

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Results 2013/2014 and objectives 2015/2016



RÉMY COINTREAU

Extract from Registration Document – June 2014

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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2.1 The Group's policy and commitments

Embracing a pragmatic and exemplary CSR policy

Since it joined the Global Compact in 2003, acting responsibly comes as second nature to a company that has strong ties with its local regions and an international presence.

Aligned with the ISO 26000 standard, Rémy Cointreau's corporate social responsibility (CSR) policy aims to comply with best practice in human rights, labour standards, the environment and the fight against corruption.

The international dissemination of the CSR Charter and code of ethics illustrates Rémy Cointreau's commitment to ensuring that CSR is fully integrated into the daily activities of all employees.

Pursuant to the requirements of Article 225 of France's *Grenelle II* environment law of 12 July 2010, and firmly convinced that the regulatory requirements should be viewed as an opportunity, Rémy Cointreau extended the scope of CSR reporting to all production sites and distribution subsidiaries. This reporting is verified by an independent external expert, certifying the inclusion of the employee-related, environmental and societal information required under French regulations.

Rémy Cointreau's corporate social responsibility also lies in its ability to set an example, to share its requirements with its suppliers and to meet the expectations of all stakeholders. Its CSR policy embodies the social and environmental values embedded in the Company over its long history.

Setting the example: 2015 CSR Plan

During the 2013/2014 financial year, the Group structured its CSR strategy in such a way as to anticipate regulatory requirements, deploy the Group's commitments to all of its stakeholders and meet the expectations of society.

2013 saw the implementation of the first year of the 2015 CSR Plan, a three-year programme to continuously improve our CSR strategy.

CSR reporting includes Rémy Cointreau's employee-related, environmental and societal information, pursuant to the requirements of decree No. 2012-557 of Article 225 of the *Grenelle II* law of 12 July 2012. This reporting has been verified by an independent external expert, whose conclusions are given in this report (report of the independent third-party body on the consolidated employee-related, environmental and societal information).

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

Rémy Cointreau continues to base its strategy on international ISO standards which guarantee standards relating to quality, food safety and respect for consumers and their health.

Mount Gay obtained ISO 9001 Quality certification, while Cointreau and Rémy Martin both renewed their Quality, Environment and Food Safety certifications (ISO 9001, ISO 14001 and ISO 22000). Cointreau also renewed its OHSAS 18001 safety certification. The CSR 2015 plan aims to extend ISO 9001 and 22000 certification, respectively, to Bruichladdich and Mount Gay in 2015/16.

Aware of the impact of its activities, Rémy Cointreau continues to shrink its environmental footprint by measuring and reducing carbon emissions and monitoring its environmental indicators. The annual assessment of its carbon footprint has been extended to the wine-making activities of Rémy Cointreau, and CSR reporting now includes measurements of energy and water consumption on Mount Gay's Barbados production site and Bruichladdich's Scottish site.

Rémy Cointreau is dedicated to involving all employees to make CSR policy one of the pillars of its business culture. The Group's CSR Charter (available in French and English) and Code of Business Ethics (available in all languages spoken in the Group) are disseminated internationally and set the benchmark for all issues of professional ethics, including conflicts of interest and corruption.

A consistent human resources policy

The culture of the Rémy Cointreau Group is based on five fundamental values: the craft-oriented aspect, thoroughness, authenticity, creativity and a personal touch. These fundamentals guide its human resources policy and all of its action plans.

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

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

2.2 Employee-related information

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

2.2.1 Human resources policy

During the 2013/2014 financial year, the Group pursued its actions in the area of employees' professional development, diversity and strengthening the sense of belonging within the Group. Lastly, in France, true to the historical choices it has made, Rémy Cointreau has pursued practices favouring collective agreements in all areas of negotiation.

ENCOURAGING EMPLOYEE DEVELOPMENT

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

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

FOSTERING THE GROUP'S MULTICULTURAL IDENTITY AND PROMOTING DIVERSITY

As a logical consequence of the Group's activity being heavily favoured towards exports, almost 60% of its workforce is located outside France. The Group believes that its multicultural dimension represents a significant asset in its international development. Training is increasingly 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. Moreover, the Group's commitment to diversity is also demonstrated by its willingness to favour building teams that include men and women of different ages, and with different training backgrounds and professional experience.

STRENGTHENING A SENSE OF BELONGING

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

MAINTAINING AN AMBITIOUS SOCIAL DIALOGUE

The 2013/2014 financial year was marked, once again, by the signing of collective agreements that underlined a willingness, shared by trade unions and employee representatives, to favour dialogue and consultation.

In France and Barbados, the salary policy was defined under collective agreements, once again highlighting the maturity of the Group's social partners in a challenging economic environment.

In France, the generation contract was signed, in line with the agreement on the employment of older people, which was amended. Finally, the profit-sharing agreement was amended to reflect the adjustment to the economic situation in France during the financial year.

2.2.2 Changes in the workforce

THE GROUP'S WORKFORCE

At 31 March 2014, the Group's total workforce stood at 1,726 employees on permanent and fixed-term contracts, an increase of 20 employees compared with March 2013.

The Group hired 233 new employees, 136 of whom are on permanent contracts (*i.e.* 58%). 20% were recruited for the sales team, 12% in production roles and 25% in marketing.

At the same time and within the same scope, there were 219 departures, of which 29% were resignations, 15% were mutually agreed and 24% were as a result of fixed-term contracts coming to an end.

As was the case last year, redundancies on personal grounds accounted for only 4% of departures.

WORKFORCE BY GEOGRAPHICAL REGION (GRI INDICATOR LA1)

	March 2014	%	March 2013	%	March 2012	%
France	721	42	700 ⁽¹⁾	41	660	43
Europe (outside France) – Africa	251	15	255	15	175	10
Americas	333	19	332	19	320	21
Asia	421	24	419	25	405	26
TOTAL	1,726	100	1,706	100	1,560	100
<i>RC UK Distribution (outside CSR scope 13/14)</i>	29		-		-	
Total (including RC UK Distribution)	1,755		1,706		1,560	

(1) Readjustment of two people relative to the 2012/2013 registration document.

The workforce in France increased by 21 people, mainly in production roles.

WORKFORCE BY DIVISION (GRI INDICATOR LA1)

	March 2014	%	March 2013	%	March 2012	%
Group brands	686	40	673 ⁽¹⁾	39	573	37
Distribution	976	56	967	57	927	59
Holding	64	4	66	4	60	4
TOTAL	1,726	100	1,706	100	1,560	100
<i>RC UK Distribution (outside CSR scope 13/14)</i>	29					
Total (including RC UK Distribution)	1,755		1,706		1,560	

(1) Readjustment of two people relative to the 2012/2013 registration document.

The distribution business still accounts for more than half of the Group's workforce (56%).

WORKFORCE BY FUNCTION AND OCCUPATION

	March 2014	%	March 2013	%	March 2012	%
Sales	484	28	504	30	497	32
Marketing	242	14	237	14	200	13
Production and purchasing	352	20	349	21	293	19
Supply chain	154	9	158	9	151	10
Ageing	126	7	109 ⁽¹⁾	6	100	6
Finance & legal	199	12	187	11	169	11
Information systems	49	3	45	3	42	3
Human resources	39	2	39	2	35	2
General services	42	3	42	2	36	2
Senior management	39	2	37	2	37	2
TOTAL	1,726	100	1,706	100	1,560	100
<i>RC UK Distribution (outside CSR scope 13/14)</i>	29					
Total (including RC UK Distribution)	1,755		1,706		1,560	

(1) Readjustment of two people relative to the 2012/2013 registration document.

The breakdown of the workforce by gender remained stable; men accounted for 57% of the workforce and women 43%, with different figures according to occupation and country (GRI indicator LA13).

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

BREAKDOWN BY PROFESSIONAL CATEGORY

41% of the workforce is made up of executives (managers), working mainly in sales, marketing and finance positions.

The Group's production operations comprise the majority of its operator and technician positions, around 77% of which are located in France on the Cognac and Angers sites, with the remainder in Scotland (Bruichladdich) and Barbados (Mount Gay).

AVERAGE AGE AND LENGTH OF SERVICE

The average age of Rémy Cointreau's workforce is 41 years, although in France it is higher, at 44. There is little age difference in terms of gender.

The average length of service of the Group's workforce is 9.8 years, with little difference between men and women or managers and non-managers.

WORK-LINKED TRAINING CONTRACTS IN FRANCE

The Rémy Cointreau Group continued its proactive work-linked training policy, with the renewal of all work-linked training contracts where necessary and additional recruitment in new positions. These contracts accounted for almost 3% of the workforce in France at the end of March 2014.

2.2.3 Organisation of working hours

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

2.2.4 Remuneration

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

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

The 2013/2014 salary policy in all countries was measured with respect to inflation, with an average salary increase above inflation even where the local economic context was sometimes adverse or

depressed. This salary policy uses individual pay rises deliberately focused on the best-performing employees.

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

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

2.2.5 Social security and welfare

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

The current objective is to pool these collective insurance schemes by optimising existing schemes and establishing a preferred partnership to insure against these risks.

2.2.6 A training approach that targets excellence

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

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

The "Rémy Cointreau Academy" has continued to develop, adding new subject areas. This range of training courses is developed by the highest level of the Group's management, who supervise it personally. This internal University is fully tailored to training the 300 key managers within the Group's own culture.

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

- The Brand Academy tackles sales and marketing aspects of the Group's brands and the luxury goods sector from a strategic angle. All of our senior managers have already taken this module. A digital module has been made available to the managers to allow them to refer to it when conducting their activities.
- The Art of Selling Academy provides training in negotiation and sales techniques, with a pragmatic and differentiating market approach, in order to support the brands and create value for our partners and customers, in line with the Group's strategy. These training modules are widely deployed in the United States. Seminars will also have been offered in Europe and Asia during 2013/2014.

- Training at the Finance Academy is given to all managers. 150 non-financial employees have already received training, mainly in France and Europe. Aside from the particular financial aspects of our business, this training will make employees more financially aware and improve their understanding of all the Group's criteria for achieving efficiency.
- The Quality Academy was launched in November 2012. Deployment of this module continued in all regions during the 2013/2014 financial year.

Finally, in the longer term, training in Human Resources management will focus more specifically on leadership and managerial functions.

The availability of these modules on the Company's intranet will enable new entrants to quickly grasp the essential principles of the Group's culture, with the most functional and practical approach possible.

The training programme continued in parallel, to support employees' professional development. In particular, e-learning is promoted to encourage every employee to learn foreign languages.

A development library is also available to everyone so that they can expand their knowledge at their own initiative.

Finally, a digital integration module for new hires was implemented on an international scale. It supplements the integration process that is already greatly appreciated by employees joining our Group.

In addition to individual training, collective courses are sometimes provided for a particular category of employee. The employees on the Cognac site attended technical training on the changes to industrial tools, as well as management training relative to organisational changes. At Angers, innovative economic training courses were designed and delivered to all employees. The modules were led by in-house trainers.

The number of training hours declared in 2013/2014 for the entire Group scope, excluding Europe (outside France), for employees on permanent contracts, was 25,175 hours of which 11,008 were for women and 14,167 for men (GRI indicator LA10), an increase of 17% on 2012/2013.

2.2.7 Seizing opportunities for employee development

As an expanding Group, Rémy Cointreau fosters the development and enhances the skills of its teams. The human resources policy, already in place for a number of years, is aimed at encouraging employees to take collective responsibility and to be proactive in managing their careers. In this context, formalisation of the strategic workforce planning process enables the Company to adapt its resources and anticipate its needs, particularly in terms of technical expertise and skills that are in short supply.

In Cognac, the ambitious investment programme was accompanied this year again by organisational changes aimed at bringing management closer to the teams "in the field"; these changes

open up possibilities for internal professional development *via* technical training courses delivered in support of this technological progress, allowing motivated employees to expand the scope of their responsibilities.

Rémy Cointreau also has an exacting recruitment policy designed to attract the most talented employees and develop their potential. The human scale of the Group also enables it to identify talented employees internally, and to encourage them to progress by seizing the opportunities offered by the growth strategy. The careers of these employees are managed on an individual basis.

Traineeships represent another excellent way of recruiting and training talented employees. On our French sites, ten trainees (educated to between Bac Pro and Bac +5 years) are learning their trade in an environment in which rigour and creativity are encouraged. Some trainees are offered contracts under France's international volunteer programme (VIE).

The transfer of skills is another key priority, which is essential in a sector in which know-how is an art rather than an occupation. Junior-senior partnerships have been created in the cellars to ensure continuity and respect for traditional methods.

2.2.8 Smooth social dialogue to foster the integration and well-being of employees

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

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

2.2.9 Making diversity an opportunity

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

In terms of diversity, after two financial years that allowed the Group to put in place a robust policy, it has also implemented measures related to diversity in recruitment, gender equality, the integration of disabled employees and reintegration at local level. Cognac is also working in partnership with the French unemployment agency (Pôle Emploi) to recruit people on social reintegration programmes, which has led to employment on permanent contracts.

2.2.10 Equal treatment

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

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

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

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

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

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

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

2.2.11 Health and safety

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

INVOLVING TRADE UNIONS AND EMPLOYEE REPRESENTATIVES IN DISCUSSIONS

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

COMMITMENTS

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

Moreover, as some positions are occupied by a majority of either men or women, a situation that is often linked to specific physical constraints of the position or a very low number of applications from either gender, the Group has tasked the local health and safety committees with studying the possibility of arranging jobs so as to eliminate physical criteria as far as possible and thus encourage applications from women for roles mainly occupied by men for this reason.

LOCAL INITIATIVES

Each production site has implemented a specific system to monitor and continually improve its employees' working conditions.

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

The Angers and Cognac sites continued their programme on improving working conditions and mitigating psycho-social risks.

HEALTH AND SAFETY INDICATORS

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

For the scope comprising France, Barbados and Bruichladdich, the cumulative absenteeism rate, measured in hours of absence against theoretical hours worked, is 3.6% for 2013/2014. Sick leave for periods of less than 90 days accounted for the majority of absences. This rate does not include sick leave periods of more than 90 days.

For 2013/2014, the workplace accident frequency rate at the France, Barbados and Bruichladdich sites is 15, expressed as the number of workplace accidents with workdays lost per million actual hours worked.

The severity rate is low at 0.3, expressed as the number of days lost to workplace accidents per thousand actual hours worked. 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.

Finally, in France, one occupational illness was declared and acknowledged by the competent health insurance authorities during the 2013/2014 financial year.

2.3 Environmental information

Drawing on its roots and its long history, Rémy Cointreau has made its environmental commitment a long-term driver of its economic success, whether in terms of preserving natural resources or implementing an ambitious certification policy.

The environmental information covers the production sites of Cognac and Angers, i.e. 90% of the cases produced, together with Domaines Rémy Martin (Rémy Martin vineyards).

This year, the Barbados site is reporting its energy and water consumption. The Islay production site in Scotland is reporting its energy and water consumption, as well as the volume, sorting and recycling rate of its packaging waste.

The scope does not include the administrative site in Paris or the distribution subsidiaries, as their environmental impacts were not deemed significant. The scope of application of each indicator is specified in the "Note on methodology" section.

The training focused mainly on certificates of competency in the use of pesticides (individual "certiphyto" certificates).

In 2012, the Domaines Rémy Martin vineyards were among the first in France to obtain "high environmental value farming" (AHVE) certification, as well as the *Agriculture Raisonnée* (integrated agriculture) certification acquired some years ago. After fully satisfying all criteria of the standards, which include protecting biodiversity and the proportion of inputs in sales, Domaines Rémy Martin obtained AHVE level three certification issued by the Afnor, in respect of measures undertaken to protect biodiversity and to reduce the use of pesticides. As both recognition of the work carried out by the Group and a guide for its day-to-day operations, these standards are a real management tool. Moreover, the Domaines renewed their PEFC certification, which ensures the sustainable management of the forests on their land (GRI indicator EN14).

2.3.1 Winemaking

Rémy Martin cognac eaux-de-vie originates in vine products. Rémy Martin sources its supplies mainly from the Alliance Fine Champagne (AFC), a co-operative organisation that is exclusive to the Company and that has accompanied its growth since 1966. Rémy Martin also has its own vineyards within the Domaines Rémy Martin, which are used as a testing platform to promote the Group's winemaking policy.

A CERTIFICATION POLICY TO RECOGNISE EFFORTS MADE AND GUIDE PRACTICES

Rémy Cointreau's goal with respect to winemaking is clear: all actions undertaken aim to position the Group as a leader in economically competitive winemaking, without compromising on quality and whilst protecting the environment. The integration of the Domaines Rémy Martin vineyards into the CSR reporting scope strengthens the Group's desire to measure, report on its innovative practices and to improve. The number of employees trained rose substantially, with 98 days' training in winemaking practices this year compared with 56 last year (GRI indicator LA10).

PRACTISING ENVIRONMENTALLY-FRIENDLY WINEMAKING

Domaines Rémy Martin is a member of the Ecophyto network, a national initiative led by the French Ministry for Agriculture and originating in the *Grenelle de l'Environnement* that seeks to gradually reduce the use of pesticides and thus cut soil pollution. Heavily involved in this initiative, Domaines Rémy Martin this year hosted the regional "Spraying" forum. Wine-growing professionals discussed the chemical vine treatments used during the growing season, and developments in spraying technology. Meanwhile, Rémy Cointreau confirmed its desire to support a range of tests: soil and leaf analyses, essential for monitoring the vine, are more complete, allowing the application of fertilisers to be dosed as precisely as possible.

With a view to adopting environmentally-friendly growing methods, all pesticides used are harmless to neighbouring wildlife. The application of pesticides was 14% below approved doses, despite adverse weather conditions this year which hindered the growth of the vines. Natural grass cover was stable, covering 32% of surfaces. Domaines Rémy Martin confirmed its commitment to eliminating the use of herbicides on the entire vineyard. Finally, four soil and eleven

leaf analyses allowed fertiliser input to be controlled (500 kg/ha) for regular maintenance of the vineyard. These analyses are maintained from year to year so that fertilisation requirements for land parcels yet to be planted may be identified more effectively. Natural control methods (natural predators) are used on all vineyards.

PROMOTING OUR PARTNERS' SOUND WINEMAKING PRACTICES

Having all of the AFC's winemakers and distillers follow its lead by obtaining AHVE certifications is one of Rémy Cointreau's key objectives. This year, the winemakers were made aware of this standard. During a number of information meetings, the Rémy Cointreau CSR Charter was distributed to 370 winemakers, who also received information relating specifically to high environmental value farming (AHVE). The CSR Charter was subsequently posted to 239 additional winemakers. This year, 56% of AFC members were made aware of Rémy Cointreau's environmental policies.

Broad guidelines have already been adopted for the next three years in order to encourage voluntary practices on the part of distillers who want to enhance their production. Rémy Cointreau has launched a joint environmental project with the AFC. The Group is thus taking a supportive approach and encouraging AFC members to obtain this certification in order to make it a quality label that promotes sound practices: reduced use of pesticides and the adaptation of treatments according to parasitic pressure, whilst maintaining a maximum yield.

Finally, the annual *Centaures de la distillation* trophy, which rewards the best distillers, this year recognised the exceptional quality of the eaux-de-vie produced by 56 distillers. 22 distillers were awarded the distinction of *Centaure d'or de la distillation* ("Golden Centaur of Distilling").

2.3.2 Environment

In 2013/2014, the Group invested €2 million to improve quality, safety and the environment (GRI indicator EN30) at all production sites.

Training in these three areas was maintained, with a total of 3,092 training hours and 413 people trained (GRI indicator LA10).

Provisions and guarantees for environmental risks are limited to a guarantee granted to E. Rémy Martin & Co for €2.5 million with respect to the Seveso risk.

ENERGY AND NATURAL RESOURCES

Energy consumption

The Group continued the efforts undertaken to reduce its energy consumption. Requests for energy certificates are issued on all new equipment installed, such as lighting fixtures and heat pumps.

A large-scale, long-term project relating to the lighting and heat insulation of the Group's sites is underway. Regular renovation projects are carried out at the buildings on the Cognac and Angers sites to optimise lighting, heating and air conditioning. High energy-consuming light bulbs are being replaced with LED lighting fixtures. Heat reduction instructions are maintained on the sites and centralised management of air conditioning systems is being installed.

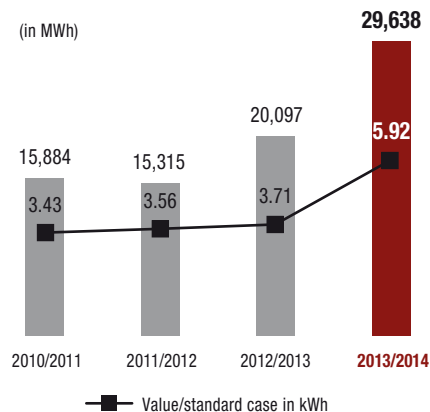
Staff awareness-raising is ongoing in order to encourage greater care with respect to energy use. An internal information campaign is being held to help reduce day-to-day energy expenditure, for example by affixing information and practical tips next to light switches.

This initiative naturally encompasses the reduction of the environmental footprint of the Group's IT equipment (Green IT protocol). New, more energy-efficient equipment was rolled out this year.

The studies carried out on sites to assess the possibility of integrating green energy into the production process culminated in the signature of contracts with EDF to procure renewable energy during the next financial year to meet part of the electricity needs of the French production sites.

Total energy consumption amounted to 29,638 MWh, up 47% on last year's figure (20,097 MWh) following the inclusion of the Islay (Bruichladdich) and Barbados (Mount Gay) sites in the reporting scope. On a like-for-like basis, energy consumption declined 4% compared with the previous year to 19,238 MWh.

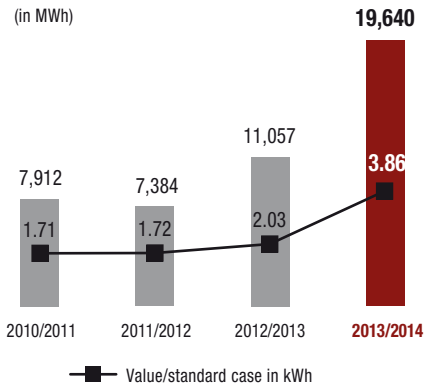
TOTAL ENERGY CONSUMPTION



Total energy consumption came to 5.92 kWh per standard case, excluding Domaines Rémy Martin. Total energy consumption for Domaines Rémy Martin came to 73.39 kWh per hectolitre of wine. On a like-for-like basis, total energy consumption came to 3.74 kWh per standard case, stable compared with 2012/2013.

As regards direct energy (gas and fuel oil), total consumption came to 19,640 MWh, an increase of 78% compared with last year, with the inclusion of Mount Gay and Bruichladdich in the reporting scope (GRI indicator EN3). On a like-for-like basis, consumption declined 14% compared with the previous year to 9,501 MWh.

**DIRECT ENERGY CONSUMPTION (GAS, FUEL OIL)
(GRI INDICATOR: EN3)**



Total direct energy consumption increased from 2.03 to 3.86 kWh per standard case (GRI indicator EN4), excluding Domaines Rémy Martin. Total direct energy consumption for Domaines Rémy Martin came to 59.18 kWh per hectolitre of wine.

Direct energy consumption for the Cognac site fell 28% from 2,712 to 1,964 MWh, primarily due to the lower heating requirements in the milder winter.

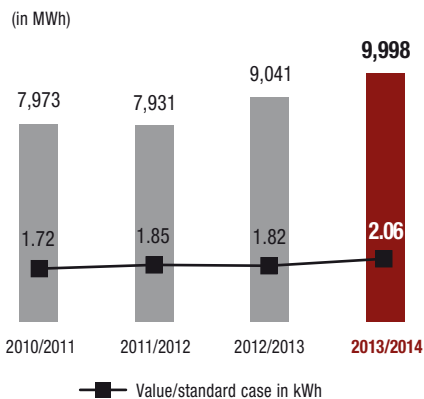
For the same reasons, consumption also fell 6% on the Angers site, from 6,161 to 5,778 MWh.

Direct energy consumption for Domaines Rémy Martin contracted 19% from 2,184 to 1,758 MWh, chiefly because of the less plentiful harvest in 2013/2014 as a result of adverse spring weather conditions.

As regards indirect energy consumption (electricity), the data now includes the Islay site (Bruichladdich). Electricity consumption increased from 9,041 to 9,998 MWh, i.e. an increase of 11%. A 6% rise was recorded on a like-for-like basis, with values rising from 9,041 to 9,584 MWh (GRI indicator EN4). This was due to the higher electricity consumption on the Cognac site (up 13%) during the major extension works undertaken this year.

Total indirect energy consumption came to 2.06 kWh per standard case, excluding Domaines Rémy Martin. Total indirect energy consumption for Domaines Rémy Martin amounted to 14.22 kWh per hectolitre of wine. On a like-for-like basis, total indirect energy consumption rose 10% year-on-year to 2.01 kWh per standard case.

INDIRECT ENERGY CONSUMPTION (ELECTRICITY) (GRI INDICATOR: EN4)



On the Angers site, electricity consumption dipped 4% from 2,612 to 2,499 MWh, whilst on the Cognac site it rose 13% from 5,241 to 5,922 MWh. Electricity consumption for Domaines Rémy Martin contracted 12% from 478 to 422 MWh, chiefly because of the less plentiful harvest in 2013/2014 as a result of adverse spring weather conditions. The Barbados site saw its consumption rise 4% from 710 to 741 MWh, reflecting the 29% increase in production on this site.

Water consumption

Total water consumption rose 58% to 103,051 m³, with the inclusion in the reporting scope of the Mount Gay and Bruichladdich production sites (GRI indicator EN8). On a like-for-like basis, water consumption fell a slight 2%, from 65,256 to 63,690 m³ of water consumed.

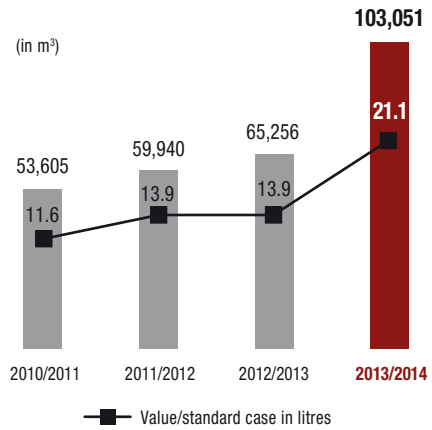
On the Angers site, water consumption edged down slightly (by 1%) from 32,343 to 32,064 m³ of water consumed.

Water consumption on the Cognac site fell 7% from 28,656 to 26,526 m³.

For Domaines Rémy Martin, water consumption rose 20% from 4,257 m³ to 5,100 m³, mainly due to poor weather conditions during the harvest, creating a greater need for washing equipment and premises.

Rémy Cointreau's production sites are not located in major water stress areas.

WATER CONSUMPTION (GRI INDICATOR: EN8)

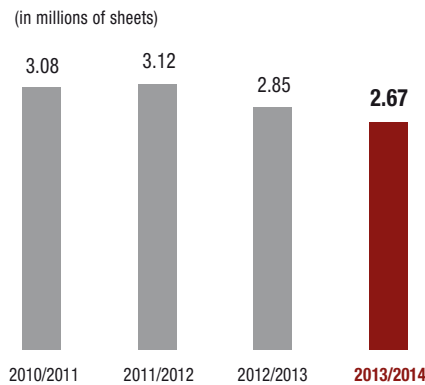


Water consumption amounted to 21.1 litres per standard case, excluding Domaines Rémy Martin. Total water consumption for Domaines Rémy Martin came to 171.6 litres per hectolitre of wine.

Office paper consumption

Paper consumption fell this year by 7% from 2.85 to 2.67 million sheets (GRI indicator EN1), mainly as a result of the ongoing initiatives to encourage staff to save office paper.

Paper consumption amounted to 13.46 tonnes, *i.e.* 18 sheets of paper used per person per day.



NOISE POLLUTION

The studies carried out on the sites relating to noise pollution on the property line (during the day and at night) have ensured that the values measured were below regulatory limits. The sites therefore do not cause any noise pollution to their surrounding areas. Internally, noise measurements are also taken as part of staff protection processes. Again, the values obtained fell below regulatory limits.

SOLID WASTE

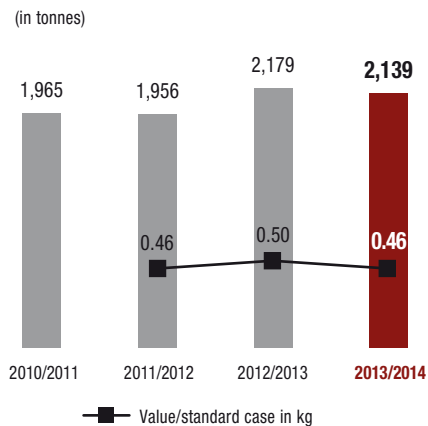
Rémy Cointreau takes measures to reduce the amount of solid waste on its sites with a policy of educating staff about waste sorting and recycling. Generally, solid waste from the Group's production sites supplies energy and materials recycling channels. It is mainly comprised of packaging waste (glass and cardboard).

Since September 2012, the OIW (Ordinary Industrial Waste) from the Angers site has been used and recycled by a combined energy unit (urban heating).

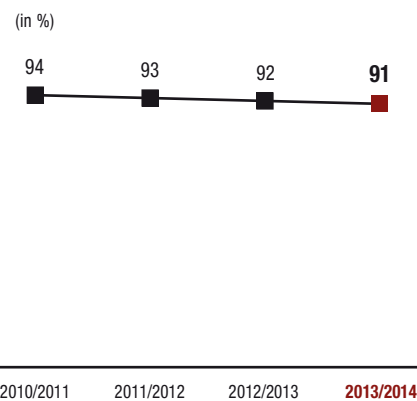
In a similar vein, since 2012 Rémy Cointreau has put in place a partnership with Ateliers du Bocage in the Poitou Charentes region to recycle or reuse all used mobile phones and electronic mobile phone equipment.

Total waste (GRI indicator EN22) was cut by 2% over the year, from 2,179 to 2,139 tonnes, even given the integration of the Islay site. The sorting and recycling rates remained stable overall, at 91% and 93%, respectively. Waste on the Angers site increased 4% from 1,251 to 1,299 tonnes. On the Cognac site, the quantity of waste was down 19% from 915 to 737 tonnes. Waste sorting and recycling volumes respectively were 97% and 100% for Angers. The figures were 85% for Cognac and 81% for Islay. The quantity of waste from Domaines Rémy Martin came to 20 tonnes of OIW. Waste per standard case decreased from 0.50 to 0.46 kg.

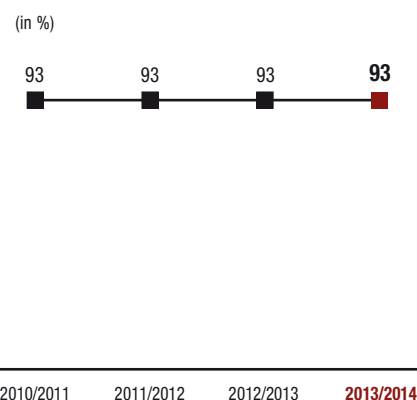
QUANTITY OF WASTE (GRI INDICATOR: EN22)



WASTE SORTING RATE



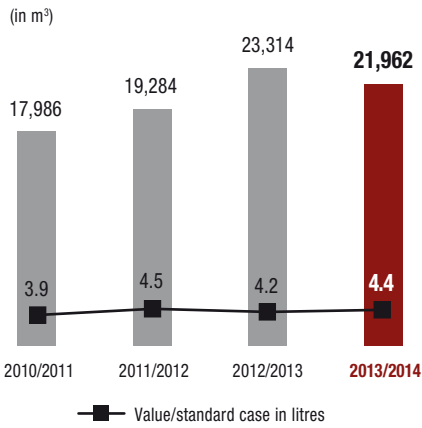
WASTE RECYCLING RATE



LIQUID WASTE

Discharged liquid waste declined 6% from 23,314 to 21,962 m³ (GRI indicator EN21). Volumes were stable on the Cognac site moving very slightly from 7,444 to 7,412 m³, and were down 3% on the Angers site from 10,977 to 10,675 m³. The reduction was substantial for Domaines Rémy Martin, which cut waste 21% from 4,893 to 3,875 m³, primarily due to the less plentiful harvest in 2013/2014 as a result of adverse spring weather. The quantity of liquid waste per standard case increased slightly from 4.21 to 4.36 litres. As regards Domaines Rémy Martin, the quantity of liquid waste remained stable at 130 litres per hectolitre of wine produced.

VOLUME OF LIQUID WASTE (GRI INDICATOR: EN21)



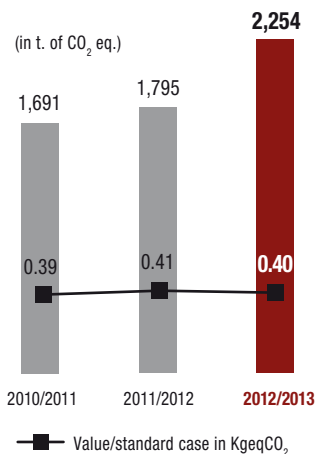
For the Angers and Cognac sites, liquid waste pollution, discharged from the site and before treatment, came to 24.1 tonnes of BOD and 37.1 tonnes of COD. After the waste was treated by external treatment plants and returned to the natural environment, pollution was 0.9 tonnes of BOD and 2.7 tonnes of COD, excluding Domaines Rémy Martin, (average reduction rate of 97% for BOD and 95% for COD), an increase on the 2012/2013 figures, which were 0.6 and 2.4 tonnes respectively. These values give a liquid waste ratio per standard case of 0.23 g of BOD and 0.64 g of COD.

GREENHOUSE GAS EMISSIONS

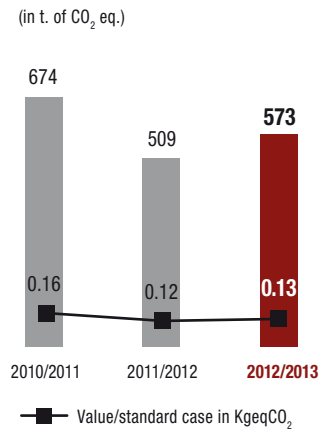
Various measures enable us to limit our greenhouse gas emissions. Over the last few years, the increasingly systematic use of videoconferences, the introduction of electric vehicles on the Angers and Cognac sites and eco-design of products have all helped reduce our CO₂ emissions.

Measurement of GHG was extended this year to Domaines Rémy Martin, which pushes the values up by 23% to 2,827 Teq CO₂. On a like-for-like basis however, they fell 5% from 2,304 to 2,199 Teq CO₂. Per standard case, these emissions were unchanged from 2012/2013, amounting to 0.53 kgeq CO₂.

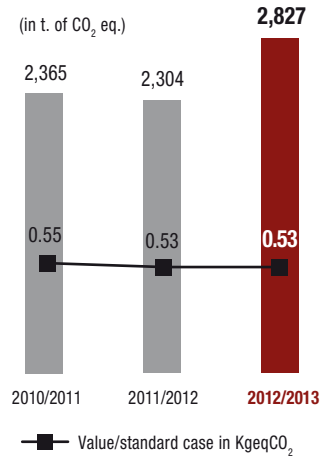
GREENHOUSE GAS EMISSIONS (SCOPE 1)



GREENHOUSE GAS EMISSIONS (SCOPE 2)



GREENHOUSE GAS EMISSIONS (SCOPES 1 & 2)



Greenhouse gas emissions fell 5% on the Angers site to 1,338 Teq CO₂, reducing scope 1 values from 1,233 to 1,176 Teq CO₂ (mainly as a result of reduced gas consumption) and bringing down scope 2 values from 169 to 162 Teq CO₂ (GRI indicator EN16). Emissions also dropped 5% on the Cognac site to 861 Teq CO₂. On this site, scope 1 values fell from 562 to 478 Teq CO₂, while scope 2 increased from 340 to 384, due to higher electricity consumption caused by the major extension works undertaken this year (GRI indicator EN16).

Rémy Cointreau continued its initiatives to lower its carbon emissions, reducing them by 1,097 Teq CO₂ (GRI indicator EN18). The main initiatives this year were:

- eco-design initiatives to modify our packaging. This led to a reduction of GHG emissions of 118 Teq CO₂ (based on 2013/2014 sales);
- use of videoconferencing: 699 Teq CO₂ were saved this year;
- reduction in energy consumption, saving 272 Teq CO₂.

The Group also continued to reduce carbon emissions generated by postal items (Cognac site). 79% of post is now sent by the *lettre verte* option (vs. 71% in 2012/2013).

ECO-DESIGN

With respect to the development of new packaging and new products, Rémy Cointreau strives to assess their environmental impact upstream through an eco-design process. Since 2010, every new package has thus been assessed using a tool that takes into account the weight of the package, the CSU (consumer sales unit), the product volume it contains and the journey taken by the product.

This year, research led to the design of the new Cointreau bottle. The weight of the bottle has been reduced by 2%, giving a saving of 115 tonnes of glass (based on 2013/2014 sales).

With the same concern in mind, the deposit system for bottles of Mount Gay Rum was continued in Barbados this year.

In France, for the sale of its products during the 2013 calendar year, the Group used 1,592 tonnes of packaging, including 1,533 tonnes of glass, 23 tonnes of cardboard and 19 tonnes of plastic materials. The remaining 17 tonnes were made up of miscellaneous materials (wood, aluminium, crystal, cork, etc.). This tonnage equates to an average package weight of approximately 950 g per litre of product, which is stable compared with the prior year (GRI indicator EN1).

Implementing the CSR 2015 Plan, Rémy Cointreau also estimated the quantities of glass used in the manufacture of products on the Angers and Cognac sites and sold throughout the world. The total was 70,430 tonnes of glass, giving an average weight of glass per package of some 910 g per litre of product (2012/2013 sales data).

CLIMATE CHANGE AND BIODIVERSITY

With respect to adapting to climate change, the Group actively participates in initiatives by relevant inter-professional bodies as of this year. In Cognac, Domaines Rémy Martin joined a research programme run by regional and national research centres in France on adapting the vine varieties to climate change.

The erosion of biodiversity is now a scientific reality. Aware of its role faced with this key issue, for a number of years Rémy Cointreau has undertaken various actions to incorporate the protection of biodiversity into all of its activities. The decline in forest cover is one of the most striking examples of the destruction of natural habitats. For this reason, the Group has worked for several years to protect forests.

After the replanting of the Senonches forest in the Eure-et-Loir region, which saw more than 115,000 oak seedlings planted, in partnership with the ONF (*Office national des forêts*, the French National Forestry Office), Rémy Cointreau supported the planting of more than 300 trees and the installation of information boards explaining the importance of maintaining biodiversity in the François I park, which was almost completely destroyed by storm in 1999.

In the same vein, the Group confirmed the commitments undertaken in previous years concerning the experimental plantation of alluvial forests and the protection of bees, whose importance for the preservation of biodiversity is well-known, *via* the provision of fallow land dedicated to bees.

Five more hives were installed in the Charente region, bringing to ten the total number of hives managed in partnership with the bee protection association, *Un toit pour les abeilles*. The Group will also incorporate the protection of wild bees, for example by installing bee “hotels”, into future replanting projects carried out in partnership with the ONF.

Rémy Cointreau also entered into an innovative project with the Charente Chamber of Agriculture. Along the same lines as the initiatives undertaken to dedicate fallow land to bees, the Group, through Domaines Rémy Martin, is now a stakeholder in a three-year agronomic research programme on the most profitable crops for fallow soil. The aim is to reduce the use of fertilisers during future vine planting.

2.4 Societal information

2.4.1 Citizenship: relations with stakeholders

As a global company, Rémy Cointreau is acutely aware of societal problems and its local impact. By assisting with regions' sustainable economic development and supporting initiatives promoting solidarity, it helps ensure collective progress.

A conspicuous presence in local economies, Rémy Cointreau works alongside associations, schools and universities, and bodies dedicated to economic development, providing its expertise in various key areas and promoting the virtues of a CSR policy. Its commitment is also reflected in its support for regional associations that work to promote sustainable development.

Very keen to promote a positive culture of corporate responsibility in training programmes, the Group took part, for example, in initiatives for students of the Grandes Écoles in the Pays de Loire region.

As a member of the network of sustainable development correspondents of the Colbert Committee, which promotes French luxury values, the Group contributes to the pooling of best practices in terms of CSR.

Rémy Cointreau continues to actively support local associations working towards social progress. Working alongside the *Fondation de la Deuxième Chance* (Second Chance Foundation) for the last ten years, the Group has helped disadvantaged people formulate a viable career plan. In addition to financial support, users in the Poitou-Charentes and Champagne Ardennes regions benefit from mentoring to help them put together the relevant documents and build their plan.

2.4.2 Suppliers: sharing our responsibility requirements

Keen to ensure that its suppliers operate responsibly and with a desire to have as many of them as possible follow its lead by applying a process to assess their own practices, Rémy Cointreau has implemented a reporting and audit system for its key suppliers, who belong to two main categories:

- production suppliers: raw materials (eaux-de-vie, ingredients, etc.) and packaging items (bottles, cases, caps, etc.);
- non-production suppliers: service and maintenance providers, communication and marketing agencies.

The use of sub-contractors is kept to a bare minimum and mainly applies to activities carried out in France.

An internal purchasing code of conduct incorporates the principles of sustainable development, based mainly on the ten principles of the Global Compact, the international organisation to which Rémy Cointreau has belonged since 2003. Every contract signed

with suppliers refers to this charter, specifying that the supplier must comply with the principles set forth therein, *i.e.* respect and promotion of human rights and the principles of the ILO, protection of the environment and the fight against corruption.

With respect to production suppliers, the Group maintained the CSR assessment and audit actions already undertaken for the past several years. The CSR questionnaire issued to suppliers is based on the commitments in the Global Compact. It allows various criteria to be checked, such as food safety, the implementation of an environmental certification policy and the application of social policies in accordance with respect for human rights, international labour law and the fight against corruption.

A large majority of suppliers were initially selected on two criteria: the sales generated with the Group and/or the supply of key ingredients.

Overall, more than 99% of Rémy Cointreau's suppliers (in terms of net sales) were chosen and assessed on their social responsibility commitments and actions. The audits conducted by the Group's teams supplement the CSR assessment.

In accordance with the CSR 2015 Plan, *non-production* suppliers are now included in the CSR assessment scope and our aim is to improve their CSR assessment every year. The questionnaire issued to them is identical to the questionnaire sent to production suppliers. 75% of suppliers were chosen, in terms of sales (19 more than in 2012/2013) and 69%, in number (an increase of eight) replied.

Drawing on close cooperation between the Purchasing and CSR departments, these processes allow the Group to foster a culture of responsibility that is especially important to it, as overall the selected suppliers represent 90% of all of Rémy Cointreau's suppliers in terms of net sales (48 more suppliers than in 2012/2013, GRI indicator HR2), among whom 81% in number have undergone a CSR assessment (22 more than in 2012/2013, GRI indicator HR2).

2.4.3 Fair trade practices

Rémy Cointreau maintains relationships of trust with its suppliers and consumers. The rigor of the Group's ethical rules, which apply to both employees and partners, also guarantees lasting commercial success. Rémy Cointreau's continual quest for excellence is reflected in its ethical commitment via its desire for maximum transparency, which it expresses through its adherence with a number of Ethical Charters.

A TRANSPARENCY POLICY GUIDED BY A SET OF REFERENCE DOCUMENTS

The Group's ethics in its environmental, social and commercial practices are fundamental for ensuring trusting relationships with stakeholders. Rémy Cointreau considers it a duty to make all of its employees aware of its commitments.

In order to guarantee the transparency of its practices, Rémy Cointreau draws on a set of reference documents:

- Global Compact Charter: already a member of the Global Compact for a number of years, Rémy Cointreau intends to maintain this commitment, which guarantees its responsible actions and the compliance of its policy with international ethical standards, in the long-term;
- Corporate Social Responsibility Charter: aligned with ISO 26000, it forms the basis of the Group's CSR policy. The charter has been widely distributed in French and English. Committed to making sure it is followed on a daily basis and in the belief that responsibility concerns everyone, Rémy Cointreau supported the distribution of the charter by arranging awareness-raising initiatives for all staff;
- code of business ethics: the Group's sole reference guide, it has been translated into the 13 languages spoken throughout the Group. Linking the rules of conduct specific to Rémy Cointreau and its CSR commitments with the guiding principles of the Global Compact and the OECD, it guides the commercial, social and environmental practices of all employees. The Code deals with the following subjects, divided into four main sections:
 - responsibility in business: compliance with the law, competition, responsible communication, conflicts of interest, gifts and hospitality, corruption,
 - responsibility to others: political activities, respect for people, responsible consumption, respect for the environment, health and safety, commitments to customers, consumers and suppliers,
 - responsibility to the Company: protecting the reputation of the Company, confidentiality and insider trading, Company assets and resources, information and communication systems, intellectual property, cash transactions, business and financial data, illegal activities,
 - key principles.

Accessible to all, new employees are made aware of its existence on their arrival.

The fight against corruption is also embodied by the no gift letter sent systematically to all suppliers;

- Responsible Communication Charters of Rémy Cointreau and the *Union Des Annonceurs*: these charters ensure the self-assessment of communication campaigns and compliance with principles promoting moderate alcohol consumption;
- guide to responsible consumption in the professional environment: updated in 2012/2013 and sent out to all French employees.

2.4.4 Consumers

Rémy Cointreau strives to offer discerning customers products that give them a level of satisfaction that surpasses their expectations. This goal is consistently associated with the promotion of responsible consumption.

PROMOTING RESPONSIBLE CONSUMPTION

The promotion of responsible consumption is a particularly important aspect of Rémy Cointreau's CSR policy. The fact that our 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 customers, from both an ethical and business point of view.

This responsibility is embodied in two priorities:

- promoting responsible consumption;
- promoting responsible advertising;

KEY ROLE OF OUR REPRESENTATIVE ORGANISATIONS

By actively participating in the Alcohol and Society or Alcohol and Health working groups of professional organisations, Rémy Cointreau works on implementing a responsible strategy developed by the industry.

The main organisations are:

- in France: the FFS (*fédération française des spiritueux*, French federation of spirits producers), the FEVS (*fédération des exportateurs de vins et spiritueux*, French federation of wine and spirits exporters), *Entreprise et Prévention* (Enterprise and Prevention), and the IREB (*Institut de Recherche sur les Boissons*, Institute for drinks research);
- in Europe: Spirits Europe (the European industry federation);
- in the US: Discuss;
- in China: FSPA.

The objective shared by all these groups is to develop Alcohol action plans to assist governments to protect consumers, through ethical commitments and advertising self-regulation.

By definition, it is impossible to provide detailed results on these major and long-term measures. Nonetheless, this year, the outcomes of the dialogue undertaken mean that international bodies (WHO, OECD) consider that:

- the chief objective of our 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;
- Beverage companies continue to improve the information provided to consumers on packaging and by developing Web sites dedicated to disseminating knowledge about the health risks of alcohol.

INITIATIVES TO PROMOTE RESPONSIBLE CONSUMPTION

A raft of initiatives serve to underscore Rémy Cointreau's commitment to promoting responsible consumption of its products:

- the Group is gradually rolling out voluntary decisions in Europe and Asia to include logos designed to protect pregnant women on its packaging;
- voluntary application in Europe of the decision to include the "responsible drinking.eu" address on our packaging. This is the EU portal for consumers of 25 European countries providing comprehensive information on the risks of alcohol misuse;

- voluntary application in China of wording promoting moderation and “Drink and Drive” warnings on all Rémy Cointreau brand advertising;
- development of a responsible consumption page on the Rémy Cointreau Intranet;
- responsible consumption awareness campaign on the French production sites.

ADVERTISING CONTROL FOR THE RÉMY COINTREAU BRANDS

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

- responsible consumption;
- specific virtues attributed to alcohol;
- minors and other vulnerable groups;
- alcohol content;
- activities involving risk;
- responsible advertising;

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

The CCR participates in quarterly meetings where new advertising initiatives for the brands are presented to the Executive Committee, in particular new products and their corresponding advertising campaigns.

The CCR is tasked with carefully analysing all new communication campaigns involving amounts in excess of €100,000 (including creation and the media plan) to ensure compliance with the Group’s ethical undertakings.

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

This year, the CCR approved four new campaigns:

- Dita Cointreau e-reporter video tease;
- Passoa Brasil 2014;
- Passoa Red Shot;
- Cointreau Fizz Cocktail by Dita video.

The other ads used throughout the past year were created during previous years. In all, there were 14 communication campaigns, four of which were approved by the CCR this year, and ten in previous years.

In 2013/2014, the CCR introduced an audit tool to analyse the cost of advertising campaigns (by country, brand and type of expenditure) to guarantee that the CCR’s audit process is systematic and applied consistently.

The tool provides proof that all new creations and initiatives are sent to the CCR for approval.

MAINTAINING HIGH-QUALITY RELATIONSHIPS WITH ITS CUSTOMERS

Rémy Cointreau keeps a very close eye on the demands of its customers, responding to them as quickly and completely as possible, through constant monitoring, especially on social networks. The Marketing Services department constantly works to develop a policy that dovetails particularly well with consumer expectations. Similarly, principles governing the respect of private data have been adopted.

Furthermore, to meet consumer expectations in respect of environmental information about its products, Rémy Cointreau invests in reviews carried out on this subject in inter-professional working groups. Internal tools to assess the environmental impact of its products have already been developed to meet the needs of both distribution networks and consumers.

The site visits offered by the Group also reflect its quest for excellence. Tailor-made programmes, a warm welcome: Rémy Martin’s oenotourism offer in Cognac puts an emphasis on developing warm relationships with visitors, while offering tours featuring know-how related to spirits, their heritage and their history. After winning the national oenotourism awards in 2012/2013 in the “development of a cellar or viticulture site” category, the quality of *Rendez-vous Rémy Martin* has been recognised by the Michelin Green Guide.

The Angers site’s “Quality Tourism” certification was renewed this year.

The Group also obtained the French government’s *Entreprise du Patrimoine Vivant* (Living Heritage Company) label, put in place to reward businesses who promote craftsmanship and the French tradition of excellence.

2.5 Table of environmental indicators by site

	2011/2012	Value/ standard case	2012/2013	Value/ standard case	Value/ hectolitre of wine	2013/2014	Value/ standard case	Value/ hectolitre of wine
Total energy consumption, in MWh, and in kWh for values per standard case or hectolitre of wine								
Total	15,315	3.56	20,097	3.71		29,638	5.92	
o/w Cointreau	7,913	3.24	8,773	3.52		8,277	3.45	
o/w E. Rémy Martin & Cie	7,402	3.99	7,953	4.23		7,886	4.50	
o/w Domaines Rémy Martin			2,661		71.0	2,181		73.4
o/w Mount Gay			710	2.22		893	2.17	
o/w Bruichladdich						10,400	139.80	
Direct energy consumption (gas, fuel oil), in MWh, and in kWh for values per standard case or hectolitre of wine (GRI indicator: EN3)								
Total	7,384	1.72	11,057	2.03		19,640	3.86	
o/w Cointreau	5,367	2.20	6,161	2.47		5,778	2.41	
o/w E. Rémy Martin & Cie	2,017	1.09	2,712	1.44		1,964	1.12	
o/w Domaines Rémy Martin			2,184		58.3	1,758		59.2
o/w Mount Gay						153	0.37	
o/w Bruichladdich						9,986	133.5	
Indirect energy consumption (electricity), in MWh, and in kWh for values per standard case or hectolitre of wine (GRI indicator: EN4)								
Total	7,931	1.85	9,041	1.82		9,998	2.06	
o/w Cointreau	2,546	1.04	2,612	1.05		2,499	1.04	
o/w E. Rémy Martin & Cie	5,384	2.90	5,241	2.79		5,922	3.38	
o/w Domaines Rémy Martin			478		12.7	422		14.2
o/w Mount Gay			710	2.22		741	1.80	
o/w Bruichladdich						414	5.53	
Water consumption, in m³, and in litres for values per standard case or hectolitre of wine (GRI indicator: EN8)								
Total	59,940	13.95	65,256	13.94		103,051	21.12	
o/w Cointreau	32,048	13.12	32,343	12.96		32,064	13.37	
o/w E. Rémy Martin & Cie	27,892	15.03	28,656	15.24		26,526	15.13	
o/w Domaines Rémy Martin			4,257		113.6	5,100		171.6
o/w Mount Gay						14,638	35.53	
o/w Bruichladdich						24,723	0.33	
Paper consumption, in millions of sheets (GRI indicator: EN1)								
Total	3.12		2.85			2.67		
o/w Cointreau	0.66		0.46			0.72		
o/w E. Rémy Martin & Cie	1.78		1.59			1.20		
o/w Paris site	0.69		0.80			0.74		

	2011/2012	Value/ standard case	2012/2013	Value/ standard case	Value/ hectolitre of wine	2013/2014	Value/ standard case	Value/ hectolitre of wine
Quantity of waste, in tonnes, and in kg for values per standard case or hectolitre of wine (GRI indicator: EN22)								
Total	1,956	0.46	2,179	0.50		2,139	0.46	
o/w Cointreau	1,062	0.43	1,251	0.50		1,299	0.54	
o/w E. Rémy Martin & Cie	894	0.48	915	0.49		737	0.42	
o/w Domaines Rémy Martin			13		0.35	20		0.67
o/w Bruichladdich						83	1.11	
Volume of solid waste sorted, in %								
Total	93		92			91		
o/w Cointreau	96		96			97		
o/w E. Rémy Martin & Cie	89		87			85		
o/w Bruichladdich						81		
Volume of solid waste recycled, in %								
Total	93		93			93		
o/w Cointreau	96		98			100		
o/w E. Rémy Martin & Cie	89		87			85		
o/w Bruichladdich						81		
Volume of liquid waste, in m³, and in litres for values per standard case or hectolitre of wine (GRI indicator: EN21)								
Total	19,284	4.49	23,314	4.21		21,962	4.36	
o/w Cointreau	10,749	4.40	10,977	4.40		10,675	4.45	
o/w E. Rémy Martin & Cie	8,535	4.60	7,444	3.96		7,412	4.23	
o/w Domaines Rémy Martin			4,893		130.5	3,875		130.4
Liquid waste: BOD, after treatment, in tonnes, and in grams for values per standard case (GRI indicator: EN21)								
Total			0.61	0.14		0.94	0.23	
o/w Cointreau			0.61	0.24		0.91	0.38	
o/w E. Rémy Martin & Cie			0.01	<0.01		0.03	0.02	
Liquid waste: COD, after treatment, in tonnes, and in grams for values per standard case (GRI indicator: EN21)								
Total			2.40	0.55		2.65	0.64	
o/w Cointreau			2.25	0.90		2.49	1.04	
o/w E. Rémy Martin & Cie			0.16	0.08		0.16	0.09	
GHG emissions (Scope 1), in Teq CO₂, and in kgeq CO₂ for values per standard case								
Total	1,691	0.39	1,795	0.41		2,254	0.40	
o/w Cointreau	1,131	0.46	1,233	0.49		1,176	0.49	
o/w E. Rémy Martin & Cie	560	0.30	562	0.30		478	0.27	
o/w Domaines Rémy Martin						601		20.21
GHG emissions (Scope 2), in Teq CO₂, and in kgeq CO₂ for values per standard case								
Total	674	0.16	509	0.12		573	0.13	
o/w Cointreau	216	0.09	169	0.07		162	0.07	
o/w E. Rémy Martin & Cie	458	0.25	340	0.18		384	0.22	
o/w Domaines Rémy Martin						27		0.92
GHG emissions (Scopes 1 and 2), in Teq CO₂, and in kgeq CO₂ for values per standard case (GRI indicator: EN16)								
Total	2,365	0.55	2,304	0.53		2,827	0.53	
o/w Cointreau	1,347	0.55	1,402	0.56		1,338	0.56	
o/w E. Rémy Martin & Cie	1,018	0.55	902	0.48		861	0.49	
o/w Domaines Rémy Martin						628		21.14

2.6 Table of societal indicators

	2012/2013	2013/2014
Production suppliers		
Number of suppliers selected	101	130
Rate of selected suppliers	99.5%	99.3%
Number of suppliers evaluated	101	115
Rate of assessed suppliers	100%	88.5%
Non-Production suppliers		
Number of suppliers selected	68	87
Rate of selected suppliers	64.8%	74.6%
Number of suppliers evaluated	52	60
Rate of assessed suppliers	76.5%	69%
Total suppliers		
Number of suppliers selected	169	217
Rate of selected suppliers	87.6%	89.9%
Number of suppliers evaluated	153	175
Rate of assessed suppliers	90.5%	80.6%

2.7 Appendix: CSR 2015 plan

Topics	Actions 2013/2014	Results 2013/2014	Objectives 2014/2015	Objectives 2015/2016
CSR governance	<ul style="list-style-type: none"> ▪ CSR reporting (objective: international extension) ▪ Code of ethics (objective: international scope) ▪ CSR 2015 Plan (objective: international extension) 	<ul style="list-style-type: none"> ▪ International extension of CSR reporting scope ▪ International dissemination of the code of ethics ▪ Implementation of the CSR 2015 Plan 	<ul style="list-style-type: none"> ▪ CSR reporting (objective: international extension) 	<ul style="list-style-type: none"> ▪ CSR reporting (objective: international extension)
Working conditions	<ul style="list-style-type: none"> ▪ Reduce the pay gap between men and women in similar positions, with similar skills and levels of experience (objective: reduce the pay gap between men and women) ▪ Monitoring of absenteeism (objective: absenteeism rate < 4%) ▪ “safety in the workplace” action plans (objective: reduce workplace accidents and occupational illnesses) ▪ Give special attention to the inclusion of disabled people in the workforce (objective: comply with regulations) ▪ Designing, developing and implementing training programmes (objective: professional career development) ▪ Organisational study on targeted positions (objective: reduce differences between men and women) 	<ul style="list-style-type: none"> ▪ Implementation of procedures aimed at guaranteeing non-discrimination between men and women in similar positions, with similar skills and levels of experience in all Group entities ▪ The absenteeism rate objective (< 4%) was achieved within the scope monitored ▪ The objective of reducing the accident frequency and severity rate was achieved within the scope monitored ▪ Give special attention to the inclusion of disabled people in the workforce (measures introduced in France to promote indirect employment of people with disabilities - sheltered employment sector) ▪ Renewed training effort, up 17% for the scope considered ▪ In consultation with staff representatives (France), identification of workstations where stress requires adjustments 	<ul style="list-style-type: none"> ▪ Reduce the pay gap between men and women in similar positions, with similar skills and levels of experience (objective: reduction in Male/female discrimination) ▪ Monitor absenteeism (objective: absenteeism < 4%) ▪ “Safety in the Workplace” Action plans (objective: reduce workplace accidents and occupational illnesses) ▪ Give special attention to the inclusion of disabled people in the workforce (objective: comply with regulations) ▪ Designing, developing and implementing training programmes (objective: professional career development) ▪ Organisational study on targeted positions 	<ul style="list-style-type: none"> ▪ Reduce the pay gap between men and women in similar positions, with similar skills and levels of experience (objective: reduction in male/female discrimination) ▪ Monitor absenteeism (objective: absenteeism < 4%) ▪ “Safety in the Workplace” Action plans (objective: reduce workplace accidents and occupational illnesses) ▪ Give special attention to the inclusion of disabled people in the workforce (objective: comply with regulations) ▪ Designing, developing and implementing training programmes (objective: professional career development)

Topics	Actions 2013/2014	Results 2013/2014	Objectives 2014/2015	Objectives 2015/2016
Winemaking	<ul style="list-style-type: none"> ▪ Reduce the use of pesticides (objective: protect the soil/reduce rate of use > 15%) ▪ Raise environmental awareness among winemakers (objective: information sessions) 	<ul style="list-style-type: none"> ▪ Reduce the use of pesticides (objective: 14%) ▪ Raise environmental awareness among winemakers (56% of AFC cooperative members) 	<ul style="list-style-type: none"> ▪ Reduce the use of pesticides (objective: 16%) ▪ Raise environmental awareness among winemakers (objective: creation of an Environment reference framework) 	<ul style="list-style-type: none"> ▪ Reduce the use of pesticides (objective: 16%) ▪ Raise environmental awareness among winemakers (objective: AHVE certification)
Environment	<ul style="list-style-type: none"> ▪ Energy, water and paper (objective: optimise consumption) ▪ Renewable energy (objective: feasibility study) ▪ CO₂ emissions (objective: Carbon Footprint Scopes 1 & 2) ▪ Solid waste (objective: sorting and recycling rate > 90%) ▪ Liquid waste (objective: BOD and COD discharges < 5 tonnes) ▪ Biodiversity (objective: "Bees/Forests" conservation measures) 	<ul style="list-style-type: none"> ▪ Energy, water and paper (reduction of 4%, 2% and 7%, respectively, at constant scope) ▪ Renewable energy (signature of renewable energy supply contracts/21% of consumption for sites in France) ▪ CO₂ emissions (Carbon Footprint Scopes 1 & 2/5% reduction in GHG at constant scope) ▪ Solid waste (sorting rate: 91%/recycling rate: 93%) ▪ Liquid waste (BOD: 0.9 tonnes/COD: 2.7 tonnes) ▪ Biodiversity ("Bees/Forests" conservation measures) 	<ul style="list-style-type: none"> ▪ Energy, water and paper (objective: optimise consumption) ▪ Renewable energy (21%) ▪ CO₂ emissions (objective: Carbon Footprint Scopes 1, 2 & 3) ▪ Solid waste (objective: sorting and recycling rate > 90%) ▪ Liquid waste (objective: BOD and COD discharges < 5 tonnes) ▪ Biodiversity (objective: "Bees/Forests" conservation measures) 	<ul style="list-style-type: none"> ▪ Energy, water and paper (objective: optimise consumption) ▪ Renewable energy (25%) ▪ CO₂ emissions (objective: Carbon Footprint Scopes 1 & 2) ▪ Solid waste (objective: sorting and recycling rate > 90%) ▪ Liquid waste (objective: BOD and COD discharges < 5 tonnes) ▪ Biodiversity (objective: "Bees/Forests" conservation measures)
Honest practices	<ul style="list-style-type: none"> ▪ CSR Charter, communication and responsible consumption charters, internal code of business ethics (objective: comply with charters and codes/transparent practices) 	<ul style="list-style-type: none"> ▪ CSR Charter, communication and responsible consumption charters, internal code of business ethics (comply with charters and codes/transparent practices) 	<ul style="list-style-type: none"> ▪ CSR Charter, communication and responsible consumption charters, internal code of business ethics (objective: comply with charters and codes/transparent practices) 	<ul style="list-style-type: none"> ▪ CSR Charter, communication and responsible consumption charters, internal code of business ethics (objective: comply with charters and codes/transparent practices)
Citizenship	<ul style="list-style-type: none"> ▪ Exchange best CSR practices in the fields of education and business (objective: be a player in sustainable regional development) 	<ul style="list-style-type: none"> ▪ Be a player in sustainable regional development: share best CSR practices in the fields of education and business 	<ul style="list-style-type: none"> ▪ Exchange best CSR practices in the fields of education and business (objective: be a player in sustainable regional development/international extension) 	<ul style="list-style-type: none"> ▪ Exchange best CSR practices in the fields of education and business (objective: be a player in sustainable regional development/international extension)

Topics	Actions 2013/2014	Results 2013/2014	Objectives 2014/2015	Objectives 2015/2016
Suppliers	<ul style="list-style-type: none"> Sustainable, responsible purchasing (objective: CSR assessment of suppliers: rate of selected suppliers: > 90%/rate of assessed suppliers: > 90%) 	<ul style="list-style-type: none"> Sustainable, responsible purchasing: (CSR assessment of suppliers/ rate of selected suppliers: 90% (+48 suppliers/year N-1)/ rate of assessed suppliers: 81% (+22 suppliers/year N-1) 	<ul style="list-style-type: none"> Sustainable, responsible purchasing (objective: CSR assessment of suppliers/rate of selected suppliers: > 92%/rate of assessed suppliers: > 85%) 	<ul style="list-style-type: none"> Sustainable, responsible purchasing (objective: CSR assessment of suppliers/rate of selected suppliers: > 95%/rate of assessed suppliers: > 90%)
Consumers	<ul style="list-style-type: none"> Monitor and validate campaigns (objective: comply with the internal charter/campaign verification and validation rate > 90%) 	<ul style="list-style-type: none"> Monitor and validate campaigns (comply with the internal charter/campaign verification and validation rate: 100%) 	<ul style="list-style-type: none"> Monitor and validate campaigns (objective: comply with the internal charter/campaign verification rate > 95%) 	<ul style="list-style-type: none"> Monitor and validate campaigns (objective: comply with the internal charter/campaign verification rate > 95%) ISO 22000 certification of the Barbados site (Mount Gay) ISO 9001 certification of the Islay site (Bruichladdich)

2.8 Note on methodology for reporting environmental and employee-related indicators

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

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

The concept of corporate social responsibility (CSR) is promoted within the Company, as well as externally, with customers, suppliers and all other stakeholders.

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

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

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

2.8.1 Reporting protocol

The 2013/2014 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 2013/2014 of the various CSR indicators set forth in Article 225 of the *Grenelle de l'Environnement*.

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

Christian Lafage
Corporate Social Responsibility Director
20 rue de la Société vinicole
BP 37
16102 COGNAC
christian.lafage@remy-cointreau.com
Tel: +33 (0)5 45 35 77 25

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

2.8.2 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.

In accordance with Article 225 of the *Grenelle II* law, the CSR reporting scope is based on the Group's consolidated financial scope and includes 22 companies (production sites and distribution companies).

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

ENVIRONMENTAL REPORTING SCOPE

The Paris administrative site and the distribution subsidiaries are excluded from the environmental reporting scope as their environmental impact is not deemed to be significant. The Barbados (Mount Gay) site and Islay site in Scotland (Bruichladdich) are included where data is available.

Generally speaking, the environmental information covers the production sites of Cognac and Angers, *i.e.* 90% of the cases produced, together with Domaines Rémy Martin (Rémy Martin vineyards).

This year, the Barbados site is reporting its energy and water consumption, and the Islay production site is reporting its energy and water consumption, as well as the volume, sorting and recycling rates of its packaging waste.

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. Number of employees

The employee-related reporting scope covers all 22 companies of the Rémy Cointreau Group.

2. Movements

Companies based in Europe (excluding France and Bruichladdich) only represent 11% of the Group's workforce and therefore are not covered by these movement indicators. Internal transfers, renewals of fixed-term contracts and conversions from fixed-term contracts to permanent contracts count towards the movements.

3. Training

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

4. Other indicators

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

Training: 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 year, including those who were no longer present as of 31 December 2013. For all companies, only training courses lasting for at least one hour are listed.

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

Workforce scope for health and safety indicators:

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

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

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

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

2.8.3 Selected indicators

The 2013/2014 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 by reason (dismissal, voluntary redundancy, etc.)
- Average age by gender and by professional category
- Average length of service by gender and by socio-professional category
- Average salary by gender and professional category
- Absenteeism rate
- Workplace accident frequency rate
- Workplace accident severity rate
- Number of occupational illnesses recognised
- Rate of disabled employees in the total workforce
- Number of training hours by gender
- Workforce trained by gender

ENVIRONMENTAL INDICATORS

Energy

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

Note on methodology for reporting environmental and employee-related indicators**Water and liquid waste**

- Water consumption: Angers, Cognac, Barbados and Islay sites, DRM
- Volume of liquid waste: Angers and Cognac sites, DRM
- Liquid waste pollution rate/Biological Oxygen Demand: Angers and Cognac sites
- Liquid waste pollution rate/Chemical Oxygen Demand: Angers and Cognac sites

Winemaking

- Soil and leaf analysis: DRM
- Reduction in the use of chemical fertilisers: DRM
- Reduction in the use of pesticides: DRM

Raw materials for packaging

- Reduction in the weight of glass used in packaging: Group
- Raw materials for packaging: France (Group), World (glass used for production on sites in France)

Office paper

- Paper consumption: Angers, Cognac and Paris sites

Solid waste

- Quantity of solid waste: Angers, Cognac, and Islay sites, DRM
- Solid waste sorting rate: Angers, Cognac and Islay sites
- Solid waste recycling rate: Angers, Cognac and Islay sites

Carbon footprint

- Regulatory Carbon Footprint – GHG emissions (Scopes 1 and 2): Angers and Cognac sites, DRM
- Reduction in greenhouse gases (GHG): Group
- Use of videoconferences: Group
- Use of business travel: Angers, Cognac and Paris sites
- Vehicle fleet GHG emissions: Angers and Cognac sites

Investment and training

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

SOCIETAL INDICATORS

- Rate of suppliers selected for CSR assessment (based on net sales): Angers and Cognac sites
- Rate of suppliers assessed for CSR (based on the number of suppliers): Angers and Cognac sites

2.8.4 Relevance of indicators

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

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

2.9 Concordance table

CSR concordance table based on decree no. 2012-557 of 24 April 2012	Pages
Employee-related information	
Employment	
Total workforce (breakdown of employees by gender, age and geographical area)	18
Employees recruited (permanent and fixed-term contracts, any recruitment difficulties)	17
Redundancies (reasons, efforts to reclassify staff, to re-employ staff and accompanying measures)	17
Remuneration (change, social security charges, profit sharing and employee savings plan)	19
Organisation of working hours	
Organisation of working hours (duration of working hours for full-time and part-time employees, overtime, external labour)	19
Absenteeism (reasons)	22
Employment relations	
Organisation of social dialogue (rules and procedures for informing, consulting and negotiating with staff)	20
Review of collective agreements	21
Health and safety	
Health and safety conditions in the workplace	21-22
Agreements signed with trade union organisations and staff representatives pertaining to health and safety in the workplace	21
Workplace accident frequency and severity rate and accounting for occupational illnesses	22
Promotion of and compliance with the provisions of the core conventions of the ilo (upholding freedom of association and the right to collective bargaining, eliminating discrimination and forced labour and abolishing child labour)	16
Training	
Policies implemented with respect to training	19-20
Total number of training hours	20
Equal treatment	
Measures to promote equality between men and women	21
Measures to promote the employment and integration of the disabled	21
Policies to combat discrimination	21
Environmental information	
Overall environmental policy	
Company organisational structure and assessment and certification procedures	16
Training and information for employees on protecting the environment	22-23
Resources devoted to preventing environmental hazards and pollution	23
Amount of provisions and guarantees for environmental risks	23
Pollution and waste management	
Prevention, reduction and repair of discharges into air, water and soil severely affecting the environment	25-26
Prevention of waste production, waste recycling and elimination	25-26
Handling of noise pollution	25
Handling of all other forms of pollution specific to an activity	n/a

CSR concordance table based on decree no. 2012-557 of 24 April 2012	Pages
Sustainable use of resources	
Water consumption and supply according to local constraints	24
Consumption of raw materials and measures taken to improve their efficient use	25, 27
Energy consumption, measures taken to improve energy efficiency and use of renewable energy	23-24
Use of soil	22-23
Climate change	
Greenhouse gas emissions	26
Adaptation to the consequences of climate change	27
Protection of biodiversity	
Measures taken to preserve or develop biodiversity	27
Social information	
Regional, economic and social impact of activity	17-19, 23
Impact of activity on employment and regional development	17-19, 23, 28
Impact of activity on local and neighbouring populations	17-19, 23
Relations with stakeholders	
Terms of dialogue with stakeholders (work integration associations, educational establishments, environmental protection associations, consumer associations and neighbouring populations)	28
Partnership and sponsorship initiatives	28
Subcontractors and suppliers	
Taking social and environmental issues into account in the purchasing policy	28
Importance of subcontracting and taking suppliers' corporate social responsibility into account in relations with them	28
Fair trade practices	
Actions undertaken to prevent corruption	28-29
Measures taken to promote consumer health and safety	29-30
Other actions undertaken to promote human rights	16

2.10 Independent third party's report on the consolidated employee-related, environmental and societal information contained in the management report

To the Shareholders,

As an independent third party accredited by COFRAC⁽¹⁾ under number 3-1050 and a member of the network of one of Rémy Cointreau's statutory auditors, we hereby report to you on the consolidated employee-related, environmental and societal information for the year ending 31 March 2014, presented in the «Corporate social responsibility (CSR)» Chapter of the management report, hereinafter referred to as the «CSR Information», under Article L. 225-102-1 of the French Commercial Code.

COMPANY'S RESPONSIBILITY

It is the responsibility of the Board of Directors to prepare a management report containing the CSR Information required under Article R. 225-105-1 of the French Commercial Code, in accordance with the reference framework adopted by the Company (the «Reference Framework»), summarised at the end of the CSR section of the management report and available from the Corporate Social Responsibility Director at the following address: christian.lafage@remy-cointreau.com.

INDEPENDENCE AND QUALITY CONTROL

Our independence is governed by regulations, our professional code of ethics and the provisions of Article L. 822-11 of the French Commercial Code. Moreover, we have implemented a quality control system that comprises documented policies and procedures aimed at ensuring compliance with the rules of conduct, professional standards and applicable laws and regulations.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

It is our responsibility, based on our work, to:

- certify that the required CSR Information is included in the management report or, if omitted, is the subject of an explanation pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code (Certificate of Inclusion of CSR Information);
- provide limited assurance that the CSR Information, as a whole, is presented fairly in all material respects, in accordance with the Reference Framework used (reasoned opinion on the fairness of the CSR Information).

Our work was conducted by a team of four people between February 2014 and the date of signature of our report for a period of around four weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the decree of 13 May 2013 defining the ways in which the independent third party conducts its work and, as regards the reasoned opinion on fairness, with the international standard ISAE 3000⁽²⁾.

1. Certificate of Inclusion of CSR Information

We reviewed, based on interviews with the managers of the departments concerned, the policy statement on sustainable development, according to the employee-related and environmental consequences linked to the Company's activities and its societal commitments and, where applicable, the resulting actions or programmes.

We compared the CSR Information included in the management report against the list contained in Article R. 225-105-1 of the French Commercial Code.

In the absence of certain consolidated information, we checked that explanations had been given in accordance with the provisions of Article R. 225-105, paragraph 3 of the French Commercial Code.

(1) Scope available on www.cofrac.fr

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

Independent third party's report on the consolidated employee-related, environmental and societal information

We verified that the CSR Information covered the consolidation scope, namely the Company and its subsidiaries within the meaning of Article L. 233-1 and the companies it controls within the meaning of Article L. 233-3 of the French Commercial Code, subject to the limits described in the Note on methodology contained in the CSR chapter of the management report.

Based on this work, and taking into account the limits mentioned above, we hereby certify that all the required CSR Information is included in the management report.

2. Reasoned opinion on the fairness of the CSR Information

2

NATURE AND SCOPE OF THE WORK

We conducted three interviews with the individuals responsible for preparing CSR Information in the CSR, Human Resources, Remuneration and External Affairs departments, the individuals in charge of collating information and, where necessary, the individuals responsible for internal control and risk management procedures, in order to:

- assess the appropriateness of the Reference Framework with respect to its relevance, completeness, reliability, neutrality and comprehensibility, taking into account industry best practice where applicable;
- verify the implementation of a collation, compilation, processing and auditing system with a view to obtaining comprehensive and consistent CSR Information and to gain an understanding of the internal control and risk management procedures relating to the preparation of the CSR Information.

We determined the nature and scope of the tests and audits, depending on the nature and importance of the CSR Information with respect to the employee-related and environmental consequences associated with the Group's activity and characteristics, its sustainable development policy and best practice within the industry.

For the CSR Information we deemed the most important:⁽¹⁾

- at the parent company level, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we applied analytical procedures to the quantitative information and verified, on a test basis, the data calculations and consolidation and verified the consistency and concordance of the data with other information contained in the management report;
- for a representative sample of entities that we selected⁽²⁾ according to their activity, contribution to consolidated indicators, location and risk analysis, we conducted interviews to verify that procedures were applied correctly and carried out detailed tests on samples, consisting of verifying the calculations made and reconciling the data with supporting documents. The sample thus selected represents on average 42% of the workforce and 38% of the volume of sales expressed as standard cases.

For other consolidated CSR information, we assessed its consistency based on our knowledge of the Company.

Finally, we assessed the appropriateness of the explanations relating, where applicable, to the total or partial absence of information.

We believe that the sampling methods and size of the samples, which we selected based on our professional judgement, enable us to provide limited assurance; a higher level of assurance would have required more extensive auditing work. Due to the use of sampling techniques and other limits inherent in the functioning of any reporting and internal control system, the risk of non-detection of a material misstatement in the CSR Information cannot be entirely ruled out.

CONCLUSION

Based on our work, we found no material misstatements liable to call into question the fact that the CSR Information, as a whole, is presented in a true and fair manner and in accordance with the Reference Framework.

(1) *Environmental and social information: the general environmental policy (evaluation or certification procedures, the amount of contingency funds or guarantees for environmental risks), pollution and waste management (prevention, reduction or remedial measures for discharges into the atmosphere (Env.11 GHG emissions (scopes 1 and 2) and water (Env.3a Liquid waste pollution rate/Biological Oxygen Demand (BOD), Env.3b Liquid waste pollution rate/Chemical Oxygen Demand (COD), waste prevention, recycling and disposal measures (Env.10 Quantity of solid waste, Env.10b Waste recycling rate), sustainable use of resources and climate change (energy consumption (Env.1 Total energy consumption, Env.1a Direct energy consumption (fuels), Env.1b Indirect energy consumption), water consumption and supply according to local constraints (Env.2 Water consumption), consumption of raw materials and measures taken to improve the efficiency of their use (Env.7 Raw materials for packaging, Env.8 Quantity of glass packaging saved through improved bottle design); the importance of subcontracting and inclusion of social and environmental issues in the purchasing policy and relations with suppliers and subcontractors (Soc.1 Rate of suppliers selected for CSR assessment, Soc.2 Rate of assessed suppliers), fair practices (consumer health and safety measures taken).*

Employee-related information: employment (total workforce and breakdown, Emp.1 Total Group workforce), redundancies (Emp.5 Number of departures detailed by reason), absenteeism (Emp.9 Absenteeism rate), health and safety conditions in the workplace, workplace accidents, particularly their frequency (Emp.10 Workplace accident frequency rate) and severity (Emp.11 Workplace accident severity rate), as well as occupational illnesses (Emp.12 Number of occupational illnesses recognised), total number of training hours (Emp.14 Number of training hours by gender).

(2) *Environmental and safety information: Cognac site (France).*

Employee-related information: France.

OBSERVATIONS

Without challenging the above conclusion, we draw your attention to the following points:

- concerning the «Emp.10 Workplace accident frequency rate» and «Emp.11 Workplace accident severity rate», the hours worked are based, depending on the site, on the contractually agreed actual or theoretical hours, without this materially affecting the final data.

Paris-La Défense, 16 June 2014

Independent third party

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NOTES

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