

## 3.6.2 Statutory Auditors' Report

### Report of one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement published in the group management report

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

#### For the year ended 30 June 2020

To the Pernod Ricard Shareholders' Meeting,

In our capacity as Statutory Auditor of Pernod Ricard, appointed as independent third party and accredited by COFRAC under number 3-1048 (scope of accreditation available at [www.cofrac.fr](http://www.cofrac.fr)), we hereby report to you on the consolidated non-financial statement for the year ended 30 June 2020 (hereinafter the "Statement"), presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

#### Company's responsibility

The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement was prepared by applying the company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on request from its headquarters.

#### Independence and quality control

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

#### Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, *i.e.* the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

However, it is not our responsibility to provide any conclusion on the company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, anti-corruption and taxation nor with the compliance of products and services with the applicable regulations.

#### Nature and scope of procedures

We performed our work in accordance with Articles A. 225-1 et seq. of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and with ISAE 3000 (*Assurance engagements other than audits or reviews of historical financial information*).

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:

- We familiarized ourselves with the Group's business activity, including activities related to all companies within the consolidation scope and the report on the main social and environmental risks relating to this activity.
- We assessed the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, the respect for human rights and the fight against corruption and tax evasion.
- We verified that, when relevant to the main risks or policies presented, the Statement presents the information stipulated in section II of Article R. 225-105 and includes, when necessary, an explanation justifying the absence of information required by paragraph 2 of section III of Article L. 225-102-1.
- We verified that the Statement presents the business model and the main risks relating to the Group's business activity, including, where relevant and proportionate, the risks generated by its business relations, products or services as well as policies, measures and outcomes, including key performance indicators.
- We consulted documentary sources and conducted interviews to:
  - assess the process of selecting and validating the main risks and the consistency of the results and key performance indicators used with regard to the main risks and policies presented, and
  - corroborate the qualitative information (measures and outcomes) that in our judgment were of most significance (see Appendix), through work conducted at consolidating entity level, and for others with a selection of entities.
- We verified that the Statement covers the consolidated scope, *i.e.* all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We inquired as to the existence of internal control and risk management procedures set up by the company and we assessed the collection process set up by the entity to ensure the completeness and fairness of the Information.

### 3.

#### SUSTAINABILITY & RESPONSIBILITY Methodology note and third-party verification

- For the key performance indicators and other quantitative outcomes<sup>(1)</sup> that in our judgment were of most significance, we carried out (see Appendix):
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sampling basis, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities<sup>(2)</sup> and covered between 10% and 48% of the consolidated data for the key performance indicators and outcomes selected for these tests.
- We assessed the overall consistency of the Statement in relation to our knowledge of the company.

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

#### Means and resources

Our work engaged the skills of seven people between May and September 2020.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement.

#### Conclusion

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

Paris La Défense, 17 September 2020

One of the Statutory Auditors,

#### Deloitte & Associés

**David Dupont Noel**

*Partner, Audit*

**Julien Rivals**

*Partner, Sustainability*

<sup>(1)</sup> See Appendix

<sup>(2)</sup> **Entity targeted by detailed tests on social indicators:** Wyborowa, PR Brasil, Chivas Brothers Ltd, The Absolut Company, Pernod Ricard USA LLC, PR China.

**Entity targeted by detailed tests on environmental indicators:** Nobbelov, Satellite, Walkerville, Fort Smith, Janiskowska, Zielona Gora, Miltonduff (waste water released and COD only), Kilmalid (quantity of hazardous waste treated externally and quantity of waste recycled, only), Marlborough (Total quantity of waste only), Martell (Vineyards), Orlando Wines (Vineyards), Helan Mountain (Vineyards).

## Appendix

### Information selected by the independent third party

- **Social indicators:** Headcount (permanent and temporary contracts), Average headcount (permanent and temporary contracts), Absenteeism rate, Voluntary departure rate, Number of resignations, Total departure rate, Frequency rate, Severity rate, Number of work accidents with lost-time, Training hours, Number of employees trained, Part of the payroll invested by the Group in training, Employees benefiting from welfare protection plan (death and invalidity) with a benefit equivalent to at least one year of the employee's fixed annual salary.
- **Environmental indicators:** Part of sites certified with ISO 14001 and associated production, Produced volume (distilled alcohol, wine made, bottled product and bulk), Total volume of water used, Total volume of water abstracted, Total volume of waste water released, Chemical oxygen demand (COD) released into the natural environment, Total quantity of waste, Quantity of recycled waste, Quantity of incinerated waste, Quantity of waste to landfilled, Quantity of hazardous waste treated externally, Share of packaging weight (glass and cardboard), Total energy consumed (industrial sites and vineyards), Part of renewable energy, Part of renewable electricity, Direct CO<sub>2</sub> equivalent emissions (Scope 1), Indirect CO<sub>2</sub> equivalent emissions (Scope 2), Relevant categories of the Group's carbon footprint, Quantity of agricultural raw materials used, Agricultural land corresponding to used agricultural raw materials, Consumption of phytosanitary products (synthetic fungicides, herbicides, insecticides).
- **Qualitative information:** Improve sustainability performance and develop regenerative agriculture in the Group's vineyards, Employee engagement & Culture, Human Rights, Responsible supply chain, Product quality and safety, Environmental management, Circular packaging and distribution, Environmental management, Water balance strategy tailored to meet local challenges, Fight alcohol misuse, Prevention of corruption and anti-competitive practices.