonnes of COD. The value of BOD has increased (from 772 tonnes in 2017/2018), mainly due to the increase in distillation operations at the Barbados and Domaine des Hautes Glaces sites, which generated an additional volume of vinasse.

According to a new indicator introduced this year, vinasse recovery is 16.1% (GRI Standard 306-1), up from the previous year (8.1%). This is due to the progression of the vinasse spreading plan at the Barbados site.

1.3.2.5 CIRCULAR ECONOMY AND REDUCTION OF RAW MATERIAL CONSUMPTION/CUSTOMER INFORMATION

Challenge

Rémy Cointreau believes it has a duty to contribute to the international effort to tackle global warming. The management of raw materials is part and parcel of this objective.

The main challenge is to reduce the consumption of raw materials, particularly in product packaging. This is one of the most significant carbon emission items, and it is possible that the cost of these raw materials will increase in the coming years. The introduction of circular economy initiatives based on waste reduction and recovery is also a priority issue for the Group.

Another point to note is that civil society and our customers are deeply concerned about natural resources and their management. Rémy Cointreau has a duty to provide answers and assurances in response to these expectations. It ultimately boils down to the Company's sustainability and customer reputation.

Policy

In parallel with the implementation of the 2020 CSR plan, an “Eco-design” project was launched in 2017. A CSR eco-design Steering Committee, composed of representatives from the Product Development, Liqueurs & Spirits and CSR departments, was set up with a project to train the Purchasing, Marketing and Product Development teams in eco-design and oversee the operational launch of the “packaging environmental performance index” (EPI) project. The aim is to install internal software to measure the environmental impacts of Rémy Cointreau’s product packaging. Particular attention will be paid to CO₂ emissions and water consumption (GRI Standards 303-1 and 305-3).

With regard to its waste treatment, the Group’s policy is first and foremost to reduce its tonnage, for example by monitoring the amount of waste generated by packaging lines. The aim will then be to recycle all waste, giving priority to sorting and materials recovery. This ties in neatly with the concept of a circular economy. Energy from waste is a last resort for the final recovery of residual unsorted waste.

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 is keen to develop indispensable local support for its customers worldwide in order to provide all the product information they require, for example through labelling and the information available on the Group and brand websites.

Action plans

Eco-design of products

The first step in the Eco-design project was to launch an eco-design training plan for the Purchasing, Marketing and Product Development teams in 2017. The aim was 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.

Two types of training were provided in 2017:

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

The training was repeated this year, geared in particular towards the Marketing and Purchasing departments.

The next milestone was the operational launch of the “packaging environmental performance index” (EPI) project, using internal software to measure the environmental impacts of Rémy Cointreau’s product packaging.

The indicators obtained need to be taken into account when designing products. The first product eco-design study carried out in 2017 showed that cases and boxes were made from 58% and 67% of recycled cardboard, respectively (GRI Standard 301-2).

The eco-design Steering Committee undertook first to define the operating plan for 2020 initiatives, incorporating eco-design into the various stages of the product development process.

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

In 2018, efforts focused on developing the environmental performance index (EPI). The objective was achieved, allowing the first map to be produced of the environmental impact of packaging for all Rémy Martin brand products and the flagship products of other brands (Cointreau, St-Rémy and Metaxa).

The scores obtained are on a scale of 1 to 9; the higher the score, the greater the environmental impact. This has already identified improvements to mitigate the environmental impacts, for example by reducing the weight of the various materials used in packaging. This fully addresses the need to reduce the consumption of raw materials. Other initiatives may also be examined, depending on the processes used by suppliers. Contact has already been made with suppliers to involve them in the Group’s circular economy targets, by encouraging the use of recycled materials in the manufacture of packaging.

As part of this effort, the Group pledged at year-end to make all of its operations “zero plastic”. The pledge will be described in more detail in the 2024 CSR plan.

From now on, the EPI measurement will apply to any new packaging design and will be part of the decision-making process for new products. This will enable the reduction of the environmental impacts of the Group’s products to be incorporated into this process.

Waste management

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.

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 two years, solid waste monitoring and processing indicators have made 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. The new indicators have been calculated retrospectively for previous years.

All production sites seek to sort and recycle their waste. The tonnage of waste is not measured at the Westland site, although waste is sorted (glass, cardboard and other waste). This does not fundamentally affect the Group’s overall data, given that production from this site is relatively insignificant compared with other sites.

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. This year, the collection of plastic stoppers was introduced at the Paris site, in partnership with the charity *Les bouchons d’amour*. By recycling the stoppers collected, the charity can purchase special equipment for disabled athletes and help improve the lives of people with disabilities.

Special sorting initiatives have also been introduced. For example, the Cognac and Angers sites have introduced the sorting and recycling of plastic cups. Recycling initiatives are carried out by organisations 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. Waste from the company restaurant at the Cognac site is also sorted and recycled. The same can be said of the Angers site.

There are also plans at the Cognac site to include the quantity of waste resulting from the use of ink cartridges, oil separators/traps and plastic cups in 2019.

In addition, a new waste treatment process – mainly for glass, cardboard and plastic – was introduced at the Barbados site during the year. The first recycling rate measured for this site was 35.2% this year.

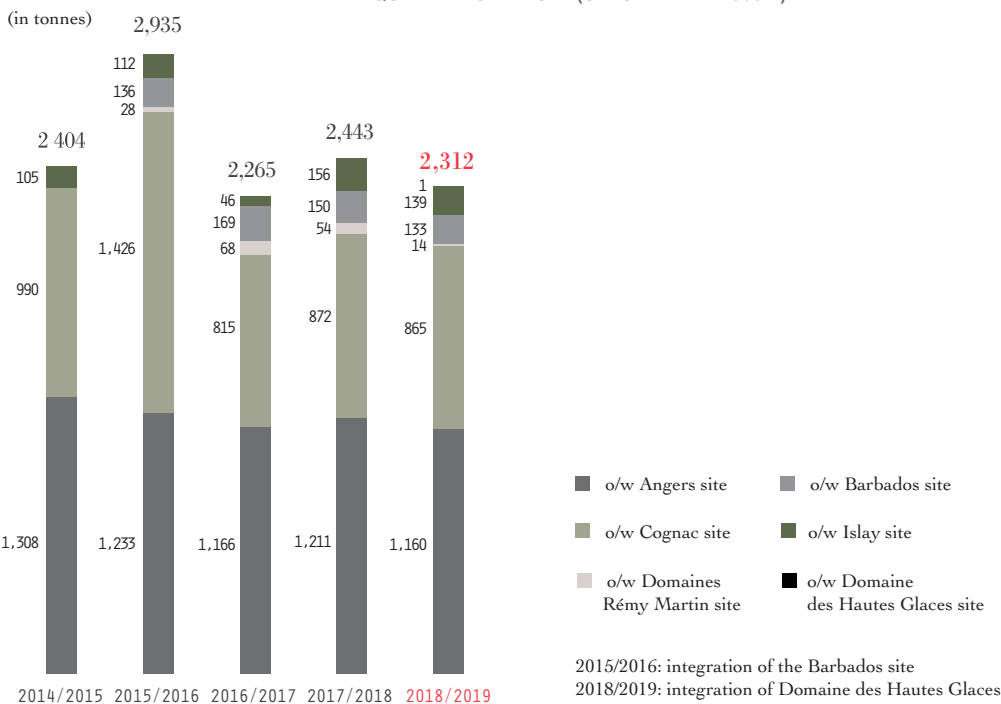
Since September 2012, the OIW (Ordinary Industrial Waste) from the Angers site has been recycled by a combined energy unit (urban heating). Since October 2017, at the Cognac site, OIW is recovered for use as solid recovered fuel (SRF) to produce energy.

Total solid waste (2,312 tonnes – GRI Standard 306-2) fell by 5% across all production sites.

The rate of materials recycling and energy recovery increased and were measured respectively at 87.2% and 7.1% compared with 83.0% and 8.7% the previous year. Solid waste recovery reached 94.2% this year (91.6% in 2018/2019).

The Angers and Cognac sites maintained an excellent performance with total recovery rates of 99.9% and 99.8% respectively.

QUANTITY OF WASTE (GRI STANDARD 306-2)



Customer information

Sometimes far away, but always close, the clients of Rémy Cointreau are at the heart of our concerns. Our customers are given all the necessary regulatory information, whether on labels or dedicated websites.

Rémy Cointreau will also be co-signatory to the “Self-regulatory proposal from the European alcoholic beverages sectors on the provision of nutrition information and ingredients listing”. This voluntary commitment will increasingly require the Group to provide detailed nutritional information (energy and ingredients) for all its brands – on labels or online – throughout the EU by the end of 2022.

All Group packaging also features symbols denoting the recyclability of the packaging. It also includes advice on drinking responsibly (see *section 1.3.3.1* “Responsible consumption of our products”).

For the past few years, Rémy Cointreau has conducted a twice-yearly internal rating process. Areas for improvement are then systematically examined and shared to assess the satisfaction level of all retailer customers. This year, the rating was 17.8 out of 20, up slightly from the previous year (GRI Standards 102-43 and 102-44).

The Group also replied to questions from retailer customers, mainly in the UK and northern Europe, concerning best environmental practices and its CSR policy.

The site visits offered by the Group also reflect its quest for excellence. Rémy Martin offers world-class wine tourism packages with bespoke itineraries. It focuses on offering visitors a warm welcome, organising tours that showcase the know-how, heritage and history of the brand. A total of 260 people took part in visits organised as part of the “Heritage Days” event.

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

The Cognac site won the national wine tourism award in the “development of a cellar or viticulture site” category, and this year held onto its TripAdvisor certificate of excellence. Because this certificate has been obtained every year for the past five years, the site recently made it into the “Certificate of Excellence Hall of Fame”. The site was also selected this year by the association *Entreprise et Découverte* as one of the 100 sites of excellence in industrial tourism. 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.

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. This year, the guides received updated CSR training.

The need for transparency towards customers and all stakeholders requires the Group to respond regularly to requests for information on socially responsible investment (SRI) and non-financial ratings.

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 3rd out of 230 companies making up the Gaia index (4th out of 230 in 2017/2018 and 11th out of 230 in 2016/2017). The overall rating has risen steadily and now stands at 89/100 (87 in 2017/2018 and 80 in 2016/2017). The Group also maintained the maximum score of 100 with regard to relations with external stakeholders (relations with suppliers, customers and civil society) and scored 99/100 for its environmental commitments (98/100 in 2017/2018).

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. Set out in the 2020 CSR Plan, the initiatives carried out concerning the code of ethics, Whistleblowing Code and mandatory employee training in business ethics form part of the responses to these expectations.

Rémy Cointreau also regularly responds to information requests from other rating agencies such as MSCI, Sustainalytics, Quercus and Trucost.

For several years, the Group has completed annual CDP (Carbon Disclosure Project) questionnaires on the management of greenhouse gas emissions (Climate Change programme) and water (Water Security programme).

For the first time this year, the Group took part in two specific CSR roadshows in Paris, where it presented the entire CSR strategy to various SRI funds.

1.3.3 SOCIETAL RISKS

1.3.3.1 RESPONSIBLE CONSUMPTION OF OUR PRODUCTS

Challenge

The promotion of responsible consumption is a key issue 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.

Policy

Rémy Cointreau’s responsibility on the subject of responsible consumption of products covers two areas:

- promoting responsible consumption;
- promoting responsible advertising.

By actively participating in the “Alcohol and Society” or “Alcohol and Health” working groups set up by professional bodies, Rémy Cointreau is helping to implement a responsible strategy developed by the wider spirits industry (GRI Standard 417-1).

Action plans

The key role of representative organisations

Rémy Cointreau is active in the following major organisations:

- in France: the FFS (*Fédération française des spiritueux*, or French federation of spirits producers) and FEVS (*Fédération des exportateurs de vins et spiritueux*, or French federation of wine and spirits exporters);
- in Europe: spirits EUROPE (the European Spirits Industry Federation);
- in the United States: DISCUS (Distilled Spirits Council of the United States);
- in Barbados: BAIA (Barbados Alcohol Industry Association);
- in Asia: APIWSA (Asia Pacific International Wines and Spirits Alliance);
- in China: FSPA (Foreign Spirits Producers Association).

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.

This year, Rémy Cointreau was closely involved in the new French "Alcohol Prevention" plan. Drawn up by five professional bodies in the alcoholic beverage sector, the plan commits professionals to being proactive in preventing risky behaviours. Several actions are proposed, such as supporting people who may have a problem with alcohol and issuing breathalysers.

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:

- in Europe and Asia, the Group is gradually implementing voluntary decisions to include symbols on its packaging with advice for pregnant women (GRI Standard 417-1);
- a willingness, in Europe, to include the responsibledrinking.eu URL on packaging. This is the EU portal for consumers of 28 European countries, which provides comprehensive information on the risks of alcohol abuse;
- the development of a responsible consumption page on the Rémy Cointreau Intranet;
- distribution of Responsible Consumption materials to the sales force: 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);
- 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.

This year, these initiatives were supplemented by:

- participating in Barbados in the creation of the BAIA, which seeks to conduct responsible drinking campaigns. The first campaign launched involved the distribution of breathalysers to the public;
- supporting the Substance Abuse Foundation (SAF) in Barbados on the promotion of responsible drinking (and especially not drinking and driving);
- supporting the activities of the non-profit association APIWSA (a prevention scheme aimed at fostering a responsible attitude among young people, mainly on the subject of "drinking and driving").

Aside from these examples, Rémy Cointreau also adheres to the various responsible communication and consumption codes of international professional bodies and federations. Compliance with these codes is ensured internally by the Responsible Communication Committee (CCR), which is made up of members representing the Public Relations and CSR, Legal, Marketing, Communications and Sales departments.

1.3.3.2 RESPONSIBLE PURCHASING

Challenge

For Rémy Cointreau, CSR implies the involvement of all its stakeholders, including its suppliers. Getting its suppliers to adopt its CSR policy is therefore a key issue for Rémy Cointreau, to ensure that all purchases are made within a responsible framework, in particular in terms of respecting Human rights and safety at work. It is also vital for the Company's reputation with its customers.

Policy

Rémy Cointreau's responsible purchasing policy covers all three aspects of CSR: the environment, employees and society.

To meet these objectives, the Group endeavours to use shared tools which it can offer to its suppliers. As part of this effort to improve transparency and ethics in its business practices, Rémy Cointreau now specifically asks its suppliers to join SEDEX (Supplier Ethical Data Exchange), an international organisation that seeks to foster ethical and responsible business practices in global supply chains.

Action plans

The SEDEX international platform has simplified the Group's purchasing practices and allows it to share supplier audits performed by their other customers: information on working standards, health and safety, the environment and sales ethics is available online.

In 2017/2018, among strategic suppliers, 89% were SEDEX members (excluding sub-contractors, since sub-contracting is very limited and mainly concerns activities performed in France) (GRI Standards 308-1 and 414-1). This year, it was 92%.

This year, strategic suppliers were asked to ensure that their Tier 2 suppliers were also SEDEX members.

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.

In tandem with the SEDEX approach, Rémy Cointreau is continuing to perform CSR audits, in line with the Sustainable agriculture project. This was the case again this year, with two CSR audits carried out at agricultural raw material suppliers.

SEDEX has entered into an agreement with the CDP Carbon Disclosure Project, a non-profit organisation focused on studying the impact of the major listed companies globally on climate change. Since 2006, Rémy Cointreau has regularly completed CDP surveys (CO₂ emissions and water management). This requires the Group to commit to actions that help suppliers reduce their carbon emissions. This is the case, for example, with the Eco-design project (see section 1.3.2.5 "Circular economy") and the project to reduce CO₂ emissions from product freight (see section 1.3.2.3 "Climate change").

This year, a scheme was launched to move over to paperless processes. New software has been installed in the Accounts Payable department to enable the receipt and processing of electronic tax invoices from suppliers. All suppliers were contacted to inform them and raise awareness of the new document exchange procedures. This reduces the time it takes to send and process invoices.

Over the past few years, all these actions have continued to perpetuate Rémy Cointreau's involvement with its suppliers.

In 2016, the Group won the Vigeo Eiris 2016 Top Performers award in the category "Responsible Supply Chain Management: Sustainable Relationships with Suppliers".

This year, the Group won the TMI "Most Ethical Corporate Supply Chain 2019" award from the international association Treasury 4 Good. This award recognises corporate treasury professionals who support CSR initiatives.

1.3.3.3 LOCAL IMPACT

Challenge

Supporting local communities and acting as a responsible stakeholder is a key issue for the Group. In line with its worldwide activity, 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 thus contributes to local community development by helping to create value in the regions in which it is based.

It is also a question of the Company's reputation and appeal, whether with customers or future employees.

Policy

In order to meet the challenges related to its societal impact, Rémy Cointreau supports sustainable local economic development and community initiatives. The Group's aim is to be involved alongside the actors in its terroirs and local communities.

Rémy Cointreau thus provides its expertise on numerous topics and promotes the merits of corporate social responsibility. 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.

Worldwide, Rémy Cointreau's employees are also joining forces to serve the public and connect with local communities. Through its actions, its direct and indirect impacts and the enthusiasm of its employees, the Group is spearheading initiatives to foster a climate of mutual assistance and interaction in the regions where it operates.

Action plans

Engaging with local stakeholders

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. For example, the Group supports the business association Altère in Poitou-Charentes, which facilitates discussions on CSR topics among local economic actors.

This year, the Group gave various talks on its CSR policy, including at the following events: 2018 Pays de la Loire Management Awards evening (Association MFQM Pays de la Loire); 28th Environmental Conference in La Rochelle (talk on regional ties and rethinking links with the local community); 3rd "Keys to Enterprise" event, an innovation conference organised by ESEO Angers (talk on corporate recognition of environmental, social and ethical issues); CNAM conference in La Roche-sur-Yon (talk on implementing a corporate CSR strategy).

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 gave presentations on its CSR policy, commitments and initiatives at conferences organised by or for schools and universities, aimed at students or local actors involved in CSR, including EIML Paris (presentation on the CSR engagement of luxury brands), Audencia Nantes, ONIRIS Nantes and ESSCA Angers.

In line with its ambition to be an actor in the sustainable development of the regions in which it is based, Rémy Cointreau also hosts events to share best practices in sustainability:

- at the Angers site, the 2018 Pays de la Loire Management Award evening (Association MFQM Pays de la Loire), the Carbon'At Pays de Loire conference on progress made by business in tackling climate change, and the exchange of CSR best practice with the ONIRIS school;
- at the Paris site, the 28th La Rochelle Environmental Conference (RER).

In a bid to share its CSR initiatives, Rémy Cointreau is also involved in the publication of the Colbert Committee's Guide, "Values of French luxury goods and corporate 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) CSR Committee.

Supporting local communities and acting as a responsible stakeholder

True to Rémy Cointreau's values, various solidarity initiatives provide inspiration to employees and in recent years, they have played 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. This Community Week brings together around 100 employees who spend hours working to help other people. 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. Staff also organise other sports activities to raise money for charities such as AFM-Téléthon and *Bougez contre la SLA* (Charcot disease).

The Cognac site continues to be active with the *Fondation de la 2^e chance*, which provides help and support to people trying to turn their lives around after a difficult period.

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 community plastic waste collection initiatives, implementing selective waste collection and waste transformation activities, training in best practices, promoting the responsible consumption of alcohol at major festive events, and 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.

This year, the Group was involved in organising a world solidarity day for the first time. The first We Care Day took place in June 2018. All 1,800 of the Group's employees were invited to spend their working day helping to improve the local area.

At each of the Group's sites, Rémy Cointreau employees took part in environmental and local heritage initiatives. In Singapore, the day was spent weeding, harvesting and planting crops at the Bollywood Veggies Organic Farm, while in Cognac 342 employees worked on renovating the Château de la Mercerie. On Islay, to promote biodiversity and maintain local facilities, the PHD teams cleared a site to encourage the repopulation of bees on the island, repaired fences and repainted the town hall to contribute to the local community. In Paris, wildlife surveys were carried out in a protected forest. In Miami, a dune litter-pick operation took place. In Los Angeles, the Group's employees offered their services to maintain The Arboretum, the city's botanical gardens. In San Francisco, a clean-up operation took place at Crissy Field Beach, part of the Golden Gate National Recreation Area, in partnership with the National Park Service. In Greece, Rémy Cointreau employees worked with the forestry protection authority to clear an old hiking trail on the southern slopes of Mount Hymettus, near Athens.

Various other initiatives were carried out at other Group sites and were shared on social media with #rcwecareday. This annual worldwide event is also an opportunity to strengthen ties between staff and local communities and among the Group's employees.

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 2018.

The aim of the study was to measure the societal footprint of Mount Gay within the region in three key areas: environmental viability, economic viability and social viability.

The results were used to assess the impact in terms of direct employment (Mount Gay employees), indirect employment (jobs supported in the supply chain) and induced employment (jobs supported by wages and taxes).

It is also possible to identify the socio-economic impacts of Mount Gay's activities on the local economy in Barbados and globally.

For example, in 2017 Mount Gay supported 760 jobs worldwide, including 475 in Barbados. The main results concerning the employment impact are as follows:

- direct employment (Mount Gay employees): 145;
- indirect and induced employment (Barbados): 330;
- indirect and induced employment (worldwide): 285.

This means that for every 1 job at Mount Gay, 2.3 jobs are supported in Barbados and 5.3 jobs are supported worldwide.

Apart from supported jobs, Mount Gay also creates wealth in the Barbadian economy totalling 47 million Barbadian dollars. Added to this is the wealth generated in the rest of the global economy, or the equivalent of 35 million Barbadian dollars.

The data underline the importance of Mount Gay for the development of Barbados in terms of jobs and wealth creation.

Also closely involved with local communities, the Rémy Cointreau Foundation continues to work with a strong focus on knowledge transfer in specialist crafts based on four key funding areas: investment in the tools necessary for practising the craft; support for apprenticeships and training; skills sponsorship; support for participation in trade fairs in France and abroad. The Foundation set up a website this year.

- new CSR reporting framework (non-financial performance statement);
- review of non-financial indices;
- CSR projects (CSR Charter, We Care Day, product eco-design);
- work of the Rémy Cointreau Foundation;
- incentive plan for Executive Committee members relating to CSR indicators.

One of the key aspects of CSR governance that has historically underpinned the Group's commitments is adherence to the Global Compact. Following on from the ratification and adoption of the Global Compact, since 2003, Rémy Cointreau has maintained its commitments to be an ambassador for best practice in the field of human rights, labour standards, environment and anti-corruption.

A member of the Global Compact France Association for several years, Rémy Cointreau undertakes to respect and regularly share the ten principles of the Global Compact with its employees and partners. The concept of CSR is promoted both within the Company and externally, both upstream and downstream, to its customers, partners, suppliers and other stakeholders.

In July 2018, for the fifth consecutive year, Rémy Cointreau was awarded the GC Advanced Qualification for its annual CSR reporting. This is the highest level of recognition awarded by the Global Compact, and attests to the strength of the Group's commitment.

Closely involved in CSR issues, Rémy Cointreau is also a member of the GC Advanced Club. The purpose of this club is to share CSR best practice with other members based on cross-cutting themes such as the return on investment in CSR actions and perception of SDGs among analysts and investors.

More than ever before, the Group's CSR policy represents its core strategic ambition. It must contribute fully to the Group's value creation while continuing to support the Group's annual commitment under the Global Compact.

The CSR strategy is also regularly examined at Management Committee meetings and during management reviews of the Group's production sites.

The same applies for staff meetings, since the Group is keen to involve its employees in CSR.

At the Cognac site, it appeals to volunteers to create a dense network within the Company. A total of 35 HSE officers have been assigned to various departments over the past few years. 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. The HSE officers help achieve safety and environment targets and are called upon to reflect on changing practices. They compare ideas and consolidate their actions at meetings held three times a year. This year, they were closely involved in organising two-day safety and environment workshops. More than 200 people visited the six different stands, which centred around themes such as occupational health, risk behaviour, road safety and recycling.

1.3.4 ETHICAL RISKS

1.3.4.1 GOVERNANCE

Challenge

It is vital that Rémy Cointreau's governance ensures that the Group's CSR policy is an integral part of its overall strategy at all levels of management, from the Board of Directors to employee management structures.

This is a real challenge for the credibility and reliability of the Group's CSR policy with its stakeholders, whether employees or external partners. Rémy Cointreau must inspire confidence in its CSR commitments by demonstrating that its CSR strategy is implemented effectively and consistently at all levels of the business.

Policy

CSR governance within Rémy Cointreau is largely the responsibility of the Corporate Social Responsibility (CSR) Committee, one of the Board of Directors' committees, whose primary role is to oversee the implementation of the Group's CSR policy. Other tasks include honouring commitments (Global Compact and internal CSR Charters), reviewing the actions implemented (2020 CSR Plan), and monitoring the indicator dashboard, the findings of CSR reporting audits, changes in non-financial ratings and prospects for future action (update of the 2020 CSR Plan).

Given that they play a key role in CSR governance, part of the variable remuneration of senior executives who sit on Rémy Cointreau's Executive Committee is linked to CSR targets, in accordance with the main SDGs selected (essentially SDG 6, 8, 12, 13 and 15). Each Executive Committee member will become an ambassador for a CSR indicator and its improvement for all Group employees worldwide.

Employee involvement is also part of the governance policy with, for example, HSE (Health, Safety and Environment) officers being appointed at the Cognac site.

The ISO 9000, ISO 14000 and ISO 22000 certification of production sites are also evidence of day-to-day CSR governance.

Action plans

This year, the CSR Committee met three times (GRI Standard 102-27). The main items addressed were:

- changes in the CSR legal framework (France's PACTE law on the business growth and transformation action plan);

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.

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

This year, Mount Gay was awarded ISO 22001 certification for its rum production. The certification is valid for three years. Domaines Rémy Martin renewed its High Environmental Value


certification for another three years. The Cognac site has also renewed its ISO 9001, ISO 22001 and ISO 14001 certification for a further three years. Various strengths were identified, such as the implementation of the Group's CSR policy, its commitment to eco-design, and its audit and monitoring tools. At the Angers site, the follow-up audits of ISO 9001, ISO 14001, ISO 22001 and OHSAS 18001 certification confirmed the excellent management of the processes concerned.




1.3.4.2 BUSINESS ETHICS AND TAX POLICY

Information on business ethics and tax policy can be found in chapter 2 (GRI Standards 102-16 and 102-17).

1.4 TABLE OF INDICATORS

TABLE OF PROGRESS INDICATORS(1) AND MONITORING INDICATORS(2)

		2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	
Employee-related risks	 Employee well-being	Turnover, in %(1) – GRI Standard 401-1			14.8	13.2
		Absenteeism, in %(1) – GRI Standard 403-2	4.6	3.0	2.3	2.0
		Workplace accident frequency rate, in %(2) – GRI Standard 403-2	8.90	13.31	9.13	8.51
		Workplace accident severity rate, in %(2) – GRI Standard 403-2	0.07	0.13	0.38	0.59
		Average age, in years(2)	41	41	41	40
	Seniority, in years(2)	9.4	9.1	8.4	7.9	
	 Non-discrimination and internal social balance	Ratio of male/female managers, in %(1) GRI Standard 401-1			43	44
		Percentage of men/women promoted, in %(1)				-0.14
		Breakdown of male/female training, in %(2) – GRI Standard 404-1		43	43	46
	 Internal training/skills development	Percentage of employees completing at least one training course per year, in %(1)				79.3
Hours of training(2) – GRI Standard 404-1		15,954	18,463	24,243	26,615	
Environmental risks	 Sustainable agriculture	Percentage of agricultural land managed sustainably, in %(1)			36	52
		Percentage of HVE certification of the AFC wine cooperative, in % of agricultural land(1)			23	42
	 Climate change	GHG emissions (total scopes 1, 2 & 3), in tCO ₂ eq(1) – GRI Standard 305-3		145,789	135,528	174,842 ^(a)
		Percentage of significant GHG emissions – product packaging, in %(1)			37	46.5 ^(a)
		Percentage of significant GHG emissions – upstream freight and downstream product transportation, in %(1)			22.7	19.3 ^(a)
		Percentage of significant GHG emissions – raw materials, in %(1)			30.6	14.7 ^(a)
		Total energy consumption, in MWh(2) - GRI Standard 302-1	36,235	41,854	39,656	38,495
		Renewable electricity consumption, in %(2)		78.3	76.8	78.9
	 Water and wastewater management	Water consumption, in m ³ (1) – GRI Standard 303-1	123,729	133,418	174,945 ^(b)	195,096 ^(c)
		Percentage of liquid waste recovered, in %(2) – GRI Standard 306-1			8.1	16.1

			2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	
Societal risks		Circular economy/ customer information	Percentage of solid waste recovered, in %(2) – GRI Standard 306-2	90.6	89.0	91.6	94.2
		Responsible purchasing	Percentage of suppliers who are Sedex members, in %(1) – GRI Standards 308-1 and 414-1	54	83	89	92
		Business ethics	Percentage of the workforce trained in the Code of Ethics, in %(1)			80	(d)
			Number of alerts(2)				6

Key:

- (a) Indicator performance change mainly reflects the adjustment to how emissions are calculated (migration from the Bilan Carbone tool to the GHG Protocol tool) and the inclusion of the Islay, Domaine des Hautes Glaces and Westland sites.
- (b) Indicator performance mainly reflects the partial inclusion in CSR reporting for the first time of water consumption from the well used at the Barbados site.
- (c) Indicator performance change mainly reflects the inclusion in CSR reporting for the first time of all water consumption from the well used at the Barbados site.
- (d) No indicator due to the frequency of training (every two years).

— 1.5 NOTE ON METHODOLOGY FOR REPORTING INDICATORS

Rémy Cointreau complies with the legislation on non-financial performance statements (Decree No. 2017-1265 of 9 August 2017). This requires listed companies to prepare a CSR risk map for their business and to link it to progress indicators. These indicators are supplemented by monitoring and management indicators.

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 new Corporate Social Responsibility (CSR) Charter is based on 10 of the 17 UN Sustainable Development Goals (SDGs).

It is based on three main pillars:

- protecting our terroirs in order to showcase their excellence, by encouraging responsible cultivation methods, safeguarding the unique characteristics of each terroir and finding new ways to preserve them;
- looking after people, with a unique commitment to workplace wellness, gender equality and non-discrimination, promoting responsible purchasing, engaging with local communities and promoting responsible consumption of our products to customers;
- recognising the importance of time in creating exceptional products, taking an active part in the fight against global warming, conserving water resources and taking steps to reduce the environmental impact of our activities.

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>).

1.5.1 REPORTING PROTOCOL

The 2018/2019 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 2018/2019 of the various CSR indicators resulting from the non-financial performance statement.

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
 Head of Corporate Social Responsibility
 20, rue de la Société-Vinicole
 CS 40210
 16111 Cognac Cedex
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.

1.5.2 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 (29 companies – production sites and distribution companies) and corresponds to the non-financial performance statement (Decree No. 2017-1265 of 9 August 2017).

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 29 companies.

2. Training

Distribution companies based in Europe 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 2018. 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 (Angers, Cognac, Paris), and the Barbados and Bruichladdich 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 (Angers, Cognac, Paris), 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 (Angers, Cognac, Paris).

The occupational illnesses listed are those declared and acknowledged by the Health Authorities during the year.

1.5.3 SELECTED INDICATORS

The 2018/2019 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 professional category
- Average length of service by gender and by socio-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
- Renewable energy consumption: Paris, Angers and Cognac sites, and Domaines Rémy Martin (DRM)

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 (excluding packaging site) 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
- Percentage of liquid waste recovered (Barbados site, and the companies DRM and Domaine des Hautes Glaces)

Sustainable agriculture

- Agricultural land farmed sustainably
- Certification of the Alliance Fine Champagne cooperative (Cognac site)

Raw materials for packaging

- Environmental Performance Index – EPI (Cognac and Angers sites)

Solid waste

- Volume of solid waste: Angers, Cognac, Barbados and Islay sites, and the companies DRM and Domaine des Hautes Glaces
- Percentage of solid waste recovered: Angers, Cognac, Barbados and Islay sites, and the companies DRM and Domaine des Hautes Glaces
- Percentage of material and energy recovered from solid waste: Angers, Cognac, Barbados and Islay sites, and the companies DRM and Domaine des Hautes Glaces

Carbon assessment (GHG Protocol)

- GHG assessment – GHG emissions (scopes 1 & 2): Angers, Cognac, Barbados and Islay sites, and the companies DRM, Domaine des Hautes Glaces and Westland
- GHG assessment – GHG emissions (scope 3): Angers, Cognac, Barbados and Islay sites, and the companies DRM, Domaine des Hautes Glaces and Westland, and downstream product transportation
- GHG assessment – Business travel: Paris, Cognac and Angers sites
- GHG assessment – Vehicle fleet: Paris, Cognac and Angers sites

SOCIETAL INDICATORS

Business ethics

- Percentage of employees trained
- Number of alerts

Responsible purchasing

- Percentage of suppliers who are registered with SEDEX

1.5.4 RELEVANCE OF INDICATORS

The CSR indicators used by Rémy Cointreau demonstrate the concrete nature and reliability of the measures the Group 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.

— 1.6 CROSS-REFERENCE TABLES

CROSS-REFERENCE TABLE – NON-FINANCIAL PERFORMANCE STATEMENT	PAGES
Employee-related consequences of the business	
Collective agreements and their impacts	34-37
Tackling discrimination	36, 37
Promoting diversity	36, 37
Societal commitments	53-57
Commitments to disability	37
Environmental consequences of the business	
Climate change	42-48
Circular economy	50-52
Food waste	n/a
Food poverty	n/a
Animal welfare	n/a
Responsible, fair and sustainable nutrition	n/a
Impact of the business on respect for human rights	2, 3, 34-37, 54, 55
Impact of the business on the fight against corruption and tax evasion	58, 72-75

CROSS-REFERENCE TABLE OF CSR/GLOBAL COMPACT GC ADVANCED COMMITMENTS		PAGES
General information	Chairman & Chief Executive Officer's declaration of ongoing support for the United Nations Global Compact and its principles	2, 3
	Description of policies or measures implemented with regard to human rights, international labour standards, the environment and the fight against corruption	30-33
	Quantitative measurement indicators	35, 36, 54, 55
	Assessment by a credible third party of the accuracy and scope of the information	67-69
	Use of high standards of transparency and disclosure such as the GRI (Global Reporting Initiative) guidelines	66
	Integration of Sustainable Development Goals (SDGs)	2, 3, 30-33
	Actions to advance Sustainable Development Goals (SDGs)	30-33
GC Advanced criteria: implementing the ten principles into Strategies & Operations	Criterion 1: description of mainstreaming into corporate functions and business units	2, 3, 30-33, 53, 54, 57, 58
	Criterion 2: description of value chain implementation	38-42, 54, 55
	Criterion 3: description of robust commitments, strategies or policies in the area of human rights	34-37, 54, 55
	Criterion 4: description of effective management systems to integrate human rights principles	2, 3, 34-37, 54, 55
	Criterion 5: description of effective monitoring and evaluation mechanisms of human rights integration	2, 3, 34-37, 54, 55
	Criterion 6: formulation of robust commitments, strategies or policies in the area of labour standards	34-37, 54, 55
	Criterion 7: description of effective management systems to integrate the labour principles	34-37, 54, 55, 58, 72-75
	Criterion 8: description of effective monitoring and evaluation mechanisms of labour principles integration	34-37, 39, 54, 55, 57, 58
	Criterion 9: formulation of robust commitments, strategies or policies in the area of environmental stewardship	2, 3, 30-37, 38-41, 54, 55
	Criterion 10: description of effective management systems to integrate the environmental principles	2, 3, 30-33, 38-41, 51, 57-60, 72-75
	Criterion 11: description of monitoring and evaluation mechanisms for environmental stewardship	2, 3, 30-33, 38-41, 54, 55, 59, 60
	Criterion 12: formulation of robust commitments, strategies or policies in the area of anti-corruption	2, 3, 58, 59, 72-75
	Criterion 13: description of effective management systems to integrate anti- corruption principles	58, 59, 72-75
	Criterion 14: description of monitoring and evaluation mechanisms for the integration of the anti-corruption principles	58, 59, 72-75
GC Advanced criteria: taking action in support of broader UN goals and issues	Criterion 15: description of core business contributions to broader UN goals and issues	2, 3, 30-33, 55-58
	Criterion 16: description of strategic social investments and philanthropy	2, 3, 19, 42, 55-57
	Criterion 17: description of advocacy and public policy engagement	38-48, 53, 54
GC Advanced Criteria: CSR governance and leadership	Criterion 18: description of partnerships and collective actions	38, 42, 54-57
	Criterion 19: description of CEO commitment and leadership	2, 3, 30-33
	Criterion 20: description of Board adoption and oversight	2, 3, 30-33
	Criterion 21: description of stakeholder engagement	30-41, 53-55, 57, 58, 72-75

CROSS-REFERENCE TABLE OF CSR/GLOBAL REPORTING INITIATIVE (GRI) INDICATORS – GRI STANDARD VERSION		PAGES
Strategy & analysis	102-15	32
Ethics and integrity	102-16	58
	102-17	58
Governance	102-27	57
	102-43	52
Stakeholder engagement	102-44	52
Recycled raw materials	301-2	51
Energy consumption	302-1	46-48, 59
Reduction of energy consumption	302-4	46
Water consumption	303-1	49, 51, 59
Protected or restored habitats	304-3	42
Scope 1 GHG emissions	305-1	43, 44
Scope 2 GHG emissions	305-2	43, 44
Scope 3 GHG emissions	305-3	43, 45, 46, 51, 59
Reduction in GHG emissions	305-5	45
Liquid waste	306-1	48, 50, 59
Tonnage of solid waste	306-2	52, 60
Supplier CSR assessment (environmental criteria)	308-1	54, 60
Employee turnover rate	401-1	34, 35, 59
Work-related accidents and absenteeism	403-2	36, 59
Hours of training	404-1	37, 39
Supplier CSR assessment (HR criteria)	414-1	54, 60
Product information (responsible consumption)	417-1	53

— 1.7 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL STATEMENT INCLUDED IN THE MANAGEMENT REPORT.

1

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the annual general meeting,

In our capacity as Statutory Auditor of the company Rémy Cointreau (hereinafter the "entity"), appointed as an independent third party and accredited by COFRAC under number 3-1060 rév.2 (whose scope is available at www.cofrac.fr), we hereby report to you on the consolidated non-financial statement for the year ended March 31st 2019 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

THE ENTITY'S RESPONSIBILITY

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are available on request from the entity's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

RESPONSIBILITY OF THE STATUTORY AUDITOR, APPOINTED AS AN INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3 and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- the compliance of products and services with the applicable regulations.

NATURE AND SCOPE OF OUR WORK

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

Our procedures allowed us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of the consolidated entities' activities, the description of the social and environmental risks associated with their activities and, where applicable, the impact of these activities on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement covers the scope of consolidation, *i.e.*, all the companies included in the scope of consolidation in accordance with article L. 233-16;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
 - substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities, namely Mount Gay Distilleries (Barbados) et E. Rémy Martin & Cie (France). The selection covers between 26% and 60% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important and whose list is presented in appendix;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

MEANS AND RESSOURCES

Our work was carried out by a team of 5 people between February 2019 and June 2019 and took a total of 13 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted about 10 interviews with 8 people responsible for preparing the Statement, representing Human Resources, Financial communication, Finance, Compliance and Environment departments.

CONCLUSION

Based on our work, nothing has come to our attention that causes us to believe that the non-financial statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Neuilly-sur-Seine, June 24th 2019

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Olivier Auberty
Partner

Sylvain Lambert
Partner in charge of the Sustainability Department



2

GROUP RISKS

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— 2.4 ETHICS AND COMPLIANCE

2.4.1 COMMITMENTS

The Rémy Cointreau Group's ethical approach is based on the universal framework of overarching international principles, standards and agreements and governed primarily by:

- the Universal Declaration on Human Rights;
- the International Labour Organisation's Charter of Fundamental Rights, which covers in particular the freedom of association, forced labour, child labour and discrimination;
- sustainable development goals as established by the United Nations;
- the Ten Principles of the Global Compact to which Rémy Cointreau has subscribed since 2003;
- the European Union Charter of Fundamental Rights;
- the principles established by the GRI;
- the OECD's guiding principles;
- the OECD's Convention on Combating Bribery of Public Officials.

The Rémy Cointreau Group and its employers are committed to complying with the applicable laws and regulations in all countries where they operate and undertake activities.

These principles are explicitly covered in the Group's code of business ethics and the Anti-Corruption Charter, which are available on the Group intranet and are circulated to all employees.

CODE OF BUSINESS ETHICS

The Group's values are formally set out in a code of business ethics, which is signed by the Chairman of the Board of Directors and the Chief Executive Officer and circulated to all employees, as well as to new employees as soon as they join the Group. It is the bedrock of the culture of integrity and ethical behaviour of Rémy Cointreau Group Houses and its purpose is to provide guidance to the Rémy Cointreau Group, its Houses and its employees about how to behave and comply with the key principles governing relations between stakeholders and the Company. It also aims to promote compliance and to ensure that laws, applicable regulations and fundamental major principles are properly implemented.

The code of business ethics is also designed to encourage and motivate Rémy Cointreau Group employees to communicate and seek, both from their line managers and from the Public Affairs department, answers about how to behave in particular situations.

The code of business ethics sets out the values of the Rémy Cointreau Group and all of its Houses as well as its own ethical framework. These values, and these ethics, must inspire each of our employees in their daily activities and interactions, both internally and with the Group's partners. It sets out:

Business values and responsibilities

The values guiding Rémy Cointreau Group, its Houses and its employees in their business behaviour are:

- **compliance with the laws and regulations** in force in the countries where the Group operates, with Rémy Cointreau complying with its legal and tax obligations;
- **respect for the principle of healthy competition**, with Rémy Cointreau supporting competition based on quality, reputation, service, price and respect for its competitors. The Rémy Cointreau Group therefore conducts its business honestly, sincerely and fairly;
- **adoption of responsible communications**, since the Rémy Cointreau Group wants to ensure that its products remain a source of enjoyment to be shared during social occasions. The best means of giving sense to our values is to perpetuate a culture of responsible consumption and prevent the risks associated with excessive alcohol consumption;
- **prevention of conflicts of interests**, the women and men of the Rémy Cointreau Group work in the interests of the Group and its Houses. No employee may obtain a personal benefit, whether directly or indirectly, from their job, a sale, a purchase or any other Company activity. Employees must avoid any situation of a conflict, or situation that may be perceived as a conflict, between their duties towards Rémy Cointreau and their personal interests;
- **rejection of corruption**, Rémy Cointreau condemns corruption in all its forms, particularly extortion and bribery. The Rémy Cointreau Group believes that such behaviours are to the detriment of the countries in which it operates. The women and men of the Houses must demonstrate their integrity, particularly by refusing any gift which might contravene the Group's ethics.

Values and responsibilities towards others

Relations within the Rémy Cointreau Group are characterised by a duty of mutual respect between women and men who contribute with integrity to the corporate project and to the Company itself. Every day, the Houses of the Group undertake to respect and promote the following values: trust, acting as an example, excellence, high standards, appreciation, respect and discretion. These values are represented in the following initiatives:

- **a commitment to responsible consumption**: the Rémy Cointreau Group wants to promote, both internally and externally, the responsible consumption of its products;
- **respect for the environment**: the Rémy Cointreau Group is committed to serving its clients, while accepting its environmental responsibilities and it therefore makes protecting the environment a key area of its strategic focus;
- **commitment to its employees**: the Rémy Cointreau Group wants all of its employees to work in the best possible conditions and is committed to offering a healthy and safe workplace. The Rémy Cointreau Group is a long-term partner, supporting them in their development and fostering relationships based on trust and respect;

- **a firm commitment to the Group's clients and consumers:** the men and women in Rémy Cointreau's Houses must ensure that the Group honours its commitments towards its consumers and customers. Quality, health security, service and integrity must be their principal concerns in their daily work;
- **Rémy Cointreau Group's relations with its suppliers:** for the Rémy Cointreau Group, supplier relations is much more than a simple act of purchasing and the Group is committed to a sustainable partnership approach. Following the ratification of the Global Compact, the Group undertook to involve its suppliers in its social and environmental commitments, to ensure their involvement and to support them in improving their processes.

Employees' values and responsibilities towards the business and society

Among the values shared by the Rémy Cointreau Group and its employees, those of probity, integrity and confidentiality can be seen in the following commitments:

- **protecting the reputation of the Group and its Houses:** the women and men of the Rémy Cointreau Group represent the image and reputation of its Houses and have a responsibility to protect them;
- **relations between the Rémy Cointreau Group and its shareholders:** the women and men of the Rémy Cointreau Group have a responsibility to protect information relating to the Group's Houses. This confidential information must never be disclosed except within the strict framework of the Group's rules. The Rémy Cointreau Group also wishes to share with its shareholders, without distinction and respecting shareholder equality, its long-term strategy and values as well as the outcome of the development of the business;
- **preserving the Group's assets and resources:** the Rémy Cointreau Group is committed to developing its business and its income, protecting its assets, ensuring that governance is in line with best practice and transparently reporting on the Group's activities. The women and men of the Group's Houses must also manage the Group's assets and resources with the highest level of integrity;
- **high "terroir-related" standards:** this can be identified through the quality and authenticity of our products: high standards in terms of raw materials and respect for the "terroir" of origin.

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 produced this year and made available on the Group's e-learning portal. Training is ongoing and the rate of training is currently 84%. These training courses have been included in the Group's internal training catalogue.

ANTI-CORRUPTION CHARTER

Presentation

All employees receive the Anti-Corruption Charter, which consists of almost 40 pages and is available in 4 languages. It sets out the

Group's guiding principles on a number of operating issues. It provides for a whistleblowing system: the "Rémy Cointreau Ethic Line". The charter is circulated to all employees as soon as they join the Group; it is signed by the Chairman of the Board of Directors and the Chief Executive Officer. In addition, this charter is supplemented by an Anti-Corruption Behaviour Code which summarises the main guidelines and is available for all Group employees and included in the internal regulations.

The purpose of this Anti-Corruption Charter is to raise employees' awareness about certain risks and provide them with guidelines to follow, together with a whistleblowing system. It consists of chapters setting out the rules and positions to be adopted when confronted by certain situations. This Anti-Corruption Charter may be supplemented on a local basis by other procedures. In the event of a conflict with local regulations, the latter must be followed as a matter of priority if they are more restrictive.

The charter sets out the whistleblowing mechanisms. If employees are confronted by situations that raise ethical issues, or they identify behaviours that provoke questions, the charter establishes the principle that they must raise any questions, concerns or issues. This whistleblowing process has several stages:

- the first stage of discussion is with the relevant employee's administrative or functional line management. The management's duty is to listen and to seek to resolve the issue in an objective and transparent manner;
- next, the employee has the option of contacting either, locally, the Human Resources or Finance departments or, at Rémy Cointreau's head office, the Human Resources, Legal or Audit and Compliance departments. These contacts are, of course, made with due regard to confidentiality and the applicable legal framework;
- lastly, it is possible for each employee to issue a whistleblowing alert, which may or may not be done anonymously, directly to the Group Compliance department.

This alert system is also open to Rémy Cointreau Group's partners.

Issues covered

The Anti-Corruption Charter covers the following subjects:

Corruption

Corruption and combating corruption is one of the first subjects addressed in the Anti-Corruption Charter. It clearly and explicitly states that corrupt practices are contrary to the Rémy Cointreau Group's values. It sets out the broad principles that the Group's employees must follow in conducting business, their relations with third parties, the principal regulations in relation to the issue and the potential impacts for the Group and for employees. It details a number of examples and underlines the principle of zero tolerance in the event of infringements in these areas;

Employees' non-work related activities

Employees' non-work-related activities must take place outside of the context of the Group. They cannot take advantage of belonging to the Rémy Cointreau Group and must not compete with the Group's business activities;

Benefits and gifts

The Anti-Corruption Charter sets out the rules and principles regarding gifts offered or received by the Group's employees. Although these are not prohibited, they must however be made in compliance with local regulations, the Group's ethics and procedures and in a completely transparent manner;

Money laundering and tax evasion

The Anti-Corruption Charter raises employees' awareness about the risks related to the practices of money laundering and tax evasion and explains how to react to requests that may originate from certain commercial partners. It refers to the Group's mandatory procedures on the subject and, in particular, the due diligence to be carried out in order to ensure that a commercial partner, whether current or prospective, does not involve the Group in transactions that may promote these practices or which are located in the countries that appear on the lists of France, the European Union or the United States;

Confidentiality

The Anti-Corruption Charter explains the concept of confidential information and gives examples regarding data security, good communication and specific prohibitions. Among other things, it addresses the subjects of social networks, financial information and customer data;

Conflicts of interest

The Anti-Corruption Charter describes the concept of a conflict of interest and, in particular, provides a list of conduct to avoid. It emphasises the duty of transparency and loyalty. Group employees are invited to refer to the Audit, Insurance and Compliance or Legal departments if they are confronted by a situation that may put them at risk of a conflict of interest;

Insider trading

The Anti-Corruption Charter sets out the challenges, risks and conduct to avoid in this area, in accordance with French law and rules on the subject. In particular it refers to the Rémy Cointreau Group's Stock Market Ethics Charter;

Harassment (psychological or sexual)

By reaffirming the principle of zero tolerance on the subject, the Anti-Corruption Charter sets out the features that enable identification of such issues, the Group's notification procedure (via the Rémy Cointreau Ethic Line), and the rules for managing cases in this area;

Use of the Group's resources

The Anti-Corruption Charter emphasises the objective of protecting the Group's resources and of using them for business purposes. It lists a number of prohibited activities (particularly those arising from the Group's IT Charter).

Echoing the code of ethics, the Anti-Corruption Charter explains in its introduction that the men and women who work for Rémy Cointreau share the Group's defining values. Their actions also take place in strict compliance with the laws and regulations that apply in the countries where the Group operates, as well as within the framework of fundamental principles such as the Universal Declaration on Human rights, ILO rules and the OECD's guiding principles.

2.4.2 ORGANISATION**COMPLIANCE DEPARTMENT**

The Compliance department, which reports to the Audit, Insurance and Compliance department is responsible for identifying, assessing and managing the risks to which the Rémy Cointreau Group is exposed, and for verifying compliance with different legislation and regulations, while ensuring that compliance programmes are implemented and updated in close cooperation with the Group's different departments.

The Audit, Insurance and Compliance Director reports to the Chairman of the Board of Directors and to the Audit Committee and works in close cooperation with the Group Chief Executive Officer and the Executive Committee.

"ETHICS" COMMITTEE

An Ethics Committee has been created and its members are as follows:

- Audit, Insurance and Compliance Director;
- Group Compliance Manager;
- Group Legal Director;
- Public Affairs Director;
- Group Human Resources Director.

The Ethics Committee meets regularly. Its particular responsibility is to define compliance frameworks and design and implement initiatives for preventing and monitoring in the areas of supplier oversight, fraud and combating corruption in all Group entities in France and abroad, in particular through carrying out awareness-raising campaigns and providing training to the most exposed employees.

In general terms, the Ethics Committee must:

- provide expertise through the analysis of regulatory and legal requirements;
- disseminate a compliance culture;
- ensure coordination and consistency;
- develop Group policies in this area.

"SENSITIVE DATA" COMMITTEE

A "Sensitive Data" Committee has been created comprising the following managers, together with the Data Protection Officer:

- Audit, Insurance and Compliance department;
- Group Compliance Manager;
- Group Legal Director;
- IT Systems department.

The responsibility of the "Sensitive Data" Committee is to oversee the initiatives led by the Audit, Insurance and Compliance department in order to comply with European regulation No. 2016/679 of 27 April 2016, the "General Data Protection Regulations", which entered into force on 25 May 2018.

DATA PROTECTION OFFICER

A Data Protection Officer has been appointed who is responsible for coordinating compliance with the General Data Protection Regulations and, more generally, to handle personal data-related issues. The Data Protection Officer is the principal point of contact for interested parties and for the authorities responsible for protecting personal data.

This function is part of the Audit, Insurance and Compliance department.

2.4.3 IMPLEMENTATION

CORRUPTION

Rémy Cointreau Group's values do not tolerate corruption. All Rémy Cointreau Group's employees are committed to fighting against it. The Rémy Cointreau Group has a dual requirement: zero tolerance towards infringements of integrity and probity, on the one hand, and a commitment to support an ethical culture, on the other hand.

To achieve this, Rémy Cointreau is committed to complying with all of the relevant laws and principles, particularly those of the countries in which the Group produces and distributes its products. Rémy Cointreau will continue to implement a firm policy to combat any unlawful conduct. In order to comply with the requirements of law no. 2016-1691 of 9 December 2016 on transparency, combating corruption and modernising the economy, the Rémy Cointreau Group has made the Audit, Insurance and Compliance department responsible for combating corruption and for implementing action plans to reinforce the strict procedures that are already in place, in accordance with the requirements of the so-called "Sapin II" law.

PERSONAL DATA AND RESPECT FOR PRIVACY

In order to fulfil the requirements of the European regulation No. 2016/679 of 27 April 2016, the "General Data Protection Regulations", the Audit, Insurance and Compliance department was designated to conduct an assessment and prepare a compliance plan in accordance with the following issues:

- Governance: roles and responsibilities involved in data protection;
- Respect for people's rights: consent, information from the people concerned, exercise of their rights;
- Compliant processing: processing records, identification and classification of processing activities, data retention periods, contract management;
- Data security: procedures and controls, management of security breaches, impact assessments and privacy-by-design mechanisms;
- Continuous improvement: monitoring, internal control, certifications.

2.4.4 CONTROL

WHISTLEBLOWING LINE

The Group has set up a Group whistleblowing system to anticipate and manage its risks, known as the "Rémy Cointreau Ethic Line". It is described in the Whistleblowing Code. This system is updated to take into account any regulatory, legislative, economic, societal, geopolitical and competitive changes.

Local whistleblowing systems are also in place within the main subsidiaries, for example, in the United States and China.

SYSTEM OF SANCTIONS INTRODUCED

The system of sanctions introduced for the compliance programmes corresponds to the system of sanctions described in the internal regulations. Any infringement of ethics and integrity is contrary to the Group's intrinsic values and to the internal rules in this area.

CONTROL ON THE IMPLEMENTATION OF ETHICAL VALUES

Internal and external audits of the Group's companies and of the Group's main suppliers and partners are conducted on a regular basis, focussing on the implementation of the Group's procedures. These audits primarily cover the following issues: combating corruption, protection of personal data, respect for the environment, respect for human rights and fundamental freedoms.

ETHICAL ISSUES TRAINING PROGRAMME

An "ethics, integrity and anti-corruption" training module for all employees of the Rémy Cointreau Group was rolled out during the 2018/2019 financial year. The implementation of this programme will be ramped up in 2019, particularly for the most exposed employees (commercial teams liaising with intermediaries and subsidiaries operating in countries regarded as "at risk" according to the classification established by Transparency International).

Moreover, it was supplemented in 2019 by a training module on data protection designed to raise awareness among all Group employees and train the most exposed employees on data protection related issues in connection with the various regulations.

NETWORK OF CORRESPONDENTS WITHIN THE GROUP

The legal and compliance teams located abroad, in particular in the United States, China and Switzerland, make up the network of "compliance" and "personal data protection" correspondents, working closely with the Audit, Insurance and Compliance department and the Data Protection Officer, in order to roll out, organise and coordinate compliance programmes within the Group.

Specific procedures are also incorporated in audit programmes and procedures in this area.



RÉMY COINTREAU

21, boulevard Haussmann 75009 Paris
Telephone +33 (0)1 44 13 44 13

The French version of this document is available
on request or on the website remy-cointreau.com

