

Spirit for Life



BACARDI LIMITED
CORPORATE RESPONSIBILITY REPORT
FISCAL YEAR 2010/11

INTRODUCTION

The Bacardi Limited vision is to be recognized as the leader in Corporate Responsibility in the spirits industry in order to deliver a more sustainable future for our stakeholders.

As we seek to fulfil this long-term vision, we will actively engage with our stakeholders and support those communities where we live and operate. And in doing so, we will always be guided by our core values of Trust, Caring, Passion and Excellence, as well as inspired by our unifying purpose of “Spirit for Life.”

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For more information on Bacardi Limited, our brands, and Corporate Responsibility, please visit:

 www.bacardilimited.com

ON THE COVER:

RAFAEL NADAL

World tennis champion and the new Bacardi Limited Global Social Responsibility Ambassador.

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Passionate about everything we do



FACUNDO L. BACARDI
Chairman



EDWARD D. SHIRLEY
President and CEO

INTRODUCTION

It gives us great pleasure to introduce our fourth Corporate Responsibility Report. This report marks a milestone in communicating our Corporate Responsibility performance to stakeholders.

For the first time we are reporting in line with the Global Reporting Initiative (GRI) guidelines, which, along with our existing commitment to the United Nations Global Compact, is an important step in further communicating with our stakeholders and building trust in our approach to Corporate Responsibility.

We have continued to base our Corporate Responsibility program on our five key pillars of activity. In addition, we have developed new strategies supported by five or ten year targets to underpin continuous improvement in our performance. Our key objective is to get closer integration of Corporate Responsibility within our "ONE Bacardi" business development mission.

Fiscal year 2011 has been an exciting year in stepping up our performance and we are proud to highlight key projects as part of this progress.

The continuing development of the award-winning "Champions Drink Responsibly" campaign with Rafael Nadal, our new Global Social Responsibility Ambassador, shows our commitment to high impact

responsible drinking campaigns. Rafael Nadal is a true champion and an ideal role model for spreading the responsible drinking message to new and wider legal drinking age audiences.

Environment, Health and Safety performance has achieved a significant milestone this year in exceeding the five year targets we laid down in 2006. We have set up the opportunity for more efficient and sustainable performance in this area in the future.

In our work towards a more sustainable supply of sugarcane products, we continued our support for Bonsucro, a global non-profit organization dedicated to reducing the environmental and social impacts of sugarcane production. Being elected to the new Bonsucro Board of Directors means we will continue to be centrally involved in this important part of our supply chain.

In addition to launching our new human resources Global Performance Management system, we have received recognition as a Great Place to Work in a number of our operating countries.

Involving our employees in the overall Corporate Responsibility program is an important part of our approach and our first "Corporate Responsibility Week" achieved fantastic employee participation. The scale and breadth of our employees' involvement across the globe was truly impressive and a credit to our outstanding people.

Looking forward, 2012 is the 150th anniversary of our Company and we see Corporate Responsibility playing an essential part in developing a long-term business and a successful future for Bacardi.

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Chairman

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ABOUT BACARDI LIMITED

Bacardi Limited is the largest privately held spirits producer in the world. We produce, market and distribute a variety of internationally recognized spirits through a network of regional and country level companies. Our brand portfolio includes more than 200 brands and labels with a focus on six core global brands, supported by a strong portfolio of local brands.

OUR GLOBAL BRANDS ARE

BACARDI rum, BOMBAY SAPPHIRE gin, DEWAR’S blended Scotch whisky, ERISTOFF vodka, GREY GOOSE vodka and MARTINI vermouth.

A full list of brands and labels can be found on www.bacardilimited.com

OUR OPERATIONS

Bacardi Limited is headquartered in Bermuda and incorporated under Bermudian law. Our products are sold in more than 100 markets worldwide by Bacardi companies and third party distributors.

We currently operate 27 production facilities, including bottling, distilling and manufacturing facilities, located strategically in 16 countries, including the United States, Scotland, Italy, France, Spain, Germany and Mexico.

We also operate a global distribution network for our brands and selected third-party agency brands. Our customers are independent distributors, wholesalers and retail outlets worldwide, including major grocers, convenience stores, hotels, restaurants and duty free shops and stores. Consumers therefore have access to our brands from a variety of distribution channels.

to market, depending on the arrangements that those brand principals need.

In total, Bacardi has over 100 companies and sales offices which are wholly-owned.

A separate business unit distributes our brands through the Global Travel Retail network, i.e. airports, cruise ships and diplomatic channels.

This organizational structure is overseen by the Bacardi Board of Directors which has three principal committees covering Audit, Compensation and Nominations (including oversight of the Company's corporate governance). Further details are given in our GRI index.

CORPORATE STRUCTURE

The corporate structure of Bacardi Limited is centred around four geographical regions: North America, Europe, Latin America and Asia Pacific, and the global functions that support it. The operating structure comprises a number of holding companies, trading subsidiaries and operating units, the ultimate owner of which is Bacardi Limited.

The global functions are Global Operations, Finance, Marketing and Sales, supported by General Management functions, including IT, Legal and External Affairs, Communications and HR. Each region consists of a small regional management hub and markets where Bacardi has its own wholly-owned distribution companies.

Operating arrangements differ from market to market but include wholly-owned, joint venture or third party distribution.

In smaller markets, area managers work with nominated distributors and wholesalers in order to meet local demands for our brands.

In some specific markets, for example the U.K., the Bacardi distribution company has formal agreements with other brand owners to share expenses in sales and distribution, with these brand owners retaining control of their own marketing.

In many markets, formal agency arrangements exist with other brand owners to handle their distribution on terms which may vary from market

OUR BRANDS

BACARDI RUM

World's number one selling premium rum.

MARTINI VERMOUTH

World's number one vermouth.

BOMBAY SAPPHIRE GIN

World's number one premium gin by value.



GREY GOOSE VODKA

World leader in super premium vodka.

DEWAR'S BLENDED SCOTCH WHISKY

One of the world's most awarded Scotch whiskies.

ERISTOFF VODKA

One of the top ten international vodka brands.

KEY STATISTICS

5,838

In fiscal 2011, we had 5,838 employees across the world.

\$4,448M

Our fiscal 2011 net sales less excise taxes were US\$4,448,000,000.

\$2,152M

Our total debt was US\$2,152,000,000

\$5,122M

Our total equity was US\$5,122,000,000 (includes \$93M non-controlling interests).

\$9,175M

Our total assets were US\$9,175,000,000.

63.5M

We sold 63,488,000 9-liter cases of our Group brands in fiscal 2011.

INTRODUCTION

Our Corporate Responsibility program consists of five key pillars reflecting our main areas of activity.

1 MARKETPLACE

We market our products in a responsible way and encourage our consumers to enjoy our drinks in moderation. We believe promoting responsible consumption allows consumers to make better and informed choices.



Within the Marketplace pillar, our aim is to play an influential role in engaging with consumers to raise awareness on responsible drinking. We build on the recognition already received for our award-winning responsible drinking campaigns and continue to uphold our excellent compliance record against responsible marketing codes.

HIGHLIGHTS OF THE YEAR

We continued to develop our award-winning “Champions Drink Responsibly” campaign with our new Global Social Responsibility Ambassador, world tennis champion, Rafael Nadal.

We launched an e-learning module for our responsible marketing training.

More on page 10–17

MEASURING THE RESULTS

37M+

consumers worldwide have been engaged by our “Champions Drink Responsibly” campaign since its launch in 2008.

250

marketers successfully completed the new e-learning module of our responsible marketing training.

2 ENVIRONMENT, HEALTH AND SAFETY

With Caring as one of our values, we aim to ensure our people are safe at work and that we protect the environment. This is the right thing to do, as well as being good for our business.



Within the Environment, Health and Safety pillar, we have begun to develop a new environmental sustainability strategy that will guide us in developing industry leading programs to reduce our environmental impact. We have also developed a new safety strategy with the vision of “working together to create a safer Bacardi.”

HIGHLIGHTS OF THE YEAR

We have again made significant progress in reducing our environmental impacts and have exceeded all of our five-year targets, set in 2006. We have reduced our water use by half and now use almost 30% less energy than five years ago.

We have also made significant progress on our safety performance, with accidents reduced by 63% in the last five years.

More on page 18–25

MEASURING THE RESULTS

4%

reduction in total water use in fiscal 2011.

7%

reduction in greenhouse gas emissions in fiscal 2011.

12%

fewer lost time accidents in fiscal 2011.

3 RESPONSIBLE SOURCING

We are in the fourth year of our Responsible Sourcing program and have made significant progress in those areas of our supply chain with the greatest impacts, notably agricultural raw materials. We have also made good progress in getting suppliers signed up to the Sedex ethical performance database.



Within the Responsible Sourcing pillar, our vision is for all of our raw materials and packaging to be sourced sustainably – reducing social and environmental impacts while maintaining or enhancing the economic status of growers and suppliers.

HIGHLIGHTS OF THE YEAR

Our key focus is working with Bonsucro (formerly the Better Sugarcane Initiative) towards a sustainable sugarcane industry. The first Bonsucro certified sugarcane was harvested in mid-2011.

We have started to apply our Responsible Sourcing standards to our Point-of-Sale (POS) supply chain and in fiscal 2011 we focused on the top five suppliers in each of our ten largest markets. We also continue to be active in AIM-PROGRESS.

More on page 26–31

MEASURING THE RESULTS

244

suppliers are linked to Bacardi on Sedex, the database for sharing ethical audit data.

39%

increase in Sedex membership among our suppliers.

4 PEOPLE

It is a fundamental principle of Bacardi Limited that our success is due to great brands and outstanding people. Our “ONE Bacardi” initiative aims to connect and align all of our employees across the globe behind one set of values, strategies and common ways of working.



Within the People pillar, our 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 the unique contributions they bring to the Company.

HIGHLIGHTS OF THE YEAR

To support our vision of “ONE Bacardi” we have completed and deployed a global People strategy up to 2015.

We have launched our Global Performance Management System to cover performance management, development planning and career aspirations of our people.

More on page 32–35

MEASURING THE RESULTS

2,000

employees were included in our new Global Performance Management System in fiscal 2011. This will rise to 4,000 in early fiscal 2012.

5

country-level operations have been recognized in Great Place to Work or other top employer rankings.

5 PHILANTHROPY AND COMMUNITY INVOLVEMENT

We operate in many locations around the world and always seek to make a positive contribution to our local communities. Taking part in philanthropy and community activities generates a strong sense of pride in our employees.



Within the Philanthropy and Community Involvement (PCI) pillar, our strategy aims to engage our people in Corporate Responsibility through local community programs. Our PCI strategy going forward will reflect some of our main Corporate Responsibility focuses.

HIGHLIGHTS OF THE YEAR

Corporate Responsibility Week was our first ever Company-wide initiative to connect our people with community projects in the locations where they work and live.

We have started using the London Benchmarking Group reporting model to provide a standardized way of measuring our community involvement.

More on page 36–39

MEASURING THE RESULTS

3,750

employees from 35 countries were involved in CR Week, taking part in more than 128 activities.

US\$3.9M

reported giving by Bacardi companies and brands in fiscal 2011. This figure is based on the London Benchmarking Group model and includes cash contributions, employee volunteer time, in-kind contributions and management costs.



BACARDI INTRANET

The Corporate Responsibility Community on the ONE Bacardi intranet.

Our corporate values of Trust, Caring, Passion and Excellence guide our approach to Corporate Responsibility.

We aim to develop a leading Corporate Responsibility position by delivering continual improvement and excellence in our performance, and by being the best at what we do.

INTEGRATING OUR PROGRAM INTO “ONE BACARDI”

We have been making significant improvements in aligning our business processes across the organization, and gaining efficiencies by focusing on the strategic objectives of the Company. Corporate Responsibility initiatives are more focused towards helping to achieve the Company goals as a result of renewing our approach.

This takes two forms. Firstly, we aim to take Corporate Responsibility from being a specialist function to a way of working that is integrated through the whole business by 2015.

Secondly, we have updated the individual strategies for each of the pillars of our Corporate Responsibility program. We have set targets for 2015, and beyond in some cases. Our ultimate aim is to hold the leadership position within the spirits industry.

CORPORATE RESPONSIBILITY COMMUNICATIONS

We use the Corporate Responsibility Community on our ONE Bacardi intranet to communicate with employees on a regular basis. The Corporate Responsibility Community is one of the most popular communities on ONE Bacardi and was a great way of driving engagement in Corporate Responsibility Week events during fiscal 2011.

➔ More on page 38

CORPORATE RESPONSIBILITY GOVERNANCE AND MANAGEMENT

Overall responsibility for Corporate Responsibility rests with the Vice President (VP) of Corporate Planning, who is a member of the Bacardi senior leadership team (BLT). The BLT reports on Corporate Responsibility to the Bacardi Board and Chairman once yearly.

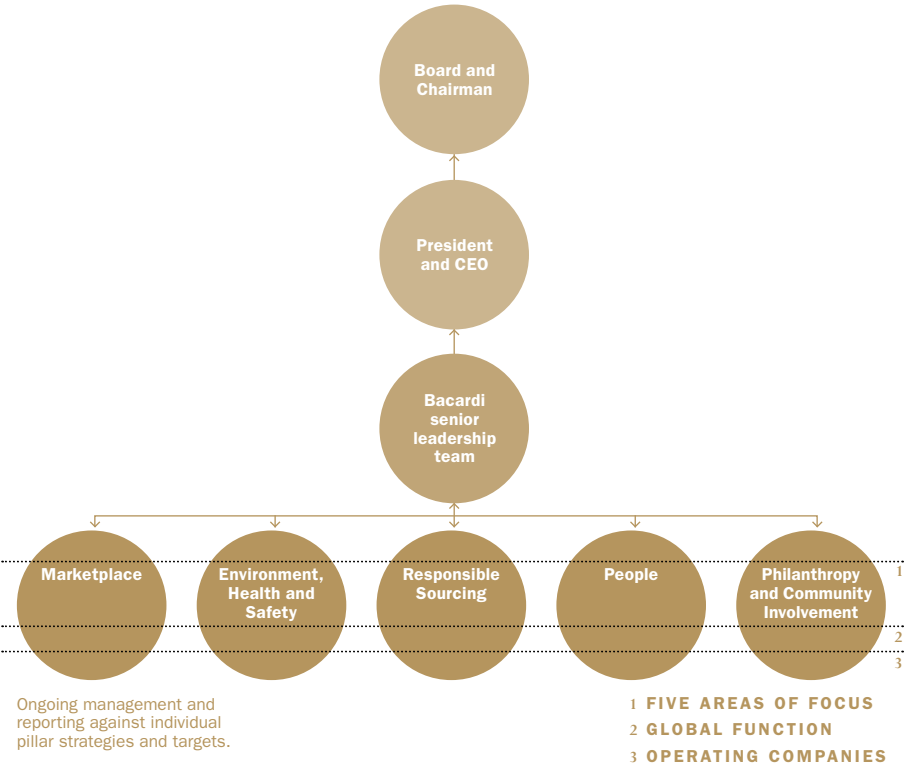
Reporting to the VP Corporate Planning is the Corporate Responsibility Leadership Team (CRLT), which is responsible for setting and delivering the goals of our Corporate Responsibility strategy. It comprises senior managers from various global functions and business units.

CRLT members work with their functions and regions to develop action plans to achieve the objectives of our Corporate Responsibility pillars.

REPORTING PROGRESS

The CRLT reviews progress on Corporate Responsibility on an ongoing basis, and provides regular updates to the BLT. Due to the active nature of some of the projects within the Corporate Responsibility pillars, they are reviewed at least quarterly with the BLT.

OUR GOVERNANCE STRUCTURE



We recognize the need to connect with our stakeholders – those who affect or are affected by our business. We consider their interests and concerns as we develop our business.

By listening to stakeholders and using our internal knowledge and expertise on Corporate Responsibility we can prioritize the most important issues for us to address.

This process has been central to developing the new strategies for each of our Corporate Responsibility pillars and helps to determine what topics to include in the Corporate Responsibility Report. We also sought feedback from a range of opinion leaders on our 2010 Corporate Responsibility Report and have integrated feedback into this report.

A STRUCTURED APPROACH TO ENGAGEMENT

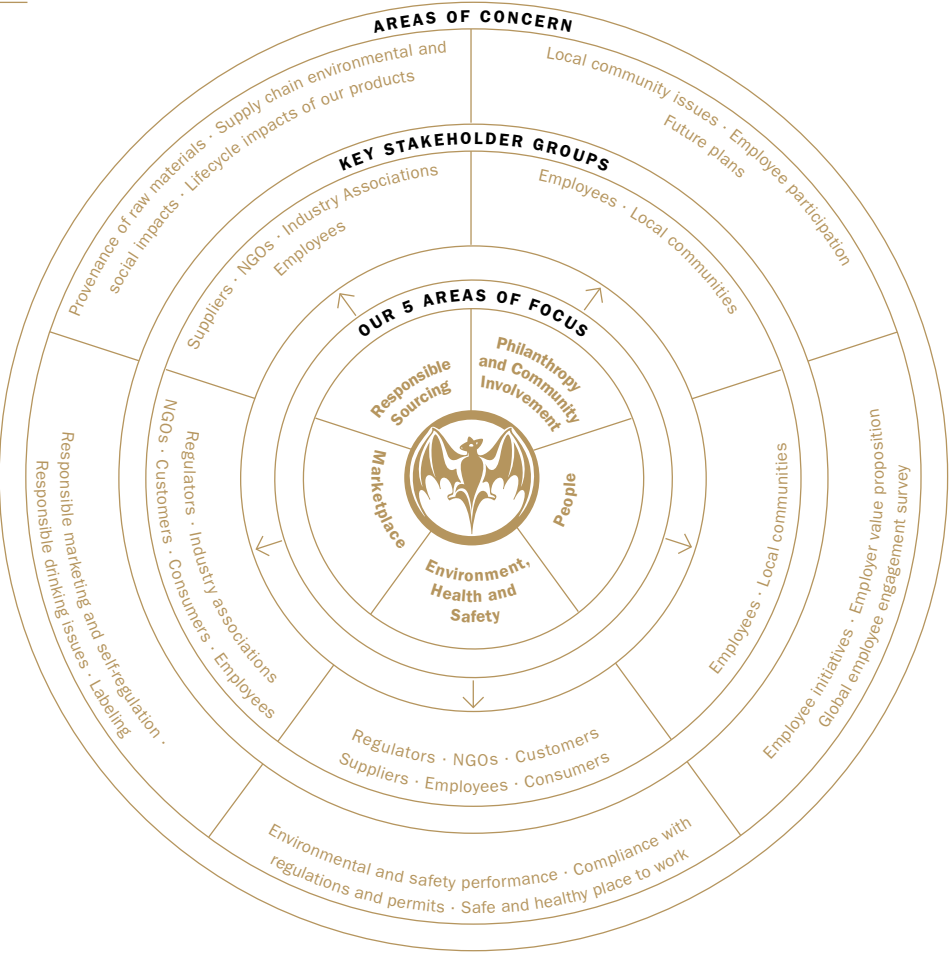
Until now, stakeholder engagement has been carried out locally by individual experts within their Corporate Responsibility pillar or as part of our normal external communications.

In fiscal 2012, we plan to establish a more structured approach to stakeholder engagement that will allow us to respond better to our stakeholders. We will report on our progress using this approach in next year's report.

ENGAGING CONSUMERS

In fiscal 2011, we completed our first research program to engage consumers directly on Corporate Responsibility. Covering legal drinking age to 30 year-old (LDA-30) consumers in our five largest markets, the research supported our current understanding of consumer attitudes. In general, they are highly aware of global-scale environmental and social issues, but the issues that raise most concern are those with which they come into direct contact. We are using this research to inform our approach to Corporate Responsibility going forward.

OUR STAKEHOLDERS



STAKEHOLDER GROUPS

We have identified a wide range of stakeholders which we consider important to Bacardi Limited:

Local Communities

Bacardi Limited has always seen itself as part of the communities in which we operate and we engage with our local communities to understand and respond to their concerns.

Non-Governmental Organizations (NGOs)

We exchange views with NGOs on alcohol issues at various fora including the World Health Organization, the EU Alcohol and Health Forum and a range of trade associations.

Shareholders

As Corporate Responsibility comes to the fore, our shareholders are increasingly interested in how we are managing areas of concern.

Customers

Our customers expect us to be managing Corporate Responsibility initiatives, just as we expect the same from our suppliers. We seek to work together on areas of mutual concern.

Consumers

Identifying and understanding consumer trends, including attitudes to alcohol, is essential to ensuring that our responsibility messages resonate with our consumers.

Regulators

We engage with regulators through trade bodies, one-to-one meetings and written responses to policy consultation documents.

Employees

We keep our people up-to-date on important issues about Bacardi Limited with CEO webcasts, management roadshows and our global ONE Bacardi intranet.

Suppliers

We engage suppliers on our Responsible Sourcing standards both through our regular procurement processes and our Responsible Sourcing program.

Industry Associations

Sharing knowledge and experiences with industry partners promotes collective responses on industry-wide matters, such as responsible marketing and responsible drinking.

OUR VALUE CHAIN

There are many stages in the production of our premium spirits before they reach the end consumer. We know that many of the environmental and social impacts associated with our business are in our supply chain and we aim to reduce our impacts at all stages of our product lifecycle.

1 AGRICULTURAL RAW MATERIALS

Agricultural products, such as grapes, sugarcane products, grains and botanicals, are some of the raw materials used to craft our products and are sourced from all over the world.

Our Responsible Sourcing program aims to reduce any potential environmental and social impacts in our supply chain, focusing on the highest risk raw materials and sourcing countries as a priority.

More on page 26



5 RECYCLING AND REUSE

Recycling is an essential way to reduce the impact of our packaging.

All of our packaging is recyclable and our sustainable packaging manual will build sustainability considerations into all future packaging redesigns.

We recycle the majority of our manufacturing waste and many of the waste by-products from our agricultural raw materials are used as animal feed or fertilizers.

More on page 24



2 MANUFACTURING

Agricultural ingredients are extracted or fermented at manufacturing sites following long-established recipes to create our six global brands and strong portfolio of local brands.

We aim to establish projects that will deliver continual improvement in our environmental performance, particularly energy and water use,

greenhouse gas emissions, waste and water quality. Our success is built on our outstanding people and we need to ensure they are safe at work. Establishing a safety culture is essential to delivering an accident free workplace.

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3 PACKAGING AND DISTRIBUTION

Aging and bottling take place at sites around the world to put the finishing touches to our products. When complete they are shipped to our customers through several distribution channels.

Our packaging consists mainly of glass and cardboard, with small amounts of plastic. Around 50% of the carbon emissions from our value chain come from the manufacture of glass. Reducing the weight of our bottles and increasing the use of recycled glass help to reduce this.

More on page 25



4 RETAIL AND CONSUMERS

Our customers are retailers – known as the off-trade – and bars, restaurants and other hospitality operations – known as the on-trade. Our customers sell our products to the end consumer, who enjoys our brands.

The vast majority of consumers drink alcohol responsibly and in moderation. Irresponsible or excessive consumption can cause problems with health, anti-social behavior and drinking and driving. We contribute to reducing these issues by ensuring we adhere to responsible marketing codes and aim to be an influential voice in engaging with consumers and raising awareness on responsible drinking.

More on page 10



Supporting the causes I believe in



“I enjoy socializing with my friends and family and drinking responsibly is important no matter what your game is. That is why I’m teaming up with Bacardi Limited as I want to take the lead in promoting social responsibility to fans and consumers around the world.”

RAFAEL NADAL
WORLD TENNIS CHAMPION AND BACARDI LIMITED GLOBAL SOCIAL RESPONSIBILITY AMBASSADOR

Rafael Nadal toasting his involvement in the “Champions Drink Responsibly” campaign with the new “Rafa Berry Smash” non-alcoholic cocktail.

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. Excessive drinking can affect people’s health and irresponsible drinking can cause wider societal issues. We therefore feel we should market our products responsibly and encourage consumers to drink in moderation.



Mixology: the art of using our premium spirits to create the finest cocktails.

RESPONDING TO THE CHALLENGES

Alcohol-related harm is recognized as a serious public health concern by a range of stakeholders. There is a collective commitment from the World Health Organization (WHO), national governments, non-governmental organizations (NGOs) and the beverage alcohol industry (including producers, retailers and the hospitality sector) to reduce the harmful use of alcohol globally.

The public policy approach in this area is complex and Bacardi Limited takes an active role in encouraging the development of appropriate public policy responses to alcohol misuse. We do this individually and in collaboration with many industry partners.

We believe that the industry has a significant role to play in contributing to a reduction in alcohol-related harm and this has been recognized in the new WHO Alcohol Strategy. In fact, in 2010 we assisted the International Council on Alcohol Policies (ICAP) in publishing a book entitled “Working Together to Reduce Harmful Drinking,” which explores the positive contribution of beverage alcohol producers to reducing harmful drinking and describes how reasonable regulations provide the context for effective alcohol policy but excessive regulation often leads to unintended negative consequences. Nevertheless, we still face calls from NGOs to reduce total alcohol consumption through measures such as restricting the availability of alcohol, increasing taxation and advertising bans.

A NEW STRATEGIC APPROACH

We are proud of the quality and heritage of our brands and do not want them to be consumed inappropriately. Encouraging responsible decision-making by legal drinking age (LDA) consumers and discouraging inappropriate consumption of our products is a key priority for Bacardi Limited and is central to our approach to Corporate Responsibility.

We work to support this in three ways: we adhere to responsible marketing codes in our businesses globally; we activate targeted programs that aim to educate consumers about drinking responsibly; and we work closely with organizations to reduce alcohol-related impacts.

In fiscal 2011, we established a new strategy for the Marketplace pillar of our Corporate Responsibility program. Our aim is to play an influential role in engaging with consumers to raise awareness on responsible drinking and we will do this by creating local responsible drinking campaigns.

To deliver success, we will build on the recognition already received for our award-winning responsible drinking campaigns and will continue to uphold our excellent compliance record against responsible marketing codes.

HAVE WE MET THIS YEAR’S TARGETS?

We market our products in a responsible way and encourage our consumers to enjoy our drinks in moderation. We believe a self-regulatory approach allows consumers to make informed choices.

➔ **Actively engage in the Global Alcohol Producers Group (GAPG) in specified markets where Bacardi has a significant presence.**

Achieved
We supported industry efforts to help implement the World Health Organization (WHO) strategy by engaging with national governments and associations in countries such as Mexico, Italy, Chile and the United States.

➔ **Consider our current commitments to the European Union (EU) Alcohol and Health Forum and broaden these through additional projects.**

Partially Achieved
We made interim reports on our commitments to the Alcohol and Health Forum, however we did not broaden these to include an additional project. We aim to do this in fiscal 2012.

➔ **Develop additional tools to support the Global Marketing Principles training in order to drive marketing compliance.**

Achieved
We launched an e-learning module for our responsible marketing training. By the end of fiscal 2011, 250 marketers had completed the module.

➔ **Develop the “Champions Drink Responsibly” campaign so as to reach a wider audience.**

Achieved
We continued to develop “Champions Drink Responsibly” with our new Global Social Responsibility Ambassador, Grand Slam winning tennis champion, Rafael Nadal. The launch event for Nadal received news coverage in 25 countries reaching more than nine million people.

“CHAMPIONS DRINK RESPONSIBLY” CAMPAIGN

37M+

consumers worldwide have been engaged by “Champions Drink Responsibly” since its launch in 2008.

E-LEARNING MARKETING TRAINING MODULE

250

marketers successfully completed the new e-learning module of our responsible marketing training.



RAISING AWARENESS

We believe our campaigns contribute to making a difference by raising awareness and we measure our contribution through the reach of our campaigns. An example of this is the “Champions Drink Responsibly” Facebook™ page, which received more than 110,000 fans in the first seven months.

“CHAMPIONS DRINK RESPONSIBLY” FACEBOOK™ PAGE

110,000

fans in the first seven months.

TACKLING ALCOHOL-RELATED HARM

WORLD HEALTH ORGANIZATION GLOBAL STRATEGY

In May 2010, the World Health Assembly (WHA) approved a Global Framework for an Alcohol Strategy to reduce the harmful use of alcohol and a World Health Organization (WHO) Resolution committing to its implementation over a ten-year period.

The strategy has five global objectives, which are published on the WHO Web site, and include strengthening partnerships with stakeholders including economic operators.

The strategy is non-binding and provides a menu of options. It requires that member states develop individual policies that reflect their local environment and issues, while recognizing existing policy frameworks, differing national cultures and resource constraints.

WORKING WITH THE STRATEGY GLOBAL ALCOHOL PRODUCERS GROUP (GAPG)

Bacardi Limited is a founding, and active, member of GAPG, which is an industry coalition consisting of 15 leading beverage alcohol companies that provides a channel for the WHO, member state governments and other stakeholders to engage in constructive dialogue on the health problems caused by harmful drinking patterns.

The members of GAPG feel the WHO Strategy provides a workable approach that recognizes cultural differences and that self-regulation and other industry efforts can play a useful role alongside effective policy and regulatory frameworks.

GLOBAL ACTIONS ON HARMFUL DRINKING

Examples of this contribution are GAPG’s “Global Actions on Harmful Drinking” which started in early 2010 and which represent a significant commitment from leading beverage alcohol producers to make an important and collective contribution to reduce the harmful use of alcohol.

“Global Actions” consist of initiatives in three areas: drinking and driving programs; self-regulation; and non-commercial alcohol. There is also a particular emphasis on developing economies, such as China, India and Russia, where existing alcohol responsibility programs are not so advanced.

“Global Actions” is operating 27 projects in 18 countries across the three focus areas.

The International Council on Alcohol Policies (ICAP) has been coordinating the launch of the projects, using local third party organizations.

www.global-actions.org



“GLOBAL ACTIONS” IS OPERATING

27

projects in 18 countries.

EU ALCOHOL AND HEALTH FORUM

We take part in meetings of the European Union (EU) Alcohol and Health Forum. During fiscal 2011, we produced interim reports against our three commitments to the Forum. These commitments are:

- The Bacardi product facts Web site: www.enjoyourbrandresponsibly.com.
- Bacardi Limited Global Marketing Principles, policy and guidelines.
- The International Bartenders Association (IBA) social responsibility training module.

We had intended to include our “Champions Drink Responsibly” campaign program as an additional commitment but, due to the timing of our search for a new Global Social Responsibility Ambassador, this has been delayed until next year.

CEPS AND EFRD

Bacardi currently chairs the Social Aspects Committee of the European Spirits Organisation (CEPS). This year, CEPS stepped up its engagement on combating alcohol misuse by adopting the European Roadmap for Responsible Consumption. The Roadmap to 2015 outlines concrete commitments in the area of self-regulation of commercial communications, consumer education, and stakeholder engagement. It also builds on the success of the previous roadmap which was recognized as a model of excellence in promoting responsible drinking initiatives.

In relation to commercial communications and self-regulation, the European Forum for Responsible Drinking (EFRD) adopted guidelines on responsible digital marketing in fiscal 2011 to keep pace with this fast-growing area of marketing and we played an active role in this work.



DISCUS

As a member of the Distilled Spirits Council (DISCUS) in the U.S., we have agreed that our advertising and marketing will only be placed where at least 71.6% of the audience is reasonably expected to be of legal purchase age. This reflects the latest demographic data from the 2010 census.

We played an active role within DISCUS to update its guidelines relating to social networking sites and digital communications and we worked closely with our colleagues in EFRD to achieve alignment.



E-LEARNING

A screen from the e-learning module on responsible marketing depicts the questionnaire which tests all participants on their knowledge prior to the training program.

RESPONSIBLE MARKETING

We believe that self-regulation is an effective way to manage marketing and commercial communications, which are essential to the commercial side of our business.

Ensuring that our marketing does not promote inappropriate alcohol consumption and reinforces the responsible drinking message is important to our commitment to encourage the responsible use of our products. Our marketing colleagues have a range of tools to support this objective.

In countries that prohibit the availability or sale of alcohol beverages, we respect these local cultural traditions.

GLOBAL MARKETING PRINCIPLES

Our Global Marketing Principles, first launched in 2004 and updated in 2009, function as our internal Company marketing code. Together with our implementation guidelines, they form the platform for our responsible marketing strategy.

Our self-regulatory approach to marketing means we observe national voluntary codes. We also adhere to local laws and regulations on responsible marketing wherever we sell our products. Our Global Marketing Principles give us a consistent approach across the many codes that exist in the markets where we operate. They also act as a minimum standard in markets where advertising regulations do not exist.

In fiscal 2012, we will publish new guidelines on responsible digital marketing that will take into account work undertaken by EFRD and DISCUS.

COMPLIANCE

Our country managers have responsibility for ensuring compliance of all our marketing materials locally, supported by legal or external affairs specialists. We are happy to report that this year we have received no consumer complaints from the regulatory organizations that monitor these matters.

TRAINING ON RESPONSIBLE MARKETING

The Bacardi Marketing Way is our internal training course on how we market our brands. The course includes a session on social responsibility and our Global Marketing Principles. This reinforces our ambition to integrate social responsibility into how we naturally develop our marketing communications. This training program is now being reviewed to take into account our new investments in digital media. We will report on this new development in our next report.

We have launched a new e-learning module to increase awareness of responsible marketing across the Company.

Because it is part of the three-day Bacardi Marketing Way course, training on responsible marketing has not yet reached our whole marketing community, which includes external agencies. To address this, we have launched a new e-learning social responsibility module to increase awareness of responsible marketing across the Company. The module is available to all employees electronically and is not linked to the Bacardi Marketing Way training.

The e-learning module is mandatory for all new marketers and is accessible to all employees through our global ONE Bacardi intranet. There were 250 successful completions by the end of fiscal 2011 and the roll-out of this training is continuing.

RESPONSIBLE DRINKING CAMPAIGNS

We aim to play an influential role in engaging with legal drinking age consumers on responsible drinking. We create responsible drinking campaigns which resonate in the regions where we operate. The following are some examples of local campaigns, as well as our global flagship campaign “Champions Drink Responsibly.”



“Rafael Nadal is a world champion at the top of his game whose lifestyle and dedication reflect the values of our Company and this campaign. His global appeal makes him the perfect champion and role model to help us continue to spread the message that we should all know ‘where to draw the line’ when it comes to drinking.”

CHRIS SEARLE
INTERNATIONAL AFFAIRS
AND GLOBAL CSR DIRECTOR

CHAMPIONS DRINK RESPONSIBLY
We launched our “Champions Drink Responsibly” campaign in 2008 using seven-time Formula 1™ World Champion Michael Schumacher to promote the message that drinking and driving don’t mix. After two successful years, in which the campaign reached 37 million consumers, Michael Schumacher’s return to Formula 1™ prompted the search for a “Champion” to succeed him.
In fiscal 2011, we further developed the campaign, introducing Rafael Nadal, world tennis champion, as the new Bacardi Limited Global Social Responsibility Ambassador.
Through his professionalism, behavior and personal values, Rafael Nadal is an aspirational role model for legal drinking age (LDA) consumers around the world. His involvement will enable “Champions Drink Responsibly”

to communicate its important message on responsible drinking to LDA consumers around the world, as well as achieving greater focus in the key U.S. market.

BROADER FOCUS
In introducing Rafael Nadal as our new Global Social Responsibility Ambassador at the global re-launch in Miami in March 2011, the campaign broadened its focus to promote responsible drinking more widely, after previously focusing only on a core message that drinking and driving don’t mix.
For the first time the campaign has a social media presence through dedicated Facebook™ and YouTube™ pages. In addition, we have refreshed the campaign Web site to communicate “The Champions Way,” which covers four key messages for consumers to make every night out a memorable one:

- Having a plan so everyone has an amazing time.
- Taking your time and choosing quality over quantity.
- Being a true friend and looking out for each other.
- Making sure everyone makes it home safely.

Progress so far has been excellent. The Miami event received coverage in more than 25 countries with an audience reach of nine million. In the first week, the campaign Facebook™ page attracted over 10,000 fans and more than 110,000 fans in the first seven months.

In fiscal 2012, we will roll-out a global promotion to engage consumers with the “Champions Drink Responsibly” message. We will also run a range of local promotions in countries that support the 2011 international tennis tournament schedule in which our Ambassador will be involved.

www.championsdrinkresponsibly.com

UNITED KINGDOM
THE U.K. PUBLIC RESPONSIBILITY DEAL
In the U.K., we continue to contribute to the national “Campaign for Smarter Drinking.” With the change of government, however, there has been a shift in the policy approach to alcohol-related issues in which government, NGOs and the beverage alcohol sector work together.

As part of this new approach, the Public Responsibility Deal is a government-sponsored mechanism to improve public health. The Deal brings together a diverse range of organizations to agree to practical voluntary solutions to public health in the areas of nutrition, physical exercise, alcohol, health in the workplace, and behavioral change.

For Bacardi U.K., the Deal is a valuable opportunity to build on the work the beverage alcohol industry has delivered in recent years to tackle alcohol-related harm. We have been an integral part of the alcohol network of the Public Responsibility Deal and have been asked to co-chair an alcohol education work-stream as one of the next steps of the Deal.

www.responsibilitydeal.dh.gov.uk

SPAIN
In fiscal 2011, Bacardi Spain promoted social responsibility in its bartender training by distributing a training booklet on responsible serving to all on-trade customers through brand ambassador training and meetings. Bacardi Spain also became certified to “Confianza Online,” an independent, self-regulation body that ensures high standards of commercial communication and data protection on the Internet.

PORTUGAL
Bacardi Portugal is a member of ANEBE, Portugal’s spirits trade association. ANEBE promotes moderate and responsible consumption patterns and “100% Cool” is its successful designated driver program. In the seven years since its inception, the “100% Cool” concept is estimated to have reached nearly one million LDA young people.



FRANCE
Bacardi-Martini France continues to chair Entreprise & Prévention (E&P), the French social aspects organization. During fiscal 2011, our French operations delivered, among others, the following three responsible drinking programs:

- Launching a range of theatrical debates for university students where actors deliver sketches covering social responsibility and responsible drinking issues.
- Providing a drinking and driving simulator test for all employees.
- Using a competition to donate ten electronic breathalyzers to bars and nightclubs and setting a target to have 100 new clients equipped with breathalyzers by the end of fiscal 2012.



A Bacardi France employee tries out an electronic breathalyzer.

GERMANY
“DIE SICHERE NACHT” – THE SAFETY NIGHT
The Bacardi Germany “Driver’s Corner” program launched “The Safety Night” roadshow at German nightclubs in partnership with DEKRA, the market leader for automotive services.

The roadshow aims to improve road safety and reduce road accidents caused by alcohol by delivering the no drinking and driving message. “Driver’s Corner” is a designated driver program that has engaged more than 40,000 young adult drivers and passengers over six years by providing free soft drinks to designated drivers.

www.driverscorner.de



WORKING WITH THE ON-TRADE
Bacardi has worked with the International Bartenders Association (IBA) for five years, supporting its social responsibility training module through a Memorandum of Understanding. We have facilitated a train-the-trainer approach and around 500 bartenders achieve IBA certification annually.

Using our network of brand ambassadors we estimate that around 40,000 bartenders receive social responsibility training and responsible serving advice each year across all our brand advocacy training.

We are a patron of the Wine and Spirit Education Trust in the U.K. In 2011, the Trust trained around 35,000 people in 30 countries in their wine and spirits diploma, which includes training on responsible serving.



A Wine and Spirit Education Trust training session.

THE CENTURY COUNCIL

20th

Bacardi U.S.A., Inc. celebrated the 20th Anniversary of The Century Council (TCC) this year.



TCC PROGRAMS HAVE CONTRIBUTED TO A

32%

reduction in drinking and driving and a 49% decline in underage drinking in the U.S. since 1991.



Bacardi U.S.A.,Inc. supports "Ask, Listen, Learn: Kids and Alcohol Don't Mix," a successful program of The Century Council.



THE CENTURY COUNCIL

Apolo Anton Ohno, eight time Olympic Gold Medalist and American short track speed skating athlete, promoting The Century Council's "Ask, Listen, Learn: Kids and Alcohol Don't Mix" program.

U.S.A.

THE CENTURY COUNCIL

Bacardi U.S.A., Inc. celebrated the 20th Anniversary of The Century Council (TCC) this year. As a founding member of TCC, Bacardi has been a proud supporter of the TCC's initiatives to promote responsible drinking and fight college binge drinking and drinking and driving:

- Since its establishment in 1991, TCC programs have contributed to a 32% reduction in drinking and driving and a 49% decline in underage drinking in the U.S.
- TCC's College Binge Drinking Initiative is a research program that seeks to better understand this major health and safety issue affecting U.S. college and university students. TCC has been working with higher-level educational institutions for more than a decade on creating strategies to combat over-consumption, such as student-led, on-campus campaigns and national student advertising competitions.

- Successful TCC programs against underage drinking include "Ask, Listen, Learn: Kids and Alcohol Don't Mix," "We Don't Serve Teens," "Girl Talk," and more.
- TCC has set a firm national agenda against hardcore dangerous drivers. The approach targets dangerous drivers who drive well over the legal limit, do so repeatedly, and are responsible for a disproportionate share of drinking and driving fatalities.
- TCC has other valuable and exciting initiatives such as the "Teen Driver Safety Program," which seeks to prevent teen crashes, injuries, and fatalities, and the innovative Cambridge Health Alliance, which is a teaching affiliate of Harvard Medical School that supports the development, refinement and testing of the computerized assessment tool in drinking and driving treatment and intervention.

JAPAN

Bacardi Japan is a member of the Japan Wines and Spirits Importers' Association. A key program is the "STOP!" campaign. Launched in 2005, the campaign targets underage drinking using a range of on-trade and off-trade messaging and multi-media communications and is now recognized as one of the best programs run in a local market.



STOP! targets underage drinking in Japan.

MEXICO

Bacardi Mexico is a founder member of FISAC, the Mexican social aspects organization that promotes responsible marketing and drinking. FISAC's TIPPS program continues to be a success and delivers a series of interactive, web-based modules promoting a culture of moderate consumption as part of a healthy lifestyle.

Other FISAC activities during fiscal 2011 included supporting ICAP and the GAPG "Global Actions" program, which runs three projects in Mexico. The launch of a bottle collection program with the glass company VITRO and supermarket chain ANTAD, and FISAC's "Don't Drink and Drive" advertising campaign, which ran on Mexican television, were also key initiatives.

BRAZIL

In Brazil, we are members of ABRABE, the alcohol beverages trade association which involves 56 companies across the spirits, beer and wine sectors. Our Brazilian Finance Director sits on the Executive Board as the Vice-President of the association's Distilled Spirits Group and a now-retired Bacardi Limited employee is coordinator of one of the technical committees. We have also contributed to the development of self-regulation codes.

THAILAND

In Thailand, we ran a responsible drinking campaign at a music festival in March 2011. The campaign focused on drinking and driving and drinkers' safety. Alcohol breath testing was offered while free water and "Know Your Limit" t-shirts were distributed. This market is one of the more restrictive ones for alcohol advertising and promotion and programs such as this one are key to educating consumers who do not have access to commercial messages.



Alcohol breath testing at a music festival in Thailand.



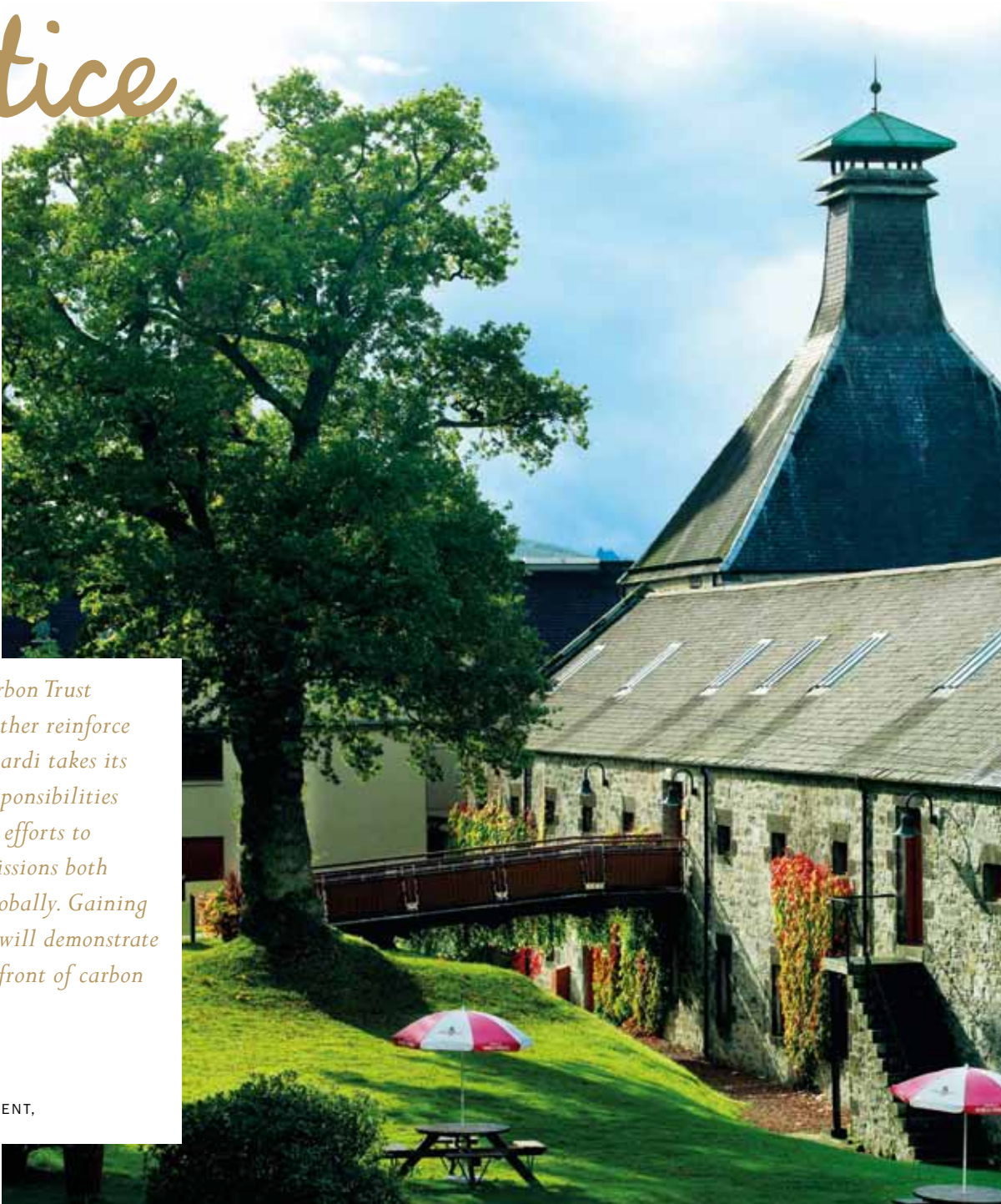
BRANDS AND CORPORATE RESPONSIBILITY

In fiscal 2011, we began the process of connecting more of our brands with Corporate Responsibility activity. Although many of our brands already incorporate philanthropy or sustainability initiatives into their current activities, we are now engaging more of our brands on a more systematic and geographical basis. As a starting point in fiscal 2011, we held a workshop with our global brand directors to review how our brands can develop Corporate Responsibility initiatives into their brand plans. This followed a unique consumer insight research program in five major markets to explore consumer attitudes towards Corporate Responsibility and company responsibilities (see page 7). We expect new initiatives to be launched in fiscal 2012.

WHAT'S NEXT?

- ➔ Continue the development of our flagship "Champions Drink Responsibly" consumer campaign, aiming to generate activity in more markets.
- ➔ Publish new global guidelines for responsible digital and social media marketing.
- ➔ Establish one Corporate Responsibility related initiative for each of our six global premium brands.
- ➔ Further support of GAPG's "Global Actions" and the WHO's Global Strategy to reduce the harmful use of alcohol.
- ➔ Continue to build new and creative initiatives to combat the harmful use of alcohol at local country levels.

Pursuing continual improvement and best practice



“Achieving the Carbon Trust Standard will further reinforce how seriously Bacardi takes its environmental responsibilities and showcase our efforts to reduce carbon emissions both regionally and globally. Gaining this certification will demonstrate we are at the forefront of carbon management.”

JON GREY
SENIOR VICE PRESIDENT,
GLOBAL OPERATIONS

The Aberfeldy whisky distillery in Scotland.

Our values of Excellence and Caring underpin our aim to achieve environmental best practice in order to protect the planet’s natural resources, on which our business so strongly relies. Our employees are crucial to our business success and ensuring their safety and wellness is of critical importance to us.



Bacardi employees working at our plant in Buxtehude, Germany.

FOCUSING ON ENVIRONMENT, HEALTH AND SAFETY

We accept our responsibility to minimize the environmental impacts of our value chain on the world. More broadly, we recognize that all stakeholders will need to work together to tackle environmental challenges.

Providing a safe working environment and promoting good health among our people at work and at home is also very important to Bacardi Limited. Excellence in Health and Safety supports our high-performance work culture and our aim to be a “Great Place to Work.”

THE CHALLENGES WE FACE

Global environmental challenges are multi-faceted. Climate change and water stress are closely interlinked and can have detrimental effects on biodiversity and agricultural stability. The prospect of a global population growing to nine billion by 2050 will only increase the pressure on environmental resources, food security and global ecosystems, pushing up prices for energy and commodities in the future.

We also face increasing concerns from customers and consumers who expect companies to play their part in reducing environmental impacts, in particular reducing their carbon footprint and demand for scarce water resources. These concerns, linked with global environmental trends, are increasingly influencing our business and we need to ensure that we are part of the solution across all stages of our value chain.

“Our pursuit of continual improvement has really paid dividends in our performance and we have exceeded our five-year targets by a significant margin. But the journey does not stop there. We will continue to implement best practices across the Company to deliver ongoing improvements.”

STUART LOWTHIAN
GLOBAL TECHNICAL DIRECTOR

HAVE WE MET THIS YEAR’S TARGETS?

➔ **Deliver continual improvement in environmental performance.**

Achieved
Excellent improvements in water use efficiency (-9%); energy efficiency (-7%); and GHG emission intensity (-9%). We more than doubled our use of renewable energy from 7% to 16%.

➔ **Improve lost time accident rate by 10% on fiscal 2010.**

Achieved
We reduced our lost time accident rate by 13% to 4.9 lost time accidents per million hours worked.

➔ **Maintain 100% certification to ISO 14001 and OHSAS 18001.**

Achieved
All production sites maintained certification to ISO 14001 and OHSAS 18001 in fiscal 2011. Our 27 sites are covered by a Group-wide certification and are audited on an 18-month cycle.

➔ **Expand Safety Performance Tracking to all Company activities.**

Partially Achieved
Occupational accident tracking for all employees progressed well during the year, but was not completed by the end of fiscal 2011. We expect it to be fully in place by the end of 2012.

➔ **Complete Bacardi Sustainable Packaging Manual.**

Partially Achieved
Final draft of sustainable packaging manual completed in fiscal 2011. Final sign-off will take place in fiscal 2012.

WATER USE

50%

We have reduced water use in our production by 50% since 2006.

MANAGEMENT SYSTEMS

100%

of our 27 production sites are certified to ISO 14001 and OHSAS 18001.

A NEW STRATEGY FOR ENVIRONMENTAL SUSTAINABILITY

During fiscal 2011, we began developing a new environmental sustainability vision and strategy.

The development and review process has involved a wide range of employees from around the Company as well as external experts. An early draft of the strategy was independently reviewed by a panel of nine “opinion leaders” in the field of environmental sustainability and feedback was incorporated into the strategy.

A STRATEGY FOR LEADERSHIP

The strategy for environmental sustainability focuses primarily on two of the five pillars of our Corporate Responsibility strategy – Environment, Health and Safety (EHS) and Responsible Sourcing (see pages 4 and 5 for details of our five pillars). The majority of the environmental and social impacts of our products are in our supply chain and we recognize the need to work both in our own facilities and with our suppliers to reduce impacts across our value chain.

The environmental sustainability strategy is divided into four main areas, each with clear five-year and ten-year targets.

- We will work with our partners to create a more sustainable future.
- We will craft sustainability into our premium spirits.
- We will lead the way in low environmental impact operations.
- We will support the passion of our people for sustainability.

OUR MANAGEMENT APPROACH

Our approach to managing Environment, Health and Safety (EHS) is based on continual improvement and the pursuit of excellence in all of our operations.

To date, as performance against our five-year EHS targets shows, our approach to managing our key impacts has been very successful.

GLOBAL STANDARDS FOR EHS

Our Global Standards and Codes of Practice establish best practice across Bacardi Limited and set the benchmark for all sites to achieve. This approach has helped all of our sites to deliver strong performances and to exceed our goals.

MANAGEMENT SYSTEMS

We use internationally recognized management systems to deliver continual improvement in our operations. We remain the only major spirits company to hold certification to the International Organization for Standardization’s ISO 9001, ISO 14001 and Occupational Health and Safety Assessment Specification OHSAS 18001 standards for all our production facilities worldwide. First achieved in fiscal year 2010, this certification was maintained in fiscal 2011.



OUR PERFORMANCE

WATER USE

Water use for our production again saw a significant year-on-year reduction in fiscal 2011 with 4% less water used. In the five years since we set our environmental targets, we have cut water use in half, saving 1,630 million liters. If this volume of water were held in 0.5 liter bottles laid end-to-end, they would circle the earth 17 times.



The cooling system at our plant in La Galarza, Mexico.

Our water use efficiency – the amount of water we use per unit of output produced – improved by 9% against fiscal 2010 and has improved by 35% over five years, beating our target of a 15% reduction.

A combination of better operating discipline, water conservation measures, new water-efficient equipment and advanced water recycling systems has delivered the improved performance.

WATER DISCHARGES

Water is a key ingredient in our products and is also used to process alcohol, for example in fermentation and distilling, as well as for cleaning. These other uses often result in wastewater discharges and reducing the impact of these effluents, both in terms of reducing their volume and improving wastewater quality, are among our top priorities.

One method is to find a beneficial use for wastewater, such as for irrigation or as fertilizer to improve crop production. Almost 20% of our wastewater is used in this way and the remainder of our wastewater is discharged to municipal wastewater facilities or, after treatment, to local water courses.

We are seeking to continually improve the quality of our wastewater by reducing elements such as biochemical oxygen demand (BOD) and total suspended solids (TSS). Our first priority is on direct effluent discharges which are treated on-site and then released directly into local water courses. In fiscal 2011, our wastewater discharges included 7,800 tonnes of BOD and 3,600 tonnes of TSS.

HOW WE MEASURE OUR PERFORMANCE

Bacardi measures performance in two ways: absolute totals and efficiency metrics. Absolute measures are straightforward – for example, total number of accidents, total quantity of water used. Efficiency metrics are normalized against an appropriate business output – for example accidents per one million hours worked or water used per unit of product manufactured. Efficiency metrics are calculated by taking a weighted average of the individual efficiencies of our different products and processes used throughout the business. In this way, we prevent arbitrary distortions of the overall efficiency factor by changes in our product mix or sourcing location.

WATER USE

4%

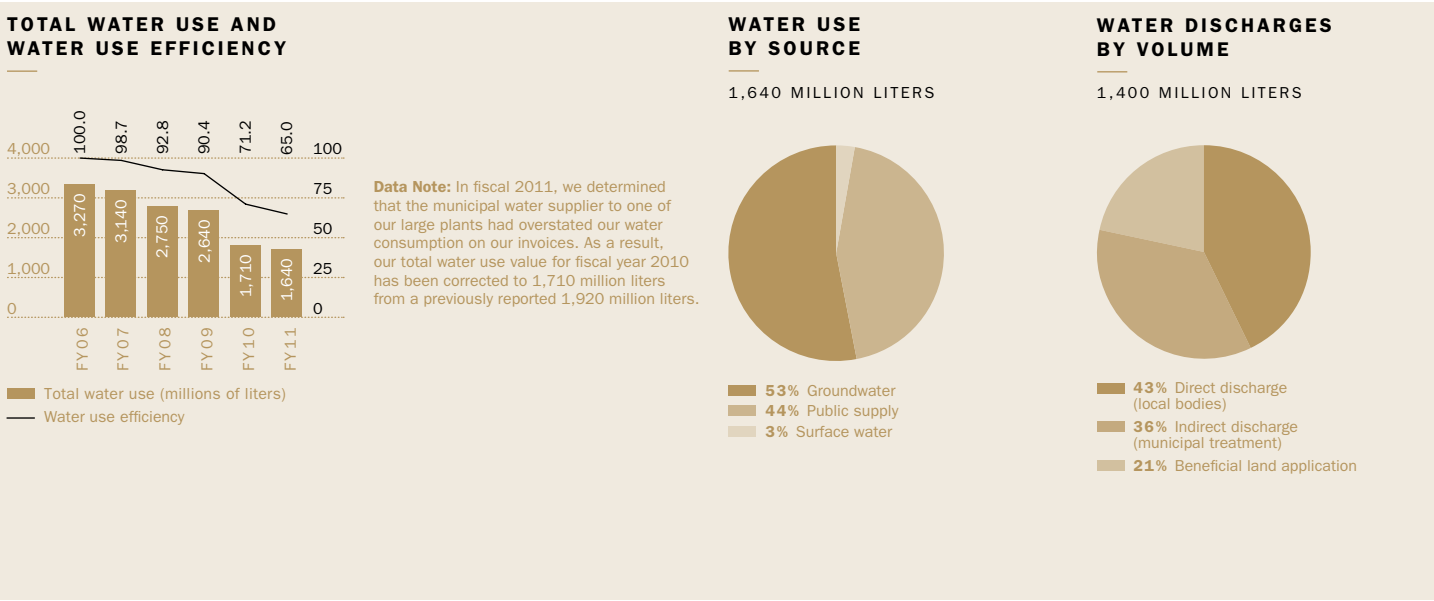
less water used in fiscal 2011.



INTERNAL MANAGEMENT

Strategic direction for EHS is provided by the EHS Steering Team, which is made up of senior managers from around the Company. The Steering Team sets long and short-term objectives, determines Key Performance Indicators and allocates the resources to successfully deliver our EHS programs.

Supporting the Steering Team is the EHS Core Team which consists of our most experienced EHS managers from around the world. This team provides technical advice, agrees on best practices and develops procedures, plans and guidance for use around the Company, as well as identifying training needs to support success. Both teams meet quarterly.





RENEWABLE ENERGY

Wind turbines at the Bacardi rum distillery in Cataño, Puerto Rico.

ENERGY USE

We have completed five years of impressive reductions in energy use with a further 5% reduction in fiscal 2011 compared to fiscal 2010. Our five-year trend since fiscal 2006 shows a drop in energy use of 29%.

Energy efficiency improved by 7% year-on-year and we have surpassed our five-year target to improve energy efficiency by 12%, delivering a 28% improvement since fiscal 2006. Similar to our water use efficiency, this has been achieved through better operating discipline, conservation measures and installing

new, more efficient equipment and energy recovery systems.

Bacardi Limited tracks its energy performance based on the total primary energy consumed at our production facilities. Primary energy consumed includes the fuel used directly at our sites plus an estimate of the fuel used to produce the electricity used at our sites. For fiscal 2011, we estimate that we saved 110 Giga-Joules (GJ) of primary energy through conservation measures.

ENERGY SOURCES

Our improvement in energy use in fiscal 2011 was accompanied by greater use of renewable energy and we reduced our dependence on fossil fuels by 8%.

Since fiscal 2006, we have increased the use of renewable fuels (mainly biogas) from 10% to 17%, a 60% improvement. Renewable electricity use increased from zero in 2006 to 16% during fiscal 2011 as our Italian operations completed their switch to hydroelectric power and wind turbines installed in fiscal 2010 came on line in Puerto Rico. Our total primary energy use for fuel and electricity is now made up of 16% renewable sources, up from 7% in fiscal 2006.

RENEWABLE ENERGY

16%

of our on-site fuel and electricity use comes from renewable sources.

GREENHOUSE GASES

Bacardi Limited continues to reduce greenhouse gas (GHG) emissions through improved energy efficiency and shifting to lower-carbon fuels or renewable energy sources. Although we did not set a five-year target for GHG emissions, we anticipated reductions of 12-15%, in line with our energy efficiency target and the shift to renewable energy sources.

In fiscal 2011, we reduced our total GHG emissions by 7% year-on-year and have significantly outpaced our anticipated five-year reduction with a 37% drop since fiscal 2006. This equates to a reduction of 52,700 tonnes in fiscal 2011 compared with 2006.

Our GHG intensity – the quantity of GHG emissions per unit of production – has followed a similar trend. During fiscal 2011, GHG intensity improved by 9% and over five years we have reduced GHG intensity by 31%.

While we have actively tracked our performance in GHG emissions from our production activities for several years, we have started to compile our GHG emissions inventory for the offices that we operate. Further, we have also started to collect data for third-party activities that we

do not directly control, but have significant influence over, such as business travel and dedicated transport and production activities conducted exclusively for Bacardi Limited. Currently emissions for business travel by rail and car and for contract transport are estimated.

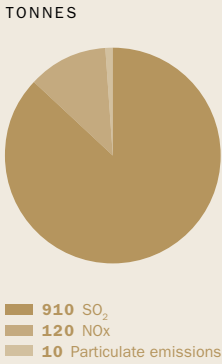
Including electricity use at larger offices (25 people or more), we estimate our total GHG emissions from direct and indirect sources including offices to be 98,000 tonnes.

For activities that we do not directly control, we calculate that 12,000 tonnes of GHG emissions resulted from bulk transport. For business travel by air, we estimate GHG emissions of 10,000 tonnes. Data on emissions from business transport by rail and car, and for contract production are not yet available.

We estimate that we reduced GHG emissions by 5,600 tonnes in fiscal 2011 through conservation and renewable energy projects. This reduction equates to taking 1,418 cars off the road*.

*Source: 2011 Guidelines to DEFRA/DECC GHG Conversion Factors for Company Reporting, assumes 12,000 miles per year, average car, fuel unknown.

OTHER AIR EMISSIONS



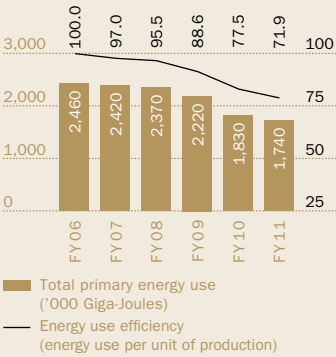
Our other air emissions are derived from combustion of fuels at our production sites. We estimate these emissions using site-specific emission factors that are set as part of our local regulatory requirements. Where no site-specific values are available, we use default factors published by the United States Environmental Protection Agency (EPA).

GHG REDUCTIONS

5,600T

GHG emissions cut through conservation and renewable energy projects.

TOTAL PRIMARY ENERGY USE AND ENERGY USE EFFICIENCY

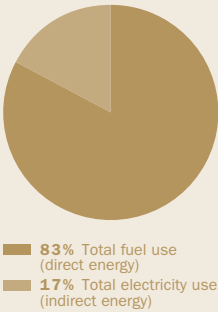


Note: Primary energy use is calculated from the total energy fuel used on-site and the estimated fuel to generate electricity supplied to our sites.

Data note: In fiscal 2011, we corrected a compilation error that double-counted a significant amount of renewable energy as non-renewable. As a result our total energy use value for fiscal 2010 has been corrected to 1,830 Giga-Joules from a previously reported 1,970 Giga-Joules.

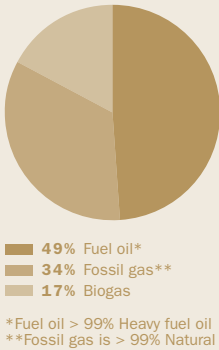
DIRECT AND INDIRECT ENERGY USE

1,366 GIGA-JOULES

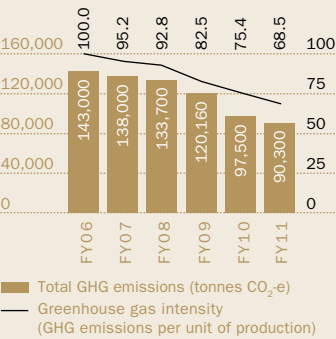


DIRECT ENERGY SOURCES

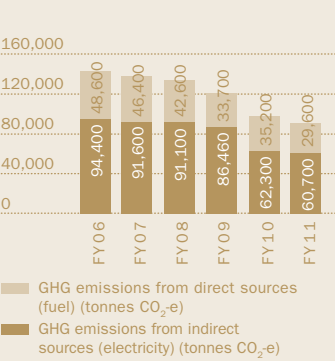
1,127 GIGA-JOULES



TOTAL GHG EMISSIONS AND GHG INTENSITY*



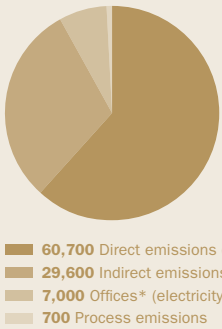
DIRECT AND INDIRECT GHG EMISSIONS*



* GHG emissions from production activities

DIRECT AND INDIRECT GHG EMISSIONS BY SOURCE

TONNES



*Offices over 25 people

Note: Direct, indirect and process emissions are from production facilities

SAFETY PERFORMANCE

63%

improvement over the past five years.



MARTINI Spumante production at Pessione, Italy.

WASTE

Bacardi Limited generates primarily non-hazardous waste, most of which is the residue from our agricultural ingredients. Most of our waste is recycled, reused or recovered for beneficial use. For example, our site in Switzerland converts spent botanicals into pellets which are used by local farmers as fertilizer. At our Aberfeldy distillery a by-product known as pot ale is converted into a syrup which is sold as animal feed. Glass and paper are also recycled.

In fiscal 2011, we generated 133,320 tonnes of non-hazardous waste, down from 152,528 tonnes in fiscal 2010, a 12.6% reduction. Hazardous waste, much of which is waste alcohol, amounted to 37 tonnes in fiscal 2011, equivalent to 0.03% of our total waste production. Hazardous waste production was down 15.9% from 44 tonnes in fiscal 2010.

SAFETY PERFORMANCE

We continued to improve our safety record in production facilities, achieving our best ever lost time accident rate at 4.9 lost time accidents per million worked hours, easily exceeding our target of 6.0 accidents per million hours worked. This represents a 13% improvement over fiscal year 2010 and a 63% improvement over the past five years.

Our lost time accident reporting currently covers all manufacturing sites. We will improve our reporting for fiscal 2012 by including our non-manufacturing sites.

We have established and are rolling out globally a behavioral safety program which helps sites to improve their safety culture. By 2015, 100% of our manufacturing sites will have implemented the safety behavioral program.

ABSENCE RATE

Our absence rate remained static in fiscal 2011 at 2.4%.

SPILLS AND RELEASES

Bacardi Limited sites reported a total of 41 minor releases under our rigorous environmental reporting system. No significant environmental spills or releases* were reported in fiscal 2011.

*A significant environmental release is an event that requires reporting to a government authority, attracts public or media attention, or otherwise results in observable or quantifiable harm to the local environment.

FINES AND PROSECUTIONS

Bacardi Limited had no significant fines** for environmental non-compliance at any of its global operations during fiscal 2011.

**Significant fines are defined as those above US\$5,000.

LOST TIME ACCIDENTS

4.9

lost time accidents per million hours worked – our best ever performance.

ABSENCE RATE

2.4%

Our absence rate remained static at 2.4%.

SUSTAINABLE PACKAGING

We have completed a review of our product environmental footprint and recognize that around half of our products' lifetime carbon footprint comes from the glass used in our packaging.

SUSTAINABLE PACKAGING MANUAL

To improve the way in which sustainability considerations are included in the design and manufacture of our packaging, we developed a Sustainable Packaging Manual during fiscal 2011. Following approval in fiscal 2012, all marketing and innovation teams and packaging development teams around the world will use the Manual to provide guidance on sustainable packaging issues.

RIGHT-WEIGHTING OUR PACKAGING

We have implemented "right-weighting" projects that have achieved packaging reductions of approximately 17,000 tonnes since 2008, equivalent to a 6% reduction in total packaging weight on a like-for-like basis.

USING RECYCLED GLASS

We are working with our packaging suppliers to understand and increase the amount of recycled glass that is used in our bottles. This not only reduces energy and GHG emissions compared to using virgin glass but also saves costs.

RIGHT-WEIGHTING

17,000T

approximate packaging reductions delivered by "right-weighting" projects.

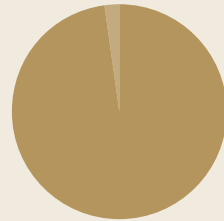


DEWAR'S WHITE LABEL AND DEWAR'S 12

"Right-weighting" was a consideration in the recent re-design of our DEWAR'S blended Scotch whisky packaging.

WASTE MANAGEMENT METHODS

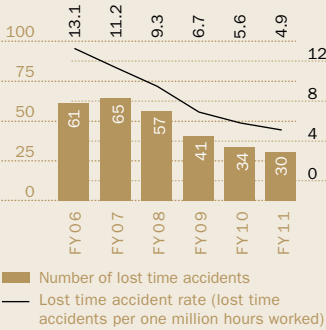
133,357 TONNES



98% Recycling/reuse/recovery
2% Landfill

*Plus 0.06% incineration/treatment.

TOTAL LOST TIME ACCIDENTS AND LOST TIME ACCIDENT RATE (PRODUCTION WORKFORCE)



*Data for FY06 only covers approximately 80% of our production personnel.

KEY ACHIEVEMENTS



THE NEW BACARDI AMERICAS HEADQUARTERS IN CORAL GABLES, FLORIDA

LEED CERTIFICATION FOR AMERICAS HEADQUARTERS

Our Bacardi Americas headquarters in Coral Gables, Florida, has been awarded Gold Certification in Commercial Interiors from the U.S. Green Building Council's 'Leadership in Energy and Environmental Design' (LEED).

The LEED green building program covers five environmental categories including: sustainable sites; water efficiency; energy and atmosphere; materials and resources; and indoor environmental quality. The Bacardi Americas Headquarters has incorporated a number of green design and construction features that respond to these categories.

SAFETY IN OUR FACILITIES

Our Tultitlan site in Mexico reached the milestone of 1,000 days without a lost time accident during fiscal 2011. The site used the milestone as an opportunity to train employees on a "Culture of Prevention."

At our facilities in Jacksonville and Puerto Rico, we conducted safety training days as part of our new global safety behavioral program. By 2017, 100% of our manufacturing sites will have implemented the safety behavioral program.

CARBON TRUST STANDARD IN THE U.K.

In the U.K., John Dewar and Sons Limited, our whisky business in Scotland, and Bacardi Martini Limited, our sales function in England, are working towards achieving the internationally recognized Carbon Trust Standard. To achieve the Standard, the sites must demonstrate that they have significantly reduced their GHG emissions and have implemented suitable systems for carbon accounting and management over a two-year period.

WHAT'S NEXT?

- ➡ Seek continual improvement in environmental performance, targeting a 1% reduction in GHG emission intensity and a 1% reduction in water use.
- ➡ Complete and launch the environmental sustainability strategy.
- ➡ 30% of sites to have a safety behavioral program in place.
- ➡ Expand our EHS programs across the business and include non-manufacturing sites in our safety reporting.

Sourcing quality with responsibility



“Bacardi Limited has been an unstinting and generous supporter of Bonsucro, not only in helping to develop the Bonsucro Production Standard, but also contributing to the branding and marketing campaign. We have benefited hugely from the experience of Bacardi.”

DAVID WILLERS
GENERAL MANAGER, BONSUERO

David Willers (General Manager, Bonsucro), far right, presents Bacardi executives with a silver salver to thank Bacardi for hosting the 2010 Bonsucro AGM in Puerto Rico. Bacardi executives (from left): Eduardo Vallado; Joaquin Bacardi; Michael Hinrichs; Dave Howson.

We invest significantly in sourcing high quality ingredients and raw materials to create our premium brands. We source from many countries around the world, including countries where achieving good workplace standards, environmental protection and sound governance can be complex. Our Responsible Sourcing program works to address these complexities and we are making good progress working with our suppliers.



We expanded our Responsible Sourcing work in fiscal 2011 to include packaging, Point-of-Sale and agave suppliers.

OUR APPROACH TO RESPONSIBLE SOURCING

In fiscal 2011, we further developed our strategic approach to Responsible Sourcing. Our new vision is for all of our raw materials and packaging to be sourced sustainably – reducing social and environmental impacts while maintaining or enhancing the economic status of growers and suppliers.

Bacardi Limited has 11 Responsible Sourcing standards. The standards are based on the main International Labour Organization (ILO) Conventions on freedom of association, the abolition of forced labor, equality, and the elimination of child labor, as well as the Ethical Trading Initiative Base Code. They cover the four main pillars of Responsible Sourcing: labor; health and safety; environment; and business integrity.

To complement the 11 standards, we also have a Suppliers’ Code of Practice, which outlines the actions and behavior our suppliers need to display.

RESPONSIBLE SOURCING STANDARDS

11

Bacardi Limited has 11 Responsible Sourcing standards.

OUR RESPONSIBLE SOURCING STANDARDS

1. Employment is freely chosen.
2. Freedom of association and the right to collective bargaining are respected.
3. Working conditions are safe and hygienic.
4. Child labor shall not be used.
5. Living wages are paid.
6. Working hours are not excessive.
7. No discrimination is practiced.
8. Regular employment is provided.
9. No harsh or inhumane treatment is allowed.
10. Protection of the environment is part of business practice.
11. Bribery and corruption are not part of business practice.

HAVE WE MET THIS YEAR’S TARGETS?

Complete Responsible Sourcing Key Performance Indicators (KPIs).

Achieved
The number of key suppliers joining Sedex was our primary KPI for fiscal 2011 and we are looking to develop our KPIs further in fiscal 2012.

All suppliers of agave, molasses and light cane distillate either to achieve compliance or have an action plan in place by March 2011.

Partially Achieved
With the Bonsucro Production Standard close to sign-off, we decided to work with our sugarcane suppliers to achieve Bonsucro certification rather than our Responsible Sourcing standards.

Two of our three main blue agave suppliers are now members of Sedex and will join our audit program next year.

Finalize the supplier audit strategy so all suppliers are screened on Responsible Sourcing issues by March 2011.

Partially Achieved
Responsible Sourcing audits will be coordinated centrally and managed locally by a team of Responsible Sourcing Champions. A rolling four-year audit cycle will begin in fiscal 2012.

Increase supplier numbers in Sedex who are registered and linked to Bacardi to 250 by March 2011.

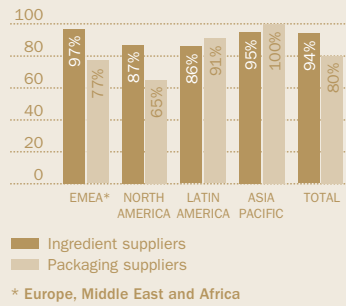
Partially Achieved
With 244 suppliers linked to Bacardi Limited, we fell just short of our target. During the year, we focused on key packaging suppliers and to date 31 sites from our top ten packaging suppliers have joined. This covers 15% of all packaging suppliers’ sites but accounts for 60% of global packaging spend.

75% of our key molasses and alcohol suppliers to join Bonsucro by March 2011.

Partially Achieved
We remain committed to all suppliers of sugarcane products joining Bonsucro, however the target for fiscal 2011 was too ambitious. 15% of suppliers are Bonsucro members, representing 10% of our sourcing volume.

Looking forward, we have shifted our focus from encouraging individual suppliers to join to one where we have set an ambitious target to source all of our sugarcane products from Bonsucro certified sources within ten years. With this statement of intent, we aim to show our suppliers that joining Bonsucro will become a necessary part of being a supplier to Bacardi Limited.

PACKAGING AND INGREDIENT SUPPLIERS DEFINED AS LOCAL



We select our suppliers on a range of criteria including cost, quality, supply chain and adherence to our Responsible Sourcing standards. Although proximity to our operations is not a basis for supplier selection, figures for the location of our suppliers show that a large percentage is local to our plants. We define suppliers as local if they are in the same country as the operation they are supplying. In fiscal 2011, 86% of packaging and ingredient suppliers (382 of a total of 445) were local suppliers.

SUPPLIERS ON SEDEX

39%

increase in suppliers linked to Bacardi on the Sedex database, up from 175 to 244 suppliers.



PACKAGING

During fiscal 2011 we focused on signing-up key packaging suppliers to Sedex.

WORKING WITH SUPPLIERS

AIM-PROGRESS

AIM is the European Brands Association and Bacardi Limited is a member of its AIM-PROGRESS Taskforce, an initiative that brings together consumer goods companies to work on responsible supply chain issues. In fiscal 2011, we took part in AIM-PROGRESS supplier forums in China and Brazil.



At the Chinese event, a range of global consumer brands, including Kraft®, Diageo® and Nestlé®, introduced their approach to Responsible Sourcing. A representative from Sedex also introduced the Sedex system for sharing supplier audit information. More than 350 suppliers attended, including direct suppliers to Bacardi Limited.

Feedback shows that suppliers clearly recognized that Responsible Sourcing is a growing trend and an important factor for consumer brands. They also recognized the combined commitment to improve standards at the same time as reducing the burden on them through duplicate supply chain audits.

SEDEX

Sedex is an online database in which member companies share their ethical performance data. During fiscal 2011, we continued to encourage our key suppliers to join Sedex.

With 244 suppliers registered, we fell just short of our target to have 250 registered with Sedex and linked to Bacardi Limited by the end of fiscal 2011. This is a 39% increase on the 175 suppliers linked to Bacardi in fiscal 2010.

BENEFITS OF THE SEDEX DATABASE

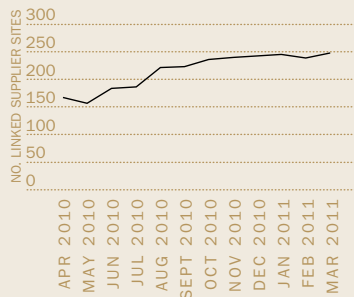
During the year, we successfully worked with a luxury packaging supplier, MW Packaging, to address a potential labor standards non-conformance. Through the Sedex database, we identified that MW Packaging had an outstanding non-conformance from a previous audit and so we contacted them to gather more information.

The supplier responded very swiftly to check the situation and re-audit to show compliance. As a result of this direct action, we felt confident to continue working with the supplier. This example shows the benefit of using Sedex as an information source, as well as engaging directly with suppliers to overcome potential responsible sourcing issues.

“ Sedex is great for communicating a company’s commitment to responsible sourcing, yet there is still a requirement for face-to-face contact between suppliers and buyers. Bacardi Limited communicated their Responsible Sourcing standards and gave MW the opportunity to transparently discuss our factories in detail. This allowed us to review and improve our factories where necessary and show the improvements made.”

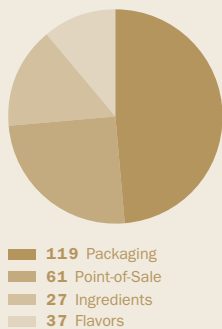
NICK HURD
MANAGING DIRECTOR, MW CREATIVE LTD

SUPPLIER SITES REGISTERED WITH SEDEX AND LINKED TO BACARDI LIMITED



BREAKDOWN OF LINKED SUPPLIER SITES ON SEDEX

244 SUPPLIERS REGISTERED WITH SEDEX



AGAVE

Blue agave is the key ingredient in our CAZADORES tequila. In fiscal 2011, we started to review our blue agave supply chain in Mexico. We started by visiting three of our main blue agave suppliers to introduce our Responsible Sourcing program and to encourage them to join Sedex. The visits included agave plantations to see the harvesting in operation.

In a similar way to sugarcane production, agave production is characterized by significant manual labor and our visits intended to provide more insight into workplace standards. Agave harvesters, known as “jimadors” are skilled workers who are well respected within agave communities.

Following our visit, two of the three suppliers have joined Sedex and we will continue to work to establish our Responsible Sourcing program in our agave supply chain in fiscal 2012 and beyond.

POINT-OF-SALE SUPPLIERS

Point-of-Sale (POS) advertising is crucial to Bacardi Limited because it supports our brands in on-trade and off-trade retailing. POS items include branded goods, such as ice buckets and cocktail shakers, glassware, branded signs, and gift and other promotional items.

Our POS supply chain is large and complex. Globally, we source more than 3,200 different items from around 700 suppliers. With this level of complexity, applying our Responsible Sourcing standards and researching the source of each item is time consuming.

In fiscal 2011, we focused on the top five suppliers in each of our ten largest markets in the Europe, Middle East and Africa (EMEA) region. Our POS Category Managers contacted the suppliers to explain our Responsible Sourcing program and invited them to join Sedex. Our Sedex Project Manager supported the joining process to make it as straightforward as possible.

At the end of fiscal 2011, 61 POS suppliers’ sites were registered and linked to Bacardi Limited. This represents 25% of our Sedex supply base.



A blue agave field in Mexico.

RESPONDING TO CHALLENGES

In the POS supply chain, many transactions are one-off deals and relationships with suppliers can be short-lived. The challenge we face is that many suppliers will not join Sedex on the strength of a one-off contract with us. When suppliers are not part of Sedex we rely on our Vendor Qualification Process (VQP), which applies to all new suppliers and includes checks for quality and Responsible Sourcing standards.

Another challenge is that many purchases are made through intermediaries and agents, rather than directly with manufacturers. To address this, our VQP includes a factory assessment document that aims to ensure that the information we request comes from the site of manufacture, rather than the point of purchase.

To address the challenge of gaining good quality information and a suitable level of transparency on supplier standards, we have worked with a logistics service provider to establish a sourcing office in Hong Kong. Known as the Bacardi Asia Sourcing Hub (BASH), it will help to verify supplier factories and ensure compliance with our Suppliers’ Code of Practice. We will provide a progress report on this project in the 2012 Corporate Responsibility Report.



POINT-OF-SALE PRODUCT

Bacardi Point-of-Sale glass.



SUPPORTING SUSTAINABLE GRAPE GROWING

L'Osservatorio Martini & Rossi (the Martini-Rossi Observatory) in the Asti region of northwest Italy promotes sustainable grape growing practices in the region. Around 400 farms in the area grow Moscato grapes, the only grape used in MARTINI Asti Italian sparkling wine.

In addition to functioning as a technical research and information center, L'Osservatorio aims to maintain the region's wine-making tradition using as many natural techniques as possible. The center has a goal to reduce pesticide use by educating farmers and promoting alternatives. One alternative is biological pest control and this has been promoted through the distribution of bird houses to attract local species that feed on insects that could affect the quality of the grapes.

THE BETTER SUGARCANE INITIATIVE TO BONSUERO – A YEAR IN REVIEW

It has been a landmark year for Bonsucro, the non-profit, multi-stakeholder organization focused on improving standards in the global sugarcane industry. Since its establishment in 2007, the last year has seen more activity than any other.



Bacardi Limited is one of the founding member companies of Bonsucro. In fiscal 2011, we continued our support by hosting the Bonsucro Annual General Meeting (AGM) and by leading the re-branding from the Better Sugarcane Initiative to Bonsucro through our role as chair of the Marketing sub-committee. At the Bonsucro AGM, Bacardi Limited was also elected to the newly formed Board of Directors for Bonsucro.



Bonsucro members gather at the 2010 AGM at the Bacardi distillery in Puerto Rico.

A LONG-TERM COMMITMENT

Historically, the sugarcane industry has been characterized by poor labor standards and weak environmental protection. These are issues that Bacardi Limited finds unacceptable. Bonsucro works to eradicate poor standards from the industry and, as a founding member, we have been involved with Bonsucro since its inception.

With the launch of the Bonsucro Production Standard in November 2010, and with the first Bonsucro certified sugarcane expected in mid-2011, the natural next step was to establish a long-term commitment to using Bonsucro certified sugarcane products.

We have set a target to source all of our molasses and cane-based alcohol from Bonsucro certified sources within ten years.

This is the first commitment of this type by Bacardi Limited and we aim to lead the way in transforming standards in the sugarcane industry by creating demand for Bonsucro certified sugarcane and sugarcane products.

HOSTING THE 2010 ANNUAL GENERAL MEETING

In November 2010, Bacardi Limited was proud to host the Bonsucro AGM at the Bacardi distillery at Cataño in Puerto Rico, the world's largest premium rum distillery. The distillery is a large user of molasses, a derivative of sugarcane, which is a key ingredient in our rums.

The Bonsucro AGM was the most successful yet and launched version three of the Production Standard as well as the Bonsucro certification system and chain of custody standard. These items will be key to Bonsucro becoming the global standard for sustainable sugarcane products.

Another important landmark was establishing a new governance structure for Bonsucro with a single, elected Board of Directors. The AGM included the first Board elections and Bacardi was elected onto the new Bonsucro Board of Directors. We look forward to continuing to develop Bonsucro in order to achieve its vision to transform the sugarcane industry.



FIJI

Fiji's Great Sea Reef is the third longest continuous barrier reef system in the world.

RE-BRANDING – BETTER SUGAR INITIATIVE TO BONSUERO

In 2009, it became clear that the Better Sugarcane Initiative name and its more widely known acronym, BSI, needed to be changed.

To deliver the re-branding process, a Marketing sub-committee was created in early 2010. Bacardi Limited was asked to chair the committee and led the re-branding process, making the most of our strong marketing heritage and in-house skills. We also secured pro bono support from marketing and PR agencies to assist with the process.

PURPOSE, VISION AND MISSION

The first step of the re-branding was a workshop held at Bacardi Global Brands in London that developed a new purpose, vision and mission for the Better Sugarcane Initiative:

- Purpose: To transform the sugarcane industry.
- Vision: To be a leader in driving market demand for certified sugarcane produced against sustainable standards.
- Mission: To complete the quantitative, performance-based metric standard, to reach out to increase membership and to establish a global certification platform.

A GLOBAL NAME

A new name was needed that would resonate with a varied global audience and the diverse range of members within the initiative. A clear winner emerged from this discussion in the workshop: Bonsucro.

WORKING WITH SOURCING COMMUNITIES

Our Responsible Sourcing program commits us to work with the communities from which we source raw materials.

As part of this, Bacardi Limited has entered into a three-year program with WWF that will focus on communities in Fiji, a key supplier country for molasses.

CHALLENGES

As with any voluntary, multi-stakeholder process, challenges exist for Bonsucro. Increasing and maintaining membership is crucial to the Bonsucro standard taking hold within the sugarcane industry and delivering real sustainability benefits on a large scale.

With nine of a total of 223 sugar mills and 16 of a total of 86 leading food and beverage companies as members, there is a long way to go before Bonsucro can claim a position as the key growing and production standard within the sugarcane industry.

CHALLENGES FOR BACARDI

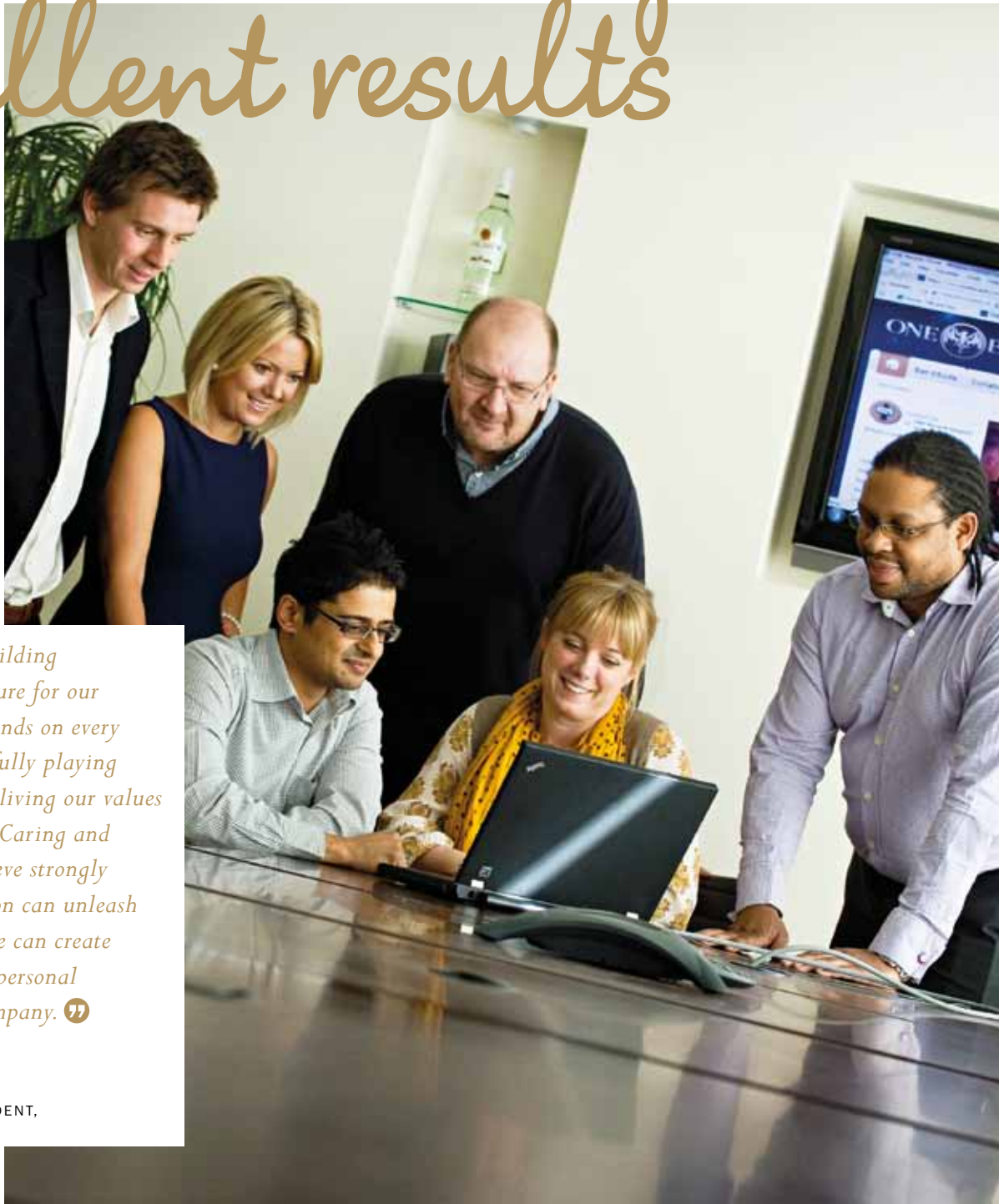
During fiscal 2011, we missed our target to have 75% of our molasses and light cane distillate suppliers signed up to Bonsucro (only 15% are currently signed up).

With our new target to source all of our sugarcane-derived ingredients from Bonsucro certified sources within ten years, it will become essential for our suppliers to become certified.

WHAT'S NEXT?

- ➡ Continue to involve our suppliers in Sedex, aiming for the following in fiscal 2012:
 - 80% of global packaging suppliers by spend.
 - 60% of global POS suppliers by spend.
 - 75% of global ingredient and flavor suppliers by spend.
- ➡ Identify and train site-based Responsible Sourcing Champions during fiscal 2012 and 2013.
- ➡ Implement our locally-managed supplier audit program in fiscal 2012 and 2013.
- ➡ Work with our key suppliers to ensure that all of our sugarcane-derived ingredients are certified under the Bonsucro Production Standard within ten years.
- ➡ Establish a program of socio-economic support for the sugarcane growing communities supplying Bacardi Limited, starting with Fiji in fiscal 2012.
- ➡ Establish sustainability in the design and lifecycle of the POS ranges for global brands by fiscal 2015.

Outstanding people delivering excellent results



“Our success in building a sustainable future for our stakeholders depends on every employee successfully playing their part, while living our values of Trust, Passion, Caring and Excellence. I believe strongly that if each person can unleash their potential we can create the world’s most personal international company.”

SCOTT NORTHCUTT
SENIOR VICE PRESIDENT,
HUMAN RESOURCES

Bacardi UK employees working together. From left: James Somerscale, Lindsay Graham, Jay Patel, Steve Lindsay, Rebecca Dimelow and Clayton McKenzie.

It is a fundamental principle of Bacardi Limited that our success is due to great brands and outstanding people achieving excellent results. Our people are the best ambassadors for our brands by demonstrating their commitment to our Company purpose – “Spirit for Life” – and the Bacardi Limited values of Trust, Caring, Passion and Excellence.



Bacardi employees from Europe at a company event at our plant in Pessione, Italy.

GLOBAL PEOPLE STRATEGY

Following the launch of “ONE Bacardi” in fiscal 2010, we continued our transformation program in fiscal 2011 by finalizing and launching our global People strategy. The strategy reflects our ambition to deliver the corporate vision of “ONE Bacardi” by 2015.

The strategy is built on the belief that outstanding people will deliver excellent results. To Bacardi “outstanding people” means talented and engaged employees who are valued for the unique contributions they bring to the Company. The strategy sets out a roadmap up to 2015 across five key areas:

1 UNLEASH THE POTENTIAL OF OUR PEOPLE

We will build an effective development culture and create leadership programs that are acknowledged for their quality and effectiveness in developing Bacardi leaders.

2 BUILD A HIGH PERFORMANCE TEAM CULTURE

We believe that our future success depends on how we work together. We will create a culture of “high-performing teams” among our people.

3 LEAD ORGANIZATIONAL CAPABILITY AND EFFECTIVENESS

We will create a lean and effective organization to support our business and vision. We will deliver stability by creating a talent pipeline for all key roles that mirrors the diverse societies in which we operate.

4 INSPIRE AND ENGAGE EACH PERSON TO LIVE OUR VALUES TO ACHIEVE SUSTAINED RESULTS

We want the Bacardi purpose and values to be an integral part of our employees’ lives, influencing individual and corporate behavior. We also aim to become the leader in Corporate Responsibility in our industry.

5 BE GLOBALLY RECOGNIZED AS A “GREAT PLACE TO WORK”

We will benchmark ourselves against other companies and aim to be recognized in “Great Place to Work” or similar rankings.

TARGETS FOR FISCAL YEAR 2011

➔ **Embed purpose and values into our culture, for example by integrating values into the Performance Management Tool.**

Achieved

We have made a strong link between the Bacardi Limited vision and values and every individual’s performance objectives and their “Spirit for Life” through our newly launched Global Performance Management System (GPS).

➔ **Improve organizational capability by developing an operating model that accelerates our growth.**

Achieved

We designed and launched a new operating model to the Company. We will use the coming year to roll this out across the business.

➔ **Implement a Global Performance Management System.**

Achieved

We launched the Global Performance Management System and by the end of fiscal 2011, it covered 2,000 Bacardi people. We are targeting an increase in coverage to 4,000 people in quarter one of fiscal 2012.

➔ **Complete Transformational Workstream initiatives, for example by launching an immersion program for new employees.**

Achieved

We successfully launched “Becoming Bacardi,” a program to help all new hires understand our heritage, our brands and our people so that they can feel “at home” and contribute more quickly.

➔ **Create a Sustainability Framework that links our Corporate Responsibility program with our people’s daily working lives.**

Partially Achieved

Although a lot of work was done to shape a Sustainability Framework, the presentation and approval of this work will take place in fiscal 2012.

A GREAT PLACE TO WORK



In line with our aim to be recognized as a Great Place to Work, we won Great Place to Work recognition in the U.K. (#4 ranking), France (#10 ranking) and Portugal (#24 ranking). In Spain and Italy we ranked 72nd and 77th respectively in the Universum Top 100 Ideal Employers Student Survey and in Italy we ranked #1 for being a “stimulating place to work.”



BACARDI TOWN

Bacardi Town image from Becoming Bacardi program.

DEVELOPING THE POTENTIAL OF OUR PEOPLE

Our belief is that Bacardi people see Bacardi Limited as a place where they can grow their careers and build great brands. To meet this aspiration, our focus in the coming years is to build a strong development culture within the Company. In fiscal 2011, we launched our first comprehensive Talent Review process covering more than 400 leaders and in fiscal 2012 we will extend this to more than 1,000 leaders. We have also laid the foundation for development through our 70-20-10 framework, which stresses experiences that can be gained on-the-job.

BECOMING BACARDI

Becoming Bacardi is our global orientation program and starts the development process for new hires even before an employee’s first day. For employees worldwide it is the primary resource to learn about Bacardi Limited, connecting them to our heritage, our brands and our people.

The program consists of both experience-based and learning elements, including a pre-arrival welcome kit, an online learning platform called “Bacardi Town” and locally run mixology

sessions. Becoming Bacardi is available in seven languages with four more due for launch in fiscal 2012.

Becoming Bacardi has already been recognized externally, winning Gold in the Digital Category of the International Visual Communications Association (IVCA) awards. The award celebrates the innovative and creative use of digital media in employee communication and training.

TALENT EXCHANGE

Piloted in fiscal 2011, Talent Exchange is a development program that provides short-term geographical or functional moves for employees to help develop well-rounded individuals that can support the future of the Company. Talent Exchange will be rolled out in fiscal 2012 and participants will be identified through the Talent Review process.

ENGAGING ON THE STRATEGY

A key feature of the development and launch of the People strategy was engagement with internal stakeholders, particularly our top 400 leaders. We conducted a number of ‘listening tours’ to test the essence of the strategy with employees and leaders around the Company to ensure it met their expectations and aspirations.

Since the launch of the strategy we have conducted roadshows and team briefings to deliver the new strategy directly to our employees and to cascade it through the organization. Throughout the year we have also used the ONE Bacardi intranet to keep our people abreast of developments.



Image from Becoming Bacardi program.

GLOBAL PERFORMANCE MANAGEMENT SYSTEM (GPS)

One of our biggest advances during fiscal 2011 was the launch of our Global Performance Management System (GPS). GPS is an end-to-end business system that helps to align our employee performance, objective setting, talent management, compensation and development with our Company vision and values.

By the end of the year GPS was being used by more than 2,000 of our people and we will extend this to 4,000 during fiscal 2012.

GPS replaces 17 separate performance management systems that existed across Bacardi Limited globally. By aligning our business planning with our values and personal objectives, GPS provides a solution to the challenge of transforming the vision of the Company into specific individual actions for our 6,000 people.

Although only in the early stages of its roll out, GPS has been awarded an Innovation Prize by SuccessFactors, the global leader in Business Execution software, for our approach to linking the aspirations of the Company to individual objectives and the development of an end-to-end software solution.

OUR VALUES



TRUST
Honesty, transparency and unity.



CARING
Responsible, respectful and commitment.



PASSION
Determined to win, sense of urgency and ownership.



EXCELLENCE
Challenging, overachievement and courageous.

CORPORATE RESPONSIBILITY AND OUR PEOPLE

We believe that developing a leading position in Corporate Responsibility will be respected both internally by our people and externally in the job marketplace.

We see a strong overlap between striving to be the leader in Corporate Responsibility and being recognized as a Great Place to Work.

We have used our GPS to ensure a transparent link between our corporate-wide Corporate Responsibility objectives and individual leaders’ yearly priorities. These will then be reviewed formally as part of our pay-for-performance culture.

This helps employees across the globe understand how their role contributes to Bacardi Limited becoming the leader in Corporate Responsibility.

“Implementing GPS is an important step forward for Bacardi globally. It allows individuals and leaders across the business to have a common approach to aligning their activity and objectives with the achievement of our vision.”

JOHN McCUSKER
GLOBAL HEAD OF TALENT MANAGEMENT

EMPLOYEE SUPPORT

During fiscal 2011, we completed the development of a global employee assistance program, “Bacardi Assist,” to support our employees in facing the ordinary and extraordinary challenges they encounter in their daily lives.

ESTABLISHING “GLOBAL REFLECTIONS”

We believe that a workplace that reflects the global environment in which we operate will help us to perform at the top in a rapidly changing marketplace and enable us to deliver greater business success, ultimately supporting our vision of “ONE Bacardi.”

We have established the Global Reflections program to support this belief. As an initial step, the project will focus on Women in Leadership (WIL) and our aim is to position Bacardi Limited as a magnet for talented, high-performing women who aim to achieve their highest potential throughout their career, in order to realize and drive greater business success.

Our first steps have been to establish a Women in Leadership (WIL) steering committee and develop an action plan in four key areas: recruitment and retention; talent management; management awareness and accountability; and creating an inclusive “ONE Bacardi” environment.

RECRUITING INTERNALLY

By 2015, we have a target to fill 80% of job vacancies with internal candidates. To support this aim, we launched the global “Job Opportunities” section of our ONE Bacardi intranet in fiscal 2011 where Bacardi Limited employees can view and apply for open positions. Since its launch, this page has had the highest hit rate on ONE Bacardi and our policy is to post every job opportunity by the end of fiscal 2012.

When we do recruit externally, our aim is to attract talent that mirrors the diverse societies in which we operate.

WHAT’S NEXT?

- Continue the roll out of GPS to cover 4,000 employees by quarter one of fiscal 2012.
- Continue to build on our Talent Review and Succession Planning process to build new leaders for the future.
- Launch a range of new Leadership Development products.
- Launch our first global employee engagement survey and action teams in fiscal 2012.
- Continue the roll out of our Women in Leadership strategy.
- Roll out the implementation of our new operating model.
- Implement global employee assistance program “Bacardi Assist” in all markets.
- Develop an employee giving fund that contributes and responds to natural disasters and other good causes.

Benefiting our communities, engaging our employees



“The Paddle for Cancer dragon boat race is all about teamwork. In coming together and embracing our Bacardi values for this important cause we were able to make a difference – and we even ended up with a place in the finals!”

—
AIMÉE DUBRULE
GLOBAL COMMUNICATIONS MANAGER,
PROJECT SPIRIT

Bacardi employees in Geneva took part in the Paddle for Cancer dragon boat racing festival.

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 their local communities and taking part in community activities generates a strong sense of pride. Our aim is to engage our employees in Corporate Responsibility through our Philanthropy and Community Involvement program.



Bacardi employees in the Dominican Republic built two houses for the needy during Corporate Responsibility Week.

A NEW APPROACH

We started to develop a new Philanthropy and Community Involvement (PCI) program in fiscal 2011. The aim is to provide a framework for community involvement and to improve the global coordination of our activities in order to maximize our positive impact.

Our first Corporate Responsibility Week (CR Week), in February 2011, was a great success and received a much higher level of employee engagement than we had expected. As a result of this, we have changed the direction of our PCI strategy away from the theme of education and learning.

Our revised program now has the overall aim to engage our people in Corporate Responsibility through our PCI program. Instead of an overarching theme of education and learning, our PCI program will reflect some of our main Corporate Responsibility issues. We will share more information on this in our 2012 Corporate Responsibility Report.

GLOBAL FOCUS, LOCAL DELIVERY

Historically, Bacardi has had a decentralized approach to PCI, with local operations deciding how best to support local community needs. As a result, our strategy will be directional rather than prescriptive and will continue to provide the flexibility to be adapted to local circumstances. Our ultimate aim is to enable local operations to carry out and report PCI activities that are relevant to them and have an impact in their area of operation.

MEASURING OUR IMPACT

LONDON BENCHMARKING GROUP

We joined the London Benchmarking Group (LBG) in fiscal 2011 and started to phase in the LBG reporting model to calculate our contributions to the community. The LBG model provides a standardized way of managing and measuring a company's community involvement.

The LBG model will allow us to measure the overall contribution to our local communities – not just cash invested, but also time volunteered, in-kind donations and management costs.

Establishing the LBG model across the Company is an ongoing process. We have already amended our community database to align better to LBG and have begun to record employee volunteering hours within the system in fiscal 2011.

HAVE WE MET THIS YEAR'S TARGETS?

Develop our approach to strategic philanthropy.

Partially Achieved

During fiscal 2011, we began to develop our PCI strategy. The strategy will provide a framework for our global activities and aims to maximize the benefits from our philanthropic activities. The strategy will be completed in fiscal 2012.

Examine the benefits of setting a focus for PCI work around education and learning.

Partially Achieved

During the year, we changed the focus of our strategy. Our overall aim is to engage our employees in Corporate Responsibility through our PCI program and the key themes for our program now match some of our main Corporate Responsibility focuses.

Engage more employees in using the database to report local charitable activities.

Achieved

More employees used the PCI database during fiscal 2011, particularly as a result of CR Week. We continue to work to ensure universal use of the database especially now that we have joined the London Benchmarking Group.

Use the London Benchmarking Group (LBG) to quantify the value of charitable activities including in-kind gifts, employee volunteering and donations.

Achieved

We have joined the London Benchmarking Group (LBG) and the financial value of our support is now quantified using the LBG model. The transition will take place over a number of years as we align our overall approach and community reporting database with the LBG model.

US\$3.9M



reported giving of Bacardi companies and brands in fiscal 2011 measured using the LBG model.

CORPORATE RESPONSIBILITY WEEK

Spirit for Life
CARING TOGETHER



Bacardi employees in the U.S.A. volunteered for Shake-a-Leg Miami.

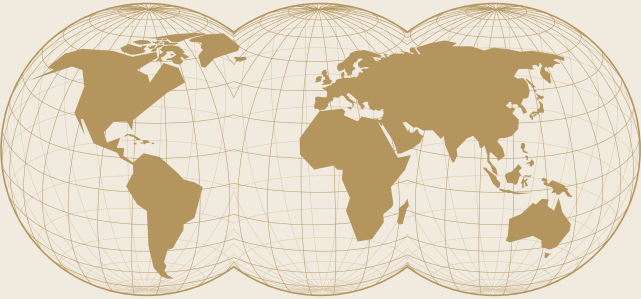
Corporate Responsibility Week (CR Week) was our first-ever company-wide community initiative. It aimed to engage our people in community activities and work together to give back to our local communities in a globally coordinated way. The inaugural event lasted for one week between January 31 and February 4 – our Founder's Day and the 149th anniversary of Bacardi.

This year's event was based on the simple idea of "Caring Together," which provided a strong link to our value of Caring. Employee uptake for CR Week was beyond our expectations and in total 3,750 employees from 35 countries got involved, participating in 128 different community activities.

One of the key enablers to such a successful event was our ONE Bacardi intranet. Although only launched in fiscal 2010, the intranet provided the global communication platform that CR Week needed, allowing information about the week to be shared across the Company and local markets to share ideas and achievements.

In line with our new strategy of engaging our employees on Corporate Responsibility through our PCI program, we will run an annual flagship event and are currently evaluating options for 2012.

THIRTY-FIVE COUNTRIES ACROSS THE WORLD TOOK PART IN CR WEEK. SOME OF THESE COUNTRIES ARE HIGHLIGHTED BELOW:



U.S.A.

Bacardi Americas cleaned 14 boats and an island for Shake-a-Leg Miami, a not-for-profit universally accessible water sports facility for people with physical, developmental and economic challenges.

MEXICO

Employees at our CAZADORES plant refurbished a local school and employees at our Tultitlan site refurbished a local children's home.

BERMUDA

Employees participated in the Meals on Wheels program, preparing and delivering meals.

DOMINICAN REPUBLIC

Thirty-one employees built two houses from scratch for poverty-stricken families.

VENEZUELA

Employees cleaned and painted a local parkland, as well as planting vetiver grass which prevents soil erosion and landslides.

U.K.

A team of volunteers painted the inside of the Winchester Night Shelter, a charity that helps homeless people by providing overnight accommodation, meals, and advice and support.

GERMANY

Employees supported the Public Trust Alsterdorf, which helps the disabled to live independent lives, by painting and preparing meals.

INDIA

Bacardi employees repaired the walls and decorated Sankalp School for the Underprivileged, a school for children who may not otherwise have a basic education.



3,750

employees took part in CR Week.

128

different projects took place across the world.

WE CLEANED AND PAINTED

20 miles

of walls and floors.

WE DONATED

4.75T

of groceries to charitable causes.



MEALS ON WHEELS

Employees in Bermuda volunteered for Meals on Wheels.



WINCHESTER NIGHT SHELTER

U.K. employees volunteered to paint rooms at the Winchester Night Shelter.

COMMUNITY SUPPORT IN FISCAL 2011

The following are some examples of activities across our five key areas of Philanthropy and Community Involvement:

ENVIRONMENT

Bacardi China and Bacardi Asia Pacific partnered with non-profit organization, Shanghai Roots and Shoots, to create a "Bacardi Forest" as part of their Million Trees Project in China. Two thousand trees were donated and five volunteers went to Inner Mongolia to plant some of them.

EDUCATION

In the U.S., the BACARDI brand has committed to work with the Women's National Basketball Association (WNBA) to give US\$350,000 of educational scholarships over four years.

HEALTH AND SOCIAL SERVICES

Paddle for Cancer is a Geneva-based dragon boat racing festival that aims to raise awareness about cancer. In fiscal 2011, a team of 20 Bacardi paddlers took part in the race along with a support team of 20 more employees.

ARTS AND CULTURE

For the past 40 years, Bacardi in Puerto Rico has sponsored an annual artisans' fair. We continue to be the main sponsor for this event.

DISASTER RELIEF ASSISTANCE

After the Japan earthquake in early March 2011, we initiated our first employee donation-matching program. On top of a corporate donation of US\$50,000, the Company matched employee donations of US\$36,217.31. In total, US\$122,434.62 was donated to Japan Platform, the international emergency humanitarian aid organization.

We also made corporate donations to relief for the Queensland floods in Australia and the mudslides in Brazil.

WHAT'S NEXT?

- Complete the development of our strategic approach to PCI.
- Continue to establish the LBG model within the business and deliver benchmarking feedback in line with LBG.
- Build on the success of CR Week by delivering a second flagship event in spring 2012.

MILLION TREES PROJECT IN CHINA

2,000

trees were donated for the desertified region of Inner Mongolia.



TREES FOR CHINA

Bacardi employees in China created a Bacardi Forest.

UNITED NATIONS GLOBAL COMPACT – COMMUNICATION ON PROGRESS

As a signatory to the UN Global Compact (UNGC) we are committed to meeting the ten internationally accepted principles in the areas of human rights, labor standards, the environment and anti-corruption in all our global business operations. Signatories to the UNGC are required to publish an annual Communication on Progress. This report, including the linked GRI index available on www.bacardilimited.com, provides our Communication on Progress against the principles of the UNGC.

UNGC PRINCIPLES	BACARDI APPROACH	WHERE TO FIND OUT MORE
HUMAN RIGHTS <hr/> <p>Businesses should:</p> <ol style="list-style-type: none"> 1. support and respect the protection of internationally proclaimed human rights; and 2. make sure that they are not complicit in human rights abuses. 	<p>Maintaining the health and safety of all our employees is a high priority for us. All our manufacturing sites are now certified to the international Health and Safety Standard OHSAS 18001.</p> <p>Our suppliers have to meet our Responsible Sourcing standards, which commit them to complying with human rights principles.</p> <p>We have a structured process for engaging suppliers with our standards. This includes supplier self-assessments and on-site inspections.</p>	<hr/> <ul style="list-style-type: none"> • Environment, Health and Safety, pages 18–25 • Responsible Sourcing, pages 26–31
LABOR STANDARDS <hr/> <p>Businesses should uphold:</p> <ol style="list-style-type: none"> 3. the freedom of association and the effective recognition of the right to collective bargaining; 4. the elimination of all forms of forced and compulsory labor; 5. the effective abolition of child labor; and 6. the elimination of discrimination in respect of employment and occupation. 	<p>We respect the right to freedom of association among all our employees.</p> <p>Our Responsible Sourcing standards require our suppliers to respect freedom of association and the right to collective bargaining.</p> <p>We do not use forced or child labor in any of our operations. Our Code of Conduct includes a commitment to equal opportunities and non-discrimination.</p> <p>We aim to achieve the elimination of all forms of forced labor, child labor and discrimination through our Responsible Sourcing standards.</p> <p>We are also members of industry-wide partnerships such as Bonsucro, which aims to ensure minimum labor and environmental standards are achieved within the sugarcane growing and processing sector.</p>	<hr/> <ul style="list-style-type: none"> • Responsible Sourcing, pages 26–31 • GRI index
ENVIRONMENT <hr/> <p>Businesses should:</p> <ol style="list-style-type: none"> 7. support a precautionary approach to environmental challenges; 8. undertake initiatives to promote greater environmental responsibility; and 9. encourage the development and diffusion of environmentally friendly technologies. 	<p>Our Group-wide Environmental Policy adheres to the Precautionary Principle.</p> <p>We aim to drive continuous improvement in our facilities' performance through a management systems approach. All our facilities are certified to the ISO 14001 international environmental management system standard.</p> <p>We are actively promoting the wider use of renewable energy sources in our facilities.</p> <p>Our Responsible Sourcing standards require our suppliers to protect the environment as part of business practice.</p>	<hr/> <ul style="list-style-type: none"> • Environment, Health and Safety, pages 18–25 • Responsible Sourcing, pages 26–31 • GRI index
ANTI-CORRUPTION <hr/> <p>Businesses should:</p> <ol style="list-style-type: none"> 10. work against corruption in all its forms, including extortion and bribery. 	<p>Our Code of Conduct details the behaviors we expect of our people and it addresses issues of conflicts of interest and bribery and corruption.</p> <p>Our Responsible Sourcing standards state that bribery and corruption are not tolerated.</p>	<hr/> <ul style="list-style-type: none"> • Responsible Sourcing, pages 26–31 • GRI index

ABOUT THIS REPORT

This is the fourth annual Corporate Responsibility Report produced by Bacardi Limited, the largest privately held spirits company in the world. It focuses on our work to manage the social and environmental impacts of our business in the fiscal year ending March 31, 2011 (fiscal 2011) and builds upon our first three annual Corporate Responsibility Reports. Our last Corporate Responsibility Report was published in January 2011. The report is not externally assured.

In this report, we have followed Global Reporting Initiative (GRI) G3 framework for sustainability reporting for the first time. We self-declare this report to application level B. Our GRI index can be downloaded from our Web site.

 www.bacardilimited.com

There were no significant changes to the size, structure or ownership of the company in fiscal 2011. There were no acquisitions or divestments in the year.

The data presented in the report covers our own directly-owned and managed production facilities. It does not include performance data from our offices, suppliers, outsourced bottlers or co-packers. There have been no significant changes in the scope or boundaries of the data we are reporting this year. Any re-statements of data are noted in the relevant sections of this report.

Data has been compiled following the GRI protocols. Data measurement techniques and assumptions are cited in the relevant chapters of the report.

The WRI/WBCSD Greenhouse Gas Protocol was used to compile our GHG emissions data.

Further information about Corporate Responsibility, including policy statements, is available on our Web site.

 www.bacardilimited.com

Any reference to “Bacardi” as a company in this report refers to Bacardi Limited, one of its subsidiaries, or a group of Bacardi companies.

REQUEST FOR FEEDBACK

Bacardi would like to hear from our stakeholders on our 2011 Corporate Responsibility Report. We are particularly interested in your views on:

- **The information we have included.**
- **Any information which we did not include.**
- **The case studies.**
- **The data reported.**
- **The design of the report.**

You can send your comments by going to www.bacardilimited.com and using the “Contact Us” form.

Thank you.

BACARDI LIMITED PORTFOLIO INCLUDES:

RUM:

BACARDI, CASTILLO, SEVEN TIKI

VODKA:

GREY GOOSE, ERISTOFF, 42 BELOW

SCOTCH WHISKY:

DEWAR'S, WILLIAM LAWSON'S, ABERFELDY

GIN:

BOMBAY SAPPHIRE, BOMBAY Original, BOSFORD, OXLEY

TEQUILA:

CAZADORES, CORZO, CAMINO REAL

VERMOUTH:

MARTINI, NOILLY PRAT

SPARKLING WINES:

MARTINI Asti, MARTINI Prosecco, MARTINI Brut, MARTINI Rosé

COGNAC:

OTARD, GASTON DE LAGRANGE

LIQUEUR:

BENEDICTINE, B&B, GET 27/31, CHINA MARTINI, NASSAU ROYALE

READY-TO-DRINK PRODUCTS:

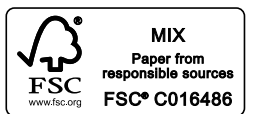
BACARDI & Cola, BACARDI BREEZER, ERISTOFF Ice

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