

*rémy  
cointreau  
annual  
report  
2014•2015*



RÉMY COINTREAU



LOUIS XIII  
*Anniversary*  
EDITION



A year of contrasts,  
rebalancing and initiatives.  
Drawing on their wealth of  
excellence, our brands have  
shown an extraordinary  
capacity for resilience. They  
have also been bold. With an  
inheritance such as theirs,  
boldness like this is permitted.

# *rémy cointreau*

Chairman and Chief Executive's statements	3
Executive committee	5
The Houses of Rémy Martin and Louis XIII	7
Liqueurs and Spirits	15
The markets	23
Corporate, Social and Environmental Responsibility	29
People & Talent	41
Board of Directors	43
Finance	45

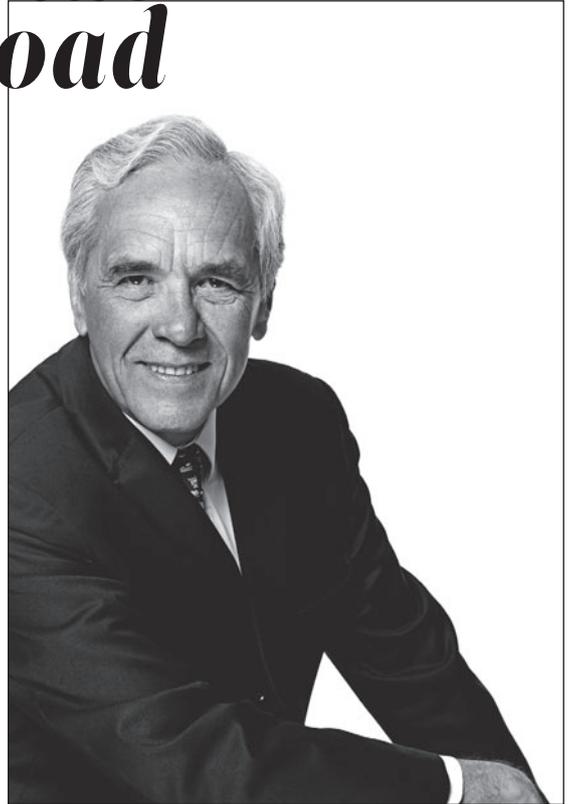
## *chairman's statement*

# *a wide open road*

“Continuity, determination and serenity: three words that sum up our state of mind at the end of this year. Let me explain: despite an environment which has not always made the job easy for us, the Group has stayed on track, and our results are better than expectations: this is down to a long-term strategy which has not once given into the temptation of amendments or procrastinations. The course we set ourselves, that of moving all of our products upmarket, has been kept to. The ageing process of our eaux-de-vie certainly inspires this long patience in us, so appreciated by the Chinese, on whose behaviour financial commentators' eyes are firmly fixed. We also have to remember that the foundation of our convictions rests on the faultless commitment of several generations of family, which pass on the baton, respecting the heritage bequeathed to them and honouring the value of transmission: these mainstays ensure the soundness of the structure of our brands, whatever the economic climate. This continuity has, once again this year, allowed us to increase our market share.

Based on our determination, an additional step has just been taken. To renew our management team and the Group's Executive Committee, we deliberately appealed to talents from outside our world of cellars, but from the world of luxury. They bring a creative edge, help us adjust our organisation to accommodate our consumers, who are getting younger, and refine what I call our “strategy of exception”: how can we enhance our difference to stand out even more? Our spirits, each in their own way, intend to become legends, if they are not already. In the Far East, they dream of Louis XIII, whilst in Northern Europe, they overcome borders to discover Octomore, a whisky whose name is murmured like a secret for the happy few. Money has no object when it comes to sharing such privileges. Our eaux-de-vie are worth it. Our consumers who love elegance know that we will never compromise on quality. Even if we wanted to, we could not. It is impossible to hasten the work of time.

The dreams which our spirits arouse bind us to a loyal, aesthete, uncompromising and unconditional clientèle. Fashion, regulations, economic or political upheavals cannot seriously disturb our headway. We have proven the relevance of our strategy of exception. We are fortunate that our enthusiastic and confident employees share our strategy. The road is wide open. That is why we are serene.



”  
**françois hériard dubreuil**  
chairman

# three questions to the chief executive officer

## how do you see the year 2014 • 2015?

As is often the case when the economic climate makes it difficult to see what the future holds, it's a good time to take initiatives. The contraction of the Chinese market, which is affecting all luxury products, is leading us to re-examine our advantages to make the most out of the strongest: our brands. It's a bit like a freeze frame which allows us to reinvent ourselves based on the prospects available to us; rather than a view which is troubled by the past. The new governance set up during this financial year allows this: in the renewed Executive Committee, the directors of the three brand divisions are now working with the managers of our main geographic markets. Across-the-board communication benefits in terms of speed and smoothness. A reinforced innovation unit and a strategic planning team in charge of decoding any latent development in consumer behaviour round out the system. It is not about changing strategy, but about preparing ourselves to accelerate the upmarket move we have been working on for several years.

## what are your causes for satisfaction?

Efforts made are bearing fruit. The United States has become our leading market, both for cognacs and liqueurs: *Rémy Martin VSOP, 1738* and *XO* are performing amazingly there; Cointreau is imposing its appeal; and the most sophisticated Mount Gay rums are winning over whisky fans without a backwards glance. This three-fold upswing says much about our teams' ability to get things going. Canada is not lagging behind either. *S<sup>T</sup>-Rémy* is turning out to be a seductive brandy appealing to fans of VS cognacs thanks to its highly appreciated taste. In Europe, patches of blue sky are also giving us room for optimism: we have great expectations from the creation of a subsidiary in the United Kingdom, while Metaxa is doing well in Central Europe.

In China, our situation is rationalised, without any excessive stocks. Sumptuous banquets may no longer be appropriate, but the tradition of gifts lingers on, deeply rooted in the culture of all Chinese classes. Thanks to numerous tasting sessions, the value of our cognacs is increasingly perceived. We anticipate that consumption at home will increase, along with the fascination of the new generations for our exceptional blends; we are preparing for a sales recovery with a more solid grounding as it will be more in relation with the end customer.



## how are you approaching the next financial year?

New governance, development of brand platforms, acceleration of our move upmarket on every continent. This year of rebalancing will allow us to step up a gear, with energy and hunger. We have a clear strategy – with the iconic Louis XIII leading our portfolio – a smallish organisation which allows us to react quickly, teams which are always “on the ball” and driven by a good appetite. We have everything to forge ahead. With even more audacity.



**valérie chapoulaud-floquet**  
chief executive officer

# executive committee

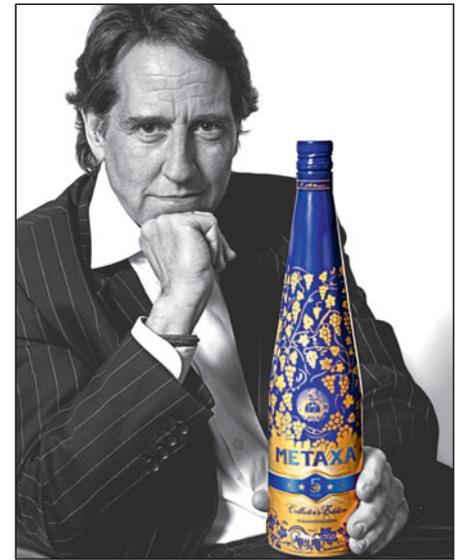
as of june 1st, 2015



**Valérie Chapoulaud-Floquet**  
Chief Executive Officer



**Philippe Farnier**  
Senior Vice President Americas zone



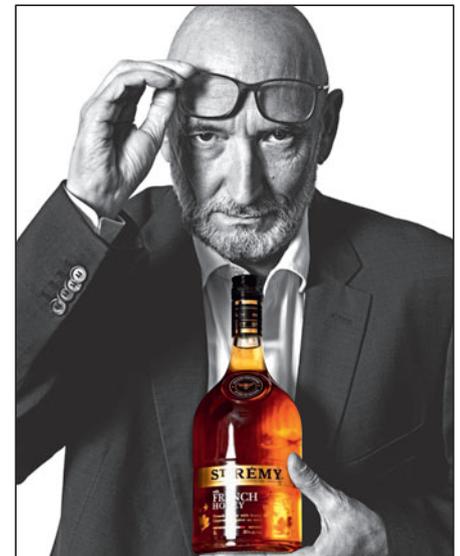
**Spyridon Ghikas**  
Senior Vice President EMEA zone



**Patrick Marchand**  
Senior Vice President, Operations



**Luca Marotta**  
Chief Financial Officer



**Jean-Francois Boueil**  
Senior Vice President, Human Resources



**David Ennes**  
Senior Vice President Asia zone



**Simon Coughlin**  
CEO Bruichladdich and The Botanist



**Peter Sant**  
Senior Vice President Global Travel Retail



**Panos Sarantopoulos**  
CEO Liqueurs & Spirits



**Eric Vallat**  
CEO Rémy Martin, Louis XIII and Mount Gay

# *the houses of rémy martin and Louis XIII*

One can only explain the enthusiasm that reigns at a tasting session of our cognacs, by the richness of the Petite and Grande Champagne eaux-de-vie and the fascination for the traditions of which they are the culmination. Our explanations and reasons are always consistent; we patiently educate consumers' tastes to explain the extreme refinement.

**564.8**  
*million euros*  
**2014•2015 sales**





Crystal shaker designed by Anouk Meyer:  
one of the ten projects selected as part of  
Rémy Martin's partnership with ECAL (L'École,  
Cantonale d'Art et de Design de Lausanne)

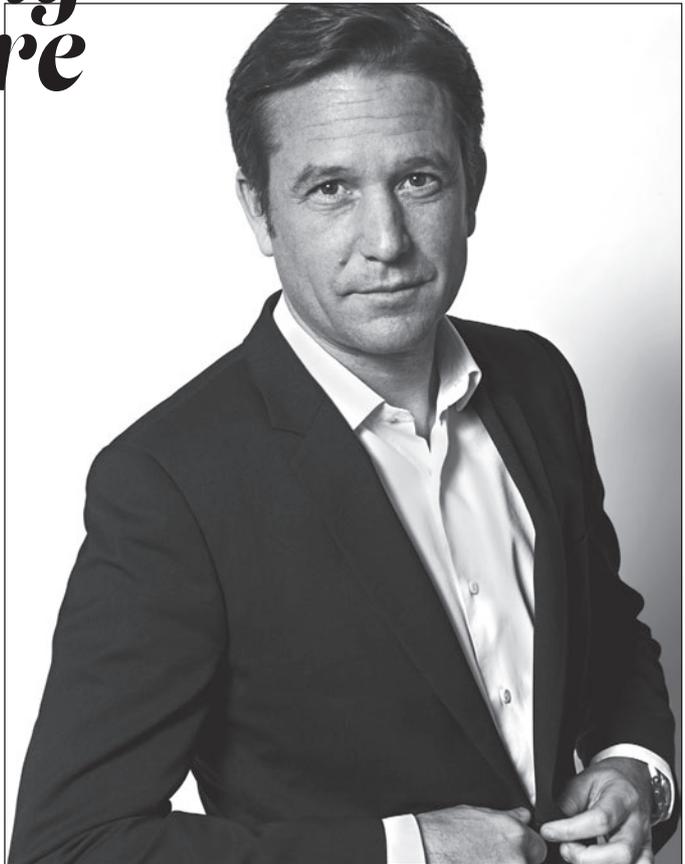
# embodying art de vivre

“This year, rich in initiatives, has been characterised by rebalancing and redeployment. Rebalancing the distribution of sales of cognacs between the continents. Sales in the United States are now surpassing our exports to China.

The sustained growth of our brands on the American market is even more remarkable in that it is essentially due to *Rémy Martin VSOP* and *1738 Accord Royal*, thus proving the success of our strategy to move upmarket. In fact, the House has completely abandoned the low-end market, that of VS, to concentrate on the more prestigious cognacs. One figure sums up this strategy to move upmarket: over 100,000 cases of *1738* sold.

This is a record, but above all, proof of the appeal of our signature and of the heritage it evokes.

Rebalancing, and also redeployment in China, a market undergoing tremendous change. Luxury is now more discreet, but still the stuff of dreams. Although the situations for consumption are changing, the appetite for cognac is intact. As large banquets are no longer the done thing, we now have to reach out directly to the end consumer, who welcomes people into his home or invites small groups to restaurants. All of our efforts must focus on individual sales, for which the centaur, our timeless emblem, is an alluring asset as it symbolises the dominance of our blends and a desire for refinement. Particularly in the year of the horse. The signature triumphed with the first Mathusalem of the House of Rémy: a bottle with a golden shimmer containing six litres of Club cognac with apricot and jasmine notes.



”

**éric vallat**  
ceo rémy martin,  
*Louis XIII and mount gay*





American airports have also had the privilege of being the first to receive the prestigious boxes of the "Cellar Master Collection". The moving and enthusiastic way in which our cellar masters were received at tasting dinners on their global tour during the hand-over of Pierrette Trichet to Baptiste Loiseau showed just how much their talent was appreciated.

In the United Kingdom, an event was created with a pop-up House of Rémy Martin in the trendy Soho district of London: a private club with four floors where London-based artisans and designers, along with well-known chefs and barmen, relayed each other to relate 290 years of excellence. The "heart of cognac" won the heart of many celebrities, and the press reviews were positive. In addition, following on from Paris, the House in London gave young talented designers from ECAL the opportunity to display their work interpreting the theme of remixology, harmoniously mixing colours, scents and materials.

In Africa, a new frontier for our cognacs, the brand is continuing its on trade and off trade conquest of young clientèle cultivating exclusiveness. The Rémy Martin lounges inaugurated in clubs in Johannesburg and Cape Town are an excellent example.

So, all over the world, the brand is asserting its energy, attracting new enthusiasts and embodying French art de vivre, the appeal of which is still strong.



# *Louis XIII* celebrating rarity

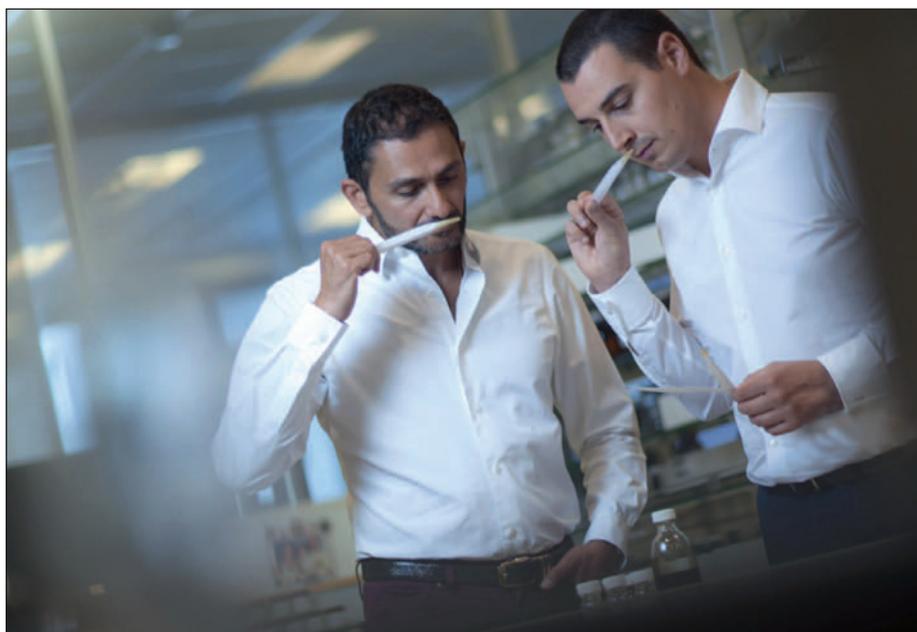
An icon of luxury even outside the universe of wines and spirits, Louis XIII continues to assert itself in the most prestigious palaces and venues: the "Fortresses". This influential network is gaining strength on every continent. In China, in a complex environment, the House of Louis XIII has become the main patron of a project supported by the Government, "Heritage Past Present", which promotes the country's traditional arts by getting contemporary artists to reinterpret them. The blend, venerated for the century-old eaux-de-vie which are part of its composition, joins with two other heritages: silk tapestry, K'o-ssu and an ancient lyrical art, Kun Opera. The results of this partnership, which is set to last, have only just begun.

Another partnership commented on by the media is that of Francis Kurkdjian, the famous Master Perfumer, and Baptiste Loiseau, Cellarmaster. Over a tasting session for two at Hotel Peninsula in Paris, a dialogue of know-how on aromas developed between these two enthusiastic creators.

Lastly, a particular event was called for to celebrate the 140th anniversary of the creation of Louis XIII. This was the creation of 775 decanters with metallic reflections drawn from a single cask made by hand around one hundred years ago and taken from the family reserve. Named *Louis XIII Black Pearl Anniversary* and numbered as is the tradition, they met great success in all the "Fortresses", in the land of the rising sun and on the other side of the Pacific. It was even necessary to join a waiting list. This is the price of rarity, and proof of unwavering influence!



Cellarmaster,  
Baptiste Loiseau  
and Master Perfumer,  
Francis Kurkdjian



When a traditional  
Chinese art,  
the K'o-ssu, meets  
a legend, Louis XIII



On 27 January 2015, la Maison Cointreau names Laetitia Casta as Creative Director



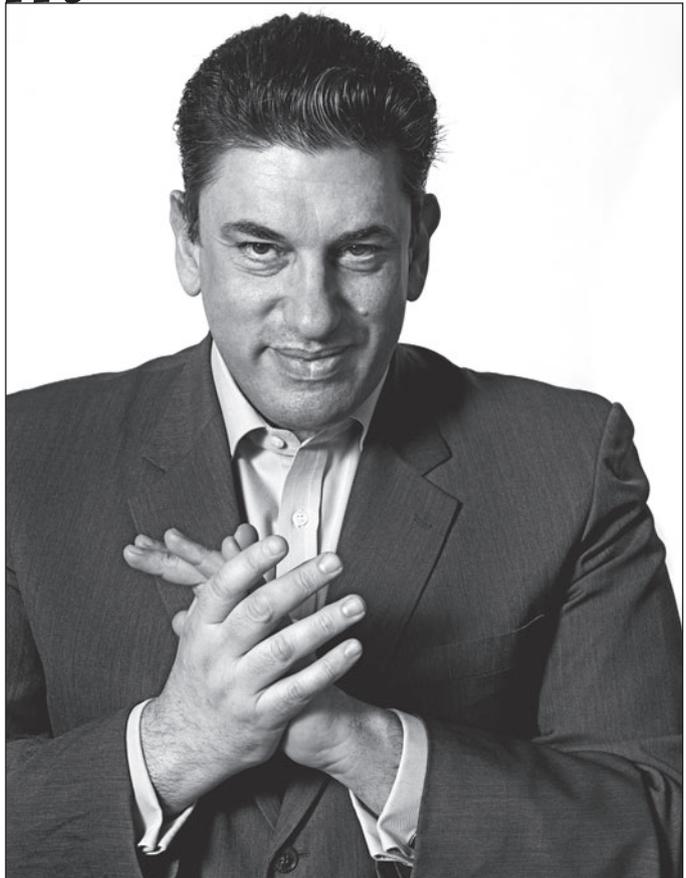
# *liqueurs and spirits*

On the strength of their roots and their authenticity, liqueurs and spirits are constantly opening up to new horizons, buoyed by the multiplicity of consumption opportunities: all kinds of cocktails – long drinks or quick shots – are coming back into fashion, all to accompany exceptional moments. Our brands are daring to write new chapters of their history.

**259.9**  
**million euros**  
**2014-2015 sales**

# cointreau unparalleled charm

“Authenticity, avant-garde and elegance make up the DNA of the House of Cointreau. The famous bottle with square facets and rounded corners, inspired by a perfume bottle from the 1900s, is continuing its career with mischief: like the Parisian woman who fascinates women from all over the world: sparkling, spiritual, free, and always so elegant. This particular charm is perfectly embodied by Laetitia Casta, the Creative Director since January 2015. Sales of the liqueur have raced ahead of those of triple secs, especially in the United States, its leading market. Americans are crazy about *Cointreau Rickey*, the name adopted for what the French call *Cointreau Fizz*. They taste it first in bars and then personalise it at home, by adding a slice of cucumber, a strip of pepper or a few red fruits: that touch of fantasy they admire so much in French women, or as they imagine French women to be. London, Brussels and the big Australian cities are catching up with New York and San Francisco: more than one thousand bars now have their own versions of *Cointreau Fizz*: half a lime, a few centilitres of Cointreau and a jet of fizzy water. Proof of the cocktail’s success, some menus in trendy venues propose *Cloudy Cointreau Fizz*, or *Dirty Cointreau Fizz*, with a stronger taste because they are based on *Cointreau Noir*. Now, if men are also succumbing to the charm...



”

**panos sarantopoulos**  
ceo liqueurs & spirits

COINTREAU

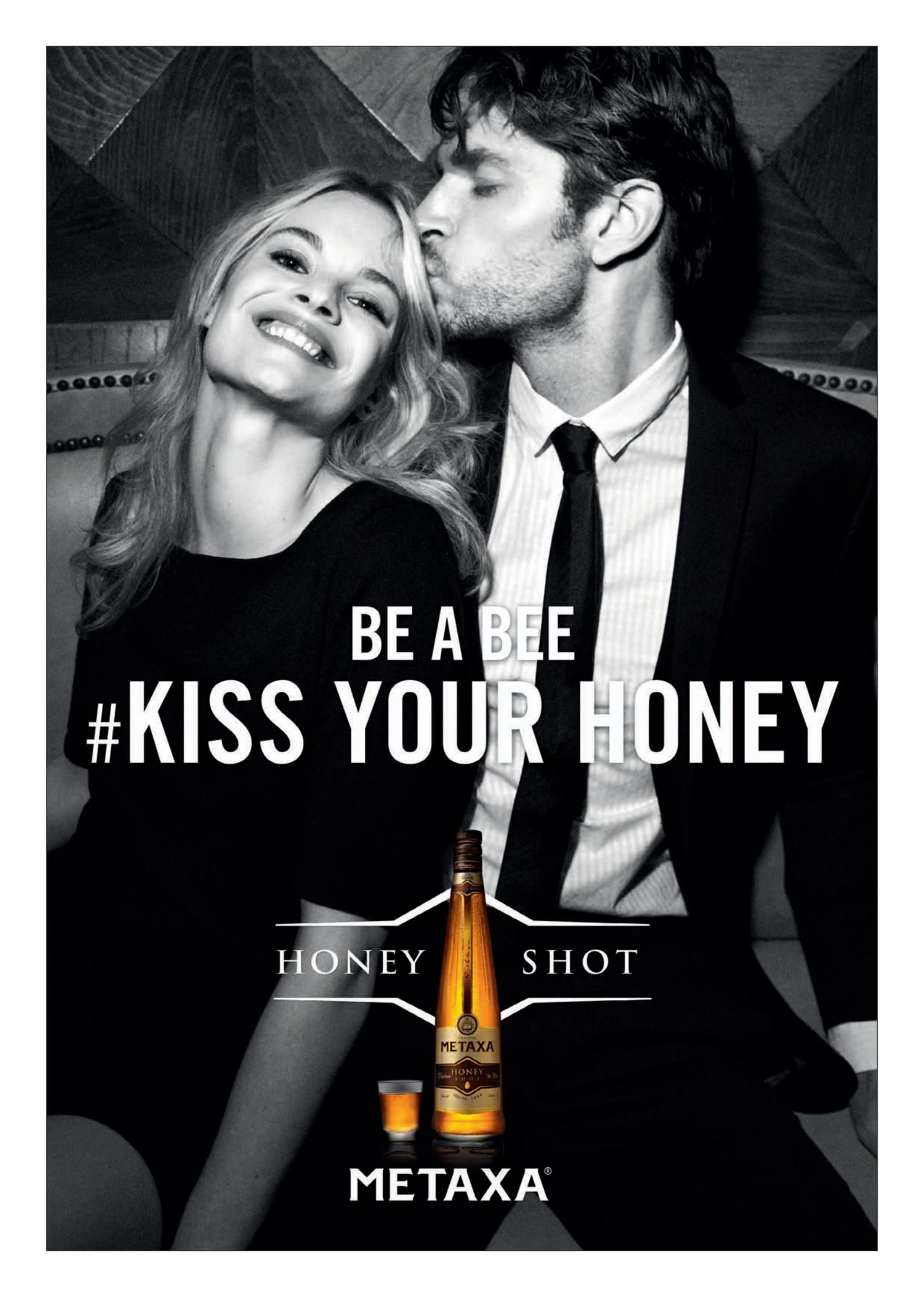
YOUR PARISIAN ZEST

COINTREAU  
FIZZ

5 CL COINTREAU  
2 CL FRESH LIME JUICE  
10 CL SPARKLING WATER  
ET VOILA!

COINTREAU  
ORANGE SPIRIT

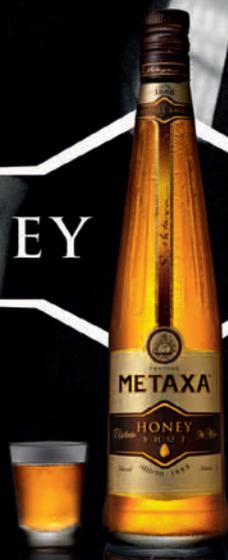




**BE A BEE**  
**#KISS YOUR HONEY**

HONEY

SHOT



**METAXA®**

## metaxa sharing the sun

If there were only one place to illustrate the vigour of the House of Metaxa, it would be Mount Lycabette in Athens, where a unique multi-sensorial experience takes place for visitors using the funicular to get to the top. All along the journey, the tunnel vibrates with the evocations of the universe of this spirit. At the end, a three-dimensional sun explodes with a breathtaking view of the sea: the one contained in the bottles.

The display lifts the senses and echoes the progress of the House of Metaxa. In fact, it defies the depression of its country of birth and the uncertainties of the Russian economy, which are important markets for the brand.

The "Metaxa Moments" launched on the beaches have found their winter equivalent in après-ski, in the Alps and in the Carpathian Mountains. They have now even made their way to Canada.

At the end of this year, **Metaxa 12 Stars** can be proud of two-digit growth, thanks partly to the Polish market and duty free sales, proof of the appeal of this high-end flagship.

The House of Metaxa is also anticipating the success of a new creation, launched in September 2014:

**Metaxa Honey Shot.** A subtle composition of honey collected in the North of the Peloponnese married with rose petals from the same region.

To drink in little glasses, neat and chilled, for celebrations with friends. The House of Metaxa's rejuvenation is not over by a long shot.

## st-rémy the aura of France

St-Rémy is continuing to enhance its value on its main markets with consistency: Canada, Scandinavia, Central Europe, and also, quite recently, Africa and Vietnam.

This perimeter is expanding all the time, thanks to the brand's attractive variations.

Launched in 2014, **ST-Rémy French**

**Honey** made a very

promising foray into the United Kingdom amongst young fans, whilst **ST-Rémy à la Crème** has been adopted by a female clientèle in Quebec who sing its praises in cooking, backed up by blogs.

Everywhere it goes, the number one French brandy, whose emblem is the Eiffel Tower, symbolises France, and this is a highly sought-after position. It also lays the foundations of a cleverly managed upmarket move which invites VSOP fans to turn to XO, as their taste develops. For demanding palates, two new blends have been revealed this year, at the summit of the range: **Réserve Privée** and **Small Batch Reserve**. The oldest eaux-de-vie from these cellars are used in the latter, sold for over 50 Canadian dollars. They have been distilled in copper stills or columns whose reflections illuminate the box which contains them. Two creations which illustrate the brand's know-how. Remember its date of birth: 1886.



# mount gay black barrel takes the lead

“ When telling the story of Mount Gay, we always come back to Barbados. This is where the oldest rum company in the world was established. Since 1703, the most complex blends have been created here, in ancestral ageing cellars. This heritage is always patiently explained to a selection of bar tenders and wine and spirits merchants. A pedagogy, that largely explains the healthy progression of the brand revenues, whose flagships are *Black Barrel* and *Extra Old*. Investments focus on these very high-end bottles and are highly targeted to create a buzz and to magnify it thanks to social media. The approach chosen to introduce the cult of amber rums is deliberately very qualitative: This encompasses tasting sessions, meetings with the Cellar Master and, for the most important opinion leaders, tours of the Mount Gay facilities in Barbados. In the United States, which is the leading market for Mount Gay, the most enthusiastic converts are recruited in creative milieus which are particularly sensitive to the brand's authenticity; they happily make reinterpretations of a good old Manhattan or Old Fashion, in which rum becomes the main ingredient, or they drink the latter neat or on the rocks. *Black Barrel* can celebrate its second year on the American market. On the strength of this success, it was launched in 2015 in Canada and the United Kingdom, as well as in Australia and in some selected Duty Free shops. Four new markets which presage others.



”

**raphael grisoni**  
managing director mount gay rum

# *bruichladdich, the botanist once upon a time, there was an island...*



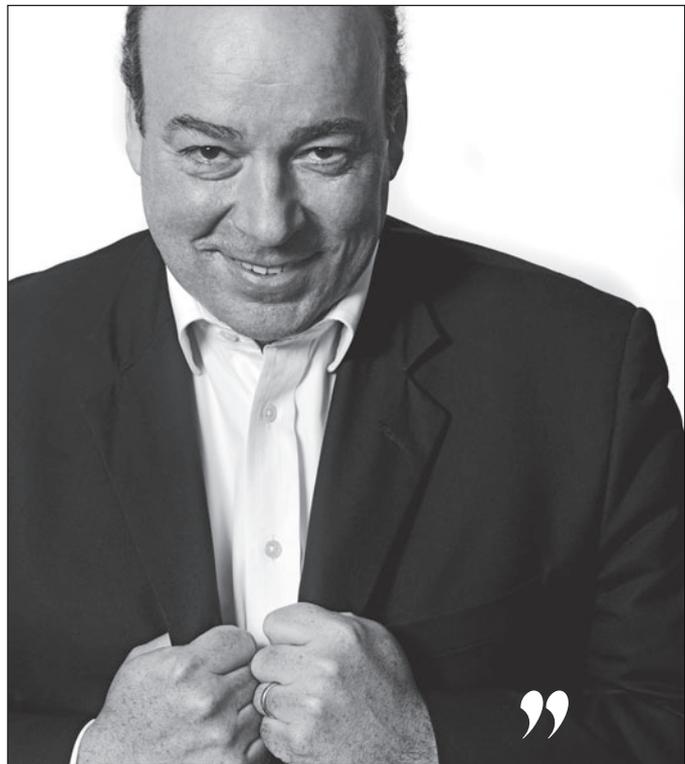
“ The House of Bruichladdich is home to four high-end brands, the single malt whiskies of *Bruichladdich*, *Port Charlotte* and *Octomore*, plus *The Botanist*, the first and only Islay Dry Gin. All share an overall philosophy, and place terroir, their connection to the people and land of Islay at the center of everything they do.

The distillery challenges much of the received wisdom of the traditional Scotch whisky industry, championing the variety offered by exploring barley provenance, cask management and peating levels while rejecting an over-simplistic reliance on age statements. Artisanal production methods are supported over efficiency, variety is considered above yield and the industrial processes that homogenise most Scotch whiskies are rejected.

These are some of the most thought-provoking spirit brands in the world. The concepts behind them are complex and a visit to the Islay distillery Academy programme is considered essential to foster a genuine understanding of why they are so completely different. Only following a visit to Bruichladdich are our people able to return to their home markets and make an authentic presentation. Supported by the Group’s distribution network, several hundred brand ambassadors have now graduated through the Academy with hundreds more key influencers set to make the journey to this extraordinary place.

These are high-end spirits supported by a powerful brand narrative and genuine intellectual depth.

They can confidently justify their price position and claim their rightful place on the shelves and back bars of quality global outlets. The education programme is already paying real dividends. Bruichladdich and The Botanist have doubled their turnover in 2014-15. These are conclusive results. The legend is just beginning.



**simon coughlin**  
ceo bruichladdich and the botanist

# *the markets*

This year, the United States is taking the lead on China, as the Group's largest market for Rémy Martin: this is a fine illustration of the international strength of our brands and of the Group's geographical balance. Across all latitudes, the refined education of consumers' taste enables the successful implementation of our strategy to move upmarket.



**34%**  
*europa, middle  
east and africa*

**30%**  
*asia*

**36%**  
*americas*



Cointreau party at the Musée  
de l'Orangerie in Paris

americas

# *moving upmarket on a continental scale*

“ This year the United States ranks as the Group’s leading market, for both cognac and liquors & spirits, which strongly reflects the overall strategy to focus efforts in the luxury spirits segment. This exceptional performance is due to consumers’ growing interest for brands that are deeply rooted in history, authenticity and craftsmanship.

Rémy Martin continues to benefit from our Heart of Cognac educational and experiential program, currently in its fourth year, which has converted more than 35,000 consumers and key trade advocates into Cognac connoisseurs. This year also marks an important milestone for the Rémy Martin brand as we exit the entry-level VS category in the U.S. We continue to affirm the brand’s leadership position in higher price cognacs by boasting strong double-digit performances on both the brand flagship *Rémy Martin VSOP* and *1738 Accord Royal* expressions.

Louis XIII’s position as the leading ultra-luxury spirits brand continues in the U.S. as we see positive performance from our selective retailers and on-premise accounts. The *Louis XIII Black Pearl Anniversary* Edition, valued at \$16,000, met with substantially higher demand than product availability demonstrating the brand’s status as an ultimate luxury.

Cointreau has gained strength by focusing on at-home entertaining with the *Cointreau Rickey*, a simple and refreshing cocktail featuring Cointreau, fresh lime juice and club soda.

We continue to see promise with our recently released products. *Mount Gay Black Barrel*, now in its second year, continues to show strong potential with solid growth as the brand expands in the emerging super-premium rum category. This past year was the first complete year of launching the new Bruichladdich Scotch Whisky range as well as The Botanist Gin, with very encouraging initial results.

Our outlook for the 2015-2016 fiscal year is positive as we look to build on our achievements from this past year and to exciting consumer programs for our entire brands portfolio.



”

*philippe farnier*  
srp americas zone

# asia reorientation in progress

“It’s time for decorum, and flashy dinners are no longer appropriate. It’s a fact! But the desire for luxury, the fascination of the Chinese for expensive cognac and the tradition of present giving reside. The intent is still to show that one is a connoisseur and that one recognises the value of a prestigious name. Hence consumers’ thirst for information. Reading and making remarks on labels, or browsing specialised websites, reassures them. They want authenticity and are wary of counterfeits. This thirst for expertise is a powerful opportunity for our brands. Boosted by a flawless image capital, our companies enjoy the highest level of brand awareness and credibility. These qualities are precious, considering that cognac is largely appreciated in family environments or during private occasions. Showing off the bottle at home is a sign of irrefutable ‘savoir-être’ and status.

Rémy Martin therefore primarily devotes its investments to educating the final consumer, and to recruiting them, notably with tasting dinners, which have already welcomed several thousands of participants this year. With unprecedented audacity, it dares to win them over with blind tests, the conclusions of which outweigh any discussions. Once again this year, the cognacs designed exclusively for the Chinese market were met with enthusiasm: notably *Rémy Martin Club* packaged in a six-litre format and a golden covering, as well as *XO Excellence* and *1898* in Swarovski crystal decorated decanters.

The potential of this market is vast: a middle class consisting of hundreds of millions of people, two hundred airport terminals under construction and a youth turned towards Western lifestyles, via Hong Kong or via e-commerce web links.

Another cause for satisfaction in the region, is the way in which the Japanese receive all of our brands, with Louis XIII in the lead. For the third year in a row, the Group has posted two-figure growth there, despite the recession.



”

**david ennes**  
srp asia zone

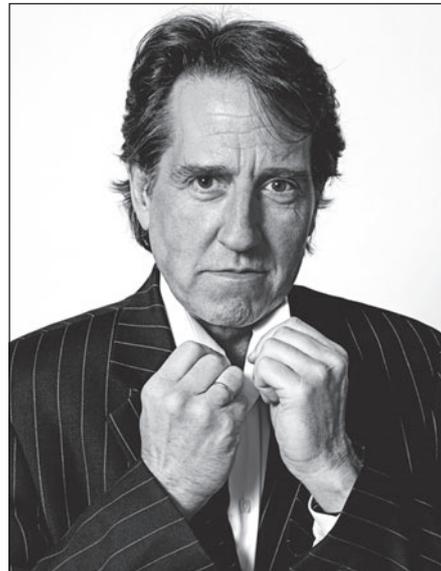


## *europa, middle east and africa* **new growth drivers**

“ Thousands of kilometres separate the trendy districts of London and those of Cape Town, the bars of Moscow and those of Lagos; and yet, despite different environments, common changes in consumption trends show the relevance of our strategy, focused on flagship cities and the most luxury venues. Although, for reasons of austerity, spirits are sometimes being consumed more carefully, demand for quality is increasing. Enthusiasts’ taste is becoming more refined and the influence of the local jet set is being amplified through the use of selfies and videos sent via Smartphones. The magic of luxury.

In Western Europe, where cocktails are the trend as soon as night falls, Cointreau Fizz Garden, which experienced huge success in Brussels, has been adjusted to the Netherlands and the United Kingdom. In London, our subsidiary, created in April 2014, staged its launch with the creation of a pop-up House of Remy Martin, which created a stir. Central European countries continue to open up to imported spirits, which still only represent, on average, 15% of the market. The future looks bright for them, as proven with the performances of Metaxa and the spread of its Home Parties. It is unquestionable that the weakening rouble is affecting Russian morale, but the Group has managed to maintain its market share in this strategic country, whose economy remains very uncertain. Knowing how to select the greatest cognacs, being able to taste and appreciate a Louis XIII in public will always be symbols of elegance and success there.

Several African countries, identified as growth drivers, are confirming their potential. From Johannesburg, we are continuing a successful installation strategy in South Africa and Nigeria, our main African markets, as well as in Angola and Ghana: wherever new classes of society show a desire to display their status. Sales of cognac are flaming there: just like this torch, which is lit when a bottle of Rémy Martin is ordered in a nightclub. This ritual always leads to other celebrations. Africa also offers vast opportunities, as vast as the continent itself, to develop our brands of Liqueurs & Spirits, such as Cointreau, Mount Gay and Bruichladdich.



”

**spyridon ghikas**  
srp emea zone

global travel retail

# The success of exclusive products

“ The Group’s third market after the United States and China has no frontiers. But it grows in line with the spending moods of different nationalities. It only takes Beijing to advocate discretion and the airports of Hong Kong, San Francisco and Vancouver are affected. It only needs the rouble to falter and the airports of Nice or Istanbul witness the disenchantment of Russian tourists. Despite these fluctuations, Travel Retail teams have achieved some great success stories.



The collection of Fine Champagne cognacs, available only in Duty Free, was particularly sought after:

**Prime Cellar No. 16** with intense vanilla notes and **Reserve Cellar Selection No. 28** with the rich aromas of candied fruits, from very specific barrels, have thus inaugurated the “**Cellar Master’s selection**”: these perfect gifts cannot be found anywhere else. Another exclusivity is a special series of 15,000 decanters of **Rémy Martin XO** presented in a copper and gold box, designed to celebrate the Chinese New Year. Or the limited edition of Rémy Martin XO Excellence bottles for the Festival de Cannes. All of these expensive gifts have met a notable success.

In addition, several top names, still on the starting block, have made a remarkable start: **Bruichladdich** was the star of the Scandinavian Whisky Festival; **Cointreau Noir** and **The Botanist** stand out with an infectious redemption rate. Our brands understood a long time ago how to meet this demand from travellers looking to buy something exceptional: “Surprise me!”

”

**peter sant**  
srp global travel retail





... Ce Cognac Grande Champagne a été servi au banquet Royal offert à leurs Majestés Britanniques le 21 Juillet 1938 au Château de Versailles. Sa Majesté La Reine Elisabeth II ainsi qu'à tous les banquets offerts à sa Majesté en Avril 1957.

**E. RÉMY MARTIN & C°**

E. RÉMY MARTIN & C° COGNAC  
GRANDE CHAMPAGNE  
TRÈS VIEILLE  
Age Inconnu

## **corporate, social and environmental responsibility**

# **conveying the value of time**

“ Like work in the vineyards, Rémy Cointreau’s past can be traced back many years, on the same scale as nature and human activity. The mark of time is apparent in all tasting experiences of our brands.

That is because we know the value of time, and we are committed to conveying that value to our stakeholders. It is part of the tradition of a family group and has been passed down through the generations. Because we have a responsibility to secure the future of our brands and of all factors which contribute to their quality and appeal.

With this in mind, we work to build mutually healthy and enriching relationships with our employees and our partners. By constantly exchanging best practice, we consider the know-how of each person.

We integrate this best practice into our daily life, so that we can work together towards increasingly responsible operations.

Because we know the value of time, we do not compromise on the consistency and quality control of the products. These values go hand in hand with our other efforts: reducing the environmental impact of our operations, the Group’s social and citizen commitment and encouraging all our stakeholders to adhere to our ethical principles. This also includes consumers. We are committed to encouraging responsible drinking.

”

**hervé dumesny**  
*srp, group public affairs & csr*

# **main events 2014•2015**

In the past year, the Group delivered the second year of its three-year CSR 2015/16 plan.

The three pillars of this plan are to: anticipate regulatory demands, roll out the Group’s commitments to all its stakeholders and meet civil society’s expectations. This plan structures Rémy Cointreau’s CSR policy, which in turn provides increasing structure for the Group.

Since it signed up to the United Nations Global Compact in 2003, the Group has continued to make progress on its commitments. It is now part of the GC Advanced level working group which includes the companies most committed to CSR. It reached this level in June 2014, a reflection of its efforts and the significant integration of CSR in its strategy. The CSR policy also continues to be aligned with standard ISO 26000, and Rémy Cointreau is attentively following developments in this standard.

The Rémy Cointreau teams strive on a daily basis to embody the Group’s CSR policy. The Group already extended the scope of its CSR reporting in accordance with the “Grenelle II” law three years ago to all production sites and distribution subsidiaries. Our pragmatic and exemplary CSR policy is also shared with all suppliers, who undergo demanding evaluations.

Finally, CSR is also continuing vis-a-vis consumers.

Whether it takes the form of protecting consumers with a renewed commitment to fighting counterfeiting, or ensuring advertising complies with the Group’s founding principles, the Committee for Responsible Communication (CRC) is increasingly active in its support for the Group’s communicators and gives them constructive feedback on their campaigns.

# *employee-related information* **human resources policy**

During 2014-2015, professional development for employees remained one of the Group's core concerns. Faithful to its historical choices, by promoting diversity and promoting collective agreements in all areas of negotiation, Rémy Cointreau also works to build a sense of belonging to the Group.

## **Promoting employee development**

For several years now, Rémy Cointreau has been using monitoring tools on an international scale to develop the skills of its employees. The training policy, performance evaluation processes and succession planning form the cornerstone of collective and individual action plans to support employees' career plans. The identification of key roles, shared with the Executive Committee, also ensures that the Group has at hand the talents necessary for its growth and/or guides human resources decisions to ensure the organisation's longevity. In this way, the Group encourages the skills development of women and men to encourage team performance. Therefore, professional and geographical mobility play a large part in circulating the Company's values throughout the organisation.

## **Encouraging the group's multicultural identity, promoting diversity**

As a natural consequence of the international presence of the Group's brands, 60% of Rémy Cointreau's workforce is located outside France. The Group's multicultural dimension goes beyond adding up the different employee nationalities: it is a major asset in the Group's international development and a training accelerator, as it encourages the sharing of experiences in all countries where our teams are present. Moreover, the Group's commitment to diversity is also demonstrated by

its willingness to establish teams made up of men and women of different ages, and with different training backgrounds and professional experience.

## **Maintaining an ambitious social dialogue**

2014-2015 again saw the conclusion of collective agreements reflecting the intention shared with the social partners to promote dialogue and consultation. In France and Barbados, the salary policy was set within the framework of collective agreements. All social partners in France signed the agreement on general equality in the workplace.

The agreement on the incentive scheme was renewed via the signing of a majority agreement. A majority agreement was also signed as regards the wage policy. At the same time, the single database (BDU) was implemented. In a contrasting economic climate, this dynamic shows the maturity of the Group's relations with its social partners.



# changes in the workforce

At 31 March 2015, the Group's total workforce was 1,784 employees, an increase of 29 employees compared with March 2014. 212 employees were hired, 110 of them on permanent contracts. 27% of recruits were allocated to the sales force, 21% to production and 23% to marketing. At the same time and over the same scope, 200 employees left the Company, of whom 43% resigned, 11% left by mutual agreement and 19% left at the end of a temporary contract.

Breakdown by gender was stable; men make up 56% of the workforce, with women accounting for 44% – with different circumstances, according to profession and country. By profession, men account for the majority in the fields of ageing, maintenance and sales. There are more women in the fields of marketing, customer relations and packaging.

## Breakdown by professional category

42% of the workforce is composed of executives and managers, mainly occupying sales, marketing and finance roles. The Group's production operations comprise the majority of its operators and technicians, around 77% of whom 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 the Group's workforce is 41, with a higher average age of 43 in France. The average length of service of the Group's workforce is 9.7 years, with a higher average of 15.7 years in France.

## Work-linked training contracts and apprenticeships in France

Rémy Cointreau is continuing its proactive work-linked training policy. At the end of March 2015, these contracts accounted for almost 3% of the workforce in France. Apprenticeships are a preferred means for the Group to recruit and train future talent. At the French sites, around ten apprentices (Bac Pro to Bac+5 levels) learn a trade in an environment where rigour and creativity are encouraged. International corporate volunteer programmes (VIE) are also on offer. All participants receive specific support. At the Paris site, an interview with the Human Resources department is automatically held prior to their departure to discuss their future.

## Diversity at all levels

In terms of diversity, the Group has applied diversification measures to its recruitment campaigns, to promote gender equality, integration of employees with disabilities and reintegration at the local level. In 2014, the Cognac site undertook a great deal of work in this regard. It continued its drive to recruit long-term unemployed people, in partnership with the French job centre and local job recruitment initiatives. Thanks to the implementation of an action plan, the number of temporary workers with disabilities has doubled for roles compatible with the medical restrictions.

# environmental information winemaking

Strengthened by its roots and its long history, Rémy Cointreau has made environmental commitment a sustainable driver of its economic success.

## Cultivating excellence through a responsible certification policy

For many years now, Rémy Cointreau has been committed to an exemplary environmental approach, while ensuring economically competitive winemaking without compromising on quality.

In 2012, the Rémy Martin *Domaines* were among the first in France to obtain AHVE (High Environmental Value Agriculture) certification. Having fully met all criteria, including the preservation of biodiversity and the weight of inputs in net sales, these *Domaines* have now obtained AHVE level 3, issued by the Afnor (French standardisation organisation).

These certifications are acknowledgement of the work done, a guide for everyday operations and a management tool, all rolled into one. The *Domaines* also maintained their PEFC certification, which ensures sustainable management of the forests on their territory.

## Committed to respecting the environment

The Rémy Martin *Domaines* are members of the Ecophyto network, a national initiative resulting from the Grenelle environmental laws which aim to gradually reduce the use of pesticides and decrease land pollution.

To adopt cultivation methods which respect the environment, none of the pesticides used are harmful to surrounding plants and wildlife. The use of pesticides was less than 18% of the approved doses and the Rémy Martin *Domaines* underlined their commitment to cease using herbicides throughout the vineyards (natural grassing covers 33% of surfaces). The use of fertilisers (522kg/ha) was monitored via two soil analyses and 20 leaf analyses (11 the previous year).

The mating disruption technique has also been used since 2010 to reduce the use of insecticides. This year, a biocontrol platform was established, in conjunction with the Charente Chamber of Agriculture. It is the only French winemaking research platform on this matter. The results are encouraging and the initiative is being repeated in 2015.

## Involving our partners in a rigorous process

This year, the wine growers of the Alliance Fine Champagne (AFC) have received training to raise awareness of the AHVE reference framework. 63 people received training this year



across two sessions: since 2013, over 95% of collaborator-partners have received training to raise awareness of Rémy Cointreau's environmental approach.

The "Rémysphère" newsletter is now an additional link with winegrowers, to which they can contribute, along with experts. Newsletters are issued in synch with the work of the winemaker; they come out three times a year to coincide with flowering, harvest and distillation.

Major steps have been taken for the coming years to encourage proactive approaches by distillers who want to increase the value of their production. The Group provides support and encouragement to AFC members to obtain certification, reduce the use of pesticides and adapt treatments depending on the severity of the parasite problem.

27 wine growers from the Environment group have already obtained AHVE level 1. On-site audits are underway to obtain levels 2 and 3. A charter and an Environment reference framework are also being prepared.

# environment

In 2014-2015, €3.1 million was spent on improving quality, safety and the environment on production sites. This is 60% higher than in 2013-2014. Training has also increased, from 3,093 to 3,429 hours.

## Energy

The efforts taken to reduce energy consumption are paying off, although total energy consumption (33,947 MWh) is higher compared to last year, due to the increased activity of the production sites.

In Cognac and Angers, the buildings are subject to regular renovation plans to optimise light, heating and air conditioning. High power light bulbs are replaced with LED lights. At the Angers site, the electricity consumption of external lighting has been quartered, thanks to presence sensors. Special attention has also been paid to air compressors. Energy certificate applications are submitted for all new equipment, such as lighting systems or heat pumps.

The Cognac site has implemented a Centralised Technical Energy Management system, improved the insulation of packaging workshops and reduced the ambient temperature by 1° C. All of the actions taken have reduced electricity consumption by close to 400 MWh (6%) compared with 2013-2014.

Contracts have also been signed with EDF for the purchase of renewable energy: 21% of the electrical energy used on the French sites is now "green" energy.

## Water

Total water consumption (112,380 m<sup>3</sup>) rose by 9% this year, due to the increased activity of the Islay site. However, it has dropped markedly (8%) at the Angers site, falling from 32,064 to 29,442 m<sup>3</sup>, thanks to optimisation of the operation of the automatic watering system.

## Paper

Due to the increased reproduction of documents at the Cognac site, paper consumption increased this year, from 2.67 to 2.98 million sheets. Campaigns to raise awareness among employees are continuing.

## Solid waste

Solid waste from the production sites, essentially solid waste from packaging (glass and cardboard), goes into "material" or energy waste recovery channels. Employees are regularly made aware of the importance of sorting and waste recovery. As a result, waste sorting and recovery have risen to 94% and 95% respectively, compared with 91% and 93% in 2013-2014. Total solid waste increased by 12% over the financial year, rising from 2,139 tonnes to 2,404 tonnes, due to the sorting actions led by the Cognac site.



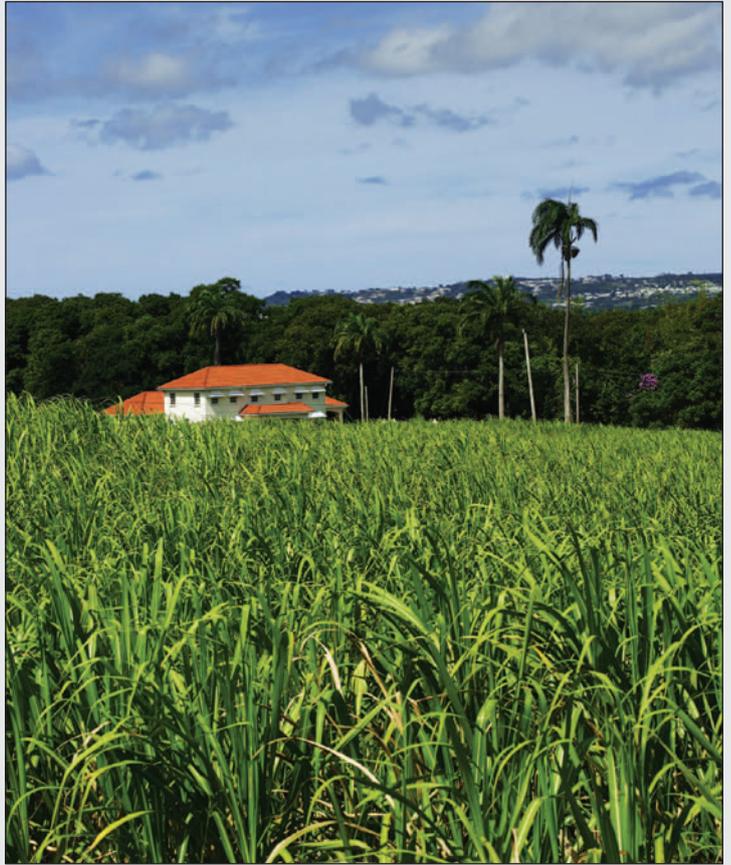
### Liquid waste

BOD and COD emissions are very closely monitored. Total emissions into the natural environment are 1.17 tonnes of BOD and 3.99 tonnes of COD. The increased distilling activity on the Rémy Martin *Domaines* generated a 14% increase in the volume of liquid waste discharged, which rose from 21,962 m<sup>3</sup> to 24,962 m<sup>3</sup>.

### Greenhouse gas

This year, the measuring of greenhouse gas emissions was extended to the Islay and Barbados sites. Emissions have therefore risen sharply, reaching 7,301 teqCO<sub>2</sub>. At constant scope, they have increased 18%, from 2,828 teqCO<sub>2</sub> to 3,330 teqCO<sub>2</sub>, due to the increased distilling activities of the Rémy Martin *Domaines*.

Specific actions to continue efforts: this year, once again, videoconferences, electric vehicles on the Angers and Cognac sites, reduction in the number of business trips and eco-design actions on products have reduced emissions by 1,447 teqCO<sub>2</sub>.



### Eco-design

When developing new packaging or new products, Rémy Cointreau endeavours to evaluate their environmental impact beforehand. Since 2010, each new packaging has been evaluated using an eco-design tool which considers the weight of the packaging, the units for sale to the consumer (UVC), the product volume and the miles travelled by the product. This year, the *Rémy Martin VSOP* and *The Botanist* bottles were reviewed: in total, 56 tonnes of glass were saved.

### Climate change and biodiversity

Concerning climate change, the Rémy Martin *Domaines* have integrated a research programme involving the experimental planting of new grape varieties. Furthermore, Rémy Cointreau supported, in partnership with the French National Forestry Office, reforestation actions in the Senonches forest (Eure-et-Loir) and the planting of over 300 trees in the François 1 park in the town of Cognac, which had been almost completely destroyed by the 1999 storm.

Bruichladdich, faithful to its tagline "We believe terroir matters", set up *The Botanist* Foundation, as well as a project to reintroduce traditional barley cultivation on the island of Islay. This experimentation has been going on for 10 years with different varieties of barley, with a view to preserving the terroir. This year, 1,200 tonnes of barley have been harvested there, despite difficult climate conditions.

To promote biodiversity, the Wood channel is evaluated annually to determine the impact of barrel manufacturing. This year, all casks manufactured for the Cognac site are made of PEFC-certified oak, from sustainably managed forests.

In parallel, in partnership with the "Un toit pour les abeilles" association, 10 beehives were installed in the heart of Charente, to produce pesticide-free honey. The honey is distributed along with a leaflet to raise awareness on the protection of bees. Bee pastures on the Rémy Martin domaine are also involved in a three-year agronomic research programme.

# *societal information* **citizenship**

Rémy Cointreau is acutely aware of societal problems and their local impact. In supporting both the sustainable economic development of local regions and community initiatives, it is contributing to collective growth.

The Group works alongside associations, schools, universities, economic development and sustainable development bodies. It contributes its expertise to many areas and promotes the benefits of a responsible approach.

In France, Rémy Cointreau is a member of the Colbert committee and is involved in its Sustainable Development network. It also supports the Sustainable Development prize in Pays de Cognac, the Altère association in the Poitou-Charentes region, the responsible business leaders of the west association (l'association des Dirigeants Responsables de l'Ouest) and the Club Carbon'At in Pays de la Loire.

Rémy Cointreau has always been an active supporter of local associations committed to social progress. It has been supporting the second chance foundation (Fondation de la Deuxième Chance) for 10 years and monitors applications for assistance. In total since 2005, 152 applications were supported, representing a total of €566,000 granted by the Foundation.

More generally, Rémy Cointreau takes part in charity initiatives in various ways, via prizes, auctions and donations, by supporting the American association "Keep a child alive" and the New Century Art Foundation. In Indonesia, it has invested in the installation of solar panels on the island of Pulau Blanding, having already financed drinking water supply.



# **suppliers**

Because it is concerned to ensure that its suppliers act responsibly and commit to evaluating their practices, Rémy Cointreau has implemented a reporting and auditing system for its key suppliers.

The system builds on the commitments of the Global Compact. It enables several criteria to be checked, such as food security, the implementation of an environmental certification policy or the application of social policies in line with adherence to international labour law and the fight against corruption.

In net sales, 92% of suppliers of production materials and 69% of non-production suppliers have been evaluated on their social responsibility commitments and actions (in number). In connection with the 2015 CSR plan, suppliers of advertising items are now included in the scope of evaluation.

## *fair trade practices*

The Group's ethics in its environmental, social and business practices ensure relationships of trust with its stakeholders. For several years, Rémy Cointreau has been strengthening its responsible practices by honouring its many commitments and by outlining them in various internal and external reference documents:

**Global Compact Charter:** as a member of the Global Compact Charter, Rémy Cointreau maintains this commitment, which guarantees its responsible actions and compliance of its policy with international ethical standards, over the long-term;

**CSR Charter:** the foundation of the Group's CSR policy, the Charter has been widely circulated in both French and English. Aligned with the ISO 26000 standard, it guides all employees in their activities and demonstrates how CSR has been incorporated into the business;

**Code of Business Ethics:** the Group's sole benchmark, it guides the business, social and environmental practices of all Group employees, who are made aware of the Code upon their arrival; linking rules of conduct specific to Rémy Cointreau and its CSR commitments to the main guidelines of the Global Compact and the OECD, it has been translated into 13 languages;

**Responsible communication Charters of Rémy Cointreau and the French Union of Advertisers:** they ensure the self-assessment of advertising campaigns and compliance with principles to promote moderate alcohol consumption;

**Guide to responsible consumption in the professional environment:** translated into several languages in 2013-2014 after having been updated in 2012-2013, it has been issued to all French employees and the teams in Asia.

## *consumers*

### **Ensuring responsible communication and alcohol consumption**

Ten years ago, Rémy Cointreau established a Responsible Communication Committee (CCR) to analyse planned advertising campaigns for the brands and provide an enlightened opinion on their compliance with the Group's ethical principles.

All of the 25 advertising campaigns studied this year were approved by the CCR. An analysis of the cost of the campaigns by country, brand and nature of expenses confirmed that the control process is well adhered to and systematised.

Furthermore, Rémy Cointreau promotes responsible and moderate alcohol consumption, which goes hand in hand with the excellence of our products.

The Group takes part in self-regulation actions in the spirits sector and vis-a-vis the national, European and international representative bodies to develop their ethical commitments and self-regulation measures. Professionals help to protect consumers via "Alcohol action plans".

Within the IREB (French Institute for Scientific Research into Alcohol), which is chaired by the Rémy Cointreau CSR Director, the Group supports research into alcoholism. Within Rémy Cointreau, the internal unit for monitoring alcohol and its impact on society means that the Group can remain in tune with societal trends. It created the "Alcooflash" mobile app, which monitors consumption.

### **Putting quality at the heart of our relationship with customers**

Rémy Cointreau is very attentive to its customers' requirements and responds as quickly and comprehensively as possible, particularly on social networks, including to questions about the environmental information of the products.

To respond to requests from the distribution networks and consumers, internal tools to evaluate the environmental impact of the products have already been developed. An internal scoring system has been implemented to evaluate distributor customer satisfaction levels. This year, the service was evaluated at 177/20. Areas for improvement are systematically studied and shared with customers.

Site visits are also conducted for customer satisfaction purposes. The "Rémy Martin Rendez-vous" in Cognac won the French Wine Tourism Award, and Trip Advisor awarded it its certificate of excellence for the 2nd consecutive year in 2014. This year, the "Qualité Tourisme" certification was renewed for the Angers site.

## *operations*

# *investing in the terroirs*

“ 2014-2015 saw investments within the context of a strategy to consolidate the fundamentals of the Group’s brands. For example, the Group has decided to improve its Mount Gay production capacity on Barbados, and invest heavily in increasing the BruichLaddich storage capacity on the island of Islay.

On the Barbados site, the Group currently has three distilleries, which have become indispensable to meet the growing demand for Mount Gay. The

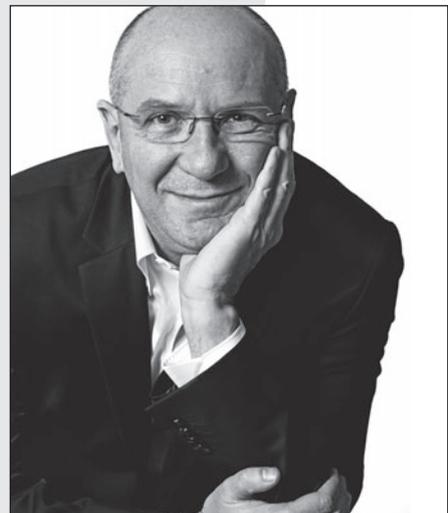
Group has repaired the island’s historic copper stills and a Coffey distiller column which was several centuries old. Scottish workers were assigned to this operation, and their know-how ensures the double slow distillation which is our product’s signature.

Attentive to the terroir’s authenticity and wanting to preserve the self-sufficiency of the land which characterises it, the Group also invested in a new plantation on Barbados to improve its local sugar cane supply, produced according to traditional methods.

For Bruichladdich, around €30 million was invested this year on the Islay site. Although some of this was used to increase distillation capacity, most of that amount went towards improving storage capacity, via barrels (almost a third of the investment) and the construction of buildings to store them in.

The Bruichladdich academy also underwent major renovations to further improve the welcome of our clients to the site. These visitors also benefit from better educational tools, to discover the rich history and world of our products.

All of these investments have had a proven local social impact, in areas where they are the main economic activity. Protecting the local water source on Barbados or taking into account the migration cycle of wild geese on the island of Islay where the impact of crops is closely observed. Investment decisions have been taken with the same concern for exemplarity in terms of environmental impact. *The Botanist* foundation has taken steps to preserve the plant heritage of the 22 plant species used to produce our exceptional gin.



”

***patrick marchand***  
*senior vice president, operations*

# environmental indicators

For the year ended 31 March

	Units	GR1 indicator	2013	2014	2015
Total energy consumption	(MWh)	G4-EN3	20,157	29,849	33,947
Direct energy consumption	(gas, heating oil, MWh)	G4-EN3	11,057	19,851	24,161
Indirect energy consumption	(electricity, MWh)	G4-EN3	9,041	9,998	9,786
Water consumption	(m <sup>3</sup> )	G4-EN8	65,256	103,051	112,381
Paper consumption	(millions of sheets)	G4-EN1	2,85	2,67	2,98
Quantity of waste	(tonnes)	G4-EN23	2,179	2,139	2,404
Waste sorting rate	(%)	–	92	91	94
Waste recycling rate	(%)	–	93	93	95
Volume of effluents	(m <sup>3</sup> )	G4-EN22	23,314	21,962	24,962
DBO effluents	(tonnes after treatment)	–	0,61	0,94	1,17
DCO effluents	(tonnes after treatment)	–	2,4	2,65	3,99
GHG emissions (Scope 1 – tCO <sub>2</sub> e)	–	G4-EN15	1,795	2,254	6,127
GHG emissions (Scope 2 – tCO <sub>2</sub> e)	–	G4-EN16	509	573	1,174
GHG emissions (Scope 1 and 2 – tCO <sub>2</sub> e)	–	–	2,304	2,828	7,301

Certain indicators increased during the 2014-2015 financial year compared with the previous year. This change was primarily due to the extension of the Group's CSR programme (integration of the Bruichladdich and Mount Gay production sites). The employee-related, environmental and societal information is comprehensively detailed in the 2015-2014 Registration Document.

## 2015 csr charts

Topics

Assessment 2013-2014

Objectives 2014-2015

Assessment 2014-2015

Objectives 2015-2016

### CSR GOVERNANCE

- International extension of CSR reporting
- International broadcasting of the Code of Ethics
- Implementation of the 2015 CSR plan

- CSR reporting (objective: international extension)

- International extension of the CSR reporting
- Implementation of the 2015 CSR plan

- CSR reporting (objective: international extension)

### WORKING CONDITIONS

- Introduction of procedures to ensure non-discrimination between men and women in similar positions, with similar skills and levels of experience in all Group entities

- Reducing the pay gap between men and women in similar positions, with similar skills and levels of experience (objective: reduce gap between men and women)

- Monitoring of compliance with procedures ensuring non-discrimination between men and women in similar positions, with similar skills and levels of experience in all Group entities

- Reducing the pay gap between men and women in similar positions, with similar skills and levels of experience (objective: reduce gap between men and women)

- Absenteeism rate objective (<4%) achieved for the reporting scope monitored

- Monitoring of absenteeism (objective: absenteeism rate of <4%)

- Absenteeism rate objective (<4%) achieved for the reporting scope monitored

- Monitoring of absenteeism (objective: absenteeism rate of <4%)

- Objectives: to reduce the frequency and severity of workplace accidents achieved for the reporting scope monitored

- "Safety at Work" action plans (objective: reduce workplace accidents and occupational illnesses)

- Monitoring of the action plans to reduce the frequency and severity of the workplace accidents for the defined reporting scope

- "Safety at Work" action plans (objective: reduce workplace accidents and occupational illnesses)

- Particular focus on the inclusion of disabled people (initiatives led in France to promote the indirect employment of disabled people – sheltered workshops)

- Particular focus on the inclusion of disabled people within the workforce (objective: comply with regulations)

- Implementation of specific actions for the inclusion of disabled people (initiatives led in France to promote the indirect employment of disabled people – sheltered workshops)

- Particular focus on the inclusion of disabled people within the workforce (objective: comply with regulations)

- Increased emphasis on training covering 17% of the reporting scope

- Design, development and implementation of training programmes (objective: career progress)

- Monitoring of the action plans on training

- Design, development and implementation of training programmes (objective: career progress)

- Identification in consultation with employee representatives (France) of positions whose demanding nature must result in alteration

- Planning study for positions identified

- Development of special accommodations for improved ergonomic working

- Planning study for positions identified

<b>WINEMAKING</b>	<ul style="list-style-type: none"> <li>• Reduce the use of pesticides (-14%)</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the use of pesticides (objective: 16%)</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the use of pesticides (-18%)</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the use of pesticides (objective: 16%)</li> </ul>
	<ul style="list-style-type: none"> <li>• Raise environmental awareness among winemakers (56% of members of the AFC cooperative)</li> </ul>	<ul style="list-style-type: none"> <li>• Raise environmental awareness among winemakers (objective: creation of an Environment reference framework)</li> </ul>	<ul style="list-style-type: none"> <li>• Raise environmental awareness among winemakers (95% of members of the AFC cooperative)</li> </ul>	<ul style="list-style-type: none"> <li>• Raise environmental awareness among winemakers (objective: AHVE certifications)</li> </ul>
<b>ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>• Energy, water and paper (respective reductions of 4%, 2% and 7% at constant scope)</li> </ul>	<ul style="list-style-type: none"> <li>• Energy, water and paper (objective: optimising consumption)</li> </ul>	<ul style="list-style-type: none"> <li>• Energy, water and paper (ongoing measures to optimise consumption)</li> </ul>	<ul style="list-style-type: none"> <li>• Energy, water and paper (objective: optimising consumption)</li> </ul>
<ul style="list-style-type: none"> <li>• Renewable energy (signing of contracts to supply renewable energy/21% of consumption on France sites)</li> </ul>	<ul style="list-style-type: none"> <li>• Renewable energy (21%)</li> </ul>	<ul style="list-style-type: none"> <li>• Renewable energy (21% of French sites' consumption)</li> </ul>	<ul style="list-style-type: none"> <li>• Renewable energy (21%)</li> </ul>	
<ul style="list-style-type: none"> <li>• CO<sub>2</sub> emissions (GHG assessment Scopes 1 &amp; 2/5% (respective reductions at constant scope)</li> </ul>	<ul style="list-style-type: none"> <li>• CO<sub>2</sub> emissions (objective: GHG assessment Scopes 1, 2 &amp; 3)</li> </ul>	<ul style="list-style-type: none"> <li>• CO<sub>2</sub> emissions (extension of GHG assessments Scopes 1 &amp; 2 to the Barbados and Islay sites)</li> </ul>	<ul style="list-style-type: none"> <li>• CO<sub>2</sub> emissions (objective: GHG assessment Scopes 1 &amp; 2)</li> </ul>	
<ul style="list-style-type: none"> <li>• Solid waste (sorting rate: 91%/recovery rate: 95%)</li> </ul>	<ul style="list-style-type: none"> <li>• Solid waste (objective: sorting and recovery rates &gt;90%)</li> </ul>	<ul style="list-style-type: none"> <li>• Solid waste (sorting rate: 94%/ recovery rate: 95%)</li> </ul>	<ul style="list-style-type: none"> <li>• Solid waste (objective: sorting and recovery rates &gt;90%)</li> </ul>	
<ul style="list-style-type: none"> <li>• Liquid waste (BOD: 0.9 tonnes/COD: 2.7 tonnes)</li> </ul>	<ul style="list-style-type: none"> <li>• Liquid waste (objective: BOD and COD emissions &lt;5 tonnes)</li> </ul>	<ul style="list-style-type: none"> <li>• Liquid waste (extension of the measures to the Islay site/ BOD: 3675 tonnes/ COD: 6918 tonnes)</li> </ul>	<ul style="list-style-type: none"> <li>• Liquid waste (extension of the measures to the Barbados site)</li> </ul>	
<ul style="list-style-type: none"> <li>• Biodiversity (objective: "Bees/Forests" conservation)</li> </ul>	<ul style="list-style-type: none"> <li>• Biodiversity (objective: "Bees/Forests" conservation)</li> </ul>	<ul style="list-style-type: none"> <li>• Biodiversity (continuation of the "Bees/Forests" preservation actions)</li> </ul>	<ul style="list-style-type: none"> <li>• Biodiversity (objective: "Bees/Forests" conservation)</li> </ul>	
<b>FAIR TRADE PRACTICES</b>	<ul style="list-style-type: none"> <li>• CSR charter, communication and responsible consumption Charters, internal Code of Business Ethics (objective: comply with Charters and codes/transparent practices)</li> </ul>	<ul style="list-style-type: none"> <li>• CSR charter, communication and responsible consumption Charters, internal Code of Business Ethics (objective: comply with Charters and codes/transparent practices)</li> </ul>	<ul style="list-style-type: none"> <li>• CSR charter, communication and responsible consumption Charters, internal Code of Business Ethics (comply with Charters and codes/ transparent practices)</li> </ul>	<ul style="list-style-type: none"> <li>• CSR charter, communication and responsible consumption Charters, internal Code of Business Ethics (objective: comply with Charters and codes/transparent practices)</li> </ul>
<b>CITIZENSHIP</b>	<ul style="list-style-type: none"> <li>• Be a player in sustainable regional development: Exchange of best CSR practices in the fields of education and business</li> </ul>	<ul style="list-style-type: none"> <li>• Exchange of best CSR practices in the fields of education and business (objective: be a player in sustainable regional development/international extension)</li> </ul>	<ul style="list-style-type: none"> <li>• Be a player in sustainable regional development: Exchange of best CSR practices in the fields of education and business</li> </ul>	<ul style="list-style-type: none"> <li>• Exchange of best CSR practices in the fields of education and business (objective: be a player in sustainable regional development/international extension)</li> </ul>
<b>SUPPLIERS</b>	<ul style="list-style-type: none"> <li>• Sustainable, responsible purchasing: CSR assessment of suppliers/year selected suppliers: 90% (48+ suppliers/year N-1)/supplier assessment rate: 81% (22+ suppliers/year N-1)</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable, responsible purchasing (objective: CSR assessment of suppliers/rate of selected suppliers: &gt;92% supplier assessment rate: &gt;85%)</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable, responsible purchasing: CSR assessment of suppliers/rate of selected suppliers: 89% / supplier assessment rate: 82%</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable, responsible purchasing (objective: CSR assessment of suppliers/rate by third parties)</li> </ul>
<b>CONSUMERS</b>	<ul style="list-style-type: none"> <li>• Monitor and validate communication campaigns (comply with the internal charter/campaign verification rate: 100%)</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor and validate communication campaigns (objective: comply with the internal charter/campaign verification rate &gt;95%)</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor and validate communication campaigns (comply with the internal charter/ campaign verification rate: 100%</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor and validate campaigns (objective: comply with the internal charter/campaign verification rate &gt;95%)</li> </ul>

# people & talent training and academies

“ The Group wants to encourage its employee community with a shared vision, values and objectives. In addition to training and professional development plans, Academies have been established to deal with topics to encourage a sense of belonging and share the Group’s fundamental values. These cover the brand, business practices, finance and quality. Over 300 of the Group’s key managers have already attended these Academies, which are the cornerstone of our business culture.

Rémy Cointreau has established a Digital Academy enabling all employees to access the different modules. 60% of employees now work outside France, and new employees can benefit from a digital induction process. All content has been translated and adapted to the specific features of the regional markets.

Additionally, “Escales” days are designed to bring employees closer to a culture from one of the markets: China, India and Russia have already been set up. Participants are plunged into an atmosphere enabling them to better access and analyse the habits and customs of the target country, based on a cultural and sociological approach.

Finally, some production sites have encouraged their employees to receive training in the fundamental concepts of our brands in their markets or to better manage their environment.

For example, in Cognac, all employees have received training on the luxury wines and spirits sector and, in Angers, the choice was for sharing information on financial culture.

”

**jean-françois boueil**  
srp human resources



# *managing talent*

“ Women and men have always been at the heart of the Rémy Cointreau story. To reaffirm and fully reflect this, the Group has a team fully dedicated to Talent management, which is now directly linked to the CEO. It aims to reinforce the Group’s employer promise in a pragmatic, bold way, and to boost employee loyalty, attract new talent and support employees in their development.

With personalised career monitoring which is respectful of the wishes, priorities and personal choices of each individual, the professional dynamic is stimulated and makes it possible for agile career plans to be projected over the long term.

This team also aims to open up new horizons to Rémy Cointreau talent, by encouraging fruitful meetings and exchanges both within and outside the Group to share and circulate the wealth of Rémy Cointreau experiences.

”

*thibaut de noray*  
*srp talent development*



# *board of directors*

***as of march 31, 2015***

## **Chairman**

François Hériard Dubreuil

## **Directors**

Dominique Hériard Dubreuil

Marc Hériard Dubreuil

Laure Hériard Dubreuil

Florence Rollet\*

Yves Guillemot\*

Gabriel Hawawini\*

Olivier Jolivet\*

Jacques Etienne de T'Serclaes\*

Guyline Dyèvre\*

Emmanuel de Geuser\*

## **Observers**

Patrick Thomas\*

Sir Brian Ivory

Timothy Jones

\* independent director

## ***committees***

### **Audit - Finance**

Chairman: Jacques-Étienne de T'Serclaes\*

### **Nomination-Remuneration**

Chairman: Yves Guillemot\*

## ***statutory auditors***

### **Ernst & Young & Autres**

Represented by Pierre Bidart

### **Auditeurs & Conseils Associés**

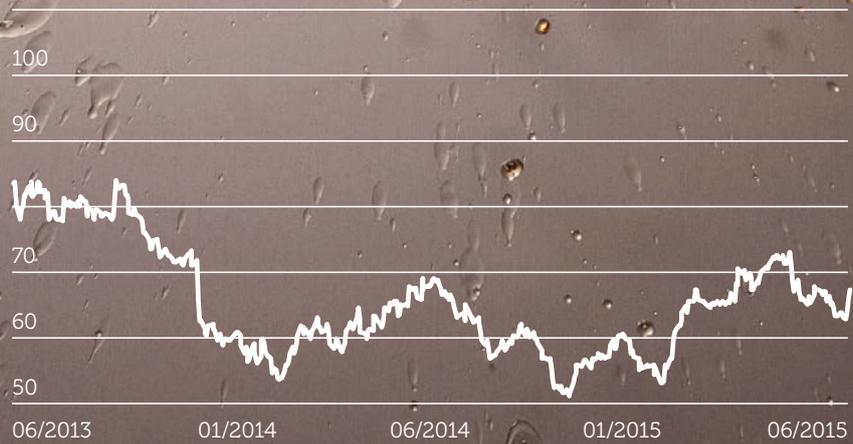
Represented by François Mahé



*Standing, from left to right:* Yves Guillemot, Olivier Jolivet, Timothy Jones, Guylaine Dyèvre, Jacques-Étienne de T'Serclaes, Laure Hériard Dubreuil, Patrick Thomas and Gabriel Hawawini  
*Sitting, from left to right:* Emmanuel de Geuser, Florence Rollet, Sir Brian Ivory, François Hériard Dubreuil, Dominique Hériard Dubreuil and Marc Hériard Dubreuil



Rémy Cointreau's share price performance (in euros)



# finance targets met, strengthened ambition

“ Thanks to the geographical rebalancing of its sales, and the relevance of its strategy to move upmarket, the Group was able to fully meet its net sales and operating profit targets in 2014 - 2015.

Net sales grew by 0.6% over the year on a like-for-like basis, i.e. excluding exchange rate effects and restated for the end of the distribution contract with the Edrington Group in the United States. This performance reflects the excellent health of our Liqueurs & Spirits brands (+7.2%) and the gradual improvement in the Cognac business (-1.9%), following the disruption of 2013-2014. Our partner brands remained roughly stable over the year.

After three years of strong growth, the United States once again saw excellent performance, and is now the Group's biggest market in both of our main divisions (Cognac and Liqueurs & Spirits). There was solid growth in the EMEA area, despite a contrasting situation, and sales in the Asia-Pacific region remained slightly lower over the year, in spite of growth in the second half of the year.

The organic growth in operating profit was 13.5% over the year, thanks to our strategy to improve the product mix, continue with a proactive price policy and optimise advertising and promotional costs, as well as excellent management of our central costs. The Group's operating margin was 16.2%, representing organic growth of 190bps.

## Financial soundness for a secure future

At the end of March, our A ratio (average net debt, divided by EBITDA) was 2.64, a sign of the Group's financial soundness. However, it has increased slightly compared with last year. Given the growth potential of our brands in different markets, and with a view to ensuring their even growth, the Group maintained its intensive investments.

This year again, our priority was to increase our inventories of cognac eaux-de-vie and Scotch whisky. We have also acquired assets with a view to strengthening our supplies and improving the quality of Mount Gay products in Barbados. Finally, we have continued to invest in our IT tools and digital resources: supply chain optimisation, deployment of a social network to exchange good practice for on trade sales teams, and tools to combine social networks with marketing campaign management.

At the same time as these investments, the Group continued its efforts to deepen its constant risk evaluation and improve its internal control.

Over the year, the Group performed various transactions to optimise its long term finance, in line with the ageing constraints of our products: On 11 April 2014, Rémy Cointreau signed an amendment to extend its syndicated loan (of €255 million) for two years (to April 2019), while improving its financing conditions. On 27 February 2015, the Group issued an €80 million bond with a maturity of 10 years.

This private placement will replace an existing debt which matured in June 2015, and which was more costly.

## Confidence in the Group's ability to improve its profitability and its return on capital employed (ROCE)

2014-2015 saw the recovery of our margins against a backdrop of reorganisation and adapting the business model to the new global economic reality, proving the Group's resilience. Therefore, we

are confident as to its ability to continue improving its profitability and its ROCE, thanks to the relevance of our strategy, the quality of our performance and our increased cost control.



”

**luca marotta**  
chief financial officer

# consolidated statement of financial position

As of 31 March, in € millions	2015	2014	2013
Brands and other intangible assets	490.6	480.5	480.2
Property, plant and equipment	215.6	190.9	173.1
Investments in associates	45.6	38.8	52.8
Other financial assets	95.5	93.2	89.9
Deferred tax assets	41.7	31.7	47.2
<b>Non-current assets</b>	<b>889.0</b>	<b>835.1</b>	<b>843.2</b>
Inventories	1,109.1	1,024.6	945.9
Trade and other receivables	248.7	202.7	255.5
Income tax receivables	16.9	16.9	0.8
Derivative financial instruments	0.8	12.8	6.3
Cash and cash equivalents	74.1	186.3	186.8
Assets held for sale	–	–	28.8
<b>Current assets</b>	<b>1,449.6</b>	<b>1,443.3</b>	<b>1,424.1</b>
<b>Total assets</b>	<b>2,338.6</b>	<b>2,278.4</b>	<b>2,267.3</b>
Share capital	77.9	77.6	81.4
Share premium	693.9	680.9	828.6
Treasury shares	(9.6)	(13.7)	(97.4)
Consolidated reserves and profit for the year	272.5	267.2	270.7
Translation reserve	40.2	(1.2)	10.3
<b>Equity – attributable to owners of the parent company</b>	<b>1,074.9</b>	<b>1,010.8</b>	<b>1,093.6</b>
Non-controlling interests	1.4	1.1	1.2
<b>Equity</b>	<b>1,076.3</b>	<b>1,011.9</b>	<b>1,094.8</b>
Long-term financial debt	344.1	553.0	389.2
Provision for employee benefits	31.7	26.7	25.2
Long-term provisions for liabilities and charges	10.2	4.6	5.8
Deferred tax liabilities	89.1	94.7	99.0
<b>Non-current liabilities</b>	<b>475.1</b>	<b>679.0</b>	<b>519.2</b>
Short-term financial debt and accrued interest	196.6	46.8	63.1
Trade and other payables	531.6	509.0	542.9
Income tax payables	9.7	10.0	25.3
Short-term provisions for liabilities and charges	19.5	14.4	3.6
Derivative financial instruments	29.8	7.3	18.4
Liabilities held for sale	–	–	–
<b>Current liabilities</b>	<b>787.2</b>	<b>587.5</b>	<b>653.3</b>
<b>Total equity and liabilities</b>	<b>2,338.6</b>	<b>2,278.4</b>	<b>2,267.3</b>

# consolidated income statement

As of 31 March, in € millions	2015	2014	2013
Turnover	965.1	1,031.6	1,193.3
Cost of sales	(347.0)	(413.4)	(456.4)
<b>Gross margin</b>	<b>618.1</b>	<b>618.2</b>	<b>736.9</b>
Distribution costs	(374.2)	(379.8)	(403.3)
Administrative expenses	(89.4)	(89.6)	(89.8)
Other income from operations	1.5	1.4	1.6
<b>Current operating profit</b>	<b>156.0</b>	<b>150.2</b>	<b>245.4</b>
Other operating income/(expense)	0.5	(4.9)	(7.5)
<b>Operating profit</b>	<b>156.5</b>	<b>145.3</b>	<b>237.9</b>
Finance costs	(24.0)	(22.8)	(22.1)
Other financial income/(expense)	(5.7)	(3.4)	2.1
<b>Financial result</b>	<b>(29.7)</b>	<b>(26.2)</b>	<b>(20.0)</b>
<b>Profit before tax</b>	<b>126.8</b>	<b>119.1</b>	<b>217.9</b>
Income tax	(33.5)	(45.8)	(72.0)
Share in profit of associates	(0.7)	(10.9)	(15.5)
<b>Profit from continuing operations</b>	<b>92.6</b>	<b>62.4</b>	<b>130.4</b>
Net profit/(loss) from discontinued operations	–	–	–
<b>Net profit for the year</b>	<b>92.6</b>	<b>62.4</b>	<b>130.4</b>
attributable to:			
– non-controlling interests	–	–	–
– owners of the parent company	92.6	62.4	130.4
<b>Net earnings per share – from continuing operations (€)</b>			
– basic	1.91	1.27	2.67
– diluted	1.91	1.27	2.66
<b>Net earnings per share</b>			
– attributable to owners of the parent company (€)	1.91	1.27	2.67
– diluted	1.91	1.27	2.66
<b>Number of shares used for the calculation</b>			
– basic	48,432,694	49,180,683	48,880,252
– diluted	48,479,943	49,311,783	49,010,681

# comments and outlook

Rémy Cointreau's sales for the financial year ended 31 March 2015 totalled €965.1 million, representing organic growth of 0.6% compared with the previous year. This modest growth reflects continued strength in the US and positive trends in Europe, while ongoing destocking efforts during the first half of the year held back Asia's performance.

**Current operating profit** amounted to €156.0 million, representing organic growth of 13.5%. The reported increase (+3.9%) also reflects the end of the Edrington distribution contract in the US (an impact of €13.6 million at full cost) and an exchange rate tailwind of €1.0 million. The latter is the result of translation and transaction effects (hedging policy).

**Operating profit** reached €156.5 million, after taking into account a non-recurring operating income of €0.5 million.

**Net financial expenses** amounted to €29.7 million, an increase of €3.5 million over the year, primarily associated with movements in foreign exchange hedging instruments. Charges linked to gross financial debt were virtually stable over the period.

The **income tax charge** amounted to €33.5 million, representing an effective tax rate of 26.4%, significantly lower than the rate in March 2014 (38.5%), which was adversely affected by an unfavourable geographical mix and the technical reversal of deferred tax assets.

The **Group share of net profit** was €92.6 million, an organic increase of 72.2% (+48.5% in published terms) and the net margin showed organic growth of 420bps to 9.6% (+360bps in published terms). It should be noted that the 2013-2014 net profit was impacted by non-recurring charges of €17.8 million.

Net earnings per share totalled €1.91 (+50.4% in published terms).

**Excluding non-recurring items** (-€2.0 million), the **Group share of net profit** amounted to €94.6 million, representing organic growth of 32.3% (+18.0% in published terms) and the net earnings per share reached €1.95 (+19.6% in published terms).

**Net debt** totalled €466.6 million at 31 March 2015, an increase of €53.1 million over the financial year.

This increase reflects the Group's desire to maintain its strategic investments at a high level.

The **net debt/EBITDA** ratio rose to 2.64 at the end of March 2015 (2.09 at the end of March 2014), but remains at a modest level.

The **Return On Capital Employed (ROCE)** reached 15.6% at 31 March 2015, an organic increase of 80bps. In published terms, the 150bps decline in the ratio can be explained by the adverse effect of currency swings on the capital employed and by the expiry of the Edrington contract in the US.

A **dividend** of €1.53 per share shall be put to a shareholders' vote at the Shareholders' Meeting on 29 July 2015. Payment will be with an option in cash or in shares for the entire dividend distributed.

**Confident in its acceleration strategy of moving upmarket, the Rémy Cointreau Group anticipates growth in its current operating profit, at constant exchange rates and scope, over the course of the 2015-2016 financial year.**



## RÉMY COINTREAU

21 boulevard Haussmann 75009 Paris – Telephone +33 1 44 13 45 15

The French version of this document is available on request or via the [remy-cointreau.com](http://remy-cointreau.com) website  
All the regulatory information required by the AMF is available on the Company's website [www.remy-cointreau.fr](http://www.remy-cointreau.fr)  
Photo credits: Rémy Cointreau, Stéphane de Bourgies, Alexis Blondel, Alain Costa, Thomas Gogny and Éric Legouhy.  
Design and production: Agence Marc Praquin. E-accessible version by Ipedis.



Drink responsibly.

