



RÉMY COINTREAU

SUSTAINABLE DEVELOPMENT
2003|2004



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LIVE UP TO OUR COMMITMENTS

Rémy Cointreau's reputation rests on a long tradition of quality that is part of the history of all its brands. The same requirement is at the root of the reputation and success of the Group, whether it be for Rémy Martin, Cointreau, Bols, Mount Gay Rum or even Charles Heidsieck and Piper-Heidsieck.

on all levels of operations: production, development, innovation, distribution and communication.

A keen supporter of self-regulatory measures, the Group is a member of *The Amsterdam Group* (TAG), a European organisation created by major players in our industry and represent-

The behaviour of the Group demonstrates a commitment to the long term

Respect for consumers, preservation of the environment and promotion of a good social climate are all foundations which have enabled each of our brands to expand worldwide. The high awareness we have of a sense of responsibility, predisposes us to meet the growing demands of society at large and of public authorities with regard to the impact of our operations.

Through its adherence to the Global Compact Charter, Rémy Cointreau is committed to respect and apply the fundamental principles of sustainable development through specific action. The will to strengthen this approach and be further committed to our responsibilities was demonstrated through creating an Executive and a Sustainable Development Committee, effective

ed in France by the *Entreprise et Prévention* organisation. We sought to extend and define the collective commitments by preparing a Responsible Communications Charter.

Today, enhanced and formalised, Rémy Cointreau's behaviour is based on a long term ethical stance, which involves all employees and includes the Group in an active process of continuous improvement, guaranteeing its own sustainability and that of the world at large.

Dominique Hériard Dubreuil
Chairman of the Management Board

RESPONSIBLE BEHAVIOUR



Rémy Cointreau has always maintained its desire to combine economic performance with its civil and environmental responsibilities. This commitment, shared by everyone at Rémy Cointreau, has created the Group's identity of which its leading brands are longstanding examples. It is also the result of a continuous process of dynamic improvement and a spirit of innovation that ensures Rémy Cointreau's place in the future.

Rémy Cointreau's ethical commitment

In 2003, Rémy Cointreau officially signed up to adhere to the principles contained in the Global Compact Charter in respect of the major areas of sustainable development. Developed as the result of a proposal by Kofi Annan, Secretary-General of the United Nations, the Global Compact refers to the values defined by the Universal Declaration of Human Rights in 1948, as well as to the recommendations of the international labour office and the Rio conference. Signatories to this charter commit themselves to act according to set ethical objectives and to publish their results on an annual basis.

Combine and lead initiatives

The establishment, in 2003, of an Executive and a Committee for Sustainable Development confirms Rémy Cointreau's wish to reinforce its traditional involvement in expectations surrounding environmental, corporate and business matters, clearly voiced by modern society.

Expressing Group management's strategy, the Executive and Committee's mission is to propose, develop, and realise a set of defined steps, following expert advice. The relevance of all the Group's activities, solely in the wine and spirits industry, enables it to operate across functions to carry out these various measures – from production line to final sale.

This new organisation formalised by a programme as well as specific, clear objectives, requires everyone within the Group to apply greater vigilance and personal commitment. Results, checked by reference to external benchmarks such as ISO accreditations of the production units, show a system of self-governance operating under an Executive and a Committee for Sustainable Development.

BRANDS HISTORICALLY INVOLVED IN SUSTAINABILITY

Bols, 1575 ; Mount Gay Rum, 1703 ; Rémy Martin, 1724 ; Piper-Heidsieck, 1785 ; Cointreau, 1849 ; Charles Heidsieck, 1851 ; Metaxa, 1888...

The age of the Group's leading brands demonstrates their ability to cross centuries, overcome unforeseen historical events and to accompany and enrich changing tastes worldwide. Among the factors that have anchored the brands through time, the determination to only offer quality products at all times has been paramount. This is part of the inherent culture of these great brands and remains, more than ever, a determining factor in consumer selection.



A crucial balance

The quest for quality implies that a certain number of rules should be observed at all levels of the production process. Although, throughout their history, each of the Group's brands has been able to implement practices based on respect for consumers, they also, simultaneously, set up the essential elements of a business that has proved itself over the long term. In addition, protection of the environment at the production sites and a determination to always encourage corporate dialogue, have played a full part in the Group's expansion over the years.

The value of time

This is a feature in its own right and is essential to the long life of the brands. It encourages, through continual refinement, the understanding of the business, its achievements and expertise.

A conduit

At Rémy Martin, the decision to restrict the capacity of the stills and to double distil on residues in order to obtain high quality eaux-de-vie, has led to a perfectly balanced product that expresses the essence of grande champagne and petite champagne's aromas (the two leading vintages used by Rémy Martin). In the case of Charles Heidsieck, the years of aging greatly exceed that required by law, with the sole aim of selling only the best wines from champagne.

Taking time also means leaving, for a minimum of three years, the Limousin oak trees in the open air, in the form of sawn timber, prior to their conversion into barrels that will enrich the Rémy Martin cognacs with their exclusive aromas.

FIVE AREAS OF RESPONSIBLE BEHAVIOUR

Identified by the eight expert members of the Committee for Sustainable Development, five areas for action have been approved, in respect of all operations. These highlight the daily and regular involvement of the Group in its strategy for responsible behaviour. The Committee ensures a regular follow up of achieving the objectives summarised for each of these areas.

Ethical marketing and commercial behaviour

Co-ordinators:

XAVIER DESAULLES (Product Manager, Cognac)
JEAN-PIERRE LACARRIÈRE (Director of Public Affairs)

The involvement of Rémy Cointreau in the area of spirits has, very quickly, led the Group to adopt a responsible policy with regard to its customers and workforce. Sustained by preventative measures, supported by relevant communication, messages on the theme of "marketing and commercial ethics" are designed to prevent any exposure to risk.

Vine Cultivation

Co-ordinator:

RÉGIS CAMUS (Manager of the Champagne Vineyards and Wine)

Respect, preservation and improvement of the environment on production sites have led the Group to continue the practice of responsible vine cultivation on the Group's various sites (Cognac and Reims). This is associated with measures taken to manage the use of water, guarantee air quality, optimise the use of energy, limit and recycle waste. Following specific training, these measures will be gradually adopted by the wine growers.

Quality/Safety/Environment

Co-ordinators:

CHRISTIAN LAFAGE (Director of Sustainable Development and Group QSE Manager)

BRUNO MORTIER (Industrial Director – Angers)

The basic value on which every brand has built its reputation for quality is one that naturally transmits the need for safety to consumers. It also carries respect for the very heart of the business, the immediate environment.

Ensuring quality control, production and food safety and reinforcing the measures taken to preserve the environment, is the mission of the Quality/Safety/Environment department.

Supplier relationships

Co-ordinator:

NICOLAS LEROY (Director of Group Purchasing)

As part of its adherence to the Global Compact Charter, the Group requires its suppliers and service providers to respect the international labour code and to preserve their environment. These commitments are clearly defined in specific addendums to contracts and by audits to verify that they are implemented.

Human resources

Co-ordinators:

JEAN-FRANÇOIS BOUEIL
(Group Corporate Affairs Director)

MAYANNE CHAUVET-VIODES
(Director of Internal and Corporate Communication)

The following three principles have been adopted which reflect the traditional and fundamental values of Rémy Cointreau: social equality and respect for all staff, the acknowledgement of skills and collective dialogue. All these are essential factors in the Company's growth. They encourage interactive thoughts and support brand development with uncompromising respect for local corporate laws in countries where the Company has a presence.

SUMMARY OF ACTION TAKEN AND FUTURE OBJECTIVES

Sustainable Development Management

In 2003, the formalisation of the Group's commitment to responsible behaviour led to the creation of a Sustainable Development department. Its primary aim is to share all the values related to this approach with everyone in the Company and with its external partners.

Training, awareness

An initial seminar brought together Group executive management and the major departmental managers. This was followed by a series of meetings at the production sites in Angers, Reims and Cognac.

Angers became the pilot site in 2000 for management of the environment. The personnel took part in a major training programme (600 hours) and two weeks of environmental awareness, aimed particularly at water and waste management. Specific training was given to improve the results required for the ISO 14001 certification.

Following advice, a training programme covering all facets of Sustainable Development has been considered and will be applied to the Reims site in 2004.



Communication

In December 2003, the determination to mobilise everyone around the commitment for "responsible behaviour" resulted in the publication of a paper in an internal letter sent to all employees. There was also a staff presentation at Angers, Cognac and Reims.

The need to share all our values with our employees and our external partners, and also to demonstrate the Group's good practices, has led to the annual publication of a summary of measures that have been taken and that will be taken.

A voluntary policy and an evolving strategy

The establishment of an Executive and a Sustainable Development Committee has enabled the Group's involvement to be defined and action to be taken and supervised across all parts of the business.

Set up on advice, based on a dialogue with all concerned, and implemented through targeted action, this evolving strategy reinforces the identity and future of the Group, by ensuring its own sustainability and that of the surrounding world.

Future action: specific objectives

Every production site has Sustainable Development indicators that are uniform across the Group. These complete reports designed to verify the fulfilment of these objectives. Awareness and training programmes continue to be held on priority areas specific to each site. In addition to the annual brochure, an intranet site will be developed during the year. The annual summary of steps taken will also be included in the Annual Reports of Global Compact and the Rémy Cointreau Group.

ETHICAL MARKETING AND COMMERCIAL BEHAVIOUR

Our 6 commitments

1 Responsible consumption

The Rémy Cointreau Group, aware of the risk linked to the excessive consumption of alcohol, in particular the risk of dependency, undertakes to promote responsible consumption of its products, that is to say consumption without excess and with pleasure in a social context. The Rémy Cointreau Group requests its teams to systematically ask themselves whether the message they are conveying incites responsible consumption and to give thought to the types of media used.

2 Special properties attributed to alcohol

The Rémy Cointreau Group undertakes to ensure that its commercial communications do not claim that its products have therapeutic properties, do not suggest that alcohol can improve physical, psychological or intellectual performance and do not explicitly show that it can be a factor of social or sexual success.

3 Minors and other vulnerable populations

The Rémy Cointreau Group undertakes not to target, directly or indirectly, populations under the legal age for alcohol consumption. This principle firmly conditions the choice of advertising media, communication actions and the age of the actors in our advertisements.

The Rémy Cointreau Group undertakes, in addition, to identify other populations vulnerable to alcohol consumption and to gradually implement the means to avoid targeting them.

4 Alcohol content

The Rémy Cointreau Group undertakes not to create confusion concerning the nature of its products or the percentage of alcohol they contain, so that the consumer can make an informed choice.

5 Association with dangerous or violent situations

The Rémy Cointreau Group undertakes never to associate its brands with potentially dangerous situations, such as driving, the practice of a sport or any other potentially dangerous activity. The Rémy Cointreau Group also undertakes not to associate the consumption of its products with violent behaviour.

6 Respectful communication

The Rémy Cointreau Group undertakes to ensure that its commercial communications do not harm the dignity of women and men, and to take into account the standards of "taste and decency" specific to the markets where it is present.

Ethical marketing and commercial behaviour

Responsibility at the centre of communication and prevention

A responsible Communications Charter has been established, that details and enhances the collective commitments covering the marketing department, partners and the worldwide distribution network. A user guide for internal application of the Charter is available for specific activities – commercial, marketing, production and communication.

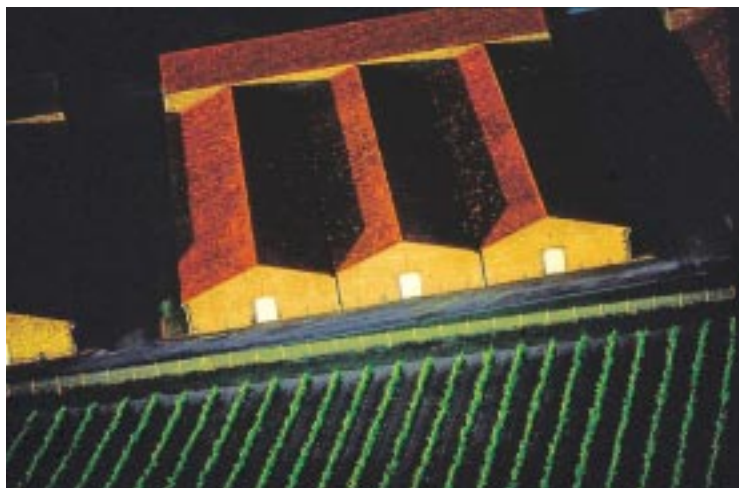
Established this year, the Committee for Responsible Communication comprises five people, to oversee the adherence to the Charter and act as a clearing house to approve all advertising, communication and promotional activity for the external public. Its mission is to define the general recommendations on matters relating to health and preventative measures among the young.

The Group has been involved with national (Entreprise et Prévention) and European associations (TAG) with the aim of encouraging sensible consumption. True to this commitment, Rémy Cointreau participates in funding studies on the consumption of alcoholic drink by the young as part of the ESPAD project led by the IREB.

Future action: accelerated circulation of information

The distribution and application of the principles defined in the Responsible Communication Charter will be extended to all relevant departments within the Group and its external partners (advertising and communication agencies) during awareness and training sessions. The Responsible Communication Committee has the necessary resources to ensure a rapid and efficient circulation of information that has previously been verified and checked by the "Ethical Marketing Indicators" report.

The equipment at the vineyards, the presses (Reims), fermentation areas, cellars and distillation (Cognac) are being progressively adapted to better protection of the environment.



Vine cultivation

For several years, numerous steps have been taken at the Group's two vineyards (Cognac and Reims), to ensure the practice of vine cultivation respects the environment and to meet consumer expectations.

Steps taken to ensure responsible vine cultivation

These relate, initially, to soil preservation and vine protection. In Cognac, soil subsidence caused by work in the vineyards was reduced by the use of appropriate equipment. Analysis of the soil and leaves has enabled a 50% reduction in nitrogen application. The purchase of a new weeding machine led to a 50% decline in the use of herbicides.

In Reims, soil erosion was limited by the application of bark with resin essences from a sawmill waste product. Responsible protection of the vineyard leads us to prefer natural means to fight vine diseases. The introduction of predatory insects, the creation of sexual confusion to prevent vine pests (the eudemis vine moth) from reproducing has proved successful in Cognac and Reims and has led to a reduction of approximately 80% in the use of insecticides.

On-site production equipment – presses (Reims), vinification units, cellars and distilleries (Cognac) – are being progressively adapted to protect the environment. The first achievements relate to water management (reduction in use) and waste, particularly in Cognac (processing system, recovery of surplus by external companies, reduction of waste effluent and a study launched to set up a filtering station). In Cognac, Group sites and the pressing centre in Reims benefit from a HACCP (Hazard Analysis Critical Control Point) accreditation, guaranteeing food safety.

Future action: increased regional involvement

The Rémy Cointreau properties in Cognac have been chosen as pilot sites for the establishment of responsible vine cultivation on the same scale as local partner vineyards. Previous action will be completed and strengthened.

The Group's commitment will be extended with a series of steps recreating a natural environment that favours the balanced and qualitative development of the vine and also safeguards the region's landscape. This will be evidenced in respect of the hedges and trees surrounding the vineyards (protection from wind, fight against soil erosion, preservation of fauna, etc.), the commitment to reforest the river banks and the protection of the local flora and fauna.

The supervision of crops and fertilisers will be strengthened by analyses carried out on all plots of land and by the selective use of added nitrogen. The Service de la Protection des Végétaux et les Groupements de Développement Agricole will provide technical support for the responsible protection of vines, in particular, for the detection of critical levels of the appearance of disease and insects.

The establishment of a comparative table enables a controlled use of pesticides by noting the differences between standard and applied doses.

Measures taken in Reims and Cognac on all equipment will be continued and extended to the management of air and energy.



Quality/Safety/Environment

The Quality/Safety/Environment department works on all Rémy Cointreau's production sites, in France at Angers, Reims and Cognac, in Poland at Oberniki and in Greece at Kifissia. It influences the management of water, air, energy, and waste and more generally the management of risks. The example of Angers, a Group pilot site, (ISO 14001 accredited since 2000) serves as a benchmark in the area of environmental management.

Priority measures

Water

The control of usage is carried out by way of a survey map prepared from a series of meters (Reims, Angers and Cognac), which in time will enable a reduction in consumption (in Angers a 30% reduction in water consumption over five years). The quantity and quality control of waste water are applied to all production sites with the establishment in Reims of laboratory equipment in order to carry out necessary measures (DOB and COD). In Oberniki, Reims and Angers, the treatment of waste water goes through water treatment plants (75% reduction in waste water pollution generated by the Angers site in 4 years).

Air

Carbon gas emissions are measured on all relevant sites (Oberniki and Angers) in accordance with existing regulations.

Energy

Any unexplained use of electricity on all production sites in France (Reims, Angers and Cognac) will be supervised and questioned.

Waste

Three measures have been successfully taken to reduce and prevent potential risk of pollution and to ensure waste recycling. In Kifissia, optimisation of production processes has led to a 40% reduction in waste. The construction of a holding tank in Oberniki provides safety for the environment. The systematic practice of selective sorting as well as the recycling of waste by external companies occurs on all production sites in France and abroad. Today, the rate of adding value and recycling is 90% for Reims and 95% for Angers.

Results in keeping with international legislation

The HACCP accreditations concerning "the analysis of dangers and critical points for their control" were issued to the production sites at Oberniki, Reims and Cognac; the programme is being finalised for Angers. This year, the Oberniki site was ISO 14001 certified and programmes to obtain the same certification have begun on the Cognac and Reims sites. The ISO 9000 certification was renewed for Cognac in 2004 for three years and is being followed up in Oberniki and Angers.

Future action: action with a strong impact

The increased action taken in respect of the use of water will lead to measures confirming the Group's commitment to the hygiene of its production practices, with a greater reduction in waste and the control of its components, particularly in Angers, Reims and Cognac. Studies have also been carried out on the reduction of carbon gas emissions for these three sites, where, progressively, intra site transport will be replaced by electric vehicles and where research has been carried out into the use of electricity or gas powered vehicles for transporting products.

Energy saving equipment will be installed in the Group's head office in Paris. A study into the use of new energies, for example solar, will be launched for small production units, such as offices and visitor centres (ie the Cointreau museum in Angers).

Following the production sites, waste selection will be set up in all Group company offices. The optimisation of use of recyclable and lighter materials will continue, particularly in the design of new products at Angers. The programmes to achieve ISO 14001 certification will be supported by environmental impact analyses carried out in Cognac and Reims.



Supplier relationships

Clear and shared commitments

The selection and evaluation criteria of suppliers and service providers take into account all replies given to the social and environmental questionnaire prior to any new contract. Clauses excluding forced or child labour are included in new contracts; the absence of child labour must be confirmed by a certificate. By declaring its acceptance of the Global Compact in all new contracts, Rémy Cointreau expects its suppliers to apply similar practices to those recommended in the Charter.

Innovation and the environment

Solutions to reducing packaging materials, and enabling their recycling, require new practices, which have led to savings in the use of cardboard and glass.

Less cardboard with a simplification in the supply of bottles, the revision of grammage for champagne packaging and reduction in boxes for bottles (reduction of one million boxes and a saving of over 300 tons of cardboard).

Less glass with lighter bottles depending on the brands (saving of 500 tons of glass).

Additional ideas to change the packaging to a single easy-to-use material.

Future action: always more demanding

Supplier practices will be examined by external auditors, particularly in potentially sensitive cases. A supplier classification will be prepared using a ranking by business, environment and community within terms set out by the Group's auditors and external auditors (NGOs, specialised bodies). Relationships between suppliers, external auditors and Rémy Cointreau will be contained in an agreement.

All research for the design and production of packaging that minimises volume and mass will be encouraged. The use of products with little or no possibility of being recycled will be restricted, even eliminated.





A privileged social commitment

Human resources

The following three principles have been adopted which reflect the traditional and fundamental values of Rémy Cointreau.

Social equality

Social equality is at the heart of the Group's ethics and is a major part of its Human Resources policy.

Rémy Cointreau ensures that every employee is treated in an equitable manner whether in terms of gender, age, level of responsibility, business area, nationality, or country of residence. The Group's remuneration policy is fixed for all sites with central co-ordination. The policy set up to evaluate functions and each person's contribution to the growth of the business enables these functions to be compared in a uniform manner. Rémy Cointreau attaches great importance to the safety of work stations, reflected in the stability of indicators which show the infrequent number of work accidents. During 2003, in France, meetings were held every month and expenditure related to safety was approximately €1 million. The Group seeks to find space for handicapped people and has launched a number of projects to increase the level of handicapped people in the business, currently around 3%.

Personnel and professional development

Increasing the value of talents is actively supported particularly through internal promotion which is encouraged by publicising positions on the intranet. Career development is now a major part of each annual review. On production sites an ambitious organisational approach is adopted by autonomous

teams which motivate people and encourage them to take responsibility, leading to greater job satisfaction. Over 3% of the total payroll is invested in professional training and involves all professional categories. More than 13,000 hours have been spent on various training sessions covering over 70% of employees.

Collective discussion and corporate dialogue

In accordance with the law of each country in which it operates, the Group encourages discussion and corporate dialogue. In France, over 80 meetings were held with personnel representatives. Changes to the organisation are prepared with social partners, and in 2004, the principal features of a three year plan were presented to all employees in France.

Future action: achieve more

The corporate commitment made over time and the steps taken will be maintained and expanded. Improved access to sites for the handicapped is an ongoing objective and was one of the criteria in selecting a future head office.

The modernisation of work practices at the production sites is part of the "Challenge 2007" project in Cognac.

Awareness campaigns in respect of responsible drinking are being prepared for the various sites for all employees.

Work has started on the effect on working conditions of a later retirement date and on the search for new means of motivation.

Associations that encourage social integration, such as the Fondation de la Deuxième Chance (Second Chance Foundation), received targeted sponsorship.

THE RESPONSIBLE COMMITMENT OF RÉMY COINTREAU

Driven by its own volition, and summarised in methodical steps for all its operations, the responsible commitment by Rémy Cointreau carries conviction.

PREVENT behavioural risk by communicating so that everyone is committed to setting sensible limits through words or pictures.

IDENTIFY sensitive behaviour across the world in terms of consumption, whether it relates to age, socio-cultural habits, fashion, etc.

SHARE practices of working closely with vine growers to move steadily towards responsible vine cultivation.

WORK closely together with wine producers to move progressively towards responsible vine cultivation.

RESEARCH improvements to managing water, air quality, control of energy and the processing and reduction of waste.

INNOVATE to limit the use of non-recyclable materials.

MEASURE and **CONTROL** the effective implementation of our commitments by establishing efficient tools.

ENCOURAGE external suppliers to share the responsible behaviour principles demanded by the Group.

ENCOURAGE social commitment through gender equality, inclusion of handicapped people and forbidding all practices contrary to the principles of human rights.

COMMUNICATE in order to translate our commitments into all our daily practices.

GLOSSARY

Good practices

Concrete action carried out by the business to implement sustainable development.

Certification

This is awarded by a certified third party or independent agency for establishing quality assurance systems that conform to international standards (e.g. ISO 9000 and ISO 14000).

ESPAD

European School Survey on Alcohol and Other Drugs (ESPAD) is a four yearly European study on the consumption of alcohol, tobacco and drugs by school children.

Global Compact or World Pact

Launched by Kofi Annan, Secretary-General of the United Nations in January 2000, at the time of the world economic forum held in Davos, the Global Compact aims to “link market forces to individual ideals” in order to make business more responsible.

HACCP

Hazard Analysis Critical Control Point.

IREB

L'Institut de Recherches Scientifiques sur les Boissons is a research body and a source of documentation and information on the consumption of alcohol in France.

ISO

International Standards Organisation

ISO 9000 is the international standard for quality management. It covers all that a company does to meet the quality requirements of its customers as well as regulatory requirements, while taking into account continuous improvement to quality objectives.

ISO 14000 relates to environmental management. It covers all that a company does to minimise the harmful effects of its activities on the environment, while taking into account continuous improvement in this area.

Recycling

Processing of waste either to reuse it in its original condition, or for another use, excluding its use as an energy source.

Sustainable development

Development that meets today's needs without compromising the ability of future generations to meet their needs, while at the same time reconciling economic performance with respect for people and the environment.

Sustainable Development Charter

A document that formalises the commitments made by its signatories.

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