



# Global Human Rights Policy

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## Objectives and Scope

As “**Créateurs de Convivialité**”, we value our employees, suppliers and communities – a commitment to caring for the people we work with. Inherent in this convivial approach is our responsibility and ethical duty to ensure human rights are respected across our global operations.

At Pernod Ricard, we are committed to cooperating with all our stakeholders<sup>1</sup>. We promote human rights in our own operations and across our value chain, adhering to internationally recognised standards and addressing any gaps that may arise. We empower our employees to thrive with an entrepreneurial spirit, emboldening them to make decisions and embrace responsibility to ensure we are all agents in our collective well-being. It is with this conviction that we have developed a Global Human Rights Policy.

The Pernod Ricard Human Rights Policy is a minimum standard. Our voluntary Policy outlines the commitments and procedures that apply to all Pernod Ricard employees and joint ventures, when Pernod Ricard has a controlling interest.

Where local legislation is more stringent and favourable than this policy, our affiliates<sup>2</sup> will adhere to the applicable stricter standards.

If obeying local laws means that our employees or our affiliates cannot comply with the standards of this policy, the affiliates are expected to deal with this situation as follows:

- The affiliates must seek ways to honour the standards laid down in this policy and try to act according to these standards as much as possible without violating local laws;
- If an affiliate is aware of the risk to unwillingly contribute to or cause human rights violations, affiliates management should seek the advice of the local Human Resources Director.

The Group also expects suppliers<sup>3</sup> to adhere to the Pernod Ricard Supplier Standard, a breach of which may result in the termination of a business relationship.

Pernod Ricard commits to proactively avoid human rights abuses, complicity in abuses by business partners<sup>4</sup> and provide remediation. ■

<sup>1</sup> **Stakeholder:** the present policy defines the stakeholder as all individuals or legal entities which directly or indirectly, by any mean, voluntarily or not, are involved in the actions, activities, programmes, or business of Pernod Ricard, and/or one of its affiliates.

<sup>2</sup> **Affiliate:** the present policy defines the affiliate as any legal entity or business unit incorporated within Pernod Ricard Group.

<sup>3</sup> **Supplier:** the present policy defines the supplier as a third person or company, with the personal or legal personality, that, directly or indirectly, provide any kind of good or service to Pernod Ricard, subject to payment or not.

<sup>4</sup> **Business partners:** the present policy defines the business partners as any personal or legal entity with which Pernod Ricard has some form of long-term and significant commercial relationship

# Human Rights Commitments

## 1. In our own operations

The Pernod Ricard Charter sets out the fundamental operating principles for our organisation, corporate culture and values: entrepreneurial spirit, mutual trust, and a strong sense of ethics.

### 1.1. Health and safety

Pernod Ricard constantly strives to eliminate occupational accidents, hazards and diseases for all our employees and contractors<sup>5</sup>.

Production sites with significant activities are required to be certified ISO 45001.

Risk assessments are a core approach to evaluate hazards in our operations and minimise the level of risk by adding control measures as necessary. We conduct regular impact assessments and manage associated risks of all investment projects with advice of relevant external and internal expertise.

Pernod Ricard ensures its investment projects do not jeopardise the health and safety of our employees<sup>6</sup> and communities in which it operates. Additionally, we ensure that employees have the necessary skills and training required to

perform assignments that pose health-related risks. All affiliates require specific safety training annually. Training needs must be identified and fulfilled, and the acquisition of new safety-related skillsets must be assessed.

Underpinned by our vision, “Créateurs de convivialité”, we are committed to developing a culture where everyone has a role to play and where employees take ownership of safety by sharing responsibility for their own and co-workers’ safety.

### 1.2. Non-discrimination and diversity

Valuing diversity and inclusion and promoting equal opportunities, we prohibit all forms of discrimination.

We will not discriminate based on factors such as race, religion, physical appearance, ethnicity, national or social origin, disability, sexual orientation, gender, gender identity, gender expression, marital status, age, political opinions or whether our employees choose to drink alcohol or not. ►

<sup>5</sup> The present policy defines a contractor as any personal or legal entity with which Pernod Ricard has a contractual bond to perform any service on Pernod Ricard sites.

<sup>6</sup> Employees<sup>6</sup> must also be understood broadly and means all Pernod Ricard employees and workers, including directors, non-executive directors, corporate officers, as well as agency workers, secondees, consultants and contractors (irrespective of their location, function, grade or standing) engaged by Pernod Ricard on its behalf and under its effective control. Employees may also be referred to as “you” in this Policy.

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**We are particularly committed to:**

- developing gender balance programmes and conducting assessments to review the construction of career paths, access to training, access to senior positions and equal pay.
- ensuring gender balanced management teams<sup>7</sup>
- facilitating the recruitment and the internal promotion of diverse profiles (race, ethnic, national, cultural, educational, employees with disabilities, age etc.) to allow for multiple career paths, which leads to collective enrichment and performance.

### 1.3 Anti-harassment

In line with our local policies, we prohibit all forms of harassment, disrespectful and inappropriate behavior or retaliation of any kind. Employees are encouraged to raise any issues with management or through our Group-wide confidential early warning system “Speak up”. We ensure that adequate procedures are readily available to deal with any problems that may arise and prevent recurrence.

Practices that involve unreasonable pressure and stress by management are banned at all levels of the organisation.

### 1.4 Employee relations

**Learning and personal development**

Professional and personal development is regarded as a shared responsibility between Pernod Ricard and our employees to sustain and extend their employability.

To ensure that all our employees are ready for the current and future workplace, Pernod Ricard commits to identifying, providing and bearing the costs of training on issues that it finds relevant to the business and/or to the function of the employee. We will ensure that all employees receive training at least every 3 years by 2030.

The affiliates commit to share job descriptions, conduct annual performance review and to develop internal job mobilities for its employees.

**Engagement survey**

Pernod Ricard launches a global opinion survey on a periodic basis to better grasp the expectations of the employees in their working environment. The affiliates are committed to sharing the responses of the survey to their employees about the practical conclusions and to rolling out action plans to improve the situations covered by the items whose scores were not high enough.

To further develop a culture of feedback, affiliates may also conduct surveys at local level for their employees on specific topics.

**Management of restructuring and people transition**

Whenever possible, Pernod Ricard is committed to anticipating economic and industrial developments as well as their consequences on human resources. When considering a change of ownership of one of its entities, the Group shall pay special attention to the buyer’s intentions and commitments to preserving jobs for as many employees as possible. ▶

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<sup>7</sup> Internal definition of management teams: Band C and above. Balance considered achieved with a range of 40-60% women/men

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In the event of local restructuring, whenever possible, affiliates that initiate the process commit to:

- anticipating labour consequences and early preparation of employee-friendly measures;
- fostering a transparent and constructive dialogue and give clarity to individuals potentially impacted as soon as possible;
- securing suitable alternative roles for as many individuals as possible and propose outplacement services to employees who do not find any alternative position / suitable opportunity within the Group to support them in their professional transition.

## 1.5 Freedom of association and right to collective bargaining

Pernod Ricard respects employees right to collective bargaining and ensures labour agreements are developed with employee representatives and, at a minimum, comply with local rules and regulations. The business encourages open dialogue and transparency, so that management and unions are encouraged to work together, in compliance with non-disclosure principles, to achieve a prosperous outcome.

In Europe, the European Works Council convenes representatives from countries where Pernod Ricard has entities of at least 50 employees. Pernod Ricard is committed to engaging the European Works Council on issues that relate to relevant European countries.

We respect the autonomy and independence of trade unions. Employees with responsibilities within the trade unions shall not be discriminated against, notably with respect to access to training, pay raises and career development.

We respect the right of our employees to join, form or not join a trade union, elect their representatives and be elected to hold representation positions. Where employees are represented by a legally recognised union, the company is committed to bargaining in good faith with such representatives.

## 1.6 Fair wages, benefits and working hours

### Fair wages, compensation and employment

Pernod Ricard strives to provide employees with a pay and benefits package in line with market practices and adapted to their skillset and performance.

Wages and benefits shall be equal or superior to the applicable minimum legal and regulatory requirements and shall comply with negotiated agreements with legally established trade unions.

All affiliates shall ensure the attractiveness of their compensation policies with respect to market practices. Compensation policies must be designed to be objective, accountable and fair and respect the principle of equal remuneration for men and women for work of equal value.

Whenever possible, we shall give preference to sustainable and stable jobs rather than use non-standard contracts.

An annual paid leave period shall be provided to every employee regardless of whether it is mandated or not in local or national law. ►

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## Employee shareholding incentives

Since our Group's performance results from the work of our people, all affiliates shall seek to implement systems designed to allow employees to share in the economic growth of the affiliate. Results permitting, the systems shall provide employees with compensation in addition to their usual basic compensation in a form that is country-specific and dependent on the systems available for the affiliate. Wherever possible, affiliates shall give preference to systems that allow employees to become shareholders of Pernod Ricard.

## Social welfare

We commit to offering our employees a social welfare benefit package. The affiliates strive to offer provident schemes, to cover the consequences of an employee's death for all causes and permanent disability. The affiliates shall subscribe and contribute to schemes allowing all payroll employees on a permanent contract and with at least one year's seniority upon death to provide beneficiaries with a benefit equivalent to at least one year of the employee's fixed annual salary.

## Working hours

Pernod Ricard respects the need for employees to have a balance between work and leisure. Working hours shall comply with laws and regulations including applicable wages and benefits. All employees receive at least one continuous 24-hour rest period during a seven-day work period.

## 1.7 Child labour

In compliance with international standards, especially the ILO's relevant Conventions, and national laws, Pernod Ricard will not employ underage children. Pernod Ricard does not permit child labour exploitation under any circumstances.

We are aware that young people under 18 are entitled to work in certain defined and protected circumstances such as government-approved apprenticeship programmes. This is acceptable as long as it is conducted in line with the requirements of ILO conventions and national laws.

## 1.8 Forced labour and freedom of movement

Pernod Ricard does not permit the use of any form of forced or compulsory labour (such as prison labour, indentured or bonded labour, trafficking or serfdom). All employment relationships must be voluntary in nature, in particular:

- employees must not be required to pay recruitment fees and are free to withdraw from the employment relationship with reasonable notice.
- employees must not be required to relinquish identity papers, passports, or work permits as a condition of employment. ■

# Human Rights Commitments

## 2. In our supply chain

Pernod Ricard is aware that the impact of its operations on society notably stems from its supply chain and its relations with suppliers and subcontractors. This is why we have sustainable relationships with our suppliers and subcontractors to mitigate their direct impact on society and the environment.

To deploy responsible procurement locally, a due diligence process has been implemented within the Group to assess and monitor compliance of our suppliers.

This process includes:

- **Global Procurement Policy** for products and services, covering all purchases made by the entire workforce.
- The Group's subcontractors and suppliers to comply with the **Pernod Ricard Supplier Standard** which sets forth our requirements around business practice including Labour and Human Rights as well as Health & Safety.
- **CSR Risk Mapping** tool to allow affiliates to identify which suppliers and subcontractors should be assessed as a priority.
- **Sustainability assessment** of suppliers and subcontractors using the EcoVadis platform.
- **Social and Ethical audit** of suppliers and subcontractors following the SMETA (Sedex Members Ethical Trade Audit) standards.

Should a supplier or subcontractor fall short of or fail to meet sustainability requirements, affiliates may be confronted with the following situations:

- Current suppliers and subcontractors with ongoing business relations:
  - The supplier/subcontractor is essential to the business: the measures to be taken must be analysed on a case by case basis with a view to always improving their Sustainability performance, bearing in mind that the process may prove lengthy;
  - The supplier/subcontractor is not essential to the business: affiliates shall work out a progress plan focusing on priority actions.
  - If the supplier/subcontractor fails to observe the plan or refuses it, affiliates shall implement a process to replace the supplier/subcontractor with another one with better Sustainability performance.
- If the situation involves a new supplier, any objection to being evaluated or any Sustainability underperformance shall make it impossible to establish business relations.

Pernod Ricard expects employees in contact with companies outside the Group and in a position to establish client-supplier relations to apply Group rules as per the Procurement Ethics Code and the Global Procurement Policy. ■



## Human Rights Commitments

### 3. In our local communities

As an employer and corporate citizen, Pernod Ricard is aware of the implications regarding respect for human rights that land and water use across our value chain may have on local communities' livelihoods and respects the uniqueness and specifics of the regions in which it operates.

#### 3.1 Water

We acknowledge the right to water as a basic human right. We respect the human need for sustainable water supplies, safe drinking water, and protection of both ecosystems and communities through proper sanitation. Pernod Ricard commits to determine a water management strategy based on the risk level:

- Sites where the risk is low must as a minimum manage water resources efficiently on their premises.
- Sites with a significant risk must also perform studies of their water catchment areas to ensure there is a balance, monitor any change in risk, and maintain a dialogue with the main stakeholders.
- Sites where the risk is considered high must take specific actions with local communities and other stakeholders to contribute to improving the local water management plan.

#### 3.2 Land ownership and use

Pernod Ricard follows all applicable national laws and respects international human rights standards related to the rights to land and natural resources of local communities. Land acquisitions and changes of use are made respecting the rights of individuals and communities impacted. We also conduct due diligence around land rights and title during the development of new business opportunities. ■

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## Implementation of the Policy

### 1. Governance

This policy has been approved by Pernod Ricard's Chairman and Chief Executive Officer. It has been shared with the Executive Committee, the European Works Council, the Board of Directors and the Integrity Committee which is made up of representatives of different activities and functions at Headquarters.

The Executive Vice President, Human Resources, Sustainability & Responsibility oversees the implementation of the Group's Human Rights Policy.

Human Resources Directors and each Managing Director at local level are in charge of implementing the Pernod Ricard Global Human Rights Policy.

### 2. Dissemination and enforcement of this policy

All affiliates agree to circulate these commitments to their employees by means of the usual internal communications tools. The Group provides English, French and Spanish versions. The affiliates will have the agreement translated into their local languages to enable all employees to understand it.

These commitments are not designed to supersede other Pernod Ricard policies

related to relevant ethical, social and environmental practices of the group. They are an extension and overarching commitments related to Human Rights.

Affiliates shall determine their local action plan in line with the present Global Human Rights policy's identified priorities.

### 3. Monitoring and access to whistleblowing mechanism

#### 3.1 Monitoring

Details of Pernod Ricard's performance against its policy on human rights will be communicated through our Registration Document and website.

We commit to measuring our progress annually and take all reasonable steps to ensure reported information represents a true and fair account of our activities. A selection of data is independently assured as part of our management processes for completeness, consistency, transparency and accuracy.

At the European level, the European Works Council or its Committee shall be informed of the implementation of the policy. ►

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## 3.2 Whistleblowing mechanism

To provide employees with day-to-day support, Pernod Ricard encourages dialogue and trust, allowing everyone to express their point of view and voice their concerns.

In this matter, to ensure compliance with the Pernod Ricard Code of Business Conduct, and its standards and policies, Pernod Ricard created a “Speak-up policy”, providing to the Group’s employees an internal professional alert system. Through this process, all employees are enabled to share their concerns:



- Informing management of any suspicions they might have regarding a practice or situation deemed to be contrary to or inconsistent with the Code, the associated policies or any legal or regulatory standard;
- Using the Group-wide early warning system “Speak Up”. All reporting is done confidentially, and they can share their concerns anonymously (if allowed by the laws of their country). Any report will be the subject of an internal analysis and investigation conducted under the aegis of an Integrity Committee. If any violations are identified, the Integrity Committee will examine their severity and decide on the measures to be taken.

In accordance with the international standards on anti-corruption practices and protection of *whistleblowers*<sup>8</sup>, Pernod Ricard will ensure that no retaliation is taken against any of its employees, or any other stakeholders that, in good faith and without any personal interest, has reported, respecting the alert reporting procedure, facts considered to be contrary or incompatible with the Code of Business Conduct, policies or standards of Pernod Ricard.

Pernod Ricard does not tolerate threats against any person defending Human Rights.

Pernod Ricard will routinely review these mechanisms, along with any feedback on them.

## 4. Entry into force and amendment

**The present policy will enter into force June 15th, 2019.**

To ensure its continued relevance and effectiveness, this policy will be periodically reviewed and, when necessary, updated to reflect our continuous progress. ■

<sup>8</sup> Any stakeholder reporting, in good faith and on reasonable grounds, neglect or abuse, within the activities of Pernod Ricard and its affiliates, that threaten the respect of national or international law and/or the Code of Business conduct, and/or the present policy

## Reference Documents

**Our policy is aligned with the following international standards, guidelines and protocols:**

- [The Universal Declaration of Human Rights](#)
- [The International Covenant on Civil and Political Rights \(ICCPR\)](#)
- [The International Covenant on Economic, Social and Cultural Rights \(ICESCR\)](#)
- [The United Nation Sustainable Development Goals \(SDGs\)](#)
- The International Labour Organization (ILO) eight fundamental conventions and other relevant conventions, including:
  - Elimination of discrimination relating to employment and professions (Conventions N° [100](#) & [111](#))
  - Prohibition of child labour and worst forms of child labour (Conventions N° [138](#) & [182](#))
  - Elimination of forced and compulsory labour (Conventions N° [29](#) & [105](#))
  - Trade union freedom and the right to collective bargaining (Conventions N° [87](#) & [98](#))
  - Protection of trade union members and leaders and no anti-union discrimination (Convention N° [135](#))
  - Equal opportunities and rights for employees of both genders with family responsibilities and for pregnant women and breastfeeding mothers (Convention N° [156](#))
- Other relevant UN declarations and documents, including (but not limited to):
  - [The UN declaration on the Elimination of Discrimination Against Women](#)
  - [The UN declaration of the Rights of the Child](#)
  - [The UN declaration on the rights of indigenous peoples](#)
- Other International standards and guidelines, including:
  - The [OECD](#) guidelines for multinational enterprises;
  - The [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#)
  - The [Ten Principles of the United Nations Global Compact](#);
  - The [ILO's Tripartite Declaration](#) of Principles Concerning Multinational Enterprises and Social Policy;
  - The [United Nations Guiding Principles on Business and Human Rights](#).
  - The ISO 45001 standard

Pernod Ricard Sustainability & Responsibility

<https://www.pernod-ricard.com/sr/>

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