2021

RÉMY COINTREAU

UNIVERSAL REGISTRATION DOCUMENT

2020/2021

AND ANNUAL FINANCIAL REPORT

CONTENTS

The elements of the annual financial report are identified by the AFR symbol.

RÉMY COINTREAU

2020/2021

UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

The Rémy Cointreau Group is one of the major operators in the global Wine & Spirits market with a portfolio of exceptional brands, which include Rémy Martin and LOUIS XIII cognacs and Cointreau liqueur.

The brands are mostly distributed by a network of subsidiaries established in the Group's various strategic markets.

Rémy Cointreau is listed on Euronext Paris. The free float represents approximately 42%. The Rémy Cointreau Group is controlled by the majority shareholder, the Andromède family holding company.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

"This Universal Registration Document was filed on 30 June 2021 with the French Financial Market Authority (AMF) in its capacity as a competent authority under Regulation (EU) No. 2017/1129, without prior approval, in accordance with Article 9 of said regulation. The Universal Registration Document may be used for the purposes of a public offer of marketable securities or the admission of marketable securities to trading on a regulated market, if it also includes a note on the marketable securities and, as appropriate, a summary and all the amendments made to the Universal Registration Document. All of this was approved by the AMF in accordance with Regulation (EU) No. 2017/1129."

The Universal Registration Document is a reproduction of the official version of the Universal Registration Document which has been prepared in XHTML format and can be found on our website at www.remy-cointreau.com

MESSAGE FROM THE CHAIRMAN

_ MARC HÉRIARD DUBREUIL

Even amidst the health crisis we experienced in 2020/2021, the Rémy Cointreau Group proved to be extremely resilient. This resilience is a reflection of the loyalty of clients to our wines and spirits brands, having a relevant strategy and agile teams. Rémy Cointreau emerged through this crisis even stronger, confirming our ambition to become the world leader in exceptional spirits.

It is evident in the financial and non-financial results, 2020/2021 was a year marked by resilience and therefore a source of genuine satisfaction for the Rémy Cointreau Group. After a challenging start to the year — a sharp drop in sales due to the collapse of air traffic and on-trade consumption — the second half of the year saw a spectacular recovery, which enabled us to end the year with positive organic sales growth and a return to the record profitability of the 2018/2019 financial year.

This rebound was mainly driven by the rapid business recovery in China from the summer of 2020 and by the US, our core market, which benefited from an acceleration of underlying trends during the backend of the pandemic. The year was shaped around the rise in off-trade mixology and consumption, outstanding performance of the high-end ranges, a strong development in online sales and the growing interest in corporate social and environmental responsibility. These trends, which are central to the Group's strategy, enabled Rémy Cointreau to effectively address the upheaval caused by the pandemic. They also enabled us to emerge from this crisis even stronger and look toward the future with confidence.

Whatever the circumstance, it also is always important for Rémy Cointreau to continue to fulfill our social obligations, with regard to our employees, stakeholders and the planet. Always in alignment with our commitments to the Global Compact.

In addition to financial performance, the Group continued to take actions in accordance with its values and resources. First and foremost, we took care of our teams by protecting them as much as possible from the virus through various concrete actions such as ensuring full pay without receiving aid from the state. Rémy Cointreau then played an active role in the collective effort to make hydro-alcoholic gel, driven by the generosity and enthusiasm of the teams at our various production sites. A number of sponsorship initiatives aimed at helping and supporting the bartending community and hospitality industry were also set up in the various global markets.

Lastly, from an environmental perspective, the Group continued our actions to promote sustainable agriculture and implemented new initiatives to reduce our carbon footprint.

These efforts were rewarded on several occasions in 2020/2021. In May 2020, our Bruichladdich distillery obtained "B-Corp" certification which recognizes its social and environmental performance.

In December 2020, Rémy Cointreau was ranked as the most "responsible" French company in the agri-food sector in the study published by Le Point magazine and the Carbon Disclosure Project (CDP) granted it "Leadership" status (rating A-) in the area of climate change. While these results reflect the merit of the Group's commitment, above all they encourage us to continue to expand our actions.

I would like to thank our shareholders for the trust they have placed in Rémy Cointreau, which for some, was established many years ago.

At the end of 2020/2021, our 2030 targets for achieving profitable and responsible growth are confirmed and resolutely ambitious for the years to come.

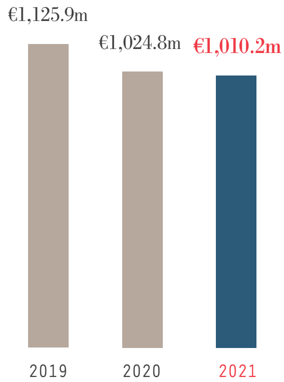
"THE SPECTACULAR RECOVERY IN THE SECOND HALF-YEAR ENABLED US TO EMERGE STRONGER FROM THE PANDEMIC CRISIS AND TO LOOK TOWARD THE FUTURE WITH CONFIDENCE."

KEY FIGURES

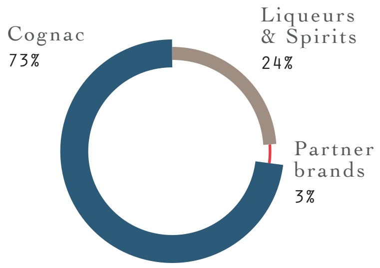
_ FINANCIAL DATA

FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

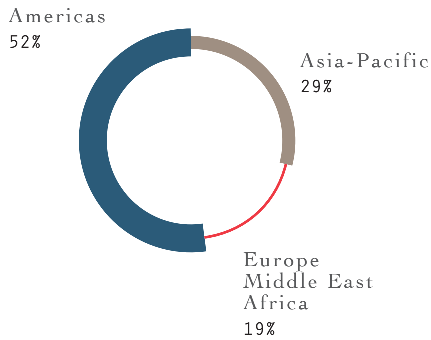
NET SALES



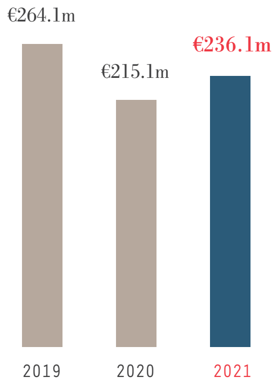
NET SALES
BY DIVISION



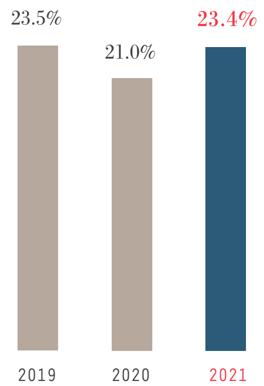
NET SALES
BY DIVISION



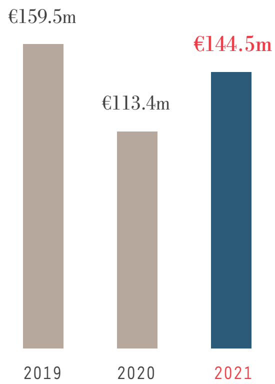
CURRENT OPERATING
PROFIT/(LOSS)



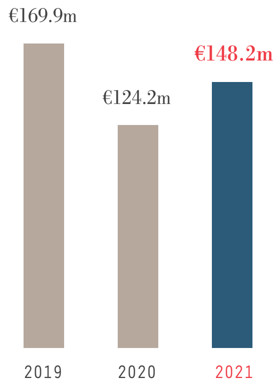
CURRENT OPERATING
MARGIN



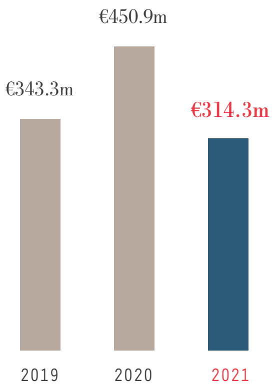
PROFIT/(LOSS)
FOR THE PERIOD



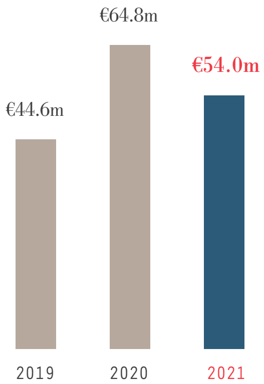
NET PROFIT/(LOSS) EXCLUDING
NON-RECURRING ITEMS



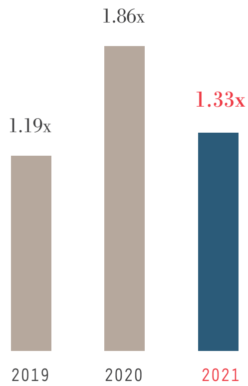
NET FINANCIAL DEBT



CAPITAL EXPENDITURE



RATIO OF NET DEBT/ EBITDA



... AND NON-FINANCIAL DATA

FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

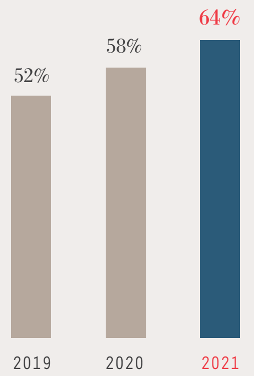
95%
Volume of solid waste recovered
(93% in 2020)

86%
Global percentage of renewable electricity
(82% in 2020)

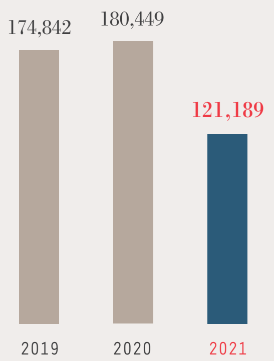
83/100
Gender equality index
(83/100 in 2020)

13.6%
Group turnover
(13,8% in 2020)

PERCENTAGE OF LAND MANAGED USING RESPONSIBLE AND SUSTAINABLE PRACTICES *(%)*



GROUP CARBON FOOTPRINT ASSESSMENT
(in Teq CO_2)



CLIMATE RATING 2021

Climate Disclosure Project (CDP)
A- leadership status

SCORE CARBONE® AXYLIA
Included in the "Vérité 40" index
with an A rating

ACTING AS RESPONSIBLE STAKEHOLDER IN LIGHT OF AN UNPRECEDENTED PANDEMIC

In an unprecedented context of a health crisis due to the Covid-19 epidemic, Rémy Cointreau proactively adopted a responsible and mindful attitude with all its stakeholders.
The Group rolled out many initiatives while protecting its profitable and responsible development model.

WELL-PROTECTED EMPLOYEES

The Group's top priority was to protect the health and safety of its employees:

- **implementation of strict health protocols** at the various sites, in accordance with the recommendations of the local health authorities;
- **rapid deployment of best practices across the Group:** adaptation of working and interaction methods, remote working, health kits, maintaining links between employees and with management through routine e-conferences;
- **maintaining full remuneration for all Group employees,** including during the periods when industrial sites were closed;
- **no use of state aid** (partial unemployment).

PARTNERS AND COMMUNITIES SUPPORTED THROUGHOUT THE CRISIS

Rémy Cointreau implemented measures to support populations affected by the situation, and in particular the hospitality sector, an industry hard hit by the Covid crisis:

- **all our sites** – from the United States to Greece and including Barbados, Scotland and France – rapidly mobilised to donate neutral alcohol to local health organisations, to enable them to produce hydroalcoholic gel;
- **China** donated ¥1 million to purchase protective medical equipment;
- **in the United States,** the Cointreau brand donated $200,000 to the US Bartenders' Guild National Charity Foundation, and then launched a Super Bowl advertisement campaign. As such, Cointreau called on the audience to send Love Letters to their favourite restaurants and bars on social media;
- **the American single malt Westland** has also organised fundraising campaigns for the local restaurant and bar industry. The teams took part in a monthly sports challenge: the employee with the most kilometres recorded on foot or by bike at the end of each month selects a charity which then receives a donation from Westland;
- **in Barbados,** collection of non-perishable food and health products was organised in the summer of 2020. In total, more than 1,000 food and health products were collected and delivered to the parish of Saint-Lucy in August 2020.

These local support initiatives have revealed the commitment of employees to their communities and a mindset that deeply embedded with the Group's values.

RESILIENT FINANCIAL INDICATORS; A NEW PARADIGM?

In a context marked by the Covid pandemic, organic sales growth amounted to +1.8% in 2020/2021, thereby proving genuinely resilient. It is difficult to accurately assess the impact of Covid on the Group's annual performance. We can nevertheless estimate that:

- it deprived the Group of **a few growth points,** notably due to the collapse of **Travel Retail,** which affected the Group's sales throughout the financial year. Excluding Travel Retail, the Group's organic growth would have reached +10%;
- the closure of a large part of the **on-trade** channel (bars, restaurants, clubs, etc.) was offset by a transfer effect to **home consumption** (notably in the United States, the UK and Australia), thanks to **the rise of mixology;**
- **a new paradigm?** In addition to the boom in mixology and home consumption, other trends already observed before the pandemic have also accelerated in recent months: the outperformance of high-end ranges, the strong growth of online sales and the growing interest in corporate social and environmental responsibility;
- **the Group's two principal markets** the United States and China, delivered strong double-digit growth in 2020/2021.

NET IMPROVEMENT OF NON-FINANCIAL INDICATORS

The pandemic did not slow down the Group's sustainable development efforts. It even helped to improve certain indicators monitored by the Group, even if this is temporary for some:

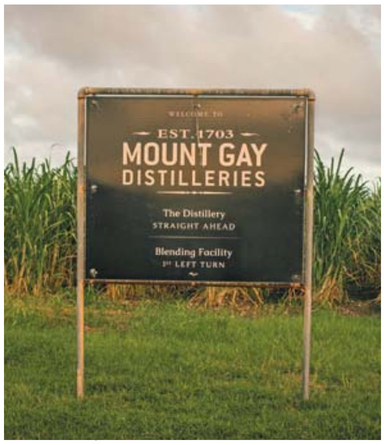
- **nearly 4,000 tonnes of CO2 equivalent** were eliminated thanks to the sharp reduction in business travel and teleworking;
- **the frequency rate of workplace accidents fell to 3.5%** (compared to an average of 10% over the last five years), despite high productivity rates in the second half of the year;
- **the number of training hours** amounted to around 20,000 hours, proving sound resilience given the circumstances (23,000 hours on average over the last five years).

ABOUT THE GROUP

_ MAJOR MILESTONES IN THE GROUP'S HISTORY

The Rémy Cointreau Group, whose charentaise origins date back to 1724, is the result of the merger in 1990 of the holding companies of the Hériard Dubreuil and Cointreau families, which controlled E. Rémy Martin & C° SA and Cointreau & Cie SA respectively. It is also the result of successive alliances between companies operating in the same Wines and Spirits business segment.

Key dates and events



1703
Creation of Mount Gay Rum in Barbados

1724
Establishment of The House of Rémy Martin Cognac

1849
Creation of Cointreau & Cie by the Cointreau brothers

1881
Creation of the Bruichladdich Distillery in Islay

1888
Creation of the Metaxa brand

1924
Acquisition by André Renaud of E. Rémy Martin & C° SA

1965
André Hériard Dubreuil takes over from his-father-in-law, André Renaud

1966
Creation of Rémy Martin's international distribution network

1980
Creation by Rémy Martin of the French-Chinese joint venture Dynasty Winery in partnership with the city of Tianjin (China)

1985
Acquisition by the Rémy Martin Group of Piper-Heidsieck Champagne

1986
Creation of the Passoã brand

1988
Acquisition by the Rémy Martin Group of Piper-Heidsieck Champagne

1989
Acquisition by the Rémy Martin Group of Mount Gay Rum

1990
Transfer by Pavis SA of Rémy Martin shares to Cointreau & Cie SA

1991
Adoption by the Group of the corporate name of Rémy Cointreau

RÉMY COINTREAU

1998

Dominique Hériard Dubreuil becomes Chairwoman of the Rémy Cointreau Group

1999

Establishment of the Maxxium distribution joint-venture with three partners, the Rémy Cointreau Group, the Edrington Group and Jim Beam Brands Worldwide (Fortune Brands)

2000

Acquisition of Bols Royal Distilleries including, in particular, the Bols and Metaxa brands

2001

Vin & Sprit joins the Maxxium network as its fourth partner

2005

- Initial public offering of Dynasty Fine Wines Group on the Hong Kong Stock Exchange
- Disposal of Bols' Polish operations to CEDC

2006

- Disposal of the Dutch and Italian Liqueurs & Spirits operations
- Decision by Rémy Cointreau to resume full control over its distribution by March 2009

2008

Creation of a proprietary distribution structure

2009

- 30 March: Rémy Cointreau exits the Maxxium distribution joint venture
- 1 April: Rémy Cointreau controls 80% of its distribution

2011

8 July: Rémy Cointreau sells its Champagne division to EPI

2012

- 3 September: acquisition of the Bruichladdich Distillery, which produces single malt whiskies on the isle of Islay in Scotland
- 20 November: François Hériard Dubreuil becomes Chairman of the Rémy Cointreau Group
- 18 December: acquisition of the cognac company Larsen

2013

30 August: disposal of Larsen to the Finnish Altia Group

2015

27 October: disposal of Izarra to Spirited Brands 2016

2016

1 December: set-up of a joint-venture for the activities of Passoã

2017

- 5 January: acquisition of The Domaine des Hautes Glaces distillery, which produces single malt whiskies in the French Alps
- 6 January: acquisition of the Westland distillery, which produces single malt whiskies in the state of Washington, US
- 1 October: Marc Hériard Dubreuil becomes Chairman of the Rémy Cointreau Group

2019

1 April: Rémy Cointreau sells its distribution subsidiaries in the Czech Republic and Slovakia

2020

- **30 April:** Rémy Cointreau acquires the Cognac house J.R. Brillet

- **16 October:** Rémy Cointreau acquires the House of Champagne J. de Telmont

GOVERNANCE THAT ENSURES CONTINUITY AND TRANSMISSION

The Board of Directors

The Rémy Cointreau Group is administered by a Board of Directors which, since September 2004, has adopted a governance structure that separates the roles of Chairman of the Board of Directors and Chief Executive Officer. Competence and experience in the financial arena, the luxury goods sector and the management of large international companies are the selection criteria for Board members.

The presence of several members who are permanent residents in various other countries also lends a welcome international and cultural dimension to the Board's work, either because they have performed a role outside of France during their career, or because they hold or have held one or more appointments in non-French companies.

Caroline Bois Hériard Dubreuil
Emmanuel de Geuser
Olivier Jolivet
Jacques Hérail *(non-voting member)*
Laure Hériard Dubreuil
Marc Hériard Dubreuil
Hélène Dubrule
Dominique Hériard Dubreuil
François Hériard Dubreuil *(non-voting member)*
Gisèle Durand
Guylaine Saucier
Bruno Pavlovsky
Élie Hériard Dubreuil *(non-voting member)*
Marie-Amélie Jacquet
Jacques-Étienne de T'Serclaes

Composition of the Board of Directors at 31 March 2021

The Board's membership is organised in order to achieve a balance between experience, skills, independence and ethical behaviour, while respecting in overall terms the balanced representation of women and men on the Board of Directors.

- 12 Board members, 3 non-voting members
- 6 Independent Board members (excluding non-voting members)
- 50% Independent Board members (excluding non-voting members)
- 59 average age of Board members
- 7,2 average length of service on the Board
- 58% women (excluding non-voting members)
- 42% men (excluding non-voting members)
- 2 nationalities represented

Composition of the Board of Directors' committees at 31 March 2021

Audit-Finance Committee

4 members
75% independent
<u>Guylaine Saucier</u>•
Caroline Bois
Emmanuel de Geuser**
Jacques-Étienne de T'Serclaes**

Nomination and Remuneration Committee

4 members
50% independent
<u>Bruno Pavlovsky</u>•
Dominique Hériard Dubreuil
Olivier Jolivet**
Gisèle Durand (Orpar)

Corporate Social Responsibility Committee

3 members
67% independent
<u>Dominique Hériard Dubreuil</u>•
Hélène Dubrule**
Olivier Jolivet**

• Chairman of the Committee *** Independence* *(in line with Afep-Medef recommendations).*

Senior management

Appointed Group Chief Executive Officer on 1 December 2019, Éric Vallat set up a team of nine directors of four different nationalities from a range of backgrounds: spirits, cosmetics, fashion and accessories, and tableware. The role of this Executive Committee is to implement the Group's strategy for 2030, which aims to continue the Group's transformation, to build a more sustainable, profitable and responsible business model, based on four strategic levers: enhancing the value per case, moving towards client-centric business model, accelerate the development of the flagship brands of Liqueurs & Spirits and implement the "2025 Sustainable Exception" plan for more responsible growth.

Simon Coughlin *CEO Whisky Division)*

Élisabeth Tona *(CEO Liqueurs & Spirits)*

Laurent Venot *(CEO, EMEA)*

Ian McLernon *(CEO, Americas)*

Luca Marotta *Chief Financial Officer)*

Éric Vallat *(Group CEO)*

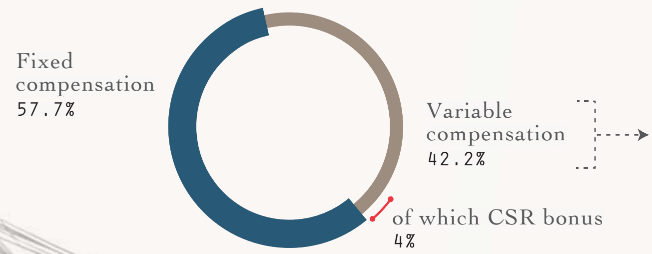
Nicolas Beckers *(CEO, Greater China)*

Marc-Henri Bernard *(Human Resources Director)*

Patrick Marchand *(Operations Director)*

Philippe Farnier *(CEO House of Rémy Martin and CSR)*

COMPOSITION OF REMUNERATION OF SENIOR MANAGEMENT (EXCLUDING LTIP)



- 50% based on quantitative criteria (current operating profit/(loss), cash flow generation, profit (loss) for the period excluding non-recurring items, ROCE)
- 50% based on qualitative criteria (including one CSR target)

A PORTFOLIO OF EXCEPTIONAL SPIRITS

The French family-controlled Rémy Cointreau Group boasts a portfolio of exceptional world-renowned spirits: Rémy Martin and LOUIS XIII cognacs, Cointreau liqueur, Greek Metaxa spirit, Mount Gay rum, St-Rémy brandy, The Botanist gin, and the single malt whiskies Bruichladdich, Port-Charlotte, Octomore, Westland and Domaine des Hautes Glaces. During the year, two new Houses were added to this portfolio: Maison Brillet (cognac and liqueurs) and Champagne House J. de Telmont.

During the 2020/2021 financial year, the Group's net sales totalled €1,010.2 million and current operating profit (COP) came to €236.1 million. As such, sales were up by 1.8% and operating profit was up by 12.8% on an organic basis. The current operating margin stood at 23.4%, close to the all-time highs of 2018/2019.

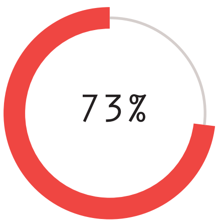
The Rémy Cointreau Group's internal organisation is based on 11 brand divisions and four sales divisions (Americas, Europe/Middle-East/Africa, Asia-Pacific and Global Travel Retail). All these divisions receive support from the holding company. Depending on the spirit category, production process and geographic sales distribution, the Group's brands are allocated to one of the following two divisions: "Cognac" or "Liqueurs & Spirits".

Brands which Rémy Cointreau distributes through its network on behalf of third parties form a separate category, "Partner Brands".

Rémy Cointreau's Group brands

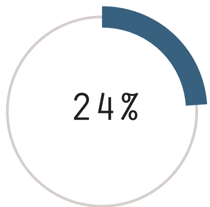
NET SALES BY DIVISION

Cognac:
Rémy Martin, LOUIS XIII and Brillet



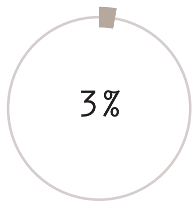
€735.0m
in net sales

Liqueurs & Spirits division:
Cointreau, J. de Telmont, Metaxa, Mount Gay, St-Rémy, Belle de Brillet, The Botanist and single malt whiskies



€248.3m
in net sales

Partner Brands:
Third-party brands distributed by the group



€26.9m
in net sales

COGNAC

Cognac brands

The Cognac division includes the brands of the House of Rémy Martin (Rémy Martin and LOUIS XIII) and the House of Brillet. These cognacs are made exclusively from eaux-de-vie sourced in Grande Champagne and Petite Champagne, the two leading crus of the Cognac appellation, which offer the greatest ageing potential (more than 100 years, for some Grande Champagne eaux-de-vie).

The House of Rémy Martin is positioned in the high-end segment, with four flagship products:

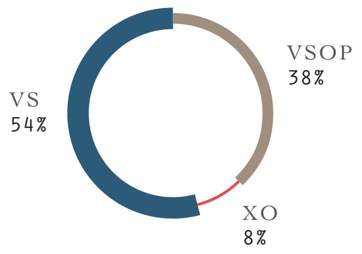
- VSOP Fine Champagne;
- the "intermediate" quality products 1738 Accord Royal and CLUB;
- XO Excellence Fine Champagne;
- LOUIS XIII Grande Champagne.

Competitive positioning

Four Cognac brands share around 85% of the world market by volume and nearly 90% by value (source: IWSR): Hennessy (LVMH), Martell (Pernod Ricard), House of Rémy Martin (Rémy Cointreau), and Courvoisier (Suntory). Rémy Martin's market share of cognac shipments for all qualities combined is 13% by volume (source: BNIC March 2021). Virtually all the shipments of the House of Rémy Martin are for the superior quality segment (VSOP and XO qualities), which accounts for 46% of the total cognac market (BNIC March 2021). Within this superior quality segment (VSOP and XO qualities), Rémy Cointreau now has a market share of 28% by volume (source: BNIC), up four points compared to March 2020.

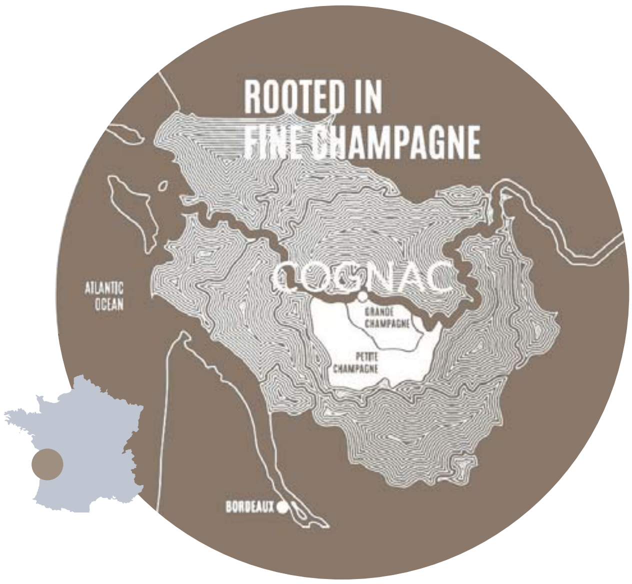
GLOBAL COGNAC SHIPMENTS BY QUALITY

(source: BNIC)



Cognac *appellation d'origine contrôlée* and "Fine Champagne"

Cognac is an *appellation d'origine contrôlée* (AOC) brandy (eaux-de-vie distilled from grapes) that comes from vineyards in the Cognac region (south-west France). The appellation covers six crus: Grande Champagne, Petite Champagne, Borderies, Fins Bois, Bons Bois and Bois Ordinaires. "Fine Champagne", which refers to a cognac made exclusively from the first two crus, Grande Champagne (at least 50%) and Petite Champagne make up a separate *appellation d'origine contrôlée* within the Cognac AOC.



Rémy Martin only selects its eaux-de-vie from the "Fine Champagne" (Grande Champagne and Petite Champagne) AOC, whose quality is best suited to the production of its superior quality cognacs with their longer ageing potential.

Cognac is a blend of eaux-de-vie of different vintages (after ageing in oak barrels). Accordingly, there are several quality levels classified in accordance with legal standards (BNIC) based on the youngest eau-de-vie used:

- VS ("Very Special)", which by law must be aged for a minimum of two years;
- QS ("Qualité Supérieure"), covering all the VSOP and QSS labels;
- VSOP ("Very Superior Old Pale"), which by law must be aged for a minimum of four years;
- QSS ("Qualité Supérieure Supérieure"), which by law must be aged for a minimum of ten years;
- XO ("Extra Old"), which is included in the QSS category.

House of Rémy Martin and the sourcing of eaux-de-vie

All House of Rémy Martin cognacs are produced in and around the town of Cognac, on a site that includes ageing and fermentation cellars, laboratories, a packaging complex, offices and a visitor and reception centre.

The House also owns wine estates (238 hectares of vines eligible for the Cognac appellation), as well as a new distillery in Juillac, which opened in November 2018. However, the stock of Cognac eaux-de-vie has been built up largely as a result of exclusive partnerships with Grande and Petite Champagne producers. This partnership policy, introduced in 1966, has enabled the Group to manage its long-term supplies and meet the quality standards required by the House of Rémy Martin.

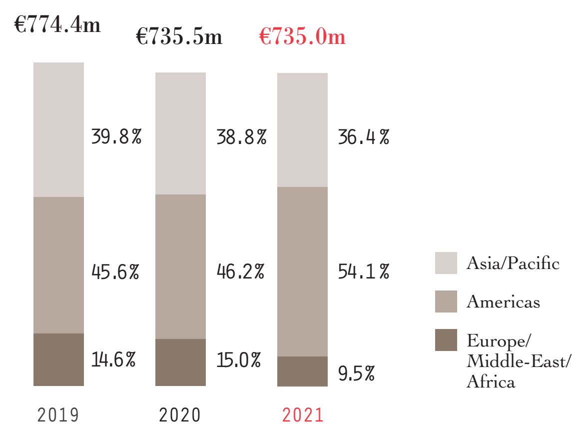
The partnership mainly consists of a cooperative, Alliance Fine Champagne (AFC), whose members manage around 60% of the Grande Champagne and Petite Champagne vineyards, via different types of collective and individual long-term agreements.

From an accounting point of view, the commitments made by the House of Rémy Martin through the AFC are fully recognised in the consolidated statement of financial position of the Rémy Cointreau Group, once the eaux-de-vie covered by these agreements have been produced and have passed quality control. Any contractual commitments not yet produced are disclosed in off-balance sheet commitments.

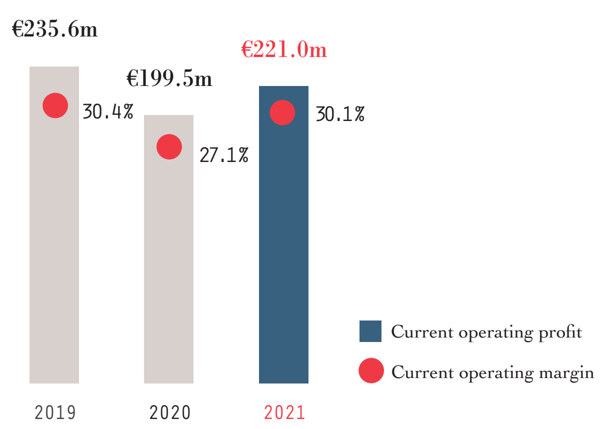
Cognac key figures

In 2020/2021, the Cognac division accounted for 73% of the Group's total net sales and generated 99% of its international sales. The Americas (54%) and Asia-Pacific (36%) are the division's top contributing regions, but Europe/Middle East/Africa (10%) also offers medium-term growth potential.

NET SALES *(in €m)*
AND BREAKDOWN BY GEOGRAPHIC AREA *(in %)*



CURRENT OPERATING PROFIT *(in €m)*
AND CURRENT OPERATING MARGIN *(in %)*



LIQUEURS & SPIRITS

Liqueurs & Spirits brands

The Liqueurs & Spirits division is made up of 12 spirit brands in categories such as liqueurs, brandy, gin, single malt whisky, rum and champagne. Within each category, the wines and spirits have particular characteristics, the main one being that all the brands are produced in their country of origin, often with know-how passed down through generations:

- Cointreau, an orange peel liqueur and Belle de Brillet, a Williams pear liqueur;
- Metaxa, a Greek brown spirit, produced from a blend of wine distillates and aged Muscat wine;
- Mount Gay, a rum from Barbados;
- St-Rémy, a French brandy;
- The Botanist, a gin from the Isle of Islay (Scotland);
- Bruichladdich, Port Charlotte and Octomore, three brands of single malt Scotch whisky from the Isle of Islay (Scotland);
- Domaine des Hautes Glaces and its range of single malt whiskies produced in the heart of the French Alps;
- Westland and its range of single malt whiskies produced in the state of Washington, U.S.;
- J. de Telmont, a winegrower's champagne located in Damery, France.

Competitive positioning

The Liqueurs & Spirits brands operate in a market characterised by a large number of players (of various sizes), with numerous international brands coexisting alongside local brands.

Liqueurs & Spirits: sourcing and production sites

The Group's Liqueurs & Spirits brands do not have significant sourcing or production constraints. Consequently, the Group purchases the necessary ingredients (barley, oranges, aromatics, sugar cane, grapes, etc.) for the eaux-de-vie distillation process, utilising the specific know-how of each brand. The Group's master distillers and blenders then take care of the ageing and blending of the eaux-de-vie as required.

The Rémy Cointreau Group also sub-contracts part of its bottling operations to other companies located abroad, in particular Greece for the production of Metaxa, for all markets. Sub-contracting represents 15% of the total volume of Group brands.

Angers (France)

The production of the Cointreau liqueur and the St-Rémy brandy range is located in St-Barthélémy d'Anjou (on the outskirts of Angers). This site also carries out bottling operations for other Group brands. It comprises distilling facilities, fermentation cellars, laboratories, a packaging complex, offices, a visitor and reception centre.

Trièves (France)

The Domaine des Hautes Glaces, located in the heart of the Trièves region of the Alps, is a mountain farm/distillery which combines French know-how (distilling with traditional Charente stills) and ingredients from local producers. The supplies of barley, rye and spelt (organically grown) come exclusively from growers in the Alps.

Damery (France)

Founded in 1912, La Champagne House J. de Telmont is a century-old family house located in Damery, near Epernay on the hills of the Marne Valley. It is one of the last family-owned vineyards in Champagne and is based on a very demanding environmental commitment. Since 2017, more than a third of the grapes harvested are "AB" certified (organically produced) or are in the process of being converted.

Brandons and St Lucy (Barbados)

Mount Gay rum is produced at the distillery of the same name, located close to Mount Gay in the north of the island of Barbados, in the parish of Saint-Lucy. The storage cellars in which the casks of rum are aged are also located at this historic site. Since January 2015, an additional 134 hectares of agricultural land at this site have been devoted to the farming of sugar cane. Mount Gay Distilleries' head office and bottling facilities are located in Brandons, close to the port of Bridgetown in the south of the island.

Isle of Islay (Scotland)

The Bruichladdich distillery is located on the Isle of Islay in Scotland, one of the world's most iconic locations for the production of single malt Scotch whiskies.

The production operation (distilling, ageing, bottling) is carried out on the island, on a historic site created in 1881. In March 2018, the acquisition of around 15 hectares of agricultural land was signed. This agricultural land adjoins the distillery, and will mainly be devoted to growing barley and trialling different varieties.

Seattle (USA)

Westland Distillery (U.S.), located in South Downtown Seattle in the state of Washington, gets its malt from producers in the terroirs of the Pacific North-West.

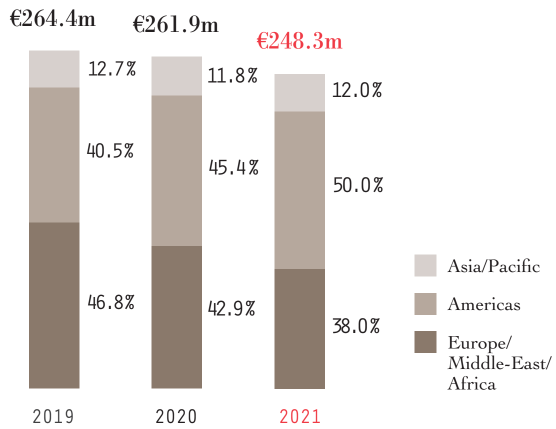
Samos (Greece)

As part of its "terroir" policy, the House of Metaxa acquired a 1.2 hectare wine property on the island of Samos, located at the heart of the island's muscat vineyards. Muscat wine is an essential component in Metaxa's signature taste.

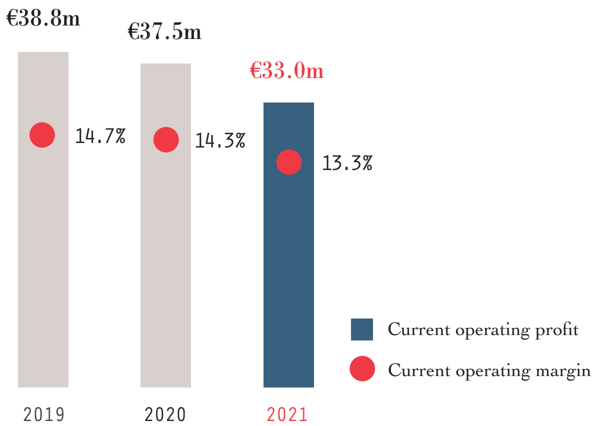
LIQUEURS & SPIRITS KEY FIGURES

In 2020/2021, the Liqueurs & Spirits division accounted for 24% of the Group's total net sales. The Americas (50%) and Europe/Middle-East/Africa (38%) are the top contributing regions in the division. Although smaller (12%), Asia-Pacific represents a significant development opportunity for the division in the coming years.

NET SALES *(in €m)*
AND BREAKDOWN BY GEOGRAPHIC AREA *(in %)*



CURRENT OPERATING PROFIT *(in €m)*
AND CURRENT OPERATING MARGIN *(in %)*



PARTNER BRANDS

In 2020/2021, Partner Brands accounted for 3% of the Group's total net sales.

This category includes brands belonging to other operators in the Wines & Spirits sector. These are distributed by Rémy Cointreau under global agreements or agreements limited to a particular country or region.

Following the non-renewal of many distribution agreements in recent years (as part of the Group's move upmarket), the brands still distributed (as of 31 March 2021) are Passoã liqueur and certain spirits of the William Grant & Sons Group.

STRATEGY AND OBJECTIVES

_ AN UNCHANGED AMBITION: TO BECOME THE GLOBAL LEADER IN EXCEPTIONAL SPIRITS

The Spirits market features an extensive number of co-existing local and international brands in a particularly competitive environment.

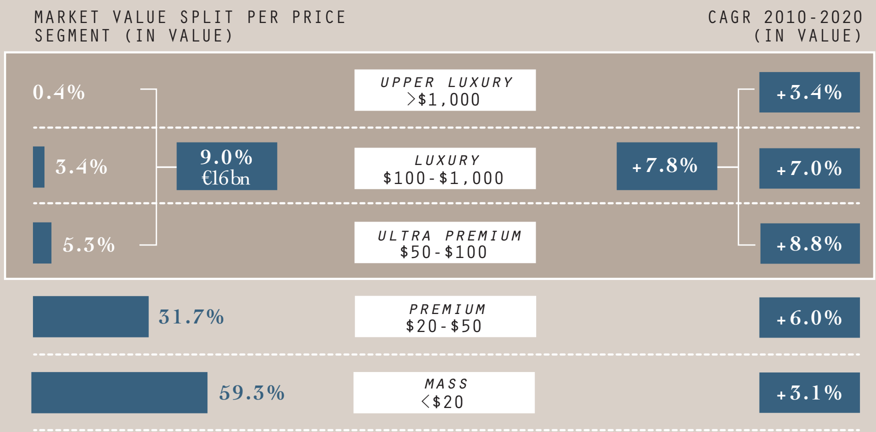
Against this background, Rémy Cointreau has, for many years, implemented a value creation strategy aimed at developing its upmarket brands in the high-end segments of the global markets, which offer high growth and earnings potential. Over the past 15 years, the implementation of this strategy has led the Group to sell brands and other assets deemed less suited to its value creation strategy and to take full control of its distribution in key markets (exit from Maxxium in April 2009).

Since 2015, the Group has accelerated its strategy of moving upmarket so as to differentiate itself and emphasise its uniqueness: ultimately, the Group's ambition is to become the world leader in exceptional spirits.

_ EXCEPTIONAL SPIRITS ENJOY AN ATTRACTIVE DYNAMIC

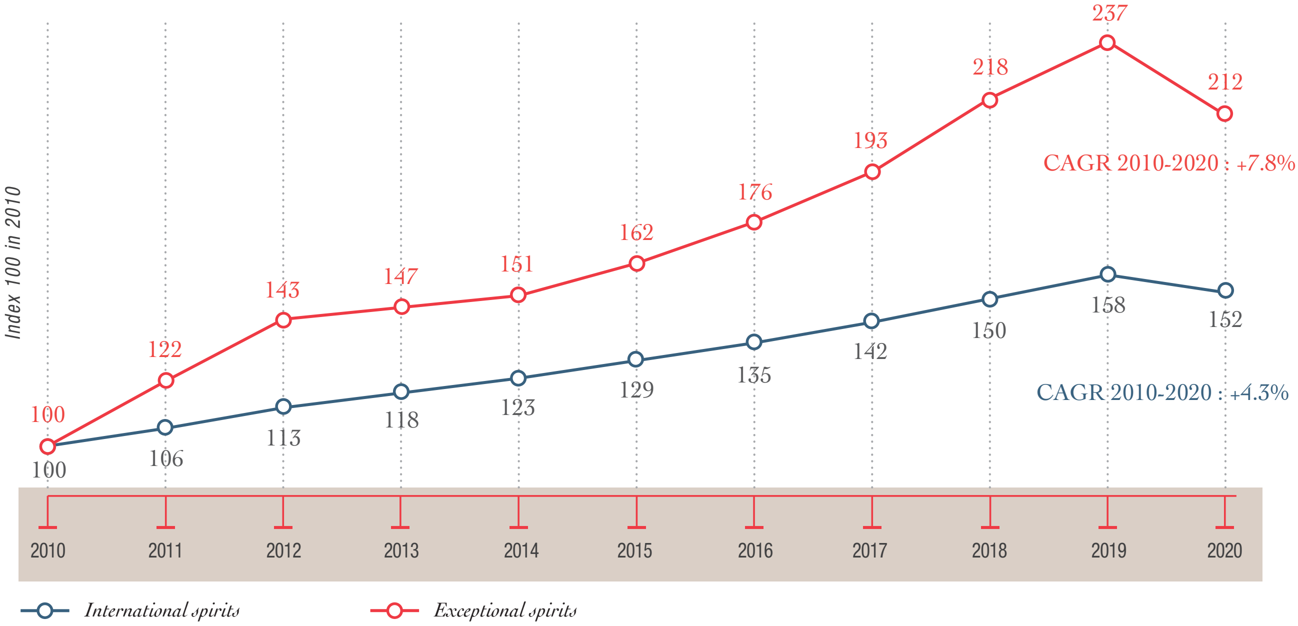
The Rémy Cointreau Group's positioning in the high-end segment of exceptional spirits is a very appropriate place to be: exceptional spirits are enjoying an attractive dynamic (+8% growth per year on average, compared with +4% for the spirits market as a whole over the last 10 years), driven by a move towards the high-end of the market and an increasingly discerning clientele in terms of the quality, production, know-how and history of the spirits they consume.

Exceptional spirits: a fast-growing segment



Source: IWSR, Rémy Cointreau, international spirits market estimated at around USD 200 billion.

The exceptional spirits segment has structurally outperformed the global spirits market since 2010

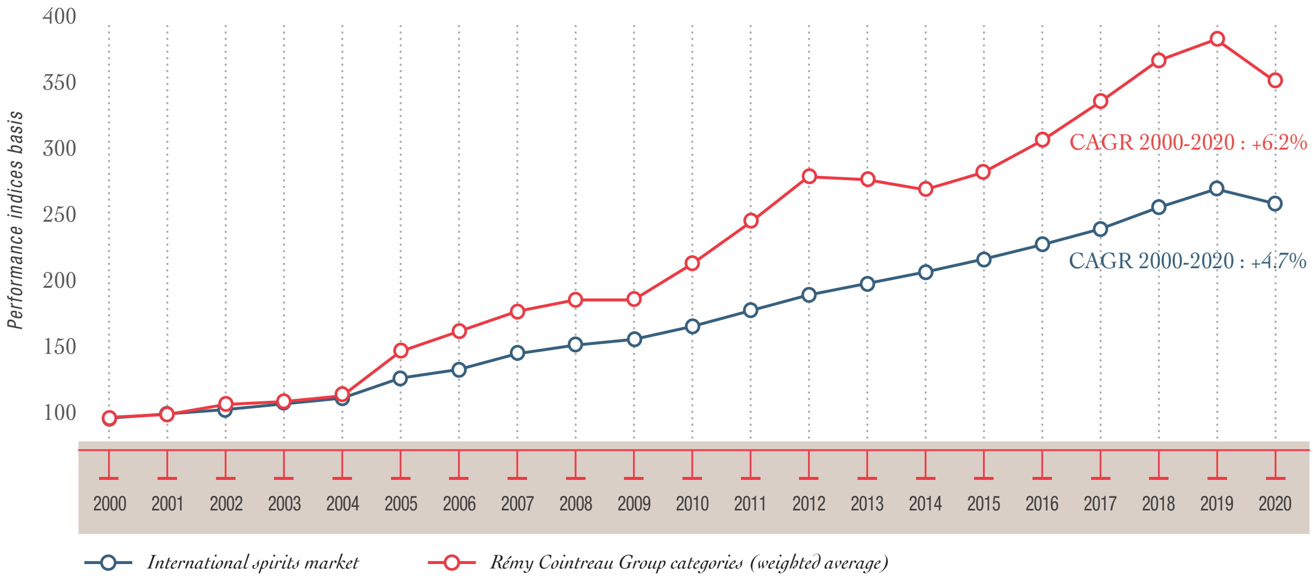


Source: IWSR, Rémy Cointreau.

POSITIONED IN FAST-GROWING CATEGORIES OF SPIRITS

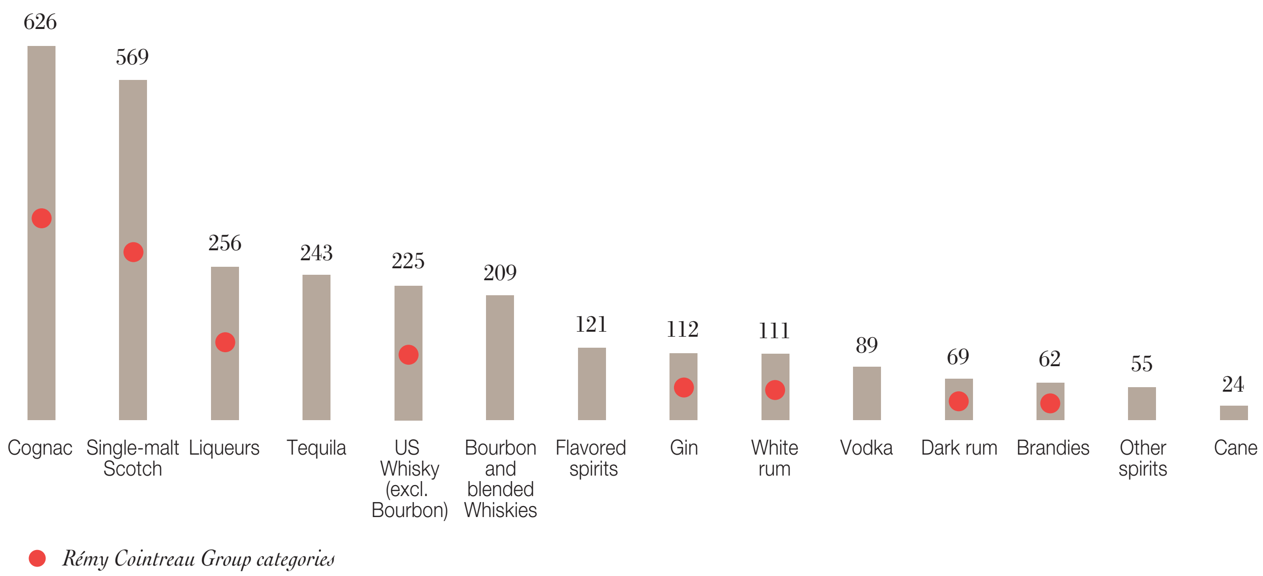
In addition, Rémy Cointreau Group brands belong to categories of spirits (such as cognac, single malt whisky, dark rum or gin) that have benefited from strong momentum (+6.2% per year on average during the 2000/2020 period, and +7.0% at the end of 2019 before the impact of the pandemic). The international spirits market grew +4.7% on average over the last twenty years (+5.2% at the end of 2019).

Rémy Cointreau Group categories structurally outperformed market growth



Correspondingly, these categories offer very attractive valuation levels ("value per case"): cognac, single malt whisky and liqueurs are the categories of spirits with the highest value per case on the market. As a result, the average value per case of the Group's brands portfolio was nearly €500, compared to just over €100 for the international spirits market.

Value per case by category of spirits *(in euros)*



Source: IWSR, Rémy Cointreau.

A NEW GENERATION OF CLIENTS

Beyond the changes observed in the context of the pandemic of Covid (which have mainly accelerated pre-existing trends), consumers of high-end spirits have changed in recent years. More connected, from the upper middle classes, younger – millennials of generations Y and Z – they are looking for knowledge – from the spirits, history, savoir-faire, differentiation – but also a increasing demand for transparency on product quality. Our clients are also looking for a more convenient way of buying our spirits (growth of e-commerce), as well as more services, an enhanced shopping experience and a tailor-made offering.

New demographic

- Emergence of an affluent middle class
- Rise in the number of well-off households
- Younger clientele: Millennials (generations Y and Z)

New consumer trends

- "Drinking less, but better"
- Increasingly sophisticated demand
- Better knowledge of spirits
- Interest in origins, know-how and authenticity
- Demand for transparency in terms of ingredients and respect for the environment
- Search for "meaningful brands" in step with their values
- Globalisation and digitalisation of consumption patterns

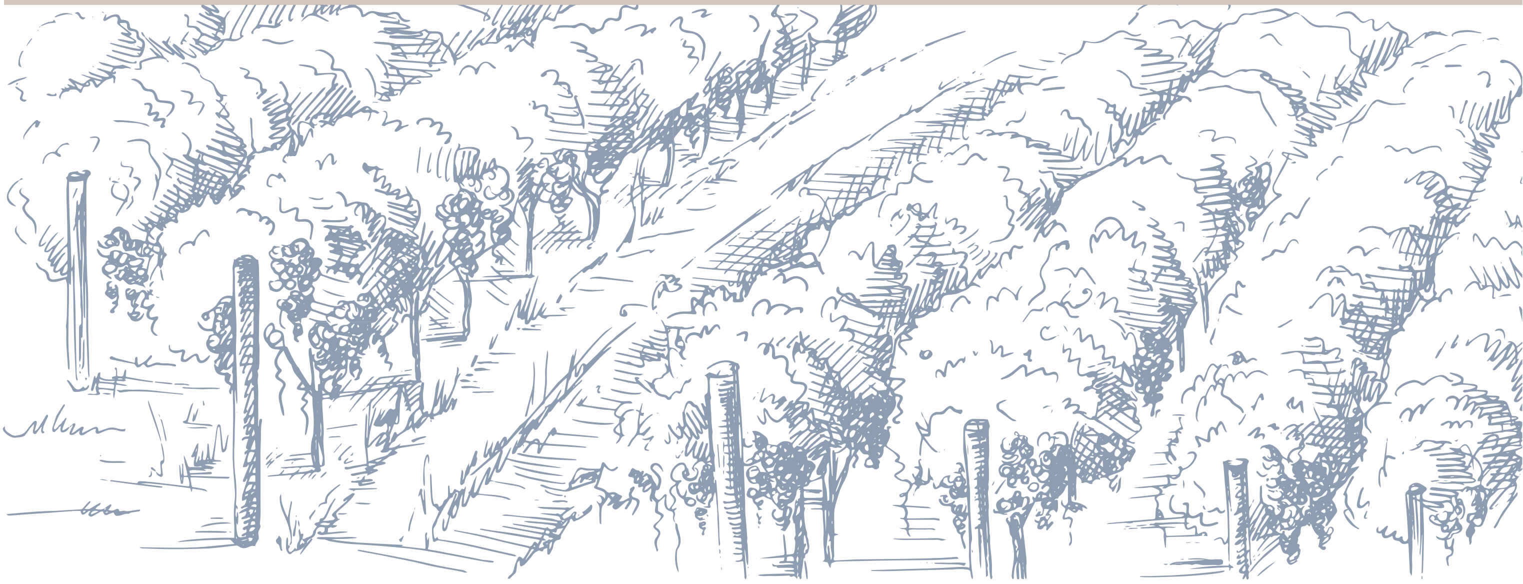
Increased mobility*

- Growth in international mobility
- Development of Travel Retail

Proliferation of distribution channels and new technological challenges

- Proliferation of distribution channels (e-commerce, travel retail, direct, etc.)
- Growing importance of CRMs
- Personalisation of customer service

* *Observed in recent years but pending with the Covid pandemic.*



A DISTRIBUTION NETWORK: LOCAL KNOW-HOW, AN INTERNATIONAL PRESENCE

Distribution and administration

The Group has premises and commercial or administrative offices in many countries, including the USA (primarily New York), China (Shanghai and Hong Kong), Singapore, Russia and the United Kingdom (London and Glasgow). The Group does not own any premises in these countries and therefore uses leasing contracts.

Moreover, the headquarters of Rémy Cointreau, which includes most of the Group's central services, is based in rented premises at 21 boulevard Haussmann, Paris.

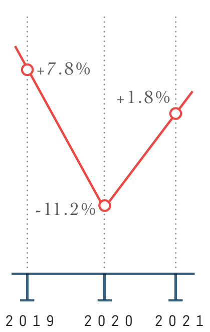
Rémy Cointreau began building its distribution network across all continents at the end of the 1950s.

Today, the Group has a dozen directly owned subsidiaries (from the United States to China, including the United Kingdom, Belgium, Malaysia and Japan). This distribution network allows the Group to implement a price strategy and to be selective about its sales outlets in a manner consistent with its high-end positioning.

RÉMY COINTREAU
Group

€1,010.2m
in net sales

Organic sales growth for the Group

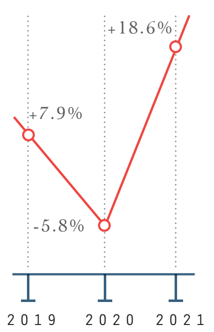


Americas

€522.0m
in net sales

52%
of Group sales

Organic sales growth for the zone



Europe Middle-East & Africa

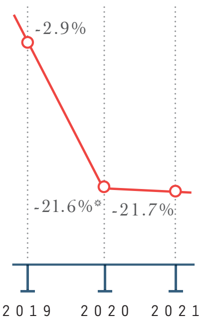
€189.0m

in net sales

19%

of Group sales

Organic sales growth for the zone



Asia Pacific

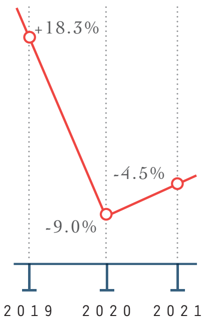
€299.2m

in net sales

29%

of Group sales

Organic sales growth for the zone



* *Organic decline largely attributable to the expiration of Partner Brand distribution contracts. Organic decrease of 6.4% for Group Brands.*

A NEW STEP IN THE VALUE STRATEGY

INTRODUCTION

The transformation of Rémy Cointreau's business model since 2015 (acceleration of the upgrading of the brand portfolio towards the high-end and the implementation of an end-client-centric culture) has clearly brought results. Between 2015 and 2019, the Group delivered average organic growth in sales of 7% *per annum* and its current operating margin rose by 4.4 points over the period.

Since December 2019 the Group has moved on to a new step in its value strategy, which consists in optimising its portfolio strategy to build a more sustainable, profitable and responsible business model. Because such an in-depth transformation takes time, the Group has set its targets at 2030. This timeframe is also consistent with the Group's mindset and raw material procurement planning for some of its brands, such as Rémy Martin XO.

FOUR STRATEGIC LEVERS

1

ENHANCING THE "VALUE PER CASE"

The "portfolio strategy" consists in assigning a role to each Group brand to maximise the Group's value per case and gross margin. The priority for the most profitable brands will thus be to step-up their growth (driven by increased investments), while the less profitable will have profitability improvement targets (by gradually refocussing them on their high-end products).

By increasing its gross margin, the Group will expand its investment capacity behind its priority brands, thus creating a virtuous circle of more sustainable and profitable growth.

2

MOVING FROM A "CLIENT-CENTRIC CULTURE" TO A "CLIENT-CENTRIC BUSINESS MODEL"

During the past five years, the Group has implemented an end-client-centric culture by establishing direct and personalised relationships through human, media and digital investments to enhance brand appeal.

The Group is now seeking to move on to the next step by implementing a genuine client-centric business model. This should translate into a significant increase in the Group's direct sales, whether through digital, own stores or its network of "Private Client Directors". To do this, it must implement or strengthen the tools that will enable it to communicate with, educate, retain and sell directly to its clients.

3

ACCELERATE THE DEVELOPMENT OF THE LIQUEURS & SPIRITS PRIORITY BRANDS

The Liqueurs & Spirits portfolio still has significant growth prospects due to the fact that its brands are far from their full potential in their existing markets, in particular in terms of retail penetration.

Some brands have accordingly been identified as priorities to contribute to the Group's profitable growth. The expected mix and scale effects should gradually result in an improvement of the division's profitability, despite reinvestments in brand communication and education.

4

LAUNCH OF THE "2025 SUSTAINABLE EXCEPTION" PLAN FOR MORE RESPONSIBLE GROWTH

After having defined its values (Terroirs, People, Time and Exception) in 2016, the Group is now seeking to reflect them through a genuine responsible growth plan. The key concerns of the "2025 Sustainable Exception" plan are sustainable agriculture in all terroirs involved in crafting the Group's spirits, ecodesign for all the brands' packaging, and a gradual reduction of carbon emissions aligned with the international ambition of "Net Zero Carbon" by 2050.

Moreover, as a family-owned Group, Rémy Cointreau is a people-centric company, which deeply respects the Women and the Men that comprise it and who, through their know-how and commitment, contribute to the success of the Group and its strategy. Its ambition is to become even more inclusive, whether in terms of the representation of women, ethnic diversity or age within the decision-making bodies.

Lastly, thanks to its positioning in the exceptional spirits market, the Group is fully aware of its duty to set an example regarding responsible consumption. Accordingly, the Group promotes occasional consumption to celebrate exceptional moments, with moderation.

AN AMBITIOUS AND RESPONSIBLE STRATEGY FOR 2030

The Group has thus set itself **five transformation targets** for 2030:

- **a new business model for the Louis XIII brand,** featuring significant development of direct sales, breaking with the conventions of the industry;
- **an increased proportion of "intermediate" qualities** (1738 Accord Royal, CLUB) and **XO quality at Rémy Martin;**
- **an increased contribution from the Liqueurs & Spirits division** within the Group and a sharp improvement in its profitability;
- **superior pricing for all brands** within their respective categories;
- **development of digital channels to 20%** of the Group's sales.

VALUE CREATION

THE GROUP'S DNA

TERROIRS

- Terroirs of exception (Cognac, Islay, Samos, Barbados, etc.)
- **64%** of our agricultural raw materials are "responsible and sustainable agriculture" certified
- **100%** of our winegrowers within the AOC Cognac are committed to "High Environmental Value" agriculture

PEOPLE

- Preservation of ancestral know-how (cellar masters)
- Commitment to employee well-being
- Shared ethical responsibility

TIME

- Family-owned company since 1724
- Ageing of certain of our eaux-de-vie for more than 100 years
- Engaged governance to support the Group for the long term

EXCEPTIONAL SPIRITS THAT TASTE LIKE THEIR TERROIR...

High-end positioning
in high-growth segments

A portfolio
of 14 exceptional
spirits

Sustainable value creation

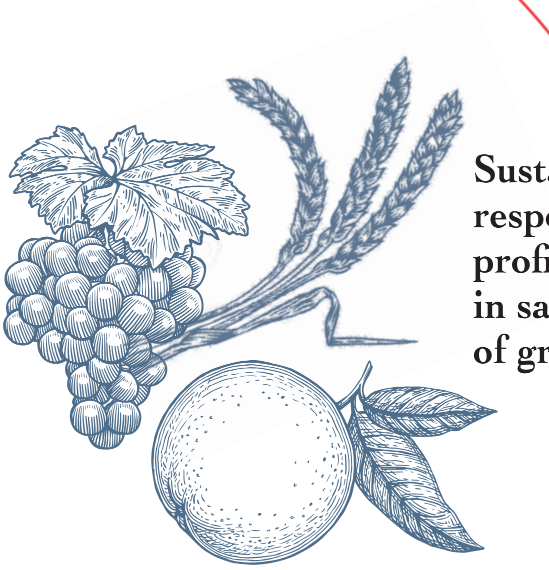
Adding value
to our spirits
(price/mix gains)

Reinforcement of
brand recognition
and attractiveness

… AND CREATE VALUE

Portfolio management optimisation:

- clarification of each brand's mission within the Group
- setting of priorities, maximising the investments behind the most profitable brands



Sustained, responsible, profitable growth in sales; maximising of gross margin

Increase in investment capacity:

- **brands**
  (media, digital, education)
- **distribution network:**
  development of a direct distribution network (boutiques, e-commerce, Private Client Directors, etc.)
- **product development that respects the environment**
  (sustainable agriculture, eco-packaging, reduction in carbon emissions)

SHARED WITH ITS STAKEHOLDERS

EMPLOYEES

- Average Group salary: score of **107** compared with international benchmark
- Close to **20,000 hours** of training (despite the pandemic)

GOVERNMENT

- **€78 million** paid in corporate income tax in 2020/2021 (tax rate: 35%)

CIVIL SOCIETY

- **€1 million** (over a five-year period) invested by the Rémy Cointreau Foundation to promote and transfer exemplary skills and know-how

SHAREHOLDERS

- Steady increase in dividends over the past 20 years
- Significant increase in dividend to **€1.85** in 2020/2021
- Stock market capitalisation up nearly **€5 billion** over the last five years (at 31 March 2021)

LOCAL COMMUNITIES

- Strong commitment within the communities of Cognac (France), Angers (France), Islay (Scotland) and Barbados

SUPPLIERS

- Alliance Fine Champagne: **2.25%** shareholder of Rémy Cointreau
- Partner training provided by our agronomists (sustainable agriculture)

FINANCIAL AND NON-FINANCIAL TARGETS

The 2020/2021 financial year was the first year of the 2030 strategic plan announced in June 2020. Despite the environment marked by the pandemic, the Group was able to implement the pillars of its medium-term strategy and achieve a year full of promises, both in terms of sales and operating profits.

Outlook for the 2021/2022 financial year

In a still fragile and uncertain public health, economic and geopolitical environment, the **Rémy Cointreau Group has emerged stronger from the Covid-19 crisis.**

Thus, for 2021/2022, the Group is confident in its ability to continue to win market share in the exceptional spirits sector. In particular, it expects an excellent start to its financial year, supported by a very favourable basis of comparison, phasing effects of its shipments and new, structurally more buoyant consumer trends in the United States.

Being ahead in the unfolding of its 2030 strategic plan and given the favourable environment, the Group has decided **to revise up its investments in communication** to support its brands through the recovery and boost their medium-term growth potential by developing brand awareness and attractiveness. The expected good growth in current operating profit will also be moderated by currency effects estimated at between -€16 and -€20 million and a scope effect estimated at -€2 million.

Increased confidence in 2030 guidance

In the medium term, Rémy Cointreau is reasserting its ambition to become the world leader in exceptional spirits, with a growth outlook that is still attractive, particularly in a world of more responsible consumption.

To achieve this, Rémy Cointreau will pursue its value strategy and its construction of a business model that delivers both profitable and responsible growth.

AMBITIOUS YET CONFIRMED FINANCIAL AND NON-FINANCIAL TARGETS:

In recent months, in an environment marked by the pandemic, Rémy Cointreau has benefited from **an acceleration of pre-existing trends that support the 2030 strategy announced in June 2020:** the rise of mixology and consumption at home, the outperformance of high-end spirits, the strong growth of online sales and the growing interest in corporate social and environmental responsibility.

As part of its **"2025 Sustainable Exception"** plan, the Group aims for sustainable agriculture in all terroirs involved in the production of its spirits, as well as a **25% reduction in carbon emissions (Scopes 1 & 2, in absolute terms)** and **30% (Scope 3, in relative terms)** by **2025.** This is a first step towards the **Group's "Net Zero carbon"** ambition **for 2050.**

Financial targets to 2030[(1)]

72%
gross margin

33%
current operating margin

(1) Based on rates and scope for 2019/2020.

"2025 Sustainable Exception" Plan

100%
sustainable agriculture

Reduction in **25%** carbon emissions (scopes 1 & 2, in absolute terms)

Reduction in **30%** carbon emissions (scope 3, in relative terms)

"NET ZERO CARBON" BY 2050

THE GROUP'S MAIN CHALLENGES AND RISKS

THE GROUP'S MAIN NON-FINANCIAL CHALLENGES

Terroirs, People and Time. The Rémy Cointreau Group's CSR ambition is built around the three key pillars of our signature:

- **protecting our terroir** through sustainable agriculture;
- **making a commitment to people** to protect their ancestral know-how, ensure their well-being within the Group and teach them about the ethics that are so vital for the Group's credibility. At the same time, pledging to protect all stakeholders, both internal and external, through a policy of responsible consumption;
- **recognising the value of time,** protecting the atmosphere (through our carbon footprint) and water supply as essential resources for our businesses.

Following a materiality assessment in 2016/2017, 10 key Sustainable Development Goals were selected (out of the 17 identified by the United Nations). Based on these SDGs, we have now identified the 10 major challenges facing the Group, the risks associated with these challenges and the indicators that will enable us to monitor their development in the future. In some cases, the Group has already committed itself by setting targets for improvement.

The targets cover SDGs 6, 8, 12, 13 and 15, which are used as CSR performance criteria to calculate the Executive Committee's variable compensation.

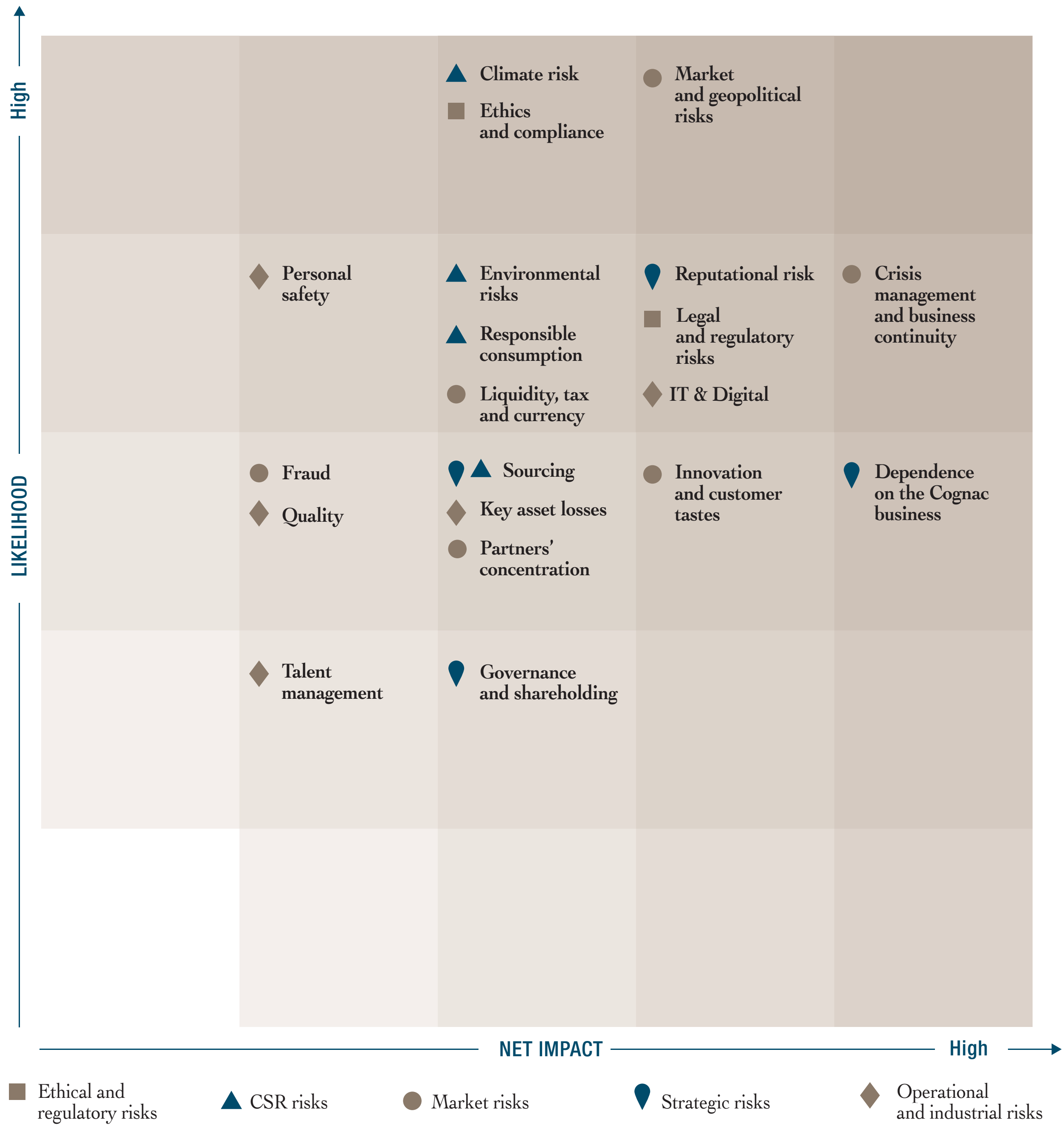
SDGs		Challenges	Risks relating to the challenge	Risk indicators (quantified targets/ progress plan)	Challenges related to the compensation of a member of the Executive Committee
6 CLEAN WATER AND SANITATION	Clean water and sanitation	Water management	Water availability/ Water quality	Water consumption	CEO of the House of Rémy Martin and CSR
8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth	Employee well-being	Absenteeism, turnover, workplace accidents, occupational health, work-related alcohol consumption	Turnover and absenteeism	CEO of the Whisky Division
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production	Circular economy and reduction of raw material consumption	Company's reputation among customers	EPI (Environmental Performance Index of packaging)	CEO of the House of Rémy Martin and CSR
13 CLIMATE ACTION	Climate action	Contribution to the global effort (2°C limit) and sustainability of the business	Changes in regulatory and fiscal framework (carbon tax)	CO_2 emissions: significant emissions, by brand, focus on transport/reduction of CO_2 emissions	CEO Liqueurs & Spirits, CEO Greater China, Operations Director
15 LIFE ON LAND	Life on land	Sustainable agriculture: adapting the terroir and protecting biodiversity	Sustainable production of our agricultural raw materials	Percentage of sustainably managed land	CEO of Maison Rémy Martin and of CSR, CEO of Liqueurs & Spirits and CEO of the Whisky Division

The remaining members of the Executive Committee are also linked to these targets, with their variable "CSR" component corresponding to the average achievements of the Executive Committee members directly concerned.

THE GROUP'S MAIN STRATEGIC AND FINANCIAL RISKS

The Group has set up a system to anticipate and manage its risks. This system is constantly updated to take into account any regulatory, legislative, economic, societal, geopolitical and competition changes.

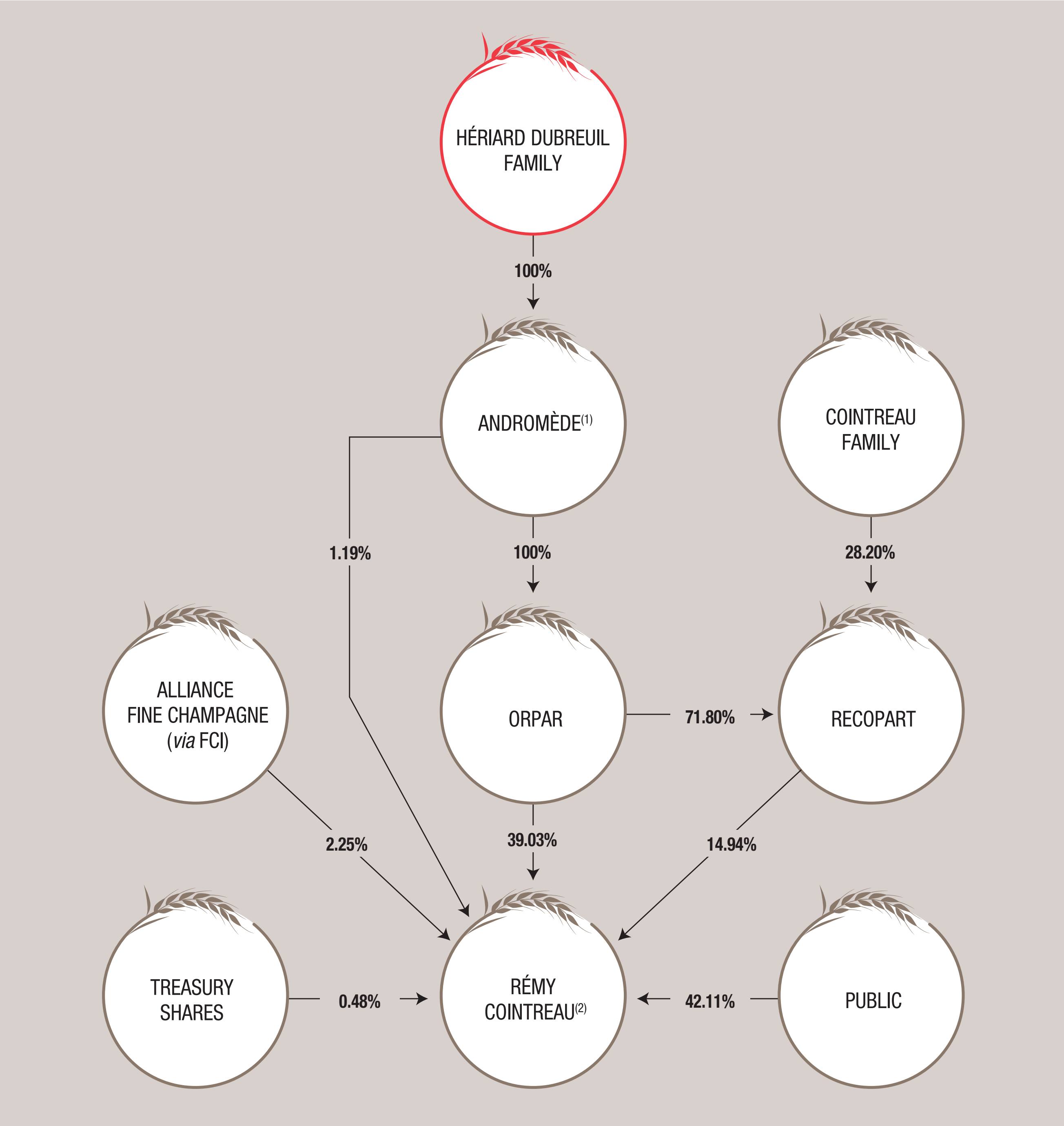
The main risk factors to which the Group is exposed given its business model are presented in this table (more details can be found in chapter 2 of this document).



COMPANY OWNERSHIP

SHAREHOLDING STRUCTURE

AT 31 MARCH 2021
(% equity interest)



(1) *Rémy Cointreau is consolidated within the Andromède Group.*
(2) *Only Rémy Cointreau shares are traded on the stock market.*

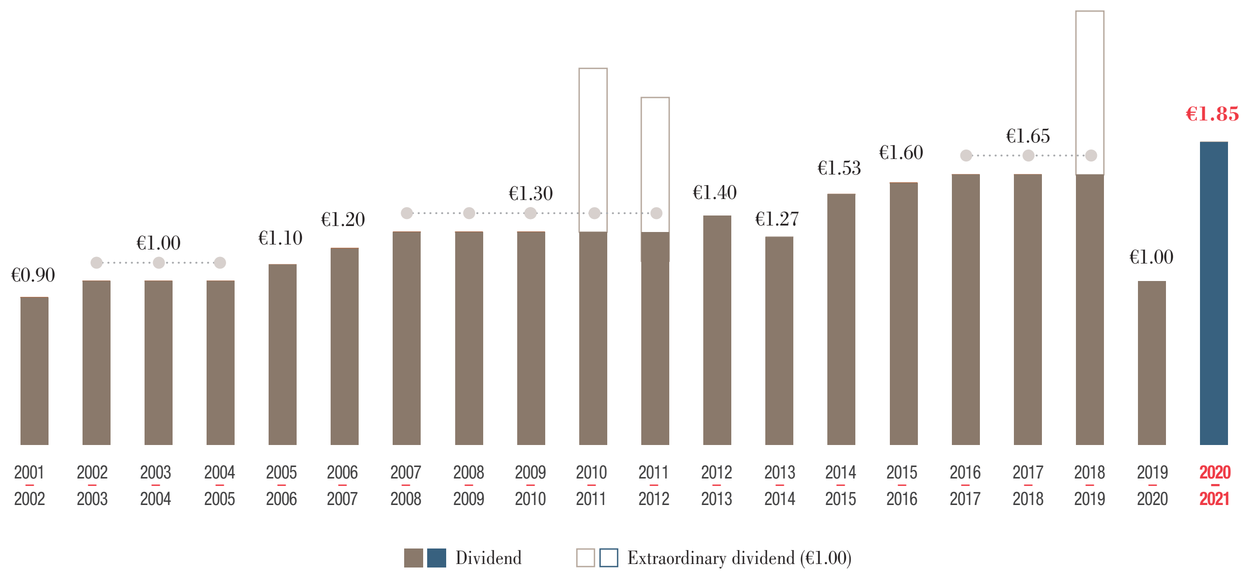
SHARE PERFORMANCE AND DIVIDENDS

The Group's strategy has boosted the share price over the past five years

Rémy Cointreau shares have risen by 136% over the past five years, reflected in an increase of nearly €5 billion in the market capitalisation. This value creation confirms the relevance of the strategy put in place by the Executive Committee and implemented by the Group's employees.

Regular dividend policy

Over the past 20 years, the Group has paid an annual dividend which has increased in stages. In addition, it paid an extraordinary dividend of €1.00 per share in respect of 2010/2011, 2011/2012 and 2018/2019..



1

CSR CHALLENGES (STATEMENT OF NON-FINANCIAL PERFORMANCE)

_ 1.1 MAIN CHALLENGES

All over the world, people are looking for exceptional experiences. For these customers, diversity of *terroirs* goes hand in hand with a variety of flavours. Our expertise, passed down from generation to generation over the centuries, is equal to their expectations. The time these clients devote to drinking our products is a tribute to all those who have worked to develop them.

It is for these men and women that Rémy Cointreau, a family-owned French group, protects its *terroirs*, cultivates exceptional multi-centenary spirits and undertakes to preserve their eternal modernity.

The Group's portfolio includes 12 unique brands, such as the Rémy Martin and LOUIS XIII cognacs, and Cointreau liqueur.

Rémy Cointreau's ambition is to offer its customers exceptional spirits and sensorial experiences. For that, it relies on the commitment and creativity of its 1,832 employees and on its distribution subsidiaries.

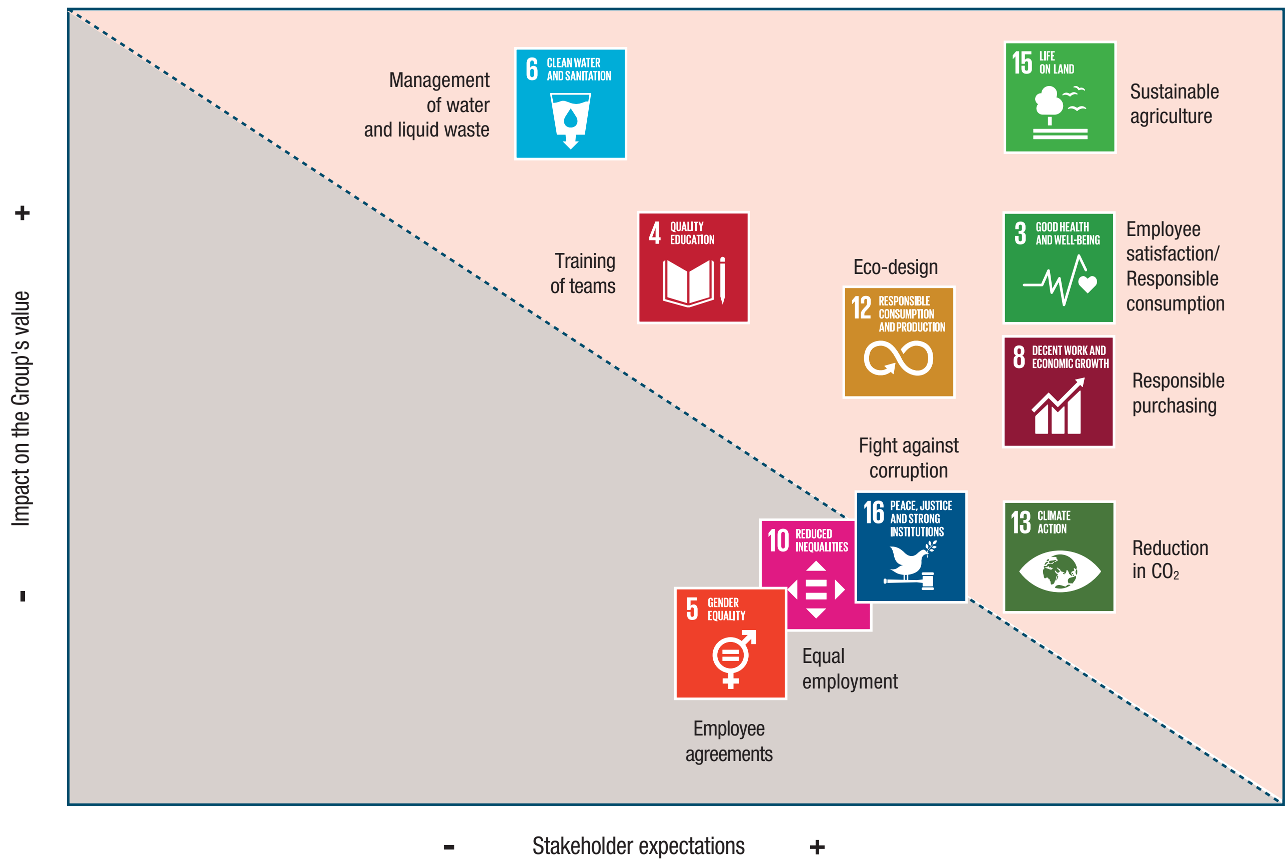
The secret of Rémy Cointreau's excellence is based on the quality of its products, and the values rooted in the Group's DNA. While Rémy Cointreau has always been committed to corporate social responsibility, the international context in recent years has only served to confirm – and strengthen – its resolve.

"*Terroirs*, people and time"; by adopting this emblematic motto, Rémy Cointreau wanted to demonstrate its irreversible commitment to a cause that it not only wholeheartedly supports, but over-delivers on. The Group's Executive Committee has put sustainable development front and centre of its strategy, in line with the wishes of its shareholders and Board of Directors.

This commitment supports the Group's main CSR challenges, inspired by the Sustainable Development Goals (SDGs) defined by the United Nations. Rémy Cointreau has its sights firmly set on these 17 objectives. They reflect its CSR ambitions by incorporating issues such as climate change and sustainable agriculture.

As a true corporate governance tool and in line with the Group's high standards, a materiality analysis was carried out in 2017. Its aim was to prioritise the challenges and identify those that have a significant impact on the Group's growth, value creation and sustainability, while taking all stakeholder expectations into account.

Materiality matrix



Out of 17 SDGs, Rémy Cointreau has selected 10 relating to its main challenges:

		Rémy Cointreau's challenges
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	Responsible consumption (externally)
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	In-house training and skills development
5 GENDER EQUALITY	Gender equality: achieve gender equality	Non-discrimination and internal societal balance
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water	Water management
8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth/Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Employee well-being Responsible purchasing Local impact (sustainable development of *terroirs*)
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	Internal social balance and global consistency
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Take action to ensure sustainable consumption and production	Circular economy and reduction of raw material consumption Customer information
13 CLIMATE ACTION	Take action to combat climate change and its impacts	Contribution to the global effort (2 °C limit) and sustainability of the Company
15 LIFE ON LAND	Sustainable land management/Protect, restore and promote sustainable use of land ecosystems/Sustainably manage forests/Preserve biodiversity	Sustainability of the Company Biodiversity conservation
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Peace and justice: build effective and accountable institutions	Business ethics Corporate governance

NB: The materiality analysis did not identify food waste, food poverty, animal welfare or responsible, fair and sustainable nutrition as relevant CSR challenges for the Group.

Particular attention has been paid to the five priority SDGs (SDGs 6, 8, 12, 13 and 15), to which the variable compensation of the Group's senior management is linked. The Board of Directors' CSR Committee, responsible for implementing the CSR strategy, monitors compliance with this commitment.

The various challenges selected form the basis of our new CSR Charter, republished this year.

It is based on three main pillars:

- **protecting our *terroirs*** in order to showcase their excellence, by encouraging responsible cultivation methods, safeguarding the unique characteristics of each *terroir* and finding new ways to preserve them;
- **looking after people in order** to highlight our uniqueness, with responsible, committed governance at the highest level, ensuring workplace wellness, gender equality and non-discrimination, promoting responsible purchasing, engaging with local communities and promoting responsible consumption of our products to customers;
- **recognising the importance** of time in creating exceptional products, taking an active part in the fight against global warming, conserving water resources, taking steps to reduce the environmental impact of our activities and striving for carbon neutrality.

1.2 Identification of risks and indicators associated with the challenges

In 2020, an internal working group was set up to establish a risk hierarchy with representatives from the Finance, HR, Public Relations & CSR and Internal Audit departments.

Focusing on the main CSR challenges described in the previous paragraph, the working group has produced a risk map which has been used to prioritise these risks (GRI Standard 102-15).

Five main CSR risks have been identified in order that the Group's overall risk management take them into account:

- sustainability of agriculture and *terroirs* (supply risk and availability of agricultural raw materials);
- responsible purchasing and supplier relations (reputational risk of the Company);
- carbon impact (risk of a carbon tax and a binding regulatory framework);
- water management (risk of water availability and quality for the development of our products);
- responsible consumption of our products (health risk for our employees and customers).

These five specific CSR risks form part of the following four overall Group risks *(see section 2)*:

- climate;
- environmental risks;
- sourcing;
- responsible consumption.

These risks are managed through various specific actions associated with quantified targets and progress or monitoring indicators, which provide a strong framework for our ambitious new “2025 CSR plan – Sustainable Exception”.

While Rémy Cointreau has always been committed to corporate social responsibility, the current international context has only served to confirm – and strengthen – its resolve. More than ever before, the Group's CSR policy represents its core strategic ambition. It must contribute fully to the Group's value creation while continuing to support the Group's annual commitment under the Global Compact.

The 2025 CSR Plan continues to address this CSR policy, in order to effectively achieve the CSR objectives through concrete action, in line with Rémy Cointreau's strategy.

It confirms the ties established between Rémy Cointreau and its stakeholders, such as its local partners and suppliers.

The major challenges of the plan were determined with the desire to involve all our employees. The respect for the dignity of all (regardless of where they live, throughout their private and professional life), is at the centre of the Group's social policy, hinging on the respect of human rights and employment law. For example, the B-Corp certification of Bruichladdich in Scotland outlined several aspects of the Group's HR policy, particularly in the area of labour market flexibility and career development paths.

The Group permanently aims to develop and protect the regions in which it operates and is convinced that it is the Company's responsibility to help them grow, while keeping in line with shared values. These values reflect the Group's truly ethical approach in order to build a relationship with its stakeholders based on trust.

Getting its suppliers to adopt its CSR policy is also a key issue for Rémy Cointreau, to ensure that all purchases are made within a responsible framework, in particular in terms of respecting Human rights and safety at work. Several initiatives are rolled out to address this issue. Rémy Cointreau expressly asks its suppliers to join SEDEX (Supplier Ethical Data Exchange), an international organisation that aims to promote ethical and responsible business practices in global supply chains.

For the environment, the priorities of the plan are mostly in line with the international strategy for limiting global warming to +1.5 °C. Rémy Cointreau is committed to making its business carbon neutral by 2050 (Net Zero Carbon) and has joined the international movement to tackle global warming, in accordance with the SBT (Science Based Targets) method.

The Group's carbon footprint was developed with the aim of achieving a 50% reduction in carbon emissions across all the Group's businesses (Scopes 1, 2 and 3 of the carbon footprint assessment) by 2030. The major initiatives include agricultural practices, the eco-design of packaging and optimised product transportation.

In the area of agricultural practices, the policy of protecting *terroirs* is reflected in the responsible and sustainable agricultural practices used to produce all our raw materials. The Group's ambition is for all the farmland needed for its brands to be cultivated in accordance with a responsible and sustainable agricultural model by 2025 by using a responsible and sustainable agricultural label or standard.

To reflect this commitment, Rémy Cointreau is continuing to support the “act4nature” initiative, joining other leading French companies in campaigning for biodiversity. To that end, Rémy Cointreau has signed a collective declaration on the inclusion of nature (fauna, flora, ecosystems, etc.) in the Company’s strategy. The aim is to take concrete action for biodiversity conservation and restoration. This year, Rémy Cointreau confirmed its global commitments to "act4nature international":

- commitment 1: contribute to biodiversity conservation in the terroirs;
- commitment 2: link cultural and natural heritage: protecting forests and natural environments;
- commitment 3: measure and experiment to foster biodiversity;
- commitment 4: reduce carbon emissions and combat climate change;
- commitment 5: raise awareness and train stakeholders on biodiversity conservation (employees and suppliers).

Ten- and five-year targets have been set and detailed information on each commitment is provided in the corresponding sections of this chapter 1, CSR Challenges "Statement of non-financial performance" (1.3.2.1 "Sustainable agriculture" / 1.3.2.2 "Biodiversity conservation" / 1.3.2.3 "Climate change").

The objective of the Eco-design project, as an integral part of the 2025 CSR plan, is to reduce the consumption of raw materials used for product packaging. Internal software is used to measure the environmental impacts of Rémy Cointreau’s product packaging. First rolled out at the Cognac and Angers sites, this measurement tool is now available for all of the Group’s production sites. The aim is to achieve 100% eco-designed Group products by 2025.

The introduction of circular economy initiatives based on waste reduction and recovery is also a priority issue for the Group. The Group’s policy is first and foremost to reduce its tonnage, for example by monitoring the amount of waste generated by packaging lines. The aim will then be to recycle all waste, giving priority to sorting and materials recovery. This ties in neatly with the concept of a circular economy. Energy from waste is a last resort for the final recovery of residual unsorted waste.

Land transport is also a priority. The CSR report includes CO_2 emissions from global product transportation. An internal tool now enables to cover the whole of the Group’s logistics operations (transportation between shipping platforms, deliveries to subsidiaries and customers). The aim of the tool is to enable the carbon emissions associated with the transportation of our products to be calculated more reliably. This way they can be used directly for the purposes of the Group’s carbon assessment. Transport providers have access to this tool, enabling them to report in real time on changes in their carbon emissions, particularly when they take steps to reduce those emissions.

The emphasis is also on water management, another key focus area for the Group, particularly in terms of its availability for distillation activities at the Barbados, Islay, Domaines Rémy Martin and Domaine des Hautes Glaces sites, and its quality for the production of the Group’s products.

As part of the 2025 CSR plan, water consumption reduction and optimisation targets are currently being validated. Emphasis was placed primarily on making consumption measurements more reliable at all production sites. The first water consumption maps have been drawn up to identify what water is actually drawn from the natural resource and not discharged by the site. Under the 2025 CSR plan, this type of study will be rolled out to the Group’s production sites in France and abroad, with the aim of being completed by 2025.

It is also essential for Rémy Cointreau to minimise liquid waste and ensure that it is treated before being discharged into the natural environment. Under the 2025 CSR plan, special attention is given to treating waste water from production sites. For several years, these volumes have been monitored and BOD/COD analyses are carried out regularly before and after treatment and before discharge into the natural environment As with solid waste, special attention is paid to “material” recovery (land application) or energy recovery from distillation vinasse.

Aware of the increasingly stringent requirements of civil society and public authorities, the 2025 CSR Plan also reflects the Group’s commitment at a societal level to the impact of its communications and their consequences on alcohol consumption. The Group has adopted responsible communications, which it aims to share with all its employees and end-customers.

The Group’s CSR Committee and the Group’s Executive Committee are responsible for the governance of the 2025 CSR plan. The Public Affairs/CSR department is responsible for implementing the actions and objectives set out in the 2025 CSR plan across Group entities.

The **progress indicators** are associated with the **quantified targets** of the 2025 CSR plan. Some of these targets require a longer term vision and have been set with a horizon of 2028 (certification of the Alliance Fine Champagne de Cognac wine cooperative) and 2030 (reduction of carbon emissions).

The **monitoring indicators** enable to measure the effectiveness and the appropriate implementation of the actions, without no requirement for significant progress in the area in question.

These two types of indicators are supplemented by **management indicators**.

All of these indicators demonstrate the concrete implementation of the 2025 CSR plan and contribute to managing previously identified CSR risks.

2025 CSR PLAN – THE SUSTAINABLE EXCEPTION

			Risk-related indicators		CSR targets		
SDGs	Rémy Cointreau's challenges	Risks relating to the challenge	Indicators	Scope	2024/ 2025	2028/ 2029	2030/ 2031
Good health and well-being	Responsible consumption (externally)	Binding regulatory and fiscal framework	Qualitative information	World	Qualitative information		
Quality education	Internal training/skills development	Loss or deterioration of certain know-how/ Lack of staff training in some countries	Percentage of employees completing at least one training course per year, in %(2)	Production sites World/Subsidiaries World (>20 employees)	80		
			Hours of training(2)	Production sites World/Subsidiaries World (>20 employees)	Annual monitoring		
Gender equality	Non-discrimination and internal societal balance	Lack of appeal and reputation of the Company	Percentage of men/women in management, in %(1)	Production sites World/Subsidiaries World (>20 employees)	50		
			Gender equality index, scored out of 100(1)	France	90		
			Percentage of men/women trained, in %(1)	Production sites World/Subsidiaries World (>20 employees)	50		
Clean water and sanitation	Water management	Water availability and quality (specific case of the Barbados site)	Water consumption, in m^3(2)	Production sites World	Annual monitoring		
			Water consumed, in m^3(1)	Production sites World	Annual monitoring		
			Water consumption reduction rate, in %(1*)	Production sites World	In progress (to be defined in 2021/2022)		
		Pollution from liquid waste discharges	Rate of vinasse recovery, in %(1)	Production sites World	70		
Decent work and economic growth	Employee well-being	Activity-related consumption of alcohol	Qualitative information	World	Qualitative information		
		Turnover/ Absenteeism/ Workplace accidents/ Activity-related consumption of alcohol	Turnover, in %(2)	World	<20		
			Absenteeism, in %(2)	France/ Production sites World	<4		
			Workplace accident frequency rate(2)	France/ Production sites World	<9		
			Workplace accident severity rate(2)	France/ Production sites World	<0.3		
			Average age(2)	Production sites World/Subsidiaries World	Annual monitoring		
			Seniority(2)	Production sites World/Subsidiaries World	Annual monitoring		
			Workforce by region, business and occupation(3)	Production sites World/Subsidiaries World	Annual monitoring		

			Risk-related indicators		CSR targets		
SDGs	Rémy Cointreau's challenges	Risks relating to the challenge	Indicators	Scope	2024/ 2025	2028/ 2029	2030/ 2031
Decent work and economic growth	Responsible purchasing	Suppliers: non-compliance with regulations – responsible and sustainable practices (working conditions)/ Company's reputation with customers	Percentage of suppliers who are SEDEX members and classified as "active", in %[1]	World (Suppliers with the highest net sales of raw materials, packaging, advertising materials, suppliers of food contact materials and suppliers in regions with a CSR risk)	100		
			Percentage of suppliers who are SEDEX members and who provided all the information requested in the self-assessment questionnaire, in %[3]	World (Suppliers with the highest net sales of raw materials, packaging, advertising materials, suppliers of food contact materials and suppliers in regions with a CSR risk)	100		
	Local impact (sustainable development of *terroirs*)	Lack of appeal and reputation of the Company	Qualitative information	World	Qualitative information		
Reduced inequalities	Internal societal balance/Global consistency	Lack of appeal and reputation of the Company	Employment rate of people with disabilities, in %[3]	Production sites World/Subsidiaries World (>20 employees)	Annual monitoring		
			Percentage of work-study contracts, in %[3]	France	Annual monitoring		
Responsible consumption and production	Circular economy and reduction of raw material consumption	Increased raw material costs	Packaging EPI (Environmental Performance Index)[1]	All brands	Annual monitoring		
			Percentage of eco-designed products, in %[1]	All brands	100		
			EPI/Reduction of plastics in packaging, in %[1]	All brands	100		
			Volume of solid waste recovered[2]	Production sites World	99		
	Customer information	Company's reputation among customers	Qualitative information	Europe	Qualitative information		

SDGs	Rémy Cointreau's challenges	Risks relating to the challenge	Risk-related indicators		CSR targets		
			Indicators	Scope	2024/ 2025	2028/ 2029	2030/ 2031
Climate action	Contribution to the global effort (2 °C limit) and sustainability of the Company	Carbon impact/ Binding regulatory and fiscal framework (carbon tax)/ Company's reputation with customers	CO_2 emissions – Scopes 1, 2 & 3, in Teq CO_2[2]	Production sites World	Annual monitoring		
			Percentage of significant CO_2 emissions – product packaging, in %[2]	Production sites World	Annual monitoring		
			Percentage of significant CO_2 emissions – upstream freight and downstream product transportation, in %[2]	Production sites World	Annual monitoring		
			Percentage of significant CO_2 emissions – raw materials, in %[2]	Production sites World	Annual monitoring		
			CO_2 emissions reduction rate – Scopes 1, 2 & 3, in intensity, in %[1]	Production sites World	29		50
			CO_2 emissions reduction rate – Scopes 1 & 2, in absolute terms, in %[1]	Production sites World	25		50
			CO_2 emissions reduction rate – Scope 3, in intensity, in %[1]	Production sites World	28		50
			Total energy consumption, in MWh[2]		Annual monitoring		
			Renewable electricity consumption, in %[1]	France	100		
			Renewable electricity consumption, in %[1]	Europe	100		
			Renewable electricity consumption, in %[1]	World	100		
			CO_2 emissions from business travel[3]		Annual monitoring		

			Risk-related indicators		CSR targets		
SDGs	Rémy Cointreau's challenges	Risks relating to the challenge	Indicators	Scope	2024/ 2025	2028/ 2029	2030/ 2031
15 Life on land	Sustainability of the Company	Sustainable production of our agricultural raw materials and *terroirs*	Percentage of agricultural land managed sustainably, in %[(1)]	World	100		
			Percentage of Cognac wine cooperative (AFC) vineyards with HVE (level 3) certification, in %[(1)]	Cognac site	70	100	
	Biodiversity conservation	Company's reputation among customers	Specific rates per biodiversity conservation action[(1*)]	World	In progress (to be defined in 2021/2022)		
16 Peace, justice and strong institutions	Business ethics	Binding regulatory and fiscal framework (prohibition)	Percentage of employees trained on the Ethics and Anti-Corruption Charter, in %[(1)]	World	100		
			Number of alerts[(2)]	World	Annual monitoring		
	Corporate governance	Efficiency and consistency in the implementation of the CSR strategy within the Group	Executive Committee compensation linked to the % achievement of CSR targets[(3)]	World	Annual monitoring		
		B-Corp certification	Number of B-Corp certified production sites[(1*)]	World	In progress (to be defined in 2021/2022)		

(1) Progress indicators.
(1) Progress indicators awaiting validation.*
(2) Monitoring indicators.
(3) Management indicators.

Main CSR risks aggregated in the Group risk map.

In parallel to this 2025 CSR plan, Rémy Cointreau has also published the Group's *raison d'être*:

"Rémy Cointreau cares for the *terroirs* that are essential to its *Maisons* and cultivates the *savoir-faire* of its people, so that clients can enjoy exceptional spirits and sensory experiences.

Upholding this heritage enables the family company to write its own destiny and to proudly pass on its centuries-old legacy to future generations."

For several years, Rémy Cointreau has been linking its indicators to those of the Global Reporting Initiative (GRI), using the GRI G4 guidelines. The Group applies the GRI Standards (see references in the text and section 1.6 "Cross-reference tables").

The CSR reporting covers 28 companies which provide all their employee-related, environmental and societal information (see section 1.5 "Note on methodology for reporting indicators").

Disposals and acquisitions of companies made during the financial year are not included in the CSR reporting scope. As a result, “Maison JR Brillet” and “Champagne de Telmont” will be added to the CSR reporting in 2022.

The CSR reporting is verified by an independent external expert (see section 1.7 “Report of the independent third-party body on the consolidated employee-related, environmental and societal information contained in the management report”).

1.3 Managing the risks and challenges: policy, action plans and indicators

1.3.1 Social risks

1.3.1.1 EMPLOYEES’ WELL-BEING

Challenge

The women and men who make up Rémy Cointreau are a fundamental asset because they embody the know-how passed down from generation to generation, which is essential to the development of exceptional products. We have a responsibility to ensure their health and safety in optimal working conditions and to support them in their professional development. We consider, for example, that the absenteeism-related indicators or the staff turnover rate provide an overall indication of how well we are taking into account the needs of our employees.

Policy

The Group is committed to the professional development of its employees, to diversity and to strengthening the sense of belonging to the Group. The Rémy Cointreau Group is also committed to providing and maintaining a working environment that ensures the health and safety of staff, customers, external stakeholders, visitors and the general public who may reasonably be affected by its activities. The Group’s policy in this area is to prevent accidents, illnesses or other injuries by ensuring that risks are taken into account in the operational management of production processes. Furthermore, in France, in keeping with its historical choices, Rémy Cointreau promotes collective agreements in all areas of negotiation.

In addition, the Group remains very vigilant with regard to changes in the Human Resources indicators monitored. Any deterioration in these indicators allows for sufficiently early action to be taken to prevent deterioration in working conditions, understood in the broadest sense.

Rémy Cointreau ensures that all its activities comply with the laws and regulations in force in all the countries in which it operates. The Group invests to continually improve working conditions, taking into account the specific challenges of each business. While health and safety is a global commitment, our entities around the world are each responsible for implementing measures to provide the best possible working conditions. This is reflected in the Quality, Health and Environment policies that are implemented locally and communicated to new employees during their induction. In addition, training courses are regularly organised at our industrial sites in France to take account of any changes in standards, legislation or regulations.

Action plans

Rémy Cointreau supports local and Group-wide initiatives to improve working conditions and promote employee well-being.

Since 2016, to encourage organisational methods designed to improve the quality of life at work, the Rémy Cointreau Group has introduced teleworking, which allows employees who so wish to reconcile their professional and private lives more easily. A Teleworking Charter enables the Company in France to provide itself with a framework known to all in this area. Also in the course of the 2020/2021 financial year, the Telework Charter has been revised to allow greater flexibility by proposing the possibility of agreeing fixed and/or occasional telework days, thus authorising up to two days of telework per week.

In both Angers and Cognac, major investments have been made to improve working conditions. In Cognac, for example, premises have been fitted out for the agricultural workers at our Saint-Même-les-Carrières winegrowing estates, including the installation of changing rooms, toilets and showers, thus helping to improve their working conditions by offering greater comfort.

In February 2020, the Cognac site also inaugurated new working premises for all the employees of the Merpins product development centre. In 2021, two new buildings will be delivered to employees of the head office functions (Accounting, Human Resources, General Services). These new spacious and functional premises offer employees even better working conditions in a very modern setting, meeting the most recent standards in terms of energy efficiency. They are spread out on either side of a 100-metre long corridor bathed in light, which serves as a distribution axis for the 2,800 metres of total surface area. Open space work islands have been created for each team to encourage communication and informal exchange within the team and with other teams. In these islands, each employee now has an individual space of 12m^2 outside the useful areas (corridors, storage units, landings, etc.). In addition, a new company restaurant has been fitted out and offers menus that promote food products from short supply circuits and organic produce.

In the context of the health crisis linked to the Covid-19 pandemic, the Group has implemented a large number of local initiatives adapted to each context, in order to preserve the well-being, health and safety of its employees.

The various entities have implemented strict health protocols in accordance with the recommendations of local health authorities. For example, employees were given kits containing masks, hydro-alcoholic gel and disinfectant spray. The authorised capacity of office workspaces was reduced by 50% when teleworking was not mandatory.

At our Singapore site, the security access system to the premises was adapted to include temperature taking and avoid physical contact with the system. In addition, working hours have been adjusted to reduce the flow of employees in and out of the Cognac production site.

The Group has also decided to maintain 100% of the salaries of all the Group's employees, including during periods of closure of industrial sites or during periods of confinement, and not to resort to state aid (partial unemployment).

In addition, the Group closely monitors the turnover rate of the Group's employees in order to analyse the causes of any deterioration, if necessary. For the 2020/2021 financial year, the Group has made 239 recruitments, mainly in the sales force (26.4%), marketing (12.6%), finance (12.1%) and production (11.7%). 77.4% of recruitments are permanent contracts.

At the same time and within the same scope, there were 260 to leave the Company, the main reasons being resignations (38.1%), redundancies (25%), the end of fixed-term contracts (12.7%), retirements (12.7%) and mutually-agreed departures (11.2%). The cessation of our activities at RC Vietnam resulted in the departure of four people, who were included in the number of departures.

Thus, the turnover rate was 13.6% of the population (GRI Standard 401-1 indicator). The Company's objective is to ensure that the rate does not exceed 17%, taking into account the pressure on employment in certain markets where the Group operates.

In addition, the Group continues to monitor the evolution of the workforce as an indicator of vigilance. Thus, as of 31 March 2021, the Group's total headcount reached 1,832 employees on permanent contracts (CDI) and fixed-term contracts (CDD and work-study).

In order to raise employee awareness of accident prevention in the workplace, the accident frequency rate indicator for industrial sites in France is part of the profit-sharing criteria developed under a collective agreement signed with the social partners123

HEADCOUNT BY GEOGRAPHIC AREA (GRI STANDARD 401-1)

	March 2021	%	March 2020	%	March 2019	%
France	745	40.7	725	39.1	719	37.7
Europe (excl France) – Africa	305	16.6	323	17.4	375	19.7
Americas	347	18.9	366	19.8	380	19.9
Asia	435	23.7	429	23.7	434	22.7
TOTAL	**1,832**	**100**	**1,853**	**100**	**1,908**	**100**

HEADCOUNT BY ACTIVITY (GRI STANDARD 401-1)

	March 2021	%	March 2020	%	March 2019	%
Group brands	757	41.3	751	40.5	750	39.6
Distribution	1,001	54.6	1,020	52.2	1,077	56.4
Holding	74	4.0	82	4.3	81	4.0
TOTAL	**1,832**	**100**	**1,853**	**100**	**1,908**	**100**

The distribution activity still represents more than half of the Group's workforce (54.6%).

HEADCOUNT BY FUNCTION AND POSITION

	March 2021	%	March 2020	%	March 2019	%
Commercial	537	29.3	538	29.0	597	31.3
Marketing	248	13.5	262	14.1	250	13.1
Production	267	14.6	268	14.5	272	14.3
Farming/Distillation/Ageing	163	8.9	157	8.5	153	8.0
R&D/Quality/Environment	76	4.1	84	4.5	86	4.5
Supply Chain	99	5.4	137	7.4	140	7.3
Purchasing	36	2.0				
Finance & Legal	216	11.8	213	11.5	217	11.4
IT	62	3.4	61	3.3	57	3.0
Human Resources	55	3.0	63	3.4	60	3.1
General Services	19	1.0	25	1.3	29	1.5
Senior management	54	2.9	45	2.4	47	2.5
TOTAL	**1,832**	**100**	**1,853**	**100**	**1,908**	**100**

The breakdown by gender is stable; men represent 55.2% of the workforce, women 44.8%, with different positions depending on the business line and country (GRI Standard 401-1 indicator).

By profession, men are mainly represented in the ageing, maintenance and sales professions. Women are more predominant in marketing, customer service and packaging.

The average age of the Rémy Cointreau Group's workforce is 41 years, with a slightly higher average age in France (42.3 years).

The average seniority of the Group's employees is 7.9 years, with an average in France of 9.9 years.

The Group also monitors the absenteeism rate for France, Barbados and Islay. Over the next five years, the Group intends to integrate Domaine des Hautes Glaces and Westland into this scope. For the year ended, the cumulative absenteeism rate, measured in hours of absence per theoretical hours worked, was 2.06, down slightly on the previous year. This rate does not include long-term illnesses of more than 90 days' absence (GRI Standard Indicator 403-2).

In addition, the frequency rate of work-related accidents at the production sites in France (excluding DHG), Barbados and Islay for 2020/2021 is 3.52, expressed as the number of work-related accidents with time off per million actual hours worked (GRI Standard Indicator 403-2). Over the next five years, the Group intends to include Domaine des Hautes Glaces and Westland in this scope.

The severity rate, expressed as the number of days lost due to work-related accidents per thousand actual hours worked, was 0.67 (GRI Standard Indicator 403-2). In order to remedy the causes of each accident, members of the Health and Safety Committees systematically draw up a cause tree and submit conclusions and recommendations to the committee.

1.3.1.2 NON-DISCRIMINATION AND INTERNAL SOCIAL BALANCE

Challenge

Rémy Cointreau aspires to have a fair representation of the employment areas, the markets in which it operates and its end customers. In this respect, the Group wishes to preserve its good reputation with regard to the various stakeholders in order to maintain its attractiveness on the one hand and to guarantee social balance on the other.

Policy

With regard to equal treatment of men and women and non-discrimination in general, the Rémy Cointreau Group has decided to implement international procedures and processes that guarantee fair treatment of the Group's employees. Non-discrimination without distinction as to race, religion, colour, age, sex, national origin or any other discriminatory factor not based on professional requirements is an integral part of Rémy Cointreau's policies and practices, particularly in the context of recruitment, promotions, transfers, remuneration and training.

Thus, the documentation given to employees upon induction in one of our entities reminds them of the legal or contractual provisions applicable in terms of non-discrimination and also remind them of the procedures applicable if an employee is a victim of such a situation.

In terms of professional development, Rémy Cointreau strives not to discriminate, for example, at the time of salary reviews. For example, the employee guide given to employees at our Swiss site stipulates that "The prohibition of any discrimination applies in particular to hiring, the assignment of tasks, the adjustment of working conditions, remuneration, training and professional development, promotion and the termination of employment relationships".

Rémy Cointreau is also committed to ensuring that its practices with regard to the organisation of work and other time spent in the Company aim, as far as possible, to maintain a good balance between professional and private life, allowing in particular for parenthood.

With regard to remuneration, the Group has undertaken in France to develop its remuneration policy to ensure that gender is not a criterion taken into account. 3 areas have been formalised with a common objective and measurement indicators:

- no gender difference on the hiring salary for equal skills;
- no gender difference in individual salary increases for equal performance and market ratios;
- analysis of gender differences on base pay at equal levels of employment, experience and performance, and action plan to reduce them.

Action plans

In France, the collective agreements dealing with professional equality of women and men and quality of life at work was again signed with the social partners during the 2020/2021 financial year. It has enabled objectives and progress indicators to be formalized on the themes of recruitment, remuneration, careers and training, working conditions and work/life balance.

In addition, there are facilities in terms of working time arrangements for accompanying children in a hospital setting. In addition, as far as possible, meetings are organised during working hours and training sessions are scheduled sufficiently early to allow parents to organise childcare. The parties wished to adapt the application of family solidarity leave and to allow the employee concerned to review within his or her management part-time work when employees are required to manage certain family events.

Remuneration policies are framed by role evaluations informed by a methodology and by expertise from outside the Company and by performance evaluation based on identified skills and shared objectives. Recruitment and internal mobility policies are subject to international procedures and/or charters that guide managers and encourage collegial decision-making based on objective criteria.

In order to continue to foster the Group's multicultural identity and promote diversity, the Group is actively committed to promoting the professional integration of young graduates (3 years of higher education or more) under the age of 30, from low-income social backgrounds or from priority areas. In particular, the partnership with "Our Neighbourhoods Have Talent" initiated at Rémy Martin in 2014 has continued to promote the professional integration of young graduates from disadvantaged backgrounds. In this important and supportive social scheme, the Company's sponsors play a very important role with all these young people who have lost confidence and are concerned about their future by giving them valuable advice on how to improve in recruitment interviews and sharing their professional network. Since 2014, this scheme has helped 91 young graduates and contributed to the hiring of 46 young people on permanent or fixed-term contracts.

In Paris, our site has been involved since 2017 with *Sport dans la Ville*, the main association for integration through sport which supports young people from priority neighbourhoods on the path to training and employment. Once again this year, Paris employees were invited to take part in CV workshops and interview simulations for people who are far from employment. In Angers, the Group continued to choose to pay its apprenticeship tax to organisations, schools or support structures that promote the integration of disabled workers.

In 2020, the Cognac site continued to maintain a rate of employment of disabled workers at Rémy Martin in line with the legal obligation of 6%, despite a sharp increase in the number of temporary staff taken into account in the workforce. Rémy Martin is successfully pursuing its efforts to integrate disabled people, whether on permanent or temporary contracts or through the Cognac work assistance centres.

To train the talents of tomorrow and encourage generational diversity, Rémy Cointreau is committed to apprenticeships. On the French sites, young apprentices (at Bac Pro to Bac +5 level) learn a trade, with a view to rapidly developing the rigour, creativity and professionalism expected in the professional world. The Rémy Cointreau Group has therefore continued its proactive policy on work-study training, with the renewal of work-study contracts that have expired when necessary and the recruitment of new contracts for new professions. At the end of March 2021, the proportion of these contracts represented 4.16% of the workforce in France, up from the previous year.

In addition, each trainee is given an interview before departure to review his or her training within the Group and share the vision of his or her future direction.

Finally, with a view to developing the international skills of young talent, Rémy Cointreau offers international volunteer contracts (VIE) throughout the world.

The Group is monitoring the ratio of female to male managers, which for the 2020/2021 financial year is 45.7% at Group level, a slight increase on the previous year (45.5%). In addition, in France, we monitor the weighted difference in promotion rates between women and men per calendar year. In 2020, this was 0.52% in favour of women, which translates into a promotion rate (proportion of employees promoted in the sense of the socio-professional category) of 5.4% for women against 8.6% for men. This indicator is part of the calculation of the Gender Equality Index as defined by the decree relating to the application modalities and published in the *Journal Officiel* on 9 January 2019. In addition, the gender equality index will be published by the Group during the 2021/2022 financial year in compliance with the legal provisions.

The Group also ensures fair access to training for employees. Thus, during the 2020/2021 financial year, the ratio of women to men who have benefited from at least one training course is 45.0%, which is consistent with the distribution of women to men in the Group (44.8%) and with the ratio for the previous financial year (44.8%).

1.3.1.3 INTERNAL TRAINING AND SKILLS DEVELOPMENT

Challenge

The challenge for Rémy Cointreau is to be able to maintain the adequacy of the Company's qualification needs by maintaining and developing the skill level of its employees. The human resources policy must constantly anticipate the Group's needs and this is particularly the case in terms of training.

Policy

Rémy Cointreau is committed to promoting the development of skills, in particular through internal training, which is necessary for the transmission of the know-how that is essential for the development of our exceptional products.

Rémy Cointreau also supports the development of its employees by offering them the possibility of enriching their professional experience through professional and geographical mobility opportunities.

Action plans

Despite the health crisis linked to the Covid-19 pandemic, Rémy Cointreau has maintained its international tools to promote the development of its employees' skills. The performance evaluation process, succession plans, training and international mobility policies, each led by a dedicated resource at the head office, focus resolutely on the implementation of collective or individualised action plans aimed at supporting the professional projects of the men and women of the Group, encouraging the development of skills and promoting team performance.

Due to the Group's highly international activity, 59.3% of Rémy Cointreau's workforce is located outside France as of 31 March 2021. Rémy Cointreau believes that the Group's multicultural dimension represents a major asset in its international development. International mobility – both professional and geographical – contributes to the widespread dissemination of the Group's values within its organisation. To this end, Rémy Cointreau has formalised an international mobility policy which seeks, through the homogenisation and standardisation of practices (common global standards), to encourage international mobility to meet the Group's needs in terms of employees' career development or assignments abroad at the request of the employee.

The Group's commitment to diversity is also expressed in its desire to encourage the creation of teams comprising men and women of different ages, backgrounds and professional experience.

In particular, a process for identifying key positions, shared with the Executive Committee, ensures that the Group has the skills necessary for its development and/or guides human resources decisions to guarantee the organisation's long-term future.

Training is geared towards sharing experiences in all countries where the Group operates. Rémy Cointreau encourages its employees to take an active role in their mobility and professional development. In close collaboration with their Human Resources Department, managers actively participate in the skills development plan and in the management of their teams' career paths.

For the 2020/2021 financial year, the Group has implemented a monitoring indicator expressed as a percentage of employees who have benefited from at least one training session per year. This indicator for the scope covered (excluding Europe and Domaines des Hautes Glaces) stands at 69.2% of the population. The Group's ambition is to be able to extend this indicator to all production sites worldwide and commercial subsidiaries with more than 20 employees and to maintain this rate above 50%.

In addition, during the 2020/2021 financial year, the number of hours of training declared for the entire Group, excluding Europe and including France, was 19,975 hours, of which 9,191 were for women and 10,784 for men (GRI Standard 404-1 indicator). The objective is to be able to extend this indicator to the world production sites and commercial subsidiaries with more than 20 employees.

For example, at Rémy Martin's Cognac site, a specific training programme began in September 2020 to support the introduction of open space working for the head office staff, which may cause apprehension among employees at the Company's new headquarters. It was important to launch a training programme in advance to support this major change and reassure employees. As of 31 March 2021, 65 employees had participated in the three-day module. This training course, which provides keys to understanding behaviour, is essential for better communication and working in an open space environment where taking into account others and their needs is essential for building and maintaining a harmonious daily working relationship.

A good understanding of the Company's culture is a guarantee of performance. Rémy Cointreau takes care to support its new employees as they begin their duties by offering them, through integration programmes, the chance to discover the values and history of our companies and the managerial culture that is so specific to Rémy Cointreau. More specifically, in France, the mentoring system is an integral part of the integration programme. The objective is to give new employees the keys to facilitate their integration by quickly discovering the Company's culture. Each new employee joining Rémy Cointreau on a permanent contract is assigned a mentor. This person shares his or her experience in all aspects of life in the Company and is a privileged contact who helps the employee find his or her way around the Company on induction and during his or her first few months.

1.3.2 Environmental risks

Environmental information covers the production sites in Cognac (France), Angers (France), Barbados and Islay (Scotland), the Paris administrative site, and the companies Domaines Rémy Martin (France), Domaine des Hautes Glaces (France) and Westland (USA). The *eaux-de-vie* storage site in Cognac is classified as Seveso high threshold on account of the quantities of *eaux-de-vie* ageing. The site is subject to a comprehensive Safety Management System (SMS).

The distribution subsidiaries are excluded from providing the information referred to below as their environmental impact is not deemed to be significant. The scope of application of each indicator is specified in section 1.5 "Note on methodology for reporting indicators".

1.3.2.1 SUSTAINABLE AGRICULTURE

Challenge

Rémy Cointreau's ambition is to remain the leader in economically-competitive winemaking whilst being intransigent on product quality and environmental protection. In this respect, Rémy Cointreau has a duty to help protect its *terroirs* and natural resources, which are the very foundation of the exceptional quality of its products.

The main challenge is to secure the long-term production of our agricultural raw materials by protecting know-how and refining the wine-growing and agricultural practices of our supplier partners.

Policy

Promoting responsible and sustainable agriculture means striving to better "work the land" to give back to the land what it lends us. Rigorous selection and reduction of inputs, respect for the balance of biodiversity and ecosystems, all good practices whose benefits are forgotten.

Since its creation, Rémy Cointreau has made its environmental commitment a long-term driver of its economic success, thanks notably to an ambitious certification policy to recognise the efforts made and to influence cultivation.

Particular attention is also paid to soil quality. This focus will be stepped up as part of the 2025 CSR plan, through the use of farming methods derived from regenerative agriculture, on our own land and on that of our suppliers.

Wherever in the world that the Group operates, Rémy Cointreau's Houses are involved in protecting the land that they cultivate, both directly and indirectly. Looking after and respecting the *terroirs* from which they extract the character and authenticity of their products is essential. Soil, climate, air, biodiversity and production methods: every region is distinctive. The *terroirs* are the melting pot in which traditions are handed down and new expertise is developed. As small plots on an enormous planet, they are the places where women and men repeat ancient traditions that are enhanced at every step by each person's intuition. Every aspect of a *terroir* – geographical, human, and cultural – contributes to the individuality of Rémy Cointreau's spirits. The quality of the environment and the wealth of biodiversity contribute directly to the excellence of the products.

At the Cognac site, the excellence of Rémy Martin's cognac *eaux-de-vie* is down to its grapes. To make the most of them, Rémy Martin relies on a trusted partner, the Alliance Fine Champagne (AFC) agricultural cooperative, from which it has sourced its supplies since 1966. This cooperative structure accompanies its growth. This partnership embodies the Group's efforts in environmental protection. Rémy Martin also has its own vineyards, grouped under Domaines Rémy Martin. The latter are now used as a fully-fledged testing platform to promote the Group's innovative and environmentally-friendly winemaking policy.

Action plans

The policy of protecting *terroirs* is reflected in the responsible and sustainable agricultural practices used to produce all our agricultural raw materials and the ambition that all the land used benefit from a responsible and sustainable agricultural standard or label (commitment 1 – act4nature international).

In 2017/2018, the first global *terroir* mapping was carried out with the creation of a new indicator to demonstrate and manage this commitment. This first stage enabled an estimation of the agricultural land used for Rémy Cointreau's strategic supplies:

- vineyards for Rémy Martin and LOUIS XIII cognacs and St-Rémy brandy;
- cereal production land for the Bruichladdich, Westland and Domaine des Hautes Glaces whiskies;
- land devoted to growing sugar cane for Mount Gay rum;
- land devoted to growing oranges for the Cointreau liquor.

This year, based on the information collected, around 13,750 hectares of farmland and vineyards are used by Rémy Cointreau in total. The percentage of land managed through sustainable and responsible agriculture is 64%, which confirms a steady increase over the past four years (36% in 2017/2018, 52% in 2018/2019, and 58% in 2019/2020). This year's increase is mainly due to the actions carried out:

- on wine supplies for St-Rémy brandy. Nearly 30% are now sourced from vineyards committed to biodynamic, organic farming or HVE (High Environmental Value Farming) certification initiatives;
- on cereal supplies for Bruichladdich whiskey, 30% of which is sourced from responsible and sustainable agriculture, with SQC/AUKM (Scottish Quality Crop/Assured UK Malt) or Organic certification;
- on molasses supplies for Mount Gay rum, 22% of which was Bonsucro certified for the first time this year.

It is also worth noting the steady increase in responsible sourcing of oranges for the Cointreau brand, which rose from 47% in 2019/2020 to 55% this year.

The Group's ambition is for all the farmland needed for its brands to be cultivated in accordance with a responsible and sustainable agricultural model by 2025 (2025 CSR plan).

In addition to the actions carried out in France by the Cognac site, backed by HVE certification and its implementation, the Group's approach is being extended worldwide. The Angers site is rolling out a new and demanding standardisation with its orange suppliers based on the GLOBAL G.A.P. standards.

In Isère, Domaine des Hautes Glaces associates many regional farmers in its commitment to sustainable agriculture.

The same is true for the Islay site in Scotland, which relies on its regional farmers for high quality supplies. In September 2019, a three-day seminar (Creators' Conference) was organised on Islay to promote the special focus placed on soil quality through the use of farming methods derived from regenerative agriculture, on our own land and on that of our suppliers. It brought together all the Group's product creators around the theme of responsible and sustainable agriculture and the preservation of *terroirs*. External experts shared their knowledge with our employees on the specific qualitative attributes of the *terroirs* and the impacts of global warming on agricultural practices. The objective is to repeat the same type of seminar every two years, with a new edition scheduled for 2021/2022 (commitment 5 – act4nature international).

Introducing eco-friendly growing methods at the Cognac site

Domaines Rémy Martin have continued to contribute to the quest for environmental excellence in French winemaking, associated with the reduction in the use of pesticides and fertilisers.

They are members of the Ecophyto network, a national initiative originating from the *Grenelle de l'Environnement* and coordinated by the French Ministry for Agriculture. This initiative seeks to gradually decrease the use of pesticides and thus cut soil pollution.

Of the 284 hectares of vineyards owned by Domaines Rémy Martin, 26 hectares are set aside for wine-growing, agronomic and environmental experiments. Domaines Rémy Martin are thus a qualitative, environmental and experimental showcase, an open-air laboratory. The experiments carried out enable to test alternative solutions on a large scale and aim to provide winegrowers with solutions to improve their environmental practices. In connection with climate change adaptation and the development of new technologies, the studies mainly focus on improving grape quality, adjusting the strategy for plant protection products, managing fertilisation and protecting biodiversity.

Particular attention is paid to the application of these new technologies. They are seen as a real way forward in improving knowledge among wine-growers, adapting techniques and optimising work from a technical, economic and environmental point of view.

Several tools have been tested, on the ground or in the air, for the purpose of plot mapping (on-board or aerial sensors on drones). These are used to assess the intensity of the vegetation and therefore the health of the vines within the same plot. Some 5,500 measurements are carried out over a single hectare. These are then used to optimise practices to reduce inputs. The aim of these tests is to scale back the use of plant protection products, depending on the results of the measurements.

An additional study coverd decision-making tools. These tools are used to assess pest pressure on the vineyard (the main grape diseases) in conjunction with meteorological information, both on a local and regional scale. The aim of the study is to test the relevance and reliability of the information used to manage grape diseases.

Other studies are also being carried out on:

- using biocontrol products to combat vine diseases:

  The Ecosystem Balance and Biocontrol project is a unique experiment in Charente.

  In 2018, as part of the Ecophyto 2 plan, Domaines Rémy Martin set up a pioneering test bed in the region with the *Institut Français de la Vigne* (IFV). The study conducted enables to test crop systems that reduce the need for plant protection products by introducing biocontrol products without affecting the quality of the *eaux-de-vie*. The objective is to establish decision-making rules with the aim of reducing the treatment frequency index (TFI) by 75%. The aim is also to implement responsible practices regarding the use of vine fertilizers while preserving the quality of the harvests, yields and *eaux-de-vie* produced.

  Qualitative and quantitative tests have been carried out on the *eaux-de-vie* over two very different years. The results indicate changes in vine performance, mainly due to climatic conditions.

  The study will continue until 2023 in order to analyse how the vines respond in general to this new cultivation practice;

- using green fertilisers:

  Domaines Rémy Martin are studying the use and management of winter coverings such as green fertiliser. The aim is to generate significant plant biomass during the vine's rest period (autumn-winter-start of spring), to capture the nitrogen (soil and atmospheric) and to return it to the vine during the growing period in order to reduce external inputs. As well as limiting the effects of erosion and leaching, it also reduces fertiliser use and encourages soil biodiversity (commitment 3 – international act4nature);

- selecting resistant grape varieties:

  The study is focusing on new alternatives for combating mildew and powdery mildew with the assistance of new grape varieties selected by the *Bureau National Interprofessionnel du Cognac* (BNIC) (the national body representing growers in Cognac) and the INRAe (*Institut National de Recherche pour l'Agriculture, l'alimentation et l'environnement*) (the French institute for agricultural research). At the end of the selection phase, three different grape varieties were selected and planted in 2018. The suitability for cultivation and the qualitative aspects of these grape varieties are being studied.

  This year, the grape varieties proved resistant to mildew and powdery mildew, which made it possible to reduce treatments against these two diseases. These first results point to very interesting prospects regarding reduced usage of plant protection products, by around 80 to 90% of fungicide treatments.

  The first harvest was carried out this year. The wines obtained were distilled and the first *eaux-de-vie* showed a real qualitative potential that will be studied throughout their aging process.

  This first harvest is a significant milestone in the evaluation process of these new hybrid grape varieties, which could be available from 2023 and incorporated into the Cognac specifications within a five to ten year time frame.

Since 2012, Domaines Rémy Martin, "integrated agriculture" certified since 2009, has obtained level 3 in AFNOR's "high environmental value farming" (HVE) certification since 2012. The High Environmental Value is the highest level of environmental certification granted by the French Ministry of Agriculture and Food. It certifies agricultural holdings involved in eco-friendly approaches around four areas: biodiversity, strategy for plant protection products, fertilization and irrigation.

This year, Domaines Rémy Marin were certified under to the CEC (Cognac Environmental Certification) regional standard. This certification is based on the HVE standard, supplemented by regional requirements such as the obligation to combat *flavescence dorée* and to take part in local collective surveys to identify the spread of this disease, or the use of equipment that enables to reduce the use of treatment products, thanks to confined spraying and the use of recovery panels.

Domaines Rémy Martin are registered in the national directory of HVE level 3 certified agricultural holdings.

As part of this certification, employee training continues to focus on the responsible use and management of treatment products (GRI Standard 404-1).

Rémy Cointreau would like to involve not only its internal partners in this, but to encourage all Alliance Fine Champagne (AFC) winemakers and distillers to obtain HVE certification.

This year, the AFC Technical Committee met three times and continued its work in the following areas:

- follow-up on developments in AFC environmental certification;
- monitoring and discussions on alternative solutions to herbicides;
- reduction of inputs (use of biocontrols, monitoring of resistant grape varieties);
- recording and mapping of vineyard operations;
- measuring and monitoring biodiversity in the vineyard.

In 2019, the Ministry for Agriculture and Food's HVE environmental information brochure has been circulated to all of the AFC's winegrowers. Several "Meetings with Maison Rémy Martin" events have been organised in order to encourage winegrowers to become involved in the AHVE system. The aim of these meetings was to unveil the ambitions of the AFC and Rémy Martin in terms of HVE certification. Rémy Martin's cellar master and winegrowing and wine production consultants have hosted some 20 meetings, fostering direct and constructive discussions in a bid to achieve the HVE certification targets.

Over the last five years, all winegrowers followed the two-day AHVE level 1 training course, representing 100% of the cooperative's vineyards.

This year, 37 winegrowers obtained HVE level 3 certification, the highest level of engagement with this certification. There are now 253 certified winegrowers, equivalent to 54% of the cooperative's vineyards. The objective is to reach 100% by 2028 (commitment 1 – act4nature international).

With the achievement of these HVE objectives, the AFC also meets those of the BNIC (national body for the Cognac industry) which is involved in a Cognac environmental certification process, based on HVE level 3 certification.

Largely as a result of the AFC certification project, the Charente region is one of the regions most closely involved in the HVE certification process: these 253 certified winemakers represent 86% of the total with HVE level 3 certification in Charente.

For the past two years, Rémy Martin has held an annual *Centaure de l'Environnement* award ceremony in recognition of HVE-certified winegrowers. The award was presented this year to 35 winegrowers in recognition of their efforts and commitment to environmental excellence in 2020.

To promote the AFC certification process to a wider audience, a digital press kit consisting of nine short films has been posted online (env.remymartin.com). It provides factual information on Rémy Martin's environmental approach, highlighting the various initiatives led by the AFC and Domaines Rémy Martin.

Rémy Martin aims to establish close ties with winegrowers and to provide them with all the necessary information about the partnership and the Company itself. For this reason, it created the *Rémysphère* Newsletter. It is timed to coincide with the different winemaking phases, *i.e.* flowering, harvest and distillation.

The newsletter, distributed in hard copy and also available on the rémysphère.com website, also provides regular information to winegrowers on the Group's results, brand updates and news on the economic climate as well as technical developments. The website also features a special section with a regular CSR update and provides information on the progress of the AHVE project.

The "House of Rémy Martin Quality Guide" is also closely linked to the AFC. Reviewed by the cooperative's "Environment & Quality" Committee, this collective work contains practical advice on HVE environmental certification, food safety and the quality of wines and *eaux-de-vie*. The first part of this document describes Rémy Cointreau's CSR policy.

Taking a forward-looking approach, a meeting was also held in 2019 between AFC winegrowers and two experts on the topical subject of precision viticulture. Technological and digital advances in agriculture and possible applications in viticulture were discussed at the meeting. These discussion forums are popular among our winegrower partners, since they enable them to voice their concerns, questions and expectations in the face of future winegrowing challenges. This year, due to health restrictions, the organisation of such discussions was suspended but will resume in the coming months.

The AFC is also involved in testing decision-making tools (DST). These tools are used to assess pest pressure on the vineyard in conjunction with local and regional meteorological information. An AFC network was set up with the help of ten winegrowers who are testing an application available on smartphones and based on the IFV *(Institut Français de la Vigne)* Optidose model. This application enables to make informed decision regarding the application of mildew and powdery mildew treatments, based on weather information updated in real time on smartphones.

In light of the interest shown in new wine-growing practices, the AFC technical commission promoted among winegrowers the call for volunteers launched in France by the *Observatoire National de la Biodiversité* (National biodiversity watchdog). The objectives are as follows:

- obtain data on the local useful biodiversity;
- gain more in-depth knowledge on ties between biodiversity and agricultural practices;
- educate and train stakeholders of the agricultural world in biodiversity;
- implementation by farmers of observation protocols (collective watchdog).

Today, more than 600 plots in France are monitored using four protocols: butterflies, terrestrial invertebrates, pollinators and earthworms.

In 2021, in order to obtain data on biodiversity in the vineyard, 12 AFC winegrowers joined the national network by carrying out counts of invertebrates, butterflies and wild bees. The changes will be monitored year after year, which will promote the implementation of practices that foster biodiversity in the vineyards.

Islay site: acquisition of plots of land and introduction of sustainable agriculture

The actions of our teams on Islay in Scotland (PHD: Progressive Hebridean Distillers, which covers the Bruichladdich, Port Charlotte, Octomore and The Botanist brands) are helping to showcase the potential of the local *terroir*. The reintroduction of different varieties of traditional barley and the preservation of Bere barley are now assets for the Company, which is also supplied with barley produced on the banks of the Moray Firth in north-east Scotland. A product of organic farming, a five-year crop rotation system is followed in order to maintain soil fertility.

In 2018/2019, PHD acquired 15 hectares of land to develop programmes to study sustainable farming practices.

In late 2019, a Croft Summit, which included representatives from Domaine des Hautes Glaces and Westland, was held on Islay to examine different ways of cultivating the new plots as sustainably as possible. The event was attended by soil and crop experts, specialists, organic farmers and researchers from all over the world. Following discussions with PHD teams, a major project was devised to plant several varieties of barley on test plots, in order to test those best suited to the island's *terroir*, without using synthetic products. The aim is to improve knowledge of local growing conditions and to adapt farming practices to preserve the *terroir*. Ultimately, other farmers on the island will also benefit from it.

In connection with this seminar, a development plan was established this year for the implementation of sustainable and regenerative agriculture on our agricultural plots. The first actions should have been implemented, yet the health crisis linked to the Covid-19 pandemic did not allow for their completion. Accordingly, they were postponed to the 2021/2022 financial year. Rye cultivation tests will be carried out on the island in order to have an alternative to intensive barley cultivation.

This underscores PHD's commitment to be as close as possible to its agricultural partners and to be a real player in the sustainable development of the *terroir* on Islay. This ambition is clearly reflected by the strong increase from 5% in 2019/2020 to 30% in the percentage of farmland cultivated according to a responsible agriculture model by our cereal suppliers.

For the past two years, the Bruichladdich distillery has been certified in accordance with EU legislation on organic production and labelling of organic products (European Council regulations (EC) No. 834/2007 and No. 889/2008).

The Bruichladdich distillery is also "B Corporation" (B-Corp) certified since May 2020. This certification confirms the relevance of the mission that Bruichladdich set itself in 2011 to act transparently, sustainably and in the community interest.

This outstanding achievement is in recognition of Bruichladdich's social and environmental performance. As a result, the distillery joins an international club of more than 3,000 companies that have adopted a rigorous approach to their decision-making, looking beyond profitability to factor in human and environmental considerations.

Developing career opportunities for 98 employees, optimising employee benefits and training programmes, and using local suppliers wherever possible, are just some of the actions taken by Bruichladdich as a community-focused business.

Cointreau: measuring the use of sustainable agriculture in orange production

In 2018, Cointreau launched its "Orange & *Terroir*" project, based on four main areas:

- the use of responsible and sustainable agriculture;
- environmental protection;
- building partnerships with suppliers modelled on Cognac's AFC wine cooperative;
- the search for an international standard for responsible and sustainable agriculture.

The commitment of orange suppliers to responsible and sustainable agriculture is therefore crucial.

To evaluate this commitment in practical terms, Cointreau has published its own internal "Sustainable Agriculture" standards based on the French HVE standards. It has also adopted the international GLOBALG.A.P. standards, and specifically the Fruit and Vegetables Certification.

Following the initial audit in 2019, further audits were carried out this year. The results show a real willingness among our suppliers to implement a sustainable agriculture model.

This is evidenced by the rapid increase over the two past years in the percentage of farmland cultivated according to a responsible agriculture model by our orange suppliers. It increased from 47% in 2019/2020 to 55% this year.

The target set by the 2025 CSR plan is that eventually, all oranges used to make Cointreau liqueur will be grown sustainably.

St-Rémy: supplier awareness of sustainable agriculture

In 2018/2019, to raise supplier awareness of Rémy Cointreau's "Sustainable Agriculture" project, an information meeting was held with the main supplier of *eaux-de-vie*.

This addressed the following points:

- presentation of Rémy Cointreau's CSR policy;
- method of calculating the size of the area used for supplies;
- agricultural practices implemented;
- carbon emissions associated with *eaux-de-vie* production.

Following this meeting, a questionnaire was sent out in 2019/2020 to the main wine cooperatives to gather environmental information on their winemaking practices. The first answers received this year show that 26% of *eaux-de-vie* for the St-Rémy brand come from responsible and sustainable agriculture plots, based on standards such as HVE, Agriculture Bio, Agriconfiance and Terra Vitis.

This first step enables to build a concrete action plan to meet the target under the 2025 CSR plan (all agricultural supplies to be sourced from responsible and sustainable agriculture).

A newsletter is also published for our employees. Covering the latest developments, it is sent out each month with information on CSR issues relating to sustainable agriculture and viticulture in France and Europe.

Protecting natural resources in Barbados

The sustainable agricultural management is central to Rémy Cointreau's activities in Barbados. In March 2021, the Mount Gay Distillery joined the global Bonsucro non-profit organisation, which promotes the sustainable production, processing and marketing of sugar cane, in the "End-User – C category".

In the medium term, the distillery plans to obtain certification from the same organisation. In addition to promoting responsible and sustainable agriculture, Bonsucro certification requires companies to implement more responsible practices in respect of social and economic matters and the environment, such as reducing energy or water consumption, reducing waste and creating a safer working environment.

In 2018, the Group acquired 134 hectares of sugar cane production land in Barbados. It is continuing to test new organic farming and permaculture methods there with the advice of global specialists in soil cultivation. Each plot is identified in order to monitor the test results of the different production methods (organic cultivation, crop rotation and permaculture). The aim is to convert the entire plantation to organic farming within five years.

A first landmark was reached this year with nearly 9% of the land now under organic sugar cane production, which prohibits the use of chemical herbicides, pesticides and fertilisers. New practices have been introduced for weed-control (manual uprooting by the staff or mechanically using tractors and specific tools), or to improve soil fertility by spreading vinasse (residual material after distillation) as a source of potassium.

Other soil conservation practices have been implemented, such as:

- crop rotation: to restore soil nutrients and break the life-cycle of parasites, sugar cane plantations are cultivated under a rotation system with root or tuber plants or cover crops such as legumes, which are particularly beneficial to restore nitrogen to the soil;
- contour hedges: this year the Barbados site set up a programme to multiply Khus grass, which is traditionally grown around field edges to prevent soil erosion. Khus grass is also a very useful carbon sink, as it is a fast-growing perennial variety of grass with an extensive root system. 3,100 new plants were planted in total.

A quarterly newsletter entitled "Back to Roots" is also distributed to the site's employees of the site so that they can become ambassadors of sustainable agricultural practices in their daily lives.

Domaine des Hautes Glaces and local development

Using the surrounding cereal crops, Domaine des Hautes Glaces is creating – at the moment on a small scale – products that are the fruit of a local development project in which farmers are committed partners. This relatively new brand emphasises its links to the region, for example by encouraging crop rotation to improve soil management and creating a balance through agricultural economics.

The project resonates effortlessly with the Group's values. Domaine des Hautes Glaces is working with local farmers to develop new varieties of organic barley, rye, spelt, oats and triticale. The creation of this new local and organic whisky offering brings a new vision for regional development and sustainable opportunities from converting farms to organic agriculture. Domaine des Hautes Glaces thus captures the essence of the local area, soil and climate.

For several years, the Domaine has also been involved in regenerative agriculture practices to enhance the soil from which it sources its raw materials (cereals).

Domaine des Hautes Glaces continues to play an active role in the 2025 CSR project "Responsible and Sustainable Agriculture" by maintaining a rate of 100% organically grown supplies (commitment 5 – act4nature international).

The Group is exploring and reviving centuries-old local expertise, far removed from standards and stereotypes. This includes the still, made by a local boilermaker and heated by a wood pellet burner.

For the past two years, the Domaine des Hautes Glaces distillery has been certified in accordance with EU legislation on organic production and labelling of organic products (European Council regulations (EC) No. 834/2007 and No. 889/2008).

Westland and crop rotation

Westland, based in Seattle in the United States, joined the Group in early 2017. It produces single-malt whiskey exclusively from local barley.

In line with the 2025 CSR plan, Westland is committed to sustainable and responsible agriculture. As such, 32 hectares of farmland were acquired in Skagit Valley. The site is not only used by the brand to grow barely, but also as a experimental land to test new barley varieties grown under sustainable agriculture conditions.

The agricultural holding is already certified "Salmon Safe", an agricultural certification used in the Pacific Northwest to ensure that farming practices do not have a negative impact on salmon, one of the region's top priority animal species in terms of environmental conservation. The Salmon Safe program enables agricultural holdings to be recognised for their efforts in using long-term soil conservation techniques, reducing the use of plant protection products, and optimising their water consumption, protecting and restoring river-bank and watercourse habitats.

In the coming months, the Westland agricultural property also aims to be recognised as compliant with organic farming rules.

The holding has an even greater role in its interaction with the local farming community. New barley varieties, developed thanks to the partnership with WSU Breadlab (Washington State University) will be tested on a large scale. The results will be shared with local farmers. Other types of cereals will also be studied in order to determine which ones are best suited to the criteria for organic production certification.

All of these actions are supported by several research partnerships with local universities. This year, a new partnership was set up to research old endemic varieties of barley.

Westland also signed up to the 2025 CSR project "Responsible and Sustainable Agriculture" by increasing the number of suppliers of sustainably grown barley. The percentage of farmland cultivated according to a responsible agriculture model for barley supplies continued to increase, with 27% in 2019/2020 compared to 28% this year.

1.3.2.2 BIODIVERSITY CONSERVATION

Challenge

Biodiversity conservation has become a major concern. Natural habitats such as farmland and woodland are under threat. This could potentially have an impact on *terroirs* and the production of raw materials (cereals, grapes, sugar cane, oranges, wood, etc.). Rémy Cointreau thus has a duty to play an active role in biodiversity conservation. It is also a question of the Group's reputation with its customers.

Policy

Rémy Cointreau prioritises the long-term development of its brands. They share common core values, central to which are responsible agriculture and biodiversity.

As mentioned in the previous paragraph (and in section 1.3.2.1 "Sustainable agriculture"), at each of the Group's locations around the world, Rémy Cointreau is committed to the stewardship of the land it farms either directly or indirectly. The biodiversity of each region is unique and plays a major part in the distinctiveness of Rémy Cointreau's spirits. It is vital that the Group takes action to protect this biodiversity according to the *terroirs* and natural resources used.

From Charente to the Pacific North West, Rémy Cointreau accordingly gives special consideration to each site, taking steps to conserve its biodiversity so that it can secure the site's long-term future and continue making exceptional products.

In line with this commitment, Rémy Cointreau continues to support the act4nature initiative. To that end, Rémy Cointreau has signed a collective declaration on the inclusion of nature (fauna, flora, ecosystems, etc.) in the Company's strategy. The aim is to take concrete action for biodiversity conservation and restoration.

Action plans

Cognac site

Because forest cover helps protect biodiversity by safeguarding natural habitats, Rémy Martin has been involved for ten years in protecting forests in France through a corporate sponsorship initiative in partnership with the French Forestry Commission (Office national des forêts – ONF):

- **2010/2012:** funding for a scheme to plant 115,000 oak trees on around 40 hectares in the Senonches national forest in Eure-et-Loir, France.

  The aim was to replace existing tree species on this site (Sitka fir and Douglas fir) with sessile oak, and thus encourage biodiversity through improved compatibility with the region's climate, terrain and soil;

  2013/2014: funding for the restoration of the Parc François I^{er} in Cognac, which was severely damaged during the great storm of 1999.

  The new landscaping work was approved by the local council and consisted of planting more than 300 oak trees and building a wooden observatory on a natural promontory. A nature trail with information boards was also created, to raise public awareness of biodiversity conservation issues;

1

- **2015/2016:** funding for improvements at La Braconne Bois-Blanc national forest.

  Located east of Angoulême, this forest is the largest forested area in the Charente region and was also affected by the 1999 storm. To raise public awareness of forestry protection by providing first-class visitor facilities offering enjoyable new ways for visitors to experience the forest, the ONF has developed a multimedia trail and harnessed new information and communication technologies to communicate its message (smartphone app);
- **2016/2017:** funding for improvements in the Vouillé Saint-Hilaire national forest (Poitou-Charentes).

  Designed to raise public awareness of biodiversity, the project involves afforestation and the planting of 300 oak trees near to a visitor centre;
- **2017/2018:** funding for a sponsorship scheme to secure the future of the Moulières national forest in Vienne.

  The project focused on forestry renewal with the reforestation of a dozen hectares with more drought-resistant oaks;
- **2018/2019:** funding for two sponsorship schemes involving pedunculate oak.

  The first project, entitled *Renessence*, is aimed at creating a network of small plantations to find out whether pedunculate oak trees in Poitou-Charentes can adapt to climate change. The second project consists of establishing pedunculate oak in the Monnaie national forest (Maine-et-Loire), to promote and preserve this species in the forest.

In the coming years, particular emphasis will be placed on the development and climate change adaption of pedunculate oak, featured in the production of Rémy Martin cognacs (commitment 2 – act4nature international).

Contact is also being made with the ONF and CNPF (the body responsible for sustainable forest management in France) to identify possible partnerships for low-carbon reforestation projects.

This year, Rémy Martin continued its partnership with the non-profit organisation *Un toit pour les abeilles* and a beekeeper producing organic honey. Ten hives are set up in Charente, in the middle of the Bel-Air forest. This offers a protected environment away from sources of pollution.

The honey is certified as organically produced and carries the *Bio Sud-Ouest France* label. As in previous years, it was distributed to all employees in France. Each pot of honey is accompanied by an educational leaflet on the importance of bee protection.

In 2010, a major environmental project was launched at Domaines Rémy Martin to conserve biodiversity. In partnership with the *Protection des Oiseaux* (French bird conservation league, LPO), an afforestation project was carried out on a plot on the banks of the Charente, while allowing the traditional local fauna and flora to once again occupy the natural environment.

Flora and fauna surveys were conducted in 2017 by the LPO and are renewed every three years. They currently show an improvement in species diversity on the site. The planting of several tree species (poplar, ash, etc.) on this site also plays an important role in filtering drinking water and contributes to biodiversity conservation (GRI Standard 304-3). The first diagnostic assessment carried out revealed a high floral diversity, the presence of four remarkable plant species on the banks of the Charente, and fourteen remarkable species of wildlife, also near the river bank.

A forest assessment was carried out on the plot in 2019. The results were extremely satisfactory and indicated that afforestation is steadily increasing. This proves that biodiversity conservation as an environmental objective does not adversely affect the growth of planted trees. The plot therefore meets the two commitments of effective biosequestration of atmospheric carbon and conservation of local flora and fauna.

The biodiversity of the plot will be monitored in 2021, as set out in the initial three-year plan.

Domaines Rémy Martin, in partnership with the Charente Chamber of Agriculture, uses green fertiliser to fertilise the soil naturally at the vineyard and thus promote biodiversity. Wildlife corridors have been set up at various locations on the estate to allow fauna, insects and flora to re-establish habitats. The preservation of hedges and the cultivation of wildflower meadows also help encourage bees, which are essential for natural ecosystems to function.

In association with the ONF, Domaines Rémy Martin invested in a new initiative at the end of 2019 for local biodiversity conservation. The reforestation of a 0.6 hectare agricultural plot was carried out at Domaine du Grollet, near St-Même-les-Carrières in Charente. Nearly 850 pedunculate oak trees were planted on the plot.

This year, Domaines Rémy Martin responded to the call for volunteers launched in France by the *Observatoire National de la Biodiversité* (National biodiversity watchdog). Today, more than 600 plots in France are monitored using four protocols: butterflies, terrestrial invertebrates, pollinators and earthworms. Plot counts were carried out on five sites to monitor earthworms and butterflies. In addition to these measures, bee nesting boxes were installed in order to monitor wild bee populations on a monthly basis.

Islay site

Bruichladdich is continuing its work on local biodiversity conservation through several projects and initiatives within the community of Islay, but also with other international partners.

The Company is particularly involved in raising awareness and training young people on local biodiversity. Partial funding for a PHD student from the UKCEH (Centre for Ecology & Hydrology) will begin in May 2021 and will focus on the preservation of native juniper, a currently threatened species.

Since its creation in 2015, The Botanist Foundation has been carrying out environmental projects together with the island's inhabitants. The aim is to improve understanding and conservation of the island's botanical diversity. Actions continue to be carried out to protect the 22 essential plant species for the production of The Botanist gin, by integrating the ecosystems necessary for them to grow properly. It should be noted that since the creation of The Botanist gin, it has been decided not to use any rare or uncommon plant. The 22 plants used are relatively common, can be easily found on the island and a real attention is paid to the way they are picked.

In partnership with the RSPB (Royal Society for the Protection of Birds), in-depth botanical studies were financed on two sites in Islay, for the conservation of grassland habitats.

Scholarships were also awarded to three young people from the region to help them pursue studies in connection with the Foundation's objectives.

Initiatives to protect pollinating insects and wild flowers continued on Islay. Based on the research and surveys carried out in previous years, wild flowers appreciated by pollinators were planted, and partnerships with local authorities were established to achieve better management of road shoulders.

Particular attention continues to be paid to monitoring the growth of the 7,500 trees planted (alder, aspen, birch, hazel, juniper, oak, maple, willow and elm) in 2017 and 2018 on a Bruichladdich property. The trees are growing well, despite difficult weather conditions.

All these actions reflect and demonstrate the concrete environmental commitments of Bruichladdich and fully contribute local biodiversity conservation on Islay. In addition to this local focus, The Botanist Foundation has partnered this year with Botanic Gardens Conservation International (BGCI), an independent UK charity working to create a global database of the world's botanic gardens for plant diversity conservation. The Foundation's objective is to raise public awareness of the importance of protecting plant diversity.

Westland

Various efforts are being made by Westland to conserve local biodiversity, in particular through the protection of two keystone species, salmon and Garry oak *(Quercus garryana)*, which are central to the region's ecosystem and play a key role in the survival and conservation of more than 130 other local plant and animal species.

As such, Westland supports the "Salmon Safe" label to protect salmon habitat and the local biodiversity that depends on the species.

The preservation of Garry Oak is another major project for Westland. For the past two years, a partnership has been established with Forterra, a local non-profit which works to protect and enhance local ecosystems. Westland has planted 600 oak trees on a four-hectare plot in the Schibig Lakeview nature reserve near the distillery. Currently, 250 trees have reached a satisfactory maturity stage. Westland employees volunteer to maintain and monitor the plots to ensure a high survival rate among the young oak trees. The aim is to achieve a survival rate of at least 40% for oak trees (commitment 2 – act4nature international).

Actions are also carried out to reintroduce the "Western Bluebird" *(Sialia Mexicana)*, which usually inhabits this type of forest and has practically disappeared from the region.

Cointreau

The supply of oranges is a major challenge for Cointreau. It is essential for to ensure that the natural biodiversity of this citrus fruit is preserved.

Cointreau worked with the San-Giuliano research site in Corsica, which houses a unique collection of 800 varieties of citrus fruit. Cointreau helps to cultivate 1,200 species of lemons so that their properties could be studied to improve production.

An ambitious research project was also set up in Corsica on the genetics and aromatic diversity of oranges and bitter oranges. The link with the *terroir* will also be studied and the results of these studies are expected in 2022.

Mount Gay

This year, although the health crisis linked to the Covid-19 pandemic slowed the progress made on biodiversity-related initiatives, the Mount Gay distillery continues to invest in the conservation of its *terroir* and Barbados.

The national "We Plantin" reforestation programme, aimed at planting one million trees across Barbados was severely hampered by health restrictions imposed by the local government. However, Mount Gay was able to continue its tree planting initiative on its land.

More than a thousand trees and plant species have been planted: fruit trees (Coconuts, banana trees), ornamental plants (Bougainvillea) and legumes.

This year was marked by the creation of a food forest near the Mount Gay property. This type of forest is similar to a food production system based on sustainable plants that require little maintenance, with the integration of shrubs that produce food in a sustainable manner (agroforestry).

The bee garden near the distillery is doing very well. A mini arboretum made up of around 60 palm trees, ornamental plants and fruit trees was created this year and seven new beehives were installed.

Particular attention is also paid to landscape conservation. This year, two natural depression areas were replanted with coconut palms and around thirty new trees (mahogany).

The sugar cane nursery, established to develop the different varieties of sugar cane that can be planted on Barbados, currently houses 12 varieties of sugar cane from across the island. The aim for the nursery is to have a source of plants that are naturally resistant sugar cane pests and diseases. It is also aimed at the conservation of old varieties of sugar cane that are no longer present on the island.

1.3.2.3 CLIMATE CHANGE

Challenge

Mindful of the impact of its operations and in line with the Paris Agreement, Rémy Cointreau has an obligation to contribute to the global effort to reduce global warming to 2 °C. It is a question of the Company's sustainability, its reputation with its customers, and its response to the possibility of a future carbon tax.

Climate change could have a highly significant impact on the level of production and quality of our products, whether it be cognac, whisky and gin from Islay, whisky from Isère, or whisky from Washington State.

Rémy Cointreau's new motto, "*Terroirs*, people and time", underscores the importance of nature for its business.

The main consequences in terms of risks would be:

- a change in meteorological conditions (warming or cooling) which could affect harvests and production:
  - in a few years, Rémy Cointreau could face smaller harvests, forcing it to scale back production,
  - in the longer term, the displacement of growing areas would have a critical impact on Rémy Cointreau, calling into question the notion of *terroir*;
- an impact on Rémy Cointreau's financial performance, since any decline in production would necessarily entail a sharp rise in the price of raw materials.

Policy

As regards environmental issues, the Group has made long-standing and strong commitments, as it shares the concerns expressed during the 2015 COP21 conference held in Paris. The conference brought together countries from around the world to discuss these issues. The 21st Conference of the Parties reached an agreement to limit the temperature rise to less than 2 °C, or even 1.5 °C, by 2100. These targets are consistent with those set internally by Rémy Cointreau as part of the 2020 CSR plan. The main challenges of this plan were defined with a view to involving the whole company. One of the most important of these concerns the measurement and reduction of greenhouse gas (GHG) emissions at all levels of the business, as well as the eco-design of products and their transportation.

The 2025 CSR plan continues to address these major challenges, but this time with quantified targets for 2025 and 2030.

Aside from these targets, Rémy Cointreau has joined the international movement to tackle climate change. Its aim is for its business to be carbon-neutral by 2050, based on the "Net Zero Initiative" method. The Group is therefore keen to play its part in France's National Low Carbon Strategy and Climate Plan, with a view to achieving carbon neutrality by 2050. On that basis, the Group reiterated its commitment to the "French Business Climate Pledge" in 2019 for the 2020/2023 period.

The plan is based on Rémy Cointreau's practice of measuring its carbon emissions according to the *Bilan Carbone*® standard since 2006. For the past three years, the GHG Protocol standard has been used to harmonise the responses to global surveys such as the Climate Change survey of the Carbon Disclosure Project (CDP).

This year, scopes 1, 2 and 3 of the carbon footprint assessment were updated again to refine and elaborate on the data obtained the previous year. The scope covers the whole of Rémy Cointreau's production at the Cognac, Angers, Barbados, Islay, Westland and Domaine des Hautes Glaces sites (GRI Standards 305-1, 305-2 and 305-3).

The upstream and downstream impacts of transport are also monitored worldwide. A tool for measuring the impacts of the "downstream" distribution of products was introduced in 2019. This ensures that all carbon emissions associated with this activity are measured reliably.

Actions have been taken for several years to successfully reduce CO_2 emissions. These cover winemaking practices, energy efficiency, the increasingly systematic use of videoconferencing, the introduction of electric vehicles at the Group's sites, the eco-design of packaging and the optimisation of product transportation.

In 2019, a plan to reduce the Group's GHG emissions and carbon footprint was developed using the Science Based Target (SBT) method. This method was used to set the target for the reduction in the Group's carbon emissions across all its businesses (scopes 1, 2 and 3).

This plan reflects Rémy Cointreau's commitment to developing a strategy in which carbon neutrality and the fight against global warming are key.

The following carbon emission reduction targets were set as follows, based on the 2018/2019 carbon footprint assessment (commitment 4 – act4nature international):

	2025 targets	2030 targets
CO_2 emissions reduction rate – Scopes 1 & 2, in absolute terms, in %	25	50
CO_2 emissions reduction rate – Scope 3, in intensity, in %	28	50

This year, three working groups were set up to reflect the SBTs through the implementation of concrete actions by 2030.

As a listed company, the Group meets the requirements of Article 173-IV-A of the French law on energy transition and green growth. The information given in the following paragraph is taken from the management report.

Action plans

Climate change adaptation

Climate change could have a dramatic impact on the production and quality of the agricultural raw materials used by Rémy Cointreau, due to the increase in sunshine and the frequency of adverse weather events such as frost.

Our teams are therefore committed to medium- and long-term actions to ensure the quality and sustainability of the Group's supplies.

COGNAC SITE

The impacts of global warming could lead to an increase in pressure from fungal diseases that affect vines, such as mildew or powdery mildew. This could then have an impact on the quality of the wines and *eaux-de-vie*.

In Cognac, Domaines Rémy Martin are involved in three major studies:

- study of a new grape variety (selection of an old grape variety).

  The study focuses on the physiological and qualitative attributes of an old grape variety in order to assess its adaptability to climate change.

  They are carried out in partnership with the CVC *(Conservatoire du Vignoble Charentais)*.

  An 8,000m^2 site was planted for the study, which covers the period from 2018 to 2028 (harvesting of grapes, monitoring and distillation of the wines obtained).

  This year, the first results obtained show a good yield, with wines that produced very high quality *eaux-de-vie* after the distillation process. However this needs to be confirmed in the coming years;

- grape varieties resistant to mildew and powdery mildew.

  The aim is to find definitive answers to the questions of productivity, quality of *eaux-de-vie*, climate change adaptation, reduction of plant protection inputs and environmental best practice.

  Since 2003, grape varieties resistant to the main vine diseases and suitable for Cognac production have been created by crossing a resistant grape variety with Ugni Blanc, currently the main grape variety in the Cognac region.

  Eight hundred seeds were obtained, from which three resistant varieties were selected and planted in small plots on the estate. The study is taking place from 2018 to 2028 in association with the BNIC research site and INRAe (the French National Research Institute for Agriculture, Food and the Environment).

  The aim is to have plant material available in the short, medium and long term that is suited to the challenges faced by the sector, including global warming, and to assess its ability to produce quality *eaux-de-vie*.

  This year, the grape varieties showed good resistance to mildew and powdery mildew. The use of treatment products could be reduced by 80 to 90%.

  This is a real breakthrough in the selection of grape varieties adapted to future climate conditions;

- grape acidity and wine preservation potential.

  Global warming could also have an impact on wine preservation potential. It is essential therefore to maintain the acidity content of the grapes.

  A study has been launched in association with the Bordeaux Institute of Vine & Wine Science (*Institut des Sciences de la Vigne et du Vin de Bordeaux* – ISVV) on how to manage the vines to boost grape acidity. Two plots of vines have been monitored on the estate since 2017 and different wine-growing practices will be studied until 2022 (leaf removal, pruning).

  The measurements carried out will cover the impact on the Leaf Area Index (LAI) and the resulting change in acidity of the must, wine and distillate obtained from the first distillation *(brouillis)* and the quality of the *eaux-de-vie* produced.

ISLAY SITE

In 2018/2019, Bruichladdich acquired 15 hectares of land in order to develop programmes to study sustainable farming practices linked to climate change forecasts.

In late 2019, a Croft Summit, which included representatives from Domaine des Hautes Glaces and Westland, was held on Islay to examine different ways of cultivating the new plots. The event was attended by soil and crop experts, specialists, organic farmers and researchers from all over the world. A major project was devised to plant several varieties of barley on test plots to find the most suitable varieties for the island's *terroir*, by factoring in climate change projections. The aim is to adapt local agricultural practices to preserve the *terroir*. Ultimately, other farmers on the island will also benefit from it.

The first actions should have been implemented, yet the health crisis linked to the Covid-19 pandemic did not allow for their completion. Accordingly, they were postponed to the 2021/2022 financial year.

WESTLAND SITE

Every year, climate change causes unstable meteorological conditions. In response to this, Westland launched a four-year partnership with Washington State University in 2019 to select barley by encouraging wider genetic diversity.

This year, Westland continued its partnership by funding a PHD student in an agricultural research centre of the university. After working on the selection of new breeds in the greenhouse, the first test plots will be planted in 2021. Most of the research and planting will take place at the new agricultural production site acquired by Westland in the Skagit Valley.

Research focuses on the genetic diversity of barley. One of the objectives is to design new farming methods based on low-impact environmental systems that are better positioned to take on climate change. The research base is certified organic and also focuses on regenerative agricultural systems that are safe for local ecosystems. The varieties selected will also be able to adapt more easily to extreme climate conditions such as storms, drought or increased disease pressure.

MOUNT GAY SITE

Barbados generally has two seasons, one of which records significantly more rainfall, known as the "wet season", and a season known as the "dry season". Accordingly, Mount Gay has implemented practices to mitigate these climate effects and preserve the sustainability of the local *terroir*.

The actions implemented included *inter alia*:

- selecting more drought-tolerant crops;
- modifying planting schedules in line with changes in rainfall patterns;
- selecting more drought-tolerant sugarcane crops;
- using river tamarind as a natural windbreak to protect crops from strong winds;
- managing the plantation's draining basins to prevent flooding and protect natural habitats.

Mount Gay also has a nursery with a pool of planting equipment, essential for anticipating risks related to climate change such as pests, diseases and flooding. Mount Gay's collection is made up of 12 varieties of sugar cane which enable us to study their response capacity to future climate hazards.

The expected results of ongoing studies will enable local sugar cane cultivation to continue under more severe drought conditions, which is essential to ensuring the sustainability of the *terroir* of Barbados.

Information on the main sources of greenhouse gas emissions

CO_2 emissions for scopes 1, 2 and 3 totalled 121,189 Teq CO_2. This breaks down as follows (GRI Standards 305-1, 305-2 and 305-3):

- Cognac site: 57,693 Teq CO_2;
- Angers site: 32,844 Teq CO_2;
- Barbados site: 12,357 Teq CO_2;
- Islay site: 13,917 Teq CO_2;
- Domaine des Hautes Glaces site: 465 Teq CO_2;
- Westland site: 2,892 Teq CO_2;
- Domaines Rémy Martin site: 1,020 Teq CO_2.

For the past two years, the carbon emissions associated with promotional items have been included in the carbon footprint have been included in the carbon footprint assessment (scope 3).

These are negligible and account for less than 0.5% of the Group's total emissions.

Compared to the previous year, the decrease in total CO_2 emissions (-32.8%), is mainly due to scope 3 (-34%), for two reasons. The first is due to a correction in the method used to calculate the data for upstream freight included in Scope 3 of the Barbados site (impact of around -6%). The second and main reason is associated with the integration of suppliers' actual emissions factors (mostly glassmakers and transport companies) and directly resulted in a 26% or so decrease in the Group's total emissions. This result reflects the value of the joint work carried out throughout the year with our suppliers, in order to use their emission factors in our carbon footprint assessments.

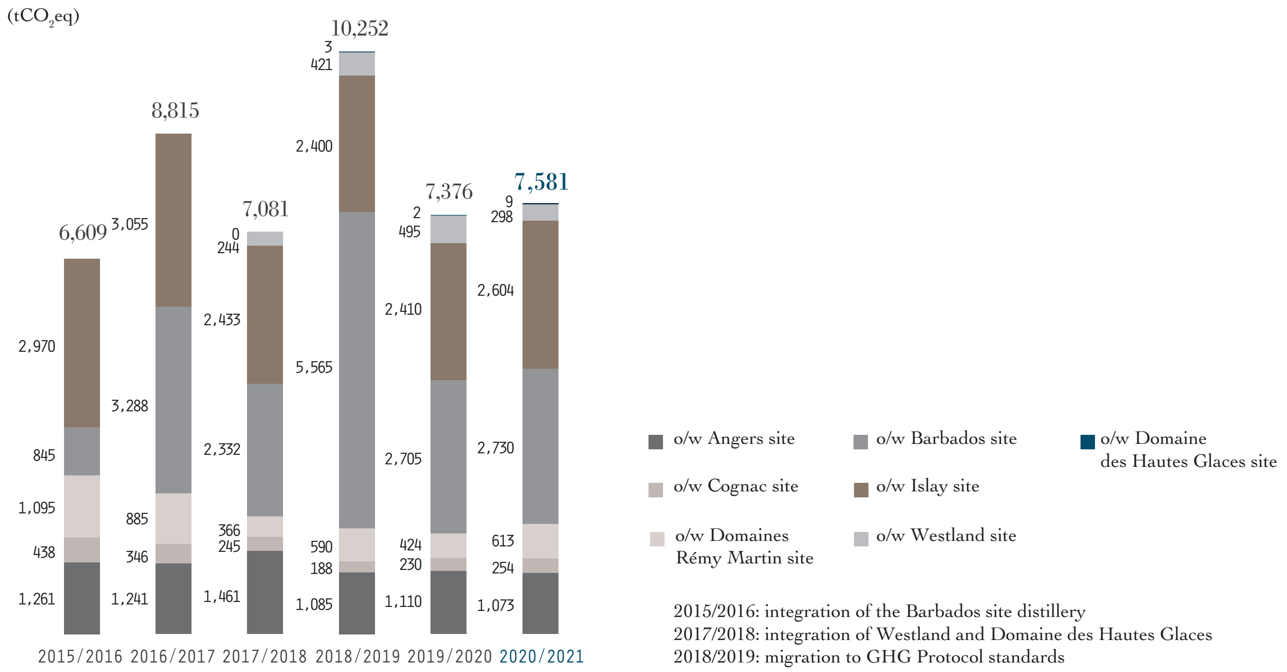
The main sources of greenhouse gas emissions for Rémy Cointreau (Scope 3) are as follows:

- product packaging: 42,866 Teq CO_2 (35.4% of total emissions);
- agricultural raw materials: 22,466 Teq CO_2 (18.5% of total emissions);
- downstream product transportation: 18,493 Teq CO_2 15.3% of total emissions).

Compared to the previous year, the type significant emission items remained the same.

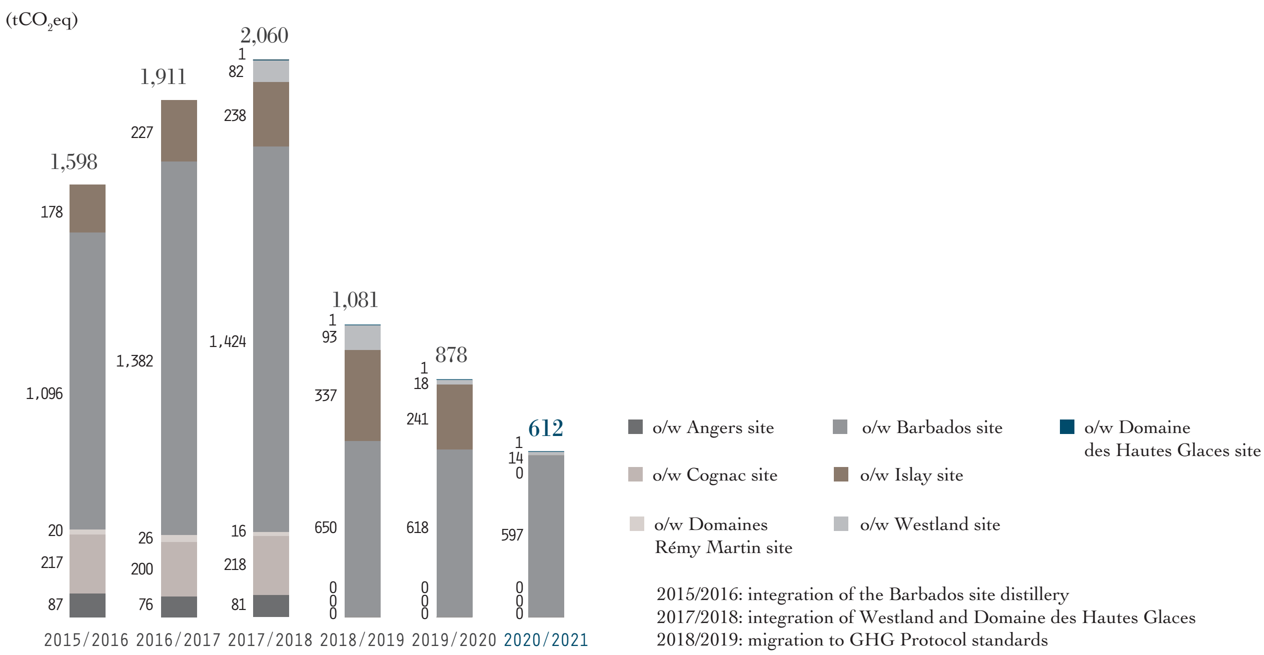
CO_2 emissions under scopes 1 and 2 remained stable at to 8,194 Teq CO_2 (scope 1: 7,581 Teq CO_2/scope 2: 612 Teq CO_2 – GRI Standards 305-1 and 305-2). Scope 1 was slightly up (+3%), but this increase was fully offset by the decline in scope 2 (-30%) due to the use of renewable energy for the first time this year covering the total electricity consumption of the Islay site.

GHG emissions/scope 1 (GRI Standard 305-1)

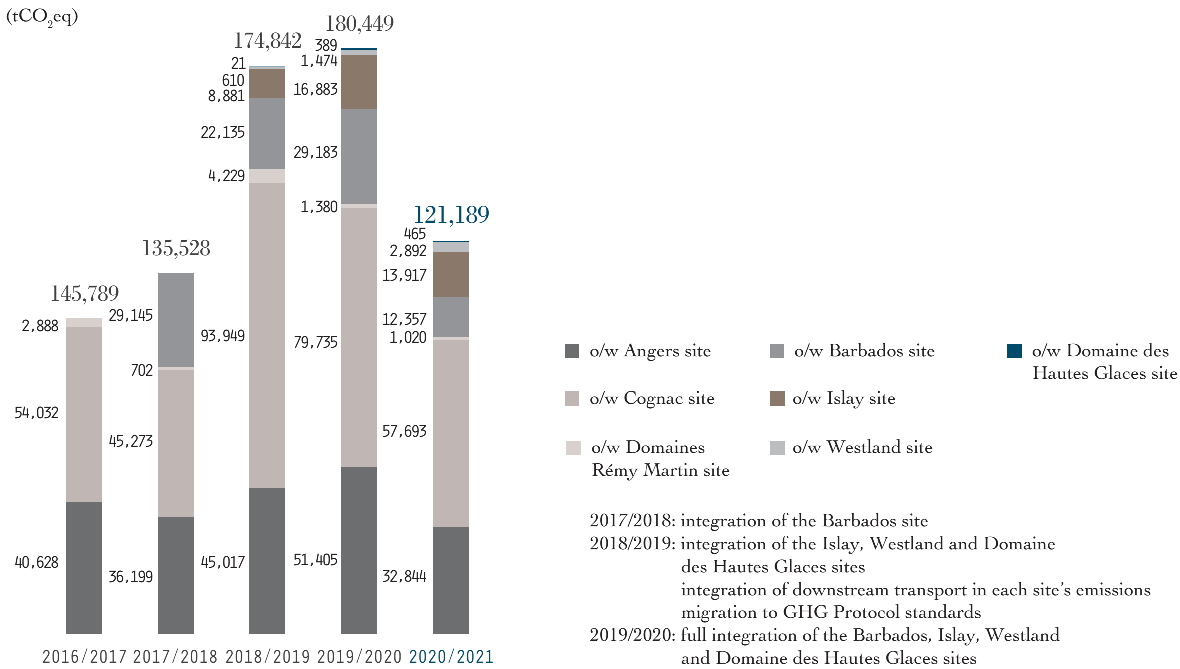


2015/2016: integration of the Barbados site distillery
2017/2018: integration of Westland and Domaine des Hautes Glaces
2018/2019: migration to GHG Protocol standards

GHG emissions/scope 2 (GRI Standard 305-2)



GHG emissions/scopes 1, 2 & 3 (GRI Standard 305-3)



Introduction of a low-carbon strategy across all areas of the business

Rémy Cointreau has joined the international movement to tackle climate change. Its aim is for its business to be carbon-neutral by 2050, based on the "Net Zero Initiative" method. The Group is therefore keen to play its part in France's National Low Carbon Strategy and Climate Plan, with a view to achieving carbon neutrality by 2050.

As such, Rémy Cointreau will continue to be a member of the French Business Climate Pledge for the period 2020/2023. The Group is thus one of French companies that have confirmed their commitment to the use of renewable energy, energy efficiency and the deployment of low-carbon technologies, with the aim of mitigating the effects of climate change by lowering greenhouse gas emissions.

It should also be noted that this year, in connection with the implementation of its strategy, the Group obtained for the first time an "A-" rating from the CDP (Carbon Disclosure Project), which gives it "Leadership" status. This demonstrates the Group's concrete commitments and initiatives to reduce its carbon footprint.

This year, three working groups were set up to reflect the SBTs through the implementation of concrete actions by 2030. Nearly 40 Rémy Cointreau employees, from all Group production sites combined, took part in this internal review with a genuine desire to innovate. The actions identified cover the Group's three major sources of carbon emissions: agricultural supplies, product packaging and global product transportation. These include:

- agricultural supplies:
  - agricultural practices aimed at biodiversity conservation and carbon sequestration,
  - implementation of regenerative agriculture practices,
  - promotion of local procurement,
  - "sustainable agriculture" certification for all agricultural supplies,
  - 100% renewable energy in the Group's distilleries and encourage our distiller partners to do the same;
- eco-design of products:
  - 100% renewable electricity for all administrative and operational Group sites,
  - packaging: weight reduction, use of recycled materials and elimination of boxes,
  - changes in consumption patterns with, for example, bottle "deposit-return" or "refilling" systems;
- product transportation:
  - promotion of electrical trucks for local transportation,
  - priority given to rail freight for regional transportation,
  - optimisation of container loading,
  - optimisation of "last mile" delivery with "zero carbon" vehicles.

The quantified model including all the initiatives selected is currently under way and will be approved in the form of a "carbon roadmap" in the first months of the 2021/2022 financial year. This will make it possible to concretely meet the SBTs of our plan to reduce carbon emissions.

A second phase of work is underway to prepare the response to our carbon neutrality objective in 2050. After having used all reduction options, the Group is aware that its operations will always be the source of residual carbon emissions. Accordingly, action must be taken by using voluntary offset programmes. The Group's intends to give the first priority to initiatives which have an impact our value chain (carbon insetting) and to supplement these by offsetting at a larger scope (carbon offsetting). Some of our employees have already attended an initial training course on carbon neutrality in order to better identify the future measures to be implemented to achieve our "Net Zero Carbon" target.

As of now, to support its carbon transition plan the Group introduced an internal carbon tax system this year for each brand. This tax will enable to finance innovative initiatives to reduce carbon emissions, resulting from the many projects submitted by each brand. Some have already been approved and will benefit from this financing method in 2021 for initiatives aimed at, in particular, reducing scopes 1 and 2 of the Group's carbon footprint assessment.

The Group's low-carbon strategy involves paying attention to the carbon emission factors used for the Group's carbon assessments.

First, the Group became a member of Ecoinvent, an international NGO specialising in data collection which provides a global and recognised data base for carbon emission factors. A licence has been acquired and some employees were trained on this data base in order to better understand the emission factors selected, based on the types of materials used to make our packaging for example.

In a second stage, joint work was carried out throughout the year with our suppliers, in order to use their emission factors in our carbon assessments, to be as close as possible to reality. This enables to rapidly factor in the initiatives they have implemented in terms of carbon emission reduction.

Other types of discussions also take place with our suppliers, for example concerning the upstream transportation of our production supplies. In addition to transportation methods, it is important to optimise the packaging of purchased items for example. This year, in association with the supplier concerned, tests were conducted on the palletisation of bottle cap cartons. The changes made enabled to increase the quantity of capsules per box, the number of boxes per pallet and remove filler insert sheets. The results obtained proved satisfactory and point towards a significant reduction in carbon emissions by reducing the number of deliveries and therefore the number of kilometres travelled by trucks. Accordingly, this new palletisation method was validated and is now used for all deliveries of these capsules. A first carbon emissions reduction assessment will be carried out in 2022.

In parallel to this work, Rémy Cointreau continued its efforts to reduce emissions from business travel. This year, it achieved 424 Teq CO_2 in avoided emissions (GRI Standard 305-5). This reduction is mainly due to business travel restrictions imposed by the Covid-19 pandemic.

From 2017, the implementation of the CO_2 emissions reduction plan for the Company vehicle fleet has led to a new internal policy for Company and service vehicles in France. Each vehicle renewal or acquisition must be a rechargeable hybrid or electric vehicle. The percentage of “clean” vehicles (electric or hybrid vehicles or those with CO_2 emissions of less than 100g/km) continued to increase this year to 74%, compared with 71% in 2019/2020, 64% in 2018/2019, 41% in 2017/2018 and 22% in 2016/2017.

Currently, average emissions for the Group’s entire French vehicle fleet are 77 gCO_2/km. These are therefore continuing to fall: they totalled 84 gCO_2/km in 2019/2020, 85 gCO_2/km in 2018/2019, 92 gCO_2/km in 2017/2018 and 124 gCO_2/km in 2016/2017, *i.e.* a fall of 38% in four years.

In 2019/2020, 18 vehicles were acquired, including 10 petrol hybrid vehicles and 4 electric vehicles, replacing 11 vehicles (including seven diesel vehicles). The average emissions level for new vehicles is 77 gCO_2/km, compared with 96 previously for the vehicles replaced, representing a 20% drop in emissions.

Following the creation in 2019/2020 of an IT Green Week, actions continued to be carried out this year with our employees, to further educate them on how to reduce the carbon footprint associated with their IT activities, by deleting unnecessary emails, documents and files that do not need to be archived and compressing excessively large images and files. The aim is to maintain the good results obtained in 2019, with a reduction of nearly 50% in email storage.

As part of its effort to cut carbon emissions, the Group is also switching to paperless processes. New software has been installed in the Accounts Payable department to enable the receipt and processing of electronic tax invoices from suppliers. New suppliers were contacted to inform them and raise awareness of the new document exchange procedures.

To reduce energy consumption and the building’s carbon footprint, special focus has been placed on the construction of a new office building which will house employees from the Cognac site in 2021.

Product transportation

2020 was marked by the roll-out of a tool covering the whole of the Group’s logistics operations (transportation between shipping platforms, deliveries to subsidiaries and customers). This ensures that all carbon emissions associated with product transportation are measured reliably Transport providers can have access to this tool, enabling them to report in real time on changes in their carbon emissions, particularly when they take steps to reduce those emissions. The target is to have virtually all suppliers connected to the tool by 2025 (commitment 4 – act4nature international).

Total scope 3 CO_2 emissions associated with downstream product transportation amounted to 18,493 Teq CO_2 (GRI Standard 305-3). This is one of the significant CO_2 emission generators for Rémy Cointreau. These emissions are down by almost 16% on the previous year, mainly due to the inclusion in our new measurement tool of more precise emission factors that are closer to the actual of the transportation methods used.

This value includes product transportation:

- in France, between production sites and logistics platforms;
- between logistics platforms and the first shipping ports or airports;
- maritime and air transport between the first shipping ports or airports and the arrival ports or airports worldwide;
- product transportation in shipping countries.

Actions have been taken for several years to successfully reduce CO_2 emissions in connection with the distribution of our products. For example, in 2019, a study was conducted to reduce carbon emissions from shipments to China. The aim was to replace some air freight by rail transport following the reopening of the rail link between Germany and China. An analysis of the two modes of transport showed that rail transport reduces carbon emissions by a factor of more than 30 compared with air transport. The Group had therefore taken the decision to try out this option. Nearly 40 shipments were made, with carbon emissions of 84 Teq CO_2, which had resulted in avoided emissions of almost 2,600 Teq CO_2. This action is currently still being tested.

This year, part of the deliveries of our products within China are now made by train, which resulted in avoided emissions of 2 Teq CO_2. The aim is to continue this initiative and increase our rail transport in China.

Another test is currently underway to replace truck transport between the Cognac site and the Le Havre port for shipments of products to China and the USA. In order to reduce the amount of land transport in France, the trucks leave for Bordeaux where a small container ship is loaded for Le Havre. A significant reduction in carbon emissions is expected and the coming months will make it possible to validate or invalidate the standardisation of this new transportation method between the Cognac site and the Le Havre port.

In the coming months, new projects will be studied, in line with the actions identified as part of the work carried out for achieving the SBTs to reduce carbon emissions by 2030.

Energy consumption

Since 2015, based on the energy audits of the sites, an energy consumption reduction plan has been implemented at the Angers and Cognac sites, with the choice of targets for potential reductions in electricity and gas consumption (GRI Standard 302-4). The main actions include optimising air compressor operation, replacing compressors, monitoring heating modes, managing lighting and renovating buildings. These actions enabled to reduce energy consumption by 600MWh in four years. The last stage of the action plan was finalised this year with the implementation of a centralised energy monitoring system at the Angers site. This should result in an expected reduction in energy consumption of around 300MWh in the next financial year, which will make it possible to reduce energy consumption by 900MWh in five years, as set out in the initial plan launched in 2016.

On the Angers site, the reduction in energy consumption continued to rely on actions from the Energy working group: the automatic shutdown of computers, monitors and printers at the end of the day; automatic lighting in bathrooms; scheduled printer operation times; a master off-switch for computer hardware in offices.

On the Cognac site, an innovative initiative was launched to reduce energy consumption. The analysis laboratory was audited by the “Green Laboratory Project” association, which manages a certification introduced less than a year ago by academics and manufacturers, focusing solely on the activities of analysis laboratories. In addition to typical laboratory operations, this certification includes environmental impacts on energy savings. As a result, the laboratory launched an “Energy” action plan, which will address issues such as the management of air conditioning systems, the possibility of recovering the heat emissions from the chromatographic furnaces and the possible energy savings in switching-off instruments in a more systematic manner. Following the first audit carried out this year, the laboratory will be awarded “Bronze sustainable analytical chemistry laboratory” certification.

For the past two years, special focus has been placed on the construction of a new office building which will house employees from the Cognac site in 2021. To reduce energy consumption, it was built using an HQE BD (High Environmental Quality Sustainable Building) approach, with the “Very Efficient” level of certification. The building, which also meets the E1C1 level of E+C- certification (“Positive Energy Buildings and Carbon Reduction” certification, currently being tested), was designed to be very compact, with high insulation for the walls and roof to reduce energy consumption. Large patio windows enable to increase solar heat gain in winter. In summer, these windows are protected from the sun by large roof overhangs and an internal canvas blind, which limits the need for air conditioning. The installation of LED lighting also contributes to energy savings.

In a similar vein, the new distillery of Domaine des Hautes Glaces has set up an energy recovery and savings system.

In terms of energy optimisation, the Islay site is continuing to roll out its LED lighting plan, with the aim of replacing all the old lighting in warehouses and the distillery. New air source heat pumps have been installed and this action will be continued during the redevelopment of the packaging area. Within the latter, working methods have evolved in order to reduce the number of starts/stops and format changes on the packaging lines, which resulted in a reduction in energy consumption.

This year, Westland obtained EnviroStars certification, a local environmental certification that recognizes Washington state companies for their environmental commitments and helps them translate these commitments into actions such as improving energy efficiency and optimising lighting methods.

In line with its certification, Westland has set itself a target of reducing electricity consumption by 1% per year for the next five years. In order to report on the achievement of this target, monthly monitoring of energy data (consumption, intensity and cost, total greenhouse gas emissions, etc.) has been set up using a suitable tool.

Other actions were continued or implemented this year:

- the roll out of an internal inspection programme to monitor and maintain a safe and more energy-efficient workplace;
- the transition to LED lighting with the use of presence sensors.

An “energy consumption” policy has also been approved by the Westland site, for example with a commitment to LEED (Leadership in Energy and Environmental Design) certification for all new constructions of production facilities. This certification will attest that the new building has been designed and built to achieve high performance in the key areas of health and the environment, with particular attention paid to energy efficiency.

This year, the Barbados site also continued to install energy-saving light bulbs and lamps across all facilities, with the gradual replacement of used lighting. A comprehensive energy audit, similar to those carried out on the French sites, will be carried out in 2021/2022 and will serve as a basis for a concrete plan to reduce the site’s energy consumption.

On-site studies are continuing in order to assess the potential for the integration of renewable energy.

In Scotland, for the first time this year, the Islay site used UK-certified renewable electricity for all of its consumption.

At the Barbados site, renewable energy generated by solar panels was up, with 295MWh generated this year (compared with 100MWh last year). These solar panels are connected to the Barbados national power grid and offset 15% of the site's total electricity consumption. In 2021/2022, new solar panels will be installed with a production target of 500MWh by 2025, *i.e.* nearly a quarter of Mount Gay's total electricity consumption.

With regard to the Westland site, the Pacific Northwest is one of the leading producers and users of renewable energy in the United States. As a result, nearly 90% of the energy supplied to Westland by the city of Seattle comes from renewable sources such as hydropower, wind and biogas.

Since 2016, nearly 100% of the energy consumption of the Group's French sites comes from renewable sources (energy from hydraulic production). For the first time this year, part of the electricity consumed by the Domaine des Hautes Glaces (79%) comes from renewable sources. All of the electricity consumption of this site should come from renewable sources in 2021/2022.

This year, 99.8% of the Group's electricity consumption in France was from renewable sources. For Europe, following the use of renewable electricity on the Islay site, this ratio rose to 99.8% (95% in 2019/2020). The figure is now 86% worldwide (82% in 2019/2020).

For Domaine des Hautes Glaces, 97% of total energy consumption (electricity, fuel) is from renewable sources due to the use of wood-fired stills (90% in 2019/2020).

In 2020/2021, the Group's total energy consumption amounted to 40,125MWh, up 2% on the previous year. This is mainly due to the increase in energy consumption at the Barbados site, following the creation of a new production unit for sugarcane which is harvested on the property and more extensive distillation operations (GRI Standard 302-1 indicator).

Direct energy consumption (gas, fuel oil , diesel and wood) increased by 3.9%, from 27,510 to 28,577MWh. This is mainly due to the increase in gas consumption at Domaines Rémy Martin (following more extensive distillation operations than last year – larger harvest) and at Domaine des Hautes Glaces (following the commissioning of the new distillery – higher production capacities than the old distillery).

It should be noted that this year, Westland's natural gas consumption fell by almost 44% as a result of the interruption of operations due to the Covid-19 pandemic.

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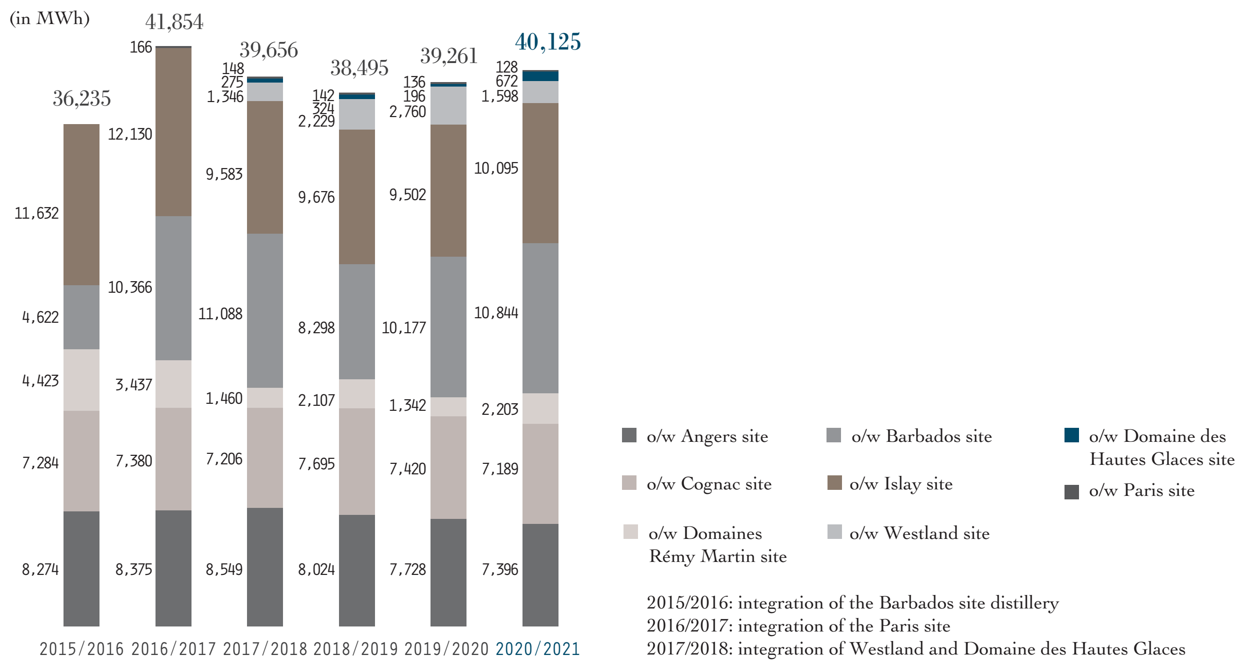
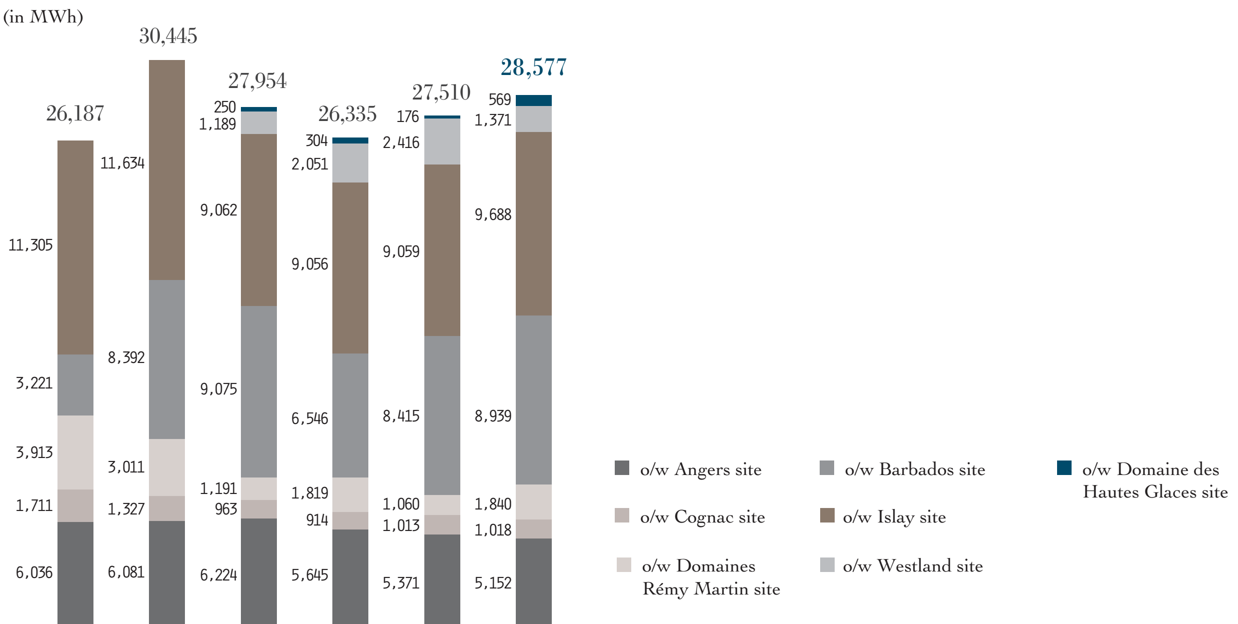
Total energy consumption (GRI Standard 302-1)



2015/2016: integration of the Barbados site distillery
2016/2017: integration of the Paris site
2017/2018: integration of Westland and Domaine des Hautes Glaces

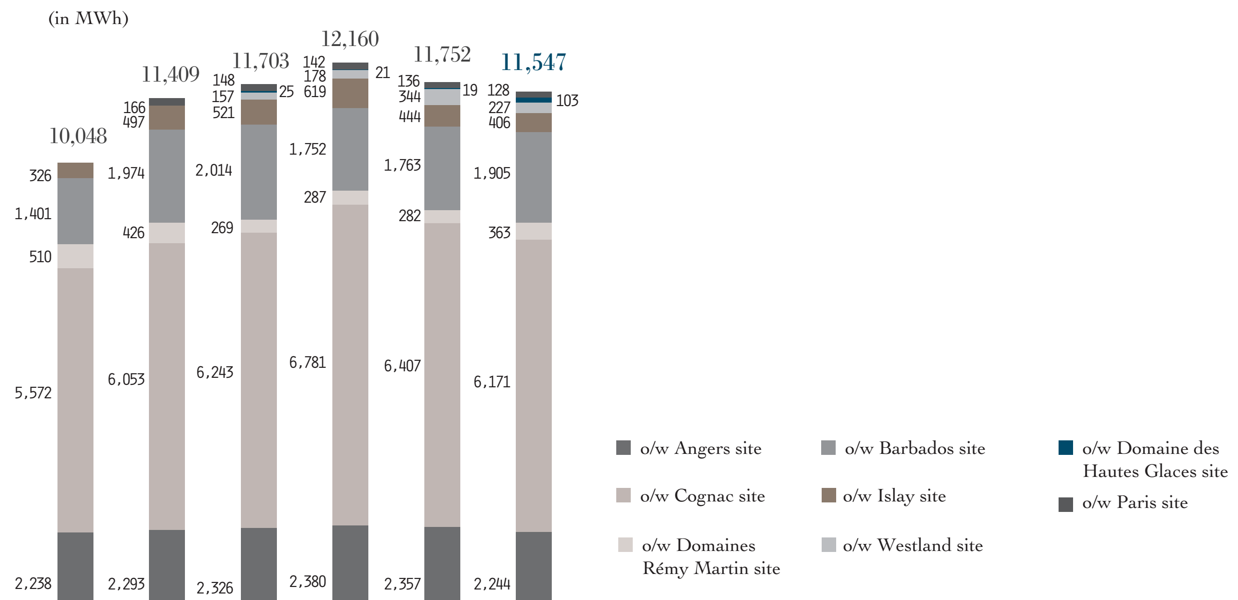
Direct energy consumption (gas, fuel oil, diesel) (GRI Standard 302-1)



2015/2016: integration of the Barbados site distillery
2017/2018: integration of Westland and Domaine des Hautes Glaces

In the case of indirect energy, electricity consumption (11,547MWh) was down slightly by 1.7%. Increases in electricity consumption at the Barbados, Domaines Rémy Martin and Domaine des Hautes Glaces sites, for the same reasons as those mentioned above for direct energy consumption, were offset by the decrease in consumption at other production sites.

Indirect energy consumption (electricity) (GRI Standard 302-1)



2015/2016: integration of the Barbados site distillery
2016/2017: integration of the Paris site
2017/2018: integration of Westland and Domaine des Hautes Glaces

1.3.2.4 WATER MANAGEMENT

Challenge

Rémy Cointreau's ambition is to remain the leader in economically-competitive winemaking whilst being intransigent on product quality and environmental protection. In this respect, Rémy Cointreau has a duty to help protect its *terroirs* and natural resources, which are key to the quality of its products.

Among these natural resources, water poses a major challenge for the Group, particularly in terms of its availability for distillation activities at the Barbados, Islay, Westland, Domaines Rémy Martin and Domaine des Hautes Glaces sites, and its quality for the production of the Group's products.

The same is true of liquid waste discharges. Rémy Cointreau is committed to protecting its *terroirs* and preserving their biodiversity. It is essential therefore to minimise liquid waste and ensure that it is treated before being discharged into the natural environment.

Policy

The Group has long pledged its commitment to the environment. As early as 2016, the 2020 CSR plan identified water consumption and conservation as an environmental objective.

The first step was to make consumption measurements more reliable at all production sites. At the Barbados site, for example, new flow meters have been installed to measure water consumption more accurately.

For the past year, the focus has been on validating the targets for reducing and optimising water consumption under the 2025 CSR plan.

Special attention is given to treating liquid waste from production sites. The majority of this liquid waste takes the form of vinasse. For several years, the volume of liquid waste has been monitored and BOD/COD analyses are carried out regularly before and after treatment and before discharge into the natural environment (GRI Standard 306-1).

Action plans

Water availability and quality

Total water consumption (200,838m^3) was down 6% on the previous year (GRI Standard 303-1).

This is mainly due to the increase in water consumption for Domaines Rémy Martin (following more extensive distillation operations than last year – larger harvest), Domaine des Hautes Glaces (following the commissioning of the new distillery – higher production capacities than the old distillery) and the Barbados site (following the creation of a production unit for sugarcane harvested on the property).

On the Barbados site, to address water-stress risk, efforts are continuing to preserve water availability:

Two rainwater harvesting systems have been installed: a pond located near the Mount Gay property, used to irrigate the plantations and a systems to collect rainwater from roofs which is stored in a collection tank.

Cultivation methods are also adapted to preserve water sources: The use of slow-release fertilisers in reduced quantities avoids soil drainage and groundwater pollution. The application of vinasse on cultivated soils is a source of potassium and reduces the use of inorganic fertilizers, but it is also a source of water. Application is carried out on the Mount Gay property and other large private plantations on the island.

Mount Gay also undertook to restore the wells present on its property to help water infiltrate the soil and recharge groundwater aquifers.

A water consumption audit will be carried out in 2021/2022 and will serve as a basis for a concrete plan to reduce this consumption.

On the Cognac site, the construction of the new administrative building that will house employees in 2021, was built using an HQE BD (High Environmental Quality Sustainable Building) approach, with the "Very Efficient" level of certification. In this context, water-saving equipment has been installed and rainwater is harvested to water plants.

As part of the water management policy on the Islay site, the equipment is currently being modified in accordance with the water saving standards laid down by local regulations.

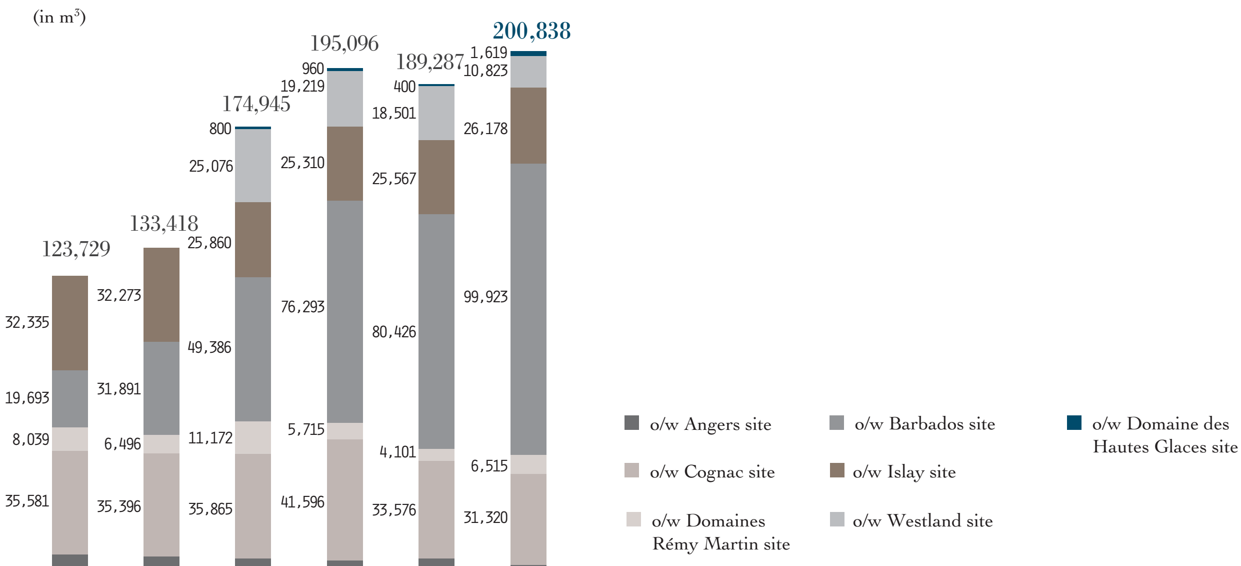
This year, Westland obtained EnviroStars certification, a local environmental certification that recognizes Washington state companies for their environmental commitments and helps them translate these commitments into concrete actions. In line with its certification, Westland has set itself a target of reducing water consumption by 1% per year for five years. A water monitoring programme is under development to monitor current consumption and draw up a more accurate map of how this consumption is broken down, by using flow meters that have begun to be installed on the production site this year.

In 2019/2020, a similar action to accurately map water consumption was carried out at the Angers site. The aim was to identify what water is actually drawn from the natural resource and not discharged by the site. From the "incoming" water on the site, the distribution between the site's various business segments was mapped, either by measurements (using meters), or by estimates. Discharges of water from each of these segments were then identified, again on the basis of measurements or estimates. This liquid waste is returned to the natural environment after treatment by the treatment plants, if necessary. The results obtained showed that the amount of water actually used in activities at the Angers site – *i.e.* drawn from the "water" resource and not returned to the natural environment, was 44% of the "incoming" on the site.

The aim of the 2025 CSR plan is to roll out this type of study by 2025 across the Group's production sites in France and abroad. This was implemented on the Cognac site this year. The measurements made show that the amount of water actually used in activities at the Cognac site, drawn from the "water" resource and not returned to the natural environment, is 60% of the "incoming" on the site.

For the last four years, Rémy Cointreau has met CDP (Carbon Disclosure Project) water reporting requirements. In line with this reporting and following actions such as those described above, the Group is stepping up its actions to protect water resources and obtained a "B" rating for the first time. This rating now places it in line with the average ratings of companies in its sector of activity and of all European companies rated by the CDP.

Water consumption (GRI Standard 303-1)



2015/2016: integration of the Barbados site distillery
2017/2018: integration of Westland and Domaine des Hautes Glaces
2018/2019: integration of all consumption of water from the well on the Barbados site

Liquid waste discharges

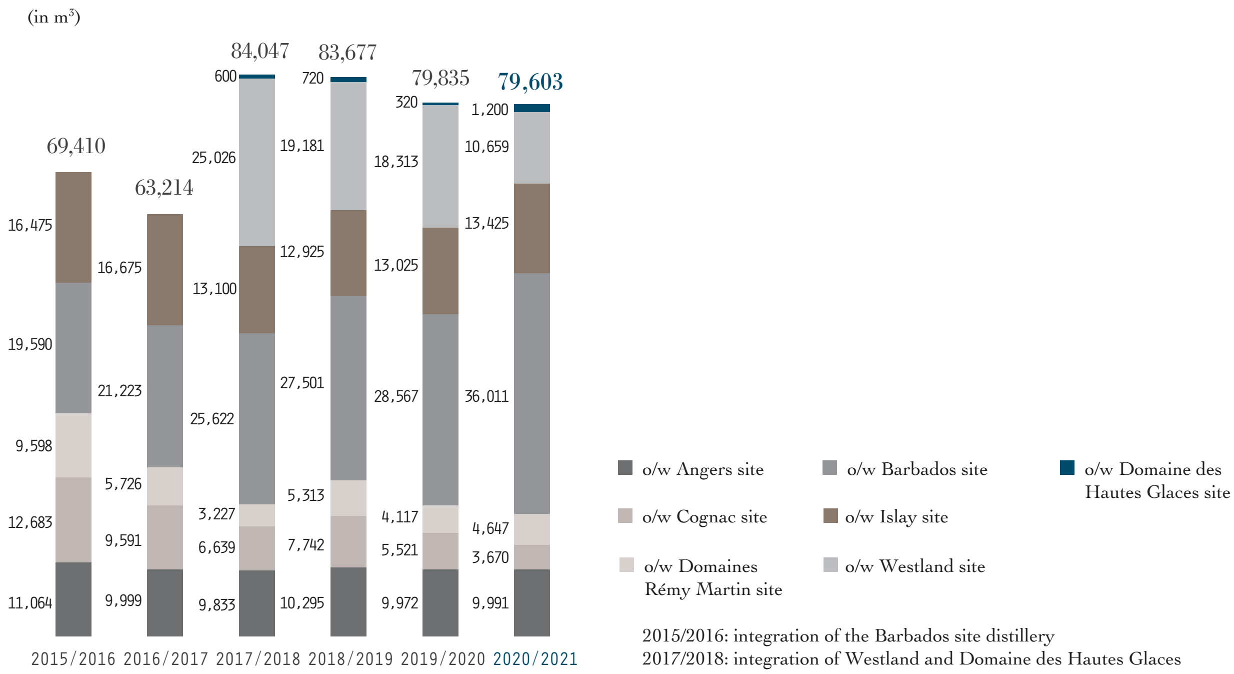
Special attention is given to treating liquid waste from production sites. The majority of this liquid waste takes the form of vinasse. For several years, the volume of liquid waste has been monitored and BOD/COD analyses are carried out regularly before and after treatment and before discharge into the natural environment (GRI Standard 306-1).

Within this framework, the approach for the treatment of liquid waste on a site-by-site basis is as follows:

- for the Cognac and Angers sites, all liquid waste is processed by local treatment plants;
- the Barbados site uses part of its vinasse as fertiliser in accordance with specifications that comply with local regulations, with the remainder being discharged to the natural environment in compliance with local practices. Part of the vinasse is spread on the Mount Gay property and other agricultural holdings in Barbados. This contributes to the natural fertilisation and water supply of agricultural soils. This initiative is carried out in partnership with local environmental bodies;
- at the Islay site, and in accordance with local regulations, the vinasse is sent to a reprocessing plant shared with other distilleries on the island. The vinasse is diluted then discharged to sea by pipeline to a point far from the coast in order to ensure that the discharge has no environmental impacts;
- all of the Domaines Rémy Martin vinasse is entrusted to a local vinasse methane conversion and green energy production plant, on whose Board Rémy Martin sits (Revico site in Cognac);
- Domaine des Hautes Glaces spreads all of its vinasse on agricultural land in accordance with spreading specifications that comply with local regulations. This enables a reduction in the amount of chemical fertilisers used for future crops;
- all liquid waste from the Westland site is treated by a local liquid waste processing plant.

Liquid waste discharges (79,603m³) were stable compared to the previous year (GRI Standard 306-1). Increases in the amounts liquid waste discharges from the Barbados sites (increase in distillation operations), Domaines Rémy Martin (following more extensive distillation operations than last year – larger harvest) and Domaine des Hautes Glaces (following the commissioning of the new distillery – higher production capacities than the old distillery) were offset by the drop in liquid waste discharges from the other production sites.

Volume of liquid waste (GRI Standard 306-1)



2015/2016: integration of the Barbados site distillery
2017/2018: integration of Westland and Domaine des Hautes Glaces

At the Angers, Cognac and Domaines Rémy Martin sites, after being treated in treatment plants and being returned to the natural environment, pollution from liquid waste was stable compared with the previous year, with 0.7 tonnes of BOD (Biochemical Oxygen Demand – 0.8 tonnes in 2019/2020) and 3.0 tonnes of COD (Chemical Oxygen Demand – 3.2 tonnes in 2018/2019).

Total liquid waste pollution discharged from the Group's sites was 1,381 tonnes of BOD and 3,221 tonnes of COD. The BOD and COD values were up by 6% and 12% respectively. These changes are attributable to the increase in the amounts of liquid waste from the Barbados sites (increase in distillation operations) and Domaine des Hautes Glaces (following the commissioning of the new distillery – higher production capacities than the old distillery). The annual variability in the composition of liquid waste is also a reason for the increase in BOD and COD values (as was the case of the Islay site this year).

With regard to vinasse recovery, a new indicator was introduced this year. As with solid waste, the new calculation compares the volume of vinasse "material" recovered (land application) or energy recovered (methanisation and generation of green energy) with the total vinasse volume. The aim is for this to reach 70% within five years (*i.e.* by the end of the 2025 CSR plan). In this first year, the figure was 32%. Applied retrospectively to the previous financial year's data, the figure is 23%. This increase is mainly attributable to the increase in amounts recovered at the Barbados site for the application of vinasse (from 24% in 2019/2020 to 37% in 2020/2021).

1.3.2.5 CIRCULAR ECONOMY AND REDUCTION OF RAW MATERIAL CONSUMPTION

Challenge

Rémy Cointreau believes it has a duty to contribute to the international effort to tackle global warming. The management of raw materials is part and parcel of this objective.

The main challenge is to reduce the consumption of raw materials, particularly in product packaging. This is one of the most significant carbon emission items, and it is possible that the cost of these raw materials will increase in the coming years. The introduction of circular economy initiatives based on waste reduction and recovery is also a priority issue for the Group.

Policy

The objective of the Eco-design project, as an integral part of the 2025 CSR plan, is to reduce the consumption of raw materials used for product packaging. Internal software for packaging EPI (environmental performance index) is used to measure the environmental impacts of Rémy Cointreau's product packaging, and more specifically the impacts from CO_2 emissions and water consumption (GRI Standards 305-3 and 303-1). First rolled out at the Cognac and Angers sites, this measurement tool is now available for all of the Group's production sites. The aim is to achieve 100% eco-designed Group products by 2025 (commitment 4 – act4nature international).

This software was rolled out together with routine training in eco-design for employees in Purchasing, Marketing and Product Development.

Subscribing to the Ecoinvent data base helps us to better identify the emission factors selected according to the types of materials used for the Group's packaging. The joint work carried out throughout the year with our suppliers, makes it possible to use their emission factors.

With regard to its waste treatment, the Group's policy is first and foremost to reduce its tonnage, for example by monitoring the amount of waste generated by packaging lines. The aim will then be to recycle all waste, giving priority to sorting and materials recovery. This ties in neatly with the concept of a circular economy. Energy from waste is a last resort for the final recovery of residual unsorted waste.

Action plans

Eco-design of products

The first step in the Eco-design project was to launch an eco-design training plan for the Purchasing, Marketing and Product Development teams in 2017 (GRI Standard 404-1 indicator). The aim was to raise awareness on reducing the environmental impact of packaging by analysing and improving the product life cycle, in particular. For these teams, the aim is to work upstream with simple indicators, shared by the three business sectors, with well-defined objectives such as reducing raw materials or increasing the use of recycled materials.

Two types of training were provided:

- general training in eco-design for employees in Marketing, Purchasing and Product Development;
- technical training in eco-design for Product Development staff at the Cognac and Angers sites.

For the past three years, regular training in eco-design has been provided to employees in Purchasing, Marketing and Product Development.

Internal software for packaging EPI (environmental performance index) is used to measure the environmental impacts of Rémy Cointreau's product packaging, and more specifically the impacts from CO_2 emissions and water consumption (GRI Standards 305-3 and 303-1). First rolled out at the Cognac and Angers sites, this measurement tool is now available for all of the Group's production sites.

The scores obtained vary depending on the product; the higher the score, the greater the environmental impact. This enables improvements to be identified to mitigate the environmental impacts, for example by reducing the weight of the various materials used in packaging. This fully addresses the need to reduce the consumption of raw materials.

The use of glass is of particular concern. Two targets are apply directly to this material:

- reducing the weight of the bottles so that less glass is used;
- increasing the use of cullet (recycled glass) to reduce the quantity of raw materials (such as sand) used in glassmaking.

These two measures address the social and environmental challenges associated with sand extraction at the global level, by reducing the use of this natural resource in the manufacture of bottles containing the Group's products (GRI Standard 301-2 indicator).

This year, as a result of the work group for the eco-design of products, several areas for action have been identified: Some involve reducing the weight of packaging, integrating recycled materials into the materials used and eliminating boxes. A focus could also be placed on changes in consumption patterns with, for example, bottle "deposit-return" or "refilling" systems. The quantified model including all the initiatives selected is currently under way and will be approved in the form of a "carbon roadmap" in the first months of the 2021/2022 financial year.

The Group also confirmed its "Zero Plastic" commitment under the 2025 CSR plan. Ultimately the aim is to have packaging that is free from plastic, for example by replacing it with alternative materials. In the meantime, the priority is to use only recyclable or bio-sourced plastics.

For the past year, the EPI measurement will apply to any new packaging design and will be part of the decision-making process for new products, for all Group brands, excluding Bruichladdich and Westland, which will apply this process in 2021. This year, the use of the EPI in the development of a new product enabled to reduce the weight of glass by 14% compared to the initial project.

The first practical measures have been taken to reduce the environmental impact of our packaging. We have more designed more environmentally friendly cases and phased out some presentation boxes and designed new ones.

For some of its products, Rémy Martin's objective is to eliminate 50% of its secondary packaging by 2025 worldwide. The operation was first launched in the United States. In parallel to this initiative, life cycle assessments (LCA) are carried out to reduce the environmental impact of certain boxes.

Westland is also committed to reducing the amount of waste generated by its packaging. In addition, all Westland secondary packaging will be 100% recyclable from 2023.

This year, the Bruichladdich brand encouraged its customers to reduce packaging by launching the "One Tin Lighter" operation. All single malt whiskey bottles now have an optional outer packaging. When shopping online or at the distillery shop, the default option is no packaging. If they want to make a purchase with packaging, customers will have to specifically request it. The goal is to eliminate secondary packaging globally with ambitious plans to implement this initiative across the globe. The project is also considered to be an important step to gain knowledge on customer behaviour in respect of packaging over the long term. Their choices will allow us to better target long-term sustainable development projects in order to reduce our environmental impacts.

Bruichladdich is also involved in the eco-design of its packaging. Several initiatives were launched this year:

- inclusion of the analysis of the carbon footprint for packaging components in the product development process from the earliest stages so that it becomes an determining criterion in the choice of packaging;
- updating of the supplier purchasing policy to place a stronger focus on environmental performance and sustainability.

New suppliers will be selected according to these criteria, in addition to the usual financial, technical and aesthetic capabilities, with the aim to ensure that the sustainability and environmental impact of the goods supplied are as critical as other considerations in the selection process of suppliers and components.

The redesign of the Bruichladdich brand packaging is also planned as part of the 2025 CSR plan, to make it lighter and more sustainable (reduction of the carbon footprint).

The Group shares its convictions with its stakeholders. This year, the Angers site took part in the call for applications launched by the FFS (Fédération Française des Spiritueux, or French federation of spirits producers) to carry out a collective assessment on packaging, together with Adelphe, non profit producer responsibility organisation. The assessment, conducted at the site by a Packaging expert, was used to determine a set of operational recommendations to reduce the amount of packaging used, reduce environmental impacts and reduce production costs. This assessment also enabled to confirm that the packaging of the Cointreau liqueur was entirely "eco-designed". Collective feedback on the findings of the assessment carried out at the Angers site and in another French company was provided to all FFS and Adelphe members.

The teams concerned are also evolving to achieve the Group's eco-design objectives, for example with the creation this year of a new position of Packaging Development Director at the Islay site in Scotland.

In addition to Product packaging, the eco-design objectives of the 2025 CSR plan will apply to the promotional items used by the Group.

Waste management

Rémy Cointreau takes measures to reduce the amount of solid waste on its sites with a policy of educating staff about waste sorting and recycling.

Generally, solid waste from the Group’s production sites supplies energy or materials recycling channels. It is mainly comprised of packaging waste (glass and cardboard). For two years, solid waste monitoring and processing indicators have made the distinction between materials recycling and energy recovery. The Group’s priority objective is to reduce the tonnage of solid waste and then to encourage material recycling rather than energy recovery.

At the Group’s Paris administrative site, sorting has been in place since December 2016 with the company Greenwishes. Office bins have been replaced by three centralised sorting bins and waste collected is guaranteed to be 100% locally recycled. Note that after this initiative was shared with all of the companies who occupy the same building, the solid waste sorting and recycling initiative was extended to the entire building. The Paris site also replaced traditional paper towel rolls with electric hand driers.

Actions are also regularly carried out at all production sites to limit plastic waste. Worldwide, plastic bottles have been removed from meeting rooms and replaced by carafes.

At the Paris and Angers sites, plastic cups have been replaced by paper cups in drink machines. Aluminium water bottles have been issued to employees and water fountains have been installed.

The Westland site has also switched to using compostable cups. In addition, it has taken steps to train staff in good waste management techniques and in identifying what can be recycled and composted.

This year, with its EnviroStars certification, Westland continued to optimise its waste management. The site has increased its sorting and recycling capacities, particularly for plastic packaging, plastic films and batteries. The creation of a waste management plan is underway and audits are scheduled for next year.

The Cognac site, along with twelve other companies, has committed to a programme with the support of local authorities to reduce waste or even avoid its generation. An internal assessment is carried out and each company undertakes to carry out a new waste reduction initiative.

On this same site, new single-material cups, made in France, without plastic film, totally recyclable in the “paper” channel or compostable waste, were made available near drink machines.

The bio-waste from the company restaurant of the new administrative building will be entrusted to an external company and processed using a dehumidification technology. Food leftovers are ground into powder and then used as a fertiliser.

At the laboratory of the Cognac site, the audit conducted by the Green Laboratory Project outlined the quality of waste sorting.

In Barbados, Mount Gay introduced a new waste treatment process two years ago – mainly for glass, cardboard and plastic. A new awareness-raising campaign for employees on waste management and sorting was carried out this year, supplemented by an internal campaign to recycle glass and plastic, in order to encourage employees to sort waste better.

As a B-Corp certified company, the Islay site monitors and sorts its waste. Numerous initiatives have been put in place, such as a more active engagement with existing suppliers to reduce transport packaging where possible.

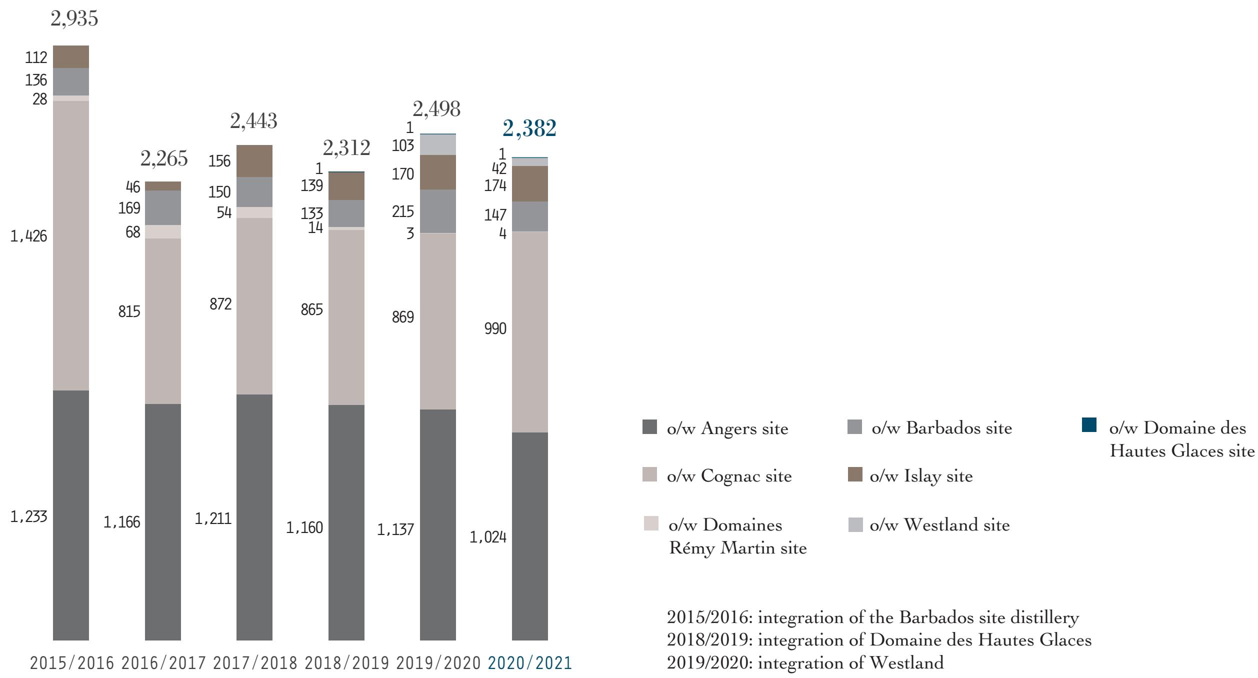
Since September 2012, the OIW (Ordinary Industrial Waste) from the Angers site has been recycled by a combined energy unit (urban heating). Since October 2017, at the Cognac site, OIW is recovered for use as solid recovered fuel (SRF) to produce energy.

Total waste (2,382 tonnes – GRI Standard 306-2 indicator) was down by 4%. The percentage of materials recovery from solid waste 88%, up by 2% compared to the previous year. The percentage of energy recovery from solid waste was stable overall, at 6%. This year, the total percentage of waste recovery totalled 95%, an increase of 2% compared to 2019/2020.

The Angers site maintained an excellent performance with a total recovery percentage of 100%. This year, the Cognac site also achieved a total recovery percentage close to 100%, up by 2% compared to the previous year.

Quantity of waste (GRI Standard 306-2)

(in tonnes)



2015/2016: integration of the Barbados site distillery
2018/2019: integration of Domaine des Hautes Glaces
2019/2020: integration of Westland

1.3.2.6 CUSTOMER INFORMATION

Challenge

Civil society is regularly concerned about the appropriate management of natural resources and how they are managed. Our customers pay increasing attention to the way they consume and the future of the planet. Therefore Rémy Cointreau has a duty to provide answers and assurances in response to these expectations. There is also the issue of the Company's sustainability and customer reputation.

Policy

Customers are a core concern for Rémy Cointreau, which constantly strives to closely meet their needs and expectations. To respond to them as precisely and as quickly as possible, Rémy Cointreau keeps a very close eye on client demand through constant monitoring, especially on social networks. Rémy Cointreau is keen to develop indispensable local support for its customers worldwide in order to provide all the product information they require, for example through labelling and the information available on the Group and brand websites.

Action plans

Sometimes far away, but always close, the clients of Rémy Cointreau are at the heart of our concerns. Our customers are given all the necessary regulatory information whether on labels or dedicated websites.

Under the aegis of spiritsEUROPE, the European representative body for the spirits industry, Rémy Cointreau co-signed in 2019 – together with five of the world's largest producers of spirits and several national federations – a memorandum of understanding (MoU) under the terms of which the signatories pledged to gradually include detailed nutritional information on labels and to publish a complete list of ingredients online. By the end of 2022, two thirds of products marketed by signatories in the European Union will carry nutritional information. Eventually, this will have to apply to all products.

All Group packaging also features symbols denoting the recyclability of the packaging. It also includes advice on drinking responsibly (see section1.3.3.1 "Responsible consumption of our products").

For the past few years, Rémy Cointreau has conducted an internal rating process carried out in two steps during the year to assess the level of satisfaction of retailer customers. Areas for improvement are then systematically examined and shared with said customers. In 2020, the health crisis resulting from the Covid-19 pandemic prevented the usual annual survey carried out in March from being conducted. This year the survey was able to take place once again and the satisfaction rating obtained was 16.9 out of 20. As a reminder, the rating was 17.8 out of 20 in 2018/2019 (GRI Standards 102-43 and 102-44).

The Group also replied to questions from retailer customers, mainly in Europe (Norway and the United Kingdom) about the Group's CSR commitments.

The site visits offered by the Group also reflect its quest for excellence. Rémy Martin offers world-class wine tourism packages with bespoke itineraries. It focuses on offering visitors a warm welcome, organising tours that showcase the know-how, heritage and history of the brand. The visits organised as part of the "Heritage Days" event are still hugely successful.

Internally, the Cognac and Angers sites published a welcome, visits and reception Quality Charter incorporating responsible consumption.

The Cognac site won the national wine tourism award in the “development of a cellar or viticulture site” category. It also held on to its TripAdvisor certificate of excellence this year. Because it has been awarded this certificate each year for more than seven years, the site has been indoctrinated into the “Certificate of Excellence Hall of Fame”.

The site was also picked by the non-profit organisation *Entreprise et Découverte* as one of the top 100 sites for excellence in industrial tourism.

In 2020, Rémy Martin was picked by the DGE *(Direction Générale des Entreprises)* and by the non-profit organisation *Entreprise et Découverte* to be one of the three national companies that will follow up and participate in a call for projects on knowledgeable tourism. This project will last for three years in collaboration with the French Ministries of Foreign Affairs, Culture and Education.

Since 2012, the Cognac site has held the French government’s *Entreprise du Patrimoine Vivant* (Living Heritage Company) label, which was established to reward businesses that promote French craftsmanship and tradition. At the end of 2017, the certification has been renewed for five years.

The Angers site also holds “*Entreprise du Patrimoine Vivant* certification”, together with “*Qualité Tourisme*” certification.

At Cognac and Angers, the visitor circuit guides are trained each year in our CSR policy so that they can explain and promote the Group’s best practices to visitors.

The need for transparency towards customers and all stakeholders requires the Group to respond regularly to requests for information on socially responsible investment (SRI) and non-financial ratings.

The Group is assessed by the Vigeo Eiris non-financial agency. The previous rating carried out in early 2020 shows an overall increase in Rémy Cointreau’s scores compared with the last rating in 2018.

In December 2020, MSCI updated the rating of Rémy Cointreau, which obtained an “A” rating. The assessment of the Group’s carbon strategy in under way.

The *Emploi Humpact* job rating also improved a score of 3.5 stars out of five possible. In terms of employment, Rémy Cointreau ranks eighth out of 40 companies in the same business sector, up by 18 places compared to the previous ranking.

For several years, the Group has completed annual CDP (Carbon Disclosure Project) questionnaires on the management of greenhouse gas emissions (Climate Change programme) and water (Water Security programme).

In connection with the implementation of its strategy, the Group obtained for the first time an “A-” rating from the CDP (Carbon Disclosure Project), which gives it “Leadership” status. This demonstrates the Group’s concrete commitments and initiatives to reduce its carbon footprint.

Rémy Cointreau also improved its CDP Water rating by obtaining a “B” rating for the first time, following its actions to protect water resources. This rating now places the Group in line with the average ratings of companies in its sector of activity and of all European companies rated by the CDP.

This year, Rémy Cointreau received two awards that reflect the merit of its CSR strategy:

- trophy for the “2020 Best Non-Financial Performance Statement produced in response to Article L. 225-102-1 of the French Commercial Code”, awarded by the *Conseil Supérieur de l’Ordre des Experts-Comptables* (French High Council of Chartered Accountants, CSOEC) and the *Compagnie Nationale des Commissaires aux Comptes* (French National Organisation of Statutory Auditors, CNCC);
- 1st place in the agri-food sector and 26th place all business sectors combined of the ranking for socially responsible companies in the study carried out by the *Le Point* magazine in partnership with Statista, an institute based in Germany.

1.3.3 Societal risks

1.3.3.1 RESPONSIBLE CONSUMPTION OF OUR PRODUCTS

Challenge

The promotion of responsible consumption is a key issue for Rémy Cointreau. The fact that the Group's products are positioned at the high end of the range brings with it a major commitment to responsible consumption and the protection of our exacting clients, from both an ethical and performance point of view.

Policy

Rémy Cointreau's responsibility on the subject of responsible consumption of products covers two areas:

- promoting responsible consumption;
- promoting responsible communication.

By actively participating in the "Alcohol and Society" or "Alcohol and Health" working groups set up by professional bodies, Rémy Cointreau is helping to implement a responsible strategy developed by the wider spirits industry (GRI Standard 417-1).

Action plans

The key role of representative organisations

Rémy Cointreau is active in the following major organisations:

- in France: the FFS (*Fédération Française des Spiritueux*, or French federation of spirits producers), the FEVS (*Fédération des Exportateurs de Vins et Spiritueux*, or French federation of wine and spirits exporters) and the *Prévention et Modération* (Prevention and Moderation) association;
- in Europe: spiritsEUROPE (the European Spirits Industry Federation);
- in the United States: DISCUS (Distilled Spirits Council of the United States);
- in Barbados: BAIA (Barbados Alcohol Industry Association);
- in Asia: APISWA (Asia Pacific International Spirits and Wines Alliance);
- in China: FSPA (Foreign Spirits Producers Association).

One of the objectives shared by all these groups is to contribute to the development of alcohol action plans to assist governments to protect consumers, through their members' ethical commitments and advertising self-regulation.

By their very nature, it is impossible to measure quantifiable results on these major and long-term measures. Nonetheless, the outcomes of these programmes mean that international bodies (WHO, OECD) consider that:

- the primary objective of the actions is to combat excess alcohol consumption;
- the voice of the spirits industry is important in establishing consumer protection programmes and, as a result, representative organisations must be present during discussions addressing the issue of responsible consumption by consumers;
- the principle of ethical self-regulation of the promotion and advertising of spirits provides a guarantee of safety for the consumer.

The spirits industry continues to improve the information provided to consumers (packaging, development of online information) by developing web sites dedicated to disseminating knowledge about the health risks of alcohol.

Rémy Cointreau is also still involved in the French "Alcohol Prevention" plan. Drawn up by five professional bodies in the alcoholic beverage sector, the plan commits professionals to being proactive in preventing risky behaviours. Several actions are proposed, such as supporting people who may have a problem with alcohol and issuing breathalysers.

Initiatives to promote responsible consumption

A raft of initiatives conducted over recent years reflects Rémy Cointreau's commitment to promoting responsible consumption of its products:

- in Europe and Asia, the Group is gradually implementing voluntary decisions to include symbols on its packaging with advice for pregnant women (GRI Standard 417-1);
- a willingness, in Europe, to include the responsibledrinking.eu URL on packaging. This is the EU portal for consumers of 28 European countries, which provides comprehensive information on the risks of alcohol abuse;
- the development of a responsible consumption page on the Rémy Cointreau Intranet;
- distribution of Responsible Consumption materials to the sales force: Responsible Consumption guide, a booklet on "How to plan for responsible consumption of Rémy Cointreau products when hosting and receiving our guests", and a "Responsible Consumption menu";
- update and new distribution of the RC Alcooflash app for iPhone users (internal audience);
- signing the DFWC (Duty Free World Council) code of conduct, which focuses principally on responsible advertising and the responsible management of points of sale;
- an awareness-raising campaign of responsible consumption in Barbados and support for the commitments of the WIRSPA (West Indies Rum & Spirits Producers Association);
- the co-signing by Rémy Cointreau of the European nutrition labelling MoU.

  Under the aegis of spiritsEUROPE, the European representative body for the spirits industry, Rémy Cointreau co-signed – together with five of the world's largest producers of spirits and several national federations – a memorandum of understanding (MoU) under the terms of which the signatories pledged to gradually include detailed nutritional information on labels and to publish a complete list of ingredients online.

  The MoU was signed in Paris during the annual congress of spiritsEUROPE, in the presence of the European Commissioner for Health and Food Safety.

  The main objective of the MoU is that by the end of 2022, two thirds of products marketed in the European Union will carry nutritional information, with an interim objective of 25% by the end of 2020. Rémy Cointreau achieved the interim objective.

This year, these initiatives were supplemented by new actions.

In Barbados, Mount Gay has maintained its partnership with the Substance Abuse Foundation (SAF), which fights all forms of addiction, including excessive alcohol consumption. Mount Gay continued to be actively involved in the BAIA (Barbados Alcohol Industry Association), in particular through the development of awareness campaigns to promote responsible drinking with, for example, the implementation of autonomous regulation for advertising. A partnership has also been launched with Adopt-A-KM, a community-based programme to beautify and maintain the roads in Barbados. As part of this programme, communication panels on responsible consumption were installed for a period of 12 months along two of the island's busiest highways, thereby ensuring maximum visibility of this prevention campaign.

Also in Barbados, Mount Gay made the decision last year to place new labels on rum bottles with specific guidance for consumers to raise awareness of the risks of drink-driving, underage drinking and drinking during pregnancy. This decision was implemented this year.

In the United States, as a member of the Distilled Spirits Council of the United States (DISCUS), Westland has officially adopted the organisation's code of responsible practices. Westland employees have been trained on this code. They are required to comply with the guidelines that apply to all advertising and marketing activities in the US domestic market: product advertising, consumer communications, promotional events and distribution and sales material.

Aside from these examples, Rémy Cointreau also adheres to the various responsible communication and consumption codes of international professional bodies and federations.

1.3.3.2 RESPONSIBLE PURCHASING

Challenge

For Rémy Cointreau, CSR implies the involvement of all its stakeholders, including its suppliers. Getting its suppliers to adopt its CSR policy is therefore a key issue for Rémy Cointreau, to ensure that all purchases are made within a responsible framework, in particular in terms of respecting Human rights and safety at work. It is also vital for the Company's reputation with its customers.

Policy

Rémy Cointreau's responsible purchasing policy covers all three aspects of CSR: the environment, employees and society.

To meet these objectives, the Group endeavours to use shared tools which it can offer to its global tier-one and tier-two suppliers. This applies to centralised raw material purchases managed at Group level, i.e. purchases including ingredients, packaging and promotional items. As part of this effort to improve transparency and ethics in its business practices, Rémy Cointreau specifically asks its suppliers to join SEDEX (Supplier Ethical Data Exchange), an international organisation that seeks to foster ethical and responsible business practices in global supply chains. To facilitate the achievement of this objective, regular discussions are held with our suppliers throughout the year to present the Group's CSR policy, particularly in the area of responsible purchasing.

Two new indicators representative of the rolling out of SEDEX among our suppliers were also created this year to more accurately reflect their commitments.

Action plans

The SEDEX international platform has simplified the Group's purchasing practices and allows it to share supplier audits performed by their other customers: information on working standards, health and safety, the environment and sales ethics is available online.

This year, specific communication presenting the Group's CSR policy on responsible purchasing was sent by post to all suppliers.

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In addition, in order to have a more detailed view of the CSR policies of our suppliers, including tier-two suppliers, it was decided to create two new indicators representative of their SEDEX commitments (GRI Standard 308-1 and 414-1 indicators):

- indicator AR1: percentage of suppliers who are members of SEDEX and classified as "active", *i.e.* granting access to all their information, including in particular their answers to the self-assessment questionnaire;
- indicator AR2: Percentage of suppliers who are SEDEX members and who provided all the information requested in the self-assessment questionnaire.

The self-assessment questionnaire allows SEDEX suppliers to share information about their business with their customers by answering a comprehensive list of questions tailored to different types of businesses.

The questions are based on the four pillars of the SMETA audit methodology (SEDEX Members Ethical Trade Audit) regarding working conditions, employee health and safety, environmental impacts and business ethics.

The use of SEDEX information enabled to measure the two new indicators for the first time: 82% for the first (AR1) and 49% for the second (AR2). The targets set are to achieve 100% (AR1) and 80% (AR2) by the next financial year (2021/2022).

This initial use of SEDEX data allowed to identify more precisely potential CSR risks among our suppliers. However, these risks are identified solely using self-declaration questionnaires, since not all suppliers are subject to a compulsory CSR audit. To remedy this shortcoming, Rémy Cointreau will call on external audit bodies, either using their own audit form or the SEDEX Members Ethical Trade Audit (SMETA) form. After a first audit carried out in 2019/2020 at a packaging supplier of to test the approach, eleven new supplier audits were carried out this year. The audits targeted suppliers of packaging items and agricultural raw materials as part of the "Sustainable Agriculture" project.

SEDEX has entered into an agreement with the CDP Carbon Disclosure Project, a non-profit organisation focused on studying the impact of the major listed companies globally on climate change. Since 2006, Rémy Cointreau has regularly completed CDP surveys (CO_2 emissions and water management). This requires the Group to commit to actions that help suppliers reduce their carbon emissions. This is the case, for example, with the Eco-design project (see section 1.3.2.5 "Circular economy") and the project to reduce CO_2 emissions from product transportation (see section 1.3.2.3 "Climate change").

In 2019/2020, Rémy Cointreau updated its general purchasing conditions for all the Group's French sites. This document, sent to all suppliers, is designed to provide a solid legal framework for contractual relations with them.

For the past two years, supplier documents have been electronic. New software has been installed in the Accounts Payable department to enable the receipt and processing of electronic tax invoices from suppliers. All suppliers were contacted to inform them and raise awareness of the new document exchange procedures. This reduces the time it takes to send and process invoices.

The Cognac site continues to source wood casks that are PEFC certified (*Program de Reconnaissance des Certifications Forestières* – an international NGO that promotes the protection and sustainable management of forests throughout the world). Since 2003, all large-capacity casks have been made of PEFC certified wood. The same is true for 60% of our cask purchases. The aim is to achieve 100% as part of the 2025 CSR plan.

Over the past few years, all these actions have continued to perpetuate Rémy Cointreau's involvement with its suppliers. For example, in 2019, the Group won the TMI Most Ethical Corporate Supply Chain 2019 award from the international association Treasury 4 Good. This award recognises corporate treasury professionals who support CSR initiatives.

1.3.3.3 LOCAL TERRITORIAL IMPACT

Challenge

Supporting local communities and acting as a responsible stakeholder is a key issue for the Group. In line with its worldwide activity, Rémy Cointreau is mindful of its societal impact in relation to the sustainable economic development of the areas in which it operates. At the heart of its 2020 CSR plan, particular importance was thus given to initiatives that support the community. This is maintained in the 2025 CSR plan. The Group thus contributes to local community development by helping to create value in the regions in which it is based.

It is also a question of the Company's reputation and appeal, whether with customers or future employees.

Policy

In order to meet the challenges related to its societal impact, Rémy Cointreau supports sustainable local economic development and community initiatives. The Group's aim is to be involved alongside the actors in its *terroirs* and local communities.

Rémy Cointreau thus provides its expertise on numerous topics and promotes the merits of corporate social responsibility. As a member of the Committee of CSR Experts of the Colbert Committee, which defends the values of French luxury goods, Rémy Cointreau contributes to the sharing of best CSR practices.

Worldwide, Rémy Cointreau's employees are also joining forces to serve the public and connect with local communities. Through its actions, its direct and indirect impacts and the enthusiasm of its employees, the Group is spearheading initiatives to foster a climate of mutual assistance and interaction in the regions where it operates.

Action plans

Engaging with local stakeholders

The Group works alongside schools, universities and organisations dedicated to economic development. Its commitment is also reflected in its support for regional associations that work to promote sustainable development. For example, the Group supports the business association *Altère* in Poitou-Charentes, which facilitates discussions on CSR topics among local economic actors. Of the recent workshops organised by this association, two focused on the implementation of remote working and responsible purchasing. The last topic was perfectly in line with of Rémy Cointreau's major CSR commitments.

In 2020, Rémy Cointreau also supported a highly innovative local initiative in Cognac spearheaded by the Greater Cognac Development Council: a Climate Collage workshop was organised as part of its "Make the Transition" event. The aim was to encourage local residents to have fun while thinking about the serious issue of global warming, working in teams to create a collage using maps illustrating the causes and consequences of global warming. A special workshop was held for younger generations where they could build a "junior" collage. Both this and the collages made by the adults were kept. They will go on public display to continue raising awareness of the major challenge that global warming represents for a *terroir* such as the Cognac region.

This year, again in Cognac, Rémy Cointreau is present in a working group for the development of local and sustainable food in collective restaurants in the community of municipalities.

For several years, Rémy Cointreau has sought to have an active role in the sustainable development of local areas. With this in mind, it makes regular contributions on topics of interest to CSR actors.

This year, for example, Rémy Cointreau gave a presentation at the 2020 Annual report conference, organised in Paris by the company DII. The intervention focused on the implementation of the Non-Financial Performance Statement and the inclusion of financial and non-financial indicators.

The Group also hosted a CSR meeting at the Angers site in October 2020 organised by the Pays de la Loire region's CSR platform, the *Comité 21 Grand Ouest* and the *CPME Maine et Loire* (Confederation of Small and Medium-Sized Enterprises). The subject of the meeting was on CSR, a performance and attractiveness driver for SMEs and Rémy Cointreau intervened to present its CSR policy and share its experience with the Company managers present.

Also in association with the BNIC (French national body for the Cognac industry), Rémy Cointreau is part of the regional initiative to develop) a CSR strategy for the Cognac industry.

Rémy Cointreau is also involved in the publication of the Colbert Committee's Guide, "Values of French luxury goods and corporate social responsibility goals". This compiles examples of best practice for 15 sustainability goals grouped into four values: aesthetics, high standards, sustainability and compliance. This year, the Group updated all its CSR information, in the form of around fifteen memo sheets presenting the major actions carried out for sustainable agriculture, biodiversity conservation, human resources management and responsible purchasing, adaptation to climate change, eco-design of packaging, communication and responsible consumption and involvement in the regions.

Rémy Cointreau is keen to promote a positive corporate responsibility culture in training syllabuses. In France, it continued to give presentations to students graduating from France's *Grandes Écoles*, such as the Nantes-Atlantic National College of Veterinary Medicine, Food Science and Engineering (ONIRIS Nantes), and the ESSCA School of Management in Angers. The presentations showcased the Group's CSR strategy and initiatives.

On the Barbados site, Mount Gay continues to maintain close links with local schools. Once again, the Distillery welcomed around twenty students from the Samuel Jackman Prescod Institute of Technology (SJPIT) as part of a course project on arboriculture. Students were able to apply their knowledge to orchard design, composting, fruit tree planting, pruning, fertilisation and mulching. Emphasis was also placed on the use of sustainable agricultural practices and resulted in the planting of 1,000 trees. The wealth of information exchanged in the course of these meetings enables all Mount Gay employees, students and stakeholders to enhance their knowledge in the implementation of responsible and sustainable agriculture.

The Group also shares its convictions with its stakeholders. This year, the Angers site took part in the call for applications launched by the FFS (*Fédération Française des Spiritueux*, or French federation of spirits producers) to carry out a collective assessment on packaging, together with Adelphe, non profit producer responsibility organisation. The findings concern for example a reduction in packaging volumes and were included in a collective feedback provided to all FFS and Adelphe members.

Supporting local communities and acting as a responsible stakeholder

True to Rémy Cointreau's values, various solidarity initiatives provide inspiration to employees and in recent years, they have played a full role in the Group's societal commitments.

Rémy Cointreau continues to be active with the *Fondation de la 2e chance*, which provides help and support to people trying to turn their lives around after a difficult period. The Group has been involved with the Foundation for almost 15 years now.

Echoing its environmental commitments, in 2019 Rémy Martin sponsored the creation of an "Admirable Trees" trail on the Château de Versailles estate. Selected from the 350,000 trees on the estate, the 30 "Admirable Trees" stand out for their botanical rarity, history and beauty.

In Greece, in partnership with the company Paths of Greece, the Metaxa brand funded the restoration of a 10km hiking trail on the island of Samos, near the village of Vourliotes (the Path of the Muscat Vineyards). The aim of this project is to create a vital and precious asset for the village to enable visitors to explore its surroundings.

On Islay, Bruichladdich, the leading local employer, is also closely involved in local community life, for example by sponsoring local community gardens.

In Barbados, Mount Gay is one of the main economic stakeholders on the island and is fully aware of its role and responsibilities. The Group encourages and supports its employees' involvement in community plastic waste collection initiatives, implementing selective waste collection and waste transformation activities, training in best practices, promoting the responsible consumption of alcohol at major festive events, and helping disadvantaged families in order to provide them with decent housing.

In September 2020, Mount Gay organised an event related to the performance culture of employees and their involvement in the local community. Action was taken to restore the clubhouse and field of a sports centre. The interior and exterior of the building were repainted. Landscaping was also carried out and the yard was renovated to make the facilities ready for use. In the presence of the Minister of Agriculture and Food Safety, a closing ceremony brought together the members of the community centre and the National Sports Council.

In October 2020, Mount Gay took part in an initiative in primary schools by contributing to a donation of cut barrels to be used as garden pots. The aim is to use small-scale agriculture and gardening in the fight against childhood illnesses. Four schools participated in the first phase of the programme.

For the past two years, a major event for the Group has been the international "We Care Day". All Group employees are encouraged to spend the day working to improve the local area.

The first "We Care Day" took place in June 2018. At each of the Group's sites, Rémy Cointreau employees took part in environmental and local heritage initiatives.

In 2019, the second "We Care Day" also took place in June. As in the previous year, the environment and local heritage were the focus of attention of the Group's employees. In Cognac, they joined forces again to work on restoring the Château de la Mercerie and help clear the Abbaye de Châtre site. In China, trees were planted in the Pudong district of Shanghai. In Singapore, our teams picked up 135kg of litter from East Coast Beach. Beaches were also cleaned up in Africa, the Middle East and India. In Greece, on the Saronida beach south of Athens, more than a tonne of litter was collected thanks to the work of our employees. In the United States, our Global Travel Retail (GTR) team built a butterfly garden and cleared invasive plants from the gardens of Thomas House in Miami. In New York, 23kg of litter was collected on Rockaway Beach. Polluting waste was also removed from the shores of White Rock Lake in Dallas. In London, our staff built a playground at Stave Hill Ecology Park. In Malaysia, for the second year in a row, a nature trail was created in association with the Malaysia Nature Society.

Various other initiatives were carried out at other Group sites and were shared on social media. This annual worldwide event is also an opportunity to strengthen ties between local communities and the Group's employees.

Due to the Covid-19 pandemic, We Care Day could not take place in 2020 due to health restrictions. The format of the 2021 edition is being prepared in order to adapt it to current health constraints.

Also actively involved with local communities, the Rémy Cointreau Foundation is continuing its actions to support initiatives of general interest to promote and transfer exemplary skills and know-how. Through its four areas of commitment, namely the transmission for the long term, the promotion of exemplary skills and know-how, influence and skills sponsorship, it currently supports 21 craftsmen.

This year, the Foundation supported new know-how, such as a seaweed glass craftsman, a cabinetmaker designer, an ennobler of unwanted materials (carpet, wood, metal, technical fabrics offcuts are upcycled as noble materials for the luxury goods sector to be used in new creations). The Foundation's support continues to be reflected in investments in craftsmen's tools and equipment.

The Foundation is also involved in various missions with nine partners focused on exemplary craftsmanship expertise, such as:

- the opening of an Artist-in-residence institution: this year, the Rémy Cointreau Foundation is participating in the creation and coordination of violin making and archery workshop which will host professionals, as part of the opening in early spring of the *Maison Talents & Violon'celles* in Paris;
- the introduction of a training programme, including the opening of a digital training course for the *Compagnons du Devoir*, with a first pilot course including fifteen apprentices, in Nantes.

In view of the health crisis, the Foundation set up an emergency project to reduce the digital divide. This project, focused on professional and technical high schools, which prepare students for the professions of tomorrow, resonates the training of young artisans. The Foundation contributed to the acquisition of 200 laptops by public educational institutions and school cooperatives, intended for families who do not have such equipment, by using the *Plateforme Trousse à Projets* approved by the French Ministry of Education.

At the beginning of 2020, in view of the public health emergency, our employees volunteered to support healthcare providers in tackling the global Covid-19 pandemic. All over the world, our staff have made a long-term commitment to help local health workers, supplying them with alcohol and masks, the first weapons in the fight against the virus.

In the United States, after a donation of US$200,000 made in early 2020 by the Cointreau brand to the US Bartenders' Guild National Charity Foundation (a foundation whose purpose is to provide financial support to bartenders whose businesses were closed due to the Covid-19 pandemic), the Cointreau brand continued its action with a dedicated communication campaign launched in early 2021.

The same type of action was developed in Europe, with financial support for on-trade markets in Poland, Ukraine and Belgium.

In Seattle, the entire Westland site team united to fight the spread of the Covid-19 pandemic. From April to June 2020, the distillation of whiskey stopped to make way for the production and distribution of hydroalcoholic gel. The bottling and labelling of the hand-filled bottles was provided on a voluntary basis by Westland employees. More than 5,000 litres of gel were produced and distributed to different organisations throughout the Pacific Northwest (hospitals, medical clinics, homeless shelters, food banks, police and fire departments, nursing homes, dentists, libraries, day camps, bars and restaurants, etc.). Part of this production is currently still being distributed to restaurants.

In addition to the production of gel, Westland has also organised fundraising campaigns, in particular for the restaurant and bar industry. The teams took part in a monthly sports challenge: the employee with the most kilometres recorded on foot or by bike at the end of each month selects a charity which then receives a donation from Westland.

In Barbados, the Mount Gay Distillery donated more than 6,000 bottles of 1.75 litre of hydroalcoholic gel to governmental, public and private organisations (local police, Covid-19 isolation centres, schools, pharmacies, bars and restaurants, etc.). The hydroalcoholic gel was also distributed to Mount Gay employees.

Faced with the adverse effects experienced throughout the country due to the Covid-19 pandemic, Mount Gay employees also took action to help vulnerable people in their daily environment. A collection of non-perishable food and health products was organised in June and July 2020. In total, more than 1,000 food and health products were collected and delivered to the parish of Saint Lucia in August 2020.

On the Isle of Islay in Scotland, the Bruichladdich distillery teamed up with the local soap factory to manufacture hydroalcoholic gel and to distribute it to the island's hospital and doctors, as needed.

In France, the Domaine des Hautes Glaces and Cognac and Angers production sites donated neutral alcohol to local healthcare actors so that they could produce hydroalcoholic gel for pharmacies, doctors and hospitals in their regions. The Cognac site also donated masks.

At the Angers site, a ready-to-use hydroalcoholic solution was developed with the help of a professional pharmacist, in accordance with the recommendations of the World Health Organization (WHO). A supply of glycerine was set up and the production line normally dedicated to the bottling of Cointreau orange liqueur was adapted to fill and label bottles of two and five litres of hydroalcoholic solution. These bottles were then sent to the University Hospital Centre in Angers.

1.3.4 Ethical risks

1.3.4.1 GOVERNANCE

Challenge

It is vital that Rémy Cointreau's governance ensures that the Group's CSR policy is an integral part of its overall strategy at all levels of management, from the Board of Directors to employee management structures.

This is a real challenge for the credibility and reliability of the Group's CSR policy with its stakeholders, whether its employees or external partners. Rémy Cointreau must inspire confidence in its CSR commitments by demonstrating that its CSR strategy is implemented effectively and consistently at all levels of the business.

Policy

CSR governance with Rémy Cointreau is essentially the responsibility of the Corporate Social Responsibility Committee (CSR Committee), one of the Board of Directors' committees, for which the primary role is to oversee the implementation of the Group's CSR policy. Other tasks include honouring commitments (Global Compact and internal CSR Charters), reviewing the actions implemented (CSR plans), and monitoring the indicator dashboard, the findings of CSR reporting audits, changes in non-financial ratings and prospects for future action (updating CSR plans).

Given that they play a key role in CSR governance, part of the variable remuneration of senior executives who sit on Rémy Cointreau's Executive Committee is linked to CSR targets, in accordance with the SDGs selected (essentially SDG 6, 8, 12, 13 and 15). Each Executive Committee member will become an ambassador for a CSR indicator and its improvement for all Group employees worldwide.

Employee involvement is also part of the governance policy with, for example, HSE (Health, Safety and Environment) officers being appointed at the Cognac site.

The ISO 9001, ISO 14001, ISO 22001, ISO 45001, OHSAS 18001, AHVE and B-Corp certification of production sites are also evidence of day-to-day CSR governance.

Action plans

This year, the CSR Committee met three times (GRI Standard 102-27).

The main items addressed were:

- Pacte law: approval of the *raison d'être*;
- 2019/2020 CSR reporting review in relation to the EU regulation on the non-financial performance statement;
- approval and monitoring of the "Sustainable Exception" CSR plan;
- implementation of the carbon plan to achieve the 2030 carbon targets and the "Net Zero Carbon 2050" (SBT workshops);
- 2021/2022 budgets allocated to the implementation of the CSR strategy (internal carbon tax);
- change in the CSR organisation in 2021/2022;
- rollout of B-Corp certification;
- work of the Rémy Cointreau Foundation.

The Executive Committee regularly monitors the implementation of CSR plan and held two meetings on this subject this year.

One of the key aspects of CSR governance that has historically underpinned the Group's commitments is adherence to the Global Compact. Following on from the ratification and adoption of the Global Compact, since 2003, Rémy Cointreau has maintained its commitments to be an ambassador for best practice in the field of human rights, labour standards, environment and anti-corruption.

More than ever before, the Group's CSR policy represents its core strategic ambition. It must contribute fully to the Group's value creation while continuing to support the Group's annual commitment under the Global Compact.

A member of the Global Compact France Association for several years, Rémy Cointreau undertakes to respect and regularly share the ten principles of the Global Compact with its employees and partners. The concept of CSR is promoted both within the Company and externally, both upstream and downstream, to its customers, partners, suppliers and other stakeholders.

In July 2020, for the seventh consecutive year, Rémy Cointreau was awarded the GC Advanced Qualification for its annual CSR reporting. This is the highest level of recognition awarded by the Global Compact, and attests to the strength of the Group's commitment. The practical integration of the SDGs into the Group's CSR challenges and the actions taken in the context of responsible purchasing management were highlighted as some of the strengths of the Group's CSR strategy.

Closely involved in CSR issues, Rémy Cointreau is also a member of the GC Advanced Club. The purpose of this club is to share CSR best practice with other members based on cross-cutting themes. This year, for example, the following topics were discussed: "Biodiversity conservation", "Diversity and inclusion in the workplace", "Only 10 years left to reach the United Nations SDGs: what are the tools for measuring its contribution and its impacts?".

The CSR strategy is also regularly examined at Management Committee meetings and during management reviews of the Group's production sites. The same applies for staff meetings, since the Group is keen to involve its employees in CSR.

In France, Health, Safety and Environment meetings also took place three times per year between the Angers and Cognac production sites to monitor regulatory decisions on the legal provisions contained in these topics, and to summarise the actions carried out in line with the Group's CSR policy.

In 2019, the Creators' Conference, held on Islay for three days in September, formed part of this process. It brought together all the Group's product creators around the theme of responsible and sustainable agriculture and the preservation of *terroirs*. External experts shared their knowledge with our employees on the specific qualitative attributes of the *terroirs* and the impacts of global warming on agricultural practices.

At the Cognac site, volunteers are requested to create a dense network within the Company. For several years, HSE (Health, Safety and Environment) officers have been assigned to different departments. They are relays and spokespeople for staff in their business sector. They take part in assessing practical arrangements for reducing environmental impacts (solid waste sorting, incidents, near misses, etc.) and to pass on any suggestions for improvement to our Environment and Safety Management System. The HSE officers help achieve safety and environment targets and are called upon to reflect on changing practices. In 2019, for example, they were closely involved in organising two-day safety and environment workshops. More than 200 people visited the six different stands, which centred on themes such as occupational health, risk behaviour, road safety and recycling.

To continue raising employee awareness, special workshops can be held at production sites. This should have been the case in 2020 on the Cognac site with the setting up of stands for two days dedicated to reinforcing the safety and environmental culture of the site's employees, dealing with topics related to fire prevention, first aid and road traffic safety. This initiative did not take place due to the health situation related to the Covid-19 pandemic and was postponed until 2021.

The Westland site continued its effort this year to ensure that CSR is at the heart of its corporate culture. Since 2019, an individual CSR bonus was introduced as part of the employee compensation scheme. This year, an interfunctional committee was created to promote the site's environmental management system (Westland Environmental and Sustainability Team).

CSR training/information programmes for our employees are also being developed using e-learning tools. In 2019, a new tool was created in Cognac for staff working in markets around the world, to develop their knowledge of the Group's CSR policy and environmental commitments.

A new training programme designed to unite all teams around the "2025 Sustainable Exception" CSR Plan, the WE Care Academy was launched in early 2021 by Rémy Martin. The training course is organised around three educational and collaborative workshops, and focuses on three strategic areas for the future: sustainable development of the *terroirs*, eco-design of products and responsible ambassadors.

For the past three years, regular training in eco-design has been provided to French employees in Purchasing, Marketing and Product Development. This training is an integral part of the Ecodesign project launched by the Group in 2017. The aim is to raise awareness among employees on reducing the environmental impact of packaging by analysing and improving the product life cycle, in particular. This training was extended this year to Bruichladdich and Westland.

In France, new employees who join the Group benefit from a presentation of Rémy Cointreau's CSR policy as part of their on-boarding path.

Since September 2020, the Internal Communications department has been sharing on a monthly basis on the Group's intranet current initiatives, objectives, key figures and best practices in the area of CSR. This enables each employee, in France and abroad, learn more about the variety of issues in which we all have a role to play through our commitment to CSR in order to achieve the objectives set by the Group.

The Liqueurs & Spirits R&D department continues to publish a newsletter for employees. Covering the latest developments, it is sent out each month with information on CSR issues relating to sustainable agriculture and viticulture in France and Europe, news updates on packaging and a focus on regulatory requirements in connection with the Group's CSR commitments.

On the Cognac site, the internal *Rémyscope* newsletter sent to all employees, regularly addresses CSR topics, particularly those related to the site's low-carbon strategy.

For several years, the companies Cointreau and Rémy Martin have held Quality, Environment and Food Safety certification (ISO 9001, ISO 14001 and ISO 22001).

On the Cognac site, the laboratory will soon be awarded “Bronze sustainable analytical chemistry laboratory” innovating certification, following the first audit carried out this year by the “Green Laboratory Project” non-profit organisation.

Cointreau is also certified OHSAS 18001 and is the first Group company to obtain ISO 45001 certification. This certification aims to improve employee safety, reduce workplace risks and create better and safer working conditions.

Bruichladdich is ISO 9001 certified and the first Group company to be B-Corp (B Corporation) certified since 2020. By 2023, the date on which the B-Corp certification will be renewed, Bruichladdich aims to improve its score on the B-Corp assessment scale.

For the past two years, the Bruichladdich distillery has been certified in accordance with EU legislation on organic production and labelling of organic products (European Council regulations (EC) No. 834/2007 and No. 889/2008).

Mount Gay is ISO 9001 and ISO 22001 certified.

Domaines Rémy Martin is AHVE (high environmental value farming) certified.

For the past two years, the Domaine des Hautes Glaces distillery has been certified in accordance with EU legislation on organic production and labelling of organic products (European Council regulations (EC) No. 834/2007 and No. 889/2008).

This year, several follow-up or renewal audits have taken place on our sites.

A QSE monitoring audit was conducted at the Cognac site, highlighting the collective and individual commitment of employees, and the responsible purchasing policy based on SEDEX guidelines as strengths.

At the Angers site, a monitoring audit was conducted on both ISO 14001 and ISO 9001 certifications. A certification audit concerned the renewal of the ISO 22001 certification and that the ISO 45001 certification was obtained. The strengths highlighted concerned the high performance of the site’s management system, with a very proactive approach in many areas, particularly in terms of CSR.

ISO 9001 and organic production certification monitoring audits were carried out at the Islay site. The result of these audits is very positive, with no non-compliance issues identified.

The Barbados site was also audited this year to monitor its certifications. Following the health restrictions due to the Covid-19 pandemic, the audits were conducted remotely and confirmed the ISO 9001 and ISO 22001 certifications of Mount Gay.

1.3.4.2 BUSINESS ETHICS AND TAX POLICY

Information on business ethics and tax policy can be found in chapter 2 (GRI Standards 102-16 and 102-17).

One of the main initiatives of the year was the rolling out of “anticorruption” training at Rémy Cointreau using an e-learning module, in French, English and Chinese.

The aim is to raise awareness among all Group employees about the fight against corruption. It is everyone’s duty to be aware of the challenges in this area and to act with integrity with the Group’s stakeholders, particularly with its business partners.

_ 1.4 TABLE OF INDICATORS

TABLE OF PROGRESS INDICATORS[1] AND MONITORING INDICATORS[2]

			2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Social risks	Employee well-being	Turnover, in %(2) – GRI Standard 401-1			14.8	13.2	13.8	13.6
		Absenteeism, in %(2) – GRI Standard 403-2	4.6	3	2.3	2	2.3	2
		Workplace accident frequency rate, in %(2) – GRI Standard 403-2	8.9	13.31	9.13	8.51	11.21	3.5
		Workplace accident severity rate, in %(2) – GRI Standard 403-2	0.07	0.13	0.38	0.59	0.53	0.67
		Average age, in years(2)	41	41	41	40	41	41
		Seniority, in years(2)	9.4	9.1	8.4	7.9	8	7.9
	Non-discrimination and internal social balance	Ratio of male/female managers, in %(1) – GRI Standard 401-1			43	44	45	46
		Gender Equality Index, scored out of 100(1)					83[e]	83
		Ratio of male/female training, in %(1) – GRI Standard 404-1		43	43	46	45	45
	Internal training/skills development	Percentage of employees completing at least one training course per year, in %(2)				79	74	69
		Hours of training(2) – GRI Standard 404-1	15,954	18,463	24,243	26,615	31,677	19,975
Environmental risks	Sustainable agriculture	Percentage of agricultural land managed sustainably, in %(1)			36	52	58	64
		Percentage HVE certification of vineyards in the Cognac wine-growing cooperative (AFC), in %(1)			23	42	50	54
	Climate change	CO_2 emissions (total scopes 1, 2 & 3), in Teq CO_2(2) – GRI Standard 305-3		145,789	135,528	174,842[a]	180,449[f]	121,189[g]
		Percentage of significant CO_2 emissions – product packaging, in %(2)			37	46.5[a]	40.6	35.4
		Percentage of significant CO_2 emissions – downstream product transportation, in %(2)			22.7	19.3[a]	12.2	15.3
		Percentage of significant CO_2 emissions – raw materials, in %(2)			30.6	14.7[a]	13	18.5
		Total energy consumption, in MWh(2) – GRI Standard 302-1	36,235	41,854	39,656	38,495	39,261	40,125
		Renewable electricity consumption, (world) in %(1)		78	77	79	82	86
	Water and wastewater management	Water consumption, in m^3(2) – GRI Standard 303-1	123,729	133,418	174,945[b]	195,096[c]	189,287	200,838[h]
		Volume of liquid waste recovered from distillation, in %(2) – GRI Standard 306-1					23[e]	32

				2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Societal risks	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Circular economy/ customer information	Volume of solid waste recovered, in %(2) – GRI Standard 306-2	91	89	92	94	93	95
	8 DECENT WORK AND ECONOMIC GROWTH	Responsible purchasing	Percentage of suppliers that are SEDEX members and classified as “active”, in %(1) – GRI Standard 308-1 and 414-1						82[(e)]
			Percentage of suppliers who are SEDEX members and who responded to all the information requested in the self-assessment questionnaire, in %(1) – GRI Standard 308-1 and 414-1						49[(e)]
	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Business ethics	Percentage of the workforce trained in the code of ethics, in %(1)			80	[(d)]	86	[(d)]
			Anti-Corruption Charter training rate, in %(1)						80[(e)]
			Number of alerts(2)				6	5	7
		Corporate governance	Number of B-Corp certified production sites(1)					1	1

(a) Indicator performance change mainly reflects the adjustment to how emissions are calculated (migration from the Bilan Carbone tool to the GHG Protocol tool) and the inclusion of the Islay, Domaine des Hautes Glaces and Westland sites.
(b) Indicator performance mainly reflects the partial inclusion in CSR reporting for the first time of water consumption from the well used at the Barbados site.
(c) Indicator performance change mainly reflects the inclusion in CSR reporting for the first time of all water consumption from the well used at the Barbados site.
(d) No indicator due to the frequency of training (every two years).
(e) New indicator 2025 CSR Plan.
(f) Change due mainly to an extension to scope 3 (CO_2 emissions).
(g) Change due mainly to Scope 3 (-34%), for two reasons. The first is due to a correction in the method used to calculate the data for upstream freight included in Scope 3 of the Barbados site (impact of around -6%). The second and main reason is associated with the integration of suppliers’ actual emissions factors (mostly glassmakers and transport companies) and directly resulted in a 26% or so decrease in the Group’s total emissions.
(h) This is due mainly to the increase in water consumption for Domaines Rémy Martin (following more extensive distillation operations than last year – larger harvest), Domaine des Hautes Glaces (following the commissioning of the new distillery – higher production capacities than the old distillery) and the Barbados site (following the creation of a production unit for sugarcane harvested on the property).

1.5 Note on methodology for reporting indicators

Rémy Cointreau complies with the legislation on non-financial performance statements (Decree No. 2017-1265 of 9 August 2017). This requires listed companies to prepare a CSR risk map for their business and to link it to progress indicators. These indicators are supplemented by monitoring and management indicators.

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

The concept of Corporate Social Responsibility (CSR) is promoted within the Company, as well as externally, with clients, suppliers and all other stakeholders.

Rémy Cointreau's new Corporate Social Responsibility (CSR) Charter is based on 10 of the 17 UN Sustainable Development Goals (SDGs).

It is based on three main pillars:

- **protecting our *terroirs*** in order to showcase their excellence, by encouraging responsible cultivation methods, safeguarding the unique characteristics of each *terroir* and finding new ways to preserve them;
- **looking after people** in order to highlight our uniqueness, with responsible, committed governance at the highest level, ensuring workplace wellness, gender equality and non-discrimination, promoting responsible purchasing, engaging with local communities and promoting responsible consumption of our products to customers;
- **recognising the importance of time** in creating exceptional products, taking an active part in the fight against global warming, conserving water resources, taking steps to reduce the environmental impact of our activities and striving for carbon neutrality.

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

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

1.5.1 Reporting protocol

The 2020/2021 reporting protocol is an internal document that describes Rémy Cointreau's CSR commitments and presents the structure and the resources implemented to ensure that reports are of a high standard and reliable.

It acts as a guide for internal reporting and a standard for the external verification in 2020/2021 of the various CSR indicators resulting from the non-financial performance statement.

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

Christian LAFAGE

Head of Corporate Social Responsibility

20, rue de la Société-Vinicole

CS 40210

16111 Cognac CEDEX

christian.lafage@remy-cointreau.com

Tel: +33 (0)5 45 35 77 25

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

1.5.2 Scope

Rémy Cointreau's CSR commitments apply to all companies within the Group. There are three main areas of focus: employee-related, environmental and societal.

The CSR reporting scope is based on the Group's consolidated financial scope (28 companies – production sites and distribution companies) and corresponds to the non-financial performance statement (Decree No. 2017-1265 of 9 August 2017).

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

ENVIRONMENTAL REPORTING SCOPE

All environmental information covers the production sites in Cognac, Angers, Barbados and Islay (Scotland), as well as the companies Westland (USA), Domaine des Hautes Glaces (France) and Domaines Rémy Martin (Cognac).

All production sites are therefore included in the environmental reporting scope. The distribution subsidiaries are excluded, as their environmental impact is not deemed to be significant.

The environmental indicators listed in the following paragraph (section 1.5.3 "Selected indicators") concern all production sites, apart from the indicators below for which the scope is specified:

- percentage of liquid waste pollution/Chemical Oxygen Demand at treatment outlet (all sites excluding the Westland site);
- GHG audit – Vehicle fleet (for French sites only).

SCOPE OF HR REPORTING

The methodologies used for certain employee-related indicators may have limitations, owing mainly to:

- the absence of common definitions at national or international level;
- necessary estimates, the representativeness of the measures taken or the limited availability of external data required for the calculations.

The definitions and methodologies used for the following indicators are as follows:

1. Employees

   The employee-related reporting scope covers all 28 companies.

2. Training

   DHG and distribution companies based in Europe are not covered by the training indicator.

   The training data of the French subsidiaries takes into account training programmes taken both as part of and outside continued professional development. The number of employees trained takes into account all employees who took at least one training course during the calendar year, including those who were no longer present as of 31 March 2021. Only training courses lasting for at least one hour are listed.

3. Other indicators

   Only the production sites at Angers, Cognac, Barbados and Islay, as well as the Paris site, are included in the indicators relating to employee relations, absenteeism and workplace accidents.

   Absenteeism: scope limited to French companies (excluding DHG), the Barbados and Islay sites.

   - Sick leave only for employees recorded in the total Group workforce, *i.e.* for France, employees on permanent and fixed-term contracts. For permanent employees outside France, on the last day of each quarter with the exception of paid leave, special leave (weddings, christenings, house moves, etc.), absences for training, authorised unpaid leave, leave for trade union activities, sabbaticals and business creation, time off in lieu, compensatory leave, bank holidays and parental leave.
   - For CSR reporting, the number of employees is recorded as at 31 March. The indicator is calculated over the last 12 months.
   - The absenteeism rate is equal to the number of hours of absence divided by the number of theoretical hours worked (hours at workstation plus hours absent for illness, leave, training, travel, etc.).
   - The calculation of the absenteeism rate excludes long-term illness (absence of more than 90 days).

   Workplace accident frequency rate: scope limited to French companies (Angers, Cognac, Paris), and the Barbados and Bruichladdich sites.

   All accidents in the workplace or on business trips affecting permanent and fixed-term employees counted in the Group's total workforce for the French scope, and permanent employees for the scope outside of France, as at the last day of each quarter and requiring both a declaration to be made and leave of at least one day, irrespective of applicable national regulations.

   - This rate is expressed as the number of workplace accidents with lost time per million actual hours worked, calculated as the number of accidents with lost time multiplied by one million and divided by the actual number of hours worked.
   - An actual hour worked is one hour of work carried out within the Group by an employee during a tax period, that is to say an hour actually spent at a workstation. Hours of absence are not included (illness, leave, training, travel, etc.).
   - Where hours actually worked are not available, the frequency rate may be calculated using the number of theoretical hours worked.

   Workplace accident severity rate: scope limited to French companies (Angers, Cognac, Paris), and the Barbados and Islay sites.

   - All accidents in the workplace or on business trips affecting permanent and fixed-term employees counted in the Group's total workforce for the French scope, and permanent employees for the scope outside of France, as at the last day of each quarter and requiring both a declaration to be made and leave of at least one day, irrespective of applicable national regulations.
   - This rate is expressed as the number of days lost to workplace accidents per thousand actual hours worked, calculated as the number of days lost multiplied by 1,000 and divided by the actual number of hours worked.
   - The number of lost days has to be calculated as calendar days from the day of the accident.
   - An actual hour worked is one hour of work carried out within the Group by an employee during a tax period.
   - Where hours actually worked are not available, the severity rate may be calculated using the number of theoretical hours worked.

1.5.3 Selected indicators

All indicators included in 2020/2021 reporting are listed below.

They are also presented in the 2020/2021 reporting protocol where, for each one, a detailed fact sheet specifies its scope, definition, calculation methodology, the necessary data and the checks carried out to calculate and verify the figures obtained.

SOCIAL INDICATORS

- Total Group workforce
- Breakdown of employees by gender and position
- Breakdown of employees by geographic area
- Number of recruitments by position and contract type
- Number of departures detailed by reason
- Average age by professional category
- Average length of service by gender and by socio-professional category
- Absenteeism rate
- Workplace accident frequency rate
- Workplace accident severity rate
- Percentage of disabled employees in the total workforce
- Number of training hours by gender
- Workforce trained by gender
- Gender equality index

ENVIRONMENTAL INDICATORS

Energy

- Total energy consumption
- Direct energy consumption (fuels)
- Indirect energy consumption
- Renewable energy consumption

Water and liquid waste

- Water consumption
- Volumes of liquid waste
- Percentage of liquid waste pollution/Biological Oxygen Demand at treatment outlet
- Percentage of liquid waste pollution/Chemical Oxygen Demand at treatment outlet
- Volume of liquid waste recovered

Sustainability of the Company

- Agricultural land farmed sustainably
- Certification of the Alliance Fine Champagne cooperative (Cognac)

Packaging raw material

- EPI (Environmental Performance Index)

Solid waste

- Quantities of solid waste
- Percentage of materials recovery from solid waste (hazardous and non-hazardous)
- Percentage of energy recovery from solid waste (hazardous and non-hazardous)

Carbon footprint assessment

- CO_2 audit – GHG emissions (scopes 1 and 2)
- CO_2 audit – GHG emissions (scope 3)
- CO_2 audit – Significant GHG emissions (scopes 1, 2 and 3)
- CO_2 audit – Business travel
- CO_2 audit – Vehicle fleet

SOCIETAL INDICATORS

Business ethics

- Percentage of employees trained
- Number of alerts

Responsible purchasing

- Percentage of suppliers who are SEDEX members and classified as “active”
- Percentage of suppliers who are SEDEX members and who provided all the information requested in the self-assessment questionnaire

1.5.4 Relevance of indicators

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

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

1.6 CROSS-REFERENCE TABLES

Cross-reference table – Non-financial performance statement	Pages
Employee-related consequences of the business	
Collective agreements and their impacts	44-49
Tackling discrimination	47-48
Promoting diversity	47-48
Societal commitments	74-81
Commitments to disability	48
Environmental consequences of the business	
Climate change	57-66
Circular economy	69-72
Food waste	n/a
Food poverty	n/a
Animal welfare	n/a
Responsible, fair and sustainable nutrition	n/a
Impact of the business on respect for human rights	**2-3, 44-49, 75-76**
Impact of the business on the fight against corruption and tax evasion	**81, 118-120**

Cross-reference table of CSR/Global Compact GC Advanced commitments		Pages
General information	Chairman & Chief Executive Officer's declaration of ongoing support for the United Nations Global Compact and its principles	2-3
	Description of policies or measures implemented with regard to human rights, international labour standards, the environment and the fight against corruption	36-43
	Quantitative measurement indicators	46-47, 82-83
	Assessment by a credible third party of the accuracy and scope of the information	90-92
	Use of high standards of transparency and disclosure such as the GRI (Global Reporting Initiative) guidelines	89
	Integration of Sustainable Development Goals (SDGs)	2-3, 36-43
	Actions to advance Sustainable Development Goals (SDGs)	36-43
GC Advanced criteria: implementing the ten principles into Strategies & Operations	Criterion 1: description of mainstreaming into corporate functions and business units	2-3, 36-43, 74-75, 79-81
	Criterion 2: description of value chain implementation	50-55, 75-76
	Criterion 3: description of robust commitments, strategies or policies in the area of human rights	44-49, 75-76
	Criterion 4: description of effective management systems to integrate human rights principles	2-3, 44-49, 75-76
	Criterion 5: description of effective monitoring and evaluation mechanisms of human rights integration	2-3, 44-49, 75-76
	Criterion 6: formulation of robust commitments, strategies or policies in the area of labour standards	44-49, 75-76
	Criterion 7: description of effective management systems to integrate the labour principles	44-49, 75-76, 81, 118-120
	Criterion 8: description of effective monitoring and evaluation mechanisms of labour principles integration	44-49, 52-53, 75-76, 79-81
	Criterion 9: formulation of robust commitments, strategies or policies in the area of environmental stewardship	2-3, 36-51, 75-76
	Criterion 10: description of effective management systems to integrate the environmental principles	2-3, 36-43, 50-55, 69-71, 79-83, 118-120
	Criterion 11: description of monitoring and evaluation mechanisms for environmental stewardship	2-3, 36-43, 50-76, 82-83
	Criterion 12: formulation of robust commitments, strategies or policies in the area of anti-corruption	2-3, 81-83, 118-120
	Criterion 13: description of effective management systems to integrate anti-corruption principles	81, 83, 118-120
	Criterion 14: description of monitoring and evaluation mechanisms for the integration of the anti-corruption principles	81, 83, 118-120
GC Advanced criteria: taking action in support of broader UN goals and issues	Criterion 15: description of core business contributions to broader UN goals and issues	2-3, 36-43, 76-81
	Criterion 16: description of strategic social investments and philanthropy	2-3, 28, 55-57, 76-79
	Criterion 17: description of advocacy and public policy engagement	50-66, 74-75
	Criterion 18: description of partnerships and collective actions	52-57, 75-79
GC Advanced criteria: CSR governance and leadership	Criterion 19: description of CEO commitment and leadership	2-3, 36-43
	Criterion 20: description of Board adoption and oversight	2-3, 36-43
	Criterion 21: description of stakeholder engagement	36-55, 74-76, 79-81, 118-120

Cross-reference table of CSR/Global Reporting Initiative (GRI) Indicators – GRI Standard Version		Pages
Strategy and analysis	102-15	38
Ethics and integrity	102-16	81
	102-17	81
Corporate governance	102-27	79
Stakeholder engagement	102-43	72
	102-44	72
Recycled raw materials	301-2	70
Energy consumption	302-1	65
Reduction of energy consumption	302-4	64
Water consumption	303-1	67, 68, 69, 70, 82
Protected or restored habitats	304-3	56
Scope 1 GHG emissions	305-1	58, 60
Scope 2 GHG emissions	305-2	58, 60, 61
Scope 3 GHG emissions	305-3	58, 60, 61, 63, 69, 70, 82
Reduction in GHG emissions	305-5	63
Liquid waste	306-1	67, 68, 69, 82
Tonnage of solid waste	306-2	71, 72, 83
Supplier CSR assessment (environmental criteria)	308-1	75, 83
Employee turnover rate	401-1	46, 47, 82
Work-related accidents and absenteeism	403-2	47, 82
Hours of training	404-1	49, 52, 70, 82
Supplier CSR assessment (HR criteria)	414-1	75, 83
Product information (responsible consumption)	417-1	74

1.7 Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial information statement included in the Group management report

For the year ended 31 March 2021

This is a free translation into English of the Statutory Auditor's 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.

To the annual general meeting,

Rémy Cointreau
21, boulevard Haussmann
75009 Paris, France

In our capacity as Statutory Auditor of Rémy Cointreau (hereinafter the "entity"), appointed as an independent third party and certified by Cofrac (Cofrac Inspection accreditation no. 3-1060, whose scope is available at www.cofrac.fr), we hereby report to you on the consolidated non-financial information statement for the year ended 31 March 2021 (hereinafter the "Statement"), included 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*).

THE ENTITY'S RESPONSIBILITY

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, which must include a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented in light of those risks and the outcome of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available on request from the entity's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. 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 AN INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the consistency of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with Article R. 225-105 I, 3 and II of the French Commercial Code, i.e., the outcome of the policies, including key performance indicators, and the measures implemented in light of the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- the consistency of products and services with the applicable regulations.

NATURE AND SCOPE OF OUR WORK

The work described below was performed in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional standards applicable in France to such engagements, as well as with ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information*.

Our procedures allowed us to assess the consistency of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities, and the impact of those risks on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in Article L. 225-102-1 III, as well as the information provided for in paragraph 2 of Article L. 22-10-36 regarding compliance with human rights and anti-corruption and tax evasion legislation;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under Article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with Article L. 233-16, within the limitations set out in the Statement;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative results that we considered to be the most important (see the list provided in the appendix), we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities, namely Bruichladdich (United Kingdom) and Cointreau SA (France) for environmental data and Bruichladdich (United Kingdom), CLS (France) and Cointreau SA (France) for social data, and covers between 27% and 54% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important (see the list provided in the appendix);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

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

MEANS AND RESOURCES

Our work was carried out by a team of 7 people between March and June 2021 and took a total of 8 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted around ten interviews with the people responsible for preparing the Statement, representing the Human Resources, Financial Communication, Compliance, Environment and Purchasing departments.

CONCLUSION

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

Neuilly-sur-Seine, 18 June 2021

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Olivier Auberty
Partner

Sylvain Lambert
Sustainable Development Partner

Appendix: List of information that we considered to be the most important

Key performance indicators and other quantitative outcomes:

Main risks (Rémy Cointreau's challenges)	Sections of the Universal Registration Document presenting the associated policies, measures and outcomes reviewed as part of our work
Employee well-being	• Section 1.3.1.1 *Including the following KPIs: "Turnover, in%", "Absenteeism, in%", "Workplace accident frequency rate", "Workplace accident severity rate", "Average age, in years", "Seniority, in years" and "Workforce by region, business and occupation"*
Non-discrimination and Internal social balance	• Section 1.3.1.2 *Including the following KPIs: "Percentage of men/women in management", "Percentage of men/women trained", "Gender equality index, scored out of 100", "Weighted difference in the rate of promotion between men and women" and "Rate of promotion between women and men"*
In-house training and Skills development	• Section 1.3.1.3 *Including the following KPIs: "Percentage of employees completing at least one training course per year" and "Hours of training"*
Sustainable agriculture	• Section 1.3.2.1 *Including the following KPIs: "Percentage of agricultural land managed sustainably" and "Percentage of Cognac wine cooperative (AFC) vineyards with HVE certification"*
Biodiversity conservation	• Section 1.3.2.2
Contribution to the global effort (2°C limit) and sustainability of the Company	• Section 1.3.2.3 *Including the following KPIs: "CO_2 emissions – Scopes 1, 2 & 3, in Teq CO_2", "CO_2 emissions reduction rate – Scope 1, 2 & 3, in intensity", "CO_2 emissions reduction rate –Scopes 1 & 2, in absolute terms", "Total energy consumption, in MWh", "Renewable electricity consumption (world)", "Percentage of significant CO_2 emissions – product packaging", "Percentage of significant CO_2 emissions – upstream freight and downstream product transportation", "Percentage of significant CO_2 emissions – raw materials", "CO_2 emissions reduction rate – Scope 3, in intensity" and "CO_2 emissions from business travel"*
Water management	• Section 1.3.2.4 *Including the following KPIs: "Water consumption, in m^3", "Water consumed, in m^3", "Pollution from liquid waste discharges" and "Rate of vinasse recovery"*
Circular economy and reduction of raw material consumption	• Section 1.3.2.5 *Including the following KPIs: "Volume of solid waste recovered"*
Customer information (nutritional labelling)	• Section 1.3.2.6
Responsible consumption (externally)	• Section 1.3.3.1
Responsible purchasing	• Section 1.3.3.2 *Including the following KPIs: "Percentage of suppliers who are Sedex members and who are classified as active" and "Percentage of suppliers who are Sedex members and who provided all of the information requested in the selfassessment questionnaire"*
Local impact (sustainable development of *terroirs*)	• Section 1.3.3.3
Governance	• Section 1.3.4.1 *Including the following KPIs: "Number of B Corp certified production sites"*
Business ethics	• Section 1.3.4.2 *Including the following KPIs: "Percentage of the workforce trained in the anti-corruption charter" and "Number of alerts"*

2

GROUP RISKS

2.1 Risk management and internal control procedures

General principles of risk management

For Rémy Cointreau, risk management is an integral part of the responsibilities of the various management teams at the Group level, as well as at the Business Unit and legal entity levels. Some risks inherent to the Group's activities are described in section 2.2 "Risk factors", as well as the policies aimed at preventing and dealing with them.

Definition and objectives of risk management

Risk represents the possible occurrence of an event with a potential impact on people, assets, the environment and the objectives of the Company or its reputation. The definition used in this registration document goes beyond the financial aspects, and covers the reputation of the Group brands and the sustainability of the Company. It is therefore important that all staff and, in particular, management teams are aware of how to manage risk in order to:

- create and preserve the value, assets and reputation of the Group;
- safeguard decision-making and operational processes to ensure that objectives are achieved;
- promote the consistency of the Group's activities with its values;
- promote a shared vision among Group employees of the main risks weighing on their activities.

Components of risk management

RISK MANAGEMENT ORGANISATION

The key players are the members of the Group Executive Committee, Business Unit Management Committees and the key market executives. They are responsible for identifying the principal risks in their field or geographic area and the extent of those risks given their frequency and the scale of the potential impact. They are also responsible for action plans to secure operations.

The information collected is summarised for distribution to all stakeholders. This system can be supplemented by feedback, allowing it to be strengthened virtually in real time.

RISK MANAGEMENT PROCEDURES

Risk management procedures comprise four distinct stages:

1. identification of key risks in all areas. These risks are classified by predefined category and by location to allow for the analysis of either a particular category or a given country;
2. analysis of each risk, leading to an assessment of its importance, allowing risks to be prioritised and ensuring a focus on those risks identified as major;
3. implementation of action plans with the aim of eliminating risks, reducing them to a predetermined acceptable level, transferring them by taking out an insurance policy, or accepting them;
4. monitoring of the process over time by those responsible, who must provide information on their development, particularly during internal audit reviews, to ensure risks are appropriately managed.

The risk management process has helped promote a culture of risk prevention and the sharing of best practices within the Group by the principal players in terms of both action plans and methodology. The result of this process is risk mapping that is regularly updated. It is aimed at identifying the major risks at a particular time, so that these can be reported to the Audit Committee for inclusion in annual internal audit programmes, and at ensuring that insurance policies are relevant, with adequate coverage for the risks identified.

PERMANENT MONITORING OF RISK MANAGEMENT

Risks considered significant are subject to *ad hoc* reviews as part of the audit programmes. The various stakeholders are required to confirm the implementation of action plans provided, reassess their level of tolerance when these actions have been carried out, and advise on the emergence of new risks.

Connection between risk management and internal control

Risk management and internal control mechanisms complement each other for better control of the Group's activities.

The internal control system relies on the risk management system to identify the key controls to be carried out. In addition, the risk management system is also subject to control to ensure its proper functioning.

General principles of internal control

DEFINITION AND OBJECTIVES OF INTERNAL CONTROL

The system consists of a set of resources, behavioural patterns, procedures and actions implemented by senior management to enable the Company and its subsidiaries to better control their activities, to make their operations more efficient and to optimise the use of their resources and ensure the proper functioning of risk management. It therefore goes beyond simple procedures or accounting and financial processes.

It aims in particular to ensure:

- the implementation of instructions and guidelines set by senior management;
- the proper functioning of the internal processes of the Company, including those contributing to the safeguarding of its assets;
- compliance with laws and regulations, and with the directives issued by the governing bodies and senior management;
- the reliability of financial information.

Like any control system, it has its limitations and cannot provide an absolute guarantee of achieving the objectives set by the Company. The likelihood of achieving these objectives relies not only on the will of the Company and can be influenced by many other factors, including the uncertainty of the outside world, the exercise of powers of judgement or malfunctions that may occur due to technical or human failure.

COMPONENTS OF INTERNAL CONTROL

Internal control is based on the following main principles:

- the system of **delegation of power** that aims to reflect the Group's genuine decision-making centres, consistent with the size and complexity of Group structures and the various levels of responsibility of each person, which is put in place to increase the effectiveness of the Group's women and men, and to make them aware of their responsibilities;
- the **internal control procedures**, which reiterate the principles and rules applicable to all of the Group's subsidiaries for the main operational cycles identified;
- the **self-assessment questionnaire**, updated regularly, that aims to assess the existence and robustness of the internal control systems at the level of each entity and used for implementing improvement plans. As such, one report per subsidiary is issued and a specific summary for the Executive Committee is prepared;
- the **Internal Audit Charter**, intended for all Group employees, which includes the ethical and methodological operating framework of internal audit.

The effectiveness of these principles is closely linked to the control environment, the five principal components of which are described below.

1. An appropriate and structured organisation

In order to foster an exchange of best practices and cross-group control of its operations, the Group has chosen a matrix-based organisation. Functional management provide their expertise to operating management, taking into account their specific local features. For the sake of clarity, regularly updated organisational charts are available on the Group's intranet.

This organisation is enhanced by a human resources policy based on ability, know-how and high standards. The Group is committed to a recruitment policy that improves the professionalism of its staff and attracts talent, and a policy that develops skills that will maintain a high degree of expertise in its workforce.

The organization is also based on an information system that uses modern, high-performance Enterprise Resource Planning (ERP) solutions (SAP S/4 HANA) to meet the Group's growth ambitions.

Rémy Cointreau's reputation is built on strong ethical values, namely integrity, respect for the law and the individual, honesty in dealings with customers, suppliers and employees, and social and environmental responsibility, which are included in the Group's **code of business ethics**.

2. Internal distribution system for relevant information

The timely publication and communication of relevant information to everyone within the Group – enabling them to be as well-informed and confident as possible in carrying out their responsibilities – is based on the following three main factors:

- departmental meetings organised on a periodic basis by the Group's various actors, in order to publish and share operational information, exchange points of view, set priorities and co-ordinate action plans;
- technical databases housed within the Group's intranet, which are accessible 24/7 worldwide and which enable the various participants to consult the information necessary for the proper performance of their duties;
- structured databases and information systems, updated on a daily basis, providing the people concerned with relevant and reliable information to enable them to make timely decisions.

3. Risk management

The Group has set up a risk management system to identify, analyse and address the major risks identified in relation to its objectives. This system is described above in the first part of this section.

4. Control procedures

Each Group area or activity has its own reference documentation. It comprises charters, codes, standards, procedures and rules of best practice. These documents set out the manner in which a procedure, action or check must be performed, and are an integral part of the internal control process. They are based on the following key areas of expertise:

- purchasing: supplier relations are regulated by a contract that makes reference to the UN Global Compact. Under such contracts, suppliers are required to adhere to the values of respect for human rights, the environment and fundamental social principles. In addition, the Ethics Charter for purchasing ensures that best practices are adopted by all Rémy Cointreau purchasers, avoiding, wherever possible, any infraction that may be detrimental to the Group's interests;
- safety and quality: all production standards and rules issued by operations management are held in the databases of each House. Their application is regularly reviewed as part of the ISO 9001, 14001 and 22000 certifications, as well as HACCP accreditations, thereby ensuring best practices;
- IT systems: the Head of Group IT Security coordinates the implementation of security policies and their associated procedures in the entities. In particular, the financial systems considered as critical are subject to a daily backup and hosted in data centres offering full availability guarantees. In addition, business recovery plans are under development and will be tested annually;
- central management of funding and cash: the Foreign Exchange Charter and the Interest Rate Charter sets out the principles that must be followed to ensure greater security in this area. These documents are supplemented by a summary of the risks of the principal processes managed by the Group's Treasury department. The Treasury department is responsible for laying down a policy and reporting procedures for managing credit;
- consolidation of financial statements and reporting: Rémy Cointreau has a set of principles and standards enabling the production of reliable financial information. The comparability of data is guaranteed by the existence of a single set of definitions and principles for valuation purposes and the processing of accounting and financial data for the three processes of budgeting, updating the budget and monthly closings. The calendar for the financial and accounting processes detailing the reporting dates for information and its distribution enables senior management to manage their priorities. In addition, the Chief Executive Officers and Chief Financial Officers of the subsidiaries must send a letter of representation to the Group Chief Executive Officer and Chief Financial Officer, in which they assume responsibility for the fairness of the financial statements and the implementation of an internal control process to detect and prevent fraud and errors.

5. Permanent monitoring

Internal control is implemented by Operational and Functional departments under the guidance of senior management.

Work is carried out on a regular basis to monitor the proper functioning of their procedures, either by dedicated internal teams or by specialised external organisations, ensuring the effectiveness of the internal control system in place.

The Internal Audit department takes an active part in monitoring internal control procedures, using operating and compliance audits. It ensures the implementation of best practices and compliance with both local laws and regulations, as well as the Group's principles and standards.

The results of this work are disclosed to the Statutory Auditors. Conversely, comments issued by the external auditors as part of their annual assignment are taken into consideration by the Internal Audit department.

Scope of risk management and internal control

The internal control system mirrors Rémy Cointreau's matrix organisation and more specifically to the specific features of the subsidiaries and their relationship with the Group.

Persons involved in risk management and internal control

The respective roles of the principal internal and external players involved in internal control are as follows:

SENIOR MANAGEMENT AND THE EXECUTIVE COMMITTEE

The Executive Committee – comprising senior operational and functional managers – lays down guidelines for the internal control and risk management process, defines the roles and responsibilities of the main stakeholders, co-ordinates their implementation and ensures their effective application.

BOARD OF DIRECTORS

The Board of Directors familiarises itself with the essential features of the internal control and risk management process established by senior management, and ensures that the major risks identified and incurred by the Company are taken into account in its management. As such, the Board is kept informed by the senior management of the main risks facing the Group and the action plans carried out. With respect to the process of preparing accounting and financial information, the Board ensures that the management and control process that has been established guarantees the reliability of accounting and financial information.

AUDIT COMMITTEE

The Audit Committee ensures that internal control procedures are in place and are applied, both in the accounting and financial fields and other areas of the Company.

It is kept informed of the results of audit assignments and reviews the annual audit schedule together with the organisation of the Internal Audit department.

It keeps abreast of the major risks identified, their analysis and development over time.

INTERNAL AUDIT

Internal Audit – which reports to the Chairman of the Group's Board of Directors – works with all Group entities and, where necessary, with third-party companies in the case of distribution or production subcontracting.

Its work is planned in agreement with senior management and the Audit Committee. Its assignments are identified based on risks listed in the risk mapping, the economic environment and specific requests from the management of the Group's various entities.

The findings of the audit assignments – following a general debate – are sent to the management of the entity concerned. A summary of the findings, as well as an action plan to which the local entity management is committed, is subsequently presented to the senior management.

Once a year, the Internal Audit officer presents the Audit Committee with guidelines for the annual schedule and a summary of achievements of the previous financial year.

In addition to these audit assignments, the internal audit function is in charge of updating the risk mapping and promoting internal control within the Group. In that respect, it is the recipient of different summary reports on internal control prepared by the various entities, which provide an overview of Group risks.

In order to cover the different types of risks, compliance and insurance management is attached to internal audit.

FINANCE DEPARTMENT

Its main task is to assist and monitor the operational departments in their financing activities. It establishes the rules for consolidation and management and ensures the definition and promotion of tools, procedures and best practice in areas such as management, accounting and consolidation, funding and treasury, taxation, financial communication and IT systems.

OPERATIONS DEPARTMENT

It has wide-ranging tasks, combining functions such as the supply chain, purchasing, quality, industrial organisation. It establishes a set of standards and methods for achieving a high level of production quality, as well as safety and respect for the environment. It also supports the subsidiaries in implementing their supply-chain and industrial policies.

LEGAL DEPARTMENT

The Legal department assists Group companies in significant legal matters and in litigation management. It coordinates the introduction of contractual clauses into the various distribution agreements and the legal protection of the Group's brands, intellectual property and other assets.

COMPANY OR DIVISION MANAGEMENT COMMITTEES

These committees are fully involved in the risk management and internal control processes. They are stakeholders in the development and updating of the risk mapping. They analyse the results of self-assessment questionnaires and issue a report on their own internal control, which is then submitted to the Group. They develop action plans in response to the recommendations of the internal audit function. They are also involved in crisis management and the existence of business continuity plans.

The internal control system as it relates to the preparation of accounting and financial information

Our approach is part of a process of continuous improvement of the established internal control system.

The internal control procedures in relation to preparing and processing financial and accounting information apply to the parent company and all of the subsidiaries included in the consolidated financial statements. These are designed to ensure:

- compliance with laws and regulations and the correct application of instructions and directions set by Group management in the preparation of accounting and financial information;
- the reliability of information used in the preparation of financial and accounting information, as well as published information;
- the preservation of assets.

ACCOUNTING AND FINANCIAL ORGANISATION GUIDANCE PROCEDURE

Organisation

The process of preparing financial and accounting information is carried out by the Group Finance department. It supervises the management of the Accounting, Finance and Taxation department, the management control function, the Funding and Treasury department, IT Information Management department and Financial Communications. Each of these departments co-ordinates internal control in its own area. The system is further enhanced by the presence of financial controllers within each Business Unit.

Financial and accounting procedures

The Finance department has created an intranet portal dedicated to the management principles and accounting standards adopted by the Group and the application of which is mandatory for all subsidiaries.

At every closing date, the instructions cover key dates in the calendar as well as matters that require specific attention to enable the various Group companies to be well prepared, so that the required information is disclosed within the appropriate timeframe and that the proper checks are carried out in advance of the preparation of financial and accounting information.

In addition, the Group carries out monthly closings. Those before the interim or full-year closing serve as pre-closing reports used to identify and anticipate the different possibilities of treating specific and non-recurring transactions. They are disclosed to the Statutory Auditors for validation at preliminary meetings held when the accounts are closed.

IT systems organisation and safety

The Information Systems department has established procedures aimed at ensuring the continuity of accounting data processing. Some hardware has accordingly been duplicated so that the backup can automatically take over in the event of sudden failure.

In respect of data retention and protection, access to accounting and financial data is secured by individually granted rights that are non-transferable, and password protected and job-specific user environments have been set up to ensure task segregation. All data is backed up every day. Batch data processing work is also programmed in a specific sequence, with systems that alert the principal users in case of an incident.

Other automatic control systems have been established, such as thresholds requiring validation, automatic reconciliation and limited access to critical transactions.

The Statutory Auditors

As part of the interim and annual closing of the financial statements, the Statutory Auditors carry out various reviews:

- preliminary reviews, which may focus on the internal control of processes for the preparation of accounting and financial information;
- a limited half-yearly review of all accounting and financial data prepared by Group companies;
- a limited half-yearly review of the consolidated financial statements prepared by the Finance department;
- an annual review of all year-end accounting and financial data prepared by Group companies;
- an annual review of the year-end consolidated financial statements prepared by the Finance department.

This allows the Statutory Auditors to certify the legality, truthfulness and fair presentation of consolidated and parent company financial statements. The summary of their work is presented to the Group's Finance department, and to the Audit Committee.

PROCESSES CONTRIBUTING TO THE PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION

Operating processes for preparing the financial statements

All the initial accounting production processes are subject to specific procedures as well as validation, authorisation and recognition rules. As such, procurement is carried out within a secured framework, with a list of pre-selected suppliers and previously negotiated terms and conditions. Order forms are required for all purchases exceeding a given threshold, and investment projects approved by the Executive Committee must be duly documented, justified and endorsed before they are implemented.

Closing process and preparation of the consolidated financial statements

The process of closing the financial statements is subject to specific instructions, which provide schedules, exchange rates to be used, consolidation scopes and specific matters to be monitored. These instructions are systematically sent to all Group companies.

Procedures for validating the various stages of the consolidation process have also been established. Their main objective is to validate the following:

- correct application of accounting standards and principles;
- relevance of restatements of certain corporate data;
- identification, reconciliation and elimination of intersegment transactions;
- correct calculation of deferred taxation;
- correct analysis and explanation of movements in shareholders' equity, both at parent company and consolidated levels;
- consistency between management and accounting information.

Financial communication procedure

Financial Communication managers draw up a schedule summing up all of the Group's obligations in terms of accounting and financial disclosures. It specifies the nature of the information and the name of the person in charge of its drafting or preparation. Once the information is available, a proofreading procedure assesses its reliability and accuracy, whether the information is of an accounting nature or otherwise. The Legal department ensures compliance with the prevailing laws and regulations in respect of the nature of the information and the mandatory deadlines, and with the principle of providing the same disclosures to all shareholders.

2.2 Risk factors

The main risks to which the Rémy Cointreau Group is exposed, and whose materialisation could have a material adverse effect on its business, results, financial position or outlook, are presented below.

These are risks specific to the Rémy Cointreau Group identified in the latest risk mapping conducted during the 2019/2020 financial year.

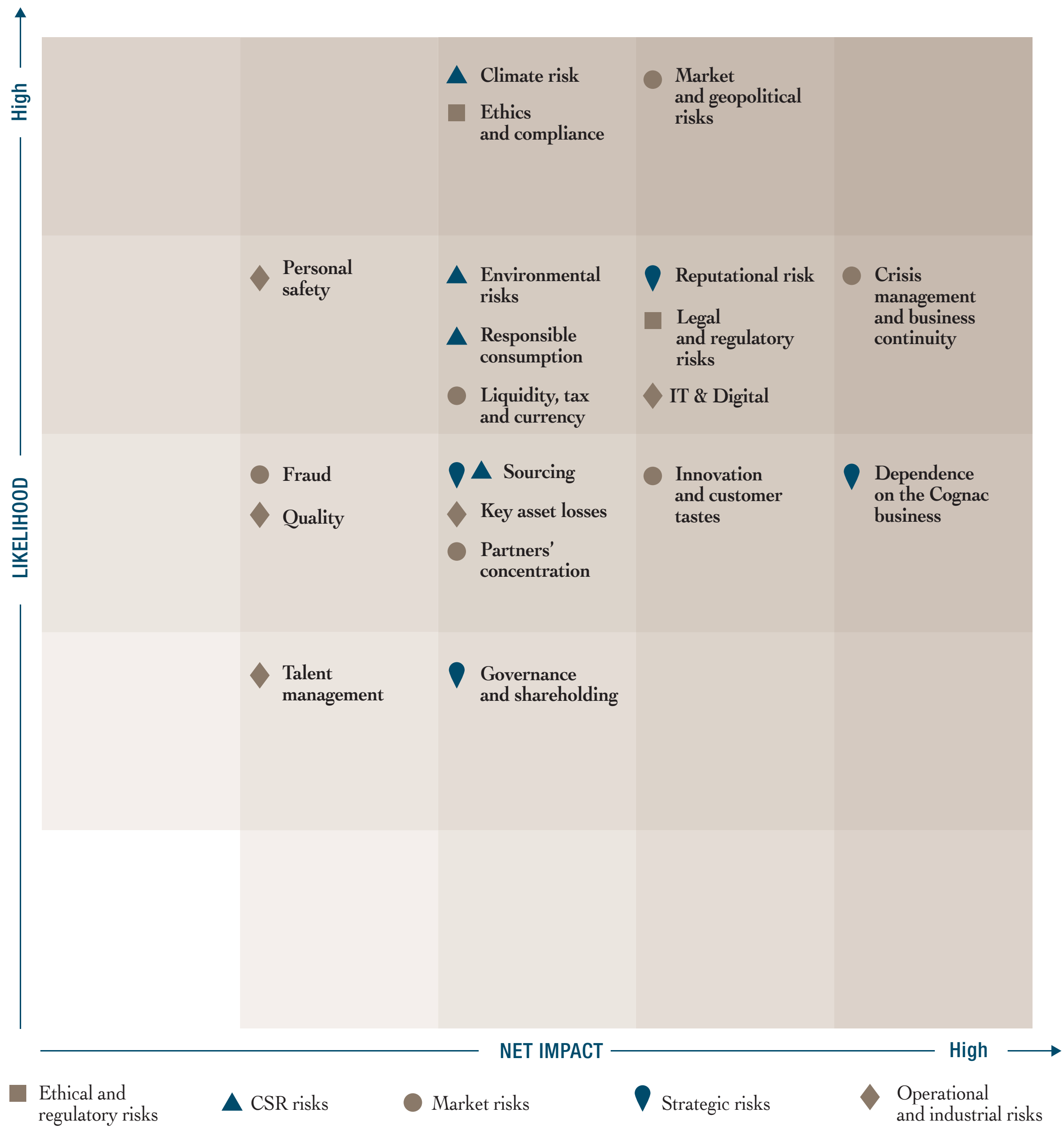
A system for anticipating and managing these risks has been set up and is periodically updated to take into account any regulatory, legislative, economic, societal, geopolitical and competitive changes.

The mapping below ranks the various risks according to their potential impact and likelihood, and represents the Group's exposure, after considering the risk-control measures implemented.

The risks identified are broken down into five main categories: strategic risks, operational and industrial risks, market risks, ethical and regulatory risks, and CSR risks.

In the current context of the Covid-19 health crisis, the mapping has been updated to take into account the changes in certain risks and associated management measures, in particular in terms of personal safety and business continuity.

This chapter includes a detailed description of these risks, their effects and the measures implemented to manage them.



• Strategic risks	2.2.1.1	Reputational risk
	2.2.1.2	**Sourcing management risk**
	2.2.1.3	Dependence on the Cognac business
	2.2.1.4	Governance and shareholding
• Operational and industrial risks	2.2.2.1	IT & Digital
	2.2.2.2	Risks of key asset losses
	2.2.2.3	Quality
	2.2.2.4	Talent management
	2.2.2.5	Personal safety
• Market risks	2.2.3.1	Crisis management and business continuity
	2.2.3.2	Market and geopolitical risk
	2.2.3.3	Liquidity, tax, and currency risk
	2.2.3.4	Innovation and customer tastes
	2.2.3.5	Fraud
	2.2.3.6	Dependency risk related to our partners' concentration
• Ethical and regulatory risks	2.2.4.1	Ethics and compliance
	2.2.4.2	Legal and regulatory risks
• CSR risks	2.2.5.1	**Climate risk**
	2.2.5.2	**Environmental risks**
	2.2.5.3	**Risks associated with responsible consumption**

*A risk in **bold text** indicates that the risk is covered in Chapter 1.*

2.2.1 Strategic risks

2.2.1.1 REPUTATIONAL RISK

Risk presentation

The Rémy Cointreau Group has strong ethics. Its teams are renowned for their professionalism and its products are recognised for their quality and authenticity. Together these factors underpin the success of the Group's brands.

The reputation and image of a company and its brands could be undermined at any time by an incident at one of the production or distribution sites, by the inappropriate behaviour of one of its employees, by a quality defect, or by negative communication on social networks or in traditional media. Similarly, and in another area, counterfeit goods sold by third parties could mislead the clients of the Group's brands, having a lasting and significant impact on its image and results.

Potential impact on the Group

The immediate consequences would be customers moving away from the Group, which could potentially call into question Rémy Cointreau's strategy in its different markets.

The reputational value of a brand is essentially based on how its customers perceive it, and even one apparently isolated event can have a significant impact.

Management and measures implemented

In order to best manage these risks and their consequences, Rémy Cointreau has implemented several measures:

- the Group has drawn up and widely circulated a code of business ethics and an Anti-Corruption Charter, which are regularly updated. The code of business ethics aims to promote Rémy Cointreau's values. The purpose of the Anti-Corruption Charter is to raise awareness among women and men in the Group of the various risks they may face;
- the Group has expanded its digital marketing teams and set up an effective media monitoring strategy, enabling it to respond very quickly to potential rumours;
- a crisis management operations handbook has been drawn up;
- as part of its CSR policy, Rémy Cointreau educates its employees to act, at all times, in accordance with its code of ethics;
- finally, the Group works closely with the authorities in each country to crack down on counterfeiting, and takes part in awareness initiatives on the dangers of counterfeit products.

2.2.1.2 SOURCING MANAGEMENT RISK

Risk presentation

A majority of the Rémy Cointreau Group's production is carried out in-house, in line with its strategy of exceptional products tied to their *terroirs*. Supply security is therefore a critical issue:
- to guarantee continued growth for the Group;
- to ensure that its partners apply the same principles of respect for human rights, labour law and the environment.

Potential impact on the Group

A supply disruption in either volume or quality could result in a production breakdown and thus a loss of business.

Moreover, working with partners who do not respect Rémy Cointreau's commitments, as defined in the CSR report, would impair Rémy Cointreau's commitments to its *terroirs* and its customers.

Management and measures implemented

The Rémy Cointreau Group's products are intrinsically tied to their *terroirs*, thereby forging long-term partnerships with producers from these *terroirs*.

Operationally, supplier risk is managed by the Purchasing department, jointly with the Product Development teams. Rémy Cointreau is improving the security of its supplies, implementing a diversification policy to limit its dependency on suppliers, and building up strategic inventories.

The Group enters into special partnerships with its suppliers based on ethics, trust, long-term commitment, and shared values. In the interests of supporting all of its partners in the long term, Rémy Cointreau ensures that they share and respect its social, environmental, and ethical ambitions and commitments. Sedex supplier audits are conducted by the Purchasing department to make sure supplier operations are in compliance with the Group's expectations.
These actions are detailed in Chapter 1.3.3.2 "Responsible Purchasing".

2

2.2.1.3 RISK OF DEPENDENCY ON THE COGNAC BUSINESS

Risk presentation

The Rémy Martin and LOUIS XIII Cognac lines are the key drivers of revenue for the Rémy Cointreau Group. Rémy Martin and LOUIS XIII are global, iconic brands from the best *terroirs* in the Cognac region, with a loyal customer base across its different European, American, and Asian markets.

Potential impact on the Group

The Rémy Cointreau Group is heavily dependent on the good health of its Cognac brands, whether in:
- the supply of ***eaux-de-vies***, with a limited, highly sought-after output of Grande and Petite Champagne, dependent on a specific *terroir*;
- the consumption of its products in its principal markets, where a severe decline would have a significant impact on the Group's earnings;
- the reputation of its Cognac brands with their customer bases, and their loyalty to their values of authenticity, know-how, and quality.

Hence, an inability to obtain supplies of eaux-de-vie de Cognac, specifically Grande Champagne; major damage to the image capital of the Rémy Martin and LOUIS XIII brands; or a loss of customers on the principal markets, would have a significantly affect the Rémy Cointreau Group. Similarly, a substantial or sustained decline in the volume or sale price of our Rémy Martin or LOUIS XIII cognacs would have a negative effect on its financial results. Furthermore, if efforts to maintain or enhance the relevance of the Rémy Martin and LOUIS XIII brands with our current and future customers were not successful, our sales and operational earnings could suffer.

Management and measures implemented

Aware of this risk, the Rémy Cointreau Group has established the following measures:
- *eaux-de-vie*: The Rémy Cointreau Group, through its subsidiary Domaines Rémy Martin, owns Petite and Grande Champagne vines and has a policy of actively acquiring land. Additionally, its policy of long-term commitment with wine growers and distillers secures its sourcing for the years to come;
- diversification of supply across markets, where the variety of the Rémy Martin line and the LOUIS XIII limited editions, serve to both attract and retain customers looking for rare and authentic products, and to spread the risk across the different markets, where, for instance, China is loyal to Club and LOUIS XIII, while the US prizes VSOP and 1738;
- this creates a more balanced distribution of its net sales among the three principal markets of Europe, the United States, and China.

2.2.1.4 GOVERNANCE AND SHAREHOLDING RISK

Risk presentation

As a family-owned, listed company, Rémy Cointreau is sensitive to the management of its governance, in particular due to:

- the level of involvement of the shareholding family in the Group's management (or its potential divestment) of which could change its profile;
- the potential capital investment of an activist fund;
- a potential takeover bid that could have an impact on the continuity of the strategy.

Potential impact on the Group

Rémy Cointreau's strategy is based on a long-term development outlook (as indicated by its values *Terroirs*, People, and Time), which could be affected in the event of changes in shareholding.

Moreover, over-involvement of the shareholding family could disrupt the Group's governance.

Management and measures implemented

The Hériard Dubreuil family, a historic shareholder in Rémy Cointreau, reasserts and demonstrates its involvement in the Group, whose strategic ambition is to become the global leader in exceptional spirits. Moreover, a stable and committed shareholder base over the long term is a strategic advantage for a portfolio of hundred-year-old brands with a long ageing process for *eaux-de-vie*.

In addition, the bonds between the Rémy Cointreau Group and Andromède, a company of the Hériard Dubreuil family, are defined and framed in a service provision agreement. Under this agreement, Andromède provides Rémy Cointreau with support services in strategy and finance management, institutional and commercial relations, development and external growth, and the organisation and oversight of senior management.

2.2.2 Operational and industrial risks

2.2.2.1 IT & DIGITAL RISKS

Risk presentation

IT risks consist of data loss, corruption or breach (commercial, production or financial), the inability to operate effectively due to a technical fault, system intrusion or hacking and attacks against the digital platforms of the Rémy Cointreau Group. This complete or partial unavailability may be the result of external attacks such as malware or ransomware (targeting both production and support IT, as well as digital platforms and CRM) or internal attacks (malicious employees).

According to the ANSSI (French National Information Systems Security Agency), cybercrime is the main cyber threat for companies, with a very alarming increase in ransomware attacks in recent months.

In addition, changes in practices and technologies, with the increased use of remote working due to Covid or the use of cloud solutions, significantly increase cybersecurity risks.

Potential impact on the Group

The Rémy Cointreau Group's processes are based on the extensive use of IT systems. As such, they are exposed to the risk of failure of the Group's IT systems and the network infrastructure used. The processes concerned could be significantly interrupted or sensitive data could be lost or corrupted if these systems were to become totally or partially unavailable.

Management and measures implemented

A dedicated team, headed up by an IT Systems Security Manager within the IT Systems department and with strong support from senior management, has been tasked with implementing appropriate tools and processes since 2015. These have recently been significantly stepped up and are constantly being adapted.

In particular, Rémy Cointreau has an external Security Operation Centre and the latest technology designed to protect its network, servers, user workstations and Cloud applications and to prevent hacking (anti-virus, anti-spam, web filtering, remote access).

In addition, business recovery plans have been developed or are under development and crisis management exercises are organised. Training is also provided internally to raise the awareness of all Rémy Cointreau employees to these different threats.

Lastly, permanent monitoring, regular discussions with other peers and risk quantification exercises enable to maintain a very high level of vigilance within the organisations.

2.2.2.2 RISK OF KEY ASSET LOSSES

Risk presentation

Rémy Cointreau's main assets are its brands, employees, sites and inventories.

The Group is particularly sensitive to any event that could affect one of its brands, jeopardise the health of our employees, or deteriorate some of its assets, be they buildings or inventories.

Potential impact on the Group

Because our cognacs, whiskies and rum are aged for long periods, we maintain an important inventory of products that are aged and reach maturity in our various cellars, located on sites specific to each brand. The loss of a high volume of aged inventories – due to fire, another natural or human-made disaster, contamination, or other cause – could considerably reduce supply of the product(s) in question. A consequence of these disruptions, or other breaks in the supply chain, could prevent us from meeting customer demand for a period of time. Insurance claims might not be sufficient to cover the replacement value of inventory of products reaching maturity or other assets, should they be lost. Disaster recovery plans might not prevent a disruption in operations, and rebuilding damaged facilities could take considerable time.

Any loss impacting our employees could result in the loss of skills and disrupt our production over a shorter or longer period.

Management and measures implemented

To manage this risk, the Rémy Cointreau Group has rolled out a set of measures, carried out jointly by the Operations department and the Insurance department.

Preventive measures have been defined and put in place, particularly at production sites. They undergo regular external audits by our insurers' prevention engineers. These measures include facilities design and maintenance, team training and formalised operating procedures.

Rémy Cointreau has also established protection and control systems to control the quality of its products and limit the potential risk of product contamination.

Lastly, to ensure the safety of its employees, the Group has enhanced personal safety measures on its sites and formed a partnership with an international security expert to cover its employees during business travel. In addition, the purpose of the Group Talent department is to identify rare skills and prepare succession plans. At present, a succession plan is in place for each of the key positions.

2.2.2.3 PRODUCT QUALITY RISK

Risk presentation

Rémy Cointreau brands are known and recognised for their high-end quality, owing in particular to the raw materials used, the expertise of its craftsmen and winemakers, and respect for the local region or *terroirs* they come from.

Potential impact on the Group

Any deterioration in product quality, taste or presentation (bottles, packaging) could have a significant adverse effect on clients, and deter them from buying the Group's products and brands in future.

Similarly, any severe defects in the liquid product could endanger the health of consumers and permanently affect the reputation of the Rémy Cointreau Group and its brands.

Management and measures implemented

To minimise this risk, Rémy Cointreau has introduced various measures and has undertaken to abide by strict principles. These include respect for the local region and the production and fabrication process of its spirits, as well as selecting the best ingredients and craftsmanship.

The introduction of strict quality control at all stages of the production and distribution process also ensures that customers are guaranteed a unique experience when enjoying the Group's products.

Rémy Cointreau has also rolled out a training programme to identify and respond appropriately to the needs of each member of staff. As a result, each employee has the necessary expertise and know-how to achieve the level of excellence required by the Group.

Finally, because its products are traceable, the Group is able to withdraw from the distribution network any bottles that could be affected by a quality issue.

2.2.2.4 TALENT MANAGEMENT RISKS

Risk presentation

The reputation and success of Rémy Cointreau are built on the know-how of its cellar masters and the skills of its teams. Attracting, developing, and retaining top talent while allowing certain rare or in-demand skills to be passed on is an ongoing challenge.

Potential impact on the Group

Any loss in talent or know-how, or an inability to attract or find new talent, would have implications for the sustainability of certain kinds of knowledge and expertise, as well as for the well-being of our teams (loss of motivation, weaker investment in projects) and therefore on the Rémy Cointreau Group's ability to achieve its goals.

Management and measures implemented

Rémy Cointreau's Human Resources Department has set up a number of measures:

- a training plan offers employees various modules on the Group's brands and functions, or aimed at supporting individual and professional development;
- the Talent department is tasked with attracting new talent but also identifying and fostering talent within the Group;
- internal and external mobility is promoted, giving employees the option of developing abroad or in another function;
- as part of its well-being at work policy, teleworking (both regular and occasional) has been set up;
- as a family-owned group, Rémy Cointreau wants to retain its employees and involve them in the Company over the long term. As such it has established various incentive measures: incentives, profit-sharing and supplementary pension schemes, etc.

2.2.2.5 PERSONAL SAFETY RISKS

Risk presentation

The Rémy Cointreau Group is intent on respecting personal safety regulations and is also vigilant about the safety and health of people of both its employees and its customers at all times.

The factors identified by the Rémy Cointreau Group that may jeopardise the safety of its employees and customers include:

- occupational illness or psycho-social risks;
- the risk of accidents during travel in some markets;
- the risks associated with using certain machines;
- the risks associated with excessive consumption of spirits;
- the risks related to a pandemic similar to Covid-19.

Potential impact on the Group

Any harm to the health and safety of its employees and customers would have significant consequences for the Group, whether:

- reputational impact, related to the fallout from an accident;
- legal impact, due to litigation which could have significant financial consequences;
- loss of employee motivation.

Management and measures implemented

Rémy Cointreau has always been committed to procedures aimed at continuously improving the safety of its employees and reducing the number of workplace accidents.

First, the Group's production sites undergo independent audits resulting in action plans that are reviewed each year. Our insurers are closely involved in these measures in order to assess their effectiveness.

In addition, Rémy Cointreau has taken out a contract with an international traveller safety expert to ensure its employees' safety during business travel.

The Group's people are also routinely educated on the importance of responsible consumption, through specific training programmes and the implementation and circulation of strict rules for those in contact with points of sale.

Lastly, during the Covid-19 pandemic, Rémy Cointreau's top priority has been to ensure the safety of its employees. Accordingly, the Group has implemented strict protocols across all its sites, adapted to local health situations and rules: hygiene measures, organisation of teleworking, working environments and work time. Inter-site and intra-site crisis committees have been set up as well as the organisation of routine communication. Psychological assistance has also been introduced to help employees experiencing difficulties.

2.2.3 Market risks

2.2.3.1 CRISIS MANAGEMENT AND BUSINESS CONTINUITY

Risk presentation

The Rémy Cointreau Group, through its presence in numerous markets and its production process, is exposed to risks of various kinds (health, natural disasters, industrial and economic disasters) that may have a significant effect on Group's business and its ability to recover rapidly.

Potential impact on the Group

A natural disaster causing the destruction of the production sites, a global health crisis, such as a long-lasting pandemic, a political crisis resulting in the closure of borders or any other event disrupting the activity could have material impacts on the sales of the Group. In addition, poor preparation and anticipation would affect its ability to resume activity quickly and efficiently.

For example, the Covid-19 global pandemic resulted in a total shutdown of the Group's production sites during several weeks in the first half of 2020 as well as the closure of on-trade points of sale for variable periods of time during depending on the various markets and a decline in air freight which affected travel retail.

Management and measures implemented

The safety and sustainability of all of the Group's assets: human, tangible, intangible, and know-how, are the top priorities.

The Group's production sites have established business continuity plans. In particular, the cellars located in the Cognac region, which house the majority of Rémy Cointreau's assets, are classified as Seveso high-threshold under the authorization regime and have defined, formalized business continuity plans that are shared with insurers and local authorities, as well as a safety management system.

The Rémy Cointreau Group has also crisis management operations handbook and, following each event, it conducts a feedback exercise to identify what might have been managed more effectively.

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2.2.3.2 MARKET AND GEOPOLITICAL RISK

Risk presentation

By virtue of its international presence, the Rémy Cointreau Group is sensitive to market developments, protectionist tensions, potential trade wars, even the consequences of terrorist acts.

The Brexit situation (since the United Kingdom is one of the Group's principal markets in Europe, as well as a producer country); the tensions and risks of trade war; and popular uprisings in various countries, are all events creating instability which could affect Rémy Cointreau's business.

Potential impact on the Group

These events could have multiple consequences such as:
- restricted access to certain markets for our brands;
- a significant increase in customs duties;
- a fall in consumption and our sales.

Management and measures implemented

In the context of its risk control policy, the Rémy Cointreau Group has set out to diversify its exposure through:
- better distribution of its business among different markets (United States, Europe, China, Asia excl. China, and Africa);
- diversification of its spirits line, developing "limited editions" and highlighting its products' movement upmarket;
- development of new distribution channels (brand boutiques, e-commerce, and direct sales).

2.2.3.3 LIQUIDITY, TAX, AND CURRENCY RISKS

Risk presentation	Management and measures implemented
Rémy Cointreau's results are sensitive to fluctuations in exchange rates, as the Group realises about 80% of its net sales in currencies other than the euro, whereas most of the production is within the euro zone. The majority of the Group's activities are characterised by high levels of capital employed, particularly inventories undergoing ageing, which involves substantial financing requirements over the long term. Finally, due to its international presence, Rémy Cointreau is exposed to financial risks linked to the development, complexity, and interpretation of tax regulations in the countries in which it operates. **Potential impact on the Group** Unfavourable currency fluctuations can generate financial losses. Any change in the Group's financing structure might impact the Group's earnings as well as its ability to finance itself over the long term. The changes in tax regulations and the increasing burden of direct and indirect taxation on spirits in particular (excise duties, customs duties, etc.) could negatively affect its earnings.	The currency risk is hedged so as to minimise and anticipate the impact of currency fluctuations on the Rémy Cointreau Group's earnings. The Group's foreign exchange policy is founded on the following management principles: • distribution subsidiaries are billed in their own currency, based on an annual exchange rate set in euro; • the currency risk is hedged by Financière Rémy Cointreau on a yearly basis, calculated on the Group's net positions; • no speculation is authorised; • these hedges are performed with firm and/or optional currency transactions eligible for hedge accounting; • other non-operating transactions are hedged against the currency risk once their commitment is firm and final. These include financial risks generated by intra-Group loan transactions and dividends in foreign currencies. Rémy Cointreau continuously monitors the balance of its financial structure, prioritises long-term resources and combines fixed-rate and variable-rate resources. Refinancing is systematically prepared for those resources reaching maturity. The Group obtains its financing from leading financial institutions. The availability of some financing is contingent upon the level of the so-called A ratio (Average net debt/EBITDA), which is calculated twice per year and must be below 3.50 for the bond private placement and less than 4.0 for the new syndicated credit. The Group has introduced forecasting procedures in relation to net debt and other key indicators such as cash generation and ROCE (return on capital employed) which involve all divisions in the optimisation of the financial structure of activities and compliance with the A ratio. Lastly, the Rémy Cointreau Group keeps a regulatory watch and sets its tax policy by relying on a team of tax specialists that reports to the Finance department. The Group is committed to following all tax regulations in the countries in which it operates; its tax policy is not based on any tax-evasion scheme and is compliant with the principles laid down by the OECD.

2.2.3.4 RISKS ASSOCIATED WITH INNOVATION AND CHANGING CUSTOMER TASTES

Risk presentation

Customer preferences and spending habits could change for a whole host of reasons, for example because of the economic climate, demographic and societal trends, public health initiatives and policies, laws on alcoholic beverages and changes in consumer spending and in recreation and going out.

In addition, any inability of the Group to innovate by presenting products that meet customers' new expectations would constitute a risk factor.

Potential impact on the Group

A change in consumer tastes and in particular, a decline in the popularity of cognac, would have a significant impact on the Group's net sales and its ability to maintain its current distribution network.

Management and measures implemented

Rémy Cointreau continues to diversify its brand portfolio and develop its product range in order to limit its exposure to a particular brand, category of spirits or market.

As such, the Group further enhanced its portfolio and, on 16 October 2020, announced the acquisition of Champagne J. de Telmont, a traditional century-old business firmly engaged in an organic agriculture certification process.

The development of the ranges and capacity for innovation of the Houses enable to address the changes in consumer tastes and to be a pioneer in new consumption patterns.

Continuous strategic monitoring is also an important factor in the growth strategy.

2.2.3.5 FRAUD RISK

Risk presentation

Rémy Cointreau distributes its products in the principal markets of the globe and has an excellent reputation and very strong brand recognition. In this environment, the Group could be a prime target for numerous fraud attempts, both in France and internationally.

Attempted fraud can come in many forms:

- external fraud, be it impersonation scams involving the President of the Company, supplier impersonations or cyber-attacks either with the aim of stealing confidential data or extortion attempts using ransomware;
- internal fraud by an employee, through theft or collusion with a third party.

Potential impact on the Group

No matter what form the fraud takes (theft, cyber-extortion, embezzlement), it can result in financial losses that are:

- direct, through the fraud perpetrated;
- indirect, in connection with the costs of managing the fraud (consulting fees and legal fees).

Fraud can also result in the theft of confidential information or personal data.

Lastly, the reputational aspect should also be taken into account when assessing potential impact.

Management and measures implemented

Aware of the growing risk, Rémy Cointreau has implemented a range of measures and checks. These include:

- raising awareness and training employees for these risks;
- strengthening key procedures;
- improving cooperation with partner banks in the securing of transactions;
- deploying specific IT tools against "cyber" risks.

More specifically, concerning the risk of "internal" fraud, Rémy Cointreau stepped up its procedures for third party control and validation and the segregation of duties. Routine communication and specific training courses are organised, including strict reminders of the principles of integrity.

Although these measures cannot fully eliminate the risk of fraud, they do provide reasonable protection.

2.2.3.6 DEPENDENCY RISK RELATED TO OUR PARTNERS' CONCENTRATION

Risk presentation

The Wines & Spirits industry is highly competitive and fragmented. There is a tendency toward concentration among players in distribution and production alike that may impact Rémy Cointreau in a lasting way, thereby creating a situation of dependency that could be harmful with increased pressure on the Group's prices and margins.

Potential impact on the Group

Industry concentration could have an adverse effect on Rémy Cointreau's ability to distribute its brands in all of its markets and second to maintain its margin:

- concentration among competitors risks marginalising Rémy Cointreau. There is a risk of it lacking sufficient critical size to be able to negotiate with key partners (such as players in iconic locations in major cities);
- concentration in the distribution sector could also have a negative impact due to the increased bargaining powers of distributors. This also entails the risk of our products being delisted with our partners, either temporarily or permanently and affect our sales prices and conditions.

Management and measures implemented

To protect itself from these risks, the Rémy Cointreau Group is continuing to develop its upmarket strategy. This gives it a unique position within the spirits sector and a presence among leading retailers. In addition, the launch of special projects in partnership with celebrated mixologists strengthens the links with big-name establishments.

The Group is careful never to be legally dependent on third parties in a way which could significantly affect its industrial or commercial operations. The scope of its various contractual commitments complies with international business practices:

- there is no dependence by Rémy Cointreau on customers or exclusive independent distributors, or third-party spirits distribution contracts likely to have a substantial impact on the results, net assets or financial position of the Group;
- in general, contracts signed by Group companies become a part of the Company's ordinary operations and adhere to commitments in line with international business practices;
- no contracts involving obligations or commitments of particular significance for the Group as a whole were concluded with third parties by any Rémy Cointreau company;
- similarly, with regard to suppliers, there is no dependency on a key supplier. More specifically, supplies of cognac eau-de-vie are the subject of long-term commitments, thereby reducing the supply risks.

Moreover, the Group continues to invest in and develop its own distribution network, guaranteeing its independence and ability to be present in all of its markets.

Lastly, Rémy Cointreau is seeking to diversify its distribution channels, with very ambitious targets for growth in direct sales and e-commerce.

2.2.4 Ethical and regulatory risks

2.2.4.1 ETHICS AND COMPLIANCE RISKS

Risk presentation	Management and measures implemented
The Group has a global business and is therefore subject to a raft of laws and regulations, including various regulations on anti-corruption (Sapin II Act in France, FCPA in the USA, UKBA in the United Kingdom) and data protection (GDPR, CCPA in California, etc.), as well as the principles enshrined in the Global Compact. **Potential impact on the Group** The risk that the Group fails to comply with one of these regulations, or that one of its employees does not follow the rules contained in the Group code of business ethics and in doing so exposes Rémy Cointreau to various sanctions. The impacts of these sanctions may be numerous: financial, reputational, psychological for our employees, and even the loss of our appeal to job seekers.	To ensure compliance, the Group has put in place the appropriate action plans (as described in section 2.4 "Ethics and Compliance"). To prevent corruption, the Group conducted a risk mapping exercise which resulted in the roll out of local action plans, and implements the other anti-corruption measures provided for in the Sapin II Act. An anti-corruption code of conduct has been drawn up and specific training modules are provided to Group employees. Lastly, an ethics whistleblowing hotline, accessible both internally and externally has been set up. Regarding data protection, the Group is pursuing its plan for compliance with GDPR, as well as with the various foreign regulations that govern its operations (particularly in China and in the US). The compliance plan is based in particular on data protection policies, internal data management procedures and impact analysis, the use of standard contractual clauses, and lastly, appropriate training for all members of staff. Lastly, permanent monitoring is being carried out to prepare for new regulations.

2.2.4.2 LEGAL AND REGULATORY RISKS

Risk presentation

The Rémy Cointreau Group has a global presence and, as such, is subject to a legal framework that is constantly changing and specific to each market. For example, the production and sales operations of Group products are subject to regulations in France and abroad, which vary depending on each country, particularly with respect to the production, packaging, marketing and advertising of these products, as well as public health, product recall, labelling, and promotions.

Moreover, the Rémy Cointreau Group attaches particular importance to the legal protection of its assets and of its trade relations in France and around the world. This also involves:

- its intellectual property rights, particularly of its brands, which are a major asset in its business;
- its distribution contracts;
- its supplier relationships;
- litigation with customers or government authorities.

Potential impact on the Group

These regulations and their developments can have a strong impact on the Group's ability to do business:

- advertising and promotion: to amend consumer behaviours and reduce alcohol consumption, the various authorities may impose restrictions or even limit alcohol advertising. An example of this is the Evin law in France. A limited campaign would hinder Rémy Cointreau in its efforts to introduce its brands and retain customers;
- labelling: In addition to the restrictions of the legal notices, strong labelling, similar to that carried out in the tobacco industry, could drive customers away from spirits, thereby reducing sales;
- distribution channels: regulatory changes in distribution could restrict Rémy Cointreau's ability to distribute its products or conduct promotional campaigns;
- brand protection: The brands of the Rémy Cointreau Group could be imitated, counterfeited or registered by third parties in violation of its rights. The Group could then encounter difficulties in protecting its brands in certain countries or reassuring consumers who might be misled into thinking that they are buying the Group's products;
- contracts: A lack of contract formalisation in its trade relationships, with suppliers and customers alike;
- litigation: Any major litigation could have significant consequences on the Group (financial, reputational) or its brands and products.

Management and measures implemented

In order to have an influence on these regulations and their developments, the Rémy Cointreau Group belongs to many professional groups so that it can promote its positions and its interests both with other industry players and with administrative authorities.

An integrated Legal department permanently manages the Group's legal affairs. It carries out preventative checks on all the legal risks, both internal and external, that may affect the achievement of the Rémy Cointreau's objectives. If necessary, the team can request the assistance of international lawyers recognised for their expertise in specific areas of business law.

The Legal department strives to only initiate litigation if all possibilities of reaching out-of-court settlements have proved unsuccessful. To defend its interests, Rémy Cointreau takes a position on these risk factors, in particular:

- by committing to communicate through responsible campaigns that do not target "young and at-risk" customers, and working to make sure sensible advertising of spirits is always a reality;
- by raising awareness among customers of the dangers of excessive consumption in its communication;
- by collaborating with the various authorities for the design of labelling;
- brand protection: Rémy Cointreau has an active policy of monitoring its trademark and domain name registration, in each category and market, either directly, using in-house legal specialists to implement modern brand management practices, or through world-renowned intellectual property advisers;
- to prevent counterfeiting, by taking every action necessary to tackle counterfeiting, particularly in Asia and Eastern Europe, against any unfair competition, and by opposing any registration of trademarks by third parties whenever it considers that a trademark application infringes its property rights. Within the Legal department, a specialist lawyer is devoted to protecting the Group's Liqueurs & Spirits brand portfolio. Similarly, a manager is dedicated to protecting the Rémy Martin brand portfolio. To fight against counterfeiting, they ensure the follow up of the report on any counterfeiting of the Group's brands, together with professional bodies, distributors, Sales departments, customs authorities, the Corporate Relations department and government expert agencies. They take every step they deem relevant to oppose the registration of counterfeit trademarks by third parties across the globe. They carry out and manage the litigation proceedings they deem necessary worldwide, with the support of specialised advisers;
- litigation management: in the event of procedures relating to trademark law, the protection of intellectual property rights, the protection of its distribution network, relations with employees and the control of its tax declarations and all other matters inherent in its activities, Rémy Cointreau calls on the services of first-rate lawyers in order to build defence and provisions, when necessary, the amounts related to these risks and litigation.

2.2.5 CSR RISKS

2.2.5.1 CLIMATE RISK

Risk presentation	Management and measures implemented
The Rémy Cointreau Group's spirits are produced on their own specific *terroirs*. These are subject to seasonal vagaries such as drought, hail, and frost, as well as longer-term climate changes like global warming. **Potential impact on the Group** Depending on their type, weather events can have various impacts: • seasonal climatic hazards: A strong climatic hazard like heavy frost, hailstorm, overly dry summer, or lack of precipitation can impact the production of the raw materials the Group needs. Whether a sharp drop in yield or greatly diminished harvest quality, these would inevitably have an impact on future net sales; • climate change: This long-term phenomenon can have a major impact on the Group's activity. Indeed, a substantial change, specifically warming, may change the crop map and impact the product-*terroir* link that is a building block in the identity of the Rémy Cointreau Group's products.	Rémy Cointreau is committed to an active environmental conservation and protection policy in order to minimize its impact. Moreover, the Group operates a dynamic management of its supplies, enabling it to minimise the climatic hazards on its harvests. Our teams are therefore committed to medium- and long-term actions to ensure the quality and sustainability of the Houses' supplies. These actions are detailed in Chapter 1.3.2.3 ("Adapting to climate change"). Rémy Cointreau is also involved in the security of its premises, by taking into account the risks associated with climatic hazards when choosing the location and design of its premises. Lastly, in the context of its risk management policy, as described in Chapter 2.3 "Insurance", the Group has taken out a policy covering hail and frost that may affect our Cognac vineyards.

2.2.5.2 ENVIRONMENTAL RISKS

Risk presentation

Working with natural products, Rémy Cointreau Group is particularly mindful of the issue of environmental protection, as well as the safety of its employees and production sites.

Potential impact on the Group

Any incident affecting the areas in which the vital ingredients for the Group's products are grown – be it cognac vines for cognac *eaux-de-vie*, barley and herbs on Islay for Bruichladdich whisky and The Botanist gin, Barbados sugar cane for Mount Gay rum, or orange peel for Cointreau – would have implications for the Group's ability not only to manufacture its products, but to guarantee their quality.

The same applies to the Group's industrial sites, the safety of its employees and the distillation, bottling and shipping process.

Management and measures implemented

The management of industrial and environmental risks, as well as product related risks, is principally handled by the Quality/Safety/Environment departments working at each Group site, under the ultimate responsibility of the Group Operations Manager.

Safety/Environment audits are carried out at production sites by personnel and certified external auditors, leading to action plans which are monitored by quarterly Committee meetings.

- Due to the Group's activities, its main production sites in France are subject to local authority licensing. The Cognac site is classified as Seveso high threshold on account of the quantities of *eaux-de-vie* stored there. The site is subject to a comprehensive Safety Management System (SMS).
- The Cognac and Angers sites are ISO 14001 certified. This certification is validated by annual follow-up audits. These audits did not reveal any anomalies. Indicators used by ISO 14001 certification have also been rolled out to other Group sites.
- The Mount Gay Distillery bottling site is ISO 9000 certified.

In general, regulatory compliance of sites is an ongoing concern and close relationships are maintained with all the administrations involved. In addition, significant training is provided to the employees and to external providers who work on the sites.

In terms of product risks, the Group refers to the HACCP standard (Hazard Analysis of Critical Control Point), an international method for implementing a system that guarantees the hygiene of food designated for consumers, as well as the internationally recognised ISO 22000 standard for certification of production sites' HACCP plans.

All the certifications of the production sites are presented in chapter 1.3.4.1 "Governance".

2.2.5.3 RISKS ASSOCIATED WITH RESPONSIBLE CONSUMPTION

Risk presentation

The Rémy Cointreau Group endeavours to meet its responsibilities to society. As such, it is keenly aware of its responsibilities with respect to public health. Just as it cares about the quality of its products, it also cares about promoting moderate consumption of its products.

Potential impact on the Group

Any negative effect on the health of its employees by excessive consumption of its products or of alcohol in general may result in:

- stricter regulations on alcohol consumption;
- litigation brought against the Group by employees or customers;
- damage to the reputation of the Group and its brands.

Management and measures implemented

Rémy Cointreau remains involved, together with the industry's major companies and professional associations, in the main joint projects to encourage responsible alcohol consumption across its principal markets. The movement upmarket strategy that is a feature of all of the Group's Houses is also very consistent with the pursuit of higher-quality consumption and the aim of reducing risky consumption. Internally, Rémy Cointreau routinely raises employee awareness of the importance of responsible consumption through training and targeted messaging.

These actions are further detailed in the section on responsible consumption in Chapter 1.3.3.1 "Responsible consumption of our products".

2.3 Insurance

The Rémy Cointreau Group has implemented a risk management policy that includes:

- risk prevention at industrial and storage sites and employee safety;
- identification of its risk exposure;
- implementation of business continuity plans;
- optimisation, coordination and pooling of its insurance policies.

The main insurance policies are integrated under international insurance programmes covering the various risks identified, such as general civil liability, withdrawal of delivered products, damage to property and consequent operating losses and transport of goods. Local insurance policies can also be subscribed to meet regulatory requirements and the specific needs of the subsidiaries (*e.g.* vineyard insurance, auto fleets, etc.).

Insurance type	Coverage and limits of the various policies subscribed
Property damage and business interruption	This coverage is presented as "All Risks Except". **Basis for compensation** • Replacement value for movable or immovable assets. • Wine and spirits: Market replacement value and net book value based on type of inventories. • Operating losses with a compensation period of 24 months. **Contractual claim limit** A contractual claim limit of €850 million was negotiated for property damage and business interruption combined.
General liability (operations and products)	This policy covers the Rémy Cointreau Group for all physical, material and immaterial damage caused to third parties for €100 million.
Contamination and brand image	This plan is supplemental to the general liability coverage subscribed and covers the product cost, the costs of restoring the brand image, operating losses, and the contamination and any deterioration of the product. Coverage of €15 million per policy year.
General liability Environmental damage	Coverage of €10 million per policy year.
Transport	Coverage of €10 million per claim.
General liability – corporate officers	Coverage of €50 million per policy year.
Fraud and cyber	Coverage of €15 million for fraud and of €15 million for Cyber per policy year.
Credit	Coverage of each customer's outstanding balance, up to a limit set per customer by the insurer.

2.4 Ethics and compliance

2.4.1 Commitments

The Rémy Cointreau Group's ethical approach is based on the universal framework of overarching international principles, standards and agreements and governed primarily by:

- the Universal Declaration of Human Rights;
- the International Labour Organisation's Charter of Fundamental Rights, which covers in particular the freedom of association, forced labour, child labour and discrimination;
- sustainable development goals as established by the United Nations;
- the Ten Principles of the Global Compact to which Rémy Cointreau has subscribed since 2003;
- the European Union Charter of Fundamental Rights;
- the principles established by the GRI;
- the OECD's guiding principles;
- the OECD's Convention on Combating Bribery of Public Officials.

The Rémy Cointreau Group and its employees are committed to comply with the applicable laws and regulations in all countries where they present and operate an activity.

These principles are explicitly included in the Group's code of ethics and Anti-Corruption Charter.

CODE OF BUSINESS ETHICS

The Group's values are formally set out in a code of business ethics, which is signed by the Chairman of the Board of Directors and the Chief Executive Officer and circulated to all employees, as well as to new employees are soon as they join the Group. It is the foundation of the culture of integrity and ethical behaviour of Rémy Cointreau Group Houses and its purpose is to provide guidance to the Rémy Cointreau Group, its Houses and its employees about how to behave and comply with the key principles governing relations between stakeholders and the Company. It also aims to promote compliance and to ensure that laws, applicable regulations and fundamental major principles are properly implemented.

The code of business ethics is also designed to encourage and motivate Rémy Cointreau Group employees to communicate and seek, both from their line managers and from the Public Affairs department, answers about how to behave in particular situations.

The code of business ethics sets out the values of the Rémy Cointreau Group and all of its Houses as well as its own ethical framework. These values, and these ethics, must inspire each of our employees in their daily activities and interactions, both internally and with the Group's partners. It sets out:

Business values and responsibilities

The values guiding Rémy Cointreau Group, its Houses and its employees in their business behaviour are:

- **compliance with the laws and regulations** in force in the countries where the Group operates, with Rémy Cointreau complying with its legal and tax obligations;
- **respect for the principle of healthy competition**, with Rémy Cointreau supporting competition based on quality, reputation, service, price and respect for its competitors. The Rémy Cointreau Group therefore conducts its business honestly, sincerely and fairly;
- **adoption of responsible communications**, since the Rémy Cointreau Group wants to ensure that its products remain a source of enjoyment to be shared during social occasions. The best means of giving sense to our values is to perpetuate a culture of responsible consumption and prevent the risks associated with excessive alcohol consumption;
- **prevention of conflicts of interests**, the women and men of the Rémy Cointreau Group work in the interests of the Group and its Houses. Employees must avoid any situation of a conflict of interest, or situation that may be perceived as a conflict, between their duties towards Rémy Cointreau and their personal interests;
- **the fight against corruption**, Rémy Cointreau condemns corruption in all its forms, including bribery. The Rémy Cointreau Group believes that such behaviours are to the detriment of the countries in which it operates. The women and men of the Houses must demonstrate their integrity, particularly by refusing any gift which might contravene the Group's ethics.

Values and responsibilities towards others

Relations within the Rémy Cointreau Group are characterised by a duty of mutual respect between women and men who contribute with integrity to the corporate project and to the Company itself. Every day, the Houses of the Group undertake to respect and promote the following values: trust, acting as an example, excellence, high standards, appreciation, respect and discretion. These values are represented in the following initiatives:

- **a commitment to responsible consumption:** the Rémy Cointreau Group wants to promote, both internally and externally, the responsible consumption of its products;
- **respect for the environment:** the Rémy Cointreau Group is committed to serving its customers, while accepting its environmental responsibilities and it therefore makes protecting the environment a key area of its strategic focus;
- **commitment to its employees:** the Rémy Cointreau Group wants all of its employees to work in the best possible conditions and is committed to offering a healthy and safe workplace. The Rémy Cointreau Group is a long-term partner, supporting them in their development and fostering relationships based on trust and respect;

- **a firm commitment to the Group's clients and consumers:** the men and women in Rémy Cointreau's Houses must ensure that the Group honours its commitments towards its consumers and customers. Quality, health security, service and integrity must be their principal concerns in their daily work;
- **Rémy Cointreau Group's relations with its suppliers:** for the Rémy Cointreau Group, supplier relations is much more than a simple act of purchasing and the Group is committed to a sustainable partnership approach. Following the ratification of the Global Compact, the Group undertook to involve its suppliers in its social and environmental commitments, to ensure their involvement and to support them in improving their processes.

Employees' values and responsibilities towards the business and society

Among the values shared by the Rémy Cointreau Group and its employees, those of probity, integrity and confidentiality can be seen in the following commitments:

- **protecting the reputation of the Group and its Houses:** the women and men of the Rémy Cointreau Group represent the image and reputation of its Houses and have a responsibility to protect them;
- **relations between the Rémy Cointreau Group and its shareholders:** the women and men of the Rémy Cointreau Group have a responsibility to protect information relating to the Group's Houses. This confidential information must never be disclosed except within the strict framework of the Group's rules. The Rémy Cointreau Group also wishes to share with its shareholders, without distinction and respecting shareholder equality, its long-term strategy and values as well as the outcome of the development of the business;
- **preserving the Group's assets and resources:** the Rémy Cointreau Group is committed to developing its business and its income, protecting its assets, ensuring that governance is in line with best practice and transparently reporting on the Group's activities. The women and men of the Group's Houses must also manage the Group's assets and resources with the highest level of integrity;
- **high "*terroir*-related" standards:** this can be identified through the quality and authenticity of our products: high standards in terms of raw materials and respect for the *terroir* of origin.

ANTI-CORRUPTION CHARTER

The purpose of the Rémy Cointreau Anti-Corruption Charter, available in four languages and distributed to all employees, is to raise awareness among women and men in the Group of certain risks. It describes the types of behaviour to be avoided and details the commitment of the Group and its governing bodies to the fight against corruption. It lays down Rémy Cointreau's guiding principles on a number of operational topics and addresses the following topics:

- corruption and influence peddling offences, issues and forms;
- the whistleblowing system with the ethics hotline;
- prohibition of facilitation payments;
- management of conflicts of interest;
- interactions with public officials;
- rules on gifts and invitations.

This Anti-Corruption Charter may be supplemented on a local basis by other procedures.

In addition, this charter is supplemented by an Anti-Corruption code of conduct which summarises the main guidelines of the Anti-Corruption Charter and which is included in the internal regulations.

2.4.2 Organisation

COMPLIANCE DEPARTMENT

The Compliance department has been placed under the responsibility of the Internal Audit and Insurance department, which became the Internal Audit, Compliance and Insurance department on 1 September 2017. It is responsible for identifying, assessing and managing the risks to which the Rémy Cointreau Group is exposed, and for verifying compliance with different legislation and regulations, while ensuring that compliance programmes are implemented and updated in close cooperation with the Group's different departments.

The Audit, Compliance and Insurance Director reports to the Chairman of the Board of Directors and to the Audit Committee and works in close cooperation with the Group Chief Executive Officer and the Executive Committee.

NETWORK OF COMPLIANCE OFFICERS IN THE GROUP

The compliance and legal teams located in Paris and abroad, in particular in the United States, China and in Singapore, make up the network of "compliance" correspondents, working closely with the Internal Audit, Compliance and Insurance department and the Data Protection Officer, in order to roll out, organise and implement, on a local scale, compliance programmes within the Group.

"PERSONAL DATA" COMMITTEE

A "Personal Data" Committee has been created comprising the following managers, together with the Data Protection Officer:

- Audit, Compliance and Insurance department;
- Group Compliance manager;
- Group Legal department;
- IT Systems department;
- E-commerce department.

The mission of the "Personal Data" Committee is to ensure compliance with European regulation No. 2016/679 of 27 April 2016, the General Data Protection Regulation as well as other international regulations such as the CCPA in California.

DATA PROTECTION OFFICER

A Data Protection Officer has been appointed who is responsible for coordinating compliance with the General Data Protection Regulations and, more generally, to handle personal data-related issues. The Data Protection Officer is the principal point of contact for interested parties and for the authorities responsible for protecting personal data.

This function reports to the Internal Audit, Compliance and Insurance department.

2.4.3 Implementation

CORRUPTION

The Rémy Cointreau Group has a dual requirement: zero tolerance towards infringements of integrity and probity, on the one hand, and a commitment to support an ethical culture, on the other hand.

The fight against corruption is part of an ethical approach to which the Rémy Cointreau Group is firmly committed. The governing body has an active role regarding compliance with ethical rules through communication to all employees. The Group's daily practices, whether managerial, commercial or operational, must foster this ethical culture.

Rémy Cointreau is committed to comply with all of the relevant laws and regulations, particularly those of the countries in which the Group produces and distributes its products. In order to comply with the requirements of law no. 2016-1691 of 9 December 2016 on transparency, combating corruption and modernising the economy (Sapin II Act), the Rémy Cointreau Group has made the Audit, Compliance and Insurance department responsible for implementing the anti-corruption programme and the action plans to reinforce the strict procedures that are already in place, in accordance with the requirements of said Act.

PERSONAL DATA AND RESPECT FOR PRIVACY

In order to fulfil the requirements of the European regulation No. 2016/679 of 27 April 2016, the General Data Protection Regulation, the Audit, Compliance and Insurance department was designated to prepare and implement a compliance plan in accordance with the following issues:

- governance: roles and responsibilities involved in data protection;
- respect for people's rights: consent, information from the people concerned, exercise of their rights;
- compliant processing: processing records, identification and classification of processing activities, data retention periods, contract management;
- data security: procedures and controls, management of security breaches, impact assessments and privacy-by-design mechanisms;
- continuous improvement: monitoring and internal control.

2.4.4 Control

ETHICS HOTLINE – PROFESSIONAL WHISTLEBLOWING SYSTEM

The Group has set up a whistleblowing system, called the "Rémy Cointreau Ethics Hotline", the procedures of which are detailed in the Whistleblower Charter. It is accessible both internally and externally.

SYSTEM OF SANCTIONS INTRODUCED

The system of sanctions introduced for the compliance programmes corresponds to the system of sanctions described in the internal regulations. Any failing to comply with ethics and integrity is contrary to the Group's values and its internal rules.

MONITORING THE IMPLEMENTATION OF ETHICAL VALUES

Audits on the application of the Group's procedures are conducted on a regular basis in the subsidiaries and may also be carried out with the main suppliers and partners. These audits primarily cover the following issues: combating corruption, protection of personal data, respect for the environment, respect for human rights and fundamental freedoms.

ETHICS ISSUES TRAINING PROGRAMME

An "anti-corruption" training module intended for all Rémy Cointreau Group employees was rolled out during the 2020/2021 financial year. Training for employees the most exposed to corruption risks (sales and purchasing teams) will be rolled out during the next financial year.

Communication aimed at raising the awareness of employees who have access to personal data as part of their duties (*e.g.* customer, prospect, service provider and/or employee data) has been prepared and circulated.

A "data protection" training module aimed at training employees who have access to personal data as part of their duties will be circulated to all employees concerned during the next financial year.


RÉMY MARTIN
COGNAC FINE CHAMPAGNE
XO

3

CORPORATE GOVERNANCE

3.1 Framework for implementing the principles of corporate governance

Pursuant to the provisions of Article L. 225-37 *et seq.* of the French Commercial Code, the developments described below form the corporate governance report.

It contains information on:

- the composition of the Board of Directors and the implementation of the principle of the balanced representation of women and men on the Board;
- the conditions of preparation and organisation of the work of the Board of Directors;
- the Corporate Governance Code by which the Company abides, the provisions that have not been applied and the reasons why;
- the principles and rules established by the Board of Directors that govern the remuneration and benefits paid to executive officers;
- the principles and criteria for the determination, distribution and allocation of fixed, variable and exceptional elements of total remuneration and benefits in kind that may be awarded to executive officers in respect of their term of office, pursuant to Article L.22-10-9 of the French Commercial Code;
- the limitations that the Board of Directors has imposed on the powers of the Chief Executive Officer.
- The other information is provided in the following chapters of this registration document, namely:
- the items liable to have an impact in the event of a public takeover offer or an exchange within the meaning of Article L. 225-100-3 of the French Commercial Code (chapter 7);
- the table summarising the authorisations currently in force granted by the Shareholders' Meeting in respect of capital increases (chapter 7);
- the specific procedures relating to shareholders' attendance at Shareholders' Meetings (chapter 9).

This report was approved by the Board of Directors at its meeting of 2 June 2021, after consulting the Nomination and Remuneration Committee and Audit-Finance Committee on the sections within their respective remits.

3.1.1 Governance arrangements

In September 2004, the Board of Directors adopted a system of governance that separates the positions of Chairman of the Board and Chief Executive Officer.

The purpose of this arrangement is to balance the power between these two positions and between each of them and the Board of Directors.

The appointment of Éric Vallat as Chief Executive Officer at 1 December 2019 confirmed this governance arrangement.

Only the Chief Executive Officer's resignation, for personal reasons, in 2014 resulted in the Board of Directors combining for one year, from 2 January 2014 to 27 January 2015, the roles of Chairman of the Board of Directors and Chief Executive Officer, following which the Company's historical governance arrangements resumed.

3.1.2 Declaration regarding the corporate governance system

In accordance with the provisions of Article L. 225-37-4 of the French Commercial Code, the Company declares that it abides by the AFEP/MEDEF Corporate Governance Code for Listed Companies. The version of this Code updated in January 2020 is available for consultation at Rémy Cointreau's registered office in Paris and on the website www.medef.fr. In accordance with the "comply or explain" principle, a table presents the recommendations of this Code which have not been applied (see table in section 3.2.6).

3.1.3 Changes in governance during the 2020/2021 financial year

With regards to the composition of the Board of Directors:

- Dominique Hériard Dubreuil, Laure Hériard Dubreuil and Emmanuel de Geuser were reappointed for a period of three-year term by the Shareholders' Meeting of 23 July 2020 ;
- At its meeting of 24 November 2020, the Board of Directors:
  - co-opted Caroline Bois as Board member to replace François Hériard Dubreuil who resigned, for the remainder of his term of office, *i.e.* until the Shareholders' Meeting called to approve the financial statements for the year ended 31 March 2021, as part of the succession plan for the representation of the majority shareholder,
  - appointed François Hériard Dubreuil and Jacques Hérail as non-voting members for a period of one year,
  - Élie Hériard Dubreuil was reappointed as non-voting member by the Board of Directors for a period of one year;

With regards to the composition of the committees:

- The Board of Directors at its meeting of 24 November 2020, appointed Caroline Bois to the Audit-Finance Committee with effective immediately, to replace François Hériard Dubreuil who resigned.

CHANGE IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND COMMITTEES DURING THE 2020/2021 FINANCIAL YEAR

Position at 31 March 2021	Departure/ Expiration of term	Appointment	Reappointment	Date
Board of Directors			Dominique Hériard Dubreuil	Shareholders' Meeting of 23 July 2020
			Laure Hériard Dubreuil	Shareholders' Meeting of 23 July 2020
			Emmanuel de Geuser	Shareholders' Meeting of 23 July 2020
	François Hériard Dubreuil[1]	Caroline Bois		Board meeting of 24 November 2020
Non-voting members		François Hériard Dubreuil		Board meeting of 24 November 2020
		Jacques Hérail Élie Hériard Dubreuil		Board meeting of 24 November 2020
Audit-Finance Committee	François Hériard Dubreuil[1]	Caroline Bois		Board meeting of 24 November 2020

(1) Resignation as Board member.

3.2 Composition of the Board of Directors

3.2.1 Members of the Board of Directors

Composition of the Board of Directors

12
Board members
3
non-voting members

6
independent Board members (excluding non-voting members)

50%
independent Board members (excluding non-voting members)

59 YEARS
average age of Board members

7.2
average length of service on the Board

58%
women (excluding non-voting members)

42%
men (excluding non-voting members)

2
nationalities represented

The Board's membership is organised to achieve a balance of experience, skills, independence and ethical behaviour, while respecting in overall terms the balanced representation of women and men on the Board of Directors and recognising the specific features of the shareholding of the Rémy Cointreau Group.

At 31 March 2021, the Board of Directors had 12 members plus 3 non-voting members:

OVERVIEW OF THE BOARD AT 31 MARCH 2021

	Gender	Age	Nationality	Number of shares	Independent Board member	First appointed	End of current appointment	Length of service on the Board	Member of Board committee
Marc Hériard Dubreuil	M	69	French	108		07/09/2004	AG 2022	16 years and 7 months	
Marie-Amélie Jacquet	F	43	French	12,613		24/07/2019	AG 2022	1 year and 8 months	
Dominique Hériard Dubreuil	F	74	French	2,813		07/09/2004	AG 2023	16 years and 7 months	NRC[2] Chairman of CSRC[3]
Caroline Bois	F	44	French	4,592		24/07/2019 24/11/20202	AG 2021	8 months NON-VOTING MEMBER 4 months Board member	AFC[1]
Hélène Dubrule	F	55	French	100	●	24/07/2019	AG 2022	20 months	CSRC[3]
Emmanuel de Geuser	M	57	French	100	●	24/07/2014	AG 2023	6 years and 8 months	AFC[1]
Laure Hériard Dubreuil	F	43	French	105		26/07/2011	AG 2023	9 years and 8 months	
Olivier Jolivet	M	48	French	100	●	24/09/2013	AG 2022	7 years and 6 months	CNR[2] CRSE[3]
Bruno Pavlovsky	M	58	French	100	●	29/07/2015	AG 2021	5 years and 8 months	Chairman of NRC[2]
Guylaine Saucier	F	74	Canadian	100	●	24/07/2018	AG 2021	20 months	Chairman of AFC[1]
Jacques-Étienne de T'Serclaes	M	73	French	572	●	27/07/2006	AG 2021	14 years and 8 months	AFC[1]
Orpar SA (represented by Gisèle Durand)	F	68	French	19,713,950 1,740		26/07/2016	AG 2022	4 years and 8 months	NRC[2]
Non-voting members									
Élie Hériard Dubreuil	M	43	French	519		20/11/2018	20/11/2021	2 years and 4 months	
François Hériard Dubreuil	M	72	French	125		07/09/2004 24/11/2020	24/11/2020 24/11/2021	16 years and 3 months 4 months NON-VOTING MEMBER	
Jacques Hérail	M	68	French	0		24/11/2020	24/11/2021	4 months	

(1) Audit-Finance Committee.
(2) Nomination and Remuneration Committee.
(3) Corporate Social Responsibility Committee.

Overview of the committees at 31 March 2021

Audit-Finance Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee
4 members	4 members	3 members
75% independent	50% independent	67% independent
Guylaine Saucier•	Bruno Pavlovsky•	Dominique Hériard Dubreuil•
Caroline Bois	Dominique Hériard Dubreuil	Hélène Dubrule**
Emmanuel de Geuser**	Olivier Jolivet**	Olivier Jolivet**
Jacques-Étienne de T'Serclaes**	Gisèle Durand (Orpar)	

• *Chairman of committee*
** *Independent Board member*

Of these 12 Board members:

- six represent the majority shareholder, including five from the Hériard Dubreuil family (Marc Hériard Dubreuil, Dominique Hériard Dubreuil, Laure Hériard Dubreuil, Caroline Bois and Marie-Amélie Jacquet), and Orpar SA, represented by Gisèle Durand;
- six are independent Board members: Hélène Dubrule, Guylaine Saucier, Emmanuel de Geuser, Olivier Jolivet, Bruno Pavlovsky and Jacques-Étienne de T'Serclaes.

Two non-voting members, François Hériard Dubreuil and Élie Hériard Dubreuil, represent the majority shareholder.

With regards to members elected by employees, the Company complies with the provisions of Article L. 225-27-1 of the French Commercial Code in this respect since it has no employees.

The Board is renewed on an annual rolling basis, so that renewal occurs as evenly as possible and the whole Board has been renewed at the end of a three-year period.

Any member of the Board of Directors who is over 85 years of age at the beginning of a financial year is deemed to have resigned from office effective at the end of the Annual Shareholders' Meeting called to approve the financial statements for that financial year. However, his/her term of office may be renewed annually, as long as the number of Board members aged 85 or over does not exceed one-third of the number of serving members.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

Policy criteria

Experienced and complementary Board members

Competence and experience in the financial arena, the luxury goods sector and the management of large international companies are the selection criteria for Board members. The Board members come from varied backgrounds and are complementary because of their different professional experience and their skills. The presence of several members who are permanent residents in various other countries lends a welcome international and cultural dimension to the Board's work, either because they have performed a role outside of France during their career, or because they hold or have held one or more appointments in non-French companies.

The Board is careful to maintain a balance between members with historical knowledge of Rémy Cointreau and members who have joined the Board more recently.

Diversification is achieved by ensuring that the proportion of independent directors remains above the threshold of one-third recommended by the AFEP/MEDEF Code.

Balanced representation of women and men on the Board

At 31 March 2021, out of a total of 12 Board members, seven women sat on the Board of Directors of Rémy Cointreau, a proportion of 58%. Marie-Amélie Jacquet is Vice-Chairman of the Board of Directors. In addition, the Corporate Social Responsibility Committee and the Audit-Finance Committee are chaired by women.

Policy implementation

To implement this diversity policy, the Board of Directors refers to the yearly reviews of its work (for more details on the assessment of the Board of Directors, see Chapter 3.2.5 of the 2020/2021 Universal Registration Document).

These gradual, phased reappointments are used to plan which skills to refresh or develop according to trends in the wines & spirits industry and the Company's markets.

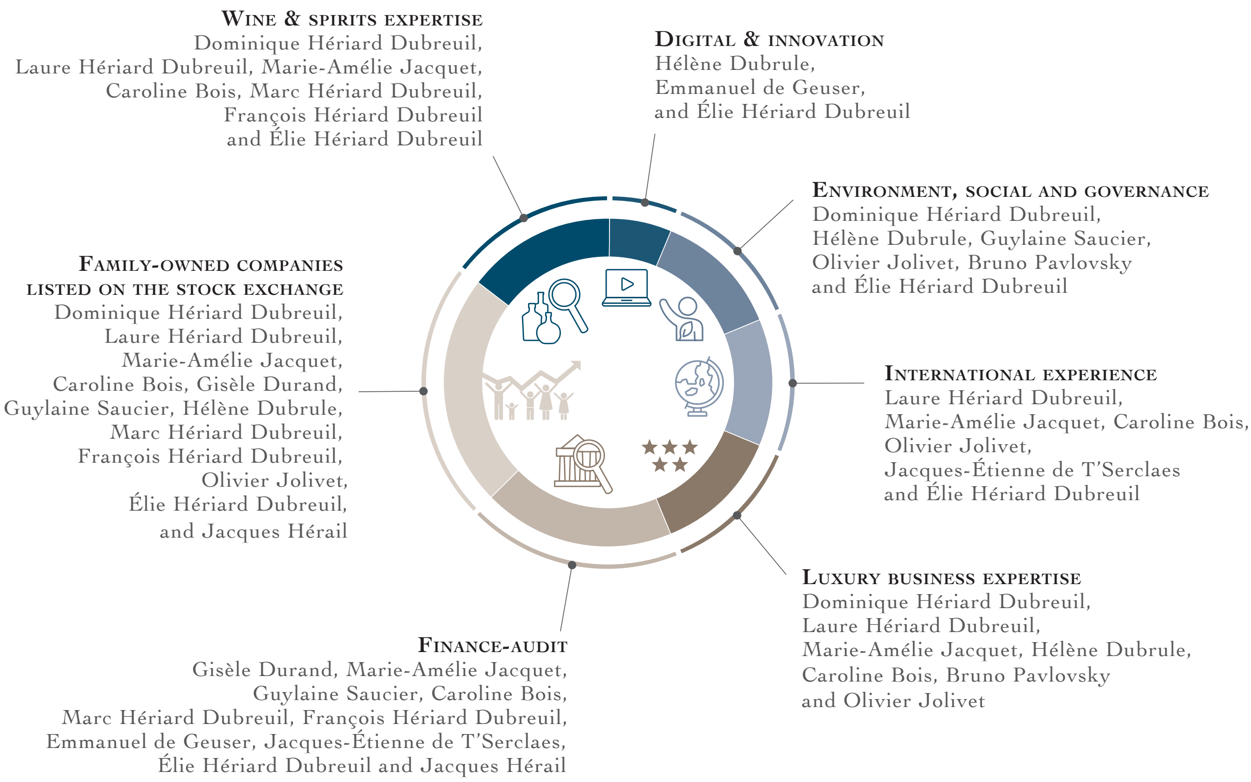
Implementation of the diversity policy during the 2020/2021 financial year:

- with the appointment of Caroline Bois as Board member, to replace François Hériard Dubreuil who resigned, thus extending the generational transition of the majority shareholder, the number of women on the Board of Directors was 7, *i.e.* a percentage of women of 58% (excluding non-voting members);
- independence of the Board of Directors at 31 March 2021 was 50% (excluding non-voting members). This percentage remains significant for a group that has a majority shareholder.

Diversity policy applied to senior management

- The Board of Directors also ensures deployment of the Group's diversity policy, specifically as regards the balanced representation of women and men on the Group Executive Committee and in positions of greater responsibility.
- At 31 March 2021, the Group Executive Committee included 1 woman. In all, just under 46% of white-collar workers are women and an action plan is in place to continue to increase the percentage of women in the 250 key positions.
- For more information about the diversity policy applied by the Group's Executive Committee and within the Group as a whole, see Chapter 1.3.1.2 of the Universal Registration Document.

Skills map of the members of the Board of Directors at 31 March 2021



3.2.2 List of the offices and positions held by the Directors at 31 March 2021

BOARD MEMBER PROFILES

MARC HÉRIARD DUBREUIL

CHAIRMAN OF THE BOARD OF DIRECTORS SINCE 1 OCTOBER 2017, REAPPOINTED ON 24 JULY 2019

French nationality, 69 years old
Date first appointed: *7 September 2004.*
Date term of office expires: *shareholders' Meeting held to approve the 2022 financial statements.*
Business address: *Andromède SAS – 21, boulevard Haussmann – 75009 Paris – France*
Holds: *108 RC shares*

Marc Hériard Dubreuil is a graduate of ESSEC and has been a corporate officer of the Company since December 1991, after starting his professional career with General Foods and Leroy Somer. He has notably been Chairman of Rémy Martin and Rémy & Associés, then Chief Executive Officer of Rémy Cointreau[(1)] from 1990 to 2000. He served as Chairman and Chief Executive Officer of Oeneo SA[(1)] from 2004 to 2014 and then as Chairman of the Board of Directors of Oeneo SA from November 2014 to October 2016.

Marc Hériard Dubreuil has been Chairman of the Board of Directors since 1 October 2017.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- Chief Executive Officer of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Vice-Chairman, Deputy Chief Executive Officer and Board member of Orpar SA.
- Member of the Management Committee of Récopart SAS.
- Non-Voting Board member of Oeneo SA[(1)].
- Chairman of LVLF 2 SAS.
- Chairman of the Board of Directors of Webster USA, Inc.

Appointments within the Rémy Cointreau Group

- Non-Executive Chairman of Rémy Cointreau Amérique Inc.
- President of Rémy Cointreau USA Inc.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Chairman of Rémy Cointreau Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Rémy Cointreau Libra SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Rémy Cointreau International Marketing Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Storeco SAS.
- Representative of Rémy Cointreau Services SAS, Board member of Financière Rémy Cointreau SA/NV.
- Board member of Oeneo SA[(1)].
- Representative of Rémy Cointreau Services SAS, Chairman of Joint Marketing Services SAS.
- Chief Executive Officer of Andromède SA.
- Member of the Management Board of Récopart SA.
- Chairman of LVLF SAS.
- Chairman of the Board of Directors of Oeneo SA[(1)].
- Member of the Management Board of Andromède SAS.

(1) Listed company.

MARIE-AMÉLIE JACQUET

VICE-CHAIRWOMAN OF THE BOARD OF DIRECTORS SINCE 24 JULY 2019

French nationality, 43 years old
Date first appointed: *24 July 2019.*
Date term of office expires: *Shareholders' Meeting held to approve the 2022 financial statements.*
Business address: *Andromède SAS – 21, boulevard Haussmann – 75009 Paris – France*
Holds: *12,613 RC shares*

After graduating in international finance from ESCP-EAP, Marie-Amélie Jacquet began her career with Société Générale Investment Banking in London. She then joined NM Rothschild & Sons, where she served in various roles within the Capital Goods team in the Mergers/Acquisitions department. Following this, she held management control positions at Rémy Cointreau(1).

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- Deputy Chief Executive Officer of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Vice-Chairwoman and member of the Board of Directors of Oeneo SA(1).
- Chief Executive Officer of Aleteia 2 SAS.
- Chairwoman and Board member of Mount Gay Distilleries Ltd.
- Chairman of Rémy Cointreau Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Rémy Cointreau Libra SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Rémy Cointreau International Marketing Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Storeco SAS.
- Representative of Rémy Cointreau Services SAS, Board member of Financière Rémy Cointreau SA/NV.
- Non-voting member of the Supervisory Board of Qivalio.
- Non-voting member of the Qivalio Governance Committee.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Member of the Supervisory Board of Andromède SAS.
- Member of the Management Board of Andromède SAS.
- Non-Voting Member of the Board of Directors of Rémy Cointreau(1).

3

(1) Listed company.

DOMINIQUE HÉRIARD DUBREUIL

French nationality, 74 years old
Date first appointed: *7 September 2004.*
Date term of office expires: *Shareholders' Meeting held to approve the 2023 financial statements.*
Business address: *Andromède SAS – 21, boulevard Haussmann – 75009 Paris – France*
Holds: *2,813 RC shares*

Dominique Hériard Dubreuil is a Public Relations graduate of IRPCS and has been a corporate officer of the Company since December 1991. She was notably Chairman of the Board of Directors of Rémy Cointreau(1) from 1998 to 2000 and subsequently Chairman of the Management Board from 2000 to 2004. Dominique Hériard Dubreuil was Chairman of the Board of Directors of Rémy Cointreau(1) from 2004 to 2012. Dominique Hériard Dubreuil is a Commander of the Legion of Honour and a Commander of the National Order of Merit.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- Member of the Board of Directors of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Board member of Orpar SA.
- Board member of Bolloré SE(1).
- Board member of Fondation 2e Chance.
- Member of the Supervisory Board of Qivalio.

Appointments within the Rémy Cointreau Group

- Chairman of E. Rémy Martin & C° SAS.
- Chairman of Cointreau SAS.
- Representative of E. Rémy Martin & C° SAS, Chairman of Domaines Rémy Martin SAS.
- Chairman of the Rémy Cointreau Foundation.
- Board member and Chairman of Mount Gay Holding.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Supervisory Director of Rémy Cointreau Nederland Holding NV.
- Chief Executive Officer and member of the Management Board of Andromède SAS.
- Member of the Supervisory Board of Andromède SAS.
- Board member of Comité Colbert.
- Vice-Chairman of the Supervisory Board of Wendel SA(1).
- Board member of Fondation de France.
- Board member of the French Federation of Wine and Spirit Exporters (Fédération des Exportateurs de Vins et Spiritueux – FEVS).

(1) Listed company.

HÉLÈNE DUBRULE

French nationality, 55 years old
Date first appointed: *24 July 2019.*
Date term of office expires: *Shareholders' Meeting held to approve the 2022 financial statements.*
Business address: *Hermès Distribution France – 24, rue du Faubourg Saint-Honoré – 75008 Paris – France*
Holds: *100 RC shares*

Hélène Dubrule graduated from HEC in 1987 and began her career at L'Oréal, where she held marketing and development positions for nearly 10 years within the Consumer Goods Division and was later appointed Marketing Director within the L'Oréal Luxury Goods Division. She also received a degree from Esmod in 2001, a school where she studied in Seoul, while living there for four years. For the past 19 years, she has held responsibilities in the Hermès Group, where she has been in turn, International Marketing Director of Hermès Parfums, CEO of Hermès Soie et Textiles, CEO of Hermès Maison and Chairperson of Puiforcat. She has headed the French market businesses as CEO of Hermès Distribution France since July 2018.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- Member of the Supervisory Board of the Labruyère Group.

OTHER APPOINTMENTS OUTSTANDING

- None.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

Five executive positions at Group Hermès subsidiaries, between October 2009 and June 2018:

- CEO of Hermès Maison, Hermès Sellier Division.
- Chairman of Faubourg Italia.
- Chairman of Puiforcat.
- Chairman of Compagnie des Arts de la Table et de l'Émail (CATE).
- Chairman of Beyrand.

LAURE HÉRIARD DUBREUIL

French nationality, 42 years old
Date first appointed: *26 July 2011.*
Date term of office expires: *Shareholders' Meeting held to approve the 2023 financial statements.*
Business address: *1220 Collins Avenue, Miami Beach, FL. 33139, USA*
Holds: *105 RC shares*

A graduate of the Institute of Oriental Languages and Civilisations and of the Fashion Institute of Technology, since 2000 Laure Hériard Dubreuil has served in various senior roles at Philipps-Van Heusen in Hong Kong and at Gucci in Paris and New York. In 2006, she founded The Webster in Miami, a high-end multi-brand fashion store concept which has seen steady growth in the United States.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- Founder and CEO of The Webster.

OTHER APPOINTMENTS OUTSTANDING

- President of Laure HD Investissements SAS.
- President of LHD LLC.
- President and Chief Executive Officer of 1220 Collins Avenue, Inc.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- None.

GUYLAINE SAUCIER

Canadian nationality 74 years old
Date first appointed: *24 July 2018.*
Date term of office expires: *Shareholders' Meeting held to approve the 2021 financial statements.*
Business address: *1321 Sherbrooke Ouest, Montreal H3G 1J4, Canada*
Holds: *100 RC shares*

Guylaine Saucier is a graduate with an Arts baccalaureate from the Collège Marguerite-Bourgeois and has a bachelor's degree in business from the École des Hautes Études Commerciales in Montreal.

Fellow of the Order of Chartered Accountants of Québec, Guylaine Saucier was Chair and CEO of the Gérard Saucier Ltée Group, a large company specialising in forestry products, from 1975 to 1989. She was also a certified Board member of the Institute of Company Directors.

She is an experienced Company Board member and is or was a member of the Board of Directors of a number of major companies, including the Bank of Montréal, AXA Assurances Inc., Danone and Areva.

She has chaired the Joint Committee on Corporate Governance (CICA, CDNX, TSX) (2000/2001), the Board of Directors of CBC/Radio-Canada (1995/2000) and the Board of Directors of the Canadian Institute of Chartered Accountants (1999/2000). She has also served on the Board of Directors of the Bank of Canada (1987/1991), the Commission of Inquiry into the Unemployment Insurance System (1986), and the Advisory Committee to Minister Lloyd Axworthy on Social Programme Reform (1994). Ms Saucier was the first woman to be appointed as President of the Quebec Chamber of Commerce. She played a very active role in the community as a Board member of various organisations, including the University of Montreal, the Montreal Symphony Orchestra and the Hôtel-Dieu de Montréal.

She was made a member of the Order of Canada in 1989 for having demonstrated exceptional civic spirit and provided a significant contribution to the business world.

On 18 May 2004, she was appointed Fellow of the Canadian Institute of Corporate Directors, and on 4 February 2005, she was presented with the 25th Management Achievement Award from McGill University. On 3 September 2010, she was appointed Director Emeritus by the Collège des Administrateurs de Sociétés.

In 2017 she received an honorary doctorate from Laval University.

OTHER APPOINTMENTS OUTSTANDING

- Member of the Board of Directors of Cuda Oil & Gaz (formerly Junex Inc.) (Quebec)[(1)].
- Member of the Board of Directors and Chair of the Audit Committee of Tarkett[(1)].
- Member of the Supervisory Board and Chair of the Audit Committee of Wendel[(1)].

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Member of the Board of Directors of Scor (2016).

(1) Listed company.

EMMANUEL DE GEUSER

French nationality 57 years old
Date first appointed: *24 July 2014.*
Date term of office expires: *Shareholders' Meeting held to approve the 2023 financial statements.*
Business address: *Vivalto Santé – 37/39 rue Boissière – 75016 Paris*
Holds: *100 RC shares*

Emmanuel de Geuser graduated from the Institut d'études politiques de Paris and has a master's degree in monetary economics from Université Paris IX-Dauphine, as well as being a qualified Chartered Accountant. After eight years as a manager with Arthur Andersen, from 1996 to 2002 Mr de Geuser held the posts of Audit Director, Coordinator of the "Performance 2001" Plan and Finance Director of the cigarettes division of the Altadis Group (formerly Seita). From 2002 to 2011, Emmanuel de Geuser was Administrative and Financial Director and member of the Executive Committee of Générale de Santé. He then moved on to the Roquette Frères Group were he was Chief Financial Officer and member of the Management Committee.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- Deputy Chief Executive Officer of the Vivalto Santé Group.
- Chief Executive Officer of Vivalto Santé Investissement.
- Chairman and Chief Executive Officer of Foncière Vivalto Santé.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Finance Director and member of the Group Management Committee, Roquette Frères.
- Board member of Roquette Management and Roquette CH.
- Representative of Roquette Frères, General Manager of Roquette BV.

OLIVIER JOLIVET

French nationality 48 years old
Date first appointed: *24 September 2013.*
Date term of office expires: *Shareholders' Meeting held to approve the 2022 financial statements.*
Business address: *COMO HOLDINGS, 50 Cuscaden Road, #08-01 HPL Building, Singapore 249724*
Holds: *100 RC shares*

Olivier Jolivet is a graduate of the University of Westminster, the University of Munich and Ipag. After a period at McKinsey's German subsidiary, Jolivet spent nearly ten years with the Club Méditerranée Group, mainly in Asia-Pacific. A member of the Executive Committee, he was most recently International Business Development and Construction Director. In 2008 Olivier Jolivet joined the Aman Group, where he served as Group Chairman and Chief Executive Officer in Singapore until December 2016. Since January 2017, Jolivet has been Chief Executive Officer of Como Holdings (a multi-brand "family office" in the luxury goods sector).

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- Chairman and Chief Executive Officer of Como Holdings.

OTHER APPOINTMENTS OUTSTANDING

- Director of Como Holdings Pte Ltd. (Singapore), Leisure Ventures Pte Ltd. (Singapore), Olympia Partners Pte Ltd. (Singapore), HPL Olympia Pte Ltd. (Singapore), The Dempsey Cookhouse Pte Ltd. (Singapore), Venus Assets Sdn Bhd (Malaysia), Orchid Resorts Management Pvt Ltd. (Maldives), IVPL Ltd. (Maldives), Como Hotels & Resorts (Australia) Pty Ltd., PT Begawan Giri Estate (Indonesia), PT Shambala Payangan Indah (Indonesia), PT Villa Bukit Lestari, PC Caicos Ltd., Caicos Holdings Limited, PC Hotel Management Ltd., Caicos Utilities Ltd., ISL Caribbean Projects (Holdings) Ltd., ISL Caribbean Projects Ltd., The Parrot Cay Club Ltd., Dundee Holdings Ltd., Como Traymore LLC, Castello Di Modanella Srl Azienda Agricola, Castello Del Nero S.p.A, Leisure Ventures Europe Limited, Como Holdings (Europe) Limited.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

Five executive positions at Group Hermès subsidiaries, between October 2009 and June 2018:

- Chairman and Chief Executive Officer of Société Nouvelle de L'Hôtel Bora Bora (French Polynesia).
- Director of Amanresorts Limited (Hong Kong), Amanresorts Limited (British Virgin Islands), Amanproducts Limited (British Virgin Islands), Amanresorts Services Limited (British Virgin Islands), Amanresorts International Pte Ltd. (Singapore), Andaman Development Co., Ltd. (Thailand), Andaman Resorts Co. Ltd. (Thailand), Andaman Thai Holding Co., Ltd. (Thailand), ARL Marketing Ltd. (British Virgin Islands), Balina Pansea Company Limited (British Virgin Islands), Bhutan Resorts Private Limited (Bhutan), Bodrum Development Limited (British Virgin Islands), Gulliver Enterprises Limited (British Virgin Islands), Hotel Finance International Limited (British Virgin Islands), Hotel Sales Services (Private) Limited (Sri Lanka), Jalisco Holdings Pte. Ltd. (Singapore), Lao Holdings Limited (British Virgin Islands), LP Hospitality Company Limited (Laos), Maha Holdings Limited (Bermuda), Marrakech Investment Limited (British Virgin Islands), Naman Consultants Limited (British Virgin Islands), NOH Hotel (Private) Limited (Sri Lanka), Palawan Holdings Limited (British Virgin Islands), Phraya Riverside (Bangkok) Co., Ltd. (Thailand), Princiere Resorts Ltd. (Cambodia), PT Amanusa Resort Indonesia (Indonesia), Regent Asset Finance Limited (British Virgin Islands), Regent Land Limited (Cambodia), Silverlink (Thailand) Co., Ltd. (Thailand), Silver-Two (Bangkok) Co., Ltd. (Thailand), Seven Seas Resorts and Leisure Inc. (Philippines), Tangalle Property (Private) Limited (Sri Lanka), Toscano Holdings Limited (British Virgin Islands), Urbana Limited (Hong Kong), Zeugma Limited (British Virgin Islands), ARL Marketing, Inc. (USA), Guardian International Private Limited (India), Heritage Resorts Private Limited (India).

BRUNO PAVLOVSKY

French nationality 58 years old
Date first appointed: *29 July 2015*
Date term of office expires: *Shareholders' Meeting held to approve the 2021 financial statements.*
Business address: *12, rue Duphot – 75001 Paris – France*
Holds: *100 RC shares*

Bruno Pavlovsky is a graduate of the École Supérieure de Commerce de Bordeaux (Bordeaux Management School) and holds an MBA from Harvard University. Bruno Pavlovsky began his career in 1987 as an Audit-Organisation consultant for Deloitte. In 1990, he joined the Chanel Group where he was Administrative and Fashion Director until 1998, then CEO in charge of Fashion (Haute-Couture, Ready-to-Wear, Accessories) until 2004. He has been Chairman of Paraffection since January 2003, Chairman of the Fashion business since January 2004, Chairman of Chanel SAS since 2018 and Chairman of Eres since July 2007. Mr Pavlovsky is also Chairman of the French trade association Chambre Syndicale du Prêt-à-Porter des Couturiers et des Créateurs de Mode and Chairman of the Fondation de l'Institut Français de la Mode.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- Chairman of Global Fashion at Chanel.
- Chairman of Chanel SAS.

OTHER APPOINTMENTS OUTSTANDING

- Board member of Accor(1);
- President of Chanel Coordination, A.C.T.3, Atelier de May, Barrie France, Desrues, Erès, Établissement Bodin Joyeux, Fyma Production, Gant Causse, Goosens Paris, Hugotag Ennolblissement, Lemarie, les Ateliers de Verneuil-en-Hallatte, Les Moulinages de Riotord, Lesages Intérieurs, Lesage Paris, Maison Massaro, Maison Michel, Manufacture De Cuire Gustave Degermann, Manufacture de Mode, Megisserie Richard, Montex, Paloma, Paraffection, Partrois, Tannerie Haas, Settelile Orlebar Brown France, L'Atelier des MatieR, Defiluxe, 19M, Conceria Samant S.p.A., Campelli srl (Italy).
- *Presidente Consiglio Administrazio* if Vimar 1991 srl (Italy), Conceria Gaiera Giovanni S.P.A., Cellini 04 R.E. SRL, Nillab Manifatture Italiane SpA, Manufactures De Mode Italia SRL.
- *President consejero* of Colomer Leather Group sl (Spain);
- General Manager of N&B Société Civile (France), N&B Terrasse, N&B Saint Georges, N&B Bassussary, N&B Penthièvre, N&B Jardin Public, N&B Duphot, Brunic, SCI Odace, SCI Onurb, SCI Sarouleagain, SCI Surdesoie SCI Manaso.
- Board member of Vastrakala.
- *Adminstratore unico* de Calzaturificio gensi Group srl (Italy).
- *Consigliere delegato de* Chanel Coordination srl (Italy), Roveda srl (Italy), and Immobiliare Rosmini srl (Italy).
- Manager of Eres Belgique sprl (Belgium) and Eres Moda (Turkey).
- Director of Chanel Limited (UK), Barrie Knitwear (UK), Eres Fashion UK limited (UK), Eres Paris S.L. (Spain), Eres U.S. Inc. (USA), FCL srl (Italie), Orlebar Brown Limited (UK), International Metal And Jewelry Co., Ltd. (Thailande), Goossens Uk Limited, Ultimate Yarns & Fibres Limited.
- Managing Director of Eres GmbH (Germany).

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- President of LMG and Idafa.
- General Manager of Établissements Legeron Clerjeau Tissot and Delta Drone.

(1) Listed company.

JACQUES-ÉTIENNE DE T'SERCLAES

French nationality, 73 years old
Date first appointed: *27 July 2006.*
Date term of office expires: *Shareholders' Meeting held to approve the 2021 financial statements.*
Business address: *Résidence Baccarat, 3, rue Kartaja, 20100 Casablanca, Morocco*
Holds: *572 RC shares*

Jacques-Étienne de T'Serclaes, chartered, accountant, graduated from ESSCA and Harvard Business School (OPM). He is a former member of Compagnie des Commissaires aux comptes. As Senior Partner with PricewaterhouseCoopers (1990/2005), he headed up the Global Retail and Consumer practice worldwide and was Chairman of the Supervisory Board of PwC Audit France. Previously he spent seven years within the Euromarché Group (acquired by Carrefour) where he was Chief Executive Officer.

He is currently founder of the charity Agence du Don en Nature (Goods to Give) and Operating Partner at Advent International Global Private Equity.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- Founder of the charity *Agence du Don en Nature*.

OTHER APPOINTMENTS OUTSTANDING

- None.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Board member of Altran Technologie SA(1).
- Board member of Banimmo (Belgium)(1).
- Board member of the Institut Français des Administrateurs (IFA).

(1) Listed company.

CAROLINE BOIS HÉRIARD DUBREUIL

French nationality, 44 years old
Date first appointed: *24 November 2020.*
Date term of office expires: *July 2021 – Shareholders' Meeting held to approve the 2021 financial statements.*
Business address: *Andromède SAS – 21, boulevard Haussmann – 75009 Paris – France*
Holds: *4,592 RC shares*

A graduate of HEC and the MAP program at INSEAD, Caroline Bois Hériard Dubreuil has held various leadership positions in finance and project management at Freelance.com, Dictis, and International SOS since 1998, before joining the Rémy Cointreau Group in 2014 as Head of Group Management Control and Planning. Caroline Bois Hériard Dubreuil is currently Deputy Chief Executive Officer of Andromède.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- Deputy Chief Executive Officer of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Board member and member of the Audit Committee of Oeneo SA[1].
- Chairwoman of the *Famille Partage Espérance* endowment fund.
- Member of the Supervisory Board and member of the Audit and Risk Committee of Qivalio.
- Board member of MdGroup (Microdrones).
- Board member of Alantaya.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Head of Group Management Control and Planning at Rémy Cointreau SA[1].
- Non-Voting Member of the Board of Directors of Rémy Cointreau SA[1].

(1) Listed company.

3

ORPAR SA

Date first appointed: *26 July 2016.*
Date term of office expires: *Shareholders' Meeting held to approve the 2022 financial statements.*
Business address: *Rue Joseph Pataa, Ancienne Rue de la Champagne – 16100 Cognac – France*
Orpar holds: *19,713,950 RC shares*
Its representative, Gisèle Durand, holds: *1,740 RC shares*

Orpar is the Group's main shareholder. At 31 March 2020, it held more than a third of Rémy Cointreau's share capital and over 45% of the voting rights[(1)]. Orpar's permanent representative is Gisèle Durand.

Between 1974 and 1980, Gisèle Durand, holder of a postgraduate degree in Economics and Management from CNAM in Paris and a graduate of the École Supérieure de Gestion et Comptabilité (PARIS II), was Administrative Director for a service run by the French Ministry of Agriculture. She went on to join the Cointreau Group where she held a number of roles in accounting and finance, and then the Rémy Cointreau Group until 2000, when she joined the holding company, Orpar. Appointed as secretary general of Oeneo[(1)] in 2005, with particular responsibility for the development of Human Resource managers, in 2007 she was made Deputy Chief Executive Officer of Andromède SAS.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- Deputy Chief Executive Officer of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Board member of Oeneo SA[(1)] since June 2012.
- Permanent Representative of Orpar, Board member of Rémy Cointreau SA[(1)].

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- None.

(1) Listed company.

Non-voting members

FRANÇOIS HÉRIARD DUBREUIL

French nationality, 72 years old
Date first appointed: *7 September 2004.*
Date term of office expires: *24 November 2020 – appointed Non-voting member for one year*
Business address: *Andromède SAS – 21, boulevard Haussmann – 75009 Paris – France*
Holds: *125 RC shares*

François Hériard Dubreuil holds a master's degree in science from the University of Paris and an MBA from INSEAD. He has been a corporate officer of the Company since December 1991. In particular, he was Chairman of Rémy Martin from 1984 to 1990 and Chief Executive Officer of Rémy Cointreau(1) from 1990 to 2000, then Chairman of its Supervisory Board from 2000 to 2004 and Chairman of the Board of Directors from November 2012 to September 2017. François Hériard Dubreuil is a member of the INSEAD French Council and Chairman of the INSEAD Foundation.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- Chairman of the Board of Directors of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Chairman and Chief Executive Officer of Orpar SA.
- Representative of Orpar, Chairman of Récopart SAS.
- Non-Voting Board member of Oeneo SA(1).
- Chairman of Financière de Nonac 2 SAS.
- Chairman of the INSEAD Foundation.
- Chairman of the Abbaye de Bassac Foundation.

APPOINTMENTS WITHIN THE RÉMY COINTREAU GROUP

- Non-Executive Chairman of Rémy Cointreau Amérique, Inc.
- Director of Rémy Concord Limited.
- Director of Rémy Pacifique Limited.
- Board member of Dynasty Fine Wines Group Limited.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Board member of Oeneo SA(1).
- Chairman of Rémy Cointreau Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Joint Marketing Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Rémy Cointreau Libra SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Rémy Cointreau International Marketing Services SAS.
- Representative of Rémy Cointreau Services SAS, Chairman of Storeco SAS.
- Representative of Rémy Cointreau Services SAS, Board member of Financière Rémy Cointreau SA/NV.
- Director of Rémy Cointreau South Africa PTY Limited.
- Legal representative of Rémy Cointreau Shanghai Limited.
- Director of E. Rémy Rentouma Trading Limited.
- Director of Bruichladdich Distillery Company Limited.
- Director of Lochindaal Distillery Limited.
- Director of Port Charlotte Limited.
- Director of The Botanist Limited.
- Director of Rémy Cointreau UK Limited.
- Chairman of Mount Gay Distilleries Limited.
- Director of Rémy Cointreau International Pte Limited.
- Member of the Supervisory Board Rémy Cointreau Nederland Holding NV.
- Non-Executive Chairman of Rémy Cointreau USA Inc.
- Non-Executive Chairman of S&E&A Metaxa ABE.
- Chairman of Rémy Cointreau USA.
- Chairman of the Board of Directors of Rémy Cointreau SA(1).
- Chairman of the Management Board of Récopart.
- Board member of Shanghai Shenma Winery Co Ltd.
- Permanent representative of Grande Champagne Patrimoine, President of MMI.
- Chairman of Grande Champagne Patrimoine SAS.
- Chairman of Financière de Nonac SAS.
- Representative of Rémy Cointreau Services SAS, Board member of Rémy Cointreau Aries SA.
- Vice-Chairman and Deputy Chief Executive Officer of Oeneo SA(1).
- Chairman of the Management Board of Andromède SA.
- Chairman of Vivelys SAS.

(1) Listed company.

ÉLIE HÉRIARD DUBREUIL

French nationality, 43 years old
Date first appointed as a non-voting member: *20 November 2018.*
End of appointment as non-voting member: *November 2021.*
Business address: *Andromède, 21, boulevard Haussmann, 75009 Paris – France*
Holds: *519 RC shares*

A graduate of the French National School of Statistics and Economic Administration (ENSAE), Élie Hériard Dubreuil began his career in structured finance and credit risk modelling at Fitch Ratings, before honing his expertise in investment banking at CDC IXIS and Caisses d'Épargne Group. For more than 12 years, he held various global positions at S&P Global, where he was responsible for ratings and methodology for sovereigns, public finances and financial institutions. In 2018 and 2019, he was Co-Director of Beyond Ratings, an innovative rating agency integrating sustainable development. In 2019 he joined the Senior management of Andromède and in 2020 became CEO of Qivalio, a rating agency and consulting firm devoted to sustainable finance.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- Chairman of Qivalio SAS.

OTHER APPOINTMENTS OUTSTANDING

- Deputy Chief Executive Officer of Andromède SAS.
- Board member of Oeneo SA[1].
- Board member of MdGroup (Microdrones).
- Chairman of the Irini association.
- Chairman of the Board of Estimeo SAS.
- Board member of Koosmik Corp.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Non-voting member of Oeneo SA[1].
- Non-voting member of the Supervisory Board of Andromède SAS.
- Chief Executive Officer of Beyond Ratings SAS.
- Senior Director at the S&P Global ratings agency.
- Governor and Treasurer of All Saints Blackheath Primary School.
- Vice-Chairman and Trustee of the charity Life Project For Youth (LP4Y), England.
- Lecturer at Sciences Po Executive Education.
- Lecturer at CIFE.

(1) Listed company.

JACQUES HÉRAIL

French nationality, 68 years old
Date first appointed as a non-voting member: *24 November 2020.*
End of appointment as non-voting member: *November 2021.*
Business address: *76 avenue Jean Jaures 11110 Coursan*

Jacques HÉRAIL graduated from the Institut d'études politiques de Toulouse, he also holds a degree in Economics from ESSEC. He began his career at Arthur Andersen as an audit assistant before moving on to a more senior position and then manager.

He qualified as Chartered Accountant in 1982.

After that, he joined the Havas Group in 1984. First as Chief Financial Officer of the HDM Paris agency and the HDM Europe Network, then as Chief Executive Officer in charge of Euro RSCG Worldwide, he became Deputy Chief Executive Officer of Havas in charge of Group finance in 1996.

He joined the LSF Network Group in 2006, as EVP/COO International Operations and Chief Financial Officer of LSF Network Inc. Based in Paris, he chairs the LSF Interactive division, specialising in digital marketing and communication.

In 2016, he became President of the European network Crèches de France, a subsidiary of the SIS Group, where he assists the Founder-Chairman, Philippe Austruy.

He also carries out consulting assignments.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- None.

OTHER APPOINTMENTS OUTSTANDING

- Board member of Andromède SAS.
- Board member of Oeneo[1].
- President of HÉRAIL et Associés SAS.

OTHER PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- President of the Child Present Association.
- Adviser to the President of the SIS Group.
- President of the European network Crèches de France.

(1) Listed company.

Independence of the Board

The process of assessing the independence of the Company's Board members is implemented by the Nomination and Remuneration Committee. On the recommendation of this committee, once a year the Board of Directors reviews the situation of each Board member in light of the independence criteria defined by the AFEP/MEDEF Code.

A Board member is classified as independent when he or she has no relationship of any kind with the Company, its Group or its management that may interfere with his or her freedom of judgement.

In considering this independence, the Board relies on the criteria specified by the AFEP/MEDEF Code.

On 2 June 2021, the Board of Directors accordingly adopted the list of Board members qualified as independent on 31 March 2021:

Hélène Dubrule, Guylaine Saucier, Emmanuel de Geuser, Olivier Jolivet, Bruno Pavlovsky, Jacques-Étienne de T'Serclaes.

The Board of Directors is regularly informed of the independence of each of its members.

The table below summarises the results of the process of assessing the independence of Board members (excluding non-voting members) in light of the criteria specified in the AFEP/MEDEF Code.

	Employee or executive officer	Absence of cross-directorships	Business relationships	Family ties	Statutory Auditors	12 years on the Board	Classification
Marc Hériard Dubreuil	Yes	Yes	No	Yes	No	Yes	Non-independent
Marie-Amélie Jacquet	Yes	Yes	No	Yes	No	No	Non-independent
Dominique Hériard Dubreuil	Yes	Yes	No	Yes	No	Yes	Non-independent
Emmanuel de Geuser	No	Yes	No	No	No	No	Independent
Caroline Bois	Yes	Yes	No	Yes	No	No	Non-independent
Hélène Dubrule	No	Yes	No	No	No	No	Independent
Laure Hériard Dubreuil	No	Yes	No	Yes	No	No	Non-independent
Olivier Jolivet	No	Yes	No	No	No	No	Independent
Bruno Pavlovsky	No	Yes	No	No	No	No	Independent
Guylaine Saucier	No	Yes	No	No	No	No	Independent
Jacques-Étienne de T'Serclaes	No	Yes	No	No	No	Yes	Independent
Orpar SA (represented by Gisèle Durand)	Yes	Yes	No	No	No	No	Non-independent

At its meeting on 2 June 2021, the Board of Directors reviewed with particular care the situation of Jacques-Étienne de T'Serclaes in respect of the AFEP/MEDEF Code, which recommends "not having been a director for more than 12 years". In accordance with the "comply or explain" rule in the Code, it was decided, on the recommendation of the Nomination and Remuneration Committee, to explain the decision not to use this criteria for this Board member for the reasons set out in the table in section 3.2.6 of the 2020/2021 Universal Registration Document.

In the case of the business relationships between Rémy Cointreau and Hermès Distribution France, of which Hélène Dubrule is a senior executive, the Board, on the recommendation of the Appointment and Remuneration Committee, considered that, after further review, they were not significant in view of the total purchases of the Rémy Cointreau Group. Hermès Distribution France, through Saint-Louis, is an important supplier for Rémy Cointreau, but is not exclusive. In addition, Hermès Distribution France's business relationship with Rémy Cointreau remains extremely limited in Hermès Distribution France's net sales. In addition, in view of her duties, Hélène Dubrule does not have decision-making authority over the contracts constituting a business relationship with Rémy Cointreau. Lastly, Hélène Dubrule has undertaken not to take part in any discussion or decision that may affect business relationships between one or another of the companies. The business relationships with Hermès Distribution France are therefore not likely to call into question the independence of Hélène Dubrule.

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND COMMITTEES AFTER THE SHAREHOLDERS' MEETING OF 22 JULY 2021

The Board of Directors, at its meeting of 2 June 2021, on the recommendation of the Nomination and Remuneration Committee, decided to submit the following resolutions regarding the composition of the Board to the Shareholders' Meeting of 22 July 2021:

Re-election of Board members

- reappointment of Guylaine Saucier as independent Board member. In particular, the Board of Directors considered her in-depth understanding of the Group's strategy and her contribution to the discussions of the Board of Directors and those of the Audit-Finance Committee, which she has chaired since 1 October 2019. Her experience in international settings and in risk monitoring and management and her knowledge of complex audit issues are key assets for her reappointment as independent Board member;

– reappointment of Bruno Pavlovsky as independent Board member. Bruno Pavlovsky's involvement in the work of the Board of Directors and the Nomination and Remuneration Committee of which he has been Chairman since 24 July 2019, his experience and in-depth knowledge of the challenges of the luxury goods industry are key assets for his reappointment as independent Board member.

Appointment of Board members

– appointment of Marc Verspyck as an independent Board member. The Board of Directors wishes to include an independent Board member with solid experience in Corporate Senior Management and Heading Up Finance departments.

Continuing the generational transition of the members of the Hériard Dubreuil family on the Board of Directors, announced at the end of the Shareholders' Meeting in July 2019:

– appointment of Élie Hériard Dubreuil as Board member. Élie Hériard Dubreuil has been a non-voting Board member since 20 November 2018 and will be appointed to replace Dominique Hériard Dubreuil, who announced her decision to make her seat on the Board available as of the 2021 Shareholders' Meeting, to foster the generational transition. The Board of Directors approved her decision. The Board of Directors believes that the experience of Élie Hériard Dubreuil in the wine and spirits industry, his in-depth understanding of the Group's CSR challenges are key assets for his appointment to the Board of Directors of Rémy Cointreau;

– ratification of the provisional appointment by the Board of Directors, at its meeting of 24 November 2020 of Caroline Bois as Board member, to replace François Hériard Dubreuil who resigned. Caroline Bois, 44 years old, has been a non-voting member of the Board of Directors of Rémy Cointreau since 24 July 2019. She has been a member of the Audit-Finance Committee since 24 November 2020. The Board of Directors believes that the expertise of Caroline Bois in the wine and spirits industry, together with her in-depth understanding of the Group's financial challenges and teams are key assets for her appointment to the Board of Directors of Rémy Cointreau. As Caroline Bois was co-opted for the remainder of the term of office of François Hériard Dubreuil, *i.e.* until the Shareholders' Meeting called to approve the financial statements for the year ended 31 March 2021, the Board of Directors proposes to reappoint her.

It is specified that Dominique Hériard Dubreuil will be appointed as non-voting member by the Board of Directors, at its meeting held after the Shareholders' Meeting and she will remain Chairwoman of the CSR Committee.

Composition of the committees of the Board of Directors after the Shareholders' Meeting of 22 July 2021

At the end of the Shareholders' Meeting of 22 July 2021 and subject to the approval of the resolutions put to a vote, the Board of Directors will be composed of 12 Board members and 3 non-voting members and will have the following characteristics:

Accordingly (excluding non-voting members):

– the percentage of independent members on the Board of Directors (ie 50%) would remain higher than that recommended by the AFEP/MEDEF Code, particularly for company with a majority shareholder; and

– the percentage of women would be higher (ie 50%) than the percentage required by law (which requires a rate of at least 40%).

At its meeting of 2 June 2021, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decided to change the composition of the committees of the Board of Directors as follows:

– Audit-Finance Committee: Marc Verspyck will be a member, replacing Jacques-Étienne de T'Serclaes; Guylaine Saucier will remain Chairwoman;

– Nomination and Remuneration Committee: Marie-Amélie Jacquet will be a member, replacing Dominique Hériard Dubreuil; Bruno Pavlovsky will remain Chairman;

– Corporate Social Responsibility Committee: Élie Hériard Dubreuil will be a member; Dominique Hériard Dubreuil will remain Chairwoman.

Overview of the committees at 22 July 2021

Audit-Finance Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee
4 members	4 members	4 members
75% independent	50% independent	50% independent
Guylaine Saucier**•	Bruno Pavlovsky**•	Dominique Hériard Dubreuil•
Caroline Bois	Marie-Amélie Jacquet	Hélène Dubrule**
Emmanuel de Geuser**	Olivier Jolivet**	Olivier Jolivet**
Marc Verspyck**	Gisèle Durand (Orpar)	Élie Hériard Dubreuil

• *Chairman of committee*
** *Independence*
(in line with Afep-Medef recommendations).

3.2.3 Operation of the Board of Directors

The operation of the Board of Directors and committees is primarily governed by internal regulations. The regulations can be found on the Company's website.

3.2.3.1 OPERATING PROCEDURES

Notification of Board meetings

The schedule of Board meetings for the following year is agreed among the Board members at the June meeting of the Board of Directors, at the latest. The members of the Board are subsequently notified of each meeting by email, approximately ten days in advance.

The Statutory Auditors are invited to attend the meetings of the Board of Directors called to examine the interim and annual financial statements.

Information provided to Board members

Board members are provided with all the necessary documentation and information at least eight days prior to meetings of the Board and its various committees, subject to confidentiality requirements.

Documentation and information for Board meetings are subject to wide-reaching financial and commercial analysis, comprising very detailed corporate data allowing a thorough understanding by Board members of the trading environment, results and outlook for the Rémy Cointreau Group.

The prior and regular provision of information to Board members is fundamental to the performance of their duties. As such, the Chairman of the Board of Directors ensures that senior management provides Board members with any strategic and financial information on an ongoing and unlimited basis. This includes information on the Company's cash flow and liquidity position, its commitments, the market trends, competition and key issues, including corporate social responsibility, which the Board members require in order to discharge their duties under the best possible conditions.

On the basis of the information provided, Board members can request any clarifications or information they deem necessary. The Board members undertake to maintain the strict confidentiality of information received. As this concerns, in particular, unpublished information acquired during the course of their work, Board members are therefore subject to a code of professional secrecy.

Outside Board meetings, Board members regularly receive all significant information relating to the Company and the Group, in particular monthly operating reports compared against the budget, and are alerted to any event or development that may have a material impact on trading or on information previously submitted to the Board.

They also receive press releases issued by the Company as well as key press articles and equity research reports.

Board members may meet the main Group managers without members of senior management being present, on the condition that they make a prior request to the Chairman of the Board of Directors.

Each Board member may receive, if he or she deems it necessary, additional training on specific matters relating to the Group, its business lines and sectors of activity, including corporate social responsibility issues.

Upon taking office, each Board member is sent on an integration programme to learn the basics about the business lines, organisation, strategy, geographical positioning, product positioning, customers and financial and regulatory aspects of the Group.

Board members must devote the necessary time and attention to their duties and if offered a new position, must give ample consideration to whether accepting it would prevent them from fulfilling this responsibility.

Meetings

The meetings of the Board of Directors take place in Paris, at the administrative head office. However, the Board may hold meetings in other locations, in France or another country, at the Chairman's request.

Meetings of the Board of Directors may be held by video-conference and/or teleconference. The technical resources used must provide for the identification of the Board members and guarantee their actual participation.

Participation by videoconference is not allowed for meetings devoted to the approval of the annual and consolidated financial statements, or for the Company and Group management reports.

Minutes of meetings

The minutes of the meetings of the Board of Directors are prepared after each meeting and given in draft form to members at the subsequent meeting, during which they are approved.

Transparency rules

Upon taking office, and then on a regular basis during their term, Board members are given the Guide published by the French Financial Markets Authority (*Autorité des marchés financiers*, AMF), which is aimed at Board members of listed companies. It sets out their personal obligations with respect to holding Company shares.

Board members must hold their shares in registered form or deposit shares issued by the Company, its subsidiaries, the Company of which it is a subsidiary or other subsidiaries of that company, and which are owned by the Board members themselves, by spouses from whom they are not physically separated or by minors.

Each Board member must hold a minimum of 100 shares.

The Board members, Chief Executive Officer and members of the Executive Committee are regularly informed of the provisions of Article L. 621-18-2 of the French Monetary and Financial Code and the Articles of the AMF General Regulation that have a direct bearing on them. Board members must therefore directly inform the AMF of any equity securities, debt securities or securities convertible to equity of the Company that they have bought, sold, subscribed for or exchanged, as well as any trading in derivative financial instruments, or any such transactions related to them, within three business days of the trade date. In addition to Board members, the Chief Executive Officer and members of the Executive Committee, this rule applies to all individuals or corporate entities related to them in accordance with the applicable regulations. This also applies to transactions carried out by their spouses from whom they are not physically separated or civil partners under French legislation, by minors, by any other relative living with them for at least a year as of the date of the transaction in question, or by any legal entity whose governance is under the responsibility of one of the aforementioned individuals, which is directly or indirectly controlled by that person, which was established for his/her own benefit, or of which the majority of the economic benefits flow to that person.

Finally, Board members must make themselves aware of periods during which they must not trade in the Company's shares and of their general obligations under the applicable regulations.

For this purpose, in accordance with AMF recommendations, the Board members, Chief Executive Officer and Executive Committee members must refrain from trading in the Company's shares 30 calendar days before Rémy Cointreau issues a press release on its annual and interim results and 15 calendar days before it publishes its quarterly financial information. Outside these abstention periods, the Board members, Chief Executive Officer and members of the Executive Committee must not trade in the Company's shares if they have insider information.

Board members must inform the Board of Directors as soon as they become aware of any conflict of interest or potential conflict of interest and abstain from taking part in deliberations and corresponding votes. In the case of a permanent conflict of interest, the Director must resign.

Stock Market Ethics Code and Rumour Management Manual

At its meeting on 28 March 2017, the Board of Directors adopted a Stock Market Ethics Code relating to the confidentiality of information and the prevention of insider trading within the Rémy Cointreau Group. The Code reminds the Group's employees of the laws and regulations in force, the penalties for non-compliance and the introduction of preventive measures to enable everyone to invest without infringing market integrity rules.

To this end, the Board of Directors decided to set up an "Insiders Committee" composed of the Group's Chief Executive Officer, Chief Financial Officer and a compliance officer.

The Stock Market Ethics Code is available on the Group's website.

At the same meeting, the Board of Directors also adopted a Rumour Management Manual to inform members of the Insider Committee of the applicable regulations and best practices to follow in the event of market rumours about the Company or the Rémy Cointreau Group in general.

3.2.3.2 DUTIES OF THE BOARD OF DIRECTORS

Role and powers of the Board of Directors

The Board of Directors is a collegiate body, in that Board members collectively exercise the functions conferred on the Board by law. The Board members do not have any individual powers, apart from the Chairman, by virtue of the role and powers conferred by the Articles of Association and the internal regulations of the Board of Directors.

The role of the Board is to determine, upon a proposal from the Chief Executive Officer, the strategic, economic and financial direction of the Company and its Group and to oversee its implementation. The Board may be involved in any matters pertaining to the operation of the Company and its Group and may ask senior management to report and/or submit proposals on such matters. In this regard, the Board retains all decision-making powers.

The Board may perform or commission any audits and checks that it deems appropriate.

In general, any major decision affecting the Company and its Group, including decisions likely to affect their strategy, financial structure or scope, requires the Board's prior authorisation.

Any material transaction that does not relate to the Group's formal strategy is also subject to the prior approval of the Board.

The Board of Directors is informed of the Company's financial position, cash flow, liabilities and liquidity position.

The Board verifies the content of information received by shareholders and investors, which must be relevant, balanced and informative regarding the strategy, development model, handling of non-financial issues by the Company and long-term outlook for the Group.

Lastly, it is committed to promoting long-term value creation by the Company, taking into account social and environmental issues relating to its activities.

It reports to the Shareholders' Meeting on how the Board prepared and organised its work, the internal control and risk management procedures put in place by the Company, the limitations that the Board has placed on the powers of the Chief Executive Officer, the specific arrangements relating to shareholder participation at Shareholders' Meetings, and the principles and rules governing the remuneration and benefits granted to corporate officers.

The Board of Directors may appoint non-voting members directly, without ratification by the Shareholders' Meeting. Non-voting members examine issues that the Board of Directors or its Chairman submits for their consideration. Non-voting members are invited to Board meetings in the same way as regular Board members. They attend these meetings and take part in deliberations in a consultative role. However, their absence does not affect the validity of the proceedings.

Role and powers of the Chairman of the Board of Directors

The Chairman of the Board of Directors organises and presides over the Board's work, reporting on this to the Shareholders' Meeting.

He or she is responsible for the effective operation of the Company and ensures that Board members are able to discharge their duties.

He or she also ensures that senior management fully exercises the responsibilities delegated to it by law, by the Articles of Association and by these regulations.

The Board of Directors delegates the Group's public communications to the Chairman, who liaises closely with the Chief Executive Officer. The Chairman may appoint any representative of his choice for specific subjects. He or she reports regularly to the Board on the performance of his duties.

3.2.4 Activities of the Board of Directors and specialized committees

During the financial year ended 31 March 202, the Board of Directors met eight times. Board meetings lasted for three hours on average. The attendance rate was 98%. In a context marked by the Covid-19 epidemic, the members of the Board of Directors met by teleconference, in accordance with the provisions of Order no. 2020-321 of 25 March 2020 on the adaptation of rules governing the organisation and deliberation Shareholders' Meetings and meetings of management bodies of legal entities and entities without a legal identity under private law due to the Covid-19 epidemic.

The Board of Directors routinely meets without the Chief Executive Officer the day before a Board meeting.

INDIVIDUAL ATTENDANCE OF BOARD MEMBERS FOR THE 2020/2021 FINANCIAL YEAR AT BOARD AND COMMITTEE MEETINGS

	Board of Directors	Audit-Finance Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee
Mr Marc Hériard Dubreuil	100%			
Ms Marie-Amélie Jacquet	100%			
Ms Dominique Hériard Dubreuil	100%		100%	100%
Ms Caroline Bois	100%	100%		
Ms Hélène Dubrule	100%			100%
Mr Emmanuel de Geuser	88%	50%		
Ms Laure Hériard Dubreuil	100%			
Mr Olivier Jolivet	100%		100%	100%
Mr Bruno Pavlovsky	100%		100%	
Ms Guylaine Saucier	100%	100%		
Mr Jacques-Étienne de T'Serclaes	100%	100%		
Orpar SA (represented by Gisèle Durand)	88%		100%	
NON-VOTING MEMBERS:				
Mr François Hériard Dubreuil	100%			
Mr Élie Hériard Dubreuil	100%			
Mr Jacques Hérail	100%			
Average attendance	98%	87.5%	100%	100%

A committee of Chairmen enables the Chief Executive Officer to meet with the senior management of Andromède, the parent of Orpar and the Group's ultimate parent company. This committee enables the Company's management to be better informed on the strategies adopted within the Group's sector of activity, and as such to prepare the work of the Board of Directors under the best possible conditions. An account of this work is routinely presented to the Board of Directors.

With regards to its main areas of competence, the Board debated and ruled on the following items in particular:

Corporate governance

In particular, the Board, on the basis of the work of the Nomination and Remuneration Committee:

- proposed to the Shareholders' Meeting of 23 July 2020 (held behind closed doors due to the current health context), the reappointment of Dominique Hériard Dubreuil, Laure Hériard Dubreuil and Emmanuel de Geuser;
- co-opted Caroline Bois as Board member, to replace François Hériard Dubreuil who resigned, as part of the succession plan for the representation of the majority shareholder;
- reappointed Élie Hériard Dubreuil as non-voting member;
- appointed François Hériard Dubreuil and Jacques Hérail as non-voting members;
- approved the list of independent Board members at 31 March 2021;
- carried out an assessment of its operation;
- discussed the composition of its specialised committees;
- took note of the minutes reported by the Chairs of each specialised committee;
- approved the remuneration package of the Chairman of the Board of Directors and the Chief Executive Officer for the 2019/2020 financial year;
- set the remuneration policy for the Chairman of the Board of Directors and the Chief Executive Officer for the 2020/2021 financial year;
- reviewed the responsible and civic solidarity measures taken in the context of Covid-19 related to the remuneration of employees, the Chairman of the Board of Directors and Executive Committee members;
- awarded Performance shares to the Chief Executive Officer and other beneficiaries under the 2020 and 2021 plans;

- adopted Rémy Cointreau's new top-up collective, vested defined-benefit scheme (Article 39), subject to performance conditions;
- approved the "My Rémy Cointreau" employee shareholding plan in France;
- adopted the new ten-year performance incentive plan (2021-2025 plan and 2021-2030 plan) for Executive Committee members in order to achieve the objectives of the Plan for 2030, in the form of a grant of indexed bonus shares.

The Group's strategy

In particular, the Board:

- approved the new Strategic Plan for 2030;
- duly noted of the strategic presentations of the members of the Executive Committee relating to the XO China Plan, the LOUIS XIII Strategy, the reorganization of Global Travel Retail in the context of the pandemic, and distribution in France;
- reviewed the Talent Development policy within Rémy Cointreau;
- duly noted the disposal in full by the Rémy Cointreau Group of the Passoa SAS joint venture to the Lucas Bols Group, in line with the strategy aimed at further moving its brand portfolio upmarket;
- approved the start of exclusive negotiations with the Lhopital family and the acquisition of a majority stake in Champagne de Telmont, thereby enhancing the Group's portfolio with a traditional Champagne providing exceptional development potential;
- approved the acquisition of the Cognac House J.R. Brillet, providing inventories of high-quality cognac and vineyards over the long term;
- reviewed the strategies and performance of the competition and the Group's relative positioning;
- at each meeting, reviewed the Group's activity and results, net sales achieved by division, geographic areas and brands and gains in market share, thus allowing Board members to be aware on a continuous basis of the Company's current situation and challenges;
- studied the impact from Covid-19 on the Group.

Each year, to obtain an in-depth knowledge of the Group's brands, the Board of Directors meets at a production site. The health context linked to the Covid-19 pandemic did not allow the Board of Directors to meet at a Group site. Visits are likely to resume as soon as the health situation permits.

Financial statements and budget

In particular, the Board, on the basis of the work of the Audit-Finance Committee:

- approved the Group's consolidated financial statements and the Company financial statements as of 31 March 2020, based on a report from the Audit-Finance Committee and the Statutory Auditors' work;
- set the appropriation of earnings for 2019/2020 proposed to the Shareholders' Meeting and decided to distribute a dividend of one euro, in the context of the coronavirus crisis and the responsible and civic solidarity measures announced on 16 April 2020;
- reviewed the interim consolidated financial statements at 30 September 2020;
- adopted the budget for the 2021/2022 financial year including CSR performance indicators for each brand;
- completed an initial estimate of the Covid-19 pandemic;
- renewed the authorisation granted to the Chief Executive Officer to issue sureties, endorsements and guarantees;
- approved the amended Foreign Exchange Charter outlining the currency risk management system in times of crisis;
- duly noted the work of the Audit-Finance Committee in connection with the progress made on Rémy Cointreau's compliance plan for the Sapin II law and the internal audit plan.

Corporate Social Responsibility

The Board, on the basis of the work of the Corporate Social Responsibility Committee:

- approved the *raison d'être* of the Rémy Cointreau Group;
- reviewed the non-financial risks;
- reviewed the 2025 CSR plan;
- duly noted the "B Corporation" certification of the Bruichladdich distillery for its level of social and environmental performance.

Regulated agreements

The Board:

- reviewed the regulated agreements entered into and authorised in prior financial years and whose performance continued in 2020/2021.

For more details about the regulated agreements and commitments, see Chapter 8.2.

ACTIVITY OF THE SPECIALISED COMMITTEES OF THE BOARD OF DIRECTORS

In order to carry out an in-depth review of the specific issues related to the duties of the Board of Directors, the latter has established three specialised committees:

- Audit Finance Committee;
- Nomination and Remuneration Committee;
- Corporate Social Responsibility Committee.

These committees are established to study and prepare certain considerations and to give recommendations or advice to the Board. Their overall objective is to improve the relevance of the information provided to the Board and the quality of its deliberations. In no way are they a substitute to the Board of Directors. The recommendations of the committees are presented to the Board as part of the reports made to the Board meeting by their respective Chairmen.

The Board defines the composition and powers of these committees. The Board appoints a member of each committee as Chairman/Chairwoman.

The committees may have regulations specifying their powers and modes of operation, but in the absence of specific regulations, the provisions of the internal regulations of the Board of Directors are considered to act as the regulations for each committee as regards their powers and modes of operation.

In the exercise of their powers, these committees may interview Group executives and Statutory Auditors after having informed the Chairman of the Board. The Board may entrust third parties with special assignments bearing on one or more specific topics, at the request of these committees. Their remuneration is then set by the Board. The committees report the opinions obtained in this manner to the Board.

The committees do not interact directly with Executive Committee members, but one of the members of the Executive Committee attends the meetings of the committee that addresses topics relating to his/her function. He/she then prepares and makes available all documentation necessary for the committee to perform its duties. The Audit Committee may request interviews with the Statutory Auditors without the attendance of an Executive Committee member.

The Chairman of the Board may attend any Committee meeting.

The secretariat of each committee is provided by a person designated by the Chairman or in agreement with him/her.

AUDIT-FINANCE COMMITTEE

Members of the Audit-Finance Committee have the necessary financial and accounting skills from their professional experience and their sound knowledge of the Group's accounting and financial procedures (see biographies on pages 130 to 143).

Composition

Chairwoman: Guylaine Saucier

Members: Caroline Bois, Emmanuel de Geuser and Jacques-Étienne de T'Serclaes

Number of independent members: 3

Duties

INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS RELATING TO THE DUTIES OF THE AUDIT-FINANCE COMMITTEE

The duties of the Audit-Finance Committee are as follows:

- review of the annual and interim financial statements and quarterly net sales and ensuring the appropriateness and consistency of the accounting policies used;
- monitoring of the process of preparing financial information;
- review of the debt and banking covenant positions;
- valuation and monitoring of intangible assets;
- change in inventories;
- off-balance sheet commitments;
- application of IFRS accounting standards;
- Group financial and tax policy;
- review of risk mapping and principal risks (litigation, receivables, intangible assets);
- internal control procedure;
- internal audit action plan, recommendations and follow-up actions;
- to be notified of any material failure or weakness in terms of internal control and any fraud of a significant nature;
- to be notified of the implementation of the Group's compliance programmes, particularly those relating to the prevention of corruption and monitoring of the most significant cases brought to the attention of the Group;
- currency and interest rate risk management policy, particularly the review of the authorised maximum risk amount and the amount of the "disaster" risk, regular review of positions, accounting methods and instruments used and review of procedures;
- recommendation on the appointment of the Statutory Auditors; review of fees budget;
- interview of the Statutory Auditors, monitoring of the rules on the independence and objectivity of the Statutory Auditors;
- authorisation, in accordance with applicable legal or regulatory provisions, of services other than the certification of the financial statements that may be entrusted to the Statutory Auditors and their network;
- review of the scope of the consolidated companies and, where applicable, the reasons why companies would not be included.

The Audit-Finance Committee fulfils the functions of a specialised committee and carries out monitoring of matters relating to the preparation and control of accounting and financial information, in accordance with Articles L. 823-19 and L. 823-20-4 of the French Commercial Code.

One day prior to Committee meetings, the members may hold a preparatory meeting to exchange and examine the information that has been provided to them. The committee ensures that information relating to agenda items is provided at least three days in advance of the meeting.

Activity

The Audit-Finance Committee met four times during the financial year with the participation of the Statutory Auditors and an attendance rate of 87.5%.

The following are the main items addressed during these meetings:

- review of the consolidated financial statements of the Group and the Company financial statements for 2019/2020, the 2020/2021 interim financial statements, quarterly financial statements and, more generally, the financial reporting of the Company;
- review of the cash, debt and banking covenant positions;
- review of the currency hedging positions and monitoring of client risk;
- monitoring of the main legal and tax disputes;
- risk assessment of intangible assets (brands) and financial assets;
- review of the Group's tax situation;
- review of the corruption risk map, progress on the Sapin II implementation action plan and personal data protection programme;
- review of the internal audit action plan for 2021/2022 and its findings;
- mapping of social and environmental risks;
- review of non-financial information;
- valuation testing of intangible assets;
- internal audit and compliance;
- review of the financial communication related to the Covid-19 health crisis;
- update on the terms of office of the Statutory Auditors which are due to expire and launch of the tender procedure;
- presentation of the Group's insurance policy;
- progress report on the Cap One project aimed at harmonising management processes and practices;
- review of the IT Systems department of the Future Roadmap presented by the new Group Chief Information Officer;
- review of the Rémy Cointreau Group employee retention plans (philosophy, parameters, accounting logic);
- review of exchange rate exposure management in times of crisis and amendment of the Currency Charter.

It should be noted that on each date of issue of the financial statements, the committee met the Statutory Auditors without management being present, before the Finance department presented the financial statements to it. The Chief Financial Officer attends all Audit Committee meetings. The committee also met the person responsible for internal control activities (audit, risk, compliance) at each meeting, particularly with regards to progress on the Sapin II implementation action plan and work on personal data protection.

NOMINATION AND REMUNERATION COMMITTEE

Composition

Chairman: Bruno Pavlovsky

Members: Dominique Hériard Dubreuil, Gisèle Durand (ORPAR) and Olivier Jolivet

Number of independent members: 2

Duties

INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS RELATING TO THE DUTIES OF THE NOMINATION AND REMUNERATION COMMITTEE

The duties of the Nomination and Remuneration Committee are as follows:

- review of potential candidates for the Board of Directors and selection of independent Board members;
- review of the classification of independent Board members at the time of appointing a Board member and annually for all members in light of the independence criteria specified by the AFEP/MEDEF Code;
- interviewing candidates for the positions of Chief Executive Officer, Deputy Chief Executive Officer and non-voting member;
- succession plan for executive officers;
- recommendation on the total budget and arrangements for distributing of Directors' fees;
- review of the tools enabling improvements to the motivation and compensation for the Group's executives and management;
- senior management remuneration;
- management bonus systems;
- review of the Group's policy on stock options and grant of bonus shares;
- review of supplementary pension scheme.

Activity

This committee met five times during the 2020/2021 financial year with an attendance rate of 100%.

In particular, it discussed:

- the appointment of a new Board member and a new non-voting member to the Board of Directors;
- changes in the top-hat conditional Group top-up, collective, vested defined-benefit pension plan of Rémy Cointreau;
- the succession plan for executive officers;
- the policy for allocating Directors' fees to Board members;
- the extent to which the performance conditions in respect of the variable portion of the remuneration of the Chief Executive Officer and members of the Executive Committee were achieved for the 2019/2020 financial year and approval of the quantitative and qualitative objectives of the members of the Executive Committee;
- the presentation of future changes in the Board's composition inview of the terms of office due to expire at the Shareholders' Meeting in 2021;
- the setting of the executive compensation policy for the 2020/2021 financial year;
- the new ten-year performance incentive plan for Executive Committee members in order to achieve the objectives of the Plan for 2030, in the form of a grant of indexed bonus shares;
- the extent to which the performance conditions attached to the 2017 medium/long-term performance incentive plan in the form of a grant of indexed bonus shares were achieved;
- the "My Rémy Cointreau" employee shareholding plan;
- the policy for increasing the number of women in management bodies and gender balance within the 10% of positions with the highest level of responsibility;
- the comparison of executive and employee compensation (pay ratio);
- the selection of the firm specialising in executive compensation and results of the survey on the components of remuneration of the members of the Executive Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition

Chairman: Dominique Hériard Dubreuil

Members: Hélène Dubrule and Olivier Jolivet

Number of independent members: 2

Duties

INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS RELATING TO THE DUTIES OF THE CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The duties of the Corporate Social Responsibility (CSR) Committee are as follows:

- approval and implementation of the CSR policy;
- compliance with commitments (Global Compact and internal CSR Charters);
- report on actions taken (2020 CSR Plan);
- monitoring of indicator scorecard;
- result of CSR reporting verification checks (*Grenelle* laws);
- changes in non-financial ratings;
- outlook (updating of 2020 CSR plan).

Activity

This committee met three times during the 2020/2021 financial year with an average attendance rate of 100%.

The following are the main items addressed during these meetings:

- review of the implementation of CSR performance indicators for each brand in the 2021/2022 budget;
- guidelines of the 2025 CSR Plan;
- definition of the *raison d'être* of the Rémy Cointreau Group;
- review of the Group's CSR activity in the 2019/2020 financial year (CSR section of the registration document);
- incentive plan for Executive Committee members relating to CSR indicators;
- presentation of the Non-Financial Performance Statement;
- review of the work of the Rémy Cointreau Foundation;
- review of the mapping of social and environmental risks (for annual monitoring with the Audit-Finance Committee);
- review of the future CSR organisation;
- review of the carbon strategy;
- review of the Rémy Martin strategy for sustainable agriculture.

3.2.5 Assessment of the Board of Directors

In accordance with the internal regulations of the Board of Directors and the AFEP/MEDEF Code, the Board conducts an annual self-assessment, reviewing its own composition, organisation and operation and that of the three committees.

The evaluation positively assessed the quality of the operations of the Board and committees, which was maintained despite a financial year marked over a long period by a major health crisis.

A new Chief Executive Officer taking office in this context could have been delicate; however, the Board of Directors considers that the health crisis was particularly well-managed by the Senior management, both in human and operational terms as well as its financial consequences.

The Board of Directors highlights the strategic and operational alignment between the Board and the Chief Executive Officer, with good overall unity of the Executive Committee.

During the meetings of the Board of Directors, special attention was paid this year by Senior management to the presentation and implementation of the Group's strategy by the members of the Executive Committee. These meetings with the members of the Executive Committee or the key managers were highly valued.

The Board's role in driving the Group's strategy has thus been satisfactorily fulfilled. The inclusion in the agenda of topics encouraging reflection on strategic topics should be continued, in particular and especially around competitive intelligence.

The composition of the Board is balanced, with an equal representation of women and men, but could nevertheless be diversified, and not only in gender, with an increased presence of international profiles from the Group's major strategic areas (China or US) and/or business and technical expertise (digital).

Board duties are carried out with the necessary competence and independence thanks to the presence of experienced professionals and a significant number of independent Board members, particularly for a Group with one main shareholder. This balance must be maintained. The quality of dialogue was emphasised, with the Chairman of the Board ensuring that everyone could express their views.

The Board continued its active role in the Group's CSR challenges.

Board members emphasise the quality of the information given, particularly during a crisis (Covid-19), at Board meetings, but would like to be better informed, where appropriate, between Board meetings. The implementation of a dashboard to monitor the Group's activity, the work and Board decisions was repeated.

The composition and the preparation of the committees were deemed appropriate, with relevant expert members in each one of them. The minutes drawn up by the committee Chairmen during Board meetings provided a clear picture of the topics discussed and allowed the Board to make appropriate decisions.

The minutes of meetings transcribe the content of discussions and decisions at Board meetings in a satisfactory manner. The deadlines for the communication of the documents attached to the convocation, both for the Council and for the committees, could however be earlier.

Board members deemed the dinners organised before Board meetings (which were particularly missed during the pandemic) to be essential, alongside visits to Group sites to which they are invited, to building collegiality and ensuring the Board's unity.

Areas of improvement concerning the governance and operations of the Board and its committees were highlighted:

- changing the composition of the Board with increased internationalisation of profiles and/or business and technical expertise (digital);
- regularly presenting competitive markets and strategies;
- identifying and presenting to the Board the expectations of shareholders other than family shareholders;
- presenting an annual review of the main risks of the Company (including IT security) and/or digital strategy.

The major challenges for the next three years, in no particular order, are:

- the continuation of the generational transition of the reference shareholder on the Board of Directors and the inclusion of the new generation;
- the continuation and acceleration of sustainable development policies;
- the digital transformation;
- post-Covid management and support for Senior management in the deployment of its strategy.

The evaluation will be conducted next year with the assistance of an external firm.

3.2.6 Apply or explain rule

The Company considers its practices to be consistent with the recommendations of the AFEP/MEDEF Code. However, some of the Code's recommendations have not been implemented or have been adapted for the reasons given below:

Recommendations of the AFEP/MEDEF Code	Explanations
Independent Board members Article 8.5: *"The criteria to be reviewed by the committee and the Board in order for a Board member to qualify as independent and to prevent risks of conflicts of interest between the Board member and the management, the Company, or the Group, are the following:* *"not to have been a Board member of the Company for more than 12 years".*	At its meeting on 2 June 2021, the Board of Directors re-examined the independence of Jacques-Étienne de T'Serclaes in light of the criteria set out in the AFEP/MEDEF Code. On this occasion, the Board noted that Jacques-Étienne de T'Serclaes fulfils all of the independence criteria established by the AFEP/MEDEF Code, except for that relating to the duration of his appointment. In effect, the AFEP/MEDEF Code recommends that Board members whose appointment exceeds 12 years no longer be considered as independent. The Board nevertheless considered that this criteria should be set aside for Jacques-Étienne de T'Serclaes. Jacques-Étienne de T'Serclaes performs no role, whether executive or otherwise, in a company that is consolidated within Rémy Cointreau. In addition, he is not an employee, executive officer or Board member of a company consolidated within Rémy Cointreau. Moreover, Jacques-Étienne de T'Serclaes, who is a well-known figure in the field of business, has performed management roles in major international groups that have no significant relationship with Rémy Cointreau, guaranteeing his professional and financial independence with respect to Rémy Cointreau. The various Board member appointments held by Jacques-Étienne de T'Serclaes also offer him perspective and a strategic overview which enhance discussions within the Rémy Cointreau Board of Directors. The objectivity and independence of mind that Jacques-Étienne de T'Serclaes has always demonstrated at Board meetings, together with his ability to defend his points of view forthrightly and with conviction, have been welcomed by other Board members and have, moreover, led to his appointment to the chairmanship of the Audit-Finance Committee. Lastly, Jacques-Étienne de T'Serclaes has, during his successive appointments as a Board member of Rémy Cointreau, acquired an in-depth knowledge of the Group and unquestionable experience that allow him to understand the challenges facing Rémy Cointreau, to appreciate all of their implications and, therefore, to contribute effectively to the work of the Board of Directors and solely in the interest of the Group. The exclusion of the criterion defining independence was also justified by the transition of the Chair of the Audit-Finance Committee to Guylaine Saucier. Lastly, Mr Jacques-Étienne de T'Serclaes informed the Board of Directors that he will not seek re-election as a Board member at the Shareholders' Meeting of 22 July 2021. For all of these reasons, the Board of Directors has concluded that Jacques-Étienne de T'Serclaes is independent.
Committees' mode of operation Article 14.3: *"Each committee must have internal regulations setting out its duties and mode of operation. The committees' internal regulations, which must be approved by the Board, may be integrated into the internal rules of the Board or be set out in separate provisions".*	Article 7.1 of the Board's internal regulations stipulates that the Audit-Finance Committee and the Nomination and Remuneration Committee may each have specific rules. Failing this, the provisions of Article 7.1 of the Board's internal regulations govern the powers and mode of operation of each of these committees. The Board of Directors adopted the latter solution, amending Article 7.1 of its internal regulations accordingly. The internal regulations are available on the Group's website.

3.2.7 Procedure for evaluating ordinary agreements entered into on arm's-length terms

The Board of Directors of 3 June 2020 approved the following methodology for qualifying the various agreements to which Rémy Cointreau SA is party as regulated agreements or ordinary agreements.

A. Ordinary agreement

Rémy Cointreau SA assesses the concept of an ordinary transaction with respect to its compliance with the corporate purpose of the company in question and the type of transaction. Repetition and/or practice are a presumption of ordinary nature, but are not themselves decisive.

With this in mind, the following will be taken into consideration:

- the fact that the transaction is identical to other transactions already performed by the company in question and relates to "ordinary" activity for the company in question;
- the circumstances surrounding the conclusion of the relevant agreement;
- the legal importance, economic consequences, and/or duration of the relevant agreement;
- standard practices for companies placed in a similar situation.

To assess this normal nature, Rémy Cointreau SA refers to a market price or generally accepted market conditions, taking into consideration the price but also all conditions under which the transaction is concluded (settlement deadlines, guarantees, etc.).

In principle, Rémy Cointreau SA qualifies as "agreements covering ordinary transactions entered into on arm's-length terms" intra-Group agreements (relating to a defined list of transactions) and agreements with "low financial stakes" (unless the agreement is of a significant nature for the co-contracting stakeholders), whenever they are concluded under arm's-length conditions.

A non-exhaustive list has been drawn up on the basis of agreements regularly entered into by the Group as of this date, to be supplemented as the Group's practices evolve.

B. Regulated agreement

A "regulated agreement" means any agreement entered into between the Company, on the one hand, and, on the other:

- directly or through an intermediary, its Chief Executive Officer, one of its Deputy Chief Executive Officers, one of its Board members, one of its shareholders holding a fraction of voting rights greater than 10%, or, if a corporate shareholder, the Company controlling it within the meaning of Article L. 233-3 of the French Commercial Code; or
- a third party in which one of the previously-mentioned parties is an indirect stakeholder; or
- an entity having a "common director" with the Company.

Rémy Cointreau SA considers that an agreement is a regulated agreement if i) it is entered into between the Company and stakeholders, pursuant to regulations and ii) it cannot be considered a free agreement or a prohibited agreement.

Transactions between stakeholders who are subject by regulations to a specific control procedure (separate from those of regulated agreements) fall outside the scope of regulated agreements.

The legal system for controlling regulated agreements has been noted.

The Board of Directors, at its meeting of 2 June 2021, reviewed the internal procedure for evaluating ordinary agreements entered into on arm's-length terms and came to the conclusion that this procedure complied with the legal provisions and that no changes were necessary.

3.3 Senior management and Executive Committee

At its meeting of 26 November 2019, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Éric Vallat as Chief Executive Officer for a term of 3 years, as of 1 December 2019.

Mr Vallat holds no appointments outside the Rémy Cointreau Group in any listed companies.

3.3.1 Role and powers of the Chief Executive Officer

The Chief Executive Officer oversees the general management of the Company and reports to the Board of Directors.

The Chief Executive Officer represents the Company in its dealings with third parties. He or she is vested with the broadest powers to act in any circumstances in the name of the Company, provided that his or her actions comply with the purpose of the Company and that they are not specifically assigned to the Shareholders' Meeting or the Board of Directors.

If the Chief Executive Officer is also a Board member, he or she may not hold more than two other directorships in listed companies outside the Group, including foreign companies, and may not accept the renewal of an external appointment if this would exceed that limit. The Chief Executive Officer shall also seek the Board's advice before accepting a new executive appointment in a listed company.

LIMITATIONS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

In a purely internal measure, not binding on third parties, the Chief Executive Officer must seek the approval of the Board before committing the Company to transactions that are outside the scope of normal management decisions, particularly in respect of:

- granting sureties, pledges and guarantees, except under the conditions provided below;
- making acquisitions, transferring property titles or exchanging goods or property and making investments of more than €10 million per transaction;
- concluding any investment or joint business operation with other companies, either French or foreign;
- granting to any existing company a contribution in cash, in kind, in property or in benefit, in excess of €10 million per transaction;
- making the Company party to any economic interest grouping or other businesses, associations or partnerships, in France or abroad, by forming such groupings or assisting in their formation, by subscribing or contributing cash or benefits in kind, by purchasing shares, rights of ownership or other securities, and generally, under any form and for an amount in excess of €10 million per transaction;
- transferring ownership of investments for amounts in excess of €10 million per transaction;
- granting loans, credit and advance payments to corporate bodies outside the Rémy Cointreau Group for an amount in excess of €10 million per borrower;
- signing any loan or obtaining credit facilities, with or without pledges or other securities on Group assets, for an amount in excess of €50 million in the same financial year.

On 26 November 2019, the Board of Directors also authorised, for a period of one year, the Chief Executive Officer to grant sureties, pledges and guarantees in the name of the Company for a total amount not exceeding €50 million. Any commitment exceeding this ceiling requires the specific approval of the Board.

The Board of Directors also authorised the Chief Executive Officer to grant sureties, pledges and guarantees in the name of the Company to the tax and customs authorities for an unlimited amount.

3.3.2 Executive Committee

The Chief Executive Officer has also formed an Executive Committee, whose members were submitted to the Board for approval. The task of the Executive Committee is to assist the Chief Executive Officer on an ongoing basis with operational matters, in terms of both decision-making and implementation.

Its members at 31 March 2021 were:

- Elisabeth Tona, Chief Executive Officer, Liqueurs & Spirits;
- Marc-Henri Bernard, Group Human Resources Director;
- Simon Coughlin, Chief Executive Officer, Whisky;
- Philippe Farnier, Chief Executive Officer of Maison Rémy Martin & Group CSR;
- Laurent Venot, Chief Executive Officer EMEA;
- Patrick Marchand, Executive Vice President Operations;
- Luca Marotta, Chief Financial Officer;
- Ian McLernon, Chief Executive Officer Americas;
- Nicolas Beckers, Chief Executive Officer Greater China.

3.4 Additional information on the members of the Board of Directors and the Chief Executive Officer

ABSENCE OF CONVICTIONS

To the best of Rémy Cointreau's knowledge:

- there have been no convictions for fraud over the last five years against any members of the Board of Directors or the Chief Executive Officer;
- neither the Chairman, any members of the Board of Directors or the Chief Executive Officer have been party, over the past five years, to a bankruptcy, nor were assets impounded or liquidated while being a member of an administrative, management or supervisory body or serving as a Chief Executive Officer;
- no official public sanction and/or charge has been brought against any member of the Board of Directors, Chairman, or Chief Executive Officer by statutory or regulatory authorities, including designated professional bodies. Thus, neither the Chairman, Chief Executive Officer, nor any member of the Board of Directors has been subject to any statutory disqualification from acting as a member of an administrative body or being involved in the management of an issuer or its business affairs in the past five years.

NATURE OF ANY FAMILY RELATIONSHIPS BETWEEN CORPORATE OFFICERS

François and Marc Hériard Dubreuil are Dominique Hériard Dubreuil's brothers.

Laure Hériard Dubreuil is the daughter of Marc Hériard Dubreuil.

Marie-Amélie Jacquet is Dominique Hériard Dubreuil's daughter.

Élie Hériard Dubreuil is François, Marc and Dominique Hériard Dubreuil's nephew.

Caroline Bois is the daughter of François Hériard Dubreuil.

SIGNIFICANT BUSINESS RELATIONSHIPS WITH THE COMPANY OR ITS GROUP

To the best of Rémy Cointreau's knowledge, there are no significant business relationships between the Company or any of its subsidiaries and any members of the Board of Directors, its Chairman or the Chief Executive Officer.

A service provision agreement exists between Rémy Cointreau SA and Andromède SAS, as described in the paragraph on service agreements below. Treasury and current account agreements are also in place between Rémy Cointreau SA and Orpar SA, as mentioned in the Statutory Auditors' special report.

Dominique, François and Marc Hériard Dubreuil are Board members or officers of Andromède SAS and Orpar SA.

Caroline Bois, Marie-Amélie Jacquet and Élie Hériard Dubreuil are directors of Andromède SAS.

ABSENCE OF POTENTIAL CONFLICTS OF INTEREST

To the best of Rémy Cointreau's knowledge, there are no potential conflicts of interest between any duties to the issuer and the private interests and/or other duties of any members of the Board of Directors, the Chairman or the Chief Executive Officer.

SERVICE CONTRACTS BETWEEN MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

Neither the Chairman, the Chief Executive Officer, nor any member of the Board of Directors, as an individual, is bound to Rémy Cointreau or to any of its subsidiaries by a service contract providing for the granting of benefits at the end of the contract.

Since section 16.2 of regulation (EC) No. 809/2004 of 29 April 2004 requires information to be provided about service contracts between members of the administrative bodies and the issuer or any of its subsidiaries, it is noted that a service provision agreement was entered into on 31 March 2011 between Rémy Cointreau SA and Andromède SAS, of which Dominique Hériard Dubreuil and François and Marc Hériard Dubreuil are executive officers. This agreement is mentioned in section 1.5 of this report and in the Statutory Auditors' special report.

3.5 Remuneration and benefits

3.5.1 Principles and rules governing the remuneration and benefits paid to executive officers and Board members

The overall remuneration paid to executive and non-executive officers is set by the Board of Directors, which decides on the basis of recommendations issued by the Nomination and Remuneration Committee. The committee, composed of two independent Board members, ensures that each element of remuneration responds to a clear objective that is fully in line with the strategy and interests of the business.

Regardless of category or income, the objective of the Nomination and Remuneration Committee is to recommend an overall remuneration package that is both competitive and attractive. To that end, it draws on objective studies of the remuneration offered by companies comparable to Rémy Cointreau in the appropriate market, carried out by external experts.

The committee issues its recommendations on all the items comprising the overall remuneration, including:

- fixed remuneration:

  The fixed portion of remuneration is determined according to the responsibilities of the executive officers concerned.

  A survey is regularly carried out with the help of specialist consultancy firms to examine how the Company's executive remuneration structure compares with that of other SBF 120 companies;

- annual variable remuneration (bonus):

  For several years, the Board of Directors has defined a procedure for calculating the variable portion of executive remuneration so that it acts as an incentive while remaining fair. This procedure is based on ambitious quantitative and qualitative criteria that ensure that remuneration is in line with the Group's performance.

  This variable portion is expressed as a percentage of annual fixed remuneration. It can range from 0% to 100% if the quantitative and qualitative targets are reached (target level), or up to 155% in the case of exceptional financial performance exceeding the targets set. The criteria are regularly reviewed and modified from time to time. At its meeting of 24 March 2020, the Board, on the recommendation of the Nomination and Remuneration Committee, reviewed the quantitative and qualitative criteria and selected the following elements.

QUANTITATIVE CRITERIA

Four quantitative criteria based on financial performance (equivalent to 50%):

- consolidated current operating profit;
- cash flow generation;
- consolidated net profit (excluding non-recurring items);
- ROCE (return on capital employed).

QUALITATIVE CRITERIA

Four qualitative criteria based on managerial and entrepreneurial skills (equivalent to 50%):

- management of the Covid-19 crisis and recovery;
- transition towards a new Group strategy and organisation;
- strengthen direct customer sourcing;
- achieving quantitative targets in the area of CSR.

The criteria range from 0% to 20% of annual fixed remuneration, with the option of an overall assessment of the target achievement ranging from 100% to 130%. The Board of Directors conducts an annual performance review for each executive officer on the basis of the Nomination and Remuneration Committee's recommendations. The qualitative criteria are reviewed annually in line with the Group's strategic priorities. Due to the confidentiality of the Group's strategy, details of the qualitative objectives may only be disclosed at the end of each financial year.

- Exceptional remuneration:

  Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors retains the option of granting exceptional remuneration to the executive officer in the event that a major economic operation is particularly successful and sustainable over the long term, although only if this was not envisaged when the qualitative criteria for her annual variable remuneration were set.

- "Deferred" remuneration:
  - medium and long-term performance incentive plan;
  - the Board of Directors has introduced the principle of performance criteria (detailed in Table 6) as part of its policy for awarding Performance shares;
  - supplementary defined-benefit pension scheme:

  The objectives of the supplementary defined-benefit pension schemes are to retain the loyalty of the executives concerned and to encourage long-term performance. The supplementary pension scheme, set up and funded by the Company and managed by a third-party insurance company, involves the payment of an annuity calculated as a percentage of remuneration on the basis of length of service.

  The PACT law of 22 May 2019 and an Order of 4 July 2019 imposed the closing of the "Article 39" defined-benefit pension schemes in place at Rémy Cointreau for senior management. Accordingly, the scheme has been closed for new hires (since 4 July 2019) and the rights of the beneficiaries frozen as of 31 December 2019 taking into account their length of service as of said date.

  The law also provided for the implementation of a new top hat random rights defined benefit pension scheme, which is no longer subject to continued employment within the Company at the time of retirement.

  Based on Interministerial Instruction no. DSS/3C/5B/2020/237 of 23 December 2020 on the implementation of pension schemes referred to in Article L. 137-11-2 of the French Social Security Code, the Board of Directors, at its meeting of 31 March 2021, following the recommendation of the Nomination and Remuneration Committee, reviewed this scheme and decided to implement a new scheme for certain Group Executives, including the Chief Executive Officer. This new scheme enables to grant, subject to performance conditions, supplementary pension rights which vest each year. The annuity provided for by the plan gives right to a supplementary pension: its amount is determined regardless of the pensions received by the beneficiary under mandatory pension schemes and other post-employment schemes he/she may be entitled to. This scheme allows for vesting at the same level of annuity rights as the previous scheme in force within the Group and in accordance with the performance conditions which submitted for approval at the Shareholders' Meeting.

  In accordance with the commitment made, the Chief Executive Officer benefited from this scheme upon its implementation by the Group with a retroactive effect from 1 January 2020.
- Other benefits attached to the office of executive officers:
  - executive unemployment insurance in the absence of an employment contract with the Group;
  - Group defined-contribution pension scheme;
  - life and disability policy;
  - healthcare scheme.

The last three schemes are allocated according to the criteria applicable to the employee category that the Company uses to decide on the benefits.

REMUNERATION OF THE NON-EXECUTIVE OFFICER

The Board of Directors sets the remuneration of the non-executive directors according to the terms proposed by the Nomination and Remuneration Committee, in line with the above-mentioned targets.

The level of the Chairman's remuneration remained unchanged since the previous financial year. Accordingly, the fixed remuneration of Marc Hériard Dubreuil as Chairman amounts to €250,000 for 2020/2021. However, as part of the solidarity effort in the context of the Covid-19 health crisis, Marc Hériard Dubreuil waived his fixed remuneration for the 2020/2021 financial year.

As Chairman of the Board of Directors, Marc Hériard Dubreuil did not receive annual or multi-year variable remuneration.

The lack of variable remuneration reflects the Chairman's independence from senior management.

Members of the Board of Directors receive Directors' fees, the total amount of which is set by the Shareholders' Meeting. In this respect, Marc Hériard Dubreuil was awarded €42,000 by the Board of Directors for the financial year ended 31 March 2021.

3.5.2 Remuneration of executive officers

Executive officers' remuneration is presented hereinafter in accordance with the principles of the AFEP/MEDEF Code.

It consists of gross remuneration and benefits in kind paid or contributed by the Company and companies controlled by it, or paid by controlling companies.

TABLE 1 – SUMMARY OF REMUNERATION, OPTIONS AND SHARES ALLOCATED TO EACH EXECUTIVE OFFICER

(in €)	2020/2021	2019/2020
Marc Hériard Dubreuil, Chairman of the Board of Directors		
Remuneration due in respect of the period (details in Table 2)	€87,019	€291,082
Value of options granted during the financial year	-	-
Value of Performance shares granted during the financial year	-	-
Value of multi-year variable remuneration granted during the financial year	-	-
TOTAL	**€87,019**	**€291,082**
Éric Vallat, Chief Executive Officer		
Remuneration due in respect of the period (details in Table 2)	€1,874,884	€362,480
Value of options granted during the financial year	-	-
Value of Performance shares granted during the year (details in Table 6)	€7,853,050	-
Value of multi-year variable remuneration granted during the financial year	-	-
TOTAL	**€ 9,727,934**	**€362,480**

TABLE 2 – SUMMARY OF REMUNERATION PAID TO EACH EXECUTIVE OFFICER

	2020/2021		2019/2020	
	Payable	Paid	Payable	Paid
Marc Hériard Dubreuil, Chairman of the Board of Directors				
Fixed remuneration(1)	€0	€0	€213,646	€213,646
Fixed remuneration – controlling companies	€45,019	€45,019	€39,636	€39,636
Annual variable remuneration	-	-	-	-
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Directors' fees – Rémy Cointreau	€42,000	€37,800	€37,800	€42,000
Directors' fees – companies controlled by Rémy Cointreau	-	-	-	€50,000
Directors' fees – controlling companies	-	-	-	-
Benefits in kind (car)	-	-	-	-
TOTAL	**€87,019**	**€82,819**	**€291,082**	**€345,282**
Éric Vallat, Chief Executive Officer				
Fixed remuneration(2)	€769,506	€769,506	€256,474	€256,474
Annual variable remuneration	€1,087,374	€100,000	€100,000	-
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	€18,004	€18,004	€6,006	€6,006
TOTAL	**€1,874,884**	**€887,510**	**€362,480**	**€262,480**

(1) As part of the solidarity effort in the context of the Covid-19 health crisis, the Chairman of the Board of Directors waived his fixed remuneration for the 2020/2021 financial year.
(2) On an annual basis, the gross annual fixed remuneration paid in 2020/2021 includes a gross fixed salary of €750,000 and related contributions linked to surplus employer contributions towards the supplementary pension scheme (Article 83) and employer contributions towards the life and disability policy.

TABLE 3 - REMUNERATION RECEIVED BY NON-EXECUTIVE DIRECTORS

See table on page 167 "Remuneration of Board members".

TABLE 4 – STOCK OPTIONS GRANTED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE DIRECTOR BY THE ISSUER AND BY ALL GROUP COMPANIES

None.

TABLE 5 – STOCK OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE DIRECTOR

None.

TABLE 6 – PERFORMANCE SHARES GRANTED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE DIRECTOR BY THE ISSUER AND BY ALL GROUP COMPANIES

Performance incentive plans must serve the aims of retaining key talent with a view to delivering medium- and long-term performance, encouraging outperformance and involving the individuals concerned in the Company's value creation. The plans must also be cost-effective.

The plans are aimed at a select group of individuals: Group Executives, Executive Committee members, key contributors, pillars of the organisation and high flyers. Key contributors are managers who have a strategic role (mainly brand managers and regional managers) and managers who report to senior management. "Pillars" are managers who perform an essential role that requires experience and who would be difficult to replace. "High flyers" are managers who have been identified as potentially able to reach director level, or who could be promoted through two levels of management.

In an effort to show solidarity amid the Covid-19 health crisis, the grant originally planned in January 2020 had been postponed indefinitely.

During the 2020/2021 financial year, on the proposal of the Nomination and Remuneration Committee, the Board of Directors reviewed a new plan, the vesting period of which was shortened to three years (*versus* four) to take into account the ten-month lag. For the first time, this plan has been extended to the Group's key talent, a comprehensive mapping of which was presented to the Board.

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Company Rémy Cointreau	
Date of authorisation by the Shareholders' Meeting	24 July 2018
Details of the plan	PAG 24.11.2020
Date of Board of Directors' meeting	24 November 2020 (2020 Plan)
Number of shares granted	7,000
Valuation of shares	€1,033,760
Vesting date	24 November 2023
Date of availability	24 November 2023
Conditions	Condition of continued employment within the Company as of the vesting date and performance conditions: ▪ 50%: Current Operating Profit growth; ▪ 50%: achievement of the target set for Rémy Cointreau's CO_2 emissions, calculated according to scope 1+2 of the Green House Gas (GHG) Protocol taking into account the 1.5 °C scenario.

The shares will vest only if both the continued employment and the internal performance conditions described below are met.

Éric Vallat must still be a Group Executive Director at the end of the Vesting Period, *i.e.* on 24 November 2023.

The vesting of performance shares is subject to two performance conditions:

(i) 50% of the shares granted will vest if the target set for growth in current operating profit for the 2022/2023 financial year compared to current operating profit for the 2019/2020 financial year is achieved. All the performance shares subject to this criteria will vest according the terms described below.

If Rémy Cointreau's current operating profit is equal to or greater than 115% of the target, 125% of the shares will vest at the end of the three years, if the increase in Rémy Cointreau's current operating profit is equal to 100% of the target, 100% of the shares will vest at the end of the three years; if the increase in Rémy Cointreau's current operating profit is equal to 95% of the target, 75% of the shares will vest at the end of the three years; if Rémy Cointreau's current operating profit is less than 95% of the target, none of the shares will vest.

If the target is not achieved at the end of the period, the performance of the two previous financial years (2020/2021 and 2021/2022) will nevertheless be taken into account.

Due to the confidentiality of the Group's strategy, details of the current operating profit growth objective may not be disclosed;

(ii) 50% of the shares granted will vest if the target set for CO_2 emissions in the 2022/2023 financial year (expressed in Teq), as measured by an independent firm, taking into account the scenario of 1.5 °C for Scope 1 and 2 is achieved. All the performance shares subject to this criteria will vest according the terms described below.

If the level of CO_2 emissions (expressed in Teq) is equal to or lower than 106.3% of the target, 125% of the shares will vest at the end of the three years, if the level of CO_2 emissions (expressed in Teq) is equal to 100% of the target, 100% of the shares will vest at the end of the three years, if the level of CO_2 emissions (expressed in Teq) is equal to 87.1% of the target, 85% of the shares will vest at the end of the three years, if the level of CO_2 emissions (expressed in Teq) is equal to 77.1%, 75% of the shares will vest at the end of the three years, if the level of CO_2 emissions (expressed in Teq) is lower than 77.1% of the target, none of the shares will vest.

Due to the confidentiality of the Group's strategy, details of the target for CO_2 emissions (expressed in Teq) may not be disclosed.

In view of the recovery from the Covid-19 health crisis in the medium term and a less uncertain economic environment, on the proposal of the Nomination and Remuneration Committee, the Board of Directors decided to grant a new plan, the vesting period of which vesting was set back to four years. This plan was once again extended to other Group key talent.

Company Rémy Cointreau

Date of authorisation by the Shareholders' Meeting	24 July 2018
Details of the plan	PAG 14.01.2021 (2021 plan)
Date of Board of Directors' meeting	14 January 2021
Number of shares granted	7,000
Valuation of shares	€1,007,090
Vesting date	14 January 2025
Date of availability	14 January 2025
Conditions	Condition of continued employment within the Company as of the vesting date and performance conditions: ▪ 50%: current operating profit growth; ▪ 50%: achievement of the CO_2 emissions target.

The shares will vest only if both the continued employment and the internal performance conditions described below are met.

Éric Vallat must still be a Group Executive Director at the end of the Vesting Period, *i.e.* on 14 January 2025.

The vesting of performance shares is subject to two performance conditions:

(i) 50% of the shares granted will vest if the target set for growth in current operating profit for the 2023/2024 financial year compared to current operating profit for the 2020/2021 financial year is achieved. All the performance shares subject to this criteria will vest according the terms described below.

If Rémy Cointreau's current operating profit is equal to or greater than 115% of the target, 125% of the shares will vest at the end of the four years, if the increase in Rémy Cointreau's current operating profit is equal to 100% of the target, 100% of the shares will vest at the end of the four years; if the increase in Rémy Cointreau's current operating profit is equal to 95% of the target, 75% of the shares will vest at the end of the four years; if Rémy Cointreau's current operating profit is less than 95% of the target, none of the shares will vest.

If the target is not achieved at the end of the period, the performance of the two previous financial years (2021/2022 and 2022/2023) will nevertheless be taken into account.

Due to the confidentiality of the Group's strategy, details of the current operating profit growth objective may not be disclosed;

(ii) 50% of the shares granted will vest if the target set for CO_2 emissions in the 2022/2023 financial year (expressed in Teq), as measured by an independent firm, taking into account the scenario of 1.5 °C for Scope 1 and 2 is achieved. All the performance shares subject to this criteria will vest according the terms described below.

If the level of CO_2 emissions (expressed in Teq) is equal to or lower than 106.8% of the target, 125% of the shares will vest at the end of the four years, if the level of CO_2 emissions (expressed in Teq) is equal to 100% of the target, 100% of the shares will vest at the end of the four years, if the level of CO_2 emissions (expressed in Teq) is equal to 86.3% of the target, 85% of the shares will vest at the end of the four years, if the level of CO_2 emissions (expressed in Teq) is equal to 76%, 75% of the shares will vest at the end of the four years, if the level of CO_2 emissions (expressed in Teq) is lower than 76% of the target, none of the shares will vest.

Due to the confidentiality of the Group's strategy, details of the target for CO_2 emissions (expressed in Teq) may not be disclosed.

During the 2020/2021 financial year, the Nomination and Remuneration Committee reviewed on several occasions the terms of a very long-term performance incentive plan to achieve the ambitious financial and non-financial targets by 2030 as disclosed on 4 June 2020 when announcing the results for the 2019/2020 financial year. The committee was able to issue definitive recommendations to the Board of Directors at its meeting of 31 March 2021 on the proposed system.

The Plans are divided into two separate and complementary plans:

- a first plan for a period of four years and three months (vesting on 1 July 2025);
- a second plan for a period of nine years and three months (vesting on 1 July 2030).

The performance shares will be granted to senior executives, members of the Executive Committee, who are responsible for implementing the strategic plan “Plan 2030” to strengthen alignment with shareholder interests.

It should be stressed that this initiative is also supplemented by the implementation of an employee shareholding plan in July 2021 for the employees of Group entities in France, which, if the conditions are met, will be extended to employees of Group entities abroad in the next financial year.

Company Rémy Cointreau	
Date of authorisation by the Shareholders’ Meeting	24 July 2018
Details of the plan	PAG 31.03.2021 #1 (2021/2025 Plan)
Date of Board of Directors’ meeting	31 March 2021
Number of shares granted	20,000
Valuation of shares	€3,032,600
Vesting date	1 July 2025
Date of availability	1 July 2025
Conditions	Condition of continued employment within the Company as of the vesting date and performance conditions: ▪ 50%: achievement of the current operating profit (COP) target; ▪ 50%: achievement of the Gross Margin target.

The shares will vest only if both the continued employment and the internal and performance conditions described below are met.

Éric Vallat must still be an employee or a corporate officer of the Group or associated company at the end of the vesting period of four years and three months, *i.e.* 1 July 2025.

The vesting of performance shares is subject to two performance conditions:

(i) 50% of the shares granted will vest if the target for current operating profit performance for the 2024/2025 financial year is achieved. All the performance shares subject to this criteria will vest according the terms described below.

If Rémy Cointreau’s COP is equal to or greater than 108% of the target, 130% of the shares will vest at the end of the Vesting Period, if Rémy Cointreau’s COP is equal to 100% of the target, 100% of the shares will vest at the end of the Vesting Period, if Rémy Cointreau’s COP is equal to 92% of the target, 75% of the shares will vest at the end of the Vesting Period, if Rémy Cointreau’s COP is lower than 92% of the target, none of the shares will vest;

Due to the confidentiality of the Group’s strategy, details of the current operating profit objective may not be disclosed;

(ii) 50% of the shares granted will vest if the gross margin target expressed as a percentage for the 2024/2025 financial year is achieved. All the performance shares subject to this criteria will vest according the terms described below.

If the level of achievement is greater than or equal to 101% of the gross margin target, 130% of the shares will vest at the end of the Vesting Period, if the level of achievement of the gross margin target is greater than or equal to 100% of the target, 100% of the shares will vest at the end of the Vesting Period, if the level of achievement of the gross margin target is equal to 99% of the lower limit of the target, 85% of the shares will vest at the end of the Vesting Period, if the level of achievement is less than 99% of the lower limit of the gross margin target, none of the shares will vest.

Company Rémy Cointreau	
Date of authorisation by the Shareholders’ Meeting	24 July 2018
Details of the plan	PAG 31.03.2021 #2 (2021/2030 Plan)
Date of Board of Directors’ meeting	31 March 2021
Number of shares granted	20,000
Valuation of shares	€2,779,600
Vesting date	1 July 2030
Date of availability	1 July 2030
Conditions	Condition of continued employment within the Company as of the vesting date and performance conditions: ▪ 1/3: achievement of the current operating profit target; ▪ 1/3: achievement of the Gross Margin target; ▪ 1/3: percentage reduction in intensity of CO_2 emissions of scopes 1+2+3 according to the GHG protocol, in accordance with the “WB2C scenario” and “1.5 °C scenario”.

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The shares will vest only if both the continued employment and the internal and performance conditions described below are met.

Éric Vallat must still be an employee or a corporate officer of the Group or associated company at the end of the vesting period of nine years and three months, *i.e.* 1 July 2030.

The vesting of performance shares is subject to three performance conditions:

(i) 1/3 of the shares granted will vest if the target for current operating profit performance is achieved. All the performance shares subject to this criteria will vest according the terms described below.

If Rémy Cointreau's COP is equal to or greater than 108% of the target, 130% of the shares will vest at the end of the Vesting Period, if Rémy Cointreau's COP is equal to 100% of the target, 100% of the shares will vest at the end of the Vesting Period, if Rémy Cointreau's COP is equal to 92% of the target, 75% of the shares will vest at the end of the Vesting Period, if Rémy Cointreau's COP is lower than 92% of the target, none of the shares will vest.

Due to the confidentiality of the Group's strategy, details of the current operating profit objective may not be disclosed;

(ii) 1/3 of the shares granted will vest if the gross margin target expressed as a percentage for the 2029/2030 financial year is achieved. All the performance shares subject to this criteria will vest according the terms described below.

If the level of achievement is greater than or equal to 101% of the upper limit of the gross margin target, 130% of the shares will vest at the end of the Vesting Period, if the level of achievement of the gross margin target is greater than or equal to 100% of the target, 100% of the shares will vest at the end of the Vesting Period, if the level of achievement of the gross margin target is equal to 99% of the lower limit of the target, 85% of the shares will vest at the end of the Vesting Period, if the level of achievement is less than 99% of the lower limit of the gross margin target, none of the shares will vest;

(ii) 1/3 of the shares granted will vest if the target percentage reduction in intensity of CO_2 emissions of scopes 1+2+3, according to the GHG Protocol applying the "WB2C" and "1.5 °C" scenarios, has met the target set for the 2029/2030 financial year is achieved. All the performance shares subject to this criteria will vest according the terms described below.

If the percentage reduction in CO_2 emission intensity is equal to or greater than 110% of the target, 130% of the shares will vest at the end of the Vesting Period; if the percentage reduction in CO_2 emission intensity is equal to 100% of the target, 100% of the shares will vest at the end of the Vesting Period; if the percentage reduction in CO_2 emission intensity is equal to 90% of the target, 75% of the shares will vest at the end of the Vesting Period; if the percentage reduction in CO_2 emission intensity is less than 90% of the target, none of the shares will vest.

Due to the confidentiality of the Group's strategy, details of the percentage reduction in CO_2 emission intensity target may not be disclosed.

TABLE 7 – PERFORMANCE SHARES THAT VESTED DURING THE FINANCIAL YEAR FOR EACH EXECUTIVE DIRECTOR

None.

TABLE 8 - HISTORY OF STOCK OPTIONS AND OTHER INSTRUMENTS GIVING ACCESS TO THE CAPITAL (EQUITY WARRANTS, REDEEMABLE EQUITY WARRANTS, WARRANTS FOR SUBSCRIPTION TO BUSINESS CREATOR SHARES, ETC.)

Plans of this type no longer exist.

TABLE 9 – STOCK OPTIONS GRANTED TO THE TOP TEN BENEFICIARIES OTHER THAN CORPORATE OFFICERS

Plans of this type no longer exist.

TABLE 10 – HISTORY OF PERFORMANCE SHARE AWARDS

	2019 Plan[1]	2020 Plan[1]	2021 Plan[1]	2021-2025 Plan[1]	2021-2030 Plan[1]
Date of authorisation by the Shareholders' Meeting	24 July 2018	24 July 2018	24 July 2018	24 July 2018	24 July 2018
Date of Board of Directors' meeting	17 January 2019	24 November 2020	14 January 2021	31 March 2021	31 March 2021
Total number of shares awarded	57,450	42,479	39,602	72,500	72,500
Of which executive directors Valérie Chapoulaud-Floquet, Chief Executive Officer from 1 April 2019 to 30 November 2019[2]	9,000				
Éric Vallat, Chief Executive Officer since 1 December 2019[3]		7,000	7,000	20,000	20,000
Share vesting date	17 January 2023	24 November 2023	14 January 2025	1 July 2025	1 July 2030
End of holding period	17 January 2023	24 November 2023	14 January 2025	1 July 2025	1 July 2030
Performance conditions	(1)	(1)	(1)	(1)	(1)
Number of shares vested as of 31 March 2021	-	-	-	-	-
Aggregate number of lapsed Performance shares	11,375	-	-	-	-
Number of awarded Performance shares outstanding at year-end	46,075	42,479	39,602	72,500	72,500

*(1) The terms and conditions of the plans are set out in note **11.3** to the consolidated financial statements.*
(2) In respect of conditions associated with his departure, on the proposal of the Nomination and Remuneration Committee and approved by the Board of Directors at its meeting of 23 July 2019, the continued employment condition was lifted.
(3) In accordance with Article 24.3.3 of the AFEP/MEDEF Corporate Governance Code for listed companies, the corporate officer has committed not to carry out risk hedging transactions on bonus Performance shares. As regards the capital allocated in the form of Performance shares, the amount corresponds to 0.12% of the share capital.

Performance shares granted during the year to the ten non-corporate officer employees of the Group who received the highest number of shares

Company granting shares	Date of the plans	Total number of shares	Final vesting date	Date of availability
Rémy Cointreau	24/11/2020	24,453	24/11/2023	24/11/2023
Rémy Cointreau	14/01/2021	21,740	14/01/2025	14/01/2025
Rémy Cointreau	31/03/2021	52,500	01/07/2025	01/07/2025
Rémy Cointreau	31/03/2021	52,500	01/07/2030	01/07/2030

The Group has not issued any other options giving access to the securities reserved for executive officers or for the top ten beneficiaries of the issuer and any company included in the scope of the option grant.

Performance shares vested during the year to the ten non-corporate officer employees of the Group who received the highest number of shares

Company granting shares	Date of the plans	Total number of shares	Final vesting date	Date of availability
Rémy Cointreau	21/11/2017	21,338	21/11/2020	21/11/2022

TABLE 11 – CONTRACTS RELATING TO EXECUTIVE OFFICERS

	Employment contract	Supplementary pension scheme	Indemnities or benefits payable or likely to become payable due to cessation of or change in function	Compensation for a non-compete clause
Marc Hériard Dubreuil	**NO**	**NO**(1)	**NO**	**NO**
Chairman of the Board of Directors				
Date first appointed: 1 October 2017, term renewed by the Board of Directors on 24 July 2019				
Date appointment as Chairman expires: Shareholders' Meeting called to approve the 2021/2022 financial statements				
Éric Vallat	**NO**	**YES**(2)	**YES**(3)	**YES**(4)
Chief Executive Officer				
Date first appointed: 1 December 2019				
Date appointment expires: 30 November 2022				

(1) Marc Hériard Dubreuil exercised his pension rights under the general scheme on 30 September 2018. Since that date, he has no longer been eligible for a collective defined-contribution pension scheme under Article L. 242-1 of the French Social Security Code. The Company's liability was limited to the payment of contributions to the insurance company that manages the scheme. For the same reason, he has not been eligible for a defined-contribution pension scheme under Article L. 137-11 of the French Social Security Code, which was funded by Andromède. This scheme stipulated payment of an annuity based on the average yearly remuneration for 12 months' gross salary in the preceding 24 months.

(2) The objectives of the supplementary defined-benefit pension sheme are to retain the loyalty of the executives concerned and to encourage long-term performance. The supplementary pension scheme, set up and funded by the Company and managed by a third-party insurance company, involves the payment of an annuity calculated as a percentage of remuneration on the basis of length of service. The scheme stipulated that the payment of the annuity would be subject to continued employment at the time of retirement. The PACT law of 22 May 2019 and the Order of 4 July 2019 obliged Rémy Cointreau to terminate the "Article 39" defined-benefit pension scheme set up for senior management. Accordingly, the scheme has been closed for new hires (since 4 July 2019) and the rights of the beneficiaries frozen as of 31 December 2019 taking into account their length of service as of said date. The law also provided for the implementation of a new top hat random rights defined benefit pension scheme, which is no longer subject to continued employment within the Company at the time of retirement. Based on Interministerial Instruction no. DSS/3C/5B/2020/237 of 23 December 2020 on the implementation of pension schemes referred to in Article L. 137-11-2 of the French Social Security Code, the Board of Directors, at its meeting of 31 March 2021, following the recommendation of the Nomination and Remuneration Committee, reviewed this scheme and decided to implement a new scheme within the Group. This new scheme enables to grant, subject to performance conditions, supplementary pension rights which vest each year. The annuity provided for by the scheme gives right to a supplementary pension: its amount is determined regardless of the pensions received by the Beneficiary under mandatory pension schemes and other post-employment schemes he/she may be entitled to. This scheme enables to vest the same level of annuity rights as the previous scheme in force within the Group and in accordance with the performance conditions described below.

The characteristics of the scheme are as follows:

1. *conditions to be eligible for the scheme and other conditions to benefit from it:*
   - *hold a senior executive manager position within the Rémy Cointreau Group, in accordance with the classification provided for by the Wines and Spirits Collective Bargaining Agreement,*
   - *length of service of at least three years within a Rémy Cointreau Group company;*
2. *reference remuneration equal to the sum of the gross annual fixed remuneration, the bonus received and benefits in kind subject to social security contributions;*
3. *rate of vesting of rights: annual rate;*
4. *total ceiling on vested rights, all schemes governed by Article L. 137-11-2 of the French Social Security Code: 15 points;*
5. *financing outsourced to an insurance company to which a premium is paid each year;*
6. *performance conditions: The assessment of these conditions is the sole responsibility of Rémy Cointreau, according to the targets it will have set. It applies to all Beneficiaries and depends on the Company's results. The performance criteria are as follows:*
   i. *current operating profit/(loss),*
   ii. *cash flow generation,*
   iii. *net profit/loss excluding non-recurring items,*
   iv. *ROCE.*

   Terms used for determining the vesting of pension rights subject to performance: If none, only one, or the two highest achievement rates for the criteria are less than 50% met: 0% if the two highest achievement rates for the criteria are equal to or greater than 50%: 1%; if the three highest achievement rates for the criteria are equal to or greater than 70%: 1.2%; if the three highest achievement rates for the criteria are equal to or greater than 100%: 1.5%;
7. *Annual vesting ceiling for pension rights: annual vesting rate may be no greater than 1.5% for a given year. In accordance with the commitment made, the Chief Executive Officer benefited from this scheme upon its implementation by the Group with a retroactive effect from 1 January 2020. In accordance with Interministerial Instruction no. DSS/3C/5B/2020/237 of 23 December 2020, which stipulates that "for tolerance reasons, the regulations governing the scheme and insurance contracts signed before 31 January 2021 May authorise, with a retroactive effect, the granting of rights capped at 3% in respect of 2020, with no achievement performance condition required for that year", the rights vested under this supplementary pension scheme before the implementation of this new scheme, i.e. From 1 January 2020 to 31 December 2020, are not subject to performance criteria and vest for the Chief Executive Officer for 1.5%. In addition, during its deliberation of 2 June 2021, the Board noted that at least three of the performance criteria had been met beyond 100% and, as such, awarded an additional 1.5% of rights on a prorated basis for the period from 1 January 2021 to 31 March 2021, i.e. 0.375%.*

(3) *Éric Vallat will receive a termination payment equivalent to twenty-four months' remuneration (including fixed salary and annual bonus) prior to the date of the revocation or non-renewal of the corporate office.*
The termination payment will only be made in the event of forced departure. It will not be due where there are serious grounds or misconduct or in the event of business failure.
In the event of business failure, the Board of Directors may be fully or partially exempt from paying the termination benefit. The business situation will be assessed based on the results measured at the end of the previous two financial years. The business is deemed to have failed if the aggregate operating profit for the previous two financial years is less than €250 million. Actual payment of this benefit is subject to the performance criteria defined below:
Quantitative performance criteria: if the quantitative results, validated by the Board of Directors and serving as a basis for the calculation of the bonus of Executive Committee members, are less than 75% of the budgetary targets, no compensation will be payable.
If the quantitative results, validated by the Board of Directors and serving as a basis for the calculation of the bonus of Executive Committee members, equal 75% or more of the budgetary targets, the compensation paid will be equivalent to 24 months' gross remuneration multiplied by the percentage used (maximum 100%). For example, if the percentage used is 87.5%, the compensation will be equal to 21 months. The percentage used to calculate the compensation is the average percentage of the previous two financial years.
Qualitative performance criterion: the Board of Directors may adjust the amount of the bonus, expressed as a percentage of gross annual remuneration and calculated according to the quantitative criteria, based on the next results measured against a qualitative criterion. For this, the Board takes the Company's corporate social responsibility rating from Vigéo, or any environmental rating agency, into consideration. The final compensation amount is limited to 24 months' remuneration as defined above.

(4) *Éric Vallat is subject to a non-compete clause which prohibits him from working for a competitor for a period of one year. This clause, which may be waived by the Board of Directors, will be accompanied by a gross monthly flat-rate indemnity corresponding to 100% of the average gross monthly basic remuneration received over the last twelve (12) months preceding the date on which the term of office is terminated. The termination payment and non-compete compensation will be capped at two years' pay, as explained above.*

3.5.3 Remuneration of Board members

BOARD MEMBERS' FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE OFFICERS

The total amount of Directors' fees put to a vote by the shareholders is subject to a regular review of the practices adopted by French groups of a similar scale and international dimension to Rémy Cointreau.

Directors' fees are allocated by the Board of Directors on the following basis:

- a fixed portion defined on an annual basis;
- a variable portion commensurate with each Board member's attendance at Board and Committee meetings. On 25 November 2014, the Board of Directors decided to make the payment of attendance fees contingent on a minimum attendance requirement. The amount of Directors' fees will therefore be reduced by 30% if members miss more than one in three meetings;
- an additional fixed portion may also be allocated to the Chairman of the Board and committee Chairmen.

		2020/2021	2019/2020[1]
BOARD MEMBERS			
Dominique Hériard Dubreuil	Directors' fees – Rémy Cointreau Other remuneration – controlling company Other remuneration – controlled companies	€45,000 €15,000 -	€40,500 €15,000 -
Marc Hériard Dubreuil	Directors' fees – Rémy Cointreau Other remuneration – controlling company Other remuneration – controlled companies	€42,000 €45,019 -	€37,800 € 39,500 -
Marie-Amélie Jacquet	Directors' fees – Rémy Cointreau Other remuneration – controlling company Other remuneration – controlled companies	€42,000 €244,975 -	€31,500 €217,508 -
Caroline Bois[2]	Directors' fees – Rémy Cointreau Other remuneration – controlling company Other remuneration – controlled companies	€28,000 €245,019 -	€12,600 €217,551 -
Jacques-Étienne de T'Serclaes		€42,000	€40,950
Bruno Pavlovsky		€49,000	€41,400
Laure Hériard Dubreuil		€42,000	€37,800
Olivier Jolivet		€42,000	€37,800
Emmanuel de Geuser		€42,000	€37,800
Guylaine Saucier		€52,000	€44,100
Hélène Dubrule		€42,000	€25,200
ORPAR		€42,000	€37,800

	2020/2021	2019/2020[1]
NON-VOTING MEMBERS		
François Hériard Dubreuil[3]	€28,000	€37,800
Élie Hériard Dubreuil	€21,000	€18,900
Jacques Hérail[3]	€7,000	-

(1) In view of the Covid-19 health crisis, the members of the Board of Directors agreed to reduce their amount of directors' fees by 10% paid in respect of the 2019/2020 financial year paid in 2020/2021.
(2) Caroline Bois was co-opted as Board member by the Board of Directors on 24 November 2020.
(3) François Hériard Dubreuil and Jacques Hérail were appointed non-voting members by the Board of Directors on 24 November 2020.

3.5.4 Elements of remuneration payable to executive and non-executive directors for financial year 2020/2021, subject to shareholder approval (say on pay)

ELEMENTS OF REMUNERATION PAID DURING OR ALLOCATED IN RESPECT OF THE 2020/2021 FINANCIAL YEAR TO MARC HÉRIARD DUBREUIL, CHAIRMAN OF THE BOARD OF DIRECTORS

Elements of remuneration paid or allocated in respect of the 2020/2021 financial year	Amounts or accounting valuation submitted to the vote	Comments
Fixed remuneration	-	As part of the solidarity effort in the context of the Covid-19 health crisis, the Chairman of the Board of Directors waived his fixed remuneration for the 2020/2021 financial year.
Annual variable remuneration	n/a	-
Deferred variable remuneration	n/a	-
Multi-year variable remuneration	n/a	-
Exceptional remuneration	n/a	-
Long-term remuneration: stock options	n/a	-
Long-term remuneration: Performance shares	n/a	-
Long-term remuneration: other components	n/a	-
Directors' fees	€42,000	-
Valuation of benefits in kind	n/a	-
Termination payment	n/a	-
Non-compete compensation	n/a	-
Supplementary pension scheme	n/a	-
Life and disability policies, (death, disability and incapacity for work)	-	Life and disability policy (death, disability and incapacity for work): Marc Hériard Dubreuil is also eligible for the Group disability, death and incapacity for work scheme. The remuneration used to calculate the contributions is capped at eight times the annual ceiling applicable in France for incapacity, disability and death benefits. The employer contribution rate is 1.97% on bracket A and 2.25% on brackets B and C. This is subject to change in accordance with the contractual provisions. The Company's liability is limited to the payment of contributions to the insurance company that manages the scheme. As Marc Hériard Dubreuil did not receive any remuneration for the financial year, the Company did not pay contributions.

ELEMENTS OF THE REMUNERATION PAID DURING THE OR ALLOCATED IN RESPECT OF THE 2020/2021 FINANCIAL YEAR TO ÉRIC VALLAT, CHIEF EXECUTIVE OFFICER

Elements of remuneration paid or allocated in respect of the 2020/2021 financial year	Amounts or accounting valuation submitted to the vote	Comments
Fixed remuneration	€750,000 (amount paid) (see [(2)] Table 2 "Summary of remuneration paid to each executive director")	On an annual basis, the annual gross fixed remuneration comprises a gross fixed salary of €750,000.
Annual variable remuneration	€1,087,374 paid in cash representing 145% of fixed compensation	The variable portion of Éric Vallat's remuneration corresponds to a percentage of the fixed portion. This could reach 100% if all performance targets are met, and may not exceed 155%. The Board of Directors made sure that the criteria used to calculate the variable portion of the Chief Executive Officer's remuneration are such that her interests are aligned with those of the Company and shareholders. At its meeting on 2 June 2021, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, estimated that the level of achievement of the quantitative criteria was 80% and the level of achievement of the qualitative criterion was 65%, including a criterion related to the Group's corporate social responsibility policy, representing 7.5%. Consequently, the variable remuneration for the 2020/2021 financial year, paid in the 2021/2022 financial year, is 145% of the fixed portion, *i.e.* €1,087,374.
Deferred variable remuneration	n/a	-
Multi-year variable remuneration	n/a	-
Exceptional remuneration	n/a	-
Long-term remuneration: stock options	n/a	-
Long-term remuneration: Performance shares	€7,853,050 (accounting valuation)	This amount corresponds to the sum of the valuations of the four plans allocated during the 2020/2021 financial year which will vest on 24 November 2023, 14 January 2025, 1 July 2025 and 1 July 2030 respectively. The details of the plans are described in chapter 3.5.2 Remuneration of executive officers, Table 6 : **Performance shares granted during the financial year to each executive director by the issuer and all Group companies**.
Long-term remuneration: other components	n/a	-
Directors' fees	n/a	-
Valuation of benefits in kind	€18,004	This benefit in kind corresponds to the provision of a Company car and coverage of maintenance, insurance and running costs, as well as the contribution to a benefits scheme for managers and senior executives.

Elements of remuneration paid or allocated in respect of the 2020/2021 financial year	Amounts or accounting valuation submitted to the vote	Comments
Termination payment	No payment	At its meeting on 26 November 2019, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, authorised, in accordance with Article L. 225-42-1 of the French Commercial Code, the commitments made to the Chief Executive Officer relating to termination payments, which were approved by the Shareholders' Meeting of 23 July 2020 under its sixth resolution. Éric Vallat will receive a termination payment equivalent to two years' remuneration (including fixed salary and last annual bonus) prior to the date of the revocation or non-renewal of his corporate office. The termination payment will only be made in the event of forced departure. It will not be due where there are serious grounds or misconduct or in the event of business failure. In the event of business failure, the Board of Directors may be fully or partially exempt from paying the termination benefit. The business situation will be assessed based on the results measured at the end of the previous two financial years. The business is deemed to have failed if the aggregate operating profit for the previous two financial years is less than €250 million. Actual payment of this benefit is subject to the performance criteria defined below: Quantitative performance criteria If the quantitative results, validated by the Board and serving as a basis for the calculation of the bonus of Executive Committee members, are less than 75% of the budgetary targets, no compensation will be payable. If the quantitative results, validated by the Board and serving as a basis for the calculation of the bonus of Executive Committee members, equal 75% or more of the budgetary targets, the compensation paid will be equivalent to two years' gross remuneration multiplied by the percentage used (maximum 100%). For example, if the percentage used is 87.5%, the compensation will be equal to 21 months. The percentage used to calculate the compensation is the average percentage of the previous two financial years. Qualitative performance criterion The Board of Directors may adjust the amount of the bonus, expressed as a percentage of gross annual remuneration and calculated according to the quantitative criteria, based on the results measured against a qualitative criterion. For this, the Board takes the Company's corporate social responsibility rating with the Vigéo ratings agency into consideration. The final compensation amount is limited to 24 months' remuneration as defined above.
Non-compete compensation	No payment	At its meeting on 26 November 2019, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, authorised, in accordance with Article L. 225-42-1 of the French Commercial Code, the commitments made to the Chief Executive Officer relating to non-compete payments, which were approved by the Shareholders' Meeting of 23 July 2020 under its sixth resolution. Éric Vallat is subject to a non-compete clause which prohibits him from working for a competitor for a period of one year from the termination of his office. This clause may be waived by the Board and will be accompanied by gross monthly non-compete compensation equivalent to 100% of the average gross monthly basic remuneration received over the twelve (12) months preceding the date on which the term of office is terminated. The termination payment and non-compete compensation will be capped at two years' pay, as explained above. In the event of a breach of this non-compete clause, the Company will be entitled to claim damages.

Elements of remuneration paid or allocated in respect of the 2020/2021 financial year	Amounts or accounting valuation submitted to the vote	Comments
Supplementary pension schemes	€498,594	At its meeting on 26 November 2019, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, authorised, in accordance with Article L. 225-42-1 of the French Commercial Code, the commitments made to the Chief Executive Officer relating to the supplementary pension scheme. Éric Vallat will be eligible for the supplementary Group pension shemes set up for the Group's senior management. The supplementary pension scheme includes (i) a defined-contribution Group scheme and (ii) a defined-benefit Group scheme, approved by the Shareholders' Meeting of 23 July 2020. (i) Defined-contribution scheme pursuant to Article L. 242-1 of the French Social Security Code: Éric Vallat is eligible for a defined-contribution scheme, which equates to 8% of the annual remuneration representing between one and eight times the annual ceiling on social security contributions paid by the Company. The Company's liability is limited to the payment of contributions to the insurance company that manages the scheme. (ii) The objectives of the supplementary defined-benefit pension scheme are to retain the loyalty of the executives concerned and to encourage long-term performance. The supplementary pension scheme, set up and funded by the Company and managed by a third-party insurance company, involves the payment of an annuity calculated as a percentage of remuneration on the basis of length of service. The PACT law of 22 May 2019 and the Order of 4 July 2019 obliged Rémy Cointreau to terminate the "Article 39" defined-benefit pension schemes set up for senior management. Accordingly, the scheme has been closed for new hires (since 4 July 2019) and the rights of the beneficiaries frozen as of 31 December 2019 taking into account their length of service as of said date. The law also provided for the implementation of a new top hat random rights defined benefit pension schement, which is no longer subject to continued employment within the Company at the time of retirement. Based on Interministerial Instruction no. DSS/3C/5B/2020/237 of 23 December 2020 on the implementation of pension schemes referred to in Article L. 137-11-2 of the French Social Security Code, the Board of Directors, at its meeting of 31 March 2021, following the recommendation of the Nomination and Remuneration Committee, reviewed this scheme and decided to implement a new scheme for certain Group Executives, including the Chief Executive Officer. This new scheme enables to grant, subject to performance conditions, supplementary pension rights which vest each year. The annuity provided for by the scheme gives right to a supplementary pension: its amount is determined regardless of the pensions received by the Beneficiary under mandatory pension schemes and other post-employment schemes he/she may be entitled to. This scheme enables to vest the same level of annuity rights as the previous scheme force within the Group and in accordance with the performance conditions described below. The characteristics of the scheme are as follows: 1. conditions to be eligible for the scheme and other conditions to benefit from it: - hold a senior executive manager position within the Rémy Cointreau Group, in accordance with the classification provided for by the Wines and Spirits Collective Bargaining Agreement, - length of service of at least three years within a Rémy Cointreau Group company;

Elements of remuneration paid or allocated in respect of the 2020/2021 financial year	Amounts or accounting valuation submitted to the vote	Comments
		2. reference remuneration equal to the sum of the gross annual fixed remuneration, the bonus received and benefits in kind subject to social security contributions; 3. Rate of vesting of rights: annual rate; 4. total ceiling on vested rights, all schemes governed by Article L. 137-11-2 of the French Social Security Code: 15 points; 5. Financing outsourced to an insurance company to which a premium is paid each year; 6. performance conditions: the assessment of these conditions is the sole responsibility of Rémy Cointreau, according to the targets it will have set. It applies to all Beneficiaries and depends on the Company's results. The performance criteria are as follows: i. current operating profit/(loss), ii. cash flow generation, iii. net profit/loss excluding non-recurring items, iv. ROCE. Terms used for determining the vesting of pension rights subject to performance: If none, only one, or the two highest achievement rates for the criteria are less than 50% met: 0% if the two highest achievement rates for the criteria are equal to or greater than 50%: 1%; if the three highest achievement rates for the criteria are equal to or greater than 70%: 1.2%; if the three highest achievement rates for the criteria are equal to or greater than 100%: 1.5%; 7. annual vesting ceiling for pension rights: annual vesting rate may be no greater than 1.5% for a given year. In accordance with the commitment made, the Chief Executive Officer benefited from this scheme upon its implementation by the Group with a retroactive effect from 1 January 2020. In accordance with Interministerial Instruction no. DSS/3C/5B/2020/237 of 23 December 2020, which stipulates that "for tolerance reasons, the regulations governing the scheme and insurance contracts signed before 31 January 2021 may authorise, with a retroactive effect, the granting of rights capped at 3% in respect of 2020, with no achievement performance condition required for that year", the rights vested under this supplementary pension scheme before the implementation of this new scheme, *i.e.* From 1 January 2020 to 31 December 2020, are not subject to performance conditions and vest for the Chief Executive Officer for 1.5%. In addition, during its deliberation of 2 June 2021, the Board noted that at least three of the performance criteria had been met beyond 100% and, as such, awarded an additional 1.5% of rights on a prorated basis for the period from 1 January 2021 to 31 March 2021, *i.e.* 0.375%. The Company's commitment to its Chief Executive Officer, based on the length of service at 31 March 2021, is €26,327 under the defined-contribution pension scheme, €385,950 under the defined-benefit pension scheme for the period from 1 January 2020 to 31 December 2020 and €86,317 under the defined-benefit pension scheme for the period from 1 January 2021 and 31 March 2021. This amount corresponds to the contributions paid by the Company to the insurer in respect of the financial year ended for the defined-contribution pension scheme and to the contributions payable in respect of the financial year ended for the defined-benefit pension scheme. This obligation has been validated independently by Deloitte Conseil.

Elements of remuneration paid or allocated in respect of the 2020/2021 financial year	Amounts or accounting valuation submitted to the vote	Comments
Life and disability policies (death, disability and incapacity for work) and healthcare schemes	€8,399	Éric Vallat is eligible for the Group life and disability policies and healthcare schemes set up within the Group for all employees. These schemes comprise i) a death, disability and incapacity for work scheme, and ii) a healthcare plan. (i) Life and disability policy (death, disability and incapacity for work): Éric Vallat is also eligible for the Group disability, death and incapacity for work insurance scheme. The remuneration used to calculate the contributions is capped at eight times the annual ceiling applicable in France for incapacity, disability and death benefits. The employer contribution rate is 1.97% on bracket A and 2.25% on brackets B and C. This is subject to change in accordance with the contractual provisions. The Company's liability is limited to the payment of contributions to the insurance company that manages the scheme. (ii) Health care plan: Éric Vallat is also eligible for the Group health insurance plan. The remuneration taken into account to calculate the contributions is capped at the annual social security ceiling. The employer contribution rate is 2.67% on bracket A, subject to change in accordance with the contractual provisions. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.

3.5.5 Comparison of executive and employee remuneration

In accordance with the provisions of Article L. 22-10-9 of the French Commercial Code, details of the ratios used to measure the gap between executive compensation and that of the Company's employees are provided in the following table.

Pursuant to Article L. 22-10-9, the scope to be considered for the calculation of the indicators is that of the listed company preparing the report on corporate governance.

However, since Rémy Cointreau SA has no employees, the indicators were calculated on the basis of the remuneration of all employees, based in France, of CLS Rémy Cointreau SA, Cointreau SA and E. Rémy Martin & C°, a wholly owned subsidiary of Rémy Cointreau SA (*i.e.* 718 employees at the end of the 2020/2021 financial year). These items are among the information referred to in Article L. 22-10-9 of the French Commercial Code. They will be put to a general vote pursuant to Article L. 225-100(II) of the French Commercial Code at the Shareholders' Meeting of 23 July 2021. The remuneration shown in the table includes the following items:

- fixed remuneration paid during the financial year;
- variable remuneration paid during the financial year;
- directors' fees paid during the financial year, if any;
- the carrying amount of benefits in kind paid during the financial year;
- Performance shares granted during the financial year (at IFRS value);
- incentives and profit-sharing paid during the financial year.

For both Rémy Cointreau's employees and Rémy Cointreau's corporate officers, remuneration has been annualised. The executive directors concerned are the Chairman of the Board of Directors and the Chief Executive Officer.

The remuneration disclosed is attached to the role and not the person. Therefore, any change in the person occupying the role does not affect the presentation of the information over the five-year period. For 2020/2021, the Chief Executive Officer's remuneration was annualised on the basis of the remuneration paid to Éric Vallat for the period from 1 April 2020 to 31 March 2021 and also the variable share payable to Valérie Chapoulaud-Floquet for the period from 1 April 2019 to 30 November 2019 and paid in 2020, so as to take account of the change of Chief Executive Officer.

During the 2020/2021 financial year the Chief Executive Officer was allocated, on the recommendation of the Appointment and Remuneration Committee two very long-term performance incentive plans (2021/2025 and 2021/2030 Plans) to achieve the ambitious financial and non-financial targets by 2030. These rights will vest only if the beneficiary is still an employee or corporate officer of the Group or an associated company at the end of the Vesting Period of four years and three months, *i.e.* 1 July 2025 and nine years and three months on the first, *i.e.* 1 July 2030, and if the targets as described in Chapter **3.5.2 Remuneration of executive officers**, Table 6: **Performance sharesgranted during the financial year to each executive director by theissuer and by all Group companies** are achieved.

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		2020/2021	2019/2020	2018/2019	2017/2018	2016/2017
Chairman of the Board of Directors	Annual remuneration	€93,263	€360,583	€529,740	€532,864	€423,167
	Ratio/Mean employee remuneration	**1.1**	**5.4**	**7.8**	**8.0**	**6.2**
	Ratio/Median employee remuneration	**1.9**	**7.2**	**10.8**	**11.1**	**8.7**
Chief Executive Officer	Annual remuneration	€9,033,120	€1,623,608	€2,283,115	€1,782,855	€1,675,016
	- of which fixed remuneration	€769,506	€756,857	€739,973	€696,469	€649,965
	- of which variable portion paid	€392,560	€718,483	€721,620	€512,765	€551,820
	- of which valuation of benefits in kind	€18,004	€148,248	€78,302	€18,536	€18,263
	- of which value of performance shares granted during the financial year:	€7,853,050	-	€743,220	€554,905	€454,968
	of which 2020 Plan(1) (vesting in 2023)	*€1,033,760*				
	of which 2021 Plan(1) (vesting in 2025)	*€1,007,090*				
	of which 2021-2025 Plan(1) (vesting in 2025)	*€3,032,600*				
	of which 2021-2030 Plan(1) (vesting in 2030)	*€2,779,600*				
	Ratio/Mean employee remuneration	**108.6**	**24.4**	**33.6**	**26.9**	**24.7**
	Ratio/Median employee remuneration	**181.4**	**32.2**	**46.4**	**37.0**	**34.5**
Employees	Mean annual remuneration	€83,197	€66,592	€68,003	€66,232	€67,839
	Median annual remuneration	€49,795	€50,376	€49,217	€48,162	€48,601

(1) The details of the performance share plans subject to performance conditions are described in chapter 3.5.2 Remuneration of executive officers, Table 6: Performance shares granted during the financial year to each executive director by the issuer and by all Group companies.

3.5.6 Company securities trading by executive officers

BOARD MEMBERS' DECLARATIONS

Persons concerned	Type of transaction	Date of transaction	AMF Decision no.	Number of shares
ORPAR SA Legal entity associated with Marc Hériard Dubreuil, Chairman of the Board of Directors. ORPAR is also represented on the Board of Directors of Rémy Cointreau (decision of the Shareholders' Meeting of 26 July 2016).	Payment of dividend in shares	1 October 2020	2020DD703446	171,369 (at the unit price of €114.04)
RECOPART Legal entity associated with Marc Hériard Dubreuil, Chairman of the Board of Directors.	Payment of dividend in shares	1 October 2020	2020DD703494	65,591 (at the unit price of €114.04)
ANDROMÈDE Legal entity associated with Marc Hériard Dubreuil, Chairman of the Board of Directors.	Payment of dividend in shares	1 October 2020	2020DD703478	5,230 (at the unit price of €114.04)

3.5.7 Shares and voting rights of members of the Board of Directors at 31 March 2021

Board members (natural persons)	Shares	%	Shares with double voting rights	Voting rights	%
Dominique Hériard Dubreuil	2,813	0.01	2,763	5,576	0.01
Caroline Bois	4,592	0.01	102	4,694	0.01
Marc Hériard Dubreuil	108	0.00	104	212	0.00
Jacques-Étienne de T'Serclaes	572	0.00	552	1,124	0.00
Laure Hériard Dubreuil	105	0.00	102	207	0.00
Marie-Amélie Jacquet	12,613	0.02	12,236	28,849	0.03
Hélène Dubrule	100	0.00	0	100	0.00
Olivier Jolivet	100	0.00	0	100	0.00
Guylaine Saucier	100	0.00	0	100	0.00
Emmanuel de Geuser	100	0.00	100	200	0.00
Bruno Pavlovsky	100	0.00	100	200	0.00
Gisèle Durand (Representative of ORPAR)	1,740	0.00	220	1,960	0.00
TOTAL	**23,043**	**0.04**	**16,279**	**43,322**	**0.05**

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3.5.8 Report on the remuneration policy for executive officers under Article L. 225-37-2 of the French Commercial Code

This report, approved by the Board of Directors on 2 June 2021 on the recommendation of its Nomination and Remuneration Committee, sets out the principles and criteria for the determination, distribution and allocation of fixed, variable and exceptional elements of total remuneration and benefits in kind that may be awarded to executive officers in respect of their term of office.

In accordance with Article L. 225-37-2 of the French Commercial Code, the principles and criteria set out in this report will be submitted for the approval of the Combined Shareholders' Meeting of 22 July 2021.

The definition of executive and non-executive officers used in this report is taken from the AFEP/MEDEF Corporate Governance Code of Listed Corporations.

GUIDING PRINCIPLES AND IMPLEMENTATION OF THE REMUNERATION POLICY

Rémy Cointreau's remuneration policy for its executive officers is designed to accompany its long-term growth strategy by focusing on investment decisions and competitiveness in its various markets. This policy thus establishes a close link between the performance of executives and their remuneration in the short, medium and long term, with the aim of aligning their interests with those of its shareholders.

Rémy Cointreau's remuneration policy seeks to attract and motivate highly qualified men and women, to enable them to improve significantly on their performance and to link their remuneration to the Company's performance. The policy comprises short-term remuneration consisting of a fixed and variable part, long-term incentives with Performance shares and ancillary items such as defined-contribution and defined-benefit pension schemes, life and disability plans and termination benefits.

When defining its remuneration policy, the Board of Directors takes into account the principles of comprehensiveness, balance, comparability, consistency, understandability and proportionality advocated by the AFEP/MEDEF Corporate Governance Code of Listed Corporations.

The overall remuneration paid to executive and non-executive officers is set by the Board of Directors, which decides on the basis of recommendations issued by the Nomination and Remuneration Committee. The committee ensures that each element of remuneration responds to a clear objective that is fully in line with the strategy and interests of the business.

Regardless of the elements of remuneration concerned, the committee's objective is to recommend a general remuneration policy to the Board that is both competitive and attractive. To that end, it draws on objective studies of the executive remuneration offered by companies comparable to Rémy Cointreau in the appropriate market, carried out by external experts.

This report sets out the elements of remuneration and benefits in kind referred to in Article R. 225-29-1 of the French Commercial Code, as provided for in Decree no. 2017-340 of 16 March 2017.

REMUNERATION STRUCTURE AND CALCULATION CRITERIA

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, seeks to maintain a proportionate balance between fixed, variable and long-term remuneration. It follows a strict framework for attaining ambitious, clearly defined commercial and financial targets, delivering long-term sustainable performance and securing proven expertise in international team leadership. The Chief Executive Officer's performance-related pay is thus a substantial part of his or her remuneration package.

The remuneration elements described below concern both the Chief Executive Officer of the Company, an executive officer, and the Chairman of the Board of Directors, a non-executive officer, as defined by the AFEP/MEDEF Code.

Executive director

Directors' fees

Only executive officers who are Board members are eligible for Directors' fees, which is not the case for the Company's Chief Executive Officer.

Annual fixed remuneration

The fixed portion of remuneration is determined according to the experience and responsibilities of the executive officer.

A survey is regularly carried out with the help of specialist consultancy firms to examine how the Company's executive remuneration structure compares with that of other SBF 120 companies.

If the legal conditions are met, the Nomination and Remuneration Committee may propose to the Board of Directors that the fixed compensation include a proportion benefiting from the provisions of Article L. 155B of the French General Tax Code (known as an "impatriation bonus"). To benefit from this provision, the person must not have been resident in France for tax purposes over the five calendar years prior to their appointment. The provision has a limited duration.

Annual variable remuneration (bonus)

As in previous years, the Board of Directors has defined a procedure for calculating the variable portion of executive officers' remuneration so that it acts as an incentive while remaining fair. This procedure is based on ambitious quantitative and qualitative criteria that ensure that remuneration is in line with the Group's performance.

The short-term variable portion of the executive officer's remuneration is set annually by the Board, on the recommendation of the Nomination and Remuneration Committee, when closing the previous financial year. This method is based on economic and management parameters linked to the Group's performance. It sets a ceiling for each element expressed as a percentage of the target value.

The method consists of assessing the executive officer's performance according to quantitative criteria of a financial nature and qualitative criteria that are personal to the individual concerned.

During the 2020/2021 financial year, the Board, on the recommendation of the Nomination and Remuneration Committee, reviewed the quantitative and qualitative criteria and selected the following elements:

QUANTITATIVE CRITERIA

Four quantitative performance criteria based on financial performance representing 50 points of the target bonus, as for the 2020/2021 financial year:

- consolidated current operating profit;
- cash flow generation;
- consolidated net profit (excluding non-recurring items);
- ROCE (return on capital employed).

Each criterion has a specific weighting set each year by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The level of achievement of these criteria was accurately determined but may not be disclosed due to its confidentiality.

QUALITATIVE CRITERIA

Four qualitative criteria based on managerial and entrepreneurial skills representing 50 points of the target bonus, as for the 2020/2021 financial year:

- management of the Covid-19 crisis and recovery;
- transition towards a new Group strategy and organisation;
- strengthen direct customer sourcing;
- achieving quantitative targets in the area of CSR.

Each criterion has a specific weighting set each year by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The level of achievement of these criteria was accurately determined but may not be disclosed due to its confidentiality.

The Chief Executive Officer's performance is assessed annually by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The qualitative criteria are reviewed annually in line with the Group's strategic priorities. Due to the confidentiality of the Group's strategy, details of the qualitative objectives may only be disclosed at the end of each financial year. Therefore, this document only mentions those relating to the 2020/2021 financial year.

Multi-year variable remuneration

Executive officers do not receive multi-year variable remuneration.

Stock option grants

Performance incentive plans must serve the aims of retaining key talent with a view to delivering medium- and long-term performance, encouraging outperformance and involving the individuals concerned in the Company's value creation. The plans must also be cost-effective.

The plans are aimed at a select group of individuals: the Company's Chief Executive Officer, Executive Committee members, key contributors, pillars of the organisation and high flyers. Key contributors are managers who have a strategic role (mainly brand managers and regional managers) and managers who report to senior management. "Pillars" are managers who perform an essential role that requires experience and who would be difficult to replace. "High flyers" are managers who have been identified as potentially able to reach director level, or who could be promoted through two levels of management.

In the case of the Company's Chief Executive Officer, the Board of Directors applies the criteria set out in the Corporate Governance Code of Listed Corporations for Performance shares, *i.e.* a percentage of his or her total remuneration and a proportional award in view of the total budget approved by the shareholders at the Shareholders' Meeting, in line with the Company's previous valuation practices.

Free shares awards

Performance incentive plans must serve the aims of retaining key talent with a view to delivering medium- and long-term performance, encouraging outperformance and involving the individuals concerned in the Company's value creation. The plans must also be cost-effective.

The plans are aimed at a select group of individuals: the Company's Chief Executive Officer, Executive Committee members, key contributors, pillars of the organisation and high flyers. Key contributors are managers who have a strategic role (mainly brand managers and regional managers) and managers who report to senior management. "Pillars" are managers who perform an essential role that requires experience and who would be difficult to replace. "High flyers" are managers who have been identified as potentially able to reach director level, or who could be promoted through two levels of management.

Once identified, the beneficiaries are divided into groups. Each group is assigned a target increase, expressed as a percentage of the average annual salary of each group at the time of the award.

In the case of the Company's Chief Executive Officer, the Board of Directors applies the criteria set out in the Corporate Governance Code of Listed Corporations for Performance shares, *i.e.* a percentage of his or her total remuneration and a proportional award in view of the total budget approved by the shareholders at the Shareholders' Meeting, in line with the Company's previous valuation practices.

Exceptional remuneration

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors retains the option of granting exceptional remuneration to the executive officer in the event that a major economic operation is particularly successful and sustainable over the long term, although only if this was not envisaged when the qualitative criteria for her annual variable remuneration were set.

Remuneration, indemnities or benefits payable or likely to become payable upon taking up office

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, may grant a signing bonus to new executive officers from a company outside the Group. This bonus is mainly intended to compensate the individuals concerned for the loss of benefits they would have been eligible for. It also enables the Group to attract the talents it regards as being the best in the global industry.

Elements of remuneration, indemnities or benefits due or likely to be due as a result of the termination or change of office, or subsequent thereto, or defined-benefit pension commitments meeting the characteristics of the plans referred to in Article L. 137-11-2 of the French Social Security Code

TERMINATION PAYMENT

The executive officer receives a termination payment equal to two years' remuneration (including fixed salary and annual bonus) prior to the date of the revocation or non-renewal of the corporate office. The termination payment will only be made in the event of forced departure. It will not be due where there are serious grounds or misconduct or in the event of business failure.

Actual payment of this benefit is subject to the performance criteria defined below:

Performance criterion relating to the business situation
In the event of business failure, the Board of Directors may be fully or partially exempt from paying the termination benefit. The business situation will be assessed based on the results measured at the end of the previous two financial years. The business is deemed to have failed if the aggregate operating profit for the previous two financial years is less than €250 million.

Quantitative performance criteria
If the quantitative results, validated by the Board of Directors and serving as a basis for the calculation of the bonus of Executive Committee members, are less than 75% of the budgetary targets, no compensation will be payable.

If the quantitative results, validated by the Board of Directors and serving as a basis for the calculation of the bonus of Executive Committee members, equal 75% or more of the budgetary targets, the compensation paid will be equivalent to 24 months' gross remuneration multiplied by the percentage used (maximum 100%). For example, if the percentage used is 87.5%, the compensation will be equal to 21 months.

The percentage used to calculate the compensation is the average percentage of the previous two financial years.

Qualitative performance criterion
The Board of Directors may adjust the amount of the bonus, expressed as a percentage of gross annual remuneration and calculated according to the quantitative criteria, based on the results measured against a qualitative criterion. For this, the Board takes the Company's corporate social responsibility rating from Vigéo, or any environmental rating agency, into consideration. The final compensation amount is limited to 24 months' remuneration as defined above.

NON-COMPETE COMPENSATION

The executive officer is subject to a non-compete clause which prohibits him/her from working for a competitor. In respect of this non-compete clause, the activity taken into consideration as of the date of this document is the production, sale and distribution of liqueurs and spirits.

This non-compete commitment applies to a defined geographic region for a fixed period of time from the effective termination of the corporate office contract.

During this period, the executive director will receive a gross monthly lump-sum non-compete payment equating to 100% of the average gross monthly basic remuneration received during the twelve (12) months prior to the end of the term of office. The Board of Directors may waive this clause.

In the event of a breach of this non-compete clause, the Company will be entitled to claim damages.

SUPPLEMENTARY PENSION PLAN

The executive officer is eligible for the supplementary Group pension plan set up for the Group's senior managers. The supplementary pension schemes include (i) a defined-contribution group scheme and (ii) an add-on defined-benefit Group scheme.

(i) Defined-contribution scheme pursuant to Article L. 242-1 of the French Social Security Code

The executive director is eligible for a defined-contribution plan, which equates to 8% of the annual remuneration representing between one and eight times the annual ceiling on social security contributions paid by the Company.

The Company's liability is limited to the payment of contributions to the insurance company that manages the scheme.

(ii) Group defined-benefit scheme ("Article 39") pursuant to Article L. 137-11-2 of the French Social Security Code

The aim of the scheme is to retain the key talent concerned and encourage long-term performance. Like all Group executives based in France, the executive officer is eligible for this supplementary pension scheme, set up and funded by the Company and managed by a third-party insurance company.

Moreover, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, eligibility for this scheme will be subject to performance conditions that are identical to those for the variable portion.

The PACT law of 22 May 2019 and the Order of 4 July 2019 obliged Rémy Cointreau to terminate the "Article 39" defined-benefit pension schemes set up for senior management. Accordingly, the scheme has been closed for new hires (since 4 July 2019) and the rights of the beneficiaries frozen as of 31 December 2019 taking into account their length of service as of said date. The law also provided for the implementation of a new top hat random rights defined benefit pension scheme, which is no longer subject to continued employment within the Company at the time of retirement. Based on Interministerial Instruction no. DSS/3C/5B/2020/237 of 23 December 2020 on the implementation of pension schemes referred to in Article L. 137-11-2 of the French Social Security Code, the Board of Directors, at its meeting of 31 March 2021, following the recommendation of the Nomination and Remuneration Committee, reviewed this scheme and decided to implement a new scheme within the Group. This new scheme enables to grant, subject to performance conditions, supplementary pension rights which vest each year. The annuity provided for by the scheme gives right to a supplementary pension: its amount is determined regardless of the pensions received by the Beneficiary under mandatory pension schemes and other post-employment schemes he/she may be entitled to. This scheme enables to vest the same level of annuity rights as the previous sheme in force within the Group and in accordance with the performance conditions described below.

The characteristics of the scheme are as follows:

1. conditions to be eligible for the scheme and other conditions to benefit from it:
   - hold a senior executive manager position within the Rémy Cointreau Group, in accordance with the classification provided for by the Wines and Spirits Collective Bargaining Agreement,
   - length of service of at least three years within a Rémy Cointreau Group company;
2. reference remuneration equal to the sum of the gross annual fixed remuneration, the bonus received and benefits in kind subject to social security contributions;
3. rate of vesting of rights: annual rate;
4. total ceiling on vested rights, all schemes governed by Article L. 137-11-2 of the French Social Security Code: 15 points;
5. financing outsourced to an insurance company to which a premium is paid each year;
6. performance conditions: the assessment of these conditions is the sole responsibility of Rémy Cointreau, according to the targets it will have set. It applies to all Beneficiaries and depends on the Company's results. The performance criteria are as follows:
   i. current operating profit/(loss),
   ii. cash flow generation,
   iii. net profit/loss excluding non-recurring items,
   iv. ROCE.

Terms used for determining the vesting of pension rights subject to performance: If none, only one, or the two highest achievement rates for the criteria are less than 50% met: 0% if the two highest achievement rates for the criteria are equal to or greater than 50%: 1%; if the three highest achievement rates for the criteria are equal to or greater than 70%: 1.2%; if the three highest achievement rates for the criteria are equal to or greater than 100%: 1.5%;

7. annual vesting ceiling for pension rights: annual vesting rate may be no greater than 1.5% for a given year.

Elements of remuneration and benefits of any kind due or likely to be due to any of the persons referred to in the first paragraph of Article L. 225-82-2, under agreements concluded, directly or through an intermediary, by virtue of his or her office, with the Company in which the office is held, any company controlled by it, as defined by Article L. 233-16, any company which controls it, as defined by the same article, or any other company placed under the same control, as also defined in that article

The Company's Chief Executive Officer does not benefit from any such agreements.

Any other element of remuneration that may be granted in view of the office held

The Chief Executive Officer does not receive any other elements of remuneration in respect of his or her office other than those mentioned above.

Other benefits in kind

The Chief Executive Officer benefits from the use of a Company car. The maintenance, insurance and running costs are covered by the Company.

The Company also pays into a benefits scheme for managers and senior executives.

The Chief Executive Officer is eligible for the Group life and disability and healthcare schemes set up within the Group for all employees. The Company's liability is limited to the payment of contributions to the insurance company that manages the scheme.

These schemes comprise a death, disability and incapacity for work plan and a healthcare plan, as described in this document.

Non-executive officers

Directors' fees

The total amount of Directors' fees put to a vote by the shareholders is subject to a regular review of the practices adopted by French groups of a similar scale and international dimension to Rémy Cointreau.

Accordingly, for the 2021/2022 financial year, the Board will ask that the Shareholders' Meeting set the amount of remuneration allocated to Board members at €650,000. This amount, unchanged since 24 July 2019, is in line with the practices of several French international groups whose size is similar to Rémy Cointreau's. This slightly higher amount is in line with the practices of several French international groups whose size is similar to Rémy Cointreau's. The remuneration was previously set at €620,000 in respect of the two previous financial years.

The Board of Directors ensures that the amount of Directors' fees is commensurate with Board members' responsibilities and the amount of time they spend discharging their duties.

The Board of Directors distributes the annual amount of Directors' fees set by the Shareholders' Meeting among its members as follows:

- a fixed portion defined on an annual basis;
- a variable portion commensurate with each Board member's actual attendance at Board and Committee meetings;
- an additional fixed portion may also be allocated to the Chairman of the Board and committee Chairmen.

The variable part is preponderant. The amount of Directors' fees is reduced by 30% if members miss more than one in three meetings.

In addition, the Board of Directors may grant exceptional remuneration for specific assignments entrusted to members of the Board. This type of remuneration is subject to the legal provisions on regulated agreements.

Members of the Board of Directors are also reimbursed all expenses incurred in the course of their duties, subject to supporting documentation being produced.

The Chairman of the Board of Directors, as a non-executive officer, is therefore subject to the aforementioned rules regarding the allocation of Directors' fees.

Annual fixed remuneration

The fixed portion of remuneration is determined according to the responsibilities of the Chairman of the Board of Directors, who is a non-executive officer.

A survey is regularly carried out with the help of specialist consultancy firms to examine how the Company's remuneration structure for this executive compares with that of other SBF 120 companies for similar positions.

Variable annual remuneration (bonus)

The non-executive officer does not receive annual variable remuneration, given his independence from the Chief Executive Officer's role. The Board of Directors follows the recommendations of the AFEP/MEDEF Corporate Governance Code on this.

Multi-year variable remuneration

The non-executive officer does not receive multi-year variable remuneration.

Stock option grants

As previously stated, the Group no longer uses stock option plans. The Chairman of the Board of Directors is not eligible for any plan of this type, in accordance with the recommendations of the AFEP/MEDEF Corporate Governance Code.

Free shares awards

The non-executive officer is not eligible for perfromance share plans, in accordance with the recommendations of the AFEP/MEDEF Corporate Governance Code.

Exceptional remuneration

The non-executive officer is not eligible for performance share plans, in accordance with the recommendations of the AFEP/MEDEF Corporate Governance Code.

Remuneration, indemnities or benefits payable or likely to become payable upon taking up office

The non-executive officer does not receive any remuneration of this type.

Elements of remuneration, indemnities or benefits due or likely to be due as a result of the termination or change of office, or subsequent thereto, or defined-benefit pension commitments meeting the characteristics of the schemes referred to in Article L. 137-11-2 of the French Social Security Code

The non-executive officer has a defined-benefit pension scheme falling within the scope of Article L. 137-11-2 of the French Social Security Code, for which funding is assured by the controlling company. In addition, the non-executive officer has a defined-contribution scheme pursuant to Article L. 242-1 of the French Social Security Code.

The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.

The non-executive officer does not receive other elements of remuneration, indemnities or benefits due or likely to be due as a result of his termination or change of office or at any time thereafter.

Elements of remuneration and benefits of any kind due or likely to be due to any of the persons referred to in the first paragraph of Article L. 225-37-2, under agreements concluded, directly or through an intermediary, by virtue of his or her office, with the Company in which the office is held, any company controlled by it, as defined by Article L. 233-16, any company which controls it, as defined by the same article, or any other company placed under the same control, as also defined in that article

The non-executive officer is eligible for elements of remuneration under agreements entered into in view of his office as described in Table 2 – Summary of remuneration paid to each executive officer.

Since section 16.2 of regulation (EC) No. 809/2004 of 29 April 2004 requires information to be provided about service contracts between members of the administrative bodies and the issuer or any of its subsidiaries, it is noted that a service provision agreement exists as mentioned in the Statutory Auditors' special report.

Any other element of remuneration that may be granted in view of the office held

The non-executive corporate officer does not benefit from elements of remuneration other than those mentioned above.

Other benefits in kind

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, may decide to provide the non-executive officer with the use of a vehicle, covering the associated maintenance, insurance and running costs. The Chairman of the Board of Directors may be eligible for such benefits in kind.

The Chairman of the Board of Directors is eligible for the Group disability, death and incapacity for work scheme. The Company's liability is limited to the payment of contributions to the insurance company that manages the plan.


COINTREAU
L'UNIQUE
UNE HARMONIE
SUBTILE ET NATURELLE
DES ÉCORCES
D'ORANGES
DOUCES ET AMÈRES
MAISON FONDÉE EN
1849
DISTILLATEUR
LIQUORISTE
ANGERS FRANCE
40% alc./vol.(80 proof) 750 ml
IMPORTED LIQUEUR
1849

4

COMMENTS ON THE NET PROFIT/(LOSS) FOR THE FINANCIAL YEAR

For the year ended 31 March 2021

For the year ended 31 March 2021, in a context marked by the global Covid-19 pandemic, Rémy Cointreau reported net sales of €1,010.6 million, an overall organic increase of 1.8% (at constant exchange rates and scope). On a reported basis, net sales were down by 1.4%, including an unfavourable currency fluctuations (-3.5%) and a positive scope effect of 0.3% in connection with the acquisitions of the Cognac House J.R. Brillet and Champagnes J. de Telmont.

This performance reflects the Group's strong resilience and the strong attractiveness of its brands, while the health measures taken in many countries continued to affect key distribution channels such as On-Trade (restaurants, bars and clubs) and Travel Retail (duty-free shops).

The Group generated reported current operating profit of €236.1 million, a strong organic increase of 12.8% (+9.7% on a reported basis). On an organic basis, the operating margin came to 23.3% (23.4% on a reported basis), *i.e.* an organic increase of 2.3 points compared with 2020. This performance is attributable to a solid increase in gross margin and excellent control of overheads. Accordingly this enabled the Group to step up its communication investments and support its brands in the recovery.

In a health, economic and geopolitical context that remains fragile and uncertain, the Rémy Cointreau Group came through the Covid-19 crisis even stronger. In addition, it remains confident in the ability of its brands to seize new growth opportunities linked to the acceleration of certain consumer trends driven by this crisis (in particular the rise in consumer spending and mixology at home), the outperformance of the most high-end ranges, the strong growth in online sales and the growing interest in corporate social responsibility).

4.1 Analysis of the business and consolidated results

4.1.1 Key figures

All data for the financial year ended 31 March are given in millions of euros (€ millions). Organic change is calculated at constant scope and exchange rates compared with the previous period.

(in € millions)	2021	2020	Reported change	Organic change
Net sales	**1,010.2**	**1,024.8**	**-1.4%**	**1.8%**
Gross margin	**680.1**	**676.9**	**0.5%**	**2.9%**
Current operating profit/(loss)	**236.1**	**215.1**	**9.7%**	**12.8%**
Current operating margin	23.4%	21.0%		23.3%
Other operating expenses	(0.2)	(19.7)		
Operating profit/(loss)	**235.9**	**195.5**		
Net financial income/(expense)	(14.6)	(28.0)		
Income tax	(77.6)	(60.9)		
Share in profit/(loss) of associates	0.6	0.3		
Net profit/(loss) from continuing operations	**144.3**	**106.9**	**35.0%**	**37.8%**
Net profit/(loss) from discontinued operations	-	6.4		
Non-controlling interests	(0.3)	(0.1)		
Net profit/(loss) attributable to the owners of the parent	**144.5**	**113.4**	**27.5%**	**30.2%**
Net profit/(loss) excluding non-recurring items attributable to the owners of the parent	**148.2**	**124.2**	**19.4%**	**20.6%**
Basic earnings per share:				
On net profit/(loss) attributable to the owners of the parent	**€2.89**	**€2.28**	**26.8%**	**28.2%**
On net profit/(loss) excluding non-recurring items	**€2.96**	**€2.49**	**18.7%**	**19.9%**

4.1.2 General comments on current operating profit

Change in **current operating profit** compared with March 2020 was as follows:

Current operating profit – March 2020	**215.1**
Change due to exchange rates (net of hedges)	(4.8)
Impact of changes in scope	(1.7)
Change in volumes	6.4
Impact of changes in price/mix	15.6
Change in advertising expenditure	(12.6)
Change in other expenses	18.0
Current operating profit – March 2021	**236.1**

Overall, exchange rate fluctuations had a slightly negative impact of €4.8 million. The average EUR/USD rate for the period was 1.17 compared with 1.11 during the previous financial year. Taking into account its hedging policy, the Group recorded an average cash rate of 1.17 on the net flows in US dollars generated by its European entities, compared with 1.16 for the period ended 31 March 2020. Given the geographic mix of the business, the share of net sales denominated in currencies other than the euro was 87.6%, up five points compared to the financial year ended 31 March 2020 (*i.e.* 82.5%).

The scope effect amounted to €(1.7) million, on the back of the consolidation of the Cognac House J.R. Brillet in May 2020 and Champagnes J. de Telmont in October 2020.

The positive volume effect of €6.4 million reflects the strong rebound in the Group's brands during the second half of the year, particularly for cognac in two of its core markets, the United States and China. The price/mix effect amounted to €15.6 million.

In accordance with the strategy set, the gross margin gains were partly reinvested in advertising expenses. Such expenses were up by €12.6 million in absolute value, with a strong focus on media communication, as field marketing remained limited due to health restrictions in most countries.

At the same time, in a context marked by the pandemic, other operating costs fell by €18.0 million. Nearly 70% of this decrease is due to reduced travel costs, as a result of the limitations due to the pandemic, which will largely continue through the development of new collaboration methods aimed at sustainably reducing international travel.

Current operating profit was up 12.8% on an organic basis, *i.e.* an (organic) operating margin of 23.3%, back to its 2019 level (23.5%).

4.1.3 Business overview

In the following comments, all changes are given in organic terms (constant exchange rates and scope of consolidation).

For the financial year ended 31 March 2021, the Rémy Cointreau Group reported net sales of €1,010.2 million, an organic increase of 1.8% compared with the previous period, and 1.9% for Group brands.

BY GEOGRAPHIC AREA

(in € millions)	Europe/ Middle-East/ Africa	Americas	Asia-Pacific	Total
Net sales				
March 2021	188.3	522.0	299.9	1,010.2
March 2020	241.3	460.8	322.7	1,024.8
Reported change	-22.0%	13.3%	-7.1%	-1.4%
Organic change	-21.7%	18.6%	-4.5%	1.8%

Net sales in the EMEA region (Europe-Middle/East-Africa), which accounts for 18% of consolidated net sales (24% in 2020), were down 21.7%. This region remained continued to be affected by the pandemic over the long term, although some markets recorded strong momentum with sustained at-home consumption due to the closing of the One-Trade channel.

Net sales in the Americas region, which accounted for 52% of consolidated net sales (45% in 2020), was up sharply by 18.6% driven by the excellent performance of the entire US brand portfolio.

The Asia-Pacific region, which accounts for 30% of consolidated net sales (31% in 2020), posted a decrease of 4.5% which concealed the double-digit growth recorded in Mainland China and Australia. The pandemic continued to severely affect the Travel Retail sector, which is traditionally a key driver for this region.

BY DIVISION

(in € millions)	Cognac	Liqueurs & Spirits	Total Group brands	Partner Brands	Holding company costs	Total
Net sales						
March 2021	735.0	248.3	983.3	26.9		1,010.2
March 2020	735.5	261.9	997.3	27.5		1,024.8
Reported change	-0.1%	-5.2%	-1.4%	-2.1%		-1.4%
Organic change	3.7%	-3.2%	1.9%	-1.5%		1.8%
Current operating profit/(loss)						
March 2021	221.0	33.0	254.0	-0.8	-17.1	236.1
March 2020	199.5	37.5	237.0	-1.7	-20.1	215.1
Reported change	10.7%	-11.9%	7.2%	-54.1%	-14.9%	9.7%
Organic change	11.3%	2.5%	9.9%	-44.2%	-15.9%	12.8%
Operating margin						
March 2021 (reported)	30.1%	13.3%	25.8%	-3.0%		23.4%
March 2021 (organic)	29.1%	15.2%	25.6%	-3.6%		23.3%
March 2020	27.1%	14.3%	23.8%	-6.3%		21.0%

COGNAC

The Cognac division recorded net sales of €735.0 million (73% of consolidated net sales), up by 3.7%, thereby highlighting a significant increase in sales in the second half (+27.0%), driven by the United States and mainland China. In this context of the pandemic, the House of Rémy Martin continued its creative initiatives to maintain its client relationships, notably through specific digital programs such as “Stay at home with Rémy Martin” in the United States. The brand also benefited from strong media exposure, by broadcasting, during the Grammy Awards, its “Ground’s Melody” video spot, in collaboration with the artist 6LACK. In mainland China, a “House of Rémy Martin” opened in Guangzhou during the Chinese New Year celebrations. LOUIS XIII also opened two new stores in China, in Shenzhen and in Hangzhou, and launched two e-shops in the United Kingdom and the United States.

Current operating profit amounted to €221.0 million, up sharply by 11.3% owing to a very favourable volume and price/mix effect, largely reinvested in communications, while overhead expenses fell. The current operating margin stood at 29.1% (organic), up by 2.0 points compared to 2020.

LIQUEURS & SPIRITS

Net sales of the Liqueurs & Spirits division (24% of consolidated net sales) amounted to €248.3 million, a slight decline of 3.2% despite a strong recovery in the second half (+7.2%).

The annual net sales of the House of Cointreau were up steadily, driven by double-digit growth in the United States, the United Kingdom, Benelux and Australia, where the closure of the On-Trade channel resulted in a boom in home mixology. The brand’s strategy is bearing fruit, with Margarita at the heart of its advertising. Lastly, it demonstrated its support for the restaurant industry in several markets, and in particular in the United States with its “Love Letter” initiative, a 30-second spot broadcast during the Super Bowl, encouraging American consumers to support their favourite restaurants and bars.

The Whisky division also recorded strong growth over the year thanks to good momentum in its key markets, particularly in Asia during the Chinese New Year.

The rest of the division’s portfolio was penalised by the weakness of EMEA and Travel Retail.

Belle de Brillet liqueur and Telmont Champagne supplemented the portfolio during the financial year, but their impact was not significant.

The Liqueurs & Spirits division generated current operating profit of €33.0 million, up by 2.5% on an organic basis (at constant exchange rates and excluding the effects of the consolidation of the two new brands). The current operating margin stood at 15.2% (organic), up by almost one point thanks to a favourable price/mix effect. Communication investments were maintained at a high level to support brand recognition and step up their international development.

PARTNER BRANDS

The division generated net sales of €26.9 million (3% of consolidated net sales), down by 1.5% due to the impact of the pandemic on the European market. The current operating loss was €(0.8) million.

HOLDING COMPANY COSTS

These costs amounted to €17.1 million, down €3.0 million due to the non-recurrence of costs relating to organisational changes in 2020 and the sharp drop in travelling expenses. Holding company costs thus amounted to 1.7% of consolidated net sales.

4.1.4 Operating profit/(loss)

Current operating profit amounted to €236.1 million. Taking into account a net expense of €0.2 million, mainly relating to costs for the acquisitions made over the period, operating profit came to €235.9 million. In 2020, operating profit was affected by a goodwill impairment expense of €18.8 million recognised in connection with the acquisition of the Westland distillery

4.1.5 Net financial income/(expense)

A net financial result of €14.6 million was recorded, a sharp improvement of €13.4 million compared with 2020, breaking down as follows:

(in € millions)	2021	2020	Change
Cost of financial debt	(12.0)	(12.7)	0.7
Currency gains/(losses)	(0.4)	(4.7)	4.2
Other financial expenses (net)	(2.2)	(10.6)	8.5
NET FINANCIAL INCOME/(EXPENSE)	**(14.6)**	**(28.0)**	**13.4**

- The cost of financial debt decreased by €0.7 million, reflecting a drop in the average debt over the financial year.
- Currency gains and losses are mainly in connection with internal financing in currencies other than the euro. The improvement is mainly due to a much lower exposure.
- Other financial expenses mainly include accrued financial expenses on certain *eaux-de-vie* supply agreements, which were structurally down by €7.9 million due to changes in the contract terms implemented since the beginning of the financial year.

4

4.1.6 Net profit/(loss) for the period

The tax expense amounted to €77.6 million, with an effective tax rate of 35.1%, slightly down compared with the financial year ended 31 March 2020 (36.3%). Excluding non-recurring items, the effective rate was 33.5% for the financial year, compared to 33.9% in 2020. The decrease in tax rates in certain countries (notably France and the United States) was offset by the change in the geographical mix of the Group's tax base.

The share in profit of associates was a positive €0.6 million from the Australian JV Spirits Platform (2020: €0.3 million).

Profit from continuing operations amounted to €144.3 million, representing a strong increase of 37.8% in organic terms and 35.0% in reported terms. In 2020, income of €6.3 million from the sale of Central European subsidiaries was recognised. The net profit attributable to owners of the parent amounted to €144.5 million, an increase of 30.2% in organic terms and 27.5% in reported terms, equating to basic earnings per share of €2.89 compared with €2.28 for the previous period.

Excluding non-recurring items (other operating income and expenses net of tax, the impact from the sale of the Central European subsidiaries in 2020), the net profit attributable to owners of the parent came to €148.2 million, up 19.4% in reported terms and up 20.6% in organic terms. The corresponding basic earnings per share was €2.96, compared to €2.49 in 2020.

4.1.7 Exceptional events and litigation

As part of its operations management, Group companies employ diverse procedures regarding brand rights, protection of intellectual property rights, protection of the distribution network, employee relations and audit of tax declarations, and all other matters relating to operations. The Group believes that the statement of financial position provisions in respect of these risks and disputes ongoing at the reporting date are sufficient to ensure that the consolidated position will not be significantly affected in the event of an unfavourable outcome. During the financial year ended 31 March 2021, proceedings in which Group companies are parties, both as plaintiffs and defendants, relating to various claims arising from the Group's decisions to terminate contractual relationships with distributors continued. These proceedings, initiated in previous years, are still ongoing and provisions have been made.

4.2 Comments on the financial position

(in € millions)	2021	2020	Change
Brands and other intangible assets	508.1	498.2	9.8
User rights, IFRS 16	17.4	20.8	(3.4)
Property, plant and equipment	336.6	310.1	26.5
Investments in associates	1.7	0.9	0.7
Other financial assets	26.6	87.3	(60.7)
Non-current assets (other than deferred tax)	**890.3**	**917.4**	**(27.0)**
Inventories	1,492.5	1,363.9	128.6
Trade and other receivables	158.1	199.4	(41.3)
Trade and other payables	(586.1)	(534.4)	(51.7)
Net current assets	**1,064.6**	**1,028.9**	**35.6**
Net financial derivatives	(2.4)	(3.6)	1.1
Net current and deferred tax	(50.1)	(44.5)	(5.6)
Provisions for liabilities and charges	(38.9)	(43.9)	5.0
Other net current and non-current assets and liabilities	**(91.4)**	**(92.0)**	**0.5**
TOTAL	**1,863.5**	**1,854.3**	**9.2**
Financed by:			
Equity	**1,549.2**	**1,403.4**	**145.8**
Long-term financial debt	423.8	452.0	(28.2)
Short-term financial debt and accrued interest charge	91.5	268.3	(176.8)
Cash and cash equivalents	(201.0)	(269.4)	68.4
Net financial debt	**314.3**	**450.9**	**(136.6)**
TOTAL	**1,863.5**	**1,854.3**	**9.2**
For information:			
TOTAL ASSETS	**2,781.1**	**2,788.7**	**(7.6)**

Non-current assets (excluding deferred tax) decreased by €27.0 million, breaking down as follows:

Non-current assets at 31 March 2020	**917.4**
Translation differences	(2.4)
Cession Passoa SAS	(71.3)
Changes in scope of consolidation	17.4
Investments	49.0
Amortisation/depreciation for the period	(27.1)
Change in IFRS 16 right-of-use assets	(2.8)
Change in value of Dynasty securities	9.0
Liquidity account	3.5
Other changes	(2.4)
Total Change	**(27.0)**
NON-CURRENT ASSETS AT 31 MARCH 2021	**890.3**

In December 2020, Lucas Bols NV exercised the option to purchase all Passoa SAS shares held by the Rémy Cointreau Group for €71.3 million.

During the financial year, the Group acquired the Cognac House J.R. Brillet and the Champagne House J. de Telmont. The impact of these acquisitions on non-current assets includes €4.5 million of brands and €2.4 million of goodwill, with the balance composed of property, plant and equipment.

The amount of investments for the period, *i.e.* €49.0 million, breaks down as follows:

IT investments	8.7
Futaille	7.2
Cognac site	15.8
Liqueurs, Spirits, Champagne sites	14.3
Office and other investments	3.0
TOTAL	**49.0**

IT investments mainly include the overhaul of the Group's ERP and its migration to the SAP S/4 Hana platform. The Group continues to invest in all its production sites and renew and enhance its base of casks in line with the growth of the business.

The Group still holds an equity investment in the Chinese Dynasty Fine Wines Group, a major wine player in China, listed on the Hong Kong stock exchange. Said equity investment is recognised in accordance with IFRS 9. With a closing share price of HKD 0.49, the valuation of the investment was €9.0 million at 31 March 2021, representing a change of €31 million, for which the counterparty was recognised in equity. As of 31 March 2021, taking into account changes in value and exchange rates, it was valued at €18.4 million (€9.9 million in 2020).

Transactions in connection with the liquidity account are described in note **8.4** to the consolidated financial statements.

Net current assets amounted to €1,064.6 million at 31 March 2021, an increase of €35.6 million broken down as follows:

Translation differences	(1.0)
Changes in scope of consolidation	19.1
Change in inventories	98.7
Change in Trade and other receivables	(33.3)
Change in Trade and other payables	(48.2)
Other movements	0.3
TOTAL	**35.6**

The increase in inventories is linked to inventories of ageing spirits, for an amount of €86.7 million.

The strong activity of the last quarter did not lead to an increase in the level of trade receivables. On the contrary, collection times have improved significantly compared to 31 March 2020. The implementation of non-recourse factoring programmes only amounted to €55.0 million (2020: €97.6 million). However, the sustained level of purchases at the end of the year led to an increase in the level of accounts payable and other operating payables.

Changes in items impacting the working capital requirement are detailed in Chapter 4.3.

Derivative financial instruments are intended to hedge currency risk. The Group hedges its provisional positions over a rolling period not exceeding 36 months. The market value of the portfolio held at 31 March 2021 amounted to a net liability of €2.4 million, compared to €3.6 million at 31 March 2020. The change is due to the maturing of part of the opening portfolio for €3.0 million, the revaluation of the balance for €3.0 million and the conclusion of new instruments for a market value of €3.7 million.

The total position net of taxes (current and deferred) is a debt of €50.1 million, an increase of €5.6 million compared to March 2020 including an increase of €14.2 million in current taxes, net payables offset by the increase in the deferred asset position of €8.6 million.

Provisions for risks and charges mainly include provisions for retirement benefit obligations. The change is a net reduction of €5.0 million.

The change in shareholders' equity breaks down as follows:

Shareholders' equity at 31 March 2020	**1,403.4**
Net profit/(loss) for the period	144.3
Profit recorded in equity	9.2
Change in translation reserves	(0.1)
Impact of stock-option and similar plans	2.1
Transaction on treasury shares	1.9
Dividend paid	(9.6)
Put on Champagnes J. de Telmont	(2.9)
Other movements	0.9
Total Change	**145.8**
SHAREHOLDERS' EQUITY AT 31 MARCH 2021	**1,549.2**

The income recognized in equity mainly includes the counterparty to the revaluation of Dynasty shares.

The Shareholders' Meeting of 23 July 2020 approved the payment of an ordinary dividend of €1.00 per share in respect of the financial year ended 31 March 2020, payable in cash or in shares. In respect of the dividend payment, 353,319 new shares were issued on 22 September 2020, and €9.6 million was paid out in cash early October 2020.

As part of the acquisition of a 90% interest in Champagne J. de Telmont, the Rémy Cointreau Group granted non-controlling interests an undertaking to purchase their shares under various conditions which cannot be exercised before July 2026. This put was valued at €2.9 million as of 31 March 2021 at present value and recognised in financial debt as a counterbalance of the net position.

Net financial debt amounted to €314.3 million, a sharp decrease of €136.6 million. This mainly includes long-term debt.

At 31 March 2021, the Rémy Cointreau Group had €540 million in confirmed funding, including:

- a €100 million syndicated revolving loan maturing on 2 July 2024, bearing interest at EURIBOR plus a variable margin;
- a €65 million bond maturing on 13 August 2023, bearing interest at 4% and an issue premium of 2.00%;
- a bond issued in the form of a private placement with a leading European insurer for €80 million, maturing on 27 February 2025 and bearing interest at 2,945%;
- a current-account agreement with the company ORPAR SA for €20 million at a rate of 0.60%, with a term expiring in April 2021;
- an OCEANE bond issued on 7 September 2016 for a nominal value of €275 million, maturing on 7 September 2026, with a conversion option exercisable on 7 September 2023, and bearing interest at the rate of 0.125%.

In addition, the Group had €215 million in unconfirmed bilateral lines.

The A ratio(1) (Net debt/EBITDA), on which the availability of the private placement and the syndicated loan is based, was 1.33 at 31 March 2021 (September 2020: 2.04, March 2020: 1.86). Under the terms of the syndicated loan, this ratio, calculated every six months, must remain less than or equal to 4.0 until the loan matures. For the private placement, this limit is 3.5.

In the context of the health crisis, the Group remains confident that its financing will remain available and its debt controlled. Financial debt, which is a key indicator for the Group's management, is the subject of continuously updated forecasts. The Rémy Cointreau Group's balance sheet structure is solid.

(1) The A ratio is calculated every six months. It is the ratio of (a) the arithmetic average of net debt at the end of the half-year and the end of the prior half-year in this end-September 2020 and end-March 2021 and (b) EBITDA for the previous 12 months.

4.3 Comments on cash flows

(in € millions)	2021	2020	Change
EBITDA	272.5	252.4	20.0
Change in working capital requirement (WCR)	(12.9)	(72.3)	59.4
Net cash flow from operations	259.6	180.2	79.4
Other operating income/(expense)	(0.0)	(0.7)	0.7
Financial result	(10.0)	(13.1)	3.1
Income tax	(72.5)	(85.8)	13.3
Other operating cash flows	(82.6)	(99.7)	17.1
Net cash flow from operating activities	**177.0**	**80.5**	**96.5**
Net cash flow from non-financial assets	(52.6)	(63.8)	11.2
Net cash flow from non-current financial assets	61.0	11.3	49.7
Net cash flow from investment activities	**8.4**	**(52.5)**	**60.9**
Treasury shares	1.9	(1.9)	3.8
Dividends paid	(9.6)	(132.0)	122.4
Net cash flow relating to capital	**(7.7)**	**(133.9)**	**126.3**
Repayment of financial debt	(245.6)	196.0	(441.6)
Net cash flow from continuing operations after financing	**(67.8)**	**90.2**	**(158.0)**
Translation differences on cash and cash equivalents	(0.6)	0.6	(1.2)
CHANGE IN CASH AND CASH EQUIVALENTS	**(68.4)**	**90.8**	**(159.2)**

Earnings before interest, tax, depreciation and amortisation (EBITDA)[1] increased by €20.0 million, as a result of the change in current operating profit/(loss).

The WCR increased by €12.9 million, compared with €72.3 million for the previous period.

The various items' impact on the change in working capital requirement for the financial year breaks down as follows:

(in € millions)	2021	2020	Change
Change in WCR of ageing spirits	(58.7)	(118.9)	60.3
of which change in inventories of ageing spirits	*(86.7)*	*(119.6)*	*33.0*
of which change in trade payables, eaux-de-vie	*28.0*	*0.7*	*27.3*
Change in other inventories	(12.1)	(9.9)	(2.1)
Change in net trade receivables	17.0	73.4	(56.4)
of which change in trade receivables before factoring	*55.3*	*25.9*	*29.4*
of which change in factored trade receivables	*(38.3)*	*47.5*	*(85.8)*
Change in other items (net)	40.8	(16.8)	57.6
CHANGE IN WORKING CAPITAL REQUIREMENT	**(12.9)**	**(72.3)**	**59.4**

(1) Earnings before interest, tax, depreciation and amortisation (EBITDA) corresponds to the current operating profit adjusted by adding back depreciation and amortisationcharges in respect of property, plant and equipment and intangible assets, and charges in respect of share-based payments and dividends paid out by associates duringthe period.

The increase in WCR of ageing spirits is lower than for the year ended 31 March 2020 due to a limited increase in inventories and a larger increase in trade payables. At the end of the financial year, given the sustained level of orders, inventory releases to bottling were higher than in the previous year.

The Group secures its supplies of cognac *eaux-de-vie* mainly through multi-year contracts with producers. As of 31 March 2021, the Group was thus committed to future harvests of €362.1 million, including €136.0 million for the next financial year.

The impact of the change in trade receivables was positive for the financial year, due to a favourable customer mix regarding payment terms. The use of non-recourse factoring programmes was reduced.

Other changes in working capital requirement items were up by €40.8 million, mainly due to trade and other payables, reflecting the strong activity of the last month of the financial year (purchases of raw materials excluding *eaux-de-vie* and advertising investments).

Other operating cash flows came to a net cash outflow of €82.6 million, of which €72.5 million is related to the current tax expense for the year, which amounted to €87.3 million.

Net cash flow from operating activities thus amounted to €177.0 million for the financial year, a strong improvement compared to the previous year thanks to the trends in all items

Net cash outflows from non-financial investments amounted to €52.6 million, *i.e.* €49.0 million, as discussed in Chapter 2, and a net change in the non-current assets payables item of €3.6 million.

The impact of financial investments was positive for €61.0 million and includes the following items:

Net cash outflows from acquisitions during the year	(6.7)
Cession Passoa SAS	71.3
Other net flows	(3.5)
TOTAL	**61.0**

As a result, the net investment balance was positive at €8.4 million.

Cash flow relating to capital amounted to a cash outflow of €7.7 million, down sharply compared to 2020 due to the payment of the dividend paid mainly in the form of shares over the financial year, while a total €132.0 million had been paid out in this respect in 2020.

Accordingly, the total cash flows generated over the financial year amounted to €177.7 million, offset by the reduction in financial debt of €245.6 million. The balance is attributable to the adjustment of the excess drawdowns that the Group had made at the end of March 2020 in order to avoid a potential liquidity crisis. After taking into account the net change in financial debt and translation effects, cash and cash equivalents posted a drop of €68.4 million. The Group's gross cash position amounted to €201.0 million at 31 March 2021 (*versus* €269.4 million in 2020).

4.4 Parent company results

The Covid-19 health crisis that began in the first quarter of the 2020 calendar year remains the major event of the financial year ended 31 March 2021.

This crisis had no significant effect on the separate financial statements of Rémy Cointreau to 31 March 2021.

Although the operations of its direct and indirect subsidiaries were impacted as described in the consolidated financial statements of the Rémy Cointreau Group, no risk has been identified to the value of the equity interests included in assets on the Company's statement of financial position.

4.4.1 Comments on the results

The Company recorded a current operating profit before tax of €126.6 million for the financial year ended 31 March 2021 (2020: €120.2 million).

Services invoiced to subsidiaries totalled €20.2 million, compared with €22.6 million in the previous financial year. Services provided by Rémy Cointreau to its subsidiaries are invoiced on the basis of the cost of the services provided, plus a 5% profit margin.

Net operating expenses totalled €33.9 million, down €2.0 million. This sum covers all of the services provided by the Company, which are re-invoiced in part to subsidiaries.

As a result, operating profit for the financial year was stable at €(13.8) million, compared to €(13.3) million for the previous financial year.

Dividends received from subsidiaries amounted to €140.5 million (*versus* €138.8 million in 2020), an increase of €1.7 million.

The net interest expense decreased slightly during this financial year, to €3.1 million compared to €3.4 million in the previous financial year.

Net tax income of €5.1 million relates mainly to the net savings from the consolidated tax scope during the period.

Taking these factors into account, the net profit for the financial year was €131.7 million (2020: €125.7 million).

4.4.2 Comments on the statement of financial position

The change in non-current financial assets which are the Company's principal assets was as follows for the period:

(in € millions)	Value at the start of the financial year	Change in Impairment	Increase	Decrease	Net Value at the end of the financial year
Equity investments	1,549.9	-	-	-	1,549.9
Liquidity account (excluding treasury shares)	4.3	-	3.5	(2.1)	5.7
Treasury shares	15.6	1.4	-	(5.6)	11.4
TOTAL	**1,569.8**	**1.4**	**3.5**	**(7.7)**	**1,567.0**

There was no change in the equity investment portfolio during the financial year.

The Company entered into a liquidity contract with a financial institution several years ago for the purpose of promoting the liquidity of the Company's securities and the regularity of their quotation on the market. At 31 March 2021, the total amount invested by the liquidity provider was €5.7 million, of which €0.7 million corresponding to 4,336 Rémy Cointreau securities held under the liquidity contract at the reporting date.

The Company directly holds 110,832 Rémy Cointreau shares acquired under a share buyback program, carried out during the year ended 31 March 2019, for a gross amount of €11.4 million as of 31 March 2021, following a reallocation to marketable securities for €5.6 million and a reversal of the provision for impairment of €1.4 million.

Equity amounted to €1,192.1 million, up €122.1 million, reflecting the differential between the profit of €131.7 million for the period and the dividend paid in October 2020 in the amount of €9.6 million. The dividend paid out during the financial year was mostly serviced in shares.

Gross financial debt amounted to €384.9 million, down €92.9 million, owing to the gross cash flow generated over the financial year.

Rémy Cointreau had €475 million in confirmed capital resources, including €180 million are subject to compliance with a ratio known as the A ratio[1] (Net debt/EBITDA). The A ratio was 1.33 at 31 March 2021. Under the terms of the syndicated loan and the private bond placement, this ratio, calculated every six months, must remain below or be equal to 4.0 and 3.5 respectively until maturity. Rémy Cointreau does not expect to experience any difficulties regarding the availability of its financing.

4.4.3 Information in respect of payment terms pursuant to Article D. 441-4 of the French Commercial Code

At 31 March 2021, Rémy Cointreau had €1.4 million excluding tax in trade receivables outstanding (6 invoices) exclusively with Group companies. No receivables were overdue. Trade payables amounted to €2.3 million excluding tax (11 invoices of which 8 pertaining to Group companies) and were due by-end April 2021 at the latest.

(1) The A ratio is calculated every six months. It is the ratio of (a) the arithmetic average of net debt at the end of the half-year and the end of the prior half-year in this end-September 2020 and end-March 2010 and (b) EBITDA for the previous 12 months.

4.5 Recent events

Rémy Cointreau's Board of Directors, at its meeting of 2 June 2021, decided, pursuant to resolutions nineteen and twenty of the Shareholders' Meeting of 23 July 2020[(1)], to authorise the Chief Executive Officer of the parent company to implement a buyback programme.

Pursuant to this authorisation, an investment services provider will be appointed to purchase Rémy Cointreau SA shares, within the limit of one million shares, representing 1.98% of the share capital, and at the price conditions authorised by the Shareholders' Meeting of 23 July 2020 under the nineteenth resolution.

The share buyback programme is designed to achieve the following, in order of decreasing priority:

(a) reducing the share capital *via* the cancellation of treasury shares;

(b) meeting the obligations arising from bonus share programmes for employees and/or corporate officers of the Company and/or its related companies;

(c) meeting the obligations in respect of marketable securities giving access to capital.

Subject to market conditions, this buyback programme will expire no later than 8 December 2021[(2)].

4.6 Outlook

In a still fragile and uncertain public health, economic and geopolitical environment, the Rémy Cointreau Group has emerged stronger from the Covid-19 crisis.

Thus, for 2021/2022, the Group is confident in its ability to continue to win market share in the exceptional spirits sector. In particular, it expects an excellent start to its financial year, supported by a very favourable basis of comparison, phasing effects of its shipments and new, structurally more buoyant consumer trends in the United States.

Being ahead in the unfolding of its 2030 strategic plan and given the favourable environment, the Group has decided to revise up its investments in communication to support its brands through the recovery and boost their medium-term growth potential by developing brand awareness and attractiveness. Expected good growth in current operating profit will also be tempered by adverse currency effects estimated at between -€16 million and -€20 million and adverse scope effects estimated at circa -€2 million.

INCREASED CONFIDENCE IN 2030 GUIDANCE

In recent months, in a context marked by the pandemic, Rémy Cointreau has benefited from an acceleration of pre-existing trends that support the 2030 strategy announced in June 2020: the rise of mixology and consumption at home, the outperformance of high-end spirits, the strong growth of online sales and the growing interest in corporate social and environmental responsibility.

The Group therefore reiterates, with confidence, its financial and non-financial objectives: by 2030, improved portfolio management should enable it to achieve a gross margin of 72% and a current operating margin of 33% (based on 2019/20 exchange rates and consolidation scope).

Simultaneously, as part of its "2025 Sustainable Exception" plan, the Group aims for sustainable agriculture in all *terroirs* involved in the production of its spirits, as well as a 25% reduction in carbon emissions (Scopes 1 & 2, in absolute terms) and 30% (Scope 3, in relative terms) by 2025. This is the first step toward the Group's "Net Zero Carbon" ambition for 2050.

Rémy Cointreau confirms its ambition to become the world leader in exceptional spirits, whose growth outlook remains attractive, particularly in a world of more responsible consumption.

(1) See the description of the share buyback program in section 7.1.4 of the 2019/2020 Universal Registration Document.

(2) The implementation of these buybacks, the period over which they may be performed, and the final amounts thus bought back will depend in particular on marketconditions. Rémy Cointreau reserves the right to change all or part of the terms and conditions of these buybacks, within the limits indicated above.


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5

CONSOLIDATED FINANCIAL STATEMENTS OF THE RÉMY COINTREAU GROUP AT 31 MARCH 2021

5.1 Consolidated income statement

(in € millions)	Notes	2021	2020
Net sales	17	**1,010.2**	**1,024.8**
Cost of sales		(330.1)	(347.9)
Gross margin		**680.1**	**676.9**
Distribution costs	18	(341.6)	(355.0)
Administrative expenses	18	(102.5)	(106.8)
Current operating profit/(loss)	17	**236.1**	**215.1**
Other operating expenses	20	(0.2)	(19.7)
Operating profit/(loss)		**235.9**	**195.5**
Cost of net financial debt		(12.0)	(12.7)
Other financial income/(expense)		(2.6)	(15.3)
Net financial income/(expense)	21	**(14.6)**	**(28.0)**
Profit before tax and before share in profit/(loss) of associates		**221.2**	**167.5**
Income tax	22	(77.6)	(60.9)
Share in profit/(loss) of associates	7	0.6	0.3
Net profit/(loss) from continuing operations		**144.3**	**106.9**
Net profit/(loss) from discontinued operations	23	-	6.4
Net profit/(loss) for the period		**144.3**	**113.2**
Of which:			
attributable to non-controlling interests		(0.3)	(0.1)
attributable to owners of the parent		144.5	113.4
Net earnings per share – from continuing operations *(in €)*			
basic		2.88	2.15
diluted		2.75	2.04
Net earnings per share – attributable to owners of the parent *(in €)*			
basic		2.89	2.28
diluted		2.75	2.17
Number of shares used for the calculation			
basic	12.2	50,070,497	49,806,712
diluted	12.2	52,647,147	52,400,986

5.2 Consolidated statement of comprehensive income

(in € millions)	2021	2020
Net profit/(loss) for the period	**144.3**	**113.2**
Movement in the value of hedging instruments	(0.4)	5.3
Actuarial difference on pension commitments	0.7	(0.5)
Securities at fair value through OCI	9.0	(4.4)
Related tax effect	(0.1)	(2.2)
Movement in translation differences	(0.2)	(3.5)
Total income/(expenses) recorded in equity	**9.1**	**(5.2)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**153.4**	**108.1**
Of which:		
attributable to owners of the parent	153.7	108.1
attributable to non-controlling interests	(0.3)	(0.1)

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5.3 Consolidated statement of financial position

(in € millions)	Notes	2021	2020
Goodwill and other intangible assets	4	508.1	498.2
User rights, IFRS 16	5	17.4	20.8
Property, plant and equipment	6	336.6	310.1
Investments in associates	7	1.7	0.9
Other financial assets	8	26.6	87.3
Deferred tax assets	22	29.5	23.2
Non-current assets		**919.9**	**940.6**
Inventories	9	1,492.5	1,363.9
Trade and other receivables	10	158.1	199.4
Income tax receivables	22	4.9	10.4
Derivative financial instruments	16	4.7	5.1
Cash and cash equivalents	11	201.0	269.4
Current assets		**1,861.2**	**1,848.2**
TOTAL ASSETS		**2,781.1**	**2,788.7**
Share capital		80.8	80.2
Share premium		834.8	795.1
Treasury shares		(25.1)	(30.0)
Consolidated reserves and profit/(loss) for the period		635.3	534.4
Translation reserve		22.6	22.7
Equity – attributable to owners of the parent		**1,548.4**	**1,402.5**
Non-controlling interests		0.8	0.9
Equity	12	**1,549.2**	**1,403.4**
Long-term financial debt	13	423.8	452.0
Provision for employee benefits		29.1	30.3
Long-term provisions for liabilities and charges	14	2.1	2.2
Deferred tax assets	22	57.1	59.4
Non-current liabilities		**512.1**	**543.9**
Short-term financial debt and accrued interest charge	13	91.5	268.3
Trade and other payables	15	586.1	534.4
Income tax payables	22	27.4	18.7
Short-term provisions for liabilities and charges	14	7.7	11.5
Derivative financial instruments	16	7.1	8.7
Current liabilities		**719.8**	**841.5**
TOTAL EQUITY AND LIABILITIES		**2,781.1**	**2,788.7**

5.4 Change in consolidated shareholders' equity

(in € millions)	Share capital and premiums	Treasury shares	Reserves and net profit/(loss)	Translation reserve	Profit/(loss) recorded in equity	Attributable to: owners of the parent company	Attributable to: non-controlling interests	Total equity
At 31 March 2019	**875.4**	**(34.4)**	**581.2**	**26.2**	**(23.2)**	**1,425.1**	**1.0**	**1,426.1**
Net profit/(loss) for the period	-	-	113.4	-	-	113.4	(0.1)	113.2
Gains/(losses) recorded in equity	-	-	-	(3.5)	(1.7)	(5.2)	0.1	(5.2)
Share-based payments	-	-	3.6	-	-	3.6	-	3.6
Transactions treasury shares	-	(1.9)	-	-	-	(1.9)	-	(1.9)
Dividends	-	-	(132.0)	-	-	(132.0)	-	(132.0)
Reclassification	-	6.4	(6.4)	-	-	-	-	-
Other movements	-	-	(0.5)	-	-	(0.5)	-	(0.5)
At 31 March 2020	**875.4**	**(30.0)**	**559.3**	**22.7**	**(24.9)**	**1,402.5**	**0.9**	**1,403.4**
Net profit/(loss) for the period	-	-	144.5	-	-	144.5	(0.3)	144.3
Gains/(losses) recorded in equity	-	-	-	(0.1)	9.2	9.1	(0.1)	9.1
Share-based payments	-	-	2.1	-	-	2.1	-	2.1
Transactions treasury shares	-	1.9	-	-	-	1.9	-	1.9
Dividends	40.3	-	(49.9)	-	-	(9.6)	-	(9.6)
Reclassification	-	2.9	(2.9)	-	-	-	-	-
Other movements[(1)]	-	-	(2.2)	-	-	(2.2)	0.2	(2.0)
AT 31 MARCH 2021	**915.6**	**(25.1)**	**651.0**	**22.6**	**(15.7)**	**1,548.4**	**0.8**	**1,549.2**

(1) Of which €(2.9) million of put options on Champagnes J. de Telmont (note 3).

— 5.5 Consolidated statement of cash flows

(in € millions)	Notes	2021	2020
Current operating profit/(loss)		236.1	215.1
Depreciation, amortisation and impairment		34.0	33.4
Share-based payments		2.1	3.6
Dividends received from associates	7	0.3	0.3
EBITDA		**272.5**	**252.4**
Change in inventories		(100.3)	(128.7)
Change in trade receivables		9.3	74.0
Change in trade payables		79.7	(4.5)
Change in other receivables and payables		(1.6)	(13.1)
Change in working capital requirement		**(12.9)**	**(72.3)**
Net cash flow from operations		**259.6**	**180.2**
Other operating income/(expense)		(0.0)	(0.7)
Financial result		(10.0)	(13.1)
Income tax		(72.5)	(85.8)
Other operating cash flows		**(82.6)**	**(99.7)**
Net cash flow from operating activities		**177.0**	**80.5**
Purchase of intangible assets and property, plant and equipment	4/6	(54.0)	(64.8)
Purchase of shares	3	(6.7)	-
Receipts on disposals of fixed assets		1.4	1.0
Disposal of shares in associates and non-consolidated investments	8	71.3	9.1
Net cash flow from other investments		(3.5)	2.3
Net cash flow from investment activities		**8.4**	**(52.5)**
Treasury shares	12	1.9	(1.9)
Payment of lease liabilities – IFRS 16		(6.9)	(6.8)
Increase in financial debt		4.6	220.9
Repayment of financial debt		(243.3)	(18.1)
Dividends paid		(9.6)	(132.0)
Net cash flow from financing activities – continuing operations		**(253.2)**	**62.1**
Impact of discontinued operations		-	-
Net cash flow from financing activities		**(253.2)**	**62.1**
Translation differences on cash and cash equivalents		(0.6)	0.6
Change in cash and cash equivalents		**(68.4)**	**90.8**
Cash and cash equivalents at start of year	11	**269.4**	**178.6**
Cash and cash equivalents at end of year	11	**201.0**	**269.4**

5.6 Notes to the consolidated financial statements

Introduction

Rémy Cointreau is a *société anonyme* (joint stock company) with a Board of Directors subject to French legislation and in particular the French Commercial Code. Rémy Cointreau shares are listed on Euronext Paris.

The consolidated financial statements presented below were approved by the Board of Directors on 2 June 2021. They will be submitted for shareholder approval at the Shareholders' Meeting on 22 July 2021.

NOTE 1 ACCOUNTING POLICIES AND PRINCIPLES

Rémy Cointreau's financial year runs from 1 April to 31 March. The consolidated financial statements are presented in millions of euros.

In accordance with European regulation (EC) No. 1606/2002 of 19 July 2002, Rémy Cointreau's consolidated financial statements are prepared in accordance with international accounting standards applicable within the European Union as of 31 March 2021.

The accounting principles applied in the preparation of the consolidated financial statements for the period ended 31 March 2021 comply with IFRS, as adopted by the European Union. These standards can be consulted on the European Commission website at: www.eur-lex.europa.eu

Changes to accounting principles compared with the previous financial year

- Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors": new definition of "material".
- Amendments to IFRS 3 "Definition of a Business" aimed at clarifying the application guidance to help stakeholders differentiate between a business and a group of assets.
- Revision of the conceptual framework that defines the concepts underpinning the preparation and presentation of financial statements for external users.
- Amendments to IFRS 9, IAS 39 and IFRS 7 within the framework of the interest rate benchmark reform.

The texts for which application became mandatory on 1 January 2020 did not have a significant impact on the Group's consolidated financial statements.

NOTE 1.1 USE OF ESTIMATES

The preparation of the financial statements in accordance with International Financial Reporting Standards requires the use of estimates and assumptions that have a bearing on the amounts reported in the financial statements and whose subsequent revision could affect future results. This is particularly the case in respect of the items described below.

Asset impairment tests

The Group regularly uses discounted future cash flow calculations and/or market values of comparable assets for impairment tests performed on the carrying amount of intangible assets with an indefinite useful life when required by standards or circumstances. The underlying parameters of such calculations are subject to assumptions, the future evolution of which may lead to significant changes in subsequent values.

Provisions for liabilities and charges

The recognition of provisions, generally intended to cover compensation payable in the event of disputes with third parties, requires the Group's management to estimate the level of probability associated with this risk and also the outcome of negotiations, transactions and legal proceedings that are or may be conducted with the third parties concerned.

Pension commitments and other post-employment benefits

The valuation of these obligations is determined by the use of actuarial methods involving assumptions in respect of the discount rate, expected return on plan assets, salary increases, life expectancy, etc. Given the long-term nature of these obligations, any changes to these assumptions may have a material impact on the valuation.

Derivative financial instruments

Derivative financial instruments held by the Group in connection with its ordinary activities, mainly in the form of options, are valued using the methods prevailing in the financial markets. Note that these valuations are based on market data as at the balance sheet date. These values may fluctuate rapidly due to constant changes in the financial markets.

NOTE 1.2 CONSOLIDATION METHODS

Rémy Cointreau is the consolidating company.

The financial statements of the companies under the exclusive control of Rémy Cointreau are fully consolidated. An investor controls an issuing entity when it is exposed or has rights to variable returns due to its ties with the issuing entity and it has the ability to influence these returns due to the power that it holds over the entity. Consequently, the investor controls an issuing entity if, and only if, all the items below are present:

- it holds power over the issuing entity;
- it is exposed or has rights to variable returns due to its ties with the issuing entity (special purpose entities, see also note **1.7**);
- it has the ability to exercise power over the issuing entity such as to influence the amount of returns it obtains.

Equity investments in companies in which the Group exercises significant influence (associates) are accounted for by the equity method. A significant influence is presumed to exist, unless it is clearly shown that this is not the case, when the parent company holds, directly or indirectly, 20% or more of the voting rights in the Company.

Consolidated companies prepare their financial statements in accordance with generally accepted accounting principles in their country. Where necessary, adjustments are made to these financial statements to bring their accounting policies into line with those used by the Group.

All significant transactions between consolidated companies as well as intra-Group gains and losses are eliminated on consolidation.

NOTE 1.3 TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The consolidated financial statements of the Rémy Cointreau Group are stated in euros, the functional currency of Rémy Cointreau SA.

The balance sheets of subsidiaries, whose functional currency is not the euro, are translated at the closing exchange rate. The income statements and statements of cash flows are translated at the average exchange rate for the period concerned. Differences arising from the use of different exchange rates are recognised directly in equity under "Translation differences" until the sale or liquidation of the subsidiary concerned.

NOTE 1.4 FOREIGN-CURRENCY TRANSACTIONS

In relation to each entity, transactions denominated in currencies other than the functional currency are recorded in the functional currency using the exchange rate applicable on the date of transaction. At the end of each period, monetary assets and liabilities denominated in foreign currencies are revalued at the closing exchange rate. The resulting differences are recognised in either the operating profit/(loss) or net financial income/(expense) depending on the nature of the underlying transactions.

By way of exception, revaluation differences relating to transactions classified as net investment hedges are recognised directly in equity under "Translation differences".

As a general rule, distribution subsidiaries invoice their customers in the functional currency of the customer and make purchases from production subsidiaries in their own functional currency (not in the functional currency of the production company). The majority of the Group's production subsidiaries are located in the euro zone, despite the euro representing only 25% of its sales. As a result, production subsidiaries and some distribution subsidiaries are significantly exposed to changes in foreign exchange rates.

The Group manages this risk, and other similar risks associated with the financing of its "non euro" subsidiaries, centrally through the use of derivative financial instruments which are recognised in accordance with IFRS 9. The hedging instruments are concluded over a rolling 18-month period. At the end of each period, the Group may retain a portfolio of instruments intended to hedge the cash flows of subsequent years. Over the course of the financial year, the instruments retained at the start of the year reach maturity.

The revaluation effects of foreign currency derivative financial instruments at the end of each period are recognised in financial income for the portion that must be recorded as income in accordance with the standard, regardless of the type of cash flows hedged (trading or financial). These revaluations, dependent upon the closing exchange rate for each currency, have no bearing on the income that will actually be generated upon maturity of the instruments.

The income actually generated upon maturity of financial instruments allocated in the financial year is recorded in either gross margin or financial income depending on the type of cash flows hedged (trading or financial).

NOTE 1.5 BUSINESS COMBINATIONS AND GOODWILL

Goodwill represents the difference between the cost of acquisition of the businesses and the fair value of identifiable assets and liabilities at the date of acquisition.

In accordance with IFRS 3 "Business combinations", goodwill is not amortised but is subject to impairment testing at least annually and as soon as there is any indication of a decrease in value. For the purpose of this testing, goodwill is allocated to Cash Generating Units (CGUs).

Costs related to an acquisition are recognised in profit and loss for the periods in which the costs are incurred and the services received. They are classified as "Other operating income and expenses" in the consolidated income statement and as net cash flow from investment activities in the consolidated cash flow statement.

NOTE 1.6 DEFINITION OF CERTAIN INDICATORS

A) Net sales

Net sales include wholesale trading of finished goods in branded wines and spirits marketed by the Group:

- to distributors;
- to agents;
- to wholesalers, mainly in North America and China.

These sales are recognised when control has been transferred to the customer, which generally occurs on shipment.

These amounts are stated net of duties and taxes and are determined by reference to customer prices. Sales to wholesalers are recognised net of any provisions for discounts, rebates and other forms of trade agreements when they result in the customer ultimately paying a lower price for the goods.

B) Current operating profit, operating profit, net profit/(loss) from discontinued operations

Current operating profit/(loss) comprises all elements relating to the Group's activities with the exception of:

- the operating profit from operations that were deconsolidated or discontinued during the period or for which plans to this effect have been approved by the Board of Directors. The corresponding operating profit/(loss) is reclassified in the item "Net profit/(loss) from discontinued operations" together with other items of income and expense relating to these activities;
- items that, given their nature, frequency and materiality, cannot be considered as part of the Group's ordinary activities and which affect inter-period comparisons. They include notably impairment provisions in respect of brands and other non-current assets recognised as a result of impairment tests (see note 4), provisions for restructuring and litigation, and significant gains and losses on the sale of assets other than those relating to operations that already have been, or are to be, discontinued.

C) Earnings before interest, tax, depreciation and amortisation (EBITDA)

This aggregate is used to calculate certain ratios. It corresponds to: current operating profit + depreciation and amortisation expenses on property, plant and equipment and intangible assets for the period + expenses relating to stock option and similar plans + dividends paid by associates during the period.

D) Net debt

This measure is used to calculate certain ratios. It corresponds to: long-term financial debt + short-term financial debt and accrued interest - cash and cash equivalents. Debt includes IFRS 16 lease liabilities.

NOTE 1.7 CONSOLIDATION OF COOPERATIVES

Since 1 April 2003, the Rémy Cointreau Group has fully consolidated as a special purpose entity, the Alliance Fine Champagne (AFC) co-operative, in respect of the scope of operations relating to Rémy Cointreau.

This consolidation is reflected by the recognition in the consolidated statement of financial position of the inventories that AFC holds and intends to deliver to Rémy Cointreau. These inventories include inventories held by the distillers in connection with three-year supply agreements. Corresponding entries are included in financial debt and trade payables. The resulting finance costs are also included in the Rémy Cointreau Group's cost of financial debt.

NOTE 2 COVID-RELATED IMPACTS RELATED

The Rémy Cointreau Group has proved very resilient in a context marked by the Covid-19 pandemic. After a decline in the first half, there was a strong rebound in business during the second half of the year. The Group anticipates a buoyant start to 2021/2022, driven by a very favourable comparison basis, phasing effects of its shipments and new consumer trends that are structurally stronger in the United States.

Furthermore, the Group remains confident that its financing will remain available and its debt controlled. Financial debt, which is a key indicator for the Group's management, is the subject of continuously updated forecasts. The Rémy Cointreau Group's balance sheet structure is solid, and the Group is confident that it can emerge from this crisis even stronger.

NOTE 3 CHANGES IN SCOPE OF CONSOLIDATION

On 30 April 2020, the Rémy Cointreau Group announced its acquisition of the Cognac House J.R. Brillet. With this acquisition, he House of Rémy Martin has enhanced its portfolio with the J.R. Brillet cognac brand, along with some 50 hectares of vineyards in Grande Champagne and Petite Champagne (France). In addition, Belle de Brillet has joined the Group's Liqueurs & Spirits division, providing good development potential in the high-end liqueurs segment.

On 16 October 2020, the Rémy Cointreau Group announced its acquisition a majority interest in the capital of "Champagne J. de Telmont" which includes the brands, inventories, production facilities and real estate assets of the *domaine* as well as the vineyards in Champagne. De Telmont is a Champagne producer engaged in an organic/biodynamic agriculture certification process and which shares the same attachment to *terroir*, know-how and history as the other firms in the Rémy Cointreau Group.

As part of the acquisition of a 90% interest in Champagne J. De Telmont, the Rémy Cointreau Group granted non-controlling interests an undertaking to purchase their shares under various conditions which cannot be exercised before July 2026. This put was valued at €2.9 million as of 31 March 2021 at present value and recognised in financial debt as a counterbalance of the net position.

The impacts of these acquisitions on the period's consolidated financial statements are the following:

	Brillet	Telmont
Goodwill	1.1	1.3
Partner	2.5	2.0
Property, plant and equipment and intangible assets	5.7	4.7
Inventories	1.6	20.8
Other current assets (net)	0.2	(3.5)
Deferred tax (net)	(0.9)	(0.5)
Cash	0.5	0.1
Gross financial debt	(5.8)	(20.4)
BALANCE SHEET TOTAL	**5.0**	**4.6**
Acquisition price	5.0	4.4
Acquisition-related costs	0.4	0.9
Cash from acquisitions	(0.5)	(0.1)
Balance to be paid	-	(3.5)
TOTAL DISBURSEMENTS	**4.9**	**1.8**
Net sales	1.4	1.9
Current operating profit/(loss)	0.1	(1.8)
Operating profit/(loss)	(0.4)	(2.9)
Tax	0.1	0.9
NET PROFIT/(LOSS)	**(0.3)**	**(2.0)**

NOTE 4 GOODWILL AND OTHER INTANGIBLE ASSETS

With the exception of software licences, "Brands and other intangible assets" mainly comprises the value of intangible assets identified when acquisitions are made by the Group: residual goodwill, brands, and distribution rights.

For certain brands owned by the Group, the value recorded in the statement of financial position is the result of the acquisition of non-controlling interests or businesses subsequent to the creation or inclusion of the brand. The amount recorded in the statement of financial position therefore represents only a percentage of the value of the brand.

The amount recorded in the balance sheet therefore represents only a percentage of the value of the brand. The values recorded under "Brands" in the Rémy Cointreau Group's statement of financial position are not amortised as they have the benefit of legal protection, generate higher earnings than those of similar unbranded products and have an indefinite useful life.

Brands are tested for impairment at least annually at the period end and as soon as there is any indication of a decrease in value. These tests, described below, also relate to goodwill and distribution rights, where appropriate.

Expenditure incurred to create new brands or to develop existing brands and all expenses relating to the registration and legal protection of brands are systematically recognised in the income statement for the period in which they are incurred.

Pursuant to IAS 38 "Intangible assets", advertising and promotional expenses are recorded as expenses in the period in which they are incurred.

The Rémy Cointreau Group does not capitalise any research and development costs.

Other intangible assets are amortised over a period of three to seven years.

IMPAIRMENT TESTS

For impairment tests performed on the carrying amount of intangible assets with an indefinite useful life, when required by standards or circumstances, the Group regularly uses discounted future cash flow calculations and/or market values of comparable assets. The underlying parameters of such calculations are subject to assumptions, the future evolution of which may lead to significant changes in subsequent values.

The value in use of assets is tested as soon as there is any indication that it may be impaired, and automatically at each year-end in the case of assets with an indefinite useful life.

When impairment tests indicate that the present value is less than the carrying amount and that this loss is deemed to be permanent, impairment is recognised in the income statement.

For these tests, assets are allocated to Cash Generating Units (CGUs). In the Group's case, the structure of these units is based on the brand portfolio. Each brand or group of brands constitutes a unit when the brand or brands generate cash inflows that are largely independent of those generated by other brands or groups of brands.

These tests consist of comparing the carrying amount of the assets or Group of assets with their present value, the latter being the higher of their value in use and their market value less any costs involved in selling the assets.

The principal method used to estimate value in use is based on the present value of estimated future cash flows (excluding interest) generated by the use of each brand, asset or group of assets. Cash flows are estimated based on medium-term plans, the duration of which is tailored to the individual characteristics of each business. For example, the duration is five years for brands without ageing processes and 12 years for those with ageing processes. The terminal value is determined by applying a perpetual growth rate. Different discount rates are used and include a specific risk premium for each business.

When recent transactions involving similar assets have taken place, the multiples for these transactions are used to determine market value.

With respect to operational entities that the Group's management has decided to sell, the assets concerned are stated at the lower of their carrying amount and estimated market value after transaction costs. If negotiations are in progress, the value is based on the best estimate of their outcome as of the balance sheet date.

(in € millions)	Goodwill	Brands	Rights of Distribution	Other	Total
Gross value at 31 March 2020	**50.3**	**512.2**	**3.9**	**46.8**	**613.1**
Acquisitions	-	-	-	8.3	8.3
Disposals, items scrapped	-	-	-	(4.0)	(4.0)
Other movements	-	-	-	0.5	0.5
Changes in scope of consolidation	2.4	4.5	-	0.4	7.4
Translation reserve	(1.0)	(0.8)	(0.3)	(0.7)	(2.7)
Gross value at 31 March 2021	**51.7**	**515.9**	**3.7**	**51.3**	**622.6**
Accumulated amortisation and impairment at 31 March 2020[1]	**21.1**	**61.3**	**3.9**	**28.6**	**114.9**
Increase	-	0.0	-	5.7	5.7
Disposals, items scrapped	-	-	-	(3.8)	(3.8)
Other movements	-	-	-	0.1	0.1
Changes in scope of consolidation	-	-	-	0.3	0.3
Translation differences	(1.4)	(0.7)	(0.3)	(0.5)	(2.8)
Accumulated amortisation and impairment at 1 March 2021	**19.8**	**60.6**	**3.7**	**30.5**	**114.5**
Net carrying amount at 31 March 2020	**29.1**	**450.9**	**0.0**	**18.2**	**498.2**
Net carrying amount at 31 March 2021	**31.9**	**455.3**	**0.0**	**20.8**	**508.1**

(1) Impairment of the balance of goodwill: Westland €17.8 million (partial impairment), Mount Gay €2.0 million (total impairment).
Brand impairment: Metaxa €45.0 million, Mount Gay €7.6 million (total impairment), other secondary brands €8.0 million.

"Other" mainly includes software acquired and developed internally.

The "Goodwill" item, at a net value of €31.9 million at 31 March 2021, includes the goodwill generated upon the acquisitions of Bruichladdich Distillery Company Ltd. (September 2012), Domaines des Hautes Glaces (January 2017), The Westland Distillery Company (January 2017), Brillet (April 2020) and J. de Telmont (October 2020).

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The Brands item, with net value of €455.3 million at 31 March 2021, includes:

(in € millions)	Net carrying amount	
Historical brands: Rémy Martin and Cointreau	281.8	These values come from the recognition of minority interest buybacks and do not therefore represent comprehensive assessment of these brands.
Acquired brands of significant importance: Metaxa, Bruichladdich, Westland, Brillet, J. de Telmont.	170.3	Metaxa brand acquired in 2000. Bruichladdich (including Port Charlotte and Octomore) brands acquired in 2012. Westland brand acquired in 2017. Brillet and J. de Telmont brands acquired in 2020.
Other acquired brands of secondary importance	3.2	
TOTAL	**455.3**	

Impairment test of brands and other intangible assets

In accordance with IAS 36, goodwill and brands that are attached or part of various Cash Generating Units (CGUs) are tested each year to measure their net carrying amount against their present value.

At 31 March 2021, these tests included the recommendations of accounting standard setters in view of the Covid-19 global health crisis. In particular, the future cash flows being used to calculate the value in use of the various CGUs were subjected to specific scenarios to account for the potential impact of the health crisis, which began at the end of the financial year, over the next two years.

What follows is summary of the tests carried out at 31 March 2021:

CGU	Discount rate after tax	Perpetual growth rate	Test result	Sensitivity Discount rate +50 basis points	Sensitivity Perpetual growth rate -50 basis points
Rémy Martin	7.7%	2.3%	No impairment	No impairment	No impairment
Cointreau	7.4%	2.1%	No impairment	No impairment	No impairment
Metaxa	7.4%	1.7%	No impairment	Impairment of €6 million	Impairment of €4 million
Bruichladdich	10.0%	2.1%	No impairment	No impairment	No impairment
Westland	9.2%	2.2%	No impairment	Impairment of €1 million	No impairment

NOTE 5 IFRS 16 RIGHT OF USE

IFRS 16 "Leases" will become mandatory for financial years beginning on or after 1 January 2020. Rémy Cointreau had opted for the early application of this standard, from 1 April 2018. The chosen transition method was the "simplified retrospective" method, with the implementation of the simplifying measures envisaged in the standard (exclusion of contracts of less than one year and exclusion of contracts for low-value assets).

The discount rate used corresponds to each company's incremental borrowing rate at 1 April 2018 for all contracts outstanding at that date. For new leases, the prevailing rate at the lease inception date is used. The discount rates range from 1% to 6.5% and are calculated on the basis of the entity's risk profile and the maturity of the restated contract. They include a country risk component.

Restatements apply to operating leases, mainly for offices and warehouses. The period used for the valuation of these rental commitments runs until January 2029 and corresponds to the potentially extended contractual term if the Group intends to exercise a renewal option.

Pursuant to IFRS 16, leases are recognised as rights-of-use for the underlying assets in return for a liability representing the present value of future rents. The rights-of-use are depreciated while the liability is reduced in the amount of the rent paid during the financial year. A financial expense records the effect of the accretion of the liability.

NOTE 5.1 ANALYSIS OF CHANGE

(in € millions)	Gross amount	Depreciation & amortisation	Total
At 31 March 2020	**34.3**	**(13.5)**	**20.8**
New leases	4.7	-	4.7
Expired leases	(2.4)	1.9	(0.4)
Depreciation & amortisation	-	(7.1)	(7.1)
Translation reserve	(0.9)	0.3	(0.6)
At 31 March 2021	**35.7**	**(18.3)**	**17.4**

The rental expense for contracts excluded from IFRS 16 is not significant.

NOTE 5.2 BREAKDOWN BY ASSET CATEGORY

	Net carrying amount		Depreciation and amortisation expense	
(in € millions)	2021	2020	2021	2020
Offices	15.5	18.2	(6.3)	(6.3)
Warehouses and production sites	1.4	2.2	(0.4)	(0.4)
Other	0.5	0.4	(0.4)	(0.4)
TOTAL	**17.4**	**20.8**	**(7.1)**	**(7.1)**

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NOTE 6 PROPERTY, PLANT AND EQUIPMENT

GROSS AMOUNT

In accordance with IAS 16 "Property, Plant and Equipment", the gross value of items of property, plant and equipment corresponds to their acquisition or production cost. These assets are not revalued subsequently.

Their value does not include any finance costs.

Capital grants are deducted from the cost of the property, plant or equipment to which they relate.

Maintenance and repair costs are recognised in the income statement when incurred, except when intended to increase productivity and/or to extend the useful life of an asset.

The assets concerned are depreciated using the methods and useful lives described below.

DEPRECIATION

Depreciation is calculated using the straight-line method applied to the acquisition cost less any estimated residual value.

The Rémy Cointreau Group's property, plant and equipment are predominantly used in production. Given that they are used until the end of their estimated useful lives, it is deemed that they have no material residual value.

Depreciation is based on the estimated useful lives of the different categories of property, plant and equipment, being the periods during which it is estimated that the Group will derive economic benefits from these assets.

• Buildings, depending on the components	10 to 75 years
• Stills, casks, vats	35 to 50 years
• Technical plant, machinery and equipment	3 to 15 years
• Computer hardware	3 to 5 years
• Other non-current assets	5 to 10 years

(in € millions)	Land	Buildings	Other	In progress	Total
Gross value at 31 March 2020	**21.7**	**165.9**	**316.4**	**37.0**	**541.1**
Acquisitions	1.0	4.3	12.4	23.0	40.7
Disposals, items scrapped	(0.1)	(0.7)	(3.3)	(0.0)	(4.0)
Changes in scope of consolidation	6.5	5.0	5.5	-	17.1
Other movements	(1.1)	11.5	5.7	(16.4)	(0.3)
Translation reserve	(0.4)	0.2	(2.0)	(0.3)	(2.6)
Gross value at 31 March 2021	**27.7**	**186.3**	**334.6**	**43.3**	**591.9**
Accumulated amortisation and impairment at 31 March 2020	**3.0**	**59.2**	**168.8**	**-**	**231.0**
Increase	0.3	4.7	16.3	-	21.3
Disposals, items scrapped	(0.0)	(0.6)	(2.8)	-	(3.4)
Changes in scope of consolidation	0.2	1.8	4.7	-	6.7
Other movements	0.0	0.2	0.7	-	0.9
Translation reserve	-	(0.2)	(1.1)	-	(1.3)
Accumulated amortisation and impairment at 31 March 2021	**3.5**	**65.3**	**186.6**	**-**	**255.3**
Net carrying amount at 31 March 2020	**18.7**	**106.7**	**147.7**	**37.0**	**310.1**
Net carrying amount at 31 March 2021	**24.2**	**121.0**	**148.1**	**43.3**	**336.6**

As of 31 March 2021, no property, plant or equipment owned by the Group was subject to impairment provisions. These non-current assets are unencumbered.

During the financial year ended 31 March 2021, acquisitions mainly concerned major investment programmes at the Cognac, Islay, Barbados, Seattle and St-Jean-d'Hérans production sites (new buildings or renovation of existing facilities).

NOTE 7 INVESTMENTS IN ASSOCIATES

Investments in associates represent equity interests in companies meeting the principle described in note **1.2**

(in € millions)	Spirits Platform	Total
At 31 March 2020	**0.9**	**0.9**
Dividend paid	(0.3)	(0.3)
Profit/(loss) of the period	0.6	0.6
Translation differences	0.2	0.2
Other movements	0.2	0.2
At 31 March 2021	**1.7**	**1.7**

On 31 July 2015, the Rémy Cointreau Group acquired a 37% stake in Spirits Platform Pty Ltd. for €0.7 million. Spirits Platform Pty Ltd., consolidated using the equity method, distributes Rémy Cointreau's brand portfolio in the Australian market.

Its financial year-end is 30 September. Its net sales for the Rémy Cointreau financial year ended 31 March 2021 totalled €44.4 million (€33.6 million at 31 March 2021). Its total assets amounted to €18.6 million at 31 March 2021 (2020: €15.1 million).

In the financial year ended 31 March 2021, the Rémy Cointreau Group generated net sales of €9.2 million with Spirits Platform (2020: €7.6 million).

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NOTE 8 OTHER FINANCIAL ASSETS

(in € millions)	2021	2020
Non-consolidated equity investments (note **8.1**)	18.9	10.4
Other equity investment financial assets (note **8.2**)	-	71.3
Sub-leasing assets IFRS 16 (note **8.3**)	1.5	2.2
Loans to non-consolidated equity investments	-	0.3
Liquidity account excluding Rémy Cointreau shares	5.0	1.5
Other	1.1	1.5
TOTAL	**26.6**	**87.3**

NOTE 8.1 NON-CONSOLIDATED EQUITY INVESTMENTS

(in € millions)	% held	2021	% held	2020
Dynasty Fine Wines Group Ltd. (China)	27.0%	18.4	27.0%	9.9
Bacalhôa-Vinhos de Portugal (Portugal)	0.8%	0.5	0.8%	0.5
TOTAL		**18.9**		**10.4**

This item mainly includes the valuation of the investment in the Chinese Dynasty Fine Wines Group, a major wine player in China, listed on the Hong Kong stock exchange. Said equity investment is recognised in accordance with IFRS 9. With a closing share price of HKD 0.49, the valuation of the investment was €18.4 million at 31 March 2021, representing an increase of €8.5 million (€9.0 million before the currency effect) compared to the financial year ended 31 March 2020 for which the counterparty was recorded under equity.

NOTE 8.2 OTHER EQUITY INVESTMENT FINANCIAL ASSETS

Following an agreement entered into on 14 October 2016, Rémy Cointreau and Lucas Bols NV created a joint venture, Passoa SAS, to oversee the operation and continued development of the Passoa brand. The parties had issued put and call options on their respective securities in Passoa SAS which could not be exercised before 1 December 2021. The settlement of these instruments enabled Lucas Bols NV to acquire, on 4 December 2020, all of the shares held by the Rémy Cointreau Group in Passoa SAS for an amount of €71.3 million.

NOTE 8.3 SUB-LEASING ASSETS – IFRS 16

This sub-leasing asset is linked to the application of IFRS 16 (Note **5**) and relates to an office lease in the United States.

NOTE 8.4 LIQUIDITY ACCOUNT

Since the financial year ended 31 March 2006, Rémy Cointreau signed a liquidity agreement with a financial intermediary. This type of agreement does not qualify as “Cash and cash equivalents”. Furthermore, the balance on the account corresponding to the value of Rémy Cointreau shares held under the agreement is reclassified to equity as a deduction from consolidated equity (note **12.1**).

NOTE 9 INVENTORIES

Inventories are recognised when the risks and rewards of their ownership have passed to the Rémy Cointreau Group. The application of this principle which is part of the IFRS conceptual framework, results in the recognition of inventories that are held physically and legally by third parties. The counterparty to these inventories is generally recorded in trade payables.

Inventories are stated at the lower of cost and net realisable value.

A substantial part of the inventories held by the Rémy Cointreau Group consists of *eaux-de-vie* (cognac, brandy, rum, malt Scotch whisky) that are undergoing ageing. These inventories may be held for periods ranging from 3 to more than 70 years. They remain classified within current assets in accordance with industry practice.

Inventories originating from agricultural assets owned or operated directly by the Group are not material.

The inventories undergoing ageing are recognised at cost, excluding interest, which is recorded in financial expenses in the period during which it is incurred. The cost price comprises the purchase price plus incidental costs and is increased each year by including costs directly attributable to the ageing process as well as to reflect evaporation.

The approach used to determine realisable value takes into account the sale price of the finished goods developed using these inventories.

Finished goods inventories are stated at the lower of the cost price calculated using the weighted average cost method and net realisable value.

NOTE 9.1 BREAKDOWN BY CATEGORY

(in € millions)	2021	2020
Raw materials	49.6	38.7
Ageing wines and *eaux-de-vie*[1]	1,322.0	1,222.2
Goods for resale and finished goods	125.4	106.0
Gross amount	**1,497.0**	**1,366.9**
Provision for impairment	(4.5)	(2.9)
Carrying amount	**1,492.5**	**1,363.9**

(1) *Of which Alliance Fine Champagne inventories (March 2021: €357.6 million, March 2020: €316.5 million).*

As of 31 March 2021, some inventories were subject to agricultural warrants for €60.0 million (2020: €62.0 million).

NOTE 9.2 ANALYSIS OF CHANGE

(in € millions)	Gross amount	Impairment	Carrying amount
Balance at 31 March 2020	**1,366.9**	**(2.9)**	**1,363.9**
Movement	108.4	(1.6)	106.8
Changes in scope of consolidation	22.4	-	22.4
Translation reserve	(0.6)	0.0	(0.6)
Balance at 31 March 2021	**1,497.0**	**(4.5)**	**1,492.5**

NOTE 10 TRADE AND OTHER RECEIVABLES

Trade receivables, which are generally collected within three months, are stated at nominal value.

(in € millions)	2021	2020
Trade receivables	85.5	103.8
Receivables related to taxes and social charges (excl. income tax)	25.0	20.4
Sundry prepaid expenses	9.5	8.7
Advances paid	33.1	47.9
Other receivables	5.0	18.5
TOTAL	**158.1**	**199.4**
of which provision for doubtful debts	(9.6)	(1.7)

At 31 March 2021, the breakdown of trade receivables by maturity was as follows:

			Due	
(in € millions)	Total	Not yet due	Less than 3 months	More than 3 months
Trade receivables gross	**95.1**	**73.1**	**4.0**	**18.0**

The Group is engaged in factoring programmes in Europe, the United States and Asia-Pacific (excluding China) with specialised companies, top-tier bank subsidiaries.

Through these programmes, the Group is able to transfer to the factor all credit and carrying risks related to the accounts receivable of certain customers, up to a certain credit limit. These programmes meet the conditions set forth by IFRS 9 enabling the Group to deconsolidate its receivables once they are transferred to the factor.

Factoring programmes put in place at 31 March 2021 have accelerated €55.0 million in customer payments (2020: €97.9 million).

NOTE 11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and short-term investments that are considered highly liquid, can be converted into a known amount of cash and involve immaterial risk of loss in value in relation to the criteria specified in IAS 7.

(in € millions)	2021	2020
Short-term deposits	0.2	-
Cash at bank	200.8	269.4
TOTAL	**201.0**	**269.4**

NOTE 12 EQUITY

NOTE 12.1 SHARE CAPITAL, SHARE PREMIUMS AND TREASURY SHARES

	Number of shares	Treasury shares	Total number of shares	Share capital	Share premiums	Treasury shares
At 31 March 2020	**50,149,787**	**(300,066)**	**49,849,721**	**80.2**	**795.1**	**(30.0)**
Partial payment of dividend in shares	353,319	-	353,319	0.6	39.7	-
2017 bonus share plan	-	30,497	30,497	-	-	2.9
Liquidity account	-	26,245	26,245	-	-	1.9
At 31 March 2021	**50,503,106**	**(243,324)**	**50,259,782**	**80.8**	**834.8**	**(25.1)**

Share capital and premiums

At 31 March 2021, the share capital consisted of 50,503,106 shares with par value of €1.60.

Treasury shares

Treasury shares: Group investments in Rémy Cointreau shares are deducted from consolidated equity at their acquisition cost. These shares are generally held with the aim of serving bonus share plans or under a liquidity contract.

At 31 March 2021, Rémy Cointreau held 238,988 treasury shares intended to cover current or future bonus share plans and 4,336 treasury shares under the liquidity contract.

NOTE 12.2 NUMBER OF SHARES USED TO CALCULATE EARNINGS PER SHARE

Basic earnings per share are calculated according to the weighted average number of shares in issue during the financial year, less the average number of treasury shares held over the period.

Diluted earnings per share are calculated based on the weighted average number of shares in issue during the reporting period after deduction of the average number of treasury shares held over the period and plus the weighted average number of shares that would result from the settlement of the bonus share plans outstanding at the reporting date and of any potential conversion of convertible bonds (OCEANE). These calculations are in line with IAS 33.

In the event that diluted earnings per share are higher than basic earnings per share, diluted earnings per share are adjusted to the level of basic earnings per share.

	2021	2020
Average number of shares (basic):		
Average number of shares	50,333,706	50,149,787
Average number of treasury shares	(263,209)	(343,075)
TOTAL USED TO CALCULATE BASIC EARNINGS PER SHARE	**50,070,497**	**49,806,712**
Average number of shares (diluted):		
Average number of shares (basic)	50,070,497	49,806,712
Dilution effect of bonus share plans	69,101	87,725
Dilution effect on OCEANE	2,506,549	2,506,549
TOTAL USED TO CALCULATE DILUTED EARNINGS PER SHARE	**52,646,147**	**52,400,986**

NOTE 12.3 BONUS SHARE PLANS

Grant date[1]	Plan No	Vesting period	Minimum retention period	Rights initially granted	Value per right at grant date	Rights lapsed	Rights granted at the end of the vesting period	Rights outstanding at 31 March 2021
21 November 2017	2017	3 years	2 years	50,900	111.40	20,403	30,497	-
17 January 2019	2019	4 years	-	57,450	101.00	11,375	-	46,075
14 November 2020	2020	3 years	-	42,479	153.00	-	-	42,479
14 January 2021	2021	4 years	-	39,602	149.20	-	-	39,602
31 March 2021	2021-2025	4.25 years	-	72,500	159.40			72,500
31 March 2021	2021-2030	9.25 years	-	72,500	159.40			72,500
TOTAL				**335,431**		**31,778**	**30,497**	**273,156**

(1) *The grant date is the date of the Board meeting which decided the allocations under each plan.*

All plans are indexed plans (AGAI). The shares issued to beneficiaries at the end of the vesting period are subject to their continued employment with the Group. The number of shares will depend on the achievement of external and/or internal criteria.

2017 Plan: the maximum number of shares will be granted if the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return) as at the end of the vesting period is superior to that of a panel of eight luxury goods and/or premium spirits companies. The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2019 Plan: 50% of the maximum number of shares will be granted if the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return) as at the end of the vesting period is superior to that of a panel of 10 luxury goods and/or premium spirits companies. 50% of the maximum number of shares will be granted if the current operating profit has reached the target set (target values defined for financial years 2019/2020 to 2022/2023). The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2020 Plan: 50% of the maximum number of shares will be granted if the current operating profit has reached the target set (target values defined for financial years 2019/2020 to 2022/2023). 50% of the maximum number of shares will be granted if the target set for Rémy Cointreau's CO_2 emissions, calculated according to scope 1+2 of the Green House Gas (GHG) Protocol and taking into account the 1.5 °C scenario, is achieved. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2021 Plan: 50% of the maximum number of shares will be granted if the current operating profit has reached the target set (target values defined for financial years 2020/2021 to 2023/2024). 50% of the maximum number of shares will be granted if the target set for Rémy Cointreau's CO_2 emissions, calculated according to scope 1+2 of the Green House Gas (GHG) Protocol, is achieved. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2021-2025 Plan: 50% of the maximum number of shares will be granted if the performance of the current operating profit has reached the target set for the 24/25 financial year. 50% of the maximum number of shares will be granted if the performance of the gross margin has reached the target set for the 24/25 financial year.

2021-2030 Plan: one-third of the maximum number of shares will be granted if the performance of the current operating profit has reached the target set for the 29/30 financial year. One-third of the maximum number of shares will be granted if the performance of the gross margin has reached the target set for the 29/30 financial year. One-third of the maximum number of shares will be granted if Remy Cointreau's target percentage reduction in intensity of CO2 emissions, calculated according to Scopes 1+2+3 of the GHG (Greenhouse Gas Protocol) applying the "WB2C" and "1.5°C" scenarios, has met the target set for the 29/30 financial year.

Calculation of the expense for the year

In accordance with IFRS 2, an expense representing the value of the benefit granted to the beneficiaries of these plans is recognised as operating profit, spread over the vesting period.

The fair value of the rights granted was calculated by independent actuaries.

(in € millions)	Fair value per right *(in €)*	Total value	2021 expense
2017 Plan	85.37	3.5	0.4
2019 Plan	82.58	3.8	0.7
2020 Plan	147.68	6.3	0.7
2021 Plan	143.87	5.7	0.3
TOTAL		**19.2**	**2.1**

NOTE 12.4 DIVIDENDS

The Shareholders' Meeting of 23 July 2020 approved the payment of an ordinary dividend of €1.00 per share in respect of the financial year ended 31 March 2020, payable in cash or in shares. In respect of the dividend payment, 353,319 new shares were issued on 22 September 2020, and €9.6 million was paid out in cash early October 2020.

NOTE 12.5 NON-CONTROLLING INTERESTS

(in € millions)	2021	2020
Minority interests in Mount Gay Distilleries	0.8	0.9
TOTAL	**0.8**	**0.9**

NOTE 13 FINANCIAL DEBT

Financial resources are stated at their par value net of costs incurred when arranging this financing. These costs are recognised in the income statement as finance costs using an actuarial calculation (the effective interest rate method), except for costs relating to the syndicated loan, which are amortised using the straight-line method over the term of the contract.

NOTE 13.1 NET FINANCIAL DEBT

	2021			2020		
(in € millions)	Long term	Short term	Total	Long term	Short term	Total
Gross financial debt	423.8	91.5	515.3	452.0	268.3	720.3
Cash and cash equivalents (note **10**)	-	(201.0)	(201.0)	-	(269.4)	(269.4)
NET FINANCIAL DEBT	**423.8**	**(109.5)**	**314.3**	**452.0**	**(1.1)**	**450.9**

The change in net financial debt over the financial year breaks down as follows:

	2020	Change in cash	Change due to exchange rates	Change IFRS 16	Changes in scope of consolidation	Amortisation of issue costs and premium	Amortisation of OCEANE equity component	2021
Financial debt of more than one year	452.0	(30.2)	(0.4)	(4.7)	2.9	0.6	3.6	423.8
Financial debt of less than one year	268.3	(203.8)	(0.4)	1.3	26.1	-	-	91.5
GROSS FINANCIAL DEBT	**720.3**	**(234.0)**	**(0.8)**	**(3.4)**	**29.1**	**0.6**	**3.6**	**515.3**
Cash and cash equivalents	(269.4)	68.4	0.6	-	(0.6)	-	-	(201.0)
NET FINANCIAL DEBT	**450.9**	**(165.6)**	**(0.2)**	**(3.4)**	**28.4**	**0.6**	**3.6**	**314.3**

NOTE 13.2 GROSS FINANCIAL DEBT BY TYPE

	2021			2020		
(in € millions)	Long term	Short term	Total	Long term	Short term	Total
Private bond placement	79.9	-	79.9	79.9	-	79.9
Convertible bonds (OCEANE)	265.2	-	265.2	261.3	-	261.3
Drawdown on syndicated loan	-	-	-	30.0	-	30.0
Upfront fees on syndicated loan	(0.3)	-	(0.3)	(0.3)	-	(0.3)
Partner current account	-	20.0	20.0	-	20.0	20.0
Accrued interest	-	0.6	0.6	-	0.7	0.7
Total Rémy Cointreau SA	**344.8**	**20.6**	**365.4**	**370.8**	**20.7**	**391.5**
Bonds	64.6	-	64.6	64.4	-	64.4
Other financial debt and overdrafts	-	3.8	3.8	0.2	185.9	186.0
Debt from non-controlling interests in J. de Telmont[(1)]	2.9	-	2.9	-	-	-
Accrued interest	-	1.6	1.6	-	1.7	1.7
Borrowings by special purpose entities	-	57.5	57.5	-	52.9	52.9
Lease liabilities IFRS 16 (note **5**)	11.6	8.0	19.6	16.7	7.1	23.8
Total subsidiaries	**79.0**	**70.9**	**149.9**	**81.2**	**247.6**	**328.8**
GROSS FINANCIAL DEBT	**423.8**	**91.5**	**515.3**	**452.0**	**268.3**	**720.3**

(1) As part of the acquisition of a 90% interest in Champagnes J. de Telmont, the Rémy Cointreau Group granted non-controlling interests an undertaking to purchase their shares under various conditions which cannot be exercised before July 2026. This put was valued at €2.9 million as of 31 March 2021 at present value and recognised in financial debt as a counterbalance of the net position.

The total amount of confirmed resources available and their utilisation rate is detailed in the note on liquidity risk (note **16.6**).

NOTE 13.3 GROSS FINANCIAL DEBT BY MATURITY

(in € millions)	2021	2020
<1 year	91.5	268.3
1 to 5 years	155.2	159.9
>5 years	268.6	292.2
TOTAL	**515.3**	**720.3**

NOTE 13.4 GROSS FINANCIAL DEBT BY TYPE OF RATES

	2021			2020		
(in € millions)	Long term	Short term	Total	Long term	Short term	Total
Fixed interest rate	424.1	85.5	509.6	422.4	80.0	502.3
Variable interest rate	(0.3)	3.8	3.4	29.7	185.9	215.5
Accrued interest	-	2.2	2.2	-	2.4	2.4
GROSS FINANCIAL DEBT	**423.8**	**91.5**	**515.3**	**452.0**	**268.3**	**720.3**

	2021			2020		
(in € millions)	Long term	Short term	Total	Long term	Short term	Total
Drawdown on syndicated loan	-	-	-	30.0	-	30.0
Upfront fees on syndicated loan	(0.3)	-	(0.3)	(0.3)	-	(0.3)
Other	-	3.8	3.8	-	185.9	185.9
TOTAL VARIABLE-RATE DEBT	**(0.3)**	**3.8**	**3.4**	**29.7**	**185.9**	**215.5**

NOTE 13.5 GROSS FINANCIAL DEBT BY CURRENCY

	2021			2020		
(in € millions)	Long term	Short term	Total	Long term	Short term	Total
Euro	413.9	85.3	499.1	438.5	262.6	701.1
US dollar	5.1	2.9	8.0	8.5	3.2	11.7
Chinese yuan	2.9	2.2	5.1	1.9	1.4	3.3
Hong Kong dollar	0.4	0.1	0.5	0.2	0.1	0.3
Other	1.5	1.0	2.5	2.9	0.9	3.8
GROSS FINANCIAL DEBT	**423.8**	**91.5**	**515.3**	**452.0**	**268.3**	**720.3**

NOTE 13.6 BONDS

Private bond placement

On 27 February 2015, Rémy Cointreau issued an €80.0 million bond in the form of a private placement with a leading European insurer. The bonds have a coupon of 2.945% with a ten-year maturity. This bond stood at €79.9 million at 31 March 2021, taking into account €0.1 million of issue expenses.

This contract is unsecured. Availability of the funds is subject to the A ratio (see Syndicated loan) remaining below 3.5 at each half-year end for the duration of the contract.

Convertible bonds (OCEANE)

On 7 September 2016, as part of a private placement with institutional investors, Rémy Cointreau issued bonds with an option to convert to and/or exchange for new and/or existing shares (OCEANE), with a maturity date of 7 September 2026 and a nominal amount of €275 million, or 2,484,191 OCEANEs with a par value of €110.70 each.

The par value of the OCEANE bonds incorporates an issue premium of 40% based on the reference price of the Company's shares on the Euronext Paris regulated market. OCEANE bondholders are entitled to new and/or existing Rémy Cointreau shares, at the conversion rate of one share per OCEANE, subject to potential subsequent adjustments exercisable on 7 September 2023. This conversion rate was increased to 1.009 shares per OCEANE following the payment of the dividend of €1.00 per share on 16 September 2020.

The OCEANE bonds bear interest at a nominal annual rate of 0.125%, payable in arrears on 7 September each year.

The €24.9 million difference between the par value of the issue and its fair value on the issue date is recognised in equity.

Bonds with a par value of €65 million

On 13 August 2013, Financière Rémy Cointreau SA/NV issued a ten-year bond for the amount of €65 million, guaranteed by Rémy Cointreau SA. This bond stood at €64.6 million at 31 March 2021, taking into account €(0.4) million of issue premiums and expenses.

The bonds have a par value of €250,000 each and were issued at 97.977% of par (issue premium of 2.023%), bearing interest of 4% payable annually on 13 August. They will be redeemed at par at maturity on 13 August 2023.

This bond is not secured.

After taking the issue premium and expenses into account, the net proceeds from the bond were €63.2 million, putting the effective interest rate at 4.35%.

NOTE 13.7 SYNDICATED LOAN

On 2 July 2018, Rémy Cointreau took out a new revolving syndicated loan of €100 million with a pool of six banking groups. This new syndicated loan has a maturity of five years (with an optional two-year extension) and replaces the syndicated loan of €255 million maturing on 11 April 2020. In May 2020, it was extended for an initial one-year period.

Amounts drawn down bear interest at EURIBOR plus a margin of 35 bps to 125 bps, depending on the Group's debt rating.

This facility is unsecured.

The availability of the facility is contingent on "Average net debt/EBITDA" (the A ratio) being less than or equal to 4.0 at 30 September and 31 March of each year until maturity. At 31 March 2021, the ratio was 1.33 (September 2020: 2.04, March 2020: 1.86).

NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES

The recognition of provisions, generally intended to cover compensation payable in the event of disputes with third parties, requires the Group's management to estimate the level of probability associated with this risk and also the outcome of negotiations, transactions and legal proceedings that are or may be conducted with the third parties concerned.

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised when the Group has an obligation towards a third party and it is certain or highly probable that it will result in an outflow of resources for the benefit of the third party, without receipt of an at least equivalent consideration from the said third party. Provisions for restructuring are recognised only when restructuring has been announced and detailed measures drawn up.

When the time value of money is material, the amount of the provision corresponds to the present value of expected expenditure that the Company believes to be necessary to meet the liability. In practice, when the liability is expected to be settled in more than 12 months, the amount of the provision is discounted to its present value, with the effects being recognised in net financial result.

NOTE 14.1 ANALYSIS OF CHANGE

(in € millions)	Restructuring	Litigation	Total
At 31 March 2020	**0.1**	**13.5**	**13.6**
Increase	0.6	2.3	2.9
Reversals – Used	-	(2.3)	(2.3)
Reversals – Unused	-	(4.1)	(4.1)
Translation reserve	-	(0.5)	(0.5)
Reclassification	-	0.2	0.2
At 31 March 2021	**0.7**	**9.1**	**9.8**

"Provisions for liabilities and charges" mainly consist of provisions recognised to cover trade and employee-related disputes.

NOTE 14.2 MATURITY

These provisions are intended to cover probable items of expenditure payable as follows:

(in € millions)	2021	2020
Long-term provisions (or unknown maturity)	2.1	2.2
Short-term provisions	7.7	11.5
TOTAL	**9.8**	**13.6**

NOTE 15 TRADE AND OTHER PAYABLES

Trade payables, which are generally settled within three months, are stated at nominal value.

(in € millions)	2021	2020
Trade payables – *eaux-de-vie*	262.0	239.9
Other trade payables	68.0	88.8
Advances from customers	2.3	1.8
Payables related to tax and social charges (excl. income tax)	65.7	72.3
Excise duties	2.1	0.4
Advertising expenses payable	151.0	69.2
Miscellaneous deferred income	1.5	2.2
Other liabilities	33.3	59.7
TOTAL	**586.1**	**534.4**

NOTE 16 FINANCIAL INSTRUMENTS AND MARKET RISKS

Derivative financial instruments held by the Group in connection with its ordinary activities, mainly in the form of options, are valued using the methods prevailing in the financial markets. Note that these valuations are based on market data as at the balance sheet date. These values may fluctuate rapidly due to constant changes in the financial markets.

Financial assets and liabilities are measured in accordance with IFRS 9 “Financial Instruments: Recognition and Measurement”.

The Group makes extensive use of derivative financial instruments as part of its policy of hedging exposure to currency and interest rate risks. The Group has implemented the procedures and maintains the documentation needed to justify the application of hedge accounting as defined by IFRS 9.

Derivative instruments are stated at market value as at the balance sheet date. Market values are calculated using an external valuation model, and compared with those obtained from counterparty banks. Changes in the value of currency derivatives are recognised in the manner described in note **1.4**. When used to hedge interest rate risk, changes in the value of derivative instruments (mainly caps and interest swaps) are recorded in recyclable equity in respect of the change in the intrinsic value of the hedging instruments when these options are active and in net financial result for any residual change in fair value of the hedging instruments and the change in fair value of the non-hedging instruments.

NOTE 16.1 BREAKDOWN OF FINANCIAL INSTRUMENTS BY CATEGORY

The following tables show the financial instruments recorded in the statement of financial position, analysed by the measurement categories defined in IFRS 9.

AT 31 MARCH 2021

(in € millions)	Notes	Amount on statement	Fair value	Loans and receivables at amortised cost	Fair value through profit or loss[(1)]	Fair value through OCI
Non-current financial assets	8	26.6	26.6	2.6	5.0	18.9
Derivative financial instruments	16	4.7	4.7	-	0.3	4.3
Cash and cash equivalents	11	201.0	201.0	-	201.0	-
ASSETS		**232.3**	**232.3**	**2.6**	**206.4**	**23.3**
Long-term financial debt	13	423.8	423.8	423.8	-	-
Short-term financial debt and accrued interest charge	13	91.5	91.5	91.5	-	-
Derivative financial instruments	16	7.1	7.1	-	1.1	6.0
LIABILITIES		**522.4**	**522.4**	**515.3**	**1.1**	**6.0**

(1) These financial instruments belong to the “held for trading” category.

AT 31 MARCH 2020

(in € millions)	Notes	Amount on statement	Fair value	Loans and receivables at amortised cost	Fair value through profit or loss[(1)]	Fair value through OCI
Non-current financial assets	8	87.3	87.3	4.0	1.5	81.7
Derivative financial instruments	16	5.1	5.1	-	0.8	4.4
Cash and cash equivalents	11	269.4	269.4	-	269.4	-
ASSETS		**361.8**	**361.8**	**4.0**	**271.7**	**86.1**
Long-term financial debt	13	452.0	452.0	452.0	-	-
Short-term financial debt and accrued interest charge	13	268.3	268.3	268.3	-	-
Derivative financial instruments	16	8.7	8.7	-	2.1	6.7
LIABILITIES		**729.0**	**729.0**	**720.3**	**2.1**	**6.7**

(1) These financial instruments belong to the “held for trading” category.

NOTE 16.2 MARKET RISK MANAGEMENT POLICY

The Group uses financial instruments to manage its interest rate and currency risk exposure. The policy for managing market risks complies with the prudential rules approved by the Board of Directors. More specifically, the sale of options is limited to tunnel strategies and the resale of previously purchased instruments that are subject to approval on an individual basis.

All hedging transactions are entered into with top-tier international banks.

With regard to currency risk, the Group endeavours to hedge its budgeted net commercial exposure over a rolling period of approximately 15 to 18 months. This is achieved by entering into firm or optional currency hedging agreements in accordance with the guidelines set by the Board of Directors.

The Group does not hedge the currency risk arising from the translation into euros of the financial statements of companies that use a currency other than the euro.

The Group's hedging policy only allows for the hedging of short-term currency risk. It is not intended to protect the Group against the economic effects of long-term money market trends on the Group's net sales and margins.

NOTE 16.3 BREAKDOWN OF FINANCIAL INSTRUMENTS (INTEREST RATE AND FOREIGN EXCHANGE RATES)

(in € millions)	2021	2020
Assets		
Interest rate derivatives	-	-
Exchange rate derivatives	4.7	5.1
TOTAL	**4.7**	**5.1**
Liabilities		
Interest rate derivatives	-	-
Exchange rate derivatives	7.1	8.7
TOTAL	**7.1**	**8.7**

NOTE 16.4 INTEREST RATE DERIVATIVES

At 31 March 2021, the Group had no interest rate derivatives in its portfolio.

NOTE 16.5 EXCHANGE RATE DERIVATIVES

The Group uses options and forward contracts to hedge its cash flows from commercial transactions. Commercial transactions for the year for which payment has not been received as of the balance sheet date are hedged by short-term currency swaps.

Furthermore, Rémy Cointreau SA, which centralises the Group's financing needs, and its subsidiary Financière Rémy Cointreau make intra-Group loans and borrowings denominated in the counterparty's currency. The Group uses back-to-back currency swaps to match these loans and borrowings. The maturity of such transactions ranges from one month to one year.

BREAKDOWN OF ALL CURRENCY HEDGING INSTRUMENTS IN THE PORTFOLIO AT 31 MARCH 2021

(in € millions)	Nominal amount(1)	Initial value	Market value	Of which CFH(2)	Of which Trading(2)
Put options and tunnel options					
Seller USD (*vs.* EUR)	191.8	3.8	1.2	1.2	-
Other currencies (*vs.* EUR)	57.0	1.1	0.3	0.3	-
	248.9	**4.9**	**1.5**	**1.5**	**-**
Forward sales					
Seller USD (*vs.* EUR)	157.7	-	(1.8)	(1.8)	-
Other currencies (*vs.* EUR)	78.5	-	(1.4)	(1.4)	-
	236.2	**-**	**(3.2)**	**(3.2)**	**-**
Purchase/(sale) of currency swaps (operating activities)(3)					
Seller USD (*vs.* EUR)	(71.3)	-	(0.2)	-	(0.2)
Other currencies (*vs.* EUR)	(19.4)	-	(0.1)	-	(0.1)
	(90.8)	**-**	**(0.3)**	**-**	**(0.3)**
Purchase/(sale) of currency swaps (financing activities)(3)					
Seller USD (*vs.* EUR)	22.7	-	(0.5)	-	(0.5)
Other currencies (*vs.* EUR)	(57.9)	-	0.0	-	0.0
	(35.2)	**-**	**(0.5)**	**-**	**(0.5)**
TOTAL	**359.1**	**4.9**	**(2.4)**	**(1.7)**	**(0.8)**

(1) Nominal amount in foreign currency translated at the closing rate.
(2) Fair value hedge; Cash flow hedge; Trading: held for trading.
(3) Difference between closing rate and forward rate.

BREAKDOWN OF ALL CURRENCY HEDGING INSTRUMENTS IN THE PORTFOLIO AT 31 MARCH 2020

(in € millions)	Nominal amount(1)	Initial value	Market value	Of which CFH(2)	Of which Trading(2)
Put options and tunnel options					
Seller USD (*vs.* EUR)	159.8	3.1	1.1	1.1	-
Other currencies (*vs.* EUR)	36.6	0.7	0.7	0.7	-
	196.3	**3.9**	**1.8**	**1.8**	**-**
Forward sales					
Seller USD (*vs.* EUR)	168.9	-	(5.6)	(5.6)	-
Other currencies (*vs.* EUR)	60.3	-	1.4	1.4	-
	229.2	**-**	**(4.1)**	**(4.1)**	**-**
Purchase/(sale) of currency swaps (operating activities)(3)					
Seller USD (*vs.* EUR)	(65.0)	-	(0.1)	-	(0.1)
Other currencies (*vs.* EUR)	(22.7)	-	0.1	-	0.1
	(87.7)	**-**	**0.1**	**-**	**0.1**
Purchase/(sale) of currency swaps (financing activities)(3)					
Seller USD (*vs.* EUR)	(87.2)	-	(0.1)	-	(0.1)
Other currencies (*vs.* EUR)	(71.0)	-	(1.3)	-	(1.3)
	(158.2)	**-**	**(1.4)**	**-**	**(1.4)**
TOTAL	**179.7**	**3.9**	**(3.6)**	**(2.3)**	**(1.3)**

(1) Nominal amount in foreign currency translated at the closing rate.
(2) Fair value hedge; Cash flow hedge; Trading: held for trading.
(3) Difference between closing rate and forward rate.

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Sensitivity to foreign exchange risk

Taking into account the hedges in place, a 10% increase or decrease in the EUR/USD exchange rate would have the following impact, with the impact on net profit/(loss) arising mainly from the ineffective portion hedging future flows:

	2021		2020	
	EUR/USD sensitivity		EUR/USD sensitivity	
Benchmark value		1.1730		1.0954
	+10%	-10%	+10%	-10%
EUR/USD rate	1.29	1.06	1.20	0.99
Net profit/(loss) for the period	(1.6)	(1.8)	(0.5)	0.8
Equity excluding net profit/(loss)	18.0	(17.7)	14.1	(12.8)
Change in value of financial instruments	30.5	(36.4)	27.4	(26.5)
Nominal amount at balance sheet date:				
• USD instruments in the portfolio	252.9	309.1	239.7	293.0
• USD receivables potentially exposed	63.6	77.7	67.2	82.1

NOTE 16.6 LIQUIDITY RISK

In accordance with IFRS 7, liabilities are stated at their carrying amount at the balance sheet date excluding discounting effects. The amounts drawn down on credit lines in the year ended 31 March 2021 are assumed to be carried forward until the maturity of each of the corresponding facilities. The corresponding interest expense is calculated using the parameters known at the balance sheet date.

Liquidity risk stems mainly from the availability of financial resources.

The majority of the Group's activities are characterised by high levels of capital employed, particularly inventories undergoing ageing. Rémy Cointreau continuously monitors the balance of its financial structure, prioritises long-term resources and combines fixed-rate and variable-rate resources. Refinancing is systematically prepared for those resources reaching maturity. The Group obtains its financing from leading financial institutions.

The following table shows the contractual maturity profile of disbursements relating to financial liabilities recognised as of 31 March 2021.

(in € millions)	Before 31 March 2022	Before 31 March 2023	Before 31 March 2024	Before 31 March 2025	Beyond	Total
Financial debt and accrued interest	83.4	-	65.0	80.0	277.9	506.3
Trade and other payables	586.1	-	-	-	-	586.1
Liabilities recognised at 31 March 2021	**669.5**	**-**	**65.0**	**80.0**	**277.9**	**1,092.4**
Future interest on financial debt	5.4	5.3	3.7	2.5	0.5	17.4
TOTAL DISBURSEMENTS	**674.9**	**5.3**	**68.7**	**82.5**	**278.4**	**1,109.8**

The confirmed resources and their availability are as follows (see also note **13** for the description of financial debt):

(in € millions)	2021	2020
Fixed-rate resources	440.0	440.0
Variable-rate resources	100.0	100.0
TOTAL	**540.0**	**540.0**
Long-term	520.0	520.0
Short-term	20.0	20.0
TOTAL	**540.0**	**540.0**
Availability subject to compliance with the A ratio	180.0	180.0
Available with no ratio restrictions	360.0	360.0
TOTAL	**540.0**	**540.0**
Unused at 31 March	100.0	70.0
Unused at 31 March as % of available resources	19%	13%

The availability of some financing is contingent upon achieving the "A ratio" (average net debt/EBITDA). This is calculated every six months and must be below 3.50 for the private bond placement (note **13.6**) and below 4.0 for the new syndicated loan (note **13.7**). The A ratio was 1.33 at 31 March 2021. The Group is confident in its ability to maintain this ratio in the short, medium and long-term, and in its ability to renew financing that is due to reach maturity in the coming years.

In addition; the Rémy Cointreau Group had €215 million in unconfirmed bilateral lines at 31 March 2021.

The Group's rating is reviewed annually. At 31 March 2021, Moody's assigned the rating of Baa3, stable outlook.

In the midst of the Covid-19 health crisis and its major economic impact, the Group remains confident that its financing will remain available and its debt controlled. Financial debt, which is a key indicator for the Group's management, is the subject of continuously updated forecasts. The Rémy Cointreau Group's balance sheet structure is solid.

NOTE 17 SEGMENT REPORTING

BREAKDOWN BY SEGMENT

As required by IFRS 8, the Rémy Cointreau Group provides an analysis by business segment and geographic area of certain of its consolidated financial statements.

a) Business segment

The segments to be presented are those operating segments for which separate financial information is available internally and which are used by the "main operational decision-maker" to make operational decisions. Rémy Cointreau's main operational decision-maker is the Executive Committee. This committee reviews operational performances and allocates resources based on the financial data analysed for the Rémy Martin, Liqueurs & Spirits and Partner Brands businesses. Consequently, the Group has identified these businesses as the operating segments to be presented. In addition, a holding segment includes the central expenses that are not allocated to the various divisions.

The main brands in the "Liqueurs & Spirits" segment are Cointreau, Metaxa, St-Rémy, Mount Gay, Bruichladdich, The Botanist, Westland and Domaine des Hautes Glaces.

The "Partner Brands" business includes brands which are not controlled by the Group and those whose production is not carried out wholly by the Group. These brands are distributed using the Group's distribution network in the framework of fixed-term agreements.

Information given by business segment is identical to that presented to the Executive Committee.

b) Geographic area

Net sales by geographic area are analysed based on the destination of the goods sold. Items in the statement of financial position are analysed based on the geographic area of the entities reporting them.

The geographic areas covered are: Europe-Middle/East-Africa, Americas, Asia-Pacific. The Asia-Pacific area includes Asia, Australia and New Zealand.

NOTE 17.1 BUSINESSES

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Note 17.1.1 Breakdown of net sales and current operating profit/(loss)

	Net sales		Current operating profit/(loss)	
(in € millions)	**2021**	2020	**2021**	2020
Cognac	735.0	735.5	221.0	199.5
Liqueurs & Spirits	248.3	261.9	33.0	37.5
Group brands subtotal	**983.3**	**997.3**	**254.0**	**237.0**
Partner Brands	26.9	27.5	(0.8)	(1.7)
Holding	-	-	(17.1)	(20.1)
TOTAL	**1,010.2**	**1,024.8**	**236.1**	**215.1**

There are no intra-segment sales.

Note 17.1.2 Breakdown of the statement of financial position

AT 31 MARCH 2021

(in € millions)	Cognac	Liqueurs & Spirits	Partner Brands	Unallocated	Total
Non-current assets	465.2	396.4	0.5	57.8	919.9
Current assets	1,425.1	189.4	10.4	30.7	1,655.6
Derivative financial instruments	-	-	-	4.7	4.7
Cash and cash equivalents	-	-	-	201.0	201.0
TOTAL ASSETS	**1,890.2**	**585.9**	**10.9**	**294.1**	**2,781.1**
Equity	-	-	-	1,549.2	1,549.2
Financial debt and accrued interest	-	-	-	515.3	515.3
Provisions for liabilities and charges	28.7	8.5	1.7	-	38.9
Deferred and current tax liability	-	-	-	84.5	84.5
Trade and other payables	490.7	66.9	7.3	21.1	586.1
Derivative financial instruments	-	-	-	7.1	7.1
TOTAL EQUITY AND LIABILITIES	**519.5**	**75.5**	**9.0**	**2,177.2**	**2,781.1**
Right of use, brands and other intangible assets not included in the basis of calculation of "return on capital employed" (ROCE)	248.3	256.0	0.3	-	504.7
ROCE basis of calculation	**1,122.4**	**254.4**	**1.6**		**1,378.4**

AT 31 MARCH 2020

(in € millions)	Cognac	Liqueurs & Spirits	Partner Brands	Unallocated	Total
Non-current assets	449.5	378.9	0.7	111.4	940.6
Current assets	1,367.1	161.2	14.6	30.8	1,573.7
Derivative financial instruments	-	-	-	5.1	5.1
Cash and cash equivalents	-	-	-	269.4	269.4
TOTAL ASSETS	**1,816.6**	**540.1**	**15.3**	**416.7**	**2,788.7**
Equity	-	-	-	1,403.4	1,403.4
Financial debt and accrued interest	-	-	-	720.3	720.3
Provisions for liabilities and charges	33.6	9.0	1.1	0.1	43.9
Deferred and current tax liability	-	-	-	78.1	78.1
Trade and other payables	457.6	56.9	5.6	14.2	534.4
Derivative financial instruments	-	-	-	8.7	8.7
TOTAL EQUITY AND LIABILITIES	**491.3**	**65.9**	**6.8**	**2,224.8**	**2,788.7**
Right of use, brands and other intangible assets not included in the basis of calculation of "return on capital employed" (ROCE)	249.9	250.3	0.6	-	500.9
ROCE basis of calculation	**1,075.4**	**223.9**	**8.0**		**1,307.2**

Note 17.1.3 Return on Capital Employed (ROCE)

Return on capital employed is measured using the following indicators:

- current operating profit by activity (note **17.1.1**);
- breakdown of the statement of financial position by activity, excluding certain intangibles (note **17.1.2**).

Current operating profit/(loss) and capital employed are identified by business on an analytical basis. Profit and capital employed of the distribution network and holding businesses are allocated on a *pro-rata* basis according to net sales and current inventory.

Return on capital employed is a key indicator for the Group's management. It is one of the key performance indicators for each business.

AT 31 MARCH 2021

(in € millions)	Capital employed	Current operating profit/(loss)	%
Cognac	1,122.4	221.0	19.7%
Liqueurs & Spirits	254.4	33.0	13.0%
Group brands subtotal	**1,376.8**	**254.0**	**18.4%**
Partner Brands	1.6	(0.8)	-49.6%
Holding	-	(17.1)	-
TOTAL	**1,378.4**	**236.1**	**17.1%**

AT 31 MARCH 2020

(in € millions)	Capital employed	Current operating profit/(loss)	%
Rémy Martin	1,075.4	199.5	18.6%
Liqueurs & Spirits	223.9	37.5	16.7%
Group brands subtotal	**1,299.3**	**237.0**	**18.2%**
Partner Brands	8.0	(1.7)	-21.9%
Holding		(20.1)	-
TOTAL	**1,307.2**	**215.1**	**16.5%**

Note 17.1.4 Capital expenditure and depreciation and amortisation expense

	Capital expenditure and acquisition of property, plant and equipment and intangible assets		Depreciation and amortisation of property, plant and equipment and intangible assets	
(in € millions)	2021	2020	2021	2020
Cognac	30.8	40.2	17.6	16.5
Liqueurs & Spirits	18.1	30.1	9.4	9.8
Partner Brands	0.1	0.1	0.1	0.1
TOTAL	**49.0**	**70.4**	**27.1**	**26.3**

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NOTE 17.2 GEOGRAPHIC AREAS

Net sales

(in € millions)	2021	2020
Europe-Middle/East-Africa[(1)]	188.3	241.3
Americas	522.0	460.8
Asia-Pacific	299.9	322.7
TOTAL	**1,010.2**	**1,024.8**

(1) Net sales in France totalled €9.2 million at 31 March 2021 (March 2020: €12.6 million).

Statement of Financial Position

AT 31 MARCH 2021

(in € millions)	Europe/ Middle-East/ Africa	Americas	Asia-Pacific	Unallocated	Total
Non-current assets	799.5	88.3	32.1	-	919.9
Current assets	1,455.6	93.4	106.5	-	1,655.6
Derivative financial instruments				4.7	4.7
Cash and cash equivalents				201.0	201.0
TOTAL ASSETS	**2,255.1**	**181.8**	**138.5**	**205.7**	**2,781.1**
Equity				1,549.2	1,549.2
Financial debt and accrued interest				515.3	515.3
Provisions for liabilities and charges	33.3	-	5.6		38.9
Deferred and current tax liability	62.5	0.3	21.7		84.5
Trade and other payables	401.8	64.6	119.6		586.1
Derivative financial instruments				7.1	7.1
TOTAL EQUITY AND LIABILITIES	**497.6**	**65.0**	**146.9**	**2,071.6**	**2,781.1**

AT 31 MARCH 2020

(in € millions)	Europe/ Middle-East/ Africa	Americas	Asia-Pacific	Unallocated	Total
Non-current assets	811.0	95.0	34.6	-	940.6
Current assets	1,349.5	94.7	129.4	-	1,573.7
Derivative financial instruments	-	-	-	5.1	5.1
Cash and cash equivalents	-	-	-	269.4	269.4
TOTAL ASSETS	**2,160.6**	**189.7**	**164.0**	**274.5**	**2,788.7**
Equity	-	-	-	1,403.4	1,403.4
Financial debt and accrued interest	-	-	-	720.3	720.3
Provisions for liabilities and charges	34.8	-	9.1	-	43.9
Deferred and current tax liability	60.8	1.4	15.8	-	78.1
Trade and other payables	363.1	53.1	118.2	-	534.4
Derivative financial instruments	-	-	-	8.7	8.7
TOTAL EQUITY AND LIABILITIES	**458.8**	**54.5**	**143.0**	**2,132.4**	**2,788.7**

Capital expenditure and depreciation and amortisation expense

	Capital expenditure and acquisition of property, plant and equipment and intangible assets		Depreciation and amortisation of property, plant and equipment and intangible assets	
(in € millions)	**2021**	2020	**2021**	2020
Europe-Middle/East-Africa	40.2	57.5	20.8	18.9
Americas	6.0	10.3	3.5	4.8
Asia-Pacific	2.8	2.5	2.8	2.6
TOTAL	**49.0**	**70.4**	**27.1**	**26.3**

NOTE 18 ANALYSIS OF OPERATING EXPENSES BY TYPE

Distribution costs comprise advertising and promotion expenses, commission income or expenses, ordinary write-downs of inventories and trade receivables and the overheads of the Group distribution companies.

Administrative expenses comprise all overheads of the holding companies and production companies.

Other income and expenses correspond to the profit generated by peripheral activities.

(in € millions)	**2021**	2020
Personnel costs	(213.1)	(193.0)
Advertising and promotion expenses	(191.0)	(184.2)
Depreciation, amortisation and impairment of non-current assets	(34.0)	(33.4)
Other expenses	(69.0)	(116.6)
Expenses allocated to inventories and production costs	63.1	65.4
TOTAL	**(444.1)**	**(461.7)**
of which:		
Distribution costs	(341.6)	(355.0)
Administrative expenses	(102.5)	(106.8)
TOTAL	**(444.1)**	**(461.7)**

Payroll expenses included in particular salaries and social charges, pension plan costs, bonus share plan expenses and benefits in kind.

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NOTE 19 NUMBER OF EMPLOYEES

The number of employees is stated at the reporting date and covers all fully consolidated companies.

	2021	2020
France	745	725
Europe (outside France) – Africa	305	323
Americas	347	366
Asia-Pacific	435	439
TOTAL	**1,832**	**1,853**

NOTE 20 OTHER OPERATING INCOME AND EXPENSES

"Other operating income and expenses" include items that, given their nature, frequency and materiality, cannot be considered as part of the Group's ordinary activities and which affect inter-period comparisons. They notably include impairment provisions in respect of brands and other non-current assets recognised as a result of impairment tests, provisions for restructuring and litigation, and significant gains and losses on the sale of assets other than those relating to operations that have already been, or are to be, discontinued (Note 1.6).

(in € millions)	2021	2020
Costs relating to the acquisition of Brillet	(0.4)	
Costs related to the acquisition of J. de Telmont	(1.1)	
Impairment of Westland goodwill	-	(18.8)
Reversal of provision for risks	1.2	
Other	0.1	(0.9)
TOTAL	**(0.2)**	**(19.7)**

NOTE 21 FINANCIAL RESULT

NOTE 21.1 COST OF NET FINANCIAL DEBT BY TYPE

(in € millions)	2021	2020
Bonds	(2.8)	(2.8)
OCEANE	(4.3)	(4.2)
Private bond placement	(2.4)	(2.4)
Syndicated loan and unconfirmed lines	(0.5)	(0.4)
Partner current account	(0.1)	(0.2)
Finance costs of special purpose entities	(1.5)	(2.0)
Accretion of lease liabilities – IFRS 16	(0.7)	(0.9)
Cost of gross financial debt	**(12.1)**	**(12.9)**
Interest income	0.1	0.2
Cost of net financial debt	**(12.0)**	**(12.7)**

Income from IFRS 16 sub-leases totalled €0.1 million and is presented in the item “Net effect of accretion of lease liabilities under IFRS 16”.

Financial debt is described in note **13**.

NOTE 21.2 OTHER FINANCIAL INCOME/(EXPENSE)

The amount presented in currency gains and losses mainly includes the impact of IFRS 9 on the portfolio of foreign currency derivative financial instruments, for the so-called “ineffective” portion, and the currency gains and losses from financing transactions. Currency gains/(losses) from operations are recognised in gross profit (note **1.4**).

(in € millions)	2021	2020
Currency losses	(0.4)	(4.7)
Other financial expenses of special purpose entities	(1.5)	(9.4)
Other	(0.7)	(1.2)
Other financial income/(expense)	**(2.6)**	**(15.3)**

Currency gains/(losses) from operations are recognised in gross profit.

Currency gains and losses are mainly in connection with internal financing in currencies other than the euro. The improvement is mainly due to a much lower exposure.

Other financial expenses include accrued financial expenses on certain *eaux-de-vie* supply agreements, which were structurally down by €7.9 million due to changes in the contract terms applicable since the beginning of the financial year.

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NOTE 22 INCOME TAX

In accordance with IAS 12, deferred tax is recognised on all temporary differences between the carrying amounts of the assets and liabilities in the consolidated financial statements and the corresponding values used for taxation purposes in the accounts of the consolidated entities.

Deferred tax is calculated at the statutory tax rates that are expected to be in effect when timing differences reverse, which is generally the tax rate for the current reporting period or that of the subsequent reporting period, if known. The effects of changes in tax rates are included in the income tax expense for the period in which they become known.

The main source of deferred tax for the Rémy Cointreau Group arises from the difference in the value of the brands in the consolidated financial statements, most often resulting from goodwill on acquisition, and their value for taxation purposes, which is generally nil.

As required by IAS 12, a deferred tax liability is recognised on the difference between the carrying amount and the tax value of shares in associates. In the case of fully consolidated entities, the deferred tax liability is recognised only in respect of dividends that are certain at the reporting date.

Tax savings from tax losses carried forward are recognised as deferred tax assets and written down according to the probability of these losses later being utilised.

NOTE 22.1 NET INCOME TAX EXPENSE

(in € millions)	2021	2020
Current tax (expense)/income	(87.3)	(71.0)
Deferred tax (expense)/income	9.7	10.2
Income tax	**(77.6)**	**(60.9)**
Effective published tax rate	-35.1%	-36.3%
Effective tax rate excl. non-recurring items	-33.5%	-33.9%

The change in the legal tax rate in France resulted in revaluation of deferred taxes leading to the recognition of net deferred tax expense of €(3.6) million for the financial year (March 2020: €(2.2) million).

These impacts are adjusted in the calculation of the effective tax rate excluding non-recurring items and of the net profit/loss excluding non-recurring items (note **24**).

NOTE 22.2 TAX REGIME

Rémy Cointreau has opted to use the Group tax regime for certain of its subsidiaries that are at least 95% directly or indirectly controlled. This regime entitles the Group to offset, within certain limits, the income tax expenses of the beneficiary companies by means of the other companies' deficits. The resulting tax saving is recognised in the financial year of offset.

NOTE 22.3 ANALYSIS OF ORIGIN AND BREAKDOWN OF DEFERRED TAXES

(in € millions)	2021	2020
Breakdown by type		
Pension provisions	7.1	8.3
Regulated provisions	(26.4)	(28.6)
Other provisions	4.9	5.4
Partner	(75.3)	(74.1)
Non-current assets	(3.9)	(4.3)
Convertible bonds (OCEANE)	(1.8)	(2.4)
Margins on inter-company inventories	27.9	21.5
Losses carried forward	0.2	0.6
Financial instruments	2.1	2.0
Other timing differences	37.6	35.4
Net liability	**(27.6)**	**(36.2)**
Breakdown by tax group		
Tax group France	(43.8)	(48.9)
Tax group United States	7.5	7.6
Other	8.7	5.1
Net liability	**(27.6)**	**(36.2)**
Deferred tax asset	29.5	23.2
Deferred tax liability	(57.1)	(59.4)
Net liability	**(27.6)**	**(36.2)**

NOTE 22.4 TAX LOSSES AND CAPITAL LOSSES CARRIED FORWARD

As at 31 March 2021, tax losses carried forward totalled €30.2 million (2020: €26.9 million). The potential tax saving arising from the use of these losses is €4.6 million (2020: €4.2 million). On these losses, the Group recognised a net asset of €0.2 million, which it plans to recover by March 2022.

NOTE 22.5 TAX RECONCILIATION

At 31 March 2021, income tax expense amounted to €77.6 million. The difference compared to the theoretical tax expense based on the French statutory rate (32.02% for 2021 and 34.43% for 2020) breaks down as follows:

(in € millions)	2021	2020
Theoretical income tax	(70.8)	(57.7)
Actual tax charge	(77.6)	(60.9)
Difference	**(6.8)**	**(3.2)**
Permanent differences between consolidated profit and taxable profit	(5.1)	(3.8)
Use of tax losses or timing differences not previously recognised	0.3	0.2
Unused losses from subsidiaries that are loss-making from tax point of view	(1.4)	(1.0)
Difference in tax rates applicable to foreign subsidiaries	5.9	7.0
Adjustment to the tax charge for prior years	(2.8)	(3.6)
Impact of tax rate changes on the deferred taxes in France and Greece	(3.6)	(2.0)
TOTAL	**(6.8)**	**(3.2)**

NOTE 23 NET PROFIT/(LOSS) FROM DECONSOLIDATED AND DISCONTINUED OPERATIONS

- When a company or activity is classified as being discontinued as at the balance sheet date in accordance with IFRS 5, the assets and liabilities directly related to the operation and which will be transferred on completion of the disposal are reclassified as “Assets held for sale” or “Liabilities held for sale” for the current reporting period only.
- When a company or activity that represents a major and distinct line of business or geographic area has been deconsolidated or sold during the reporting period or classified as assets held for sale:
  - each line of the contribution to the result of said company or business for the current period and for comparison periods is reclassified as “Net profit/(loss) from deconsolidated and discontinued operations”. A similar reclassification is made in the statement of cash flows by using: “Impact of deconsolidated and discontinued operations” for operating and investment cash flows;
  - when the disposal is still in progress at the reporting date, any difference between the carrying amount of the assets in question and the estimated market value, net of disposal expenses and tax, if negative, is recognised as “Net profit/(loss) from deconsolidated and discontinued operations”;
  - the profit generated by the disposal, net of transaction costs and tax, is also recognised under “Net profit/(loss) from deconsolidated and discontinued operations”. In the statement of cash flows, a distinction is made between the cash received as consideration for the sale net of transaction costs, classified as cash flow from investments, and any impact of the deconsolidation of the cash held by the entity sold, classified as cash flow from financing activities.

Direct costs associated with the disposal in progress and which are irrevocably incurred at the balance sheet date are recognised under “Net profit/(loss) from deconsolidated and discontinued operations”. A similar reclassification is made in the statement of cash flows by using: “Impact of deconsolidated and discontinued operations” for investment cash flows.

(in € millions)	2021	2020
Proceeds from the sale of shares	-	6.9
Selling costs	-	(0.2)
Tax	-	(0.4)
TOTAL	**-**	**6.4**

On 1 April 2020, the Rémy Cointreau Group announced that it had sold all its distribution subsidiaries in the Czech Republic (Rémy Cointreau Czech Republic sro) and Slovakia (Rémy Cointreau Slovakia sro) to Mast-Jägermeister SE. The proceeds of this sale, net of costs and tax, was recognised under “Net profit/(loss) from discontinued operations” as at 31 March 2020 in the amount of €6.4 million.

NOTE 24 NET PROFIT/(LOSS) EXCLUDING NON-RECURRING ITEMS

Net profit/(loss) excluding non-recurring items corresponds to the net profit/(loss) for the period adjusted to reflect the other operating income and expenses described in note **20**, the related tax effects, the profit/(loss) from discontinued operations and the contribution on the distribution of cash dividends.

NOTE 24.1 RECONCILIATION WITH NET PROFIT/(LOSS)

Net profit/(loss) excluding non-recurring items attributable to owners of the parent is reconciled with net profit/(loss) attributable to owners of the parent as follows:

(in € millions)	2021	2020
Net profit/(loss) – attributable to owners of the parent	**144.5**	**113.4**
Profit/(loss) recorded under “Other operating income and expenses” (note **20**)	0.2	19.7
Tax on “Other operating income and expenses”	(0.1)	(4.7)
Impact of tax rate changes on the deferred taxes in France and Greece (note **22**)	3.6	2.2
Net profit/(loss) from deconsolidated and discontinued operations (note **23**)	-	(6.4)
Net profit/(loss) excluding non-recurring items – attributable to owners of the parent	**148.2**	**124.2**

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NOTE 24.2 NET EARNINGS EXCLUDING NON-RECURRING ITEMS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

(in € millions)	Notes	2021	2020
net profit/loss excluding non-recurring items			
• attributable to owners of the parent		148.2	124.2
Number of shares			
• basic	12.2	50,070,497	49,806,712
• diluted	12.2	52,646,147	52,400,986
Per share *(in €)*			
• basic		2.96	2.49
• diluted		2.82	2.37

NOTE 25 CHANGE IN WORKING CAPITAL REQUIREMENT

(in € millions)	2020	Change in WCR on Operational items	Change in WCR on Investment flows	Change in WCR on Financial flows	Changes in scope of consolidation	Non-cash changes	Translation differences	2021
Inventories (note **9**)	1,363.9	100.3	-	-	22.4	6.5	(0.6)	1,492.5
Trade receivables and other receivables (note **10**)	199.4	(25.3)	-	-	3.4	(15.9)	(3.4)	158.1
Trade and other payables (note **15**)	(534.4)	(51.6)	5.1	(1.5)	(6.6)	0.2	2.6	(586.1)
Subtotal	**1,028.9**	**23.5**	**5.1**	**(1.5)**	**19.1**	**(9.2)**	**(1.4)**	**1,064.5**
Reintegration of non-cash elements of EBITDA		(10.6)						
Change in working capital requirement		**12.9**						

NOTE 26 PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

The valuation of pension commitments and other post-employment benefits is determined using actuarial methods that involve assumptions in respect of the discount rate, expected rate of return of plan assets, salary increases, life expectancy, etc. Given the long-term nature of these obligations, any changes to these assumptions may have a material impact on the valuation.

In accordance with the laws and practices in each country, Rémy Cointreau offers employee benefit plans providing pensions and other post-employment benefits through defined-contribution or defined-benefit plans. The assets of pre-financed pension plans are managed as separate funds by independent asset managers or insurance companies.

Commitments are determined and recognised in accordance with the requirements of IAS 19R.

Accordingly:

- charges relating to defined-contribution recognised as expenses when paid;
- commitments in respect of defined-benefit determined by actuaries using the projected unit credit method. These calculations are based on assumptions regarding life expectancy, staff turnover and future salary increases. They also take into account the economic situation in each country. For Group companies located in the euro zone, the discount rate used is based on the iBoxx index for bonds with a maturity close to that of the corresponding liabilities.

Actuarial gains and losses calculated for the valuation of post-employment defined benefit plans (experience adjustments and the effects of changes in actuarial assumptions) are recognised directly in equity.

NOTE 26.1 DEFINED-BENEFIT PENSION PLANS

At 31 March 2021, defined-benefit plans, which are subject to an actuarial valuation, predominantly pertain to:

- retirement indemnities and long-service awards under collective bargaining agreements in France affecting a workforce of 680 people;
- defined-benefit supplementary pension plans sponsored by the Group in France, Germany, Belgium and Switzerland affecting 245 people of whom 89 current employees and 156 retired employees or deferred plans;
- a post-employment healthcare scheme in France affecting a closed population of 24 retirees.

The breakdown by plan type of the liabilities recorded in the consolidated financial statements is as follows:

(in € millions)	2021	2020
Retirement indemnities	10.9	10.9
Supplementary pension plans	17.8	17.8
Long-service awards	0.8	0.7
Post-employment healthcare benefits	0.4	0.4
TOTAL	**29.8**	**29.9**

The liability related to these plans is in France for €23.9 million of which €11.4 million for retirement indemnities, €11.4 million for supplementary pension plans and €1.1 million for the other benefits.

(in € millions)	2021	2020
Present value of obligation at start of year	**39.2**	**40.1**
Service cost	2.6	3.4
Interest cost	0.4	0.4
Impact of changes to schemes	-	(2.8)
Contributions received	0.4	(2.5)
Benefits paid	(4.0)	0.6
Actuarial gains (losses)	-	39.2
Present value of obligation at end of year	**38.6**	**19.8**
not funded	19.4	19.4
partly funded	19.1	8.6
Carrying amount of plan assets at start of year	**9.3**	**0.1**
Expected return	-	1.7
Contributions received	2.2	-
Impact of changes to schemes	-	(1.5)
Benefits paid	(2.0)	0.4
Actuarial gain (losses)	0.4	9.3
Carrying amount of plan assets at end of year	**10.0**	**29.9**
Pension commitments	**28.6**	**30.3**
EQUITY AND LIABILITIES	**29.1**	**0.4**
ASSETS	**0.5**	**0.4**

The assets underlying the liabilities are held by insurance companies who invest these assets together with their general assets. They are located in France for €1.4 million.

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NOTE 26.2 COST FOR THE PERIOD

(in € millions)	2021	2020
Service cost	(2.6)	(3.4)
Interest cost	(0.4)	(0.4)
Expected return	-	0.1
Impact of changes to scheme	-	2.8
Total income (expense)	**(3.0)**	**(0.9)**
Benefits paid	2.0	1.0
Employer's contribution	1.8	1.7
Total net income (expense)	**0.8**	**1.8**
Assumptions		
Average discount rate	0.60%	1.07%
Average salary increase	1.67%	1.83%
Expected working life	8 years	10 years
Return on assets	0.44%	0.73%
Increase in medical costs	3.30%	3.30%
Estimated payments for the next five years:	10.6	10.2
Sensitivity to an increase of 0.50% in the discount rate on the gross actuarial debt	(1.7)	(1.2)
Sensitivity to an increase of 0.50% in the discount rate on the service cost	0.2)	(0.2)

NOTE 27 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

NOTE 27.1 OPERATING ACTIVITY COMMITMENTS

(in € millions)	2021	2020
Purchase commitments – non-current assets	13.3	19.7
Purchase commitments – *eaux-de-vie*	362.1	451.7
Purchase commitments – other spirits	13.8	14.0
Other purchase commitments	24.4	28.2

Purchase commitments – non-current assets mainly concern the acquisition of ageing casks at the Cognac site, and real estate projects for Rémy Martin, Metaxa and Westland.

Eaux-de-vie purchasing commitments mainly relate to multi-year contracts in place with distillers. These commitments are valued based on the prices known at the balance sheet date.

Other purchase commitments comprise purchase commitments for packaging items, advertising and promotion spending commitments and other miscellaneous purchase commitments.

Breakdown of commitments by maturity as of 31 March 2021:

(in € millions)	Total	2022	Beyond
Purchase commitments – non-current assets	13.3	12.0	1.3
Purchase commitments – *eaux-de-vie*	362.1	136.0	226.1
Purchase commitments – other spirits	13.8	13.6	0.2
Other purchase commitments	24.4	17.9	6.5

NOTE 27.2 FINANCING COMMITMENTS, DEPOSITS AND SIMILAR GUARANTEES

(in € millions)	2021	2020
Customs deposits	32.4	29.3
Environmental deposits	2.7	2.7
Agricultural warrants on AFC inventories	60.0	62.0
Other guarantees	1.7	2.0

Breakdown of commitments by maturity as of 31 March 2021:

(in € millions)	Total	2022	Beyond
Customs deposits	32.4	27.1	5.2
Environmental deposits	2.7	-	2.7
Agricultural warrants on AFC inventories	60.0	-	60.0
Other guarantees	1.7	0.4	1.4

NOTE 27.3 CONTINGENT ASSETS AND LIABILITIES RELATED TO DISPOSAL TRANSACTIONS

In connection with disposal transactions, guarantees in respect of liabilities are generally granted to the buyers for defined periods and amounts stipulated in the agreements. Liabilities for tax, excise duties and social security payments that may arise following audits covering periods prior to the sale are generally included until such liabilities lapse under the statute of limitations.

At 31 March 2021, no guarantees are outstanding.

NOTE 27.4 OTHER CONTINGENT LIABILITIES

At 31 March 2021, Rémy Cointreau was involved in various other litigation proceedings. Following a review of each case within each subsidiary involved, and based on the advice of the legal counsels, the provisions deemed necessary were recognised to cover the estimated risks.

Rémy Cointreau certifies that it has not omitted to report any significant off-balance sheet items in its consolidated financial statements.

NOTE 28 RELATED PARTIES

NOTE 28.1 TRANSACTIONS WITH ASSOCIATES

At 31 March 2021, the Rémy Cointreau Group's main associate was Spirits Platform Pty Ltd.

The transactions with this company are described in note 7.

NOTE 28.2 TRANSACTIONS WITH ORPAR AND ANDROMÈDE

Andromède is Rémy Cointreau's main shareholder, through Orpar. Transactions between Rémy Cointreau and these companies are as follows:

(in € millions)	2021	2020
Service fees paid	2.6	2.9
Current-account agreement[1]	20.0	20.0
Trade and other receivables	0.6	0.3

(1) A shareholder current account advance agreement between Rémy Cointreau SA and Orpar SA was signed in March 2015. It now consists of €20 million at an interest rate of 0.60%, taking into account the early repayment of €20 million (31 March 2020: €40 million at 0.60%).

NOTE 28.3 TRANSACTIONS WITH COMPANIES WITH A COMMON SHAREHOLDER OR DIRECTOR

Andromède, shareholder of Orpar, is also a shareholder of Oeneo Group, which is listed on Euronext Paris and is a market leader in the cooperage and corking business. As such, various Oeneo Group subsidiaries are suppliers to the Rémy Cointreau Group.

(in € millions)	2021	2020
Purchases of non-current assets	5.7	4.1
Other purchases	1.4	-
Trade payables	0.8	0.2

NOTE 28.4 MANAGEMENT BODIES

The Group's management bodies comprise the members of the Board of Directors and the Executive Committee.

The Executive Committee is comprised of the Chief Executive Officer and 9 members.

The data below includes the remuneration due to members of the management bodies during their term of office with these bodies.

Short-term benefits include fixed and variable remuneration, benefits in kind and all social security charges directly linked to these remunerations.

(in € millions)	2021	2020
Short-term benefits	8.7	8.2
End-of-contract indemnities	-	4.7
Post-employment benefits	1.6	0.4
Share-based payments	2.1	2.6
Directors 'fees paid to members of the Board of Directors	0.5	0.6
TOTAL	**12.9**	**16.4**

NOTE 29 STATUTORY AUDITORS' FEES

The fees paid to the Statutory Auditors and the members of their network for the financial year ended 31 March 2021 amounted to €1.3 million for audit work and €0.1 million for other services.

	PricewaterhouseCoopers[1]		Mazars[2]	
(in K€)	Amount 2021	% 2021	Amount 2021	% 2021
Certification of financial statements	**834**	**90%**	**505**	**100%**
• Rémy Cointreau SA	207		174	
• Fully consolidated subsidiaries	627		331	
Non-audit services[3]	**93**	**10%**	**-**	**0%**
• Rémy Cointreau SA	-		-	
• Fully consolidated subsidiaries	82		-	
TOTAL	**927**	**100%**	**505**	**100%**

(1) *Of which €417 thousand for PricewaterhouseCoopers Audit for the statutory audit of the financial statements of the parent company and French subsidiaries and €53 thousand for other services.*
(2) *Of which €222 thousand for Mazars for the statutory audit of the financial statements of the parent company and French subsidiaries.*
(3) *Other engagements mainly consist of technical consultations on tax compliance for foreign subsidiaries and the CSR statement.*

NOTE 30 EVENTS AFTER THE REPORTING PERIOD

Rémy Cointreau's Board of Directors, at its meeting of 2 June 2021, decided, pursuant to resolutions twenty-one and twenty-two of the Ordinary Shareholders' Meeting of 23 July 2020[1], to authorise the Chief Executive Officer of the parent company to implement a buyback programme covering treasury shares.

Pursuant to this authorisation, an investment services provider was appointed to purchase Rémy Cointreau SA shares, within the limit of one million shares and at the price conditions authorised by the Combined Shareholders' Meeting of 23 July 2020 under the nineteenth resolution, *i.e.* within the limit of €200 per share. This buyback programme will expire no later than 3 December 2021.

The share buyback programme is designed to achieve the following, in order of decreasing priority:

(a) reducing the share capital *via* the cancellation of treasury shares;
(b) meeting the obligations arising from bonus share programmes for employees and/or corporate officers of the Company and/or its related companies;
(c) meeting the obligations in respect of marketable securities giving access to capital.

Subject to market conditions, this buyback programme will expire no later than 3 December 2021[2].

(1) *See the description of the share buyback program in section 7.1.4 of the 2019/2020 Universal Registration Document.*
(2) *The implementation of these buybacks, the period over which they may be performed, and the final amounts thus bought back will depend in particular on market conditions. Rémy Cointreau reserves the right to change all or part of the terms and conditions of these buybacks, within the limits indicated above.*

NOTE 31 LIST OF CONSOLIDATED COMPANIES

At 31 March 2021, the scope of consolidation included 46 companies (41 at 31 March 2020). 45 companies were fully consolidated, and one was accounted for using the equity method. All companies have a 31 March year-end, except Spirits Platform Pty Ltd., which has a 30 September year-end.

		% interest (in capital and voting rights)	
Company	Activity	2021	2020
EUROPE			
France			
Rémy Cointreau SA[1]	Holding/Finance	100.0	100.0
Rémy Cointreau Services[1]	Holding/Finance	100.0	100.0
CLS Rémy Cointreau[1]	Production/Distribution	100.0	100.0
Domaines Rémy Martin[1]	Agricultural production	100.0	100.0
E. Rémy Martin & C°[1]	Production	100.0	100.0
Cointreau[1]	Production	100.0	100.0
Alliance Fine Champagne[2]	Special purpose entity	100.0	100.0
Domaine des Hautes Glaces[1]	Production	99.2	99.2
Rémy Cointreau International Marketing Services[1]	Other	100.0	100.0
Rémy Cointreau Libra[1]	Holding/Finance	100.0	100.0
Storeco[1]	Production	100.0	100.0
Other countries			
Rémy Cointreau Nederland Holding NV (Netherlands)	Holding/Finance	100.0	100.0
Cointreau Holding GmbH (Germany)	Holding/Finance	100.0	100.0
S. & E. & A. Metaxa ABE (Greece)	Production	100.0	100.0
Financière Rémy Cointreau SA (Belgium)	Holding/Finance	100.0	100.0
Rémy Cointreau Belgium (Belgium)	Distribution	100.0	100.0
Rémy Cointreau Europe & MEA SA (Switzerland)	Distribution	100.0	100.0
Rémy Cointreau Luxembourg SA (Luxembourg)	Distribution	100.0	100.0
Bruichladdich Distillery Company Ltd. (UK)	Production	100.0	100.0
Rémy Cointreau UK Ltd. (United Kingdom)	Holding/Finance	100.0	100.0
Rémy Cointreau UK Distribution Ltd. (United Kingdom)	Distribution	100.0	100.0
Rémy Cointreau International Spirits Ltd. (United Kingdom)	Holding/Finance	100.0	100.0
AMERICAS			
United States			
Rémy Cointreau USA Inc.	Distribution	100.0	100.0
Rémy Cointreau Amérique Inc.	Holding/Finance	100.0	100.0
Rémy Cointreau Travel Retail Americas Inc.	Distribution	100.0	100.0
The Westland Distillery Company	Production	100.0	100.0
Barbados			
Mount Gay Distilleries Ltd.	Production	95.2	95.2
Mount Gay Holding Ltd.	Holding/Finance	100.0	100.0
Other countries			
Cointreau Do Brazil (licores) Ltda (Brazil)	Other	100.0	100.0

Company	Activity	% interest (in capital and voting rights) 2021	2020
ASIA/PACIFIC/AFRICA			
China/Hong Kong			
Rémy Cointreau Shanghaï Ltd.	Distribution	100.0	100.0
E. Rémy Rentouma Trading Ltd.	Distribution	100.0	100.0
Shanghaï RC Trading Ltd.	Distribution	100.0	100.0
Rémy Concord Ltd.	Distribution	100.0	100.0
Rémy Pacifique Ltd.	Holding/Finance	100.0	100.0
Caves de France	Holding/Finance	100.0	100.0
Other countries			
Rémy Cointreau Taiwan Pte Ltd. (Taiwan)	Distribution	100.0	100.0
Rémy Cointreau Japan KK (Japan)	Distribution	100.0	100.0
Rémy Cointreau international Pte Ltd. (Singapore)	Distribution	100.0	100.0
RM Cointreau Vietnam Company Ltd. (Vietnam)	Distribution	100.0	100.0
Rémy Cointreau South Africa Pty Ltd. (South Africa)	Distribution	100.0	100.0
Rémy Cointreau Malaysia (Malaysia)	Distribution	100.0	100.0
Spirits Platform Pty Ltd. (Australia)(3)	Distribution	37.0	37.0
CHANGES IN SCOPE OF CONSOLIDATION			
Maison J.R. Brillet	Production/Distribution	100.0	-
SCE Brillet des Aireaux	Production	100.0	-
Champagne de Telmont	Production/Distribution	90.0	-
Rémy Cointreau France Distribution	Distribution	100.0	-

(1) Company included in the French tax consolidation group.
(2) Special purpose entity.
(3) Equity-accounted company.

5.7 Statutory Auditors' report on the consolidated financial statements

For the year ended 31 March 2021

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Rémy Cointreau for the year ended 31 March 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 March 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit-Finance Committee.

Basis for opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 April 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics for Statutory Auditors.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

MEASUREMENT OF BRANDS AND GOODWILL (NOTE 4 TO THE CONSOLIDATED FINANCIAL STATEMENTS)

Description of risk	How our audit addressed this risk
At 31 March 2021, the net value of brands and goodwill was €455.3 million and €31.9 million, respectively. The assets recorded under "Brands" are not amortised as they are legally protected, generate higher earnings than identical unbranded products and have indefinite useful lives. Brands and goodwill are tested for impairment at least once a year at the reporting date and whenever there is an indication of a decrease in value. For the purpose of these impairment tests, the assets are allocated to cash generating units (CGUs), whose structure is based on the brand portfolio. The recoverable amount of each CGU for impairment testing purposes is the higher of value in use or market value (less any costs to sell). The principal method used to estimate value in use is based on the present value of estimated future cash flows (excluding interest) generated by the use of each brand, asset or group of assets. Cash flows are estimated based on medium-term plans, the duration of which is tailored to the individual characteristics of each business. For example, the duration is five years for brands without ageing processes and 12 years for those with ageing processes. The terminal value is determined by applying a perpetual growth rate. Different discount rates are used and include a specific risk premium for each business. When recent transactions involving similar assets have taken place, the multiples for these transactions are used to determine market value. We deemed the measurement of these assets to be a key audit matter because the calculation of their recoverable amount requires a high degree of judgement from management in terms of projecting future cash flows and determining the main assumptions to be used.	With the assistance of our valuation experts, we examined the methods used to implement these impairment tests. For the impairment tests that we deemed to be the most sensitive, our work consisted of: – assessing the consistency of the projected future cash flows with the estimates presented to the Board of Directors during the budget process, historical results and the economic and financial environment on the different markets in which the brands are operated; – gaining an understanding of the estimated impacts of the Covid-19 health crisis, in particular on the future cash flows used to calculate the value in use of the CGUs; – assessing the discount rates applied, by comparing their inputs with external references; – familiarising ourselves with the valuation reports prepared by independent appraisers at management's request and carrying out a critical review of these reports; – verifying, on a sample basis, the mathematical accuracy of the calculations performed in the impairment tests.

VALUATION OF EAU-DE-VIE INVENTORIES AND ELIMINATION OF INTERNAL MARGINS ON FINISHED GOODS INVENTORIES (NOTE 9 TO THE CONSOLIDATED FINANCIAL STATEMENTS)

Description of risk	How our audit addressed this risk
The Group's inventories were carried in the statement of financial position at 31 March 2021 for a net amount of €1,492.5 million, representing 53.7% of total assets. These inventories mainly consisted of eau-de-vie undergoing ageing for an amount of €1,322 million, which may be held for periods ranging from three to more than 70 years. They remain classified within current assets in accordance with industry practice. The inventories undergoing ageing are recognised at cost, excluding interest, which is recorded in financial expenses in the period during which it is incurred. The cost price comprises the purchase price plus incidental costs and is increased each year by including costs directly attributable to the ageing process as well as to reflect evaporation. The approach used to determine realisable value takes into account the sale price of the finished goods developed using these inventories. We deemed this to be a key audit matter in view of the significant amount of inventories in the consolidated statement of financial position and the fact that the valuation of eau-de-vie is dependent on assumptions, estimates and assessments made by management. In addition, as a large number of distribution subsidiaries hold finished goods inventories, the elimination of internal margins in the consolidated financial statements is particularly important since it has an impact on the value of the Group's inventories.	Our work consisted of: – verifying the actual existence of the eau-de-vie inventories using sampling techniques during physical inventory counts; – obtaining an understanding of the procedures implemented to value eau-de-vie inventories undergoing ageing; – carrying out a critical assessment of the method used by management to value eau-de-vie inventories and examining the proper application of the valuation method, in particular by analysing fixed costs included in the inventory valuation; – assessing the realisable value by reference to the sale price of the finished goods that will be developed using these inventories. Our work also consisted in examining, on a sample basis, the consistency between the internal margins eliminated in the consolidated financial statements, in particular by examining the margin levels generated with the different distribution subsidiaries.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the information pertaining to the Group presented in the management report includes the consolidated non-financial information statement required under Article L. 2251021 of the French Commercial Code. However, in accordance with Article L. 823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Other verifications and information pursuant to legal and regulatory requirements

PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the single European electronic reporting format, we have verified that the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018. Regarding the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors of Rémy Cointreau by the Shareholders' Meetings held on 24 July 2018 for PricewaterhouseCoopers Audit and on 23 July 2020 for Mazars.

At 31 March 2021, PricewaterhouseCoopers Audit was in the third consecutive year of its engagement and Mazars was in the first year of its engagement.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit-Finance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

REPORT TO THE AUDIT-FINANCE COMMITTEE

We submit a report to the Audit-Finance Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit-Finance Committee includes the risks of material misstatement, that, in our professional judgement, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit-Finance Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit-Finance Committee.

Courbevoie and Neuilly-sur-Seine, 18 June 2021

The Statutory Auditors

Mazars	PricewaterhouseCoopers Audit
Jérôme de Pastors	Olivier Auberty


MOUNT GAY®
Barbados Rum EST. 1703
XO
TRIPLE CASK BLEND
EST. 1703
MOUNT GAY
DISTILLERY

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FINANCIAL STATEMENTS AT 31 MARCH 2021

6.1 Comparative statement of financial position

At 31 March (in € millions)	Notes	2021	2020
ASSETS			
Intangible fixed assets		-	-
Property, plant and equipment		-	-
Non-current financial assets	2	1,567.0	1,569.8
Fixed assets		**1,567.0**	**1,569.8**
Trade receivables	3	1.4	2.6
Other current assets	3	31.3	18.2
Marketable securities	4	13.0	10.2
Cash and cash equivalents		-	-
Current assets		**45.7**	**31.0**
Accruals and prepayments	5	1.9	2.1
TOTAL ASSETS		**1,614.6**	**1,602.9**
LIABILITIES			
Share capital		80.8	80.2
Premiums		834.8	795.1
Reserves and retained earnings		144.8	69.0
Net profit/(loss) for the year		131.7	125.7
Shareholders' equity	6	**1,192.1**	**1,070.0**
Provisions for liabilities and charges	7	**13.0**	**8.6**
Borrowings and financial debt	8	384.9	477.8
Trade payables	9	2.3	1.9
Other current liabilities	9	22.3	44.6
Other liabilities		**409.5**	**524.3**
Accruals and deferred income		-	-
TOTAL LIABILITIES		**1,614.6**	**1,602.9**

6.2 Comparative income statements

At 31 March (in € millions)	Notes	2021	2020
Operating income		**20.2**	**22.6**
Services provided	10	20.2	22.6
Other income		-	-
Operating expenses		**(33.9)**	**(35.9)**
Other purchases and external charges	11	(32.9)	(34.8)
Taxes		(0.1)	(0.1)
Payroll expense		(0.1)	(0.1)
Depreciation, amortisation and provisions	12	(0.3)	(0.3)
Other expenses		(0.5)	(0.6)
Operating results		**(13.8)**	**(13.3)**
Dividends received from investments		140.4	138.8
Loan income		-	-
Net income/expenses on other financial assets		1.5	(0.4)
Net interest and similar income		(3.1)	(3.4)
Charges/reversals for depreciation, amortisation and provisions		1.5	(1.5)
Net financial income/(expense)	13	**140.4**	**133.5**
Profit/(loss) on ordinary activities before tax		**126.6**	**120.2**
Net exceptional income/(expense)	14	**-**	**(3.5)**
Income tax	15	5.1	9.0
NET PROFIT/(LOSS) FOR THE PERIOD		**131.7**	**125.7**

6.3 Change in equity

Share capital comprises 50,503,106 fully paid-up shares with nominal value of €1.60.

The change in equity breaks down as follows:

At 31 March (in € millions) *(in units for the number of shares)*	Number of shares	Share capital	Additional paid-in capital	Legal reserve	Retained earnings	Net profit/(loss)	Total
At 31 March 2019	**50,149,787**	**80.2**	**795.1**	**8.0**	**89.0**	**104.0**	**1,076.3**
Appropriation of earnings	-	-	-	-	104.0	(104.0)	-
Net profit/(loss) for the year	-	-	-	-	-	125.7	125.7
Dividend paid	-	-	-	-	(132.0)	-	(132.0)
At 31 March 2020	**50,149,787**	**80.2**	**795.1**	**8.0**	**61.0**	**125.7**	**1,070.0**
Appropriation of earnings	-	-	-	-	125.7	(125.7)	-
Net profit/(loss) for the year	-	-	-	-	-	131.7	131.7
Dividend paid	353,319	0.6	39.7	-	(49.9)	-	(9.6)
AT 31 MARCH 2021	**50,503,106**	**80.8**	**834.8**	**8.0**	**136.8**	**137.7**	**1,192.1**

During the financial year ended 31 March 2021, 353,319 shares were issued following the option offered of payment of the dividend in shares, at €1.00 per share.

The Shareholders' Meeting of 23 July 2020 approved the payment of an ordinary dividend of €1.00 per share in respect of the financial year ended 31 March 2020. The dividend was paid out on 1 October 2020 in the total amount of €50.1 million, including €9.6 million in cash.

6.4 Statement of cash flows

At 31 March (in € millions)	2021	2020
OPERATING		
Net profit/(loss) for the period	131.7	125.7
Depreciation, amortisation and provisions	-	-
Charges/reversals on provisions (net)	3.2	(6.4)
(Gains)/losses on disposals of non-current assets	-	-
Cash flow	**134.9**	**119.3**
Change in working capital requirement	(33.8)	(3.1)
Cash flow operating activities	**101.1**	**116.2**
Investments		
Acquisitions of treasury shares	-	-
Sales of assets	-	-
Decrease in loans	-	-
Changes in other non-current financial assets	4.2	0.3
Change in marketable securities	(2.8)	6.5
Cash flows – investments	**1.4**	**6.8**
Financing		
Capital and premium reduction	-	-
Dividend paid in cash	(9.6)	(132.0)
Long- and medium-term borrowings	-	30.0
Repayment of borrowings	(30.1)	(20.0)
Change in other debts	(62.8)	(1.0)
Cash flows – financing	**(102.5)**	**(123.0)**
Change in cash in the financial year	-	-
Cash and cash equivalents at the start of the financial year	-	-
Cash and cash equivalents at the close of the financial year	**-**	**-**

6.5 Notes to the Company's financial statements

Key events of the period

The Covid-19 health crisis that began in the first quarter of the 2020 calendar year remains the major event of the financial year ended 31 March 2021.

Pursuant to the provisions of the French General Chart of Accounts on the information to be included in the notes, the Company found that this crisis did not have a significant impact on its individual financial statements at 31 March 2020 due to its business as a holding company.

Although the operations of its direct and indirect subsidiaries were impacted as described in the consolidated financial statements of the Rémy Cointreau Group, no risk has been identified to the value of the equity interests included in assets on the Company's statement of financial position.

NOTE 1 ACCOUNTING POLICIES

The parent company financial statements were prepared in accordance with French laws and regulations (General Chart of Accounts) and generally-recognised accounting principles.

Accounting conventions have been adopted on a prudent basis and in accordance with the following basic assumptions:

- going concern principle;
- consistency of accounting policies from one period to the next;
- independence of financial periods.

The historical cost method was adopted as the basic method of accounting.

The measurement methods used for this period remain unchanged from the previous period.

The main accounting principles and valuation methods used are as follows:

a. non-current financial assets are measured at acquisition cost or transfer value, less any provisions necessary to reconcile them with their value in use. Value in use is determined using a number of criteria, including in particular net assets, unrealised capital gains and future earnings potential;

b. receivables and liabilities are recorded at their nominal value. Any such items that are denominated in foreign currency are translated at the closing exchange rate for the year. Where applicable, a provision for doubtful debts is recorded on receivables to cover any risk of non-collection;

c. the difference arising from the valuation of liabilities and receivables in foreign currencies, using the closing exchange rate, is recorded in the statement of financial provision as a foreign currency translation reserve;

d. the valuation of marketable securities is performed on the day of the acquisition for investments and using the FIFO method for divestments.

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NOTE 2 NON-CURRENT FINANCIAL ASSETS

At 31 March (in € millions)	Net Value at the start of the financial year	Change in Impairment	Increase	Decrease	Net Value at the end of the financial year
Equity investments and merger losses allocated	1,549.9	-	-	-	1,549.9
Liquidity account	4.3	-	3.5	(2.1)	5.7
Treasury shares	15.6	1.4	-	(5.6)	11.4
TOTAL	**1,569.8**	**1.4**	**3.5**	**(7.7)**	**1,567.0**

The breakdown of equity investments is presented in note **18**.

The Company entered into a liquidity contract with a financial institution for the purpose of promoting the liquidity of the Company's securities and the regularity of their quotation on the market. At 31 March 2021, the total amount invested by the liquidity provider was €5.7 million, of which €0.7 million corresponding to 4,336 Rémy Cointreau securities held under the liquidity contract at the reporting date.

The Company directly holds 110,832 Rémy Cointreau shares acquired under a share buyback program, carried out during the financial year ended 31 March 2019, for a gross amount of €11.4 million (note **6**), for a unit cost price of €102.78. In the previous financial year, these securities had been impaired for €1.4 million at 31 March 2020, based on the average price for the month of March 2020, *i.e.* €94.51.

This impairment was fully reversed during this financial year, as the average share price at the end of March 2021 was €159.91.

NOTE 3 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Trade receivables totalling €1.4 million are exclusively with Rémy Cointreau Group companies.

"Other current assets" break down as follows:

At 31 March (in € millions)	2021	2020
Tax group receivables	15.7	-
Corporate income tax	0.4	8.6
VAT receivable	0.4	0.6
Revenue receivables	13.0	8.6
Other debtors	1.8	0.4
TOTAL	**31.3**	**18.2**

The €15.7 million of receivables in connection with tax consolidation corresponds to the difference between the tax expense for the financial year of tax-consolidated companies and the amount of the advances already paid by the subsidiaries to the parent company during the financial year.

These receivables will be paid at the time of the tax assessment in July 2021.

The "Revenue receivables" item corresponds to the valuation of the shares allocated to bonus share plans, the cost of which will be reassigned to the Group entities paying the beneficiaries at the end of the vesting period of these plans (note **6**).

The €4.4 million change compared with the previous financial year essentially corresponds to:

- the reassignment of shares allocated in November 2020, at the time of expiry of the 2017 bonus share plan, in the amount of €(2.9) million;
- the reversal of revenue receivables from the income to be received in respect of the lapsed shares of the 2017 and 2019 bonus share plans, in the amount of €(1.2) million;
- the new bonus share plans for 2020 and 2021, *i.e.* a total of 82,081 shares, in the amount of €8.5 million.

This accrued income is counterbalanced by accrued expenses in the same amount (note **7**) representing the future exit cost of these shares that are classified as marketable securities (note **4**).

The increase in "Other receivables" of €1.4 million, is mainly due to adjustments recognized at the end of the financial year relating to intra-Group reassignment.

The schedule of "Trade receivables and Other current assets" is as follows:

At 31 March (in € millions)	Gross	Less than one year	More than one year
Trade receivables	1.4	1.4	-
Other receivables	31.3	18.3	13.0
TOTAL	**32.7**	**19.7**	**13.0**

The sum of "Other receivables" at more than one year corresponds to the revenue receivables recorded under the 2019, 2020 and 2021 bonus share plans (note **6**).

NOTE 4 MARKETABLE SECURITIES

The "Marketable securities" item corresponds in full to the valuation of treasury shares allocated to coverage of existing bonus share plans (note 6), i.e. 128,156 shares for an amount of €13.0 million as of 31 March 2021.

The allocated shares were subject to revenue receivables and a provision for expenses (note **3** and note **7**).

The €4.4 million change compared to the previous financial year corresponds to the delivery of the shares at the end of the 2017 plan for €2.9 million, the reclassification of lapsed shares under the 2017 and 2019 plans to unallocated shares for €1.2 million and from the allocation to the new bonus share plans for 2020 and 2021 in the amount of €8.5 million.

NOTE 5 ACCRUALS

Accruals and prepayments include the following items:

At 31 March (in € millions)	2021	2020
Prepaid expenses	**0.3**	**0.2**
Syndicated loan expenses of €100 million	0.2	0.3
Expenses on €80 million bond issue	0.2	0.2
OCEANE expenses of €275 million	1.2	1.4
Total deferred expenses	**1.6**	**1.9**
TOTAL	**1.9**	**2.1**

The schedule is as follows:

(in € millions)	Gross	Less than one year	More than one year
Prepaid expenses	**0.3**	**0.3**	**-**
Syndicated loan expenses of €100 million	0.2	0.1	0.1
Expenses on €80 million bond issue	0.2	0.0	0.2
OCEANE expenses of €275 million	1.2	0.2	1.0
Total deferred expenses	**1.6**	**0.3**	**1.3**
TOTAL	**1.9**	**0.6**	**1.3**

The costs of issuing and extending the loan are amortized over the term of the instruments, which have the following maturities:

- syndicated loan: 2 July 2025;
- private bond placement: 27 February 2025;
- OCEANE bond: 7 September 2026.

NOTE 6 TREASURY SHARES AND BONUS SHARE PLANS

At 31 March 2021, the Company directly and indirectly held 243,324 of its treasury shares, the cost of which is recorded in various balance sheet items. Shares held directly come from share buyback programmes carried out during the financial year ended 31 March 2019.

At 31 March (in units)	2021	2020
Shares held indirectly:		
Other financial assets – Liquidity account	**4,336**	**30,581**
Shares held directly to cover current and future bonus share plans		
Other financial assets – treasury shares	110,832	165,235
Marketable securities – allocation to plans in progress	128,156	87,725
Marketable securities – unallocated balance	0	16,525
Subtotal	**238,988**	**269,485**
TOTAL	**243,324**	**300,066**

Bonus share plans in progress as at 31 March 2021 break down as follows:

BONUS SHARE PLANS

Grant date[1]	Plan No	Vesting period	Minimum retention period	Rights initially granted	Value per right at grant date	Lapsed rights	Rights granted at the end of the vesting period	Rights outstanding at 31 March 2021
21 November 2017	2017	3 years	2 years	50,900	111.40	20,403	30,497	-
19 January 2019	2019	4 years	-	57,450	101.00	11,375	-	46,075
24 November 2020	2020	3 years	-	42,479	153.00			42,479
14 January 2021	2021	4 years	-	39,602	149.20			39,602
31 March 2021	2021/2025	4.25 years	-	72,500	159.40	-	-	72,500
31 March 2021	2021/2030	9.25 years	-	72,500	159.40	-	-	72,500
TOTAL				**335,431**		**31,778**	**30,497**	**273,156**

(1) The grant date is the date of the Board meeting which decided the allocations under each plan.

All plans are indexed plans (AGAI). The shares issued to beneficiaries at the end of the vesting period are subject to their continued employment with the Group. The number of shares will depend on the achievement of external and/or internal criteria.

2017 Plan: This plan expired on 21 November 2020. At that time, there were 40,650 rights outstanding, which were allocated at 75%. According to this plan's regulations, the maximum number of shares was granted if the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return) as at the end of the vesting period was superior to that of a panel of eight luxury goods and/or premium spirits companies. This plan was serviced in full by the delivery of shares held by Rémy Cointreau.

2019 Plan: 50% of the maximum number of shares will be granted if the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return) as at the end of the vesting period is superior to that of a panel of 10 luxury goods and/or premium spirits companies. 50% of the maximum number of shares will be granted if the current operating profit has reached the target set (target values defined for financial years 2019/2020 to 2022/2023). The Board of Directors will set the share delivery terms (delivery of treasury shares or creation of new shares) when deciding on the final allocation of the plan. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2020 Plan: 50% of the maximum number of shares will be granted if the current operating profit has reached the target set (target values defined for financial years 2019/2020 to 2022/2023). 50% of the maximum number of shares will be granted if the target set for Rémy Cointreau's CO_2 emissions, calculated according to scope 1+2 of the Green House Gas (GHG) Protocol and taking into account the 1.5 °C scenario, is achieved. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2021 Plan: 50% of the maximum number of shares will be granted if the current operating profit has reached the target set (target values defined for financial years 2019/2020 to 2022/2023). 50% of the maximum number of shares will be granted if the target set for Rémy Cointreau's CO_2 emissions, calculated according to scope 1+2 of the Green House Gas (GHG) Protocol, is achieved. As at the closing date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

Plan 2021/2025: 50% of the maximum number of shares will be granted if the current operating profit has reached the target set for the 2024/2025 financial year. 50% of the maximum number of shares will be granted if the gross margin has reached the target set for the 2024/2025 financial year.

Plan 2021/2030: one-third of the maximum number of shares will be granted if the current operating profit has reached the target set for the 2029/2030 financial year. One-third of the maximum number of shares will be granted if the gross margin has reached the target set for the 2029/2030 financial year. One-third of the maximum number of shares will be granted if Rémy Cointreau's CO_2 emission target calculated according to scope 1+2 of the GHG (Green House Gas Protocol) has reached the target set for the 2029/2030 financial year.

NOTE 7 PROVISIONS FOR LIABILITIES AND CHARGES

The "Provisions for risks and liabilities" item includes only provisions for liabilities recorded under the bonus share plans in progress (note 6). This provision depends on the estimated number of shares that would be remitted on the basis of the performance and presence criteria of each plan in progress.

This provision is counterbalanced by revenues receivable in the same amount, reflecting the future reassignment of the cost to the Group entities paying the beneficiaries of these plans (note 3).

At 31 March (in € millions)	Provisions for liabilities	Total
Opening balance	**8.6**	**8.6**
Reversal	(4.1)	(4.1)
Increase	8.5	8.5
CLOSING BALANCE	**13.0**	**13.0**

The provision for expenses was subject to a reversal of €4.1 million and an addition of €8.5 million for the movements described in note 3.

NOTE 8 BORROWINGS AND FINANCIAL DEBT

Borrowings and financial debt break down as follows:

At 31 March (in € millions)	2021	2020
Convertible bonds (OCEANE)	275.0	275.0
Private placement bonds	80.0	80.0
Accrued interest	0.4	0.4
Total bonds	**355.4**	**355.4**
Drawdown on syndicated loan	-	30.0
Current account agreement	20.0	20.0
Amounts due to Group subsidiaries	9.3	72.1
Accrued interest	0.2	0.3
TOTAL	**384.9**	**477.8**

The €62.8 million change in financial debt compared to the previous financial year is mainly attributable to the repayment of the current account with Financière Rémy Cointreau.

The maturity of these borrowings and other liabilities are as follows:

At 31 March (in € millions)	Gross	Less than one year	1 to 5 years	More than 5 years
Bonds	355.4	0.4	80.0	275.0
Syndicated loan	-	-	-	-
Other liabilities	29.5	29.5	-	-
TOTAL	**384.9**	**29.9**	**80.0**	**275.0**

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OCEANE

On 7 September 2016, as part of a private placement with institutional investors, Rémy Cointreau issued bonds with an option to convert to and/or exchange for new and/or existing shares (OCEANE), with a maturity date of 7 September 2026 and a nominal amount of €275 million, or 2,484,191 OCEANEs with a par value of €110.70 each.

The par value of the OCEANE bonds incorporates an issue premium of 40% based on the reference price of the Company's shares on the Euronext Paris regulated market. OCEANE bondholders are entitled to new and/or existing Rémy Cointreau shares, at the conversion rate of one share per OCEANE, subject to potential subsequent adjustments exercisable on 7 September 2023. This conversion rate was increased to 1.001 share per OCEANE following the payment of the dividend of €1.65 per share on 4 September 2017.

The OCEANE bonds bear interest at a nominal annual rate of 0.125%, payable in arrears on 7 September each year.

Private bond placement

On 27 February 2015, Rémy Cointreau issued an €80.0 million bond in the form of a private placement with a leading European insurer. These 10-year bonds bear interest at 2.945%.

This contract is unsecured. Availability of the funds is subject to the A ratio (see Syndicated loan) remaining below 3.5 at each half-year end for the duration of the contract.

Syndicated loan

Since 2 July 2018, Rémy Cointreau has had a €100 million syndicated loan with a pool of nine banks.

This loan, with an initial maturity of five years (with a possible extension of two years) was extended by one year during the previous financial year and by a second year during the financial year, thereby bringing the maturity to seven years. Amounts drawn down bear interest at EURIBOR plus a margin of 35 bps to 125 bps, depending on the Group's debt rating.

This facility is unsecured. It was undrawn at 31 March 2021.

The availability of the facility is contingent upon the "Average net debt/EBITDA" ratio (the "A ratio") being less than or equal to 4.0 at 30 September and 31 March of each year until maturity. At 31 March 2021, the ratio was 1.33 (September 2020: 2.04; March 2020: 1.86).

Current-account agreement

On 31 March 2015, Rémy Cointreau signed a current account agreement with its shareholder ORPAR for a €60 million interest-bearing advance, fully paid up on 7 April 2015, for a maximum period of three years, *i.e.* to be repaid no later than 7 April 2018.

An amendment signed on 30 March 2018 extended the term by three years and, with effect from 8 April 2018, reduced the interest rate from 1.25% to 0.60%. Partial repayments in the amount of €20 million were carried out on 21 January 2019 and 16 March 2021, bringing the balance at 31 March 2021 to €20 million.

This amount will be fully reimbursed in April 2021.

Financial liabilities with Financière Rémy Cointreau (FRC)

The Company has a financial current account with Financière Rémy Cointreau as part of an intra-Group agreement.

NOTE 9 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Trade payables of €2.3 million essentially include debts to other Group entities.

The "Other current liabilities" item breaks down as follows:

At 31 March (in € millions)	2021	2020
Tax and social security liabilities	0.3	0.2
Tax instalments paid by companies within the tax group	-	13.5
Tax group balance	20.5	30.2
Trade receivables, credit notes to be issued	0.9	
Other creditors	0.6	0.7
TOTAL	**22.3**	**44.6**

Tax consolidation current account

At year-end, the amount of tax instalments received from companies in the tax consolidation group was €15.7 million less than the corporate income tax they owed. Accordingly, there is no longer any debt (note 3).

Tax group balance

This balance is the differential between the corporate income tax expenses included in the tax group and the taxes owed after consolidation of tax-consolidated companies.

The schedule of trade payables and other current liabilities is as follows:

At 31 March (in € millions)	Gross	Less than one year
Trade payables	2.3	2.3
Other current liabilities	22.3	22.3
TOTAL	**24.6**	**24.6**

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NOTE 10 OPERATING REVENUE

Operating revenue totalled €20.2 million and essentially comprised services invoiced to Rémy Cointreau Group subsidiaries, of which €10.9 million to French companies and €9.3 million to foreign companies.

NOTE 11 OTHER PURCHASES AND EXTERNAL EXPENSES

At 31 March (in € millions)	2021	2020
Services provided	(31.1)	(33.6)
Fees and commissions	(1.3)	(0.8)
Banking and similar services	(0.3)	(0.3)
Contributions	(0.2)	(0.1)
TOTAL	**(32.9)**	**(34.8)**

NOTE 12 DEPRECIATION, AMORTISATION AND PROVISIONS

Depreciation and amortisation classified as operating expenses relate exclusively to expenses incurred for the arrangement of borrowings and lines of credit, which are amortised over the term of the instruments.

At 31 March (in € millions)	2021	2020
Syndicated loan expenses of €100 million	(0.1)	(0.1)
Expenses on €80 million bond issue	(0.0)	(0.0)
OCEANE expenses of €275 million	(0.2)	(0.2)
TOTAL	**(0.3)**	**(0.3)**

NOTE 13 FINANCIAL RESULT

At 31 March (in € millions)	2021	2020
Dividends received from investments	140.5	138.8
Loan income	-	-
Net income/expenses on other financial assets	1.5	(0.4)
Net interest and similar income	(3.1)	(3.4)
Charges/reversals for depreciation, amortisation and provisions	1.5	(1.5)
NET FINANCIAL INCOME/(EXPENSE)	**140.4**	**133.5**

The total amount of dividends received from subsidiaries, which was slightly down on the previous financial year, is broken down in note **18**.

The "Net income/expenses from the sale of other financial assets" item comes from the liquidity account.

Interest relates to the various borrowings and lines of credit described in note **8**.

The amount shown in the "Charges/reversals for depreciation, amortisation and provisions" item relates to the reversal on the impairment of treasury shares and marketable securities recognised at the close of the previous financial year.

NOTE 14 NET EXCEPTIONAL INCOME/(EXPENSE)

At 31 March (in € millions)	2021	2020
Capital gains on the disposal of equity investments	-	-
Loss on early redemption of loan	-	-
Penalties and other	-	(3.5)
Movements related to management of bonus share plans:		
Provision for expenses and reversal of accrued income	(11.4)	(8.1)
Reversal of provision for expenses and increase in accrued income	11.4	8.1
TOTAL	**-**	**(3.5)**

NOTE 15 INCOME TAX

Tax group

Rémy Cointreau elected to form a tax group with effect from 1 April 1993 for Group companies as provided for under Article 223A of the French General Tax Code.

The main terms and conditions governing tax consolidation agreements are as follows:

- the taxable income from consolidated companies is determined as if they were taxed separately;
- the tax savings resulting from the use of losses from Group companies are only temporary because the subsidiaries may still make use of them. Therefore, these temporary savings are booked as payables to the subsidiaries in question;
- Rémy Cointreau SA is solely responsible for paying the additional tax resulting from any deconsolidation of a Group company.

The following companies are included in the tax group: Rémy Martin, Cointreau, Rémy Cointreau Services, CLS Rémy Cointreau, Domaines Rémy Martin, Rémy Cointreau International Marketing Services, Storeco, Rémy Cointreau Libra and Domaine des Hautes Glaces.

The net corporate income tax gain recognised in the amount of €5.1 million corresponds to the Group corporate income tax savings for the financial year.

Increase and reduction in future tax liabilities

The Company has no significant temporary differences in the calculation of its taxable income.

NOTE 16 OFF BALANCE-SHEET COMMITMENTS

Financial commitments

At the reporting date, the Company's commitments concern guarantees granted to a Group subsidiary (Financière Rémy Cointreau) for €65 million and to customs bonds for €11.6 million.

Contingent liabilities relating to asset disposals

In connection with disposal transactions, guarantees in respect of liabilities are generally granted to the buyers for defined periods and amounts stipulated in the agreements. Liabilities for tax, excise duties and social security payments that may arise following audits covering periods prior to the sale are generally included until such liabilities lapse under the statute of limitations.

At 31 March 2021, no guarantees are outstanding.

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NOTE 17 OTHER INFORMATION

Remuneration of corporate officers

The overall amount of directors' fees allocated to Board members was set during the Board of Directors' meeting of 23 July 2020, at €620,000 for the current and future financial years until otherwise decided.

Statutory Auditors' fees

The amount of Statutory Auditors' fees shown in the income statement for the financial year is €381 thousand (excl. VAT) and only covers the assignments for the certification of Rémy Cointreau SA's parent company and consolidated financial statements.

At 31 March (in € thousands)	PricewaterhouseCoopers Audit	Mazars	Total
Statutory Auditors	207	174	381
Services other than financial statement certification	-	-	-
TOTAL	**207**	**174**	**381**

NOTE 18 LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS AS AT 31 MARCH 2021

At 31 March, in thousands of foreign currencies	Currency	Capital (currency)	Shareholders equity excluding capital (currency)	Share capital held	Gross amount of capital held	Merger loss on securities held	Total value of securities held	Provisions on securities	Dividends received	Sales ex-tax prior year	Net profit/(loss) after tax	Date of year-end
A) French companies												
E. Rémy Martin & C°	EUR	6,725	518,838	100	381,708	18,969	400,677	-	-	436,466	108,883	31/03/2021
Cointreau	EUR	4,037	176,291	100	89,103	13,407	102,510	-	-	86,073	22,370	31/03/2021
Rémy Cointreau Services	EUR	1,114,805	149,728	93	1,046,700	-	1,046,700	-	140,454	19	103,789	31/03/2021
Total gross value					**1,517,511**	**32,376**	**1,549,887**	**-**	**140,454**			
B) Foreign companies												
Other foreign subsidiaries	EUR	-	-	-	3	-	3	2	-	-	-	-
Total gross value	**EUR**	**-**	**-**	**-**	**3**	**-**	**3**	**2**	**-**	**-**	**-**	**-**
Total gross value (A+B)					**1,517,514**	**32,376**	**1,549,890**	**2**				
TOTAL CARRYING AMOUNT					**1,517,511**	**32,376**	**1,549,888**					

NOTE 19 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period to be mentioned in respect of Rémy Cointreau SA. For the Rémy Cointreau Group, this information is presented in note **30** to the consolidated financial statements.

6.6 Financial results for the past five years

At 31 March (in € millions) *(in units for the number of shares)*	2021 (1)	2020	2019	2018	2017
1. Share capital at year-end					
Share capital	80.8	80.2	80.2	80.4	79.5
Number of shares in circulation	50,503,106	50,149,787	50,149,787	50,223,800	49,692,184
Maximum number of shares to be created through the conversion of bonds	-	-	-	-	-
2. Operations and results for the financial year					
Sales excluding taxes	20.2	22.7	24.4	21.8	20.2
Profit before tax, depreciation, amortisation and provisions	129.8	110.5	90.4	18.9	138.6
Income tax	5.1	9.0	13.8	6.2	6.5
Profit/(loss) after tax, depreciation, amortisation and provisions	131.7	125.7	104.0	14.9	151.2
Dividends	93.4	50.1	132.9	82.9	82.0
3. Earnings per share (in €)					
Profit/(loss) after tax, but before depreciation, amortisation and provisions	2.67	2.38	2.04	0.56	2.79
Profit/(loss) after tax, depreciation, amortisation and provisions	2.61	2.51	2.07	0.30	3.04
Net dividend distributed per share	1.85	1.00	2.65	1.65	1.65
4. Employees					
Number of employees	-	-	-	-	-
Total payroll	-	-	-	-	-
Amount paid in employee benefits	-	-	-	-	-
Profit sharing (included in total payroll)	-	-	-	-	-

(1) Subject to approval of the Ordinary Shareholders' Meeting.

6.7 Statutory Auditors' report on the financial statements

For the year ended 31 March 2021

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Rémy Cointreau for the year ended 31 March 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 March 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit-Finance Committee.

Basis for opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 April 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics for Statutory Auditors.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

MEASUREMENT OF EQUITY INVESTMENTS (NOTES 1, 2 AND 18 TO THE FINANCIAL STATEMENTS)

Description of risk	How our audit addressed this risk
At 31 March 2021, the carrying amount of equity investments recognised in the balance sheet was €1,549.9 million, representing 96% of total assets. Equity investments are stated at acquisition cost or transfer value. As indicated in Note 1 "Accounting policies" to the financial statements, the recoverable amount is assessed using a number of criteria, including net asset value, unrealised capital gains and the future earnings potential of the subsidiary concerned. Given the materiality of equity investments in the balance sheet, the significant judgement exercised by management to estimate the recoverable amount and the sensitivity to changes in the assumptions underlying the estimated values, we deemed the measurement of the recoverable amount of equity investments to be a key audit matter.	Based on the information provided to us, our work consisted primarily in: – assessing the process implemented by the Company to determine the recoverable amount of equity investments; – verifying that the criteria applied by management to determine the recoverable amount are appropriate and that any impairment calculated based on those values is correct; – verifying that the equity values used are consistent with the financial statements of the entities valued, in particular for valuations based on historical data.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS PROVIDED TO THE SHAREHOLDERS WITH RESPECT TO THE COMPANY'S FINANCIAL POSITION AND THE FINANCIAL STATEMENTS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in Article D. 441-6 of the French Commercial Code.

REPORT ON CORPORATE GOVERNANCE

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code relating to remuneration and benefits paid or awarded to corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by the Company from controlled companies within its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of Article L. 22-10-11 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications and information pursuant to legal and regulatory requirements

PRESENTATION OF THE FINANCIAL STATEMENTS TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the single European electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors of Rémy Cointreau by the Shareholders' Meetings held on 24 July 2018 for PricewaterhouseCoopers Audit and on 23 July 2020 for Mazars.

At 31 March 2021, PricewaterhouseCoopers Audit was in the third consecutive year of its engagement and Mazars was in the first year of its engagement.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit-Finance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT-FINANCE COMMITTEE

We submit a report to the Audit-Finance Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit-Finance Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit-Finance Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit-Finance Committee.

Courbevoie and Neuilly-sur-Seine, 18 June 2021

The Statutory Auditors

Mazars	PricewaterhouseCoopers Audit
Jérôme de Pastors	Olivier Auberty


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7

SHARE CAPITAL AND SHAREHOLDING STRUCTURE

7.1 General information about the share capital

7.1.1 Amount of share capital

At 31 March 2021, the share capital amounted to €80,804,969.60 divided into 50,503,106 shares, with a par value of €1.60 each, all in the same class, fully paid up and comprising 80,674,876 voting rights.

Form of the shares: fully subscribed and paid shares are in registered or bearer form, as decided by the shareholder.

RC shareholders are detailed in the Share Capital and Shareholding Structure Chapter of the integrated report.

7.1.2 Changes to the capital and shareholders' rights

The share capital can be changed in accordance with legal requirements. It may be increased by a decision taken at an Extraordinary Shareholders' Meeting. However, where a capital increase is carried out by incorporation of reserves, profits or share premiums, the relevant Extraordinary Shareholders' Meeting which decides such an increase, rules under the quorum and majority conditions required for Ordinary Shareholders' Meetings.

Delegations for capital increases are granted to the Board of Directors for a period of 26 months by the Extraordinary Shareholders' Meeting, which sets the terms governing new issues, with the exception of resolutions relating to bonus share or stock option awards, which are granted for a period of 38 months.

The Extraordinary Shareholders' Meeting may decide to reduce the share capital, particularly by way of repurchase of shares or reduction in their nominal value, or again, by reduction in the number of shares in accordance with legal provisions.

The share capital may also be written down in accordance with the law.

CHANGES IN THE SHARE CAPITAL OVER THE PAST FIVE YEARS

Dates	Type of transaction	Number of shares created cancelled	Share capital *(in €)*	Premiums *(in €)*	Cumulative share capital *(in €)*	Number of shares in the share capital
22/09/2016	Partial payment of dividend in shares	957,170	1,531,472	63,307,223.80	79,507,494.40	49,692,184
11/09/2017	Partial payment of dividend in shares	635,254	1,016,406.40	56,111,985.82	80,523,900.80	50,327,438
17/01/2018	Capital reduction by cancellation of treasury shares	(103,638)	(165,820.80)	(9,843,724.16)	80,358,080	50,223,800
24/09/2018	Partial payment of dividend in shares	725,987	1,161,579.20	72,242,966.37	81,519,659.20	50,949,787
17/01/2019	Capital reduction by cancellation of treasury shares	(800,000)	(1,280,000)	(82,030,907.97)	80,239,659.20	50,149,787
22/09/2020	Partial payment of dividend in shares	353,319	565,310.40	39,727,188.36	80,804,969.60	50,503,106

7.1.3 Authorized capital not issued (delegations for capital increases)

OVERALL AUTHORISATIONS FOR CAPITAL INCREASES

The Shareholders' Meeting of 23 July 2020 (resolutions 21 to 28 inclusive) authorised the Board of Directors to carry out various financial transactions to increase the Company's share capital with or without preferential subscription rights for a period of 26 months.

As of today, these authorisations have not been used and are summarized in the table below.

AUTHORISATION TO ISSUE SECURITIES POTENTIALLY GIVING ACCESS TO THE SHARE CAPITAL

The authorisation for a new Company stock option plan was approved at the Shareholders' Meeting of 23 July 2020, however it was not used during the financial year.

AUTHORISATION TO GRANT SUBSCRIPTION AND/OR PURCHASE OPTIONS FOR ORDINARY SHARES IN THE COMPANY FOR THE BENEFIT OF EMPLOYEES AND CERTAIN CORPORATE OFFICERS

The Combined Shareholders' Meeting of 24 July 2018 authorised the Board of Directors, for a period of 38 months (*i.e.* until 24 September 2021), in accordance with the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code, to grant, on one or more occasions, for the benefit of employees of the Company and companies under Article L. 225-180 of the French Commercial Code, as well as to Executive Directors within the meaning of law, options giving the right to subscribe for new Company shares, to be issued for the purpose of a capital increase, or options giving right to the purchase of shares in the Company resulting from a share buyback under the conditions stipulated in Articles L. 225-208 or L. 225-209 *et seq.* of the French Commercial Code, it being specified that in accordance with the provisions of Article L. 225-182 of the French Commercial Code, the Board of Directors may not grant options to corporate officers and employees of Company affiliates that hold more than 10% of the share capital.

The Board of Directors will carry out the allocations and determine the identity of the beneficiaries as well as the conditions and, where appropriate, the criteria of allocation of options.

The total number of shares likely to be subscribed or purchased by the beneficiaries may not exceed 2% of the share capital at the date of the allocation decision by the Board of Directors. In addition, the total number of shares likely to be subscribed or purchased by the beneficiaries through the exercise of the options granted may not exceed 0.2% of the share capital existing at the date of the allocation decision by the Board of Directors and may not exceed the ceiling provided for in the twenty-third resolution of the Shareholders' Meeting of 24 July 2018.

The subscription or purchase price of shares for the beneficiaries of options shall be set by the Board of Directors subject to the limits indicated hereafter:

- with regard to share subscription options, the subscription price may not be lower than the average of the listed prices during the twenty trading days prior to the date on which the options are granted; and
- with regard to ordinary share purchase options, the price may not be either lower than the average of the listed prices during the twenty trading days prior to the date on which the options are granted, or lower than the average purchase price of shares owned by the Company in respect of Articles L. 225-208 and/or L. 225-209 of the French Commercial Code.

Subscription options and ordinary share purchase options granted pursuant to this authorisation must be exercised within a maximum of 10 years from their allocation.

The Board of Directors may, in accordance with legal requirements, decide the type of options offered (subscription or purchase options) and the terms and conditions of the plan(s), set the conditions, dates, clauses prohibiting the immediate resale and lock-up period.

The Board of Directors may make the grant of some or all of the shares conditional on the attainment of one or more performance conditions. In the case of Executive Directors, the bonus share grants will be subject to compliance with performance conditions determined by the Board of Directors.

This authorisation was not used during the financial year.

The Annual Shareholders' Meeting called to approve the financial statements for the year ended 31 March 2021 will be asked to renew this authorisation.

AUTHORISATION TO GRANT BONUS SHARES TO EMPLOYEES AND CERTAIN CORPORATE OFFICERS

The thirtieth resolution of the Combined Shareholders' Meeting of 24 July 2018 authorised the Board of Directors, for a period of 38 months from 24 July 2018 (*i.e.* until 24 September 2021), pursuant to the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code, on one or more occasions, to grant employees of the Company or related companies within the meaning of Article L. 225-197-2 of the French Commercial Code or certain categories thereof, as well as corporate officers defined by law, bonus shares, whether existing or to be issued, subject to the statutory trading restriction periods.

The Board of Directors will determine the identity of the beneficiaries of the allocations as well as the terms and, where appropriate, the criteria of allocation of the shares.

The total number of bonus shares thereby awarded may not be, under this resolution, a number of bonus shares representing more than 2% of the number of shares making up the share capital on the day of the decision by the Board of Directors to allocate shares. Furthermore, the total number of bonus shares awarded to executive officers may not represent more than 0.2% of the number of shares making up the share capital on the day of the decision by the Board of Directors to allocate the bonus shares and may not exceed the maximum amount of €1,600,000.

The allocation of shares to their beneficiaries will become final at the end of a minimum vesting period of one year and the minimum period of retention of shares by the beneficiaries is set at one year. However, if the vesting period is a minimum of two years, the Shareholders' Meeting authorises the Board of Directors not to impose any retention period for the shares in question.

The Board of Directors may, in accordance with legal requirements, place restrictions on the sale of bonus share allocations by executive officers prior to the termination of their position or may set the number of such shares to be held in the form of registered shares until the termination of their position.

The Board of Directors may make the grant of some or all of the shares conditional on the attainment of one or more performance conditions. In the case of Executive Directors, the bonus share grants will be subject to compliance with performance conditions determined by the Board of Directors.

The Board of Directors will proceed, where appropriate, during the vesting period with adjustments to the number of shares arising from transactions in the capital of the Company in order to preserve the rights of the beneficiaries.

The Annual Shareholders' Meeting called to approve the financial statements for the year ended 31 March 2021 will be asked to renew this authorisation.

Details of the previous plans granted and outstanding shares appear in note **12.3** to the consolidated financial statements in section 5.6.

TABLE SUMMARISING THE AUTHORISATIONS CURRENTLY IN FORCE GRANTED TO THE BOARD OF DIRECTORS IN RESPECT OF CAPITAL INCREASES OR ISSUES OF SECURITIES POTENTIALLY GIVING ACCESS TO THE SHARE CAPITAL

Description of the authorisation	Date of Shareholders' Meeting and resolution	Nominal amount of the authorisation	Period of the validity of the authorisation	Use made of authorisation during the financial year
Grant of bonus shares existing or to be issued for the benefit of employees and executive officers	24 July 2018 no. 30	limited to 2% of the share capital and €1.6 million for shares to be issued(1)	38 months (renewal proposed at the 2021 Shareholders' Meeting)	Potential grant of 184,602 shares or a maximum of 238,003
Subscription and/or purchase options for ordinary shares in the Company for the benefit of employees and executive officers	24 July 2018 no. 31	limited to 2% of the share capital and €20 million for shares to be issued(2)	38 months (renewal proposed at the 2021 Shareholders' Meeting)	None
Issue of shares or marketable securities giving access to share capital with preferential subscription rights and/or the issue of marketable securities granting entitlement to the allocation of debt securities	23 July 2020 no. 21	• €20,000,000 capital increase • €500,000,000 in debt securities	26 months	None
Issue of marketable securities giving to share capital without preferential subscription rights and/or the issue of marketable securities granting entitlement to the allocation of debt securities: • by public offering; • by private placement.	23 July 2020 no. 22 no. 23	• €15,000,000 capital increase • €500,000,000 in debt securities	26 months	None
Issue of shares securities or marketable securities freely setting the issue price	23 July 2020 no. 25	limited to 10% of the share capital	26 months	None
Increase in the number of shares to be issued in the event of over-subscription	23 July 2020 no. 24	limited to 15% of the initial issue	26 months	None
Capital increase by incorporation of reserves profits or premiums	23 July 2020 no. 28	€20,000,000	26 months	None
Capital increase in consideration for contributions in kind	23 July 2020 no. 27	limited to 10% of the share capital	26 months	None
Capital increase in consideration for contributions of securities in the event of public exchange offer	23 July 2020 no. 26	€15,000,000	26 months	None

(1) *Deducted from the ceiling provided for in the twenty-second resolution of the Shareholders' Meeting of 23 July 2020.*
(2) *Deducted from the ceiling provided for in the twenty-first resolution of the Shareholders' Meeting of 23 July 2020.*

The maximum nominal amount for immediate or future share capital increases likely to be carried out under the authorisations to be granted is:

(i) twenty (20) million euros (*i.e.* 24.92% of the share capital) with maintenance of preferential subscription rights;

(ii) fifteen (15) million euros (*i.e.* 18.69% of the share capital) without preferential subscription rights.

The par value of the debt securities that may be issued under these authorisations (including through issues of convertible, exchangeable or repayable bonds) is five hundred (500) million euros.

NON-EQUITY SECURITIES

Rémy Cointreau issued two bonds in the amount of €80 million, with a 10-year maturity, on 27 February 2015, and, in the form of 10-year bonds convertible into new and/or existing shares, in the amount of €275 million, on 7 September 2016.

The features of these transactions are described in the notes to the consolidated financial statements and the notes to the parent company financial statements of Rémy Cointreau for financial year 2020/2021.

7.1.4 Authorisation to trade in Company shares

LIQUIDITY CONTRACT

The Company entered into a liquidity contract with a financial institution for the sole purpose of promoting the liquidity of the Company's securities and the regularity of their quotations on the market. At 31 March 2021, the Company held 4,336 such shares.

SHARE BUYBACK PROGRAMME

The Combined Shareholders' Meeting of Rémy Cointreau of 24 July 2018, in its twenty-first resolution, authorised the Board of Directors to buy or sell Company shares, for a period of 18 months, within a limit of 10% of the share capital, *i.e.* 4,802,083 shares, net of treasury shares. The maximum amount that the Company was liable to pay based on this number of shares was €960,416,600.

During the 2018/2019 financial year, the Board of Directors (of 24 July 2018) used this authorisation and resolved to retain an investment services provider to buy back Company shares within a limit of 10% of the share capital, net of treasury shares, and notably those acquired under the liquidity contract. The share buyback programme was therefore implemented on 1 August 2018 and ended on 20 December 2018.

Between 1 August and 20 December 2018, the Company acquired, under this buyback programme, 1,000,000 of its own shares (representing 1.96% of the share capital) at an average price of €103.60.

As announced in the press release of 27 December 2018, the shares bought back in this way were allocated to the following objectives:

1. reducing the share capital *via* the cancellation of treasury shares;
2. meeting the obligations in respect of marketable securities giving access to capital;
3. meeting the obligations arising from bonus share programmes for employees and/or corporate officers of the Company and/or its related companies.

This decision does not affect the performance of the liquidity contract entered into by the Company.

Details of the transactions carried out as part of the share buyback programme are available on the Company's website www.remy-cointreau.com under the heading "Finance/Regulatory information".

The Rémy Cointreau Combined Shareholders' Meeting of 24 July 2019, in its sixteenth resolution and subject to certain conditions, authorised the Board of Directors to buy or sell Company shares for a period expiring at the end of the Shareholders' Meeting held to approve the financial statements for the financial year ended 31 March 2020 and, at the very latest, within 18 months starting from 24 July 2019.

The Board of Directors did not use this authorisation in the 2019/2020 financial year, apart from under the liquidity contract signed with an investment services provider.

The Combined Shareholders' Meeting of Rémy Cointreau of 23 July 2020, in its nineteenth resolution and under certain conditions, authorised the Board of Directors for a period of 18 months starting on 23 July 2020, to buy or sell Company shares.

The Board of Directors did not use this authorisation in the 2020/2021 financial year, apart from under the liquidity contract signed with an investment services provider.

The Annual Shareholders' Meeting called to approve the financial statements for the financial year ended 31 March 2021 will be asked to renew this authorisation, under the conditions described below.

INFORMATION ON THE TRANSACTIONS PERFORMED UNDER THE SHARE BUYBACK PROGRAMME VALID FROM 1 APRIL 2020 TO 31 MARCH 2021

Pursuant to Article L. 225-211 of the French Commercial Code, the purpose of this section is to inform the Shareholders' Meeting of the share purchases made between 1 April 2020 and 31 March 2021 as part of the share buyback programme authorised by the Shareholders' Meeting of 23 July 2020.

Between 1 April 2020 and 31 March 2021, the Company purchased 194,178 shares and sold 220,423 shares under the liquidity contract. During this same period, it transferred 30,497 shares to service bonus share grants for long-term performance incentive plans.

The table below summarises the purpose of the transactions carried out **during the period 1 April 2020 to 31 March 2021**:

		Average price
Percentage of the share capital held as treasury shares directly and indirectly at the start of the year	0.48%	
Number of securities **held at** the start of the financial year	243,324	
Number of securities **purchased** since the start of the financial year under the liquidity contract	194,178	€138.38
Number of securities **sold** since the start of the financial year under the liquidity contract	220,423	€140.54
Number of securities **transferred** since the start of the financial year:		
• actual granting of bonus shares	30,497	
Number of securities **cancelled** since the start of the financial year	-	
Number of shares **held on 31 March 2021**:		
• under the liquidity contract	4,336	
• for bonus share grants (reassignment of shares under the 2017/2018 share buyback programme)	38,988	
• under the share buyback programme of 24/07/2018	200,000	

REPORT ON THE EXECUTION OF THE SHARE BUYBACK PROGRAMME AUTHORISED BY THE COMBINED SHAREHOLDERS' MEETING OF 23 JULY 2020

		Average price
Percentage of share capital held as treasury shares directly and indirectly	0.55%	
Number of securities held at the start of the programme	274,485	
Number of **securities** purchased since the start of the programme under the liquidity contract	145,430	€152.68
Number of **securities** sold since the start of the programme as part of liquidity contract	151,180	€155.01
Number of securities **transferred** since the start of the programme:		
• actual granting of bonus shares	30,497	
Number of securities **sold** since the start of the programme	-	
Number of shares **held** at 31/05/2021:		
• under the liquidity contract	350	
• for bonus share grants (reassignment of shares under the 2017/2018 share buyback programme)	38,988	
• under the share buyback programme of 24/08/2018	200,000	

BREAKDOWN OF EQUITY SECURITIES HELD BY PURPOSE

At 31 March 2021, the Company held 243,324 shares with a par value of €1.60 for a net carrying amount of €25,103,572.59, broken down as follows:

- 4,336 shares used to promote trading in the secondary market or to enhance the liquidity of the Rémy Cointreau share by an investment services provider, *via* a liquidity contract that complies with the Ethics Charter recognised by the French Financial Markets Authority (AMF);
- 163,988 shares used for the grant of bonus shares;
- 75,000 shares used to exercise rights attached to securities (conversion of bonds convertible into shares, OCEANEs).

DESCRIPTION OF THE MAIN CHARACTERISTICS OF THE BUYBACK PROGRAMME SUBMITTED FOR APPROVAL AT THE SHAREHOLDERS' MEETING OF 22 JULY 2021 UNDER THE EIGHTEENTH RESOLUTION

- Securities affected: shares issued by Rémy Cointreau.
- Maximum percentage that may be purchased by the Company: 10% of shares comprising the share capital on the date of the purchases.
- Maximum number of shares that may be purchased by the Company: 4,806,986 shares.
- Maximum unit price: €250, excluding purchase costs.
- Maximum amount that the Company would be liable to pay on this basis (excluding trading fees): €1,201,746,500.

Purpose:

- to ensure liquidity or promote trading in the secondary market in Rémy Cointreau shares *via* an independent investment services provider, under the terms of a liquidity agreement that complies with the market practices authorised by the French Financial Markets Authority (AMF);
- to cancel shares as part of a capital reduction, subject to the adoption of the nineteenth resolution submitted to the Annual Shareholders' Meeting called to approve the financial statements for the financial year ended 31 March 2021;
- to deliver all or part of the shares acquired upon the exercise of the rights attached to marketable securities giving the right, by conversion, exercise, redemption or exchange or by any other manner, to the allocation of Company shares pursuant to applicable regulations;
- to use all or part of the shares acquired to implement any stock option or bonus share allocation plan to employees and/or corporate officers of the Company and/or companies related to it in accordance with the terms and conditions provided by law and carry out any transactions in order to provide the shares required under these plans, in accordance with the terms and conditions set by the law;
- to hold all or part of the shares acquired with a view to their subsequent exchange or use as payment in relation to acquisitions, contributions, mergers and share splits, in accordance with recognised market practices and pursuant to applicable regulations;
- and, more generally, carry out any other authorised transactions or transactions that should become authorised by the law or the AMF.

Term of the programme: a maximum of eighteen (18) months from the Combined Shareholders' Meeting of 22 July 2021.

7.1.5 Transactions carried out during the financial year

There were no share buyback programmes during the financial year.

7.1.6 Outstanding derivatives

None.

7.2 Company ownership and stock market information

7.2.1 Ownership of share capital and voting rights as at 31 March 2021

At 31 March 2021, the share capital amounted to €80,804,969.60, divided into 50,503,106 shares with a par value of €1.60 each.

In accordance with Article L. 233-13 of the French Commercial Code, it is specified that as of 31 March 2021:

- Orpar held more than one-third of the share capital and more than 45% of the voting rights of the Company;
- Récopart held around 15% of the share capital and more than 18% of the voting rights;
- Fine Champagne Investissements held more than 2% of the share capital and more than 2% of the voting rights;
- Andromède held more than 1% of the share capital and voting rights of the Company.

See simplified shareholding structure at 31 March 2021 presented in the integrated report.

The employee savings plans represent less than 1% of the share capital of Rémy Cointreau. It is the only form of collective shareholding by Rémy Cointreau Group employees.

VOTING RIGHTS, NUMBER OF SHAREHOLDERS, INFORMATION ON SHAREHOLDERS HOLDING 1% OR MORE AND ON THE NATURE OF THEIR INVESTMENT, SHAREHOLDERS' AGREEMENT, CAPITAL HELD BY EMPLOYEES, TREASURY SHARES

	Position at 31/03/2021			Position at 31/03/2020			Position at 31/03/2019		
Shareholders	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Orpar	19,713,950	39	47.60	19,542,581	38.97	47.42	19,542,581	38.97	47.53
Récopart	7,545,422	14.94	18.47	7,479,831	14.91	18.40	7,479,831	14.91	18.84
Andromède	601,562	1.19	1.46	596,332	1.19	1.45	596,332	1.19	1.49
Sub-total family shareholders	**27,860,934**	**55.13**	**67.53**	**27,618,744**	**55.07**	**67.27**	**27,618,744**	**55.07**	**67.86**
Fine Champagne Investissements	1,135,631	2.25	2.74	1,135,631	2.26	2.78	1,135,631	2.26	2.84
Sub-total shareholders acting in concert	**28,996,565**	**57.38**	**70.27**	**28,754,375**	**57.33**	**70.05**	**28,754,375**	**57.33**	**70.7**
APG Asset Management NV(1)	3,508,025	6.95	4.35	3,508,025	7	4.40	3,508,025	7	4.50
LINDSELL TRAIN Ltd.(2)	3,025,898	5.99	3.75	3,025,898	6.03	3.78	2,540,398	5.07	3.26
Baillie Gifford(3)	2,030,131	4.02	2.52	1,033,108	2.06	1.30	-	-	-
BLACKROCK INC.(4)	1,010,046	2	1.25	1,418,494	2.83	1.78	3,578,314	7.13	4.60
CDC Group(5)	1,002,752	1.98	1.24	1,161,293	2.32	1.46	-	-	-
Schroders(6)	714,845	1.41	0.89	714,845	1.42	0.92	714,845	1.42	0.92
AXA Investment Managers(7)	630,992	1.25	0.78	630,992	1	0.80	499,393	1	0.64
Citigroup Global Markets Limited(8)	534,228	1.06	0.66	534,228	1.06	0.67	534,228	1.06	0.68
Columbia Threadneedle Investments(9)	504,077	1	0.62	584,484	1.16	0.73	-	-	-
Fidelity Management & Research Company(10)	499,893	1	0.62	499,893	1	0.63	499,893	1	0.64
Rémy Cointreau (treasury shares)	243,324	0.48	0.00	300,066	0.60	0.00	342,088	0.68	0.00
Free Float	7,802,330	15.48	13.05	7,469,705	15.16	12.84	7,814,344	15.60	12.31
TOTAL	**50,503,106**	**100**	**100**	**50,149,787**	**100**	**100**	**50,149,787**	**100**	**100**

Based the declaration of crossing thresholds provided by law by the Articles of Association (1% of the share capital and voting rights).

(1) Declaration of 30 March 2015.
(2) Declaration of 6 June 2019.
(3) Declaration of 23 March 2021.
(4) Declaration of 18 June 2020.
(5) Declaration of 10 December 2020.
(6) Declaration of 14 March 2016.
(7) Declaration of 5 February 2020.
(8) Declaration of 9 March 2020.
(9) Declaration of 12 August 2020.
(10) Declaration of 6 May 2015.

A number of shares possess double voting rights. A total of 30,415,094 shares had double voting rights at 31 March 2021. The main shareholders, Orpar and Récopart, hold such rights (*i.e.* 26,049,051).

DECLARATIONS OF CROSSING OF THRESHOLDS AND/OR INTENTION

- Sale of 1,500,000 Rémy Cointreau shares (AMF decision no. 213C0550 of 14 May 2013)

  Andromède disclosed that, *via* the companies Orpar and Récopart which it controls, on 3 May 2013 it crossed the thresholds in the downward direction of two-thirds of the voting rights and 50% of the share capital of Rémy Cointreau, and that it held, both directly and indirectly, 25,314,615 Rémy Cointreau shares representing 49,604,552 voting rights or 49.72% of the share capital and 65.74% of the voting rights of the Company. On this occasion, Orpar had individually fallen below the threshold of 50% of the voting rights in Rémy Cointreau. The thresholds were crossed following the sale by Orpar of 1,500,000 Rémy Cointreau shares as part of a private placement *via* accelerated book-building.

- Shareholder agreement between Fine Champagne Investissements, Andromède, Orpar and Récopart (AMF decision no. 213C0586 of 23 May 2013). Fine Champagne Investissements (FCI) declared that it had exceeded, on 13 May 2013, along with Andromède, Orpar and Récopart, the thresholds of 5%, 10%, 15%, 20%, 25%, 30%, one-third of the share capital and 50% of voting rights of Rémy Cointreau and that it held, jointly, 25,385,619 Rémy Cointreau shares representing 49,675,982 voting rights, or 49.86% of the share capital, and 65.83% of voting rights of this company[(1)].

  The thresholds were crossed following the execution, on 13 May 2013, of a shareholders' agreement between the above-mentioned members acting in concert towards Rémy Cointreau[(2)].

  FCI also made a declaration of intention.

- Rémy Cointreau shares received by Andromède as a result of a merger-absorption (AMF decision no. 213C0862 of 8 July 2013)

  Andromède, acting in concert with Récopart, Orpar and Fine Champagne Investissements, disclosed that on 28 June 2013, it had exceeded the thresholds of 50% of the share capital and two-thirds of the voting rights in Rémy Cointreau and that it held, directly and indirectly, *via* the companies Orpar and Récopart which it controls, 25,942,283 Rémy Cointreau shares representing 50,389,513 voting rights or 50.96% of the share capital and 66.78% of the voting rights. The thresholds were crossed following Andromède's merger by absorption of four companies that are shareholders of Andromède and controlled by the Hériard Dubreuil family, as a result of which Andromède received 556,877 Rémy Cointreau shares representing 713,957 voting rights, resulting from the universal transfer of assets from the absorbed companies. This merger-absorption had no effect on the control of Andromède.

- Rémy Cointreau shares received by FCI after exercising a purchase option (AMF decision no. 213C1167 of 2 August 2013)

  The Group composed of the limited companies Andromède, Orpar and Récopart and the simplified limited company Fine Champagne Investissements (FCI) declared that on 31 July 2013, it had fallen below the threshold of two-thirds of voting rights in Rémy Cointreau and held 25,942,283 Rémy Cointreau shares representing 49,395,460 voting rights, or 50.96% of the share capital and 66.33% of the voting rights in the Company[(3)]. On this occasion, Andromède, through Orpar and Récopart, both companies it controls, indirectly fell below the thresholds of 50% of the share capital and two-thirds of the voting rights in Rémy Cointreau.

  The thresholds were crossed following the exercise, by FCI, of an undertaking to purchase 201,533 Orpar shares it held, which Orpar paid for by remittance to FCI of 994,053 shares in Rémy Cointreau, resulting in the loss of double voting rights attached to the aforementioned Rémy Cointreau shares.

- Cancellation of 1,150,000 Rémy Cointreau treasury shares (AMF decision no. 213C1783 of 22 November 2013)

  The Group composed of the limited companies Andromède, Orpar and Récopart and the simplified limited company Fine Champagne Investissements[(4)] (FCI) declared that on 19 November 2013, it had exceeded the threshold of two-thirds of voting rights in Rémy Cointreau and held 25,942,283 Rémy Cointreau shares representing 49,587,459 voting rights, *i.e.* 52.13% of the share capital and 67.46% of the voting rights in the Company. This threshold was crossed due to a reduction in the total number of shares and voting rights in Rémy Cointreau resulting from the cancellation of 1,150,000 Rémy Cointreau shares.

- Cancellation of 1,283,053 Rémy Cointreau treasury shares (AMF decision no. 214C0472 of 28 March 2014)

  The limited company Andromède declared that on 25 March 2014, it had exceeded, directly and indirectly, through the companies Orpar and Récopart which it controls, the thresholds of two-thirds of voting rights and 50% of the capital of Rémy Cointreau and that it held, directly and indirectly, 24,877,226 shares representing 48,522,402 voting rights, or 51.32% of the capital and 67.14% of the voting rights in the Company.

  This threshold was crossed due to a reduction in the total number of shares and voting rights in Rémy Cointreau resulting from the cancellation of 1,283,053 Rémy Cointreau shares.

  The Group composed of the limited companies Andromède, Orpar and Récopart and simplified limited company Fine Champagne Investissements (FCI) has not crossed any threshold and at 25 March 2014, held 25,942,283 Rémy Cointreau shares representing 49,587,459 voting rights, or 53.51% of the capital and 68.79% of the voting rights in the Company.

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(1) On the basis of share capital consisting of 50,909,912 shares representing 75,460,124 voting rights, pursuant to the 2nd subparagraph of Article 223-11 of the General Regulation.

(2) Note that the shareholders' agreement referred to above is included under D&N 213C0515 of 2 May 2013, the provisions of which are set out below.

(3) On the basis of share capital consisting of 50,909,912 shares representing 74,466,099 voting rights, pursuant to the 2nd subparagraph of Article 223-11 of the General Regulation.

(4) Simplified limited company (based at Maison des Viticulteurs, 25, rue de Cagouillet, 16100 Cognac) owned by the Alliance Fine Champagne (AFC) cooperative, a structure resulting from the merger of the Champaco and Prochacoop cooperatives.

Exemption from the obligation to file a draft public offering (AMF decision no. 215C0387 of 1 April 2015)

In its meeting of 31 March 2015, the French Financial Markets Authority *(Autorité des marchés financiers)* examined a request for exemptions to the obligation to file a draft public takeover offer on the shares of Rémy Cointreau, as part of the successive acquisitions of Rémy Cointreau shares by Orpar.

Through the cumulative effect of (i) the cancellation of 1,283,053 Rémy Cointreau shares which took place on 25 March 2014, (ii) the payment of part of the dividend for the 2013/2014 financial year in Rémy Cointreau shares, and (iii) the acquisition, on 10 March 2015, by Orpar, of 174,000 Rémy Cointreau shares, the aforementioned members declared that they held, at 10 March 2015, 26,280,396 shares representing 49,921,377 voting rights, *i.e.* 53.95% of the capital and 68.90% of the voting rights in the Company.

Orpar thus increased its individual stake in the capital and voting rights, initially comprising 30% to 50%, by more than 1% over less than 12 consecutive months, placing itself under the obligation to file a public takeover offer on all of the capital of Rémy Cointreau, in accordance with Article 234-5 of the General Regulation.

Furthermore, Orpar issued, on 3 February 2015, zero coupon bonds exchangeable for existing Rémy Cointreau shares for a nominal amount of €170 million. The bonds listed in Luxemburg were redeemed on 15 July 2019 with a premium of 102.3% on the initial price. According to the terms of the prospectus, Orpar will use around 80% of the proceeds of the transaction to buy back existing Rémy Cointreau shares.

Thus Orpar could increase its individual stake in the capital and voting rights, initially comprising 30% to 50%, by more than 1% over less than 12 consecutive months again placing it under the obligation to file a public takeover offer on all of the capital of Rémy Cointreau, in accordance with Article 234-5 of the General Regulation.

In this context, Orpar requested exemptions from the French Financial Markets Authority from the obligation to file a public takeover offer on the Rémy Cointreau shares for each of the two aforementioned events causing the offer on the basis of Article 234-9, 6° of the General Regulation.

Considering that, prior to the aforementioned transactions, the members held a majority of the Rémy Cointreau voting rights, the French Financial Markets Authority granted the requested exemptions on the aforementioned regulatory basis.

As a result of these exemptions, Orpar continued its purchases until 31 October 2015, without acceleration limit, as part of its commitment to allocate around 80% of the proceeds of the exchangeable issue to purchase existing Rémy Cointreau shares. Under the exemptions granted, Orpar acquired 802,400 Rémy Cointreau shares.

Information consecutive to an exemption from the obligation to file a draft public offering (AMF decision no. 215C1626 of 6 November 2015)

Pursuant to Article 234-5 of the General Regulation, the *Société anonyme* (French limited liability company) Orpar notified the French Financial Markets Authority, that it held, at 31 October 2015, following acquisitions of Rémy Cointreau shares on the market under the aforementioned exemptions, 18,258,061 Rémy Cointreau shares representing 34,798,204 voting rights, or 37.46% of the share capital, and 47.93% of the Company's voting rights.

On this occasion, the Group composed of the *Société anonyme* (French limited liability company) Orpar and the simplified limited companies Andromède, Récopart and Fine Champagne Investissements (FCI) declared that it held, on 31 October 2015, 27,082,796 Rémy Cointreau shares representing 50,730,752 voting rights, or 55.57% of the share capital, and 69.88% of this company's voting rights.

It should be noted that on 20 June 2017, Orpar renegotiated the conditions of the 2015 exchangeable bond both in relation to its term and its amount. In this regard, Orpar issued bonds exchangeable for existing Rémy Cointreau zero coupon shares for a nominal amount of €200 million while buying back all of the bonds issued in 2015. The bonds, listed in Luxembourg, will be redeemed on 20 June 2024 with a premium of 101.7% on the initial price.

The terms of the prospectus are unchanged compared with 2015.

SHAREHOLDER AGREEMENTS AND CONCERT ACTION BETWEEN THE PARTIES

The Company is aware of the existence of the following concert parties and shareholder agreements:

Between Orpar and the shareholders of Récopart:

- under a Memorandum of Understanding signed on 21 and 22 July 2010, on 22 July 2010 Orpar acquired 721,995 Récopart shares, including 421,995 outright and 300,000 in bare ownership from Mr Pierre Cointreau and his children, thereby increasing its investment to 61.02% of the share capital and 61.02% of the voting rights in Récopart;
- prior to this transaction, Orpar and Récopart were granted an exemption from the requirement to make a public takeover offer under Article 234-9-6 of the General Regulation set out in Decision and Notification 210C0520 published on the website of the AMF on 14 June 2010. The declaration of crossing of thresholds following this exemption was made by letter of 23 July 2010 and published on the website of the AMF in Decision and Notification 210C0694.

On that date, Récopart held 6,937,889 shares and 13,229,478 voting rights in Rémy Cointreau, *i.e.* 14.30% of the share capital and 17.08% of the voting rights in Rémy Cointreau. On that date, Orpar held 20,901,034 shares and 40,732,231 Rémy Cointreau voting rights, *i.e.* 43.09% of the share capital and 52.59% of the Rémy Cointreau voting rights. As a result, following this acquisition, Orpar directly or indirectly held a total of 27,838,923 shares and 53,961,709 voting rights in Rémy Cointreau, *i.e.* 57.39% of the share capital and 69.67% of the voting rights in Rémy Cointreau, and had thus indirectly exceeded the threshold of 50% of the share capital and 66.67% of the voting rights in Rémy Cointreau.

In application of the Memorandum of Understanding and as part of the implementation of the acquisition, Orpar and Mr Pierre Cointreau and his family entered into the following agreements to govern their relationship within Récopart:

- an undertaking to purchase was granted on 21 and 22 July 2010 by Orpar to the Cointreau family, in relation to the remaining Récopart shares held by the Cointreau family. The undertaking to purchase reflects Orpar's commitment to acquire, from members of the Cointreau family and at their request, a maximum of 1,867,068 Récopart shares;
- an undertaking to sell was granted on 21 and 22 July 2010 by the Cointreau family to Orpar, in relation to the remaining Récopart shares held by the Cointreau family. The undertaking to sell reflects the commitment of the members of the Cointreau family to sell to Orpar, at the latter's request, a maximum of 1,867,068 Récopart shares.

  The heirs of Mr and Ms Pierre Cointreau may exercise the aforementioned promises in one or more brackets, as of the expiry date of the commitments arising from the Dutreil agreement, given that the number of brackets will vary according to the date on which the commitments under the Dutreil agreement expire;
- a shareholders' agreement was concluded on 21 and 22 July 2010. This agreement was entered into for a period of 20 years from the date of its signature. The agreement also specified the annual dividend distribution policy.

Orpar also has a pre-emptive right on all transfers of securities, with the exception of certain transactions known as free transfers.

Lastly, the agreement specifies that in the event Orpar were to receive a bid from a third-party buyer for at least 51% of Récopart shares, which it would be prepared to accept, that all shareholders would be compelled to dispose of their shares jointly with Orpar, on the terms and conditions specified in the agreement.

During the 2020/2021 financial year, Orpar acquired part of the Récopart shares held by an heir of Mr and Mrs Pierre Cointreau, *i.e.* 119,039 ordinary shares.

Orpar's holding in Récopart is 71.80%.

Between Andromède, Orpar and Fine Champagne Investissements (FCI):

Andromède, FCI and Orpar entered into a shareholder agreement on 2 April 2020 between Fine Champagne Investissements[(1)] (FCI), Andromède[(2)] (a simplified limited liability company) and Orpar[(3)] a *Société anonyme* (French limited liability company), the main clauses of which were published in accordance with Article L. 233-11 of the French Commercial Code *via* AMF decision no. 220C1337 of 22 April 2020. This new shareholders' agreement involving Rémy Cointreau replaces the shareholders' agreement[(4)] which had been entered into between the same parties on 3 April 2013 and expired on 4 April 2020.

The main clauses of the new shareholders' agreement, which provides for concert[(5)] action between the parties towards Rémy Cointreau are as follows:

- **governance:** Orpar and FCI will meet in reasonable time before any Shareholders' Meeting of Rémy Cointreau to examine the draft resolutions submitted to the meeting and agree on a common position. In any event, FCI agrees to attend the meeting in question or give proxy to Orpar and combine its votes with those of Orpar and vote as previously indicated to Orpar;
- **pre-emptive right:** Orpar will benefit from a pre-emptive right on the Rémy Cointreau shares held by FCI in exchange for cash compensation, it being specified that the acquisition would be carried out under the same conditions as those of the proposed transferee. In the event of a public takeover offer on Rémy Cointreau securities, FCI must inform Orpar, in writing, of its intention to contribute Rémy Cointreau shares to the offer. Accordingly, Orpar may exercise its pre-emptive right at the public takeover offer price, it being specified that in the event of a public exchange offer, the price will be determined based on the average Rémy Cointreau share price, weighted by trading volumes, during the last 10 trading days prior to the close of the offer;
- **ceiling:** FCI agrees that it will not increase its holding in Rémy Cointreau without Orpar's consent and that it will not enter into an agreement or, more broadly act in concert with a third party towards Rémy Cointreau as these stipulations do not constitute an obstacle for FCI to purchase double voting rights resulting from the continuous holding of Rémy Cointreau shares;
- **duration:** the agreement is valid for seven years, *i.e.* until 2 April 2027, it being specified that, in the event that Orpar or FCI carries out an act forcing the launch of a public takeover offer on Rémy Cointreau securities, the concert action[(5)] linking them will immediately end and will automatically become null and void.

COLLECTIVE COMMITMENTS TO HOLD RÉMY COINTREAU SHARES IN ACCORDANCE WITH ARTICLE 787 B I BIS OF THE FRENCH GENERAL TAX CODE

During the 2017/2018 financial year, on 30 January 2018, Orpar, Récopart, and Récopart shareholders, and Marc Hériard Dubreuil, in his capacity as Chairman of the Board of Directors, entered into a collective lock-up agreement within the framework of the provisions of Article 787 B I *bis* of the French General Tax Code and in the context of the Dutreil law for a term of two years. The Rémy Cointreau shares that are covered by the agreement represent 10,800,000 shares or 21.45% of the share capital and voting rights as at 30 January 2018.

(1) Simplified limited company owned by the Alliance Fine Champagne (AFC) cooperative structure resulting from the merger of the Champaco and Prochacoop cooperatives.
(2) Controlled by the Hériard Dubreuil family.
(3) Controlled by Andromède SAS.
(4) See D&I 213C0515 of 2 May 2013.
(5) In decision No. 213C0515 of 2 May 2013 the AMF examined the consequences of the concert party between Fine Champagne Investissements (FCI) and Andromède Orpar and Récopart and granted an exemption from the requirement to make public takeover offer under Article 234-1, 1° of the AMF General Regulation.

During the 2019/2020 financial year, Orpar, Récopart, two heirs of Mr and Mrs Pierre Cointreau, Récopart shareholders, Mr Marc Hériard Dubreuil, in his capacity as Chairman of the Board of Directors of Rémy Cointreau, entered into a collective lock-up agreement on 19 February 2020 within the framework of the provisions of Article 787 B of the French General Tax Code and in the context of the Dutreil law, for a term of two years. The Rémy Cointreau shares that are covered by the agreement represent 10,920,086 shares or 21.77% of the share capital and 36.13% of the voting rights as at 31 January 2020.

7.2.2 Changes to the breakdown of the share capital over the last three years

During the 2018/2019 financial year, the exercising of the 2017/2018 dividend option in cash or shares resulted in the issue of 725,987 shares corresponding to a capital increase of €1,161,579.20 bringing the capital to €81,519,659.20. A reduction in the share capital was then carried out through the cancellation of treasury shares as part of the share buyback programme – implemented on 1 August 2018 and concluded on 20 December 2018 – corresponding to 800,000 shares out of the 1,000,000 shares acquired in this context and corresponding to a reduction in the nominal share capital of €1,280,000 thus taking the capital to €80,239,659.20. On the year-end date, Orpar held over one-third of the share capital and over 45% of the voting rights. Récopart held around 15% of the share capital and more than 18% of the voting rights.

During the 2019/2020 financial year there was no option to receive payment of the 2017/2018 dividend in shares. The entire dividend was paid in cash. This had no impact on the change in share capital. On the year-end date, Orpar held over one-third of the share capital and over 45% of the voting rights. Récopart held around 15% of the share capital and more than 18% of the voting rights.

During the 2020/2021 financial year, the exercising of the 2019/2020 dividend option in cash or shares resulted in the issue of 353,319 shares corresponding to a capital increase of €565,310.40 bringing the capital to €80,804,969.60. On the closing date of the financial year, Orpar held over one-third of the share capital and over 45% of the voting rights. Récopart held around 15% of the share capital and more than 15% of the voting rights.

7.2.3 Persons controlling the Company and details of their shareholdings

At 31 March 2021, Orpar was 100% controlled by Andromède, which is controlled by the Hériard Dubreuil family.

At 31 March 2021, Andromède held 601,562 shares, or 1.19% of the share capital, corresponding to 1,177,746 voting rights, or 1.46% of the voting rights. At the same date, Orpar held 19,713,950 Rémy Cointreau shares, or 39.03% of the share capital, corresponding to 38,403,274 voting rights, or 47.60% of the voting rights. Orpar held, directly and indirectly, shares held by Récopart, or a total of 53.97% of the share capital and 66.07% of the voting rights in Rémy Cointreau. Together Andromède, Orpar and Récopart held 55.16% of the share capital and 67.53% of the voting rights in Rémy Cointreau.

Pursuant to European regulation No. 809/2004 of 29 April 2004, established pursuant to the “Prospectus” directive, Rémy Cointreau ensures that the control of the Company is not currently and will not ever be abused, by adopting corporate governance measures.

The Company refers to the recommendations of the Corporate Governance Code for Listed Companies published in June 2013 most recently revised in January 2020 by the AFEP/MEDEF and the guidelines for applying this Code by the Corporate Governance High Commission in January 2019 and revised in March 2020. In particular, the Board of Directors is organised in order to achieve a balance between experience, skills, independence and ethical behaviour, while respecting in overall terms the balanced representation of women and men on the Board of Directors.

7.2.4 Financial communication and stock market information

Shares in Rémy Cointreau are listed on the Euronext Paris regulated market (ISIN code FR0000130395). Rémy Cointreau is included in the French SBF 120 index and the European EuroStoxx 600 index.

At 31 March 2021, Rémy Cointreau had a market capitalisation of €7.954 billion.

On 1 April 2015, Rémy Cointreau entrusted a financial institution with the implementation of a liquidity contract that conforms to the AMAFI Ethics Charter recognised by the AMF.

SHAREHOLDER AND INVESTOR RELATIONS

All shareholders are given full, clear and transparent information which is tailored to their specific needs. A wide variety of documents made available to the public, including regulated information, covers all of the Company’s business activities, its strategy and financial information, including press releases, the Universal Registration Document, interim financial reports and the Company’s Articles of Association. The Group also set up a mini website called “e-IR” specifically intended for investors. This enables them to learn more about the Group from a strategic and financial point of view.

All such documents and the “e-IR” site are easy to access or obtain from the Group website www.remy-cointreau.com, in the “Finance” section and on request from the Rémy Cointreau Investor Relations department.

In addition, many meetings took place in 2020/2021 between the Group and institutional investors and analysts. These took the form of conference calls organised as part of quarterly, interim and annual publications and also roadshows, conferences and individual meetings, organised in digital format during the year.

DOCUMENTS ON DISPLAY

The historical information, Universal Registration Documents (registration document), Shareholders' Meeting documents (Notice of meeting, Minutes), Articles of Association of the Company, and items constituting "regulated information" within the meaning of Article 221-1 of the AMF General Regulation (including press releases, quarterly information and the Annual and interim reports) may be consulted on the website www.remy-cointreau.com in French and in English and, if necessary, at the Company's registered office.

NUMBER OF SHARES AND CAPITAL TRADED ON EURONEXT PARIS AND CHANGE IN SHARE PRICE OVER THIRTY MONTHS

	Number of shares traded	Average price *(in €)*	High *(in €)*	Low *(in €)*	Trading volumes *(in € millions)*
2018					
December	2,141,380	100.83	105.70	96.15	217.15
2019					
January	2,258,821	100.03	105.00	94.15	225.94
February	1,633,308	110.58	115.20	101.30	179.71
March	1,653,962	117.06	120.20	114.40	193.19
April	1,377,494	118.79	122.00	116.20	163.68
May	1,443,619	119.36	124.60	115.50	172.55
June	2,652,635	120.42	127.30	112.90	318.2
July	1,853,986	130.05	135.00	124.70	240.3
August	1,702,690	131.09	138.10	125.00	222.8
September	2,276,250	130.38	142.90	118.80	293.9
October	2,307,852	121.90	127.90	115.60	282.3
November	2,026,865	120.35	124.80	113.30	242.5
December	1,998,831	112.30	117.30	107.50	223.9
2020					
January	2,482,844	108.08	118.10	93.70	260.7
February	3,089,957	99.12	104.80	89.90	302.4
March	4,817,060	94.51	106.60	79.20	453.0
April	1,113,751	100.98	104.80	95.35	112.3
May	1,426,371	102.94	112.40	98.25	147.9
June	2,548,422	118.38	126.70	107.10	303.6
July	2,230,707	131.27	141.30	119.20	293.1
August	1,365,448	136.62	141.60	131.90	186.4
September	1,872,584	148.83	156.30	136.20	277.9
October	1,636,007	154.54	162.80	144.90	252.5
November	1,647,720	151.58	159.20	144.80	249.7
December	1,248,474	149.21	160.00	140.30	185.4
2021					
January	1,434,547	147.64	154.50	140.40	212.0
February	1,239,673	159.69	167.70	152.60	197.8
March	1,408,270	159.91	164.60	154.10	225.3
April	1,042,656	167.01	174.00	157.50	174.2
May	1,050,795	167.71	173.10	162.20	175.9

7.3 Items liable to have an impact in the event of a public takeover offer

In compliance with Article L. 225-100-3 of the French Commercial Code, we notify you of the factors liable to have an impact in the event of a public takeover offer:

- the structure of the Company's share capital is disclosed in section 7.2 of this report and refers to concert parties and to shareholder agreements that had been brought to the Company's attention at the time of writing;
- the direct or indirect investments known to the Company are described in section 7.2 of this document;
- with the exception of the double voting rights allocated, pursuant to Article 23.2 of the Articles of Association, to fully paid-up shares which have been held in registered form for at least four years in the name of the same shareholder, no shares carry specific privileges;
- there is no restriction in the Articles of Association on the exercise of voting rights, except for failure to comply with the provisions in respect of crossing the statutory threshold of 1% of the share capital or voting rights or any multiple of this percentage, under the terms provided for by Article 8.2 of the Articles of Association; there are no restrictions on share transfers in the Articles of Association;
- the rules governing the appointment and dismissal of members of the Board of Directors are those of the prevailing laws and the Articles of Association;
- amendments to the Company's Articles of Association are made in accordance with the prevailing laws and regulations;
- the Company and some of its subsidiaries have entered into agreements containing a clause offering the co-contracting parties the option of terminating those agreements in the event of a change of control of the Company, mainly under distribution agreements with third parties and the bonds of €80 million dated February 2015 and €275 million dated September 2016 described in note **13.6** to the consolidated financial statements in section 5.6 and note **8** in section 6.5 of this document;
- severance and non-compete compensations and the defined-benefit and defined-contribution pension commitments granted to Éric Vallat, Chief Executive Officer, can be found in section 3.5 of this document;
- the various delegations and authorisations granted to the Board of Directors by the Shareholders' Meeting, notably concerning the issue and repurchase of shares, are disclosed in section 7.1.3 of this document.


PROGRESSIVE HEBRIDEAN
DISTILLERS
BRUICHLADDICH
THE
CLASSIC
LADDIE
SCOTTISH BARLEY
UNPEATED
ISLAY SINGLE MALT
SCOTCH WHISKY
50% vol.
50% alc./vol.
700 ml

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COMBINED SHAREHOLDERS' MEETING OF 22 JULY 2021

8.1 Explanatory statement and draft resolutions

Ordinary business

FIRST, SECOND AND THIRD RESOLUTIONS

Approval of the Company and consolidated financial statements and appropriation of earnings

EXPLANATORY STATEMENT

The **first two resolutions** concern the approval of the Company and consolidated financial statements for the financial year ended 31 March 2021.

The Company financial statements show a profit of €131,680,801.70.

The consolidated financial statements show a net profit attributable to the owners of the parent of €144,534,367.

It is stated, in accordance with Article 223 *quater* of the French General Tax Code, that no expenditures or expenses referred to in Article 39 paragraph 4 of the French General Tax Code were incurred during the financial year ended 31 March 2021.

FIRST RESOLUTION

(Approval of the Company financial statements for the 2020/2021 financial year)

The Shareholders' Meeting, deliberating under the quorum and majority requirements for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report for the financial year ended 31 March 2021 and the Statutory Auditors' report on the Company financial statements, approves the Company financial statements for the financial year ended 31 March 2021, which comprise the statement of financial position, the income statement and the notes, as presented, showing a profit of €131,680,801.70, together with all the transactions reflected in the aforementioned financial statements or summarised in these reports.

In accordance with the provisions of Article 223 *quater* of the French General Tax Code, the Shareholders' Meeting notes that no expenditures or expenses referred to in Article 39-4 of said Code were incurred during the financial year ended 31 March 2021.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the 2020/2021 financial year)

The Shareholders' Meeting, deliberating under the quorum and majority requirements for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' report on the consolidated financial statements, approved the consolidated financial statements for the financial year ended 31 March 2021, which comprise the statement of financial position, the income statement and the notes, as presented, showing a net profit attributable to the owners of the parent of €144,534,367, together with all the transactions reflected in the aforementioned financial statements or summarised in these reports.

EXPLANATORY STATEMENT

The **third resolution** concerns the appropriation of Company earnings for the financial year ended 31 March 2021 and the payment of the dividend.

The Board of Directors asks that you approve the appropriation of distributable earnings for the financial year ended 31 March 2021 as follows:

• profit for the financial year as at 31 March 2021:	€131,680,801.70
• retained earnings:	€136,744,699.64
• allocation to the legal reserve:	€(44,688.96)
• total distributable amount:	€268,380,812.38
• ordinary dividend of €1.85 per share:	€93,430,746.10
• retained earnings:	€174,950,066.28

Capitalising on the significant increase in its earnings, the Board of Directors proposes to set the amount of the dividend to be distributed to each of the Company's shares with dividend rights in respect of the financial year ended 31 March 2021 at €1.85, i.e. a total of €93,430,746.10 based on 50,503,106 shares comprising the share capital at 31 March 2021.

The dividend, which is significantly higher compared to the 2019/2020 financial year (€1), but also compared to that of 2018/2019 (€1.65) would have an ex-dividend date on 29 September 2021 and be paid in cash as from 1 October 2021 for the full amount of the dividend distributed.

THIRD RESOLUTION

(Appropriation of income and setting of the dividend)

The Shareholders' Meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, on the proposal of the Board of Directors, hereby approves the appropriation of the distributable income for the financial year ended 31 March 2021 as follows:

• profit for the financial year as at 31 March 2021:	€131,680,801.70
• retained earnings:	€136,744,699.64
• allocation to the legal reserve:	€(44,688.96)
• total distributable amount:	€268,380,812.38
• ordinary dividend of €1.85 per share:	€93,430,746.10
• retained earnings:	€174,950,066.28

A dividend of €1.85 per share will be distributed for each Company share giving the right to a dividend.

The total dividend of €93,430,746.10 was determined on the basis of the 50,503,106 shares making up the share capital at 31 March 2021. The ex-dividend date will be 29 September 2021 and the dividend will be paid as of 1 October 2021.

In the event that the Company holds any of its own shares when the dividend becomes payable, the amount corresponding to the dividend not distributed as a result of that holding shall be allocated to "Retained earnings".

It is specified that, as the law currently stands, for natural persons who have their tax residence in France, the dividend is subject to a single flat-rate withholding tax ("PFU") of 12.8% or, if the beneficiary has expressly and irrevocably so opted, to the income tax applicable to his/her entire income, net gains, profits and receivables falling under the field of application of the single flat-rate withholding taxation in accordance with the progressive income tax system. The dividend is eligible for the 40% rebate benefiting individuals domiciled in France for tax purposes as provided for in paragraph 2 of Article 158-3 of the French General Tax Code. However this now applies only to taxpayers who opt for taxation in accordance with the progressive income tax system.

In accordance with the law, we hereby advise you that the amount of net dividends paid in respect of the past three financial years, and the amount of the dividend payment eligible for the aforementioned tax allowance for individual shareholders who are tax residents of France, were as follows:

Financial years	2017/2018	2018/2019	2019/2020
Net dividend per share	€1.65	€2.65(1)	€1
Dividend paid eligible for the 40% rebate	€1.65	€2.65(1)	€1

(1) Of which an extraordinary dividend of €1.

FOURTH RESOLUTION

Agreements covered by Article L. 225-38 *et seq*. of the French Commercial Code

EXPLANATORY STATEMENT

The **fourth resolution** concerns the regulated agreements and commitments authorised and entered into during previous financial years and whose performance continued in the 2020/2021 financial year. These agreements and commitments were once again examined by the Board of Directors at its meeting of 2 June 2021, in accordance with Article L. 225-40-1 of the French Commercial Code and reported to the Statutory Auditors for inclusion in their special report.

This special report is reproduced in section 8.2 of this 2020/2021 Universal Registration Document.

Please note that, in accordance with current legislation, regulated agreements already approved by the Shareholders' Meeting in previous financial years and which remain in force are not put to the vote at subsequent Shareholders' Meetings.

Ruling on the Statutory Auditors' special report, the shareholders are asked to approve this report and to duly note the information in connection with regulated agreements and commitments authorised and entered into during previous financial years and whose performance continued in the 2020/2021 financial year.

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FOURTH RESOLUTION

(Agreements covered by Articles L. 225-38 *et seq.* of the French Commercial Code authorised in previous financial years and which continued to be performed during the 2020/2021 financial year)

The Shareholders' Meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors on the regulated agreements and commitments covered by Articles L. 225-38 *et seq*. of the French Commercial Code, deliberating on the special report of the Statutory Auditors, takes note of the information relating to the agreements and commitments entered into and authorised in previous financial years and that remained in force in the past financial year and are mentioned therein and were reviewed by the Board of Directors at its meeting on 2 June 2021 in accordance with Article L. 225-40-1 of the French Commercial Code.

COMPOSITION OF THE BOARD OF DIRECTORS

EXPLANATORY STATEMENT

Before proposing the reappointment of Board members whose terms of office will expire at the end of this Shareholders' Meeting or the appointment of new directors, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors verified that the nominees for reappointment or appointment are available and have the time required to perform their duties. It also ensured that the composition of the Board is well balanced in terms of gender equality and international experience.

The Board also assessed the contribution of each Board member proposed for reappointment to its work and that of its committees. Accordingly, it concluded that their reappointment was beneficial for the Company.

At its meeting on 2 June 2021, the Board of Directors examined in particular the independence of its members in light of the criteria set out in the AFEP/MEDEF Corporate Governance Code for listed companies, updated in June 2020.

Should these resolutions be approved, the Board of Directors would have 12 members, three of whom would be non-voting members. It would comprise six women appointed by the Shareholders' Meeting, i.e. 50% of its members appointed by the shareholders (excluding non-voting members). Its composition would be well balanced in terms of skills. The percentage of independent members would be 50% (6/12) based on the AFEP/MEDEF Code calculation method (excluding non-voting members).

FIFTH AND SIXTH RESOLUTIONS

Re-election of two Board Members

EXPLANATORY STATEMENT

The **fifth and sixth resolutions** ask the Shareholders' Meeting to reappoint Guylaine Saucier and Bruno Pavlovsky as Board members for a three-year term, i.e. until the end of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2024.

Guylaine Saucier, 74 years old, has been a member of the Board of Directors of Rémy Cointreau since 24 July 2018. She is independent according to the AFEP/MEDEF Code. In particular, the Board of Directors considered her in-depth understanding of the Group's strategy and her contribution to the discussions of the Board of Directors and those of the Audit-Finance Committee, which she has chaired since 1 October 2019. Her experience in international settings and in risk monitoring and management and her knowledge of complex audit issues are key assets for her reappointment as independent Board member.

Bruno Pavlovsky, 58 years old, is President of Global Fashion at Chanel. He has been a member of the Board of Directors of Rémy Cointreau since 29 July 2015 He is independent according to the AFEP/MEDEF Code. Bruno Pavlovsky's involvement in the work of the Board of Directors and the Nomination and Remuneration Committee of which he has been Chairman since 24 July 2019, his experience and in-depth knowledge of the challenges of the luxury goods industry are key assets for his reappointment as independent Board member.

A biography (including details of corporate offices and positions held) of these two Board members is included in pages 134 and 137 of this Document.

FIFTH RESOLUTION

(Re-election of Guylaine Saucier)

The Shareholders' Meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report, resolves to reappoint Guylaine Saucier as Board member for a three-year term, i.e. until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2024.

SIXTH RESOLUTION

(Re-election of Bruno Pavlovsky)

The Shareholders' Meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report, resolves to reappoint Bruno Pavlovsky as Board member for a three-year term, i.e. until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2024.

SEVENTH, EIGHTH, NINTH AND TENTH RESOLUTIONS

Appointment of three Board members

EXPLANATORY STATEMENT

The **seventh resolution** asks the Shareholders' Meeting, on the recommendation of the Nomination and Remuneration Committee, to appoint Marc Verspyck as Board member for a three-year term, i.e. until the end of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2024.

Marc Verspyck will be appointed to replace Jacques-Étienne de T'Serclaes, who informed the Board of Directors of his intention not to renew his term of office as Board member, for personal reasons, at the end of this Meeting.

Marc Verspyck, 55 years old, is a consultant, who was formerly Deputy Chief Executive Officer, Economy and Finance of the Air France Group.

The Board of Directors wished to include an independent Board member with solid experience in corporate senior management and heading up finance departments;

The Board of Directors, after having reviewed the independence criteria mentioned in section 9.5 of the AFEP/MEDEF Code, revised in January 2020, based on the work carried out by the Nomination and Remuneration Committee, the Board of Directors concluded that Marc Verspyck could be considered as independent.

In the event of his appointment as Board member, Marc Verspyck will be proposed as a member of the Audit-Finance Committee.

MARC VERSPYCK

French nationality, 55 years old

He is a Graduate of ESCP and holds a DESS from the University of Paris-Dauphine. Marc Verspyck began his career at Air Inter as a product manager and became head of the ground handling division in 1994.

Three years later, he joined the finance department of Air France in the financing division, and in 2005 he became head of subsidiaries and equity investments.

From 2007 to 2013, he was Senior Vice President, Corporate Finance of the airline and later on, from 2013 to 2019, Deputy Chief Executive Officer, Economy and Finance

He has been a Board member of various companies, a representative in professional bodies and is the author of several articles on corporate finance.

APPOINTMENTS OUTSTANDING

- President of Managabin SAS.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Member of the Board of Directors of Amadeus[(1)].
- Chairman and Chief Executive Officer of Air France Finance.
- Board member of Hop!.
- Board member of Servair.

(1) *Listed company.*

To the Company's knowledge, there is no potential conflict of interest between the duties of Marc Verspyck towards the issuer and his private interests and/or other duties.

8

The **eighth and ninth resolutions** continue the generational transition of the members of the Hériard Dubreuil family on the Board of Directors, announced at the end of the Shareholders' Meeting in July 2019.

The **eighth resolution** asks the Shareholders' Meeting, on the recommendation of the Nomination and Remuneration Committee, to appoint Élie Hériard Dubreuil as Board member for a three-year term, i.e. until the end of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2024.

Élie Hériard Dubreuil, 43 years old, has been a non-voting Board member since 20 November 2018 and will be appointed to replace Dominique Hériard Dubreuil, who announced her decision to make her seat on the Board available as of the 2021 Shareholders' Meeting, to support the generational transition. The Board of Directors approved her decision.

The Board of Directors believes that the extensive experience of Élie Hériard Dubreuil in the wine and spirits industry, his in-depth understanding of the Group's CSR challenges are key assets for his appointment to the Board of Directors of Rémy Cointreau.

ÉLIE HÉRIARD DUBREUIL

French nationality, 43 years old
Date first appointed: *20 November 2018.*
Term of office on the Board of Directors expires: *November 2021.*
Business address: *Andromède, 21, boulevard Haussmann, 75009 Paris – France*
Holds: *519 RC shares*

A graduate of the French National School of Statistics and Economic Administration (ENSAE), Élie Hériard Dubreuil began his career in structured finance and credit risk modelling at Fitch Ratings, before honing his expertise in investment banking at CDC IXIS and Caisses d'Épargne Group. For more than 12 years, he held various global positions at S&P Global, where he was responsible for ratings and methodology for sovereigns, public finances and financial institutions. In 2018 and 2019, he was Co-Director of Beyond Ratings, an innovative rating agency integrating sustainable development. In 2019 he joined the Senior Management of Andromède and in 2020 became CEO of Qivalio, a rating agency and consulting firm devoted to sustainable finance.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- President of Qivalio SAS.

OTHER APPOINTMENTS OUTSTANDING

- Deputy Chief Executive Officer of Andromède SAS.
- Board member of Oeneo SA(1).
- Board member of MdGroup (Microdrones).
- Chairman of the Irini association.
- Chairman of the Board of Estimeo SAS.
- Board member of Koosmik Corp.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Non-voting member of Oeneo SA(1).
- Non-voting member of the Supervisory Board of Andromède SAS.
- Chief Executive Officer of Beyond Ratings SAS.
- Senior Director at the S&P Global ratings agency.
- Governor and Treasurer of All Saints Blackheath Primary School.
- Vice-Chairman and Trustee of the charity Life Project For Youth (LP4Y), England.
- Lecturer at Sciences Po Executive Education.
- Lecturer at CIFE.

(1) *Listed company.*

In his capacity as representative of the majority shareholder, Élie Hériard Dubreuil does not qualify as an independent director.

In the event of his appointment as Board member, Élie Hériard Dubreuil will be proposed as a member of the Corporate Social Responsibility Committee.

The **ninth resolution** asks the Shareholders' Meeting, on the recommendation of the Nomination and Remuneration Committee, to ratify the provisional appointment by the Board of Directors, at its Meeting of November 24, 2020 of Caroline Bois as Board member, to replace François Hériard Dubreuil who resigned.

Caroline Bois, 44 years old, has been a non-voting member of the Board of Directors of Rémy Cointreau since 24 July 2019. She has been a member of the Audit-Finance Committee since 24 November 2020. The Board of Directors believes that the expertise of Caroline Bois in the wine and spirits industry, together with her in-depth understanding of the Group's financial challenges and teams are key assets for her appointment to the Board of Directors of Rémy Cointreau.

CAROLINE BOIS HÉRIARD DUBREUIL

French nationality, 44 years old
Date first appointed: *24 November 2020.*
Date term of office expires: *July 2021 – Shareholders' Meeting held to approve the 2021 financial statements.*
Business address: *Andromède SAS – 21, boulevard Haussmann – 75009 Paris – France*
Holds: *4,592 RC shares*

A graduate of HEC and the MAP program at INSEAD, Caroline Bois Hériard Dubreuil has held various leadership positions in finance and project management at Freelance.com, Dictis, and International SOS since 1998, before joining the Rémy Cointreau Group (1) in 2014 as Head of Group Management Control and Planning. Caroline Bois Hériard Dubreuil is currently Deputy Chief Executive Officer of Andromède.

PRINCIPAL APPOINTMENT OUTSIDE THE GROUP

- Deputy Chief Executive Officer of Andromède SAS.

OTHER APPOINTMENTS OUTSTANDING

- Board member and member of the Audit Committee of Oeneo SA(1).
- Chairwoman of the *Famille Partage Espérance* endowment fund.
- Member of the Supervisory Board and member of the Audit and Risk Committee of Qivalio.
- Board member of MdGroup (Microdrones).
- Board member of Alantaya.

PREVIOUS APPOINTMENTS

(during the past five years, now terminated)

- Head of Group Management Control and Planning at Rémy Cointreau SA(1).
- Non-Voting Member of the Board of Directors of Rémy Cointreau SA(1).

(1) *Listed company.*

In her capacity as representative of the majority shareholder, Caroline Bois does not qualify as an independent director.

As Caroline Bois was co-opted for the remainder of the term of office of François Hériard Dubreuil, i.e. until the Shareholders' Meeting called to approve the financial statements for the year ended 31 March 2021, the Board of Directors proposes to reappoint her for a three-year term.

SEVENTH RESOLUTION

(Appointment of Marc Verspyck as Board member)

The Shareholders' Meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report, resolves to appoint Marc Verspyck as Board member for a three-year term, i.e. until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2024.

EIGHTH RESOLUTION

(Appointment of Élie Hériard Dubreuil as a Board member to replace a Board member who resigned)

The Shareholders' Meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report:

- duly notes of the resignation of Dominique Hériard Dubreuil from her office as Board member at the end of this Shareholders' Meeting;
- appoints Élie Hériard Dubreuil as Board member, for a three-year term, i.e. until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2024.

NINTH RESOLUTION

(Ratification of the co-optation of Caroline Bois as Board member)

The Shareholders' Meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and having duly noted the Board of Directors' decision to co-opt Caroline Bois as new Board member to replace François Hériard Dubreuil who resigned, ratified the co-optation of Caroline Bois as Board member.

Caroline Bois will serve as a member of the Board of Directors for the remainder of the term of office of François Hériard Dubreuil, i.e. until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2021.

TENTH RESOLUTION

(Re-election of Caroline Bois)

The Shareholders' Meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report, resolves to reappoint Caroline Bois as Board member for a three-year term, i.e. until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 March 2024.

ELEVENTH, TWELFTH AND THIRTEENTH RESOLUTIONS

Approval of the remuneration policy for executive directors for the 2021/2022 financial year

EXPLANATORY STATEMENT

The purpose of the **eleventh, twelfth and thirteenth resolutions** is to submit for your approval, in accordance with Article L. 22-10-8 II of the French Commercial Code, the remuneration policy for the Chairman of the Board of Directors, the Chief Executive Officer and the Directors for the 2021/2022 financial year.

These principles and criteria, approved by the Board of Directors on 2 June 2021, on the recommendation of the Nomination and Remuneration Committee, are presented in the Board of Directors' report on executive compensation attached to the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code and appearing in section 3.5 of the 2020/2021 Universal Registration Document.

It is specified that:

- if these resolutions are rejected by the Shareholders' Meeting, the remuneration of the Chairman of the Board of Directors and the Chief Executive Officer will be set in accordance with the remuneration policy approved in respect of the financial year ended 31 March 2021;
- the payment of the variable and exceptional components of the remuneration of the Chief Executive Officer depends on the subsequent approval, by a Company Shareholders' Meeting, of the components of the total remuneration and benefits of any kind during paid or awarded to the Chief Executive Officer in respect of the 2021/2022 financial year.

ELEVENTH RESOLUTION

Approval of the principles and criteria used to determine, distribute and allocate the components of the total remuneration and benefits of any kind that may be awarded to the Chairman of the Board of Directors, in accordance with Article L. 22-10-8 II of the French Commercial Code

The Shareholders' Meeting, ruling under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the report on the executive compensation policy defined in accordance with Article L. 22-10-8 II of the French Commercial Code, approves the principles and criteria used to determine, distribute and allocate the fixed components of the total remuneration and benefits of any kind that may be awarded to the Chairman of the Board of Directors in respect of his office, set by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, described in the Corporate Governance report as required under Article L. 225-37 of the French Commercial Code, and included in section 3.5 of the 2020/2021 Universal Registration Document.

TWELFTH RESOLUTION

Approval of the principles and criteria used to determine, distribute and allocate the components of the total remuneration and benefits of any kind that may be awarded to the Chief Executive Officer, in accordance with Article L. 22-10-8 II of the French Commercial Code

The Shareholders' Meeting, ruling under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the report on the executive compensation policy defined in accordance with Article L. 22-10-8 II of the French Commercial Code, approves the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of the total remuneration and benefits of any kind that may be awarded to the Chief Executive Officer in respect of his or her office, set by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, described in the Corporate Governance report as required under Article L. 225-37 of the French Commercial Code, and included in section 3.5 of the 2020/2021 Universal Registration Document.

THIRTEENTH RESOLUTION

(Approval of the remuneration policy for Board members for the 2021/2022 financial year)

The Shareholders' Meeting, ruling under the quorum and majority requirements of Ordinary Shareholders' Meetings, approves, pursuant to Article L. 22-10-8 II of the French Commercial Code, the remuneration policy for Board members described in the Board of Directors' report on corporate governance and included in section 3.5 of the 2020/2021 Universal Registration Document.

FOURTEENTH RESOLUTION

Approval of the information regarding the remuneration paid during or awarded in respect of the financial year ended 31 March 2021 to all corporate officers

EXPLANATORY STATEMENT

Under the **fourteenth resolution**, the Shareholders' Meeting is asked to approve, in accordance with Article L. 22-10-9 I of the French Commercial Code, the information regarding the remuneration of the corporate officers paid during or awarded in respect of the financial year ended 31 March 2021, referred to in Article L. 225-37-3 I of the French Commercial Code.

This information is presented in the Board of Directors' report on the Company's corporate governance in section 3.5 of the 2020/2021 Universal Registration Document.

Please note that if these resolutions are rejected by the Shareholders' Meeting, the Board of Directors will submit a revised version of the remuneration policy for shareholder approval at the next Shareholders' Meeting, which takes account of the votes expressed by shareholders, and will suspend the remuneration until the revised remuneration policy is approved.

FOURTEENTH RESOLUTION

(Approval of the information regarding the remuneration of corporate officers for the 2020/2021 financial year referred to in Article L. 22-10-9 I of the French Commercial Code)

The Shareholders' Meeting, ruling under the quorum and majority requirements of Ordinary Shareholders' Meetings, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the information referred to in Article L. 22-10-9 I of the French Commercial Code, as described in the Corporate Governance Report from the Board of Directors required under Article L. 225-37 of the French Commercial Code and included in section 3.5 of the 2020/2021 Universal Registration Document.

FIFTEENTH AND SIXTEENTH RESOLUTIONS

Approval of the elements of total remuneration and benefits of any kind paid during or awarded for the financial year ended 31 March 2021 to each executive director of the Company

EXPLANATORY STATEMENT

By voting on the **fifteenth and sixteenth** resolutions, the Shareholders' Meeting is asked to approve, in accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid during or awarded, in respect of the financial year ended 31 March 2021, to each person who has held the post of executive director of the Company, in accordance with the remuneration policy approved during the Shareholders' Meeting of 23 July 2020.

Namely:

- Marc Hériard Dubreuil as Chairman of the Board of Directors;
- Éric Vallat, in respect of his appointment as Chief Executive Officer.

These components are presented in the Corporate Governance report indicated in Article L. 225-37 of the French Commercial Code, included in section 3.5 of the 2020/2021 Universal Registration Document.

Payment of the variable components of the remuneration of Éric Vallat in respect of the financial year ended 31 March 2021 is subject to the approval of the sixteenth resolution.

FIFTEENTH RESOLUTION

(Approval of the components of the total remuneration and benefits of any kind paid during or awarded, in respect of the financial year ended 31 March 2021, to Marc Hériard Dubreuil, Chairman of the Board of Directors, in accordance with Article L. 22-10-34 of the French Commercial Code)

The Shareholders' Meeting, ruling under the quorum and majority requirements of Ordinary Shareholders' Meetings, in accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, approves the fixed components of the total remuneration and benefits of any kind paid during or awarded, in respect of the financial year ended 31 March 2021, to Marc Hériard Dubreuil, Chairman of the Board of Directors, as presented in the Corporate Governance report as required under Article L. 225-37 of the French Commercial Code and included in section 3.5 of the 2020/2021 Universal Registration Document.

SIXTEENTH RESOLUTION

(Approval of the components of the total remuneration and benefits of any kind paid during or awarded to Éric Vallat, Chief Executive Officer, in respect of the financial year ended 31 March 2021, pursuant to Article L. 22-10-34 of the French Commercial Code)

The Shareholders' Meeting, ruling under the quorum and majority requirements of Ordinary Shareholders' Meetings, in accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, approves the fixed components of the total remuneration and benefits of any kind paid during or awarded, in respect of the financial year ended 31 March 2021, to Éric Vallat, as presented in the Corporate Governance report as required under Article L. 225-37 of the French Commercial Code and included in section 3.5 of the 2020/2021 Universal Registration Document.

SEVENTEENTH RESOLUTION

Remuneration of Board Members

EXPLANATORY STATEMENT

Under the **seventeenth resolution,** you are asked to set the amount of remuneration allocated to Board members at €650,000, for 2021/2022 and subsequent financial years until otherwise decided. This slightly higher amount is in line with the practices of several French international groups whose size is similar to Rémy Cointreau's. The remuneration was previously set at €620,000 in respect of the two previous financial years.

SEVENTEENTH RESOLUTION

(Remuneration of Board members)

The Shareholders' Meeting, ruling under the quorum and majority requirements of Ordinary Shareholders' Meetings, resolves to set the total annual amount of directors' fees allocated to members of the Board of Directors at €650,000 for 2021/2022 and subsequent financial years until otherwise decided.

EIGHTEENTH RESOLUTION

Purchase and sale of its own shares by the Company

EXPLANATORY STATEMENT

You are asked, under the **eighteenth** resolution, to renew the annual authorisation granted to the Company for the purpose of purchasing treasury shares under a share buyback programme.

Use of the authorisation granted by the Shareholders' Meeting of 23 July 2020 (nineteenth resolution)

Your Board of Directors made use of this authorisation solely in order to continue the execution of the liquidity contract.

Accordingly, between 1 April 2020 and 31 March 2021, the Company purchased 194,178 shares and sold 220,423 shares. During this same period, it transferred 30,497 shares to service bonus share grants for long-term performance incentive plans.

Breakdown of equity securities held, by purpose

As of 31 March 2021, the Company held 243,324 shares with a par nominal value of €1.60, corresponding to a net carrying amount of €25,103,572.59, i.e. 0.48% of the total number of shares comprising the share capital, broken down as follows:

- 4,336 shares used to promote trading in the secondary market or to enhance the liquidity of the Rémy Cointreau share by an investment services provider, via a liquidity contract that complies with the Ethics Charter recognised by the French Financial Markets Authority (AMF);
- 163,988 shares are used for granting bonus shares;
- 75,000 shares are used to service the exercise of rights attached to securities (Océane conversion).

A detailed report on the share buyback transactions carried out in 2020/2021 is included in chapter 7.1.4 of the 2020/2021 Universal Registration Document. An online version of the description of the buyback programme will be available on the Company's website before the Shareholders' Meeting.

The buyback programme has the same purpose as that of the programme you approved in previous years, in order of decreasing priority.

The authorisation would be granted within the following limits:

- maximum percentage of the share capital authorised for purchase: 10% of share capital, i.e. a maximum number of 4,806,986 shares, taking into account the 243,324 treasury shares held as of 31 March 2021;
- maximum unit purchase price: €250;
- total maximum amount of the programme: €1,201,746,500;
- period: 18 months.

Share buyback transactions may be carried out at any time, except during a public takeover offer.

Treasury shares have no voting rights and dividends accruing to them are carried forward as retained earnings.

The Board of Directors shall inform shareholders of the transactions performed in its annual management report, in accordance with the provisions of Article L. 225-211 of the French Commercial Code.

EIGHTEENTH RESOLUTION

(Authorisation for the Board of Directors to carry out transactions on Company shares in accordance with the provisions of Articles L. 22-10-62 *et seq*. of the French Commercial Code)

The Shareholders' Meeting ruling under the quorum and majority requirements of Ordinary Shareholders' Meetings, having read the Board of Directors' report and the items provided in the 2020/2021 Universal registration document including all the information required in the description of the programme, authorises the Board of Directors, with the option to delegate, in accordance with Articles L. 22-10-62 *et seq.* of the French Commercial Code, Articles 241-1 *et seq*. of the French Financial Markets Authority (AMF) General Regulation and the European regulations applicable to market abuse, in particular (EU) regulation no. 596/2014 of 16 April 2014, to perform transactions on the Company's shares, under the conditions and within the limits provided for by the texts, in decreasing order of priority:

(i) to ensure liquidity or promote trading in the secondary market in Rémy Cointreau shares via an independent investment services provider, under the terms of a liquidity agreement that complies with an Ethics Charter recognised by the AMF;

(ii) to cancel shares purchased as part of a capital reduction, subject to the adoption of the nineteenth resolution submitted to this Shareholders' Meeting;

(iii) to deliver all or part of the shares acquired upon the exercise of the rights attached to marketable securities giving the right, by conversion, exercise, redemption or exchange or by any other manner, to the allocation of Company shares pursuant to applicable regulations;

(iv) to use all or part of the shares acquired to implement any share purchase option or bonus share allocation plans for employees and/or corporate officers of the Company and/or companies related to it in accordance with the terms and conditions provided by law, and carry out any hedging transactions in connection with these transactions under the terms and conditions stipulated by law;

(v) to hold all or part of the shares acquired with a view to their subsequent exchange or use as payment in relation to acquisitions, contributions, mergers and share splits, in accordance with recognised market practices and pursuant to applicable regulations;

(vi) and, more generally, to carry out any other transaction currently permitted or which may be permitted at a later time, by law or the AMF.

The purchase, sale, transfer or exchange of these shares may be carried out at any time under the legal and regulatory conditions, except during a public takeover offer, and by any means, in particular on the market or over the counter, including in the form of block purchase or sale transactions, including with individual shareholders, through the use of derivative financial instruments, warrants or securities giving access to the Company's shares, as well as the use of hedging strategies, in accordance with applicable regulations.

The Shareholders' Meeting sets:

- at €250 per share, excluding acquisition costs, the maximum purchase price (or a value equating to this amount on the same date in any other currency), and at €1,201,746,500, excluding acquisition costs, the maximum total amount to cover this share buyback programme, subject to adjustments in connection with any transactions on the Company's share capital, and/or the par value of the shares, it being specified that in the event of a capital transaction, in particular a stock split or reverse stock split or a bonus share grant to shareholders, the price and the maximum amount indicated above being adjusted by applying a multiplier equal to the ratio between the number of shares making up the share capital before the transaction and the number after the transaction;
- the number of shares that may be purchased, at 10% of the shares making up the share capital, i.e. 4,806,986 shares, given the number of treasury shares held by the Company as of 31 March 2021, it being specified that (a) this limit is applicable to an amount of the Company's share capital, which may, if necessary, be adjusted to take account of transactions subsequent to this Shareholders' Meeting that affect the share capital and (b) that in the event the shares are purchased to promote the liquidity of Rémy Cointreau under the terms and conditions laid down by the AMF General Regulation, the number of shares used to calculate this 10% limit equates to the number of shares purchased less the number of shares sold during the period of this authorisation.

In accordance with the provisions of Article L. 225-210 of the French Commercial Code, the Company may not own, either directly or via a person acting in their own name but on the Company's behalf, more than 10% of its own shares, nor more than 10% of a particular category.

The Shareholders' Meeting gives all powers to the Board of Directors, with the option to sub-delegate, in accordance with legal and regulatory requirements, to (i) place any order on a stock market or off-market, allocate or re-allocate the shares to the various intended purposes, sign all sale or transfer agreements, enter into all agreements and option contracts, make all declarations and complete all formalities with all bodies, and, generally, do whatever is necessary for the execution of the decisions it takes under this authorisation and, (ii) adjust the unit price and the maximum number of shares to be purchased, in accordance with the change in the number of shares or in the par value resulting from any financial transactions performed by the Company.

The Board of Directors shall inform the Shareholders' Meeting each year of the transactions performed under this resolution, in accordance with the provisions of Article L. 225-211 of the French Commercial Code.

The authorisation thus granted to the Board of Directors is valid for a period of eighteen (18) months as from this Shareholders' Meeting and cancels, for the unused portion, the delegations granted by the Combined Shareholders' Meeting of 23 July 2020 under the nineteenth resolution.

Extraordinary business

NINETEENTH RESOLUTION

Authorisation to reduce the share capital via the cancellation of treasury shares held by the Company

EXPLANATORY STATEMENT

The **nineteenth resolution** allows the Board of Directors the option of cancelling, in accordance with Article L. 22-10-62 of the French Commercial Code, by way of a capital reduction, the shares purchased by the Company pursuant to the authorisation granted by the meeting in its eighteenth resolution, or purchased under prior authorisations for the Company to buy and sell its own shares.

Its aim is to enable the Board of Directors to reduce the share capital as a result of this cancellation. In accordance with the law, such transactions may not cover more than 10% of the share capital in each 24-month period.

This authorisation shall be valid for a maximum period of eighteen months from the date of this Shareholders' Meeting, and will render ineffective all prior authorisations.

The Board of Directors did not use this authorisation during the financial year.

NINETEENTH RESOLUTION

(Authorisation enabling the Board of Directors to reduce the share capital via the cancellation of treasury shares held by the Company)

The Shareholders' Meeting, ruling under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, authorises the Board of Directors, with the option to sub-delegate under legal and regulatory requirements, in accordance with Article L. 22-10-62 of the French Commercial Code:

- to cancel, on one or more occasions, in the proportions and at the times it deems fit, all or part of the shares under the implementation of any authorisation granted by the Ordinary Shareholders' Meeting pursuant to Article L. 22-10-62 of the French Commercial Code, within the limit of 10% of the total number of shares making up the share capital per twenty-four (24)-month period, on the understanding that this limit applies to an amount of the Company's share capital that will be adjusted, where applicable, in order to take into account the transactions subsequent to this Shareholders' Meeting that affect the share capital, and accordingly reduce the share capital by charging the difference between the purchase price of the shares and their par value to any reserve and paid-in capital items available;
- to determine the final amount of this or these capital reductions, set their terms and conditions and record their execution;
- to make the corresponding amendments to the Articles of Association and, more generally, do whatever is necessary for the implementation of this authorisation.

The authorisation thus granted to the Board of Directors is valid for a period of eighteen (18) months as from this Shareholders' Meeting and cancels, for the unused portion, the authorisation granted by the Combined Shareholders' Meeting of 23 July 2020 under the twentieth resolution.

TWENTIETH AND TWENTY-FIRST RESOLUTIONS

Long-term remuneration plan

EXPLANATORY STATEMENT

In line with the social policy implemented by the Group for the engagement and retention of employees whose role within the Group is considered as key by Board of Directors and Senior Management, the Company wishes to have long-term remuneration plans which will enable to ensure key talent engagement, both in France and abroad, with a view to delivering medium- and long-term performance, encouraging outperformance, involving such employees in the company's value creation and retaining them. The plans must also be cost-effective

This is the purpose of **twentieth and twenty-first resolutions.**

(i) Authorisation enabling to the Board of Directors, for a period of thirty-eight months, to grant bonus shares in the Company, whether existing or to be issued, to the Group's employees and Executive Directors, or to some of them, involving the waiver by the shareholders of their preferential subscription rights to the shares to be issued;

The authorisation requested renews the authorisation granted by the Extraordinary Shareholders' Meeting of 24 July 2018 in its thirtieth resolution.

HISTORY OF PERFORMANCE SHARE AWARDS CARRIED OUT UNDER THE AUTHORISATION OF 24 JULY 2018

	2019 Plan(1)	2020 Plan(1)	2021 Plan(1)	2021-2025 Plan(1)	2021-2030 Plan(1)
Date of authorisation by the Shareholders' Meeting	24 July 2018	24 July 2018	24 July 2018	24 July 2018	24 July 2018
Date of Board of Directors' meeting	17 January 2019	24 November 2020	14 January 2021	31 March 2021	31 March 2021
Total number of shares awarded	57,450	42,479	39,602	72,500	72,500
o/w corporate officers Valérie Chapoulaud-Floquet, Chief Executive Officer from 1 April 2019 to 30 November 2019(2) Éric Vallat(3), Chief Executive Officer since 1 December 2019	9,000	7,000	7,000	20,000	20,000
Share vesting date	17 January 2023	24 November 2023	14 January 2025	1 July 2025	1 July 2030
End of holding period	17 January 2023	24 November 2023	14 January 2025	1 July 2025	1 July 2030
Performance conditions	(1)	(1)	(1)	(1)	(1)
Number of shares vested as of 31 March 2021	-	-	-	-	-
Aggregate number of lapsed Performance shares	11,375	-	-	-	-
Number of awarded Performance shares outstanding at year-end	46,075	42,479	39,602	72,500	72,500

(1) *The terms and conditions of the plans are set out in note **11.3 to** the consolidated financial statements.*
(2) *In respect of conditions associated with his departure, on the proposal of the Nomination and Remuneration Committee and approved by the Board of Directors at its meeting of 23 July 2019, the continued employment condition was lifted.*
(3) *In accordance with Article 24.3.3 of the AFEP/MEDEF Corporate Governance Code for listed companies, the corporate officer has committed not to carry out risk hedging transactions on bonus Performance shares. As regards the capital allocated in the form of Performance shares, the amount corresponds to 0.12% of the share capital.*

Under the terms of the plans set out above, the shares shall vest after a vesting period of at least three years as from the grant date, provided that the applicable continued employment and performance conditions are met. These grants are not subject to any retention period for beneficiaries. Only Executive Directors are required to hold at least one third of their shares which have vested.

The Company's policy is to limit the dilutive effect of bonus share plans by granting treasury shares previously purchased as part of share buyback programmes to beneficiaries on the vesting date.

Under selective plans, the bonus share grants will be subject to the continued employment and performance conditions set by the Board of Directors. The Board will determine the performance conditions relating to the shares likely to be granted under this authorization, so that they are demanding and relevant according to the evolution of the strategic, social and environmental challenges of the Group's business and assessed over a minimum period of three consecutive financial years.

The Rémy Cointreau shares granted may be either existing shares acquired by the Company or new shares issued under a share capital increase.

In the last case, where applicable, the capital increase resulting from the issue of new bonus shares may be carried out by incorporating part of the profits, reserves or share premiums and such capital increase automatically results in the waiver by shareholders of their preferential subscription rights in favour of the beneficiaries of the free shares.

The total ceiling and sub-ceiling for grants to Executive Directors are identical to those approved by the Combined Shareholders' Meeting of 24 July 2018 (thirtieth resolution). Accordingly, the number of shares granted may not exceed 2% of the number of shares comprising the share capital on the date of grant by the Board of Directors. The maximum number of shares granted under this authorisation to Company Executive Directors may not represent more than 0.2% of the number of shares making up the share capital at the date of the grant decision by the Board of Directors.

SUMMARY OF THE DELEGATION

Grant of shares	Maximum nominal amount and duration	Average number of shares	Continued employment and performance conditions	Vesting period	Holding period
Excluding Executive Directors	2% of share capital (1) 38 months	1,010,062	Yes	Yes At least 3 years	No
Executive Directors	0.2% of share capital (1) 38 months	101,006	Yes	Yes At least 3 years	Yes (2)

(1) *Determined the date on which the Board decides to grant the shares..*
(2) *The Chief Executive Officer will be required to keep in registered form, until the end of his duties, 33% of his vested shares.*

Subject to compliance with the conditions applicable to the grant set by the Board of Directors, the performance shares granted under selective plans will vest at the end of a vesting period of at least three years as from decision by the Board of Directors to carry out the grant. The minimum retention period of the shares for beneficiaries is set at one year. However, if the vesting period is a minimum of two years, the Shareholders' Meeting authorises the Board of Directors not to impose any retention period for the shares in question.

Each year, the Shareholders' Meeting will be informed on the grants decided in a special report prepared by the Board.

(ii) Authorization given to the Board of Directors, for a period of 38 months, to grant subscription and/or purchase options for shares in the Company, to certain employees and Executive Directors, involving the waiver by the shareholders of their preferential subscription rights to shares issued as a result of the exercise of stock options;

In the **twenty-first resolution**, you are asked to authorise the Board of Directors, on one or more occasions, for the benefit of employees of the Company and the companies referred to in Article L. 225-180 of the French Commercial Code, or some of them, and corporate officers of the Company and the companies referred to in Article L. 225-180 of the French Commercial Code, to grant, within the limits provided for in Article L. 225-182 of the French Commercial Code, options granting right to subscribe for new Company shares, to be issued under a capital increase, or options giving the right to purchase Company shares resulting from a buyback carried out by it under the conditions provided for in the Articles L.225-208 or L.225-209 *et seq*. of the French Commercial Code.

The options granted may not be entitled to subscribe for or purchase a number of shares greater than 2% of the number of shares comprising the share capital on the day of the allocation by the Board of Directors.

Options granted to Executive Directors will not give the right to subscribe for or purchase a number of shares greater than 0.2% of the number of shares comprising the share capital on the day of the allocation by the Board of Directors.

The options may only be exercised after a period of at least three years and no greater than ten years as from the date on which they are granted.

Under selective plans, options granted will be subject, in addition to the continued employment condition, to performance conditions set by the Board of Directors. The Board will determine the performance conditions applicable to the options likely to be granted under this authorisation, in such a way to ensure that these remain challenging and consistent with the changes in the Group's strategic, social and environmental issues and assessed over a period of at least three consecutive financial years.

The options granted may be either subscription options or purchase options.

This authorisation, granted for a period of thirty-eight months from this date, automatically entails, in favour of the beneficiaries of subscription options, the waiver by shareholders of their preferential subscription rights to the shares to be issued as and when the subscription options are exercised.

The subscription price or share price will be set by the Board of Directors, the day on which the option is granted within the limits authorised by law. Subscription or purchase options may not be granted during the blackout periods provided for by law. In any event, in the case of subscription options, the subscription price may not be less than the average of the listed prices during the twenty trading days prior to said day. In the case of ordinary share purchase option grants, the price may not be either lower than the average of the listed prices during the twenty trading days prior to the date on which the options are granted, or lower than the average purchase price of shares owned by the Company in respect of Articles L. 225-208 and/or L. 225-209 of the French Commercial Code.

In addition, in accordance with Article L. 225-185 of the French Commercial Code, the Board of Directors will be required to:

- either decide that the options may not be exercised by Executive Directors before the end of their duties;
- or to set the quantity of shares resulting from the exercise of options that they will be required to hold in registered form until the end of their duties.

Where applicable, you will be informed of the terms set by the Board of Directors in the report that it will present to the Annual Shareholders' Meeting.

We inform you that the Board of Directors has never made use of the delegation granted by the Shareholders' Meeting of 24 July 2018 in its thirty-first resolution.

Stock options	Maximum nominal amount and duration	Average number of shares	Continued employment and performance conditions	Exercise period
Excluding Executive Directors	2% of share capital (1) 38 months	1,010,062	Yes	Yes At least 3 years
Executive Directors	0.2% of share capital (1) 38 months	101,006	Yes	Yes At least 3 years

(1) *Determined the date on which the Board decides to grant the shares.*

TWENTIETH RESOLUTION

(Authorisation enabling to the Board of Directors, for a period of thirty-eight months, to grant bonus shares in the Company, whether existing or to be issued, to the Group's employees and Executive Directors, or to some of them, involving the waiver by the shareholders of their preferential subscription rights to the shares to be issued)

The Shareholders' Meeting, ruling under the quorum and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Articles L. 225-129-1, L. 225-197-1 *et seq*. of the French Commercial Code:

- authorises the Board of Directors to grant, on one or more occasions, in the proportions and at the times it shall determine, bonus shares, whether existing or to be issued, subject to the statutory trading restriction periods for the benefit of the beneficiaries that it may determine from among the employees and executive corporate officers of the Company or of the companies or groups linked to it within the meaning of Article L. 225-197-2 of the French Commercial Code and under the conditions defined below;
- resolves that the Board of Directors will determine the identity of the beneficiaries of the grants, the number of shares granted to each of them, as well as the conditions and, where applicable, the criteria used for granting shares;
- resolves that the maximum number of shares granted under this authorisation may not represent more than 2% of the number of shares making up the share capital at the date of the grant decision by the Board of Directors;
- resolves that the maximum number of shares granted under this authorisation to Company Executive Directors may not represent more than 0.2% of the number of shares making up the share capital at the date of the grant decision by the Board of Directors;
- resolves that the allocation of shares to their beneficiaries will become final at the end of a minimum vesting period of three years and the minimum period of retention of shares by the beneficiaries is set at one year. However, if the vesting period is a minimum of two years, the Shareholders' Meeting authorises the Board of Directors not to impose any retention period for the shares in question. However, in the event of the death or disability of the beneficiary and in accordance with the conditions set by law, the final allocation of shares may take place before the end of the vesting period;
- the Board of Directors may, in accordance with legal requirements, place restrictions on the sale of bonus share allocations by Executive Directors prior to the termination of their position or may set the number of such shares to be held in the form of registered shares until the termination of their position;
- resolves that the final allocation of all or part of the shares will be subject to a condition of continued employment within the Group and the achievement of performance conditions;
- resolves that, for the Company's Executive Directors, the final allocation of bonus shares will be subject, in addition to a condition of continued employment within the Group, to the achievement of performance conditions that the Board of Directors will determine, which will be assessed over a period of at least three consecutive financial years;
- authorises the Board of Directors to carry out, where appropriate, during the vesting period, adjustments to the number of shares arising from transactions in the capital of the Company in order to preserve the rights of the beneficiaries;

- duly notes that the bonus shares granted may be either existing or new shares;
- duly notes that, in the case of the shares to be issued, (i) this authorisation will entail, at the end of the vesting period, a capital increase and the corresponding waiver by the shareholders in favour of the beneficiaries of the grants to the portion of the reserves, profits and premiums, which, where applicable, will be incorporated into the share capital, (ii) this authorisation shall automatically entail, the waiver by shareholders of their preferential subscription rights in favour of the beneficiaries of said shares;
- resolves that, in the case of shares to be issued, the nominal amount of the capital increase that may be decided pursuant to this delegation may not exceed a maximum amount of €1,600,000, it being specified that the number of shares granted in respect of adjustments, for the purpose preserving the rights of beneficiaries of share grants in the event of a transaction involving the Company's share capital or equity, will be deducted from this ceiling and that this ceiling will be deducted from the ceiling for capital increases provided for by the twenty-second resolution of the Shareholders' Meeting of 23 July 2020 (or, where applicable, from the amount of the ceiling provided for by a resolution of the same nature that could possibly replace said resolution during the period of validity of this authorisation);
- delegates full authority to the Board of Directors, with the option to delegate, in accordance with legal requirements, to implement this authorisation and in particular to:
  - determine the identity of the beneficiaries, set the dates and terms of share grants, in particular the period at the end of which these grants will be final as well as, where applicable, the retention period required for each beneficiary, determine the performance-related conditions, determine the criteria used for granting shares and the performance conditions to which the grants to the Company's Executive Directors will be subject; determine whether the bonus shares granted are shares to be issued or existing, and adjust the number of shares granted, where applicable, in order to preserve the rights of beneficiaries, depending on any transactions involving the Company's share capital (e.g. it being specified that the shares granted pursuant to these adjustments will be deemed to have been granted on the same day as the shares initially granted), determine, in the event of a grant of shares to be issued, the amount and nature of the reserves, profits and premiums to be incorporated into the share capital, set the dates on which the new shares will be eligible for dividends, record the vesting dates and the dates from which the shares may be freely sold, complete all actions, formalities and declarations, record, where applicable, the completion of capital increases, amend the Articles of Association accordingly and, in general, do whatever is necessary.

The Board of Directors shall inform the Ordinary Shareholders' Meeting each year of the transactions performed under this resolution, in accordance with the provisions of Article L. 225-197-4 of the French Commercial Code.

This authorisation, which replaces the authorisation granted under the thirtieth resolution of the Combined Shareholders' Meeting of 24 July 2018, invalidating it for the unused portion, is valid for a period of thirty-eight (38) months from the date of this Meeting.

TWENTY-FIRST RESOLUTION

(Authorization given the Board of Directors, for a period of thirty-eight months, to grant subscription and/or purchase options for shares in the Company, to certain employees and Executive Directors, involving the waiver by the shareholders of their preferential subscription rights to shares issued as a result of the exercise of stock options)

The Shareholders' Meeting, deliberating under the quorum and majority requirements of Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report,

- authorises the Board of Directors, with the option to subdelegate under the applicable legal and regulatory conditions, in accordance with of Articles L. 225-129-2 and L. 225-177 to L. 225-186-1 of the French Commercial Code, to grant, on one or more occasions, to the beneficiaries that it shall determine from among the employees and Executive Directors of the Company and of the companies or economic interest groups related to it, under the conditions set out in Article L. 225-180 of the French Commercial Code, options granting entitlement to:
  - the subscription of new Company shares, to be issued under a capital increase,
  - or options granting entitlement to purchase Company shares resulting from a purchase completed by it under the conditions provided for in Articles L. 225-208 or L. 225-209 *et seq.* of the French Commercial Code,

  it being specified that, in accordance with the provisions of Article L. 225-182 of the French Commercial Code, the Board of Directors may not grant options, under the conditions set out in the Article L. 225-180, to corporate officers and employees of companies related to the Company holding more than 10% of the Company's share capital;
- resolves that the Board will carry out the grants and determine the identity of the beneficiaries;
- resolves that the Board of Directors may make the grant of some or all of the shares conditional on the attainment of one or more performance conditions;
- resolves that, for the Company's Executive Directors, the final allocation will be subject, in addition to a condition of continued employment within the Group, to the achievement of performance conditions that the Board of Directors will determine and which will be assessed over a period of at least three consecutive financial years;
- resolves that the number of shares that may be subscribed or purchased by beneficiaries through the exercise of the options granted by the Board of Directors pursuant to this authorisation may not exceed 2% of the Company's existing share capital at the date of the grant decision by the Board of Directors;
- resolves that, in the case of Executive Directors, the total number of shares likely to be subscribed or purchased by beneficiaries through the exercise of the options granted by the Board of Directors pursuant to this authorisation may not exceed 0.2% of the existing share capital at the date of the grant decision by the Board of Directors.

The nominal value of the ordinary shares to be issued will be deducted from these ceilings, where applicable, to preserve, in accordance with the law and the applicable contractual provisions providing for other cases of adjustment, the rights of the holders of securities or other rights giving access to the share capital:

- resolves that the nominal amount of the Company's capital increase resulting from share issues carried out pursuant to this authorisation will be deducted from the ceiling of the twenty-second resolution of this Shareholders' Meeting of 23 July 2020;
- resolves that the subscription or purchase price of the shares under options will be set by the Board of Directors in accordance with the terms and within the limits authorised by the texts in force on the day of the grant of these options. However, this price may not be lower than the average of the listed prices during the twenty trading days prior to the date on which the options are granted by the Board of Directors.

This price may not be modified, except in the cases provided for by law, during financial or securities transactions. If the Company carries out a transaction provided for by Article L. 225-181 of the French Commercial Code or by Articles R. 225-137 to R. 225-142 of the French Commercial Code, the Company is required to, in accordance with applicable regulations, take the necessary steps to protect the interests of beneficiaries, including, where applicable, by adjusting the number of shares that may be obtained through the exercise of the options granted to the beneficiaries, in order to take into account the impact of this transaction, it being specified that, where applicable, the number of new or additional shares obtained pursuant to these adjustments will be added to the ceiling referred to above;

- duly notes that the options may not be granted by the Board of Directors:
  - within ten trading days preceding and following the date on which the consolidated financial statements are disclosed to the public;
  - within the period between the date on which the Company's corporate bodies become aware of any information which, if disclosed to the public, could have a significant impact on the stock market price of the Company's shares, and the date following the ten trading days after the date on which this information disclosed to the public;
  - less than twenty trading days after the ex-dividend date giving the right to a dividend, or a capital increase;
- resolves that the ordinary share subscription and purchase options granted pursuant to this authorisation must be exercised within a minimum period of three years and a maximum of ten years from their allocation;
- notes that this authorisation includes, in favour of the beneficiaries of subscription options, the automatic waiver by shareholders of their preferential subscription rights to the shares to be issued as and when the subscription options are exercised. The capital increase resulting from the exercise of subscription options will be completed solely upon declaration of exercise of the option, together with the subscription form and payment, in cash or by offsetting receivables, of the corresponding amount;
- grants full authority to the Board of Directors, with the option to subdelegate under the legal and regulatory conditions, within the limits set above to:
  - determine the nature of the options offered (subscription or purchase options);
  - determine the terms and conditions of the plan(s) and set the conditions under and dates on which the options will be granted. These conditions may include clauses prohibiting the immediate resale of all or part of the shares, with a time limit set for the retention of the shares that may exceed three years from the exercise of the option, it being specified that for options granted to corporate officers, the Board of Directors must either (a) decide that the options may not be exercised by the corresponding parties before the termination of their duties, or (b) determine the number of shares they are required to hold in registered form until the end of their duties, determine the number of shares that each beneficiary may subscribe or purchase, the dates or exercise periods of the options, it being understood that the Board of Directors may (a) anticipate the dates or exercise periods of the options, (b) maintain the exercisable nature of the options, or (c) change the dates on or periods during which the shares obtained by the exercise of options may not be sold or recorded as bearer shares;
  - in particular, to set the date or times of execution;
  - determine the list of beneficiaries of the options and the number of options allocated to each beneficiary;
  - decide under which conditions the price and number of shares to be subscribed or acquired will be adjusted in the cases provided for by law;
  - to make, where applicable, the grant of all or part of the options subject to the achievement of one or more performance conditions that the Board of Directors will determine, it being specified that all options granted to the Company's corporate officers must be subject to performance conditions;
  - if applicable, to limit, suspend, restrict or prohibit the exercise or the transfer of options, or the registration of bearer shares obtained through the exercise of options, during certain periods or as from certain events, it being specified that the Board's decision may apply to all or part of the options or shares or apply to all or part of the beneficiaries;
  - determine the date, even retroactively, on which new shares resulting from the exercise of subscription options will be eligible for dividends;
  - carry out, either by itself or by proxy, all acts and formalities for the purpose of completing the capital increase(s) that may be carried out pursuant to the authorisation provided for in this resolution;
  - amend the Articles of Association accordingly and, generally, do whatever is necessary;
  - decide to temporarily suspend the right to exercise options in the event of financial transactions requiring accurate prior knowledge of the number of shares comprising the share capital or in the event of a transaction giving rise to adjustments provided for by law,

- in the event that the subscription options and/or purchase options for ordinary shares are granted to persons domiciled or residing abroad or to persons domiciled or residing in France but subject to a foreign tax regime, adapt the conditions applicable to the subscription and/or purchase options for ordinary shares in order to bring them into compliance with the provisions of the relevant foreign law and to ensure the best possible tax treatment; for this purpose, at its discretion, adopt one or more sub-plans applicable to the various categories of beneficiaries referred to in this resolution, subject, where applicable, to foreign law;
- and, more generally, do whatever is useful or necessary.

The Board of Directors shall inform the Ordinary Shareholders' Meeting each year of the transactions performed under this resolution, in accordance with the provisions of Article L. 225-184 of the French Commercial Code.

This authorisation, which replaces the authorisation granted under the thirty-first resolution of the Combined Shareholders' Meeting of 24 July 2018, invalidating it for the unused portion, is valid for a period of thirty-eight (38) months from the date of this Meeting.

TWENTY-SECOND RESOLUTION

Authorisation to increase the share capital for employees

EXPLANATORY STATEMENT

As this Shareholders' Meeting is asked to approve an authorisation for granting bonus shares, including by way of a capital increase through a contribution in cash, we are submitting for you approval, in accordance with the provisions of Article L. 225-129-6 of the French Commercial Code, a resolution to increase the share capital reserved for employees pursuant to the provisions of Articles L. 225-129 *et seq*., L. 225-138-1 and L. 22-10-49 of the French Commercial Code and, Articles L. 3332-1 to L. 3332-9 and L. 3332-18 to L. 3332-24 of the French Labour Code.

This authorisation is part of the employee shareholding development policy implemented within the Company, which is aimed at promoting employee shareholding in the Company's share capital and strengthening the sense of belonging within the Group. As such, Senior Management has set up a "My Rémy Cointreau" employee shareholding plan in France, involving 0.1% of share capital on the day of the launch of the offer. Senior Management then plans to extend it internationally.

You are asked to renew the authorisation granted to the Board of Directors, for a period of 18 months and within the limit of €1,500,000, i.e. 3% of the share capital, to carry out one or more capital increases reserved for Rémy Cointreau Group employees who are members of the Group's savings plan (PEE/PEG).

The subscription price may be set by applying the maximum legal discount on the market price, subject to a retention period for the shares. The Company believes that it is important to allow employees to participate in the success of the Group, in which they are the key players. Employee saving plans and capital increases reserved for employees would enable them to build savings and be directly associated with the Group's performance, which helps to increase their engagement and motivation.

In accordance with Article L. 3332-19 of the French Labour Code, the subscription price may not be lower than the average share price quoted on the Euronext Paris Eurolist market during the twenty trading days preceding the day on which the opening date of the subscription period is set, less a maximum discount of 20% (30% if the lock-up period stipulated in the plan is greater than or equal to ten years).

In accordance with Article L. 3332-21 of the French Labour Code, this delegation would authorise the grant of Rémy Cointreau bonus shares, either existing or to be issued, to the beneficiaries referred to above, in the following cases:

- in respect of the contribution that may be paid pursuant to the Company or Group savings plan(s), within the limits provided for in Articles L. 3332-11 *et seq*. of the French Labour Code;
- in substitution for all or part of the discount, it being understood that the benefit resulting from this grant may not exceed the legal or regulatory limits in accordance with Article L. 3332-21 of the French Labour Code.

SUMMARY OF THE DELEGATION

Capital increase reserved for employees of French and foreign companies	Maximum nominal amount and duration	Shareholders preferential subscription rights
	3% of share capital (1) 18 months	Deleted

(1) Determined the date on which the Board decides on the capital increase.

TWENTY-SECOND RESOLUTION

(Authorisation to the Board of Directors to carry out a capital increase reserved for employees of the Company or associated companies, without shareholders' preferential subscription rights)

The Shareholders' Meeting, ruling under the quorum and majority requirements of Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and ruling in accordance with the legal provisions applicable to commercial companies, in particular Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code on the one hand, and Articles L. 3332-18 *et seq*. and L. 3332-1 *et seq*. of the French Labour Code, on the other hand:

- authorises the Board of Directors, with the option to sub-delegate under the conditions laid down by law and the Company's Articles of Association, to decide on and carry out, based solely on its own decisions, in the proportions and at the times it shall deem appropriate, one or several capital increases, through the issue against payment or free of charge, of ordinary shares and securities conferring immediate or future access to the Company's share capital;
- resolves that the beneficiaries of the capital increases, eligible pursuant to this resolution, will be members of a Group or Company savings plan of the Company or associated French and international companies, within the meaning of Article 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code, employees and corporate officers associated with Rémy Cointreau and whose registered office is located abroad, UCITS or any other entities under French or Foreign law, whether they are legal entities or not, used for investing Rémy Cointreau shares, who also meet any conditions set by the Board of Directors;
- resolves that the maximum nominal amount of the capital increases which could be carried out, immediately or at a later time, under this authorisation may not exceed one million five hundred thousand (1,500,000) euros, it being specified that:
  - where applicable, the nominal amount of any capital increases resulting from ordinary shares to be issued in order to maintain the rights of holders of securities conferring access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions, shall be added to this amount;
  - the nominal amount of any capital increase carried out pursuant to this authorisation will be deducted from the fifteen (15) million euros limit set under the twenty-second resolution of the Shareholders' Meeting of 23 July 2020;
  - the maximum total nominal amount of the capital increases that may be carried out pursuant to this resolution, and the twenty-first, twenty-second, twenty-third, twenty-sixth and twenty-seventh resolutions submitted for approval to the Shareholders' Meeting of 23 July 2020 may not exceed the ceiling of twenty (20) million euros set in the twenty-first resolution of the Shareholders' Meeting of 23 July 2020;
- resolves that subscriptions may be paid in cash, in particular they may be offset against certain liquid, payable debt, or through the capitalisation of reserves, profits or share premiums in the case of grant of bonus shares or other securities conferring access to the share capital in respect of the discount and/or additional contribution;
- resolves to cancel, for the benefit of the aforementioned beneficiaries, shareholders' preferential subscription rights to ordinary shares issued pursuant to this resolution and to waive any entitlement to ordinary shares or other securities that may be issued pursuant to this resolution, shareholders furthermore waiving, in the case of a grant of bonus shares which may be issued pursuant to the next paragraph, all rights to said shares, including the part of the reserves, profits or premiums so capitalised;
- resolves that the Board of Directors may, in accordance with the provisions of Article L. 3332-21 of the French Labour Code, carry out grants for the aforementioned beneficiaries, of bonus shares or other securities giving immediate or future access to the Company's share capital, in respect of the additional contribution that may be paid out pursuant to the regulations of the savings plan(s), or in respect of the discount, provided that, after taking into account their equivalent monetary value, assessed on the basis of the subscription price, this does not result in exceeding the legal or statutory limits;
- resolves that:
  - (i) the subscription price of the ordinary shares may not exceed the average share price quoted over the twenty trading days preceding the day on which the opening date of the subscription period was set by the Board of Directors, nor may it be more than 20% lower than this average, or 30% lower in the event that the lock-up period stipulated in the plan, in accordance with Articles L. 3332-25 and L. 3332-26 of the French Labour Code, is greater than or equal to ten years; the discount may be reduced or eliminated in order to take into account the specific legal, social, tax and accounting requirements applicable according to the beneficiary's country of origin;
  - (ii) the characteristics of the issues of other securities giving access to the capital of the Company shall be determined by the Board of Directors under the conditions provided by the regulations;
- resolves that the Board of Directors will have full powers, with the option to sub-delegate under the terms and conditions provided by law and the Company's Articles of Association, to implement this delegation, the purpose of which is in particular (but not limited to) to: decide and set the terms and conditions for the issue and grant of bonus shares or other securities giving access to the share capital, in application of the authorisation granted above, as well as, where applicable, suspension thereof; set the terms, conditions and procedures, including the dates, of the issues; determine the number and characteristics of the securities that may be issued under this resolution; set the dividend entitlement date, which may be retroactive, for shares that may be issued under this resolution; set the conditions under which the Company will, where appropriate, be able to purchase or exchange the securities that may be issued under

this resolution; suspend, where applicable, the exercise of rights to the allocation of Company shares attached to the securities, in accordance with the regulations in force; set the procedures for ensuring, where applicable, the preservation of the rights of holders of securities, in accordance with the regulations in force and the terms and conditions of said securities; where applicable, change, throughout the life of the securities in question, the terms and conditions of the securities that may be issued under this authorisation, in accordance with the applicable procedures; carry out withdrawals from or offset any amounts against the share premium(s), including issuance costs; and, more generally, take all necessary measures, enter into any agreements, obtain any authorisations, perform any formalities and do whatever is necessary for the completion of the contemplated issues or suspend them and, in particular, record the capital increase(s) resulting immediately, or in the future, from any issue carried out under this delegation, make the corresponding amendments to the Articles of Association and request the admission to trading of the securities issued under this resolution wherever it deems it appropriate.

The delegation thus granted to the Board of Directors is valid for a period of eighteen (18) months as from this Shareholders' Meeting and cancels, for the unused portion, the delegation granted by the Combined Shareholders' Meeting of 23 July 2020 under its twenty-ninth resolution.

TWENTY-THIRD RESOLUTION

Powers to accomplish formalities

EXPLANATORY STATEMENT

The **twenty-third resolution** is a standard resolution granting powers necessary to proceed with publication and other legal formalities.

TWENTY-THIRD RESOLUTION

(Powers to accomplish formalities)

The Shareholders' Meeting confers all powers to accomplish all legal filing and public notice formalities to the bearer of a copy or a certified excerpt of these minutes.

We ask you to vote in favour of the resolutions put to you.

The Board of Directors

8.2 Statutory Auditors' special report on related-party agreements

Shareholders' Meeting called to approve the financial statements for the year ended 31 March 2021

This is a free translation into English of the Statutory Auditors' special report on related-party agreements 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 auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Rémy Cointreau, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R. 225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R. 22531of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements to be submitted for the approval of the Shareholders' Meeting

AGREEMENTS AUTHORISED AND ENTERED INTO DURING THE YEAR

We were not informed of any agreements authorised and entered into during the year to be submitted for the approval of the Shareholders' Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

Agreements already approved by the Shareholders' Meeting

AGREEMENTS APPROVED IN PRIOR YEARS THAT REMAINED IN FORCE DURING THE YEAR

Pursuant to Article R. 225-30 of the French Commercial Code, we were informed that the following agreements, approved by the Shareholders' Meeting in prior years, remained in force during the year.

Current account agreement between Rémy Cointreau and Orpar

Persons concerned:

Marc Hériard Dubreuil, Chairman of the Board of Directors of Rémy Cointreau and Vice Chairman and member of the Board of Directors of Orpar; François Hériard Dubreuil, Chairman and Chief Executive Officer of Orpar and member of the Board of Directors of Rémy Cointreau; Dominique Hériard Dubreuil, member of the Board of Directors of Rémy Cointreau and of Orpar; Gisèle Durand, permanent representative of Orpar, member of the Board of Directors and the controlling company.

Nature, purpose and conditions:

On 27 March 2018, the Board of Directors authorised the renewal of a current account agreement between Rémy Cointreau SA and Orpar SA, initially concluded on 31 March 2015.

Under the current account agreement entered into on 31 March 2018, Orpar SA agreed to provide €60 million to Rémy Cointreau SA from 7 April 2018, at an interest rate of 0.60% per annum and for a maximum period of three years.

Amounts paid during the year:

During the year ended 31 March 2021, Rémy Cointreau repaid the total outstanding balance of €20 million upon the expiration of the agreement. The interest expense incurred by Rémy Cointreau under the agreement came to €120,000.

Service provision agreement between Rémy Cointreau and Andromède

Persons concerned:

Marc Hériard Dubreuil, Chairman of the Board of Directors of Rémy Cointreau and Chief Executive Officer of Andromède; Marie-Amélie Jacquet, member of the Board of Directors of Rémy Cointreau and Deputy Chief Executive Officer of Andromède; François Hériard Dubreuil, Chairman of the Board of Directors of Andromède and member of the Board of Directors of Rémy Cointreau; Dominique Hériard Dubreuil, member of the Board of Directors of Rémy Cointreau and of Andromède; Caroline Bois, member of the Board of Directors of Rémy Cointreau and Deputy Chief Executive Officer of Andromède.

Nature, purpose and conditions:

Andromède and Rémy Cointreau signed a service provision agreement on 31 March 2011 under which Andromède provides Rémy Cointreau SA with services in the field of strategy and finance management, institutional and commercial relations, development and external growth, and organisation and management of senior executives. The agreement was approved for an open-ended term from 1 April 2015.

The agreement provides for annual fees calculated on the basis of the cost borne, plus a 5% margin.

AMOUNTS PAID DURING THE YEAR:

During the year ended 31 March 2021, Andromède charged Rémy Cointreau SA €2,527,971.12 (excluding tax) under the agreement.

Cash management agreement between Rémy Cointreau and Orpar

Persons concerned:

Marc Hériard Dubreuil, Chairman of the Board of Directors of Rémy Cointreau and Vice Chairman and member of the Board of Directors of Orpar; François Hériard Dubreuil, Chairman and Chief Executive Officer of Orpar and member of the Board of Directors of Rémy Cointreau; Dominique Hériard Dubreuil, member of the Board of Directors of Rémy Cointreau and of Orpar; Gisèle Durand, permanent representative of Orpar, member of the Board of Directors and the controlling company.

Nature, purpose and conditions:

Rémy Cointreau and Orpar entered into an open-ended cash management agreement on 14 December 2004 under which they agreed the terms for the management of their cash surpluses.

An amendment made on 4 July 2007, approved by the Board of Directors on 5 June 2007, also mentions the conditions for revising the remuneration calculated based on Euribor, plus a margin determined according to the syndicated loan terms applicable to Rémy Cointreau.

A second amendment made on 8 June 2016, authorised by the Board of Directors on 7 June 2016, specifies the methods for calculating interest.

The agreement defines the interest payable on the advances granted by Orpar to Rémy Cointreau, calculated based on EURIBOR, plus a margin determined according to the syndicated loan terms applicable to Rémy Cointreau.

Amounts paid during the year:

At 31 March 2021, the balance of the advances granted by Orpar to Rémy Cointreau came to €404.58. The interest expense incurred by Rémy Cointreau during the year, calculated on the basis of the daily outstanding balance, came to €26.16.

Courbevoie and Neuilly-sur-Seine, 18 June 2021

The Statutory Auditors

Mazars	PricewaterhouseCoopers Audit
Jérôme de Pastors Partner	Olivier Auberty Partner

8.3 Statutory auditors' report on the share capital reduction

(Shareholders' Meeting of 22 July 2021 – Nineteenth resolution)

This is a free translation into English 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.

To the Shareholders,

In our capacity as Statutory Auditors of Rémy Cointreau, and in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code (*Code de commerce*), applicable in the event of a share capital reduction via the cancellation of treasury shares, we hereby report to you on our assessment of the reasons for and the terms and conditions of the proposed share capital reduction.

The Board of Directors is seeking an 18-month authorisation, as from the date of this Shareholders' Meeting, to cancel, for up to a maximum of 10% of the share capital per 24-month period, the shares bought back by the Company pursuant to an authorisation to buy back its own shares in accordance with the provisions of the aforementioned article.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the reasons for and the terms and conditions of the proposed share capital reduction, which is not considered to affect shareholder equality, comply with the applicable legal provisions.

We have no matters to report on the reasons for and the terms and conditions of the proposed share capital reduction.

Courbevoie and Neuilly-sur-Seine, 23 June 2021

The Statutory Auditors

Mazars	PricewaterhouseCoopers Audit
Jérôme de Pastors	Olivier Auberty

8.4 Statutory Auditors' report on the authorisation to grant free existing or newly issued shares

(Shareholders' Meeting of 22 July 2021 – Twentieth resolution)

This is a free translation into English 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.

To the Shareholders,

In our capacity as Statutory Auditors of Rémy Cointreau, and in accordance with the provisions of Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed authorisation to grant free existing or newly issued shares to salaried employees and corporate officers of the Company and of entities or groups that are related to the Company within the meaning of Article L. 225-197-2 of the French Commercial Code, which is submitted for your approval.

The total number of shares that may be granted under this authorisation may not exceed 2% of the number of shares comprising the Company's share capital on the day of the Board of Directors' decision to grant the free shares, and the maximum number of shares granted to the Company's corporate officers under this authorisation may not exceed 0.2% of the number of shares comprising the Company's share capital on the day of the Board of Directors' decision to grant the free shares.

With regard to the new shares to be issued, the nominal amount of the share capital increase that may be decided pursuant to this authorisation may not exceed €1,600,000, it being specified that this ceiling will be deducted from the share capital increase ceiling provided for in the 22nd resolution of the Shareholders' Meeting of 23 July 2020 (or, if applicable, from the ceiling set in any similar resolution that may supersede this resolution during its period of validity).

The vesting of all or some of the shares will be subject to continued service within the Group and the fulfilment of performance conditions.

The Board of Directors proposes that, on the basis of its report, the shareholders authorise it, for a 38-month period, to grant free existing or newly issued shares.

It is the Board of Directors' responsibility to prepare a report on the proposed transaction. It is our responsibility to provide you with our comments, if any, in respect of the information provided to you on the proposed transaction.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted, in particular, in verifying that the proposed terms and conditions described in the Board of Directors' report comply with the applicable legal provisions.

We have no matters to report as regards the information provided in the Board of Directors' report with respect to the proposed authorisation to grant free shares.

Courbevoie and Neuilly-sur-Seine, 23 June 2021

The Statutory Auditors

Mazars	PricewaterhouseCoopers Audit
Jérôme de Pastors	Olivier Auberty

8.5 Statutory Auditors' report on the authorisation to grant stock options

(Shareholders' Meeting of 22 July 2021 – Twenty-first resolution)

This is a free translation into English 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.

To the Shareholders,

In our capacity as Statutory Auditors of Rémy Cointreau, and in accordance with the provisions of Articles L. 225-177 and R. 225-144 of the French Commercial Code (*Code de commerce*), we hereby report to you on the authorisation to grant stock options to salaried employees and corporate officers of the Company and of entities or economic interest groups that are related to the Company within the meaning of Article L. 225-180 of the French Commercial Code, which is submitted for your approval.

The number of shares that may be subscribed or purchased by beneficiaries through the exercise of the options granted by the Board of Directors pursuant to this authorisation may not exceed 2% of the Company's share capital on the day of the Board of Directors' decision to grant the options. With regard to the Company's corporate officers, the total number of shares that may be subscribed or purchased by beneficiaries through the exercise of the options granted by the Board of Directors pursuant to this authorisation may not exceed 0.2% of the Company's share capital on the day of the Board of Directors' decision to grant the options.

The nominal amount of the share capital increase resulting from the shares issued pursuant to this authorisation will be deducted from the ceiling provided for in the 22nd resolution of the Shareholders' Meeting of 23 July 2020.

The Board of Directors may decide to make the vesting of all or some of the options granted contingent on the achievement of one or several performance conditions. In addition to a continued service condition within the Group, the vesting of the options to the Company's corporate officers will be subject to the fulfilment of performance conditions determined by the Board of Directors and assessed over a minimum period of three consecutive financial years.

The Board of Directors proposes that, on the basis of its report, the shareholders authorise it, for a 38-month period, to grant stock options.

It is the Board of Directors' responsibility to prepare a report on the reasons for granting share subscription or purchase options and on the proposed methods for determining the share subscription or purchase price. It is our responsibility to express an opinion on the proposed methods for determining the share subscription or purchase price.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted, in particular, in verifying that the proposed methods for determining the share subscription or purchase price are presented in the Board of Directors' report and that they comply with the applicable legal provisions.

We have no matters to report as regards the proposed methods for determining the share subscription or purchase price.

Courbevoie and Neuilly-sur-Seine, 23 June 2021

The Statutory Auditors

Mazars	PricewaterhouseCoopers Audit
Jérôme de Pastors	Olivier Auberty

8.6 Statutory Auditors' report on the issue of ordinary shares and/or securities reserved for members of a Company savings plan

(Shareholders' Meeting of 22 July 2021 – Twenty-second resolution)

This is a free translation into English 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.

To the Shareholders,

In our capacity as Statutory Auditors of Rémy Cointreau, and in accordance with the provisions of Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed authorisation to the Board of Directors to decide to issue ordinary shares and/or securities giving access, immediately or in the future, to the Company's share capital, without shareholders' preferential subscription rights, which is submitted to you for approval.

This issue will be reserved for (i) members of a Company or Group savings plan of the Company or of French or international companies related to the Company within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code (*Code du travail*), (ii) employees and corporate officers of companies related to Rémy Cointreau, which have their registered office outside of France, as well as (iii) UCITS and any other entities governed by French or foreign law, whether or not they have legal personality, established for the purposes of employee share ownership schemes invested in Rémy Cointreau securities and which also meet any conditions that may be set by the Board of Directors.

The capital increase may not exceed €1,500,000, it being specified that (i) the nominal amount of any share capital increases carried out via the issue of ordinary shares to protect, pursuant to the law or any contractual stipulations, the rights of holders of securities giving access to the Company's share capital will be added to this amount, (ii) the nominal amount of any share capital increases carried out pursuant to this authorisation will be deducted from the €15 million ceiling set in the 22nd resolution of the Shareholders' Meeting of 23 July 2020, (iii) the aggregate maximum nominal amount of the share capital increases carried out pursuant to this resolution, and to the 21st, 22nd, 23rd, 26th and 27th resolutions of the Shareholders' Meeting of 23 July 2020, may not exceed the €20 million ceiling set in the 21st resolution of the Shareholders' Meeting of 23 July 2020.

This issue is submitted for your approval in accordance with the provisions of Article L. 225-129-6 of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labour Code.

The Board of Directors proposes that, on the basis of its report, the shareholders authorise it, for an 18-month period, to decide to issue securities and to cancel shareholders' preferential subscription rights in respect of the securities to be issued. Where applicable, the Board of Directors will set the final terms and conditions of the issue.

It is the Board of Directors' responsibility to prepare a report in accordance with the provisions of Articles R. 225-113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancellation of shareholders' preferential subscription rights and on certain other information relating to the issue, presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information contained in the Board of Directors' report relating to the transaction and the methods used to set the issue price of the securities to be issued.

Subject to a subsequent examination of the terms and conditions of the proposed issue, we have no matters to report as regards the methods used to set the issue price of the securities to be issued, given in the Board of Directors' report.

Since the final terms and conditions of the issue have not been set, we do not express an opinion in this respect or, consequently, on the proposed cancellation of shareholders' preferential subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report if and when the Board of Directors uses this authorisation to issue shares or securities giving access to the other securities or to issue securities giving access to securities to be issued.

Courbevoie and Neuilly-sur-Seine, 23 June 2021

The Statutory Auditors

Mazars	PricewaterhouseCoopers Audit
Jérôme de Pastors	Olivier Auberty


DISTILLED
GRAPES
DISTIL
À PART
ST-RÉMY
DISTILLATEUR FRANÇAIS DEPUIS 1886
Signature
SMOOTH & OAKY
FRENCH BRANDY FRANÇAIS
750 ml
PRODUIT DE FRANCE - PRODUCT OF FRANCE
40%alc./vol.

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ADDITIONAL INFORMATION

9.1 General information about the Company

CORPORATE NAME, REGISTERED OFFICE AND MAIN ADMINISTRATIVE OFFICE

Corporate name: Rémy Cointreau

The Company did not change its name or means of identification during the year.

Registered office: rue Joseph Pataa (formerly rue de la Champagne), 16100 Cognac

Administrative office: 21, boulevard Haussmann, 75009 Paris

Website: www.remy-cointreau.com

Telephone: +33 (0)1 44 13 44 13

LEGAL FORM, GOVERNANCE AND APPLICABLE LEGISLATION

Société anonyme (French limited liability company) with a Board of Directors governed by French law (in particular by the provisions of Book II of the French Commercial Code applicable to commercial companies) and by its Articles of Association.

The Rémy Cointreau Group is one of the major operators in the international Wines & Spirits market.

Rémy Cointreau SA (hereinafter called "Rémy Cointreau" or "the Company") is a company subject to French law.

DATE ESTABLISHED – DURATION

The Company was established on 3 March 1975 and will end on 30 September 2073.

CORPORATE PURPOSE

Rémy Cointreau's purpose pursuant to Article 2 of its Articles of Association is as follows:

- the creation, acquisition and operation of any commercial, industrial or other business;
- the direct or indirect equity investments of the Company, in any form whatsoever, in any company, association, business or grouping of any form whose object is a commercial, industrial, agricultural, real estate, design, research or development activity, or the acquisition, management or exploitation of all property or rights;
- the paid provision of qualified services in technical, commercial, administrative or financial fields, to any natural person or legal entity engaged in commercial, financial or industrial activities in France or other countries; and
- in general, any commercial, financial, industrial, property or real estate transaction which is directly or indirectly related, in whole or in part, to the aforementioned objects or to any similar or related object.

COMPANIES REGISTER AND REGISTRATION NUMBER

Rémy Cointreau is registered under number 302 178 892 in the Angoulême Trade and Companies Register (APE code 7010Z) and the following LEI code: 5493004V6A3Z027YT216.

PLACE OF INSPECTION OF THE COMPANY'S LEGAL DOCUMENTS

Legal documents (Articles of Association, minutes of the Shareholders' Meeting, Statutory Auditors' reports and other corporate documents) may be inspected, ideally on the Company's website: www.remy-cointreau.com or, where necessary, and only by appointment, at the Company's registered office for which the address is provided above (the reception is located 20, rue de la Société Vinicole, 16100 Cognac) or at the Company's headquarters (21, boulevard Haussmann, 75009 Paris).

The Rémy Cointreau Universal Registration Document filed with the AMF, together with the Company's press releases regarding sales and results, the annual and half-yearly reports, the Company and consolidated financial statements, and the information regarding transactions in treasury shares and the total number of shares and voting rights may be viewed on the Company's website, at the following address: www.remy-cointreau.com

9.2 Articles of Association

The full Articles of Association can be found on the Company's website: www.remy-cointreau.com

FINANCIAL YEAR

The Company's financial year commences on 1 April and ends on 31 March of the following year. The year runs for 12 months.

DISTRIBUTION OF PROFITS UNDER THE ARTICLES OF ASSOCIATION

Out of the Company's profits in each financial year, after setting aside a provision to establish the legal reserve, which must be at least equal to the minimum required, the Shareholders' Meeting may, profit permitting and on the proposal of the Board of Directors, allocate the profit to one or more reserve funds for which it regulates the allocation or use, carry forward or distribute as dividends among the shareholders.

After reviewing the reserves at its disposal, the Shareholders' Meeting may decide to distribute amounts drawn from these reserves. In this event, the decision should expressly specify which reserve accounts have been drawn down.

DIVIDENDS

The dividends distributed over the last five years are disclosed in section 6.6.

The dividend policy, featured by its regularity over the last 20 years, is also presented at the beginning of this document.

Lastly, please note that Article 27 of the Company's Articles of Association, on dividends, provides for the following:

In the event that the Company's financial statements for the year, as approved by the Shareholders' Meeting, show a distributable profit, the Shareholders' Meeting resolves to allocate said amount to one or more reserve funds for which it regulates the allocation or use, carry it forward or distribute it as dividends.

After reviewing the reserves at its disposal, the Shareholders' Meeting may decide to distribute amounts drawn from these reserves. In this event, the decision should expressly specify which reserve accounts have been drawn down. However, dividends are drawn in priority from the distributable profit for the financial year.

Terms governing the payment of dividends are set by the Shareholders' Meeting or, failing this, by the Board of Directors.

However, dividends must be paid no later than nine months after the balance sheet date.

The Shareholders' Meeting called to approve the financial statements for the year may give all shareholders, an option to receive the payment of the distributed dividend, in part or in full, either in cash or in shares.

The share-based payment offer, the price and terms of issue of the shares, as well as the share-based payment request and terms for carrying out the capital increase will fall under French law and regulations.

In the event that the balance sheet, drawn up in or at the end of the financial year and certified by the Statutory Auditors, indicates that the Company, as from the balance sheet date and after having set aside the amounts required for depreciation, amortisation and provisions and, where necessary, after having deducted any previous losses and amounts allocated to reserves as provided for by law or these Articles of Association, has generated profits, the Board of Directors may decide to distribute interim dividends before the financial statements are approved and set the amount and allocation date. The amount of these interim dividends may not exceed the amount of profit as defined in this paragraph.

SHAREHOLDERS' MEETING

Shareholders' Meetings are called and held under the conditions stipulated by law.

These meetings are held either at the registered office or at another venue specified in the Notice of meeting.

RIGHT OF ADMISSION TO MEETINGS

Pursuant to Article R. 225-85 of the French Commercial Code, the only people allowed to attend a meeting, to vote by post or to be represented, are shareholders who have previously furnished evidence of their status by an accounting record of securities in their name or in the name of an intermediary recorded for their account, on the second working day preceding the meeting by midnight, Paris time, either in registered share accounts held for the Company by its service provider, Société Générale, service assemblées générales, CS 30812, 44308 Nantes CEDEX 3, France, or in the bearer securities accounts held by an authorised intermediary, who holds their securities account. The registration or recording of bearer securities on the books of the authorised intermediary must be attested to by a certificate of shareholding issued by the latter, attached to the postal voting or proxy form, or to the application for an admission card in the name of the shareholder, or on behalf of the shareholder represented by the registered intermediary. A certificate is also issued to shareholders wishing to participate in person in the meeting and who have not received their admission card on the second working day preceding the meeting by midnight, Paris time.

VOTING RIGHTS AND CONDITIONS

Share voting rights are in proportion to the share of capital that they represent. At equivalent nominal value, each share entitles the holder to one vote.

However, a share entitles the holder to a double vote, in relation to the share capital that it represents, in the following cases:

- for all fully paid shares held in registered form in the name of the same shareholder for at least four years;
- for each registered share allotted free of charge to a shareholder, in the event of a capital increase by way of incorporation of reserves, profits or premiums, on the basis of existing shares for which such shareholder already enjoys double voting rights.

This double voting right ceases for all shares converted to bearer shares or whose ownership is transferred. However, the four-year timeframe set is not affected for acquired rights by any transfer by succession, liquidation of joint estate of spouses, or *inter-vivo* gifts, for the benefit of an inheriting relative. The same rules apply for transfer following a merger or share split of a corporate shareholder.

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Shareholders may, on a decision by the Board of Directors, may participate in Shareholders' Meetings by video-conference or vote by any electronic means of communication, including the Internet, in accordance with applicable regulations in force at the time of use. This decision is indicated in the meeting notice published in the French official gazette (BALO).

DECLARATION OF CROSSING OF THRESHOLDS

In accordance with the Articles of Association and independently of the legal requirements, any natural person or legal entity, acting either alone or in concert, who acquires in any manner whatsoever, as set out in Articles L. 233-7 *et seq*. of the French Commercial Code, a fraction equal to one per cent (1%) of the share capital or voting rights, or any multiple of this percentage, must notify the Company of the total number of shares and voting rights held within eight trading sessions of crossing one of these thresholds. This also applies in the same conditions as those described above each time that the fraction of share capital or voting rights held falls below one of the thresholds stated above.

In addition, this person must also specify in their disclosure to the Company:

(i) the number of shares owned giving future access to shares to be issued and the associated voting rights;

(ii) existing shares or the voting rights it may acquire under an agreement or financial instrument as outlined in Article L. 211-1 of the French Monetary and Financial Code, without prejudice to the provisions of 4° and 4°*bis* of I of Article L. 233-9 of the French Commercial Code.

In the event of non-compliance with the aforementioned provisions, and at the request of one or more shareholders holding at least 1% of the Company's share capital, shares exceeding the fraction that should have been declared will be deprived of voting rights at any Shareholders' Meeting that takes place until the end of the statutory and regulatory period following the date on which notification is made.

IDENTIFICATION OF SHAREHOLDERS

The Company is entitled to request, in accordance with the legal and regulatory terms and conditions, the full identity of those shareholders holding shares that give rise, immediately or in the future, to voting rights.

In order to identify shareholders, the Company is entitled to request from the share registrars at any time and at its own expense, as applicable, the name or corporate name, nationality, year of birth or establishment, and address of holders of securities that confer the right immediately or in the future to vote at the Company's Shareholders' Meetings, as well as the number of securities held by each of them and, where applicable, the restrictions that may apply to those securities and more generally to make use of the provisions of Article L. 228-2 of the French Commercial Code concerning identification of holders of securities that confer the right immediately or in the future to vote at the Company's Shareholders' Meetings.

9.3 INFORMATION INCORPORATED BY REFERENCE

In accordance with EU Regulation No. 2017/1129 of 14 June 2017, this Universal Registration Documents includes by reference the following information, which readers are asked to refer to:

- the consolidated financial statements for the 2019/2020 financial year, prepared in accordance with IFRS, together with the related Statutory Auditors' report, can be found on pages 235 to 239 of the Universal Registration Document filed with the AMF on 30 June 2020 under number D. 20-0644;
- the consolidated financial statements for the 2018/2019 financial year, prepared in accordance with IFRS, together with the related Statutory Auditors' report, can be found on pages 207 to 211 of the registration document filed with the AMF on 28 June 2019 under number D.19-0618;
- Rémy Cointreau SA's financial statements for the 2019/2020 financial year, prepared in accordance with French legislation, together with the related Statutory Auditors' report, can be found on pages 257 to 260 respectively of the Universal Registration Document filed with the AMF on 30 June 2020 under number D.20-0644;
- Rémy Cointreau SA's financial statements for the 2018/2019 financial year, prepared in accordance with French legislation, together with the related Statutory Auditors' report, can be found on pages 228 to 231 respectively of the registration document filed with the AMF on 28 June 2019 under number D.19-0618.

9.4 Statement by the person responsible for the registration document and annual financial report

"I hereby certify that, to the best of my knowledge, the information contained in this registration document is accurate and contains no omissions likely to affect the import of that information.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the net assets, financial position and results of the Company and of all companies included in the scope of consolidation, and that the management report, included in this document, in accordance with the cross-reference table (pages 330-332), provides a true and fair view of the business trends, results and financial position of the Company and of all companies included in the scope of consolidation, and that it describes the main risks and uncertainties that they face."

Éric Vallat,
Chief Executive Officer of Rémy Cointreau

9.5 Persons responsible for the audit and fees

9.5.1 Current mandates

Alternate Statutory Auditors

Holder	PricewaterhouseCoopers Audit 63, rue de Villiers 92208 Neuilly-sur-Seine CEDEX	Mazars 61, rue Henri Regnault 92400 Courbevoie
Represented by	Olivier Auberty, member of the Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre	Jérôme de Pastors, member of the Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre
Date of first appointment	24/07/2018	23/07/2020
Date appointment expires	Shareholders' Meeting to consider the 2024 financial statements	Shareholders' Meeting to consider the 2026 financial statements

9.6 Cross-reference tables

9.6.1 Cross-reference table for use with the Universal Registration Document (URD) 2020/2021

Information required under Annex 1 and 2 of Delegated regulation (EC) No. 2019/980 of 14 March 2019, in accordance with the chart of the URD.

		Pages	Chapters
8.	**Capital resources**		
	8.1 Information on capital	190; 201; 217; 258	4.2; 5.4; 5.6 note 12; 6.3
	8.2 Cash flows	191-192; 202; 259	4.3; 5.5; 6.4
	8.3 Financing requirements and financing structure	219-222; 224-228; 265-266	5.6 notes 13 and 16; note 8
	8.4 Restrictions on the use of capital resources	n/a	n/a
	8.5 Anticipated sources of funds	n/a	n/a
9.	**Regulatory environment**		
	Description of the regulatory environment that may affect the Company's businesses	114	2.2.4
10.	**Trend information**		
	10.1 Description of the main trends and any significant changes in the Group's financial performance since the end of the last financial year	28; 194; 206	IR; 4.6; 5.6 note 2
	10.2 Events likely to have a material impact on the outlook	28; 194; 206	IR; 4.6; 5.6 note 2
11.	**Profit forecasts or estimates**	n/a	n/a
12.	**Administrative, management, supervisory and senior management bodies**		
	12.1 Information about members	126-157	3.2; 3.3; 3.4
	12.2 Conflicts of interest	157	3.4
13.	**Remuneration and benefits**		
	13.1 Remuneration and benefits in kind	158-180; 244; 269	3.5; 5.6 note 28.4; 6.5 note 17
	13.2 Provisions for pensions, post-employment and other similar benefits	159; 160; 166; 168-172; 240-242	3.5.1; 3.5.2; 3.5.4; 5.6 note 26
14.	**Operations of the administrative and management bodies**		
	14.1 Date of expiration of mandates	127; 130-143	3.2.1; 3.2.2
	14.2 Service contracts binding members of the Company's administrative, management or supervisory bodies	157; 314-315	3.4; 8.2
	14.3 Information on the Audit and Remuneration Committees	128; 149-152	3.2.1; 3.2.4
	14.4 Declaration of compliance with the corporate governance system in force	124	3.1.2
	14.5 Potential future changes to corporate governance	124-125; 144-145	3.1.3; 3.2.2
15.	**Employees**		
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9.6.3 Cross-reference table for use with the management report

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1. COMPANY SITUATION AND BUSINESS				
French Commercial Code	Articles L. 225-100-1, I., 1 °, L. 232-1, II., L. 233-6 and L. 233-26	Company situation and objective and comprehensive analysis of change in the business earnings and financial position of the Company, in particular its debt position in view of the volume and complexity of its business	183-194	4
French Commercial Code	Article L. 225-100-1, I.,2°	Financial key performance indicators	4; 184	IR; 4.1
French Commercial Code	Article L. 225-100-1, I.,2°	Non-financial key performance indicators relating to the specific activity of the Company	5; 38-43	IR; 1
French Commercial Code	Articles L. 232-1, II and L. 233-26	Important events occurring between the reporting date and the date of the management report	194; 270	4.5; 6.5
French Commercial Code	Article L. 232-1, II	Existing branches	n/a	n/a
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French Commercial Code	Articles L. 233-29, L. 233-30 and R. 233-19	Disposal of cross-shareholdings	n/a	n/a
French Commercial Code	Articles L. 232-1, II and L. 233-26	Foreseeable change in the situation of the Company and future outlook	28; 194	IR; 4.6
French Commercial Code	Articles L. 232-1, II and L. 233-26	Research and development activities	n/a	n/a
French Commercial Code	Article R. 225-102	Table showing the Company's results for each of the past five financial years	271	6.6
French Commercial Code	Article D. 441-4	Information on payment terms for suppliers and customers	193	4.4
French Financial Code	Articles L. 511-6 and R. 511-2-1-3	Amount of inter-company loans granted and Statutory Auditor's statement	214	5

Reference texts		Comments on the financial year	Page number	Chapter number
2. INTERNAL CONTROL AND RISK MANAGEMENT				
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French Commercial Code	Article L. 22-10-35, 2°	Main characteristics of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information	100-101	2.1
French Commercial Code	Article L. 225-100-1, I.,4°	Objectives and hedging policy for each category of transaction and the Company's exposure to price, credit, liquidity and cash flow risks. The indications include the use by the Company of financial instruments	110	2.2
Law No. 2016-1691 of 9 December 2016, known as "Sapin II"		Anti-corruption system	113	2.2
French Commercial Code	Article L. 225-102-4	Vigilance plan and report on its effective implementation	n/a	n/a
3. SHAREHOLDING STRUCTURE AND SHARE CAPITAL				
French Commercial Code	Article L. 233-13	Structure, change in the Company's capital and crossing of thresholds	278; 285	7.1; 7.2
French Commercial Code	Article L. 225-111	Acquisition and disposal by the Company of its own shares	281-283	7.1
French Commercial Code	Article L. 225-102 paragraph 1	Employee shareholding statement	284	7.2
French Commercial Code	Articles R. 228-90 and R 228-91	Any adjustments to securities giving to the capital in the event of share buybacks or financial transactions	n/a	n/a
French Financial Code	Article L. 621-18-2	Information on transactions by executives and related-parties on the Company's shares	174	3.5
French General Tax Code	Article 243 bis	Amount of dividends distributed over the past three financial years	33; 271	IR; 6.6
4. NON-FINANCIAL PERFORMANCE STATEMENT (DPEF)				
French Commercial Code	Articles L. 225-102-1 and R. 225-105	Business model	26-27	IR
French Commercial Code	Articles L. 225-102-1 and R. 225-105, I.1°	Description of the principal risks related to the Company's business	44-81	1.3
French Commercial Code	Art. L. 225-102-1, III, R. 225-104 and R. 225-105, I, 2°	Information on how the Company takes into account the social and environmental consequences of its activity, as well as the effects of this activity regarding compliance with human rights and anti-corruption	44-73	1.3
French Commercial Code	Articles L. 225-102-1 and R. 225-105, I.3°	Results of policies applied by the Company or Group, including key performance indicators	44-81	1.3
French Commercial Code	Articles L. 225-102-1 and R. 225-105, II, A, 1°	Social information (employment, work organisation, health and safety, labour relations, training, equal treatment)	44-49	1.3

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Reference texts		Comments on the financial year	Page number	Chapter number
French Commercial Code	Articles L. 225-102-1 and R. 225-105, II, A, 2°	Environmental information (general environmental policy, pollution, circular economy, climate change)	50-73	1.3
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French Commercial Code	Articles L. 225-102-1 and R. 225-105, II, B, 1°	Anti-corruption information	81; 84; 118-120	1.3; 1.5; 2.4
French Commercial Code	Articles L. 225-102-1 and R. 225-105, II, B, 2°	Information on actions to foster human rights	38; 75	1.2; 1.3
French Commercial Code	Article L. 225-102-2	Specific information on SEVESO facilities	50; 109; 116	1.3; 2.2
French Commercial Code	Articles L. 225-102-1, III and R. 225-105	Collective agreements signed within the Company and their impact on the Company's economic performance as well as on the working conditions of employees	46; 48	1.3
French Commercial Code	Art. L. 225-102-1 III and R. 225-105-2	Statement by the independent third party on the presence of indicators in the non-financial performance statement	90-91	1.7
5. ADDITIONAL INFORMATION REQUIRED FOR THE PREPARATION OF THE MANAGEMENT REPORT				
French General Tax Code	Articles 223 quater and 223 quinquies	Additional tax information	294	8.1
French Commercial Code	Article L. 464-2	Injunctions or penalties for anti-competitive practices	n/a	n/a
French Commercial Code	Article L. 232-6	Any changes in the presentation of the financial statements	204-205; 261 (n/a)	5.6; 6.5

9.6.4 Cross-reference table for use with the report on corporate governance

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1. INFORMATION ON REMUNERATION				
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French Commercial Code	Article L. 22-10-9, I., 1°	Total remuneration and benefits of all kinds paid during or allocated in respect of the financial year to each corporate officer	160-173	3.5
French Commercial Code	Article L. 22-10-9, I., 2°	Relative proportion of fixed and variable remuneration	158; 168-173	3.5
French Commercial Code	Article L. 22-10-9, I., 3°	Use of the option to request the return of variable remuneration	n/a	n/a
French Commercial Code	Article L. 22-10-9, I., 4°	Commitments of any kind made by the Company for the benefit of its corporate officers	117-131	3.5
French Commercial Code	Article L. 22-10-9, I., 5°	Remuneration paid or allocated by a company included in the scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code	n/a	n/a
French Commercial Code	Article L. 22-10-9, I., 6°	Ratios between the level of remuneration of each executive director and the **average** and **median** remuneration of Company employees	173-174	3.5
French Commercial Code	Article L. 22-10-9, I., 7°	Annual change in remuneration, the Company's performance, the average remuneration of Company employees and the above ratios over the five most recent financial years	173-174	3.5
French Commercial Code	Article L. 22-10-9, I., 8°	Explanation on how the total remuneration complies with the adopted remuneration policy, including how it contributes to the Company's long-term performance and how the performance criteria were applied	175-177	3.5.8
French Commercial Code	Article L. 22-10-9, I., 9°	How the vote of the last Ordinary Shareholders' Meeting provided for in L. 225-100, II (until 31 December 2020) and Article L. 22-10-34 (as from 1 January 2021) was taken into account	n/a	n/a
French Commercial Code	Article L. 22-10-9, I., 10°	Deviation from the procedure for implementing the remuneration policy and any exceptions	n/a	n/a
French Commercial Code	Article L. 22-10-9, I., 11°	Application of the provisions of paragraph 2 of Article L. 225-45 of the French Commercial Code	n/a	n/a
French Commercial Code	Article L. 225-185	Allocation and retention of options by corporate officers	160-165; 176-177	3.5
French Commercial Code	Articles L. 225-197-1 and L. 22-10-59	Allocation and retention of bonus shares to executive directors	160-165; 177; 218; 263-264	3.5; 5.6; 6.5
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French Commercial Code	Article L. 225-37-4, 1°	List of all offices and positions held in any Company by each of the corporate officers during the financial year	130-143	3.2
French Commercial Code	Article L. 225-37-4, 2°	Agreements entered into between an executive or a significant shareholder and a subsidiary	157; 314-315	3.4; 8.2

Reference texts		Comments on the financial year	Page number	Chapter number
French Commercial Code	Article L. 225-37-4, 3°	Summary table of current authorisations granted by the Shareholders' Meeting to increase the share capital	280-281	7.1
French Commercial Code	Article L. 225-37-4, 4°	Senior management procedures	156	3.3
French Commercial Code	Article L. 22-10-10-1°	Composition, preparation and organisation of the Board's work	124; 146-147	3.1; 3.2
French Commercial Code	Article L. 22-10-10-2°	Application of the principle of balanced representation of women and men on the Board	128; 288	3.2; 7.2
French Commercial Code	Article L. 22-10-10-3°	Any limitations that the Board of Directors has imposed on the powers of the Chief Executive Officer	156	3.3
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French Commercial Code	Article L. 22-10-10-6°	Procedure for assessing ordinary agreements and its implementation	155	3.2
3. INFORMATION LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER TAKEOVER OR EXCHANGE OFFER				
French Commercial Code	Article L. 22-10-11	Structure of the Company's capital	32; 284; 290	IR; 7.2; 7.3
French Commercial Code	Article L. 22-10-11	Statutory restrictions on the exercise of voting rights and share transfers or agreement clauses brought to the knowledge of the Company pursuant to Article L. 233-11 of the French Commercial Code	290; 323-324	7.3; 9.2
French Commercial Code	Article L. 22-10-11	Direct or indirect shareholdings in the capital of which the Company has knowledge pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code	285-287; 290	7.2; 7.3
French Commercial Code	Article L. 22-10-11	List of holders of any shares with special control rights and description thereof	323-324; 290	7.3; 9.2
French Commercial Code	Article L. 22-10-11	Agreements between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights	286-288; 290	7.2; 7.3
French Commercial Code	Article L. 22-10-11	Rules applicable for the appointment and replacement of members of the Board of Directors and for amendments of the Articles of Association of the Company	290	7.3
French Commercial Code	Article L. 22-10-11	Powers of the Board of Directors, in particular to issue or repurchase shares	290	7.3
French Commercial Code	Article L. 22-10-11	Agreements concluded by the Company that are modified or terminated in the event of a change of control of the Company, unless such disclosure, except in the case of legal duty of disclosure, would seriously harm its interests	290	7.3
French Commercial Code	Article L. 22-10-11	Agreements providing for compensation for members of the Board of Directors or employees if they resign or are dismissed without just cause or if their employment ceases because of a public offer	290	7.3

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