



BACARDI LIMITED

Our full Corporate Responsibility report is available at

[www.bacardilimited.com](http://www.bacardilimited.com)

# OUR SPIRIT IS CLEAR

CORPORATE RESPONSIBILITY SUMMARY 2012

## A welcome from our Chairman and CEO

Facundo L. Bacardi, Chairman and Edward D. Shirley, President and CEO

We aim to be the best-in-class in Corporate Responsibility in the spirits industry and believe that by responsibly managing our environmental and social impacts, Bacardi will be a more sustainable business in the long term.

Looking at last year's performance, there are a number of success stories within the five pillars of our Corporate Responsibility program and a selection of these are outlined in this summary.

Moving forward, we will keep up the momentum we have generated with our Corporate Responsibility program by continuing to seek improvements in how we work and by embedding Corporate Responsibility in all aspects of our business.

Watch the video on [www.bacardilimited.com](http://www.bacardilimited.com)



## Corporate Responsibility at Bacardi

*Bacardi Limited is the largest privately held spirits producer in the world. The Company was established in 1862 in Santiago de Cuba with the first BACARDÍ Rum distillery and we celebrated our 150th anniversary in 2012.*



*Our brand portfolio includes more than 200 brands and labels with a focus on six core global brands.*

View our brands on [www.bacardilimited.com](http://www.bacardilimited.com)

As a manufacturer and distributor of alcoholic beverages, our operations have a range of benefits and impacts. Our Corporate Responsibility program aims to maximize the positives of our business and minimize the negatives.

Our overall aim with Corporate Responsibility is to achieve a leading position for Bacardi Limited. We will do this by creating a Corporate Responsibility program that is best-in-class and by delivering continual improvement and excellence in our performance.

Understanding our stakeholders' interests and concerns is crucial to our Corporate Responsibility strategy. Independently conducted stakeholder research in fiscal 2012 identified that the interests of our stakeholders broadly correspond to those covered by our five pillars of activity. The highest priority topics for stakeholders include: responsible drinking; responsible marketing; product responsibility; managing direct environmental impacts; and sustainable agriculture and sourcing.

# Our five Corporate Responsibility pillars

Our Corporate Responsibility program consists of five key pillars that cover our core areas of activity. Each pillar has an individual strategy with targets set for 2015 and beyond in some cases.

## MARKETPLACE: *Promoting responsible consumer choices*

*Drinking alcohol is a matter of personal choice and most consumers choose to drink in moderation. However, alcohol can cause harm if it is misused and promoting responsible consumption is a key priority.*



We are proud of the quality and heritage of our brands and want them to be consumed appropriately. Encouraging responsible decision-making by legal drinking age consumers is, therefore, a key priority for Bacardi Limited and the focus of activity within the Marketplace pillar.

Our ambition is to be best-in-class in promoting responsible drinking and to ensure we market our products responsibly. To this end, we aim to build on the recognition already received for our award-winning responsible drinking campaigns, such as “Champions Drink Responsibly,” and continue to uphold our excellent record of compliance with responsible marketing codes.

**240,000**  
fans on the  
“Champions Drink  
Responsibly”  
Facebook™ page  
in the first year of  
the campaign.

## ENVIRONMENT, HEALTH AND SAFETY: *Pursuing continual improvement and best practice*

*We have a responsibility to minimize our environmental impacts and to ensure our people are safe at work. These are business objectives that reduce risk, increase efficiency and make sound business sense.*



Most of our products’ environmental impacts are in our supply chain and our new environmental sustainability strategy will help to develop programs to reduce these impacts across our whole value chain. We are proud of our performance to date, which has seen water use halved, energy use cut by a quarter and greenhouse gas emissions reduced by a third in the last six years.

From a safety point of view, our employees are crucial to our business and we have a long-term vision for an accident-free Bacardi Limited.

**49.4%**  
reduction in water  
use since 2006.

## RESPONSIBLE SOURCING: *Sourcing quality with responsibility*

*We source high-quality ingredients and raw materials from many countries, including those where achieving good workplace and environmental standards can be complex. Our Responsible Sourcing program works to address these complexities.*



Our vision for Responsible Sourcing is for all of our raw materials and packaging to come from sustainably sourced, renewable or recycled materials – reducing environmental and social impacts, while maintaining or enhancing the economic status of growers and suppliers.

All direct suppliers, those that provide ingredients or packaging for our products, are required to adhere to our Responsible Sourcing standards. We ensure compliance with our standards through our internal procurement process or by suppliers’ membership of Sedex®, the database for sharing ethical supply chain data.

**100%**  
Our industry-first  
target is to source  
100% of our  
sugarcane-derived  
ingredients from  
Bonsucro™  
certified sources  
by 2022.

**PEOPLE: Outstanding people delivering excellent results**

Our People strategy is built on the belief that outstanding people will deliver excellent results. To Bacardi Limited, outstanding people means talented and engaged employees who are valued for their unique contributions to the Company.



By demonstrating their commitment to our values of Trust, Caring, Passion and Excellence, our people are the best ambassadors for our Company and brands.

Within the People pillar, we aim to unleash the potential of our people by creating a working environment where every employee takes advantage of the development opportunities Bacardi Limited offers. We strive to inspire, engage and support our people, and we intend to become recognized internally and externally as a Great Place to Work.

**92%**

Our first-ever global Employee Engagement Survey achieved a best-in-class response rate of 92%.

**PHILANTHROPY AND COMMUNITY INVOLVEMENT: Benefiting communities, engaging employees**

Bacardi Limited has a 150-year history of quality, excellence, ethics and social involvement. These values were important to our founder, Don Facundo Bacardi Massó, and are just as important to us today.



We operate in many locations around the world and always aim to make a positive contribution to our local communities. Our employees are members of these communities, and taking part in community activities generates a strong sense of pride.

Through our community program, we aim to engage our people in Corporate Responsibility. We do this through Corporate Responsibility (CR) Month, our annual flagship event to involve our global workforce in community activities, and through local initiatives that are managed by local operations, which are closer to their communities. We provide support in four broad areas: arts and culture; education; environment; and health and social services.

**US\$3.23M**

reported giving by Bacardi companies and brands in fiscal 2012.

**Our value chain**

There are many stages in the production of our premium spirits before they reach the consumer. Our Corporate Responsibility program aims to reduce impacts at all stages of our product lifecycle.

**1 Agricultural raw materials**

We source agricultural products, such as grapes, sugarcane products and grains to craft our products. We aim to source these responsibly and to reduce our supply chain environmental and social impacts.

**2 Manufacturing**

At all manufacturing sites, we aim for continual improvement in our environmental performance and focus on establishing a safety culture that will deliver an accident-free workplace.

**5 Recycling and reuse**

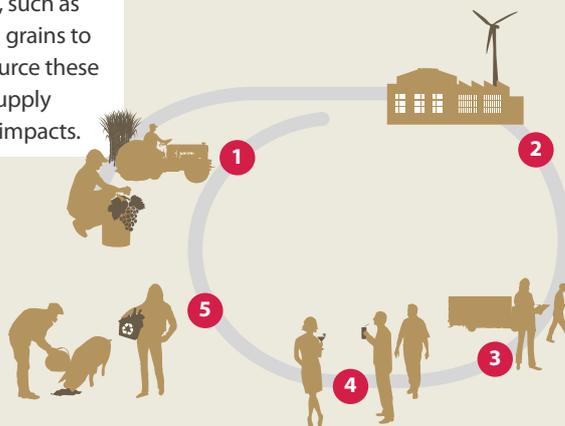
Recycling is an essential way to reduce the impact of waste packaging and all of our packaging is recyclable. We also recycle over 98% of our manufacturing waste and by-products.

**3 Packaging and distribution**

Aging and bottling put the finishing touches to our products. Our packaging is mainly glass and cardboard and we use packaging redesigns to reduce the weight and impact of packaging.

**4 Retail and consumer**

Our customers are retailers who sell our brands to consumers. We engage consumers on responsible drinking and ensure our advertising is responsible by adhering to responsible marketing codes.



Find out more at [www.bacardilimited.com](http://www.bacardilimited.com)

# Corporate Responsibility at Bacardi this year

See more of our Corporate Responsibility stories in our report at

[www.bacardilimited.com](http://www.bacardilimited.com)

## "Ace Rafa" Facebook™ game

A key part of our "Champions Drink Responsibly" campaign in fiscal 2012 was the "Ace Rafa" Facebook™ game. Developed specially for Facebook™, the game allowed fans to try to "Ace Rafa" in order to enter a prize draw to win a trip to meet Rafael Nadal in person in Mallorca, Spain. In order to access the game, consumers had already supported the campaign messaging.



100,000

people in 35 countries played the game between mid-November 2011 and the end of March 2012.

3.76 OUT OF 5

Fiscal 2012 was a landmark year for engaging our employees.

We launched our first-ever Global Employee Engagement Survey and the results were very encouraging with 92% of employees taking part and an overall employee engagement score of 3.76 out of 5. Best-in-class engagement starts at 4.0.



## Reducing packaging weight

We reduced packaging weight by 6,000 tonnes in fiscal 2012 and reductions since 2008 total 23,000 tonnes, or 7.1%. This total saves an estimated 9,370 tonnes of CO<sub>2</sub> emissions each year. In Europe, a redesign for ERISTOFF Vodka reduced the bottle weight by 7.7%, saving 724 tonnes of glass each year.



49.4%

We have reduced water use by almost half in the six years since 2006.



This year we launched a new global employee assistance program across Bacardi Limited. Available in 22 languages, Bacardi Assist is designed to support employees in dealing with ordinary and extraordinary events in both their personal and professional lives.

40%

We source more than 40% of our molasses from Fiji and have started a three-year project to work with Fijian sugarcane farmers to reduce environmental impacts and work towards Bonsucro certification.



## Supporting sustainable sugarcane

Bacardi Limited is a founding member and active supporter of Bonsucro™, the multi-stakeholder forum focused on improving standards in the sugarcane industry. We are the first Bonsucro™ member to set a target to source 100% of our sugarcane-derived ingredients from Bonsucro™-certified sources and we aim to achieve this by 2022. During fiscal 2012, Bacardi Limited was elected to the Board of Bonsucro™ for the second year running.



## Supporting disadvantaged communities

The Bacardi U.S.A. Day of Service in July 2011, brought more than 100 employees together to volunteer at the Abriendo Puertas community resource center. Employees donated almost US\$1,000 to the center's food bank and assembled more than 250 food packs for families in need. At Thanksgiving in November 2011, employees continued their support by donating a record 5,580 kilograms of food to the center's food bank.



## Slow Drinking in France

"Slow Drinking" is a new concept launched by Bacardi-Martini France to promote moderate consumption and emphasize quality over quantity. It promotes taste at the center of any occasion involving alcoholic drinks and introduces ten principles of Slow Drinking, which include always combining drinks with food and taking your time.