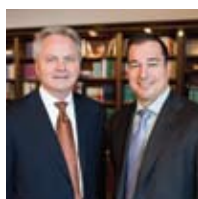


Contents and Key Achievements



Chairman and CEO introduction

Chairman of the Board Facundo L. Bacardi and President and CEO Séamus E. McBride introduce our first corporate responsibility report.

3



Responsible Sourcing

Introduced Responsible Sourcing standards and codes of practice.
Joined multi-stakeholder supply chain initiatives.

20



About Bacardi Limited

For more than 146 years, Bacardi has been making premium rum. Now there are more than 200 brands in our global portfolio of premium and super premium spirits.

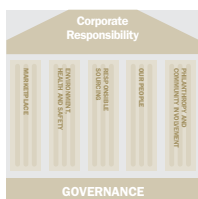
4



People

Developed global teamwork initiative.
Established talent identification and succession planning process.

23



Bacardi and Corporate Responsibility

We are committed to managing our operations responsibly and we have identified five key focus areas for action.

6



Philanthropy and Community involvement

Continued the Bacardi tradition of supporting local communities, augmented by brand involvement in national causes.

26



Marketplace

Launched "Champions Drink Responsibly" campaign with Michael Schumacher.
Delivered "Bacardi Marketing Way" training for staff and marketing agencies.

8



Governance and Code of Conduct

Pursued strong governance practices and a comprehensive Code of Conduct.

28



Environment, Health and Safety

Implemented Environment, Health and Safety policies, standards and codes of practice.
Significant progress achieved in reducing accidents and water usage.

14



Program overview

Highlights the mission, objectives, strategies and activities in each of the five key focus areas of our corporate responsibility program.

30

Bacardi Limited Headquarters,
Hamilton, Bermuda.

Introduction from the Chairman and the CEO: First Corporate Responsibility report



Séamus E. McBride, President and Chief Executive Officer (Left) and Facundo L. Bacardi, Chairman of the Board (Right) are proud to present the first Bacardi Corporate Responsibility Report.

For more than 146 years, Bacardi has emphasized the importance of quality ingredients, innovative processes and dynamic brands. Responsible management has also long been a mark of distinction based on a foundation of strong corporate governance, ethics and compliance programs (see page 28). A leading company today must build on a strong governance foundation to actively fulfill its broader responsibilities to society at large.

We recognize that a business the size of ours touches many people's lives and we have responsibilities to those people and to their communities. We continue to operate today within a long tradition of respect for people and the environment. In this, our first corporate responsibility report, we present our activities and progress to date in the areas that are of vital importance for our future.

Our Corporate Responsibility Steering Committee has identified five key areas where our business impacts society and where we are focusing our efforts. These are:

- Marketplace
- Environment, Health and Safety
- Responsible Sourcing
- People
- Philanthropy and Community Involvement

In many of these areas we are building on years of good practices and accomplishments. In Marketplace, we have long championed responsible consumption and are proud to have Michael Schumacher, seven-time Formula 1™ World Champion, join us as our Global Social Responsibility Ambassador. With Michael's high-profile visibility and commitment to this cause, we will effectively spread the message of responsible drinking to more people around the world. In other areas we recognize that we are in diverse stages of development but we are pleased to report that we are making good progress.

There are, of course, challenges for us to overcome. We are constantly gathering more data to improve our performance. We are also committed to communicating all the good work done locally and regionally to ensure we spread best practices around Bacardi, particularly in the areas of People and Philanthropy and Community Involvement. In both these cases, our growing investments in IT infrastructure will assist us significantly.

We aim to be a leader in corporate responsibility in the beverage alcohol sector. In fiscal 2009, our targets include improving our energy efficiency, increased training of our Corporate Code of Conduct and auditing more fully our suppliers against our standards. We are

confident that, with the dedication of our people, we will achieve our goals as we build our global teamworking and continuously progress as a leader in corporate and social responsibility.

This report is our first so we welcome your feedback. Please visit www.bacardilimited.com and tell us what you think by using the "Contact Us" feature.

Thank you.

A handwritten signature in black ink, reading "Facundo L. Bacardi".

Facundo L. Bacardi
Chairman of the Board

A handwritten signature in black ink, reading "Seamus McBride".

Séamus E. McBride
President and Chief Executive Officer

Bacardi Limited
Hamilton, Bermuda

About Bacardi Limited

As the largest privately owned spirits group in the world, Bacardi produces, markets and distributes a variety of internationally recognized spirits.

Bacardi was founded by Don Facundo Bacardí Massó in Santiago de Cuba in 1862 when he revolutionized rum making by developing BACARDI the world’s first smooth light-bodied rum—what the world now knows as premium rum. Its popularity grew steadily, and within 20 years BACARDI rum was winning awards at international expositions.

In 1910, Bacardi expanded its operations internationally when Don Facundo’s eldest son Emilio opened a bottling facility in Spain. Fifty years later the Cuban government confiscated the Bacardi assets in Cuba (90% of its capacity) leaving Bacardi to depend for production on its factories in Mexico, Puerto Rico and a facility under construction in Brazil.

Over the next 15 years, Bacardi opened offices and production facilities in the United States, Canada, Bermuda, Panama, The Bahamas and Spain. In 1992 four separate Bacardi entities were consolidated under Bacardi Limited. Shortly afterwards, Bacardi transformed itself from a single brand rum company into a multi-brand spirits company when it acquired the Martini & Rossi business in 1993 and doubled in size as a result. Bacardi has continued to expand since then with the acquisition of several brands including DEWAR’S Scotch whisky and BOMBAY SAPPHIRE gin in 1998, CAZADORES tequila in 2002 and super premium GREY GOOSE vodka in 2004.

In 2008, Bacardi Limited remains a family owned company. Facundo L. Bacardi, great-great grandson of the Company founder, is the current Chairman of the Board of Directors.

BRANDS

Today, Bacardi has a portfolio of more than 200 brands and labels including some of the world’s favorite and best-known products: BACARDI rum, the world’s number-one selling premium rum; GREY GOOSE vodka, the world-leader in super premium vodka; DEWAR’S Scotch whisky, the top-selling blended Scotch whisky in the United States; MARTINI vermouth, the world-leader in vermouth; BOMBAY SAPPHIRE gin, the fastest growing premium gin in the world; CAZADORES blue agave tequila, a world-leader in 100% blue agave tequila; and other premium and super premium brands.

We focus investment on selected brands in our portfolio, which we believe can be consistently developed internationally. In addition to these global brands, we also have strong local brands.

We are very proud of the premium quality of our brands. To reinforce this, all our manufacturing facilities around the world are certified to ISO 9000 – the international quality management standard. We pay particular attention to feedback from consumers, and use this information to drive continuous improvement in all our operations.

FINANCIAL PERFORMANCE

Bacardi Limited is the world’s third largest spirits company with sales after excise taxes in fiscal 2008 of more than US\$4.5 billion. Sales volumes of Global Spirits Brands topped 31 million (9 liter) cases for the first time in 2008.

Bacardi products are sold in more than 100 nations around the world, including the United States, Spain, France, the United Kingdom, Mexico, Germany, Italy and Russia. Expansion has been prioritized in the emerging markets of India, China and Brazil.

LOCATIONS

Bacardi is headquartered in Hamilton, Bermuda. Bacardi opened offices in Bermuda in 1965 and in 1972 moved into its current landmark building, which is based on a Mies van der Rohe design intended for Cuba and adapted to its final home.

Bacardi operates 31 production facilities worldwide, including ten facilities for BACARDI rum, five for MARTINI and NOILLY PRAT vermouth, two for DEWAR’S and WILLIAM LAWSON’S Scotch whiskies, five additional malt distilleries, and nine production sites covering a wide range of brands, including GREY GOOSE vodka in Cognac, France and CAZADORES tequila in Arandas, Mexico. Bacardi employs more than 6,000 people, who are guardians of a tradition of excellence.

MANAGEMENT

The management team of Bacardi is led by its President and CEO, who reports to the Board of Directors. The functional heads and regional presidents of Bacardi report to the CEO and comprise the Bacardi senior executives committee, which develops the principal strategies, policies and programs of Bacardi.



Bacardi and Corporate Responsibility

As a global and major player in the spirits industry, Bacardi is committed to taking a leadership role in corporate responsibility. Acting responsibly is the right thing to do, for Bacardi, for the entire industry, and for everybody who enjoys alcohol beverages.

OUR VISION

Our goal is to be the number one premium and super premium spirits company in the world. Industry success goes hand in hand with the recognition of our responsibilities and respect for our many stakeholders. We are committed to managing our operations responsibly to benefit our people, adult consumers, customers, suppliers and local communities and to protect the environment.

This commitment builds on the strong values within the business and our culture as a family company. For more than 146 years we have pursued excellence and quality in our products, while demonstrating a commitment to our people and communities. When our founder Don Facundo Bacardi Massó was the first to make rum as we know it today, he used only high quality molasses and distilled his rums many times to remove impurities. He knew that the family name was on every product and every Company initiative. Through its products, processes, business conduct and community contacts, Bacardi earned the trust and respect that served as the foundation of its success.

This heritage and tradition continues to this day, as we continue to develop our business throughout the world. Corporate responsibility is an essential part of our efforts and an indispensable building block for the long-term success of Bacardi.

MANAGEMENT LEADERSHIP

Like our founder we insist on high standards in the way we run the business. We recognize that excellence in corporate citizenship is essential for the future of Bacardi and the satisfaction of its stakeholders. How we lead, communicate, and manage our corporate responsibility is of fundamental importance and, as such, accountability for it rests collectively with the members of the Bacardi senior executives committee who comprise the senior management of Bacardi. In turn, they are supported by the members of the Corporate Responsibility Steering Committee which reports to the General Counsel. The Steering Committee consists of members from various global functions and operating companies, who develop and deliver management plans for each corporate priority.

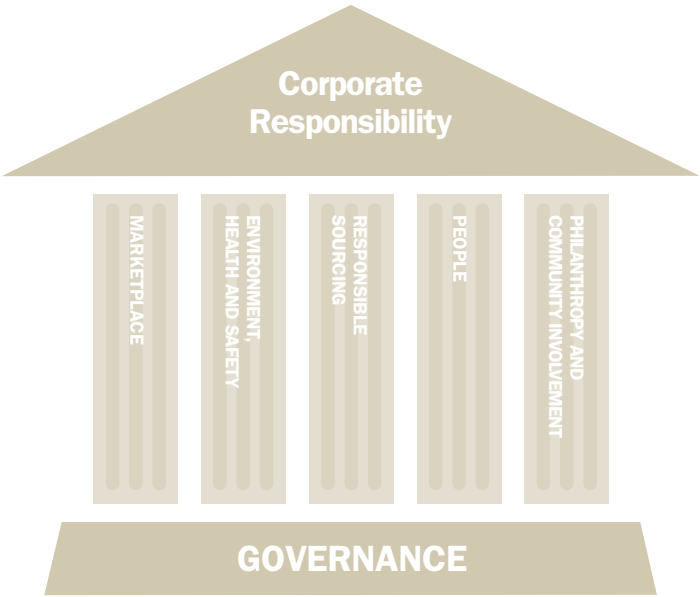
OUR POLICIES AND PLANS

To ensure that our commitment to acting responsibly remains part of our everyday business and actions, we have developed policies for the governance of the five key areas of corporate responsibility.

A management plan sets out how we will implement the policy for each key area. Every plan has a member of the Corporate Responsibility Steering Committee responsible for its execution and the pursuit of Key Performance Indicators. We gather data and are progressively publishing this information as a way to demonstrate our commitment to being transparent with our stakeholders.

To support our people in consistently implementing the policies into their day-to-day work, we have also developed standards and codes of practice.

All Bacardi policies can be viewed on the corporate website – www.bacardilimited.com.



DETERMINING THE KEY FOCUS AREAS

We listen to all our stakeholders’ views, including regulators, NGOs, trade associations, customers and consumers. Internally, we listen to the opinions of the more than 6,000 people we employ around the world.

By listening and consulting we try to take a global view about what matters to society, and where we have our most significant impacts. We have determined that the five key areas of focus for our corporate responsibility program are:

- 1. Marketplace:**
A socially responsible approach to brand building is a business imperative for our portfolio of super premium and premium products.
- 2. Environment, Health and Safety:**
We are committed to protecting the environment, conserving natural resources and ensuring our employees have a safe working environment.
- 3. Responsible Sourcing:**
Working in close co-operation with our suppliers strengthens our business and improves the quality of life of the people we touch.
- 4. People:**
We have a history of dedicated people building strong brands; how our people are treated and valued directly relates to our success.
- 5. Philanthropy and Community Involvement:**
We are proud of our long and rich heritage of philanthropy and local community support that is aligned with our values and history.

Marketplace

Bacardi is extremely proud of its high quality brands, products and marketing efforts. That sense of pride goes hand-in-hand with a deep sense of responsibility and respect for the global communities that we serve and the adult consumers who choose to enjoy our products.

Beverage alcohol can be enjoyed as part of a healthy and sociable lifestyle. Most people enjoy alcohol responsibly, and we support the responsible consumption of our products. Abuse and misuse of alcohol can not only cause health risks for the consumer, but they can contribute to wider societal problems. As a company that produces and sells beverage alcohol, we recognize that we have a responsibility to market our brands in such a way as to ensure we do not target underage drinkers and to encourage all those who choose to drink to do so responsibly. We have embodied the social responsibility requirements for our marketing in the Bacardi Global Marketing Principles that are explained later in this section. We play a leadership role with self-regulatory organizations and others to continuously promote responsibility in industry marketing.

OUR APPROACH: COMPLIANCE AND SELF-REGULATION

Our approach is to regulate ourselves through the Bacardi Global Marketing Principles, which establish the minimum standards that must be met when marketing our brands. There is a compliance process for checking draft marketing material and activities: global work is cleared by Bacardi senior management and all local work must be checked by the designated Legal/External Affairs Executive or senior management during the development process.

The principles require marketing materials to:

- Comply with local laws and regulations
- Ensure that the misuse or abuse of alcohol, e.g. excessive consumption, is not encouraged
- Contain clear information regarding alcohol content
- Target legal age consumers only
- Avoid associating drinking with potentially dangerous activities
- Be in good taste

The Bacardi Global Marketing Principles were first launched in 2004 and were updated in 2007 with guidelines for interpretation and highlighting new elements, including the use of digital media.

Bacardi participates in numerous local market self-regulatory organizations and charters. Our aim is to deliver compliance with these self-regulatory mechanisms that are designed to deliver responsible advertising and marketing campaigns in the marketplace. In particular, our participation commits us to adhere to industry codes on the responsible marketing and promotion of our products; to place moderation statements on our consumer advertising; and in many markets to place statements on our products to remind consumers to enjoy our brands responsibly. Most of these industry codes or charters go above and beyond applicable laws and regulations. This allows our industry partners and us to achieve an efficient and responsible framework in which we market our products. We are proactive members in these organizations, recognizing that it is up to the industry to ensure that self-regulation is effective.



A selection of current international brand advertising.



Example of Bacardi U.S.A., Inc.'s industry leading social responsibility campaign.



As well as working with self-regulatory organizations, we work with distributors and retailers of our products, especially bartenders, who have a direct relationship with consumers. We also support various social aspect organizations to provide information to the public about responsible alcohol consumption.

The Chief Marketing Officer, a member of the Bacardi senior executives committee, is accountable for the development and delivery of the Bacardi responsible marketing policy and plan. General Managers and other key executives in each country have responsibility to ensure compliance.

KEY INITIATIVES

Training in the Global Marketing Principles

In fiscal 2008 Bacardi launched the 'Bacardi Marketing Way' training program. The Bacardi Global Marketing Principles form a core part of the training aimed at the Bacardi marketing community. The training requires participants to consider the principles in detail and reflect on how they can be applied in practice.

Promoting Responsible Drinking

Together with seven-time Formula 1™ World Champion Michael Schumacher, Bacardi launched its first global campaign on the drink/drive issue. This campaign won the European Excellence Award for Best International Communications Campaign in 2008. For more information, please see the feature on page 13 or go to www.championsdrinkresponsibly.com.

Bacardi U.S.A. created its first social responsibility awareness campaign using T.V. and print messaging entitled 'Whatever your Reason'. This campaign focuses on the importance of human relationships between family and friends as a key reason why consumers should drink responsibly.

Working with the Industry

Bacardi is involved with numerous industry bodies and trade initiatives around the world to constantly promote responsible drinking.

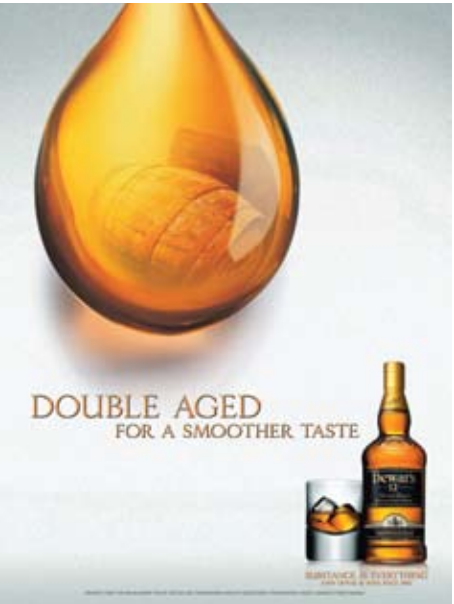
In the United States, Bacardi U.S.A. is a founding member of the Distilled Spirits Council of the United States (DISCUS), the national trade association representing producers and marketers of distilled spirits sold in the United States. Distillers in the U.S.A. first adopted a voluntary code of advertising practices in 1934. Over the years, Bacardi U.S.A. has been an active contributor to the development of the Distilled Spirits Code of Responsible Marketing Practices. Recent enhancements to the code include more transparent reporting and the regulation of new forms of digital marketing. Bacardi U.S.A. is also a founding member of The Century Council, a not-for-profit organization started in 1991 by America's leading distillers to fight underage drinking and drunk driving. Since its inception, The Century Council has contributed in excess of \$175 million to create and implement educational and awareness programs.



1936 Mexican advertisement promoting moderation and social responsibility.



MARTINI sponsorship of F1 Scuderia Ferrari.



Current international advertisement for DEWAR'S.

In Europe, Bacardi is a member of the European Forum for Responsible Drinking (EFRD), an alliance of leading spirits companies supporting targeted initiatives to promote responsible drinking through awareness programs, responsible marketing and self-regulation. We also participate in the EU Alcohol and Health Forum, organized by DGSANCO, the health department of the European Commission. The aim of this forum is to provide an EU platform for all interested stakeholders to participate in actions that will lead to a reduction in alcohol-related harm. We have made the following three commitments to the EU Alcohol and Health Forum:

- Create internal tools to ensure responsible marketing of our products
- Develop a consumer information website; and
- Work with the International Bartenders Association to train their members

We are members of numerous national trade associations and social aspects groups in European countries as well as being a member of the European Spirits Organisation (CEPS). In the UK, we are members of the Portman Group and follow the Code of Practice on the naming, packaging and promotion of alcoholic drinks. Rules include not making the alcoholic strength a dominant theme in promotion and not urging consumers to drink rapidly or excessively. In Spain, we are founder members of FAS

(Fundación Alcohol y Sociedad), an industry-leading educational body.

In the Asia Pacific and Latin America regions there are fewer industry trade associations, but we are strong supporters of those that exist. Bacardi holds memberships in the Distilled Industry Council of Australia and the Distilled Spirits Association of New Zealand as well as the Foreign Spirits Producers Association representing the interests of international spirits producers in China. In Mexico we are members of the trade body 'La Comisión para la Industria de Vinos y Licores' which works to promote moderation and social responsibility. We are proud of our long running activities in Mexico as depicted by the 1936 advertisement shown here. Bacardi is also an active member of the "Fundación de Investigaciones Sociales, A.C" (FISAC), which promotes a responsible approach to drinking in Mexico.

NEXT STEPS

- Regularly update the Bacardi Global Marketing Principles and refresh our guidelines on the digital media code and the presentation of moderation and responsibility statements.
- Develop and leverage the "Champions Drink Responsibly" campaign featuring Bacardi Global Social Responsibility Ambassador Michael Schumacher. Our aim is to reduce drinking and driving behavior by strengthening the implementation of local market initiatives for the campaign.
- Work with our U.S.A. industry partners to continuously improve the effectiveness of the DISCUS Code of Responsible Marketing Practices and the programs to fight underage drinking and drunk driving through The Century Council and partners.
- Continue our commitment to meeting the terms of the CEPS European Compliance Charter by 2010 and delivering on our three commitments to the EU Alcohol and Health Forum: delivering our Global Marketing Principles, launching our consumer information website and developing on-premise bar-serving educational training.
- Support the development of self-regulatory organizations and trade associations in Latin America and Asia Pacific.

CASE STUDIES



“WE DON'T SERVE TEENS” CAMPAIGN

Bacardi U.S.A. proudly supported the U.S. government's “We Don't Serve Teens” Week—a targeted campaign dedicated to the prevention of underage drinking. The campaign reveals the important fact that most teens who drink obtain alcohol from friends and family. It provides helpful tips for talking with teens about alcohol and highlights the strong influence parents and other adults have on teens' decisions to say no to alcohol. Parents and educators can find practical advice on the campaign website www.dontserveteens.com.

The campaign is a joint private-public partnership with the spirits industry, the federal government, state governments, consumer organizations, DISCUS and The Century Council. Bacardi U.S.A., Inc. with its media partners, secured placements for public service announcements to run on 11 cable television networks, 125 radio stations, five national newspapers and magazines, 12 weekly and local publications and 706 billboards across the country. Placements included the following media outlets: USA Today, The New York Times, People, Discovery Networks, Lifetime, A&E and the History Channel.

WORKING WITH THE INTERNATIONAL BARTENDERS ASSOCIATION

At the 2006 General Assembly of the International Bartenders Association (IBA), Bacardi sponsored the book Moderation and Responsibility to provide education on the importance of social responsibility and responsible serving. This was followed in 2007 by IBA's development and publication of a Training Manual on Responsible Serving and Social Responsibility.

The aim of this training is to encourage bartenders to understand their role in social responsibility and be able to assist in preventing irresponsible drinking. The IBA manual provides training support and leads to an exam that trained bartenders can take. Since its launch in October 2007, 170 bartenders have been through the training.

Some of the areas covered in the IBA training module are:

- Alcohol, its origins and role in society – including general effects of alcohol
- Social responsibility and the bartenders' role
- How to serve alcohol responsibly
- How to combine the role of sales and social responsibility

The IBA operates in 52 countries, and has more than 40,000 members working across five continents.



MICHAEL SCHUMACHER, GLOBAL SOCIAL RESPONSIBILITY AMBASSADOR

Michael Schumacher, seven-time Formula 1™ World Champion, was appointed the Bacardi Global Social Responsibility Ambassador in September 2007. Michael will raise awareness through an international campaign to promote road safety, responsible consumption and the message that drinking and driving do not mix. Michael has a long history in supporting road safety programs,

just as Bacardi has long supported responsible drinking initiatives.

Drinking alcohol can impair a person's ability to drive and we are confident that with Michael Schumacher we are bringing this important message to millions of people around the world. Michael Schumacher is the global face of our “Champions Drink Responsibly” campaign, which was launched in Brussels in April 2008 and attracted comprehensive, international media coverage. The campaign

aims to promote responsible drinking worldwide, and in particular to spread the message that ‘drinking and driving don't mix’. A combination of PR, TV, press and poster advertising will show Michael using taxis instead of driving, being a designated driver and raising the awareness that you should not drive if you are going out for a drink.

For more information on the launch, please see our website: www.championsdrinkresponsibly.com



CHAMPIONS DRINK RESPONSIBLY

Drinking and driving don't mix

www.championsdrinkresponsibly.com



BACARDI LIMITED

BACARDI and the Bat Device are registered trademarks of Bacardi & Company Limited.

Environment, Health and Safety

Health and Safety is of paramount importance and we are equally committed to conserving natural resources and using them efficiently. Our Environment, Health and Safety (EHS) Leadership Team coordinates management of these important issues.

Fresh water is fundamental to our business, but long-term supplies of fresh water are at risk in some regions. The fossil fuels we consume in manufacturing our products, and transporting them to our customers, create greenhouse gases that contribute to climate change.

Effluents and waste from our distilling operations need to be kept to a minimum as well as the use of our materials in bottling and packaging to reduce the overall impact on the environment.

OUR APPROACH

To address our areas of focus, we are prioritizing health and safety, as well as water and energy efficiency. We have also initiated a global program to reduce harmful emissions and minimize the resources we use in our packaging. These priorities have been identified by our EHS Leadership team, which reports to our Chief of Global Operations, who is a member of the Bacardi senior executives committee. The team is made up of key managers from our worldwide operations and coordinated by our Global Director for Environment, Health and Safety. The team has formalized our work in this area into a Global Environment, Health & Safety Policy and related Global Standards.

PERFORMANCE OVERVIEW

A special area of attention is the use of renewable energy to reduce our use of fossil fuels and production of greenhouse gases. We derive 10% of our total energy consumption from renewable energy and aim to increase this in the coming years, mainly by using more biogas to meet the energy needs at our facility in Cataño, Puerto Rico. We are also establishing a reliable inventory of greenhouse gas emissions from our operating facilities to develop meaningful improvement targets.

Compared with 2006 we have improved our energy efficiency, particularly at our larger distilleries, which improved by 14% from fiscal 2006 to fiscal 2008. In addition, we have become more efficient with our use of water since 2006 with a 13% reduction at our bottling plants and a 7% reduction at our distilleries.

Turning to Health and Safety, it is our policy to ensure a safe working environment for our more than 6,000 employees, as well as our visitors and contractors. Our ultimate goal is zero accidents in our facilities and we work towards this by aiming to reduce accidents 10% year on year. Over the last two years we have performed even better, reducing our Lost Time Accident Rate by 40%. See the charts on page 18.

KEY INITIATIVES

Rolling out International Management Systems for EHS

Bacardi aims to take a comprehensive and consistent approach to the management of environment, health and safety across all its operating facilities.

To achieve this, we are rolling out a program to obtain global certification to the international environmental management system ISO 14001 and the OHSAS 18001 health and safety standard. It is our intention that all Bacardi manufacturing facilities will achieve certification by the end of 2009. We already have ISO 9000 quality standards in place globally. These best practice management systems provide a strong basis for ongoing improvements in our performance.

Implementing Codes of Practice

To help each facility to implement the Bacardi EHS Policy and Global Standards, a set of Codes of Practice is being developed. These Codes will provide more detailed advice on specific EHS areas that are commonly encountered across our operations. The EHS Leadership Team is developing the Codes and will be implementing a system of site audits to assess how well they are being executed.

A number of Codes have been developed and three of these – “Pipeline break-in”, “Safe Work Permit” and “Lock-out Tag-out” have been identified as high priority with full compliance expected during fiscal 2009.

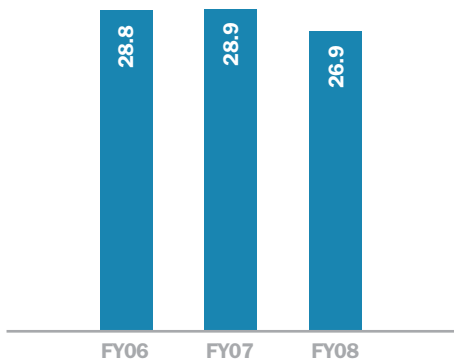


The Aberfeldy distillery reed bed is the final step in an innovative wastewater treatment process.

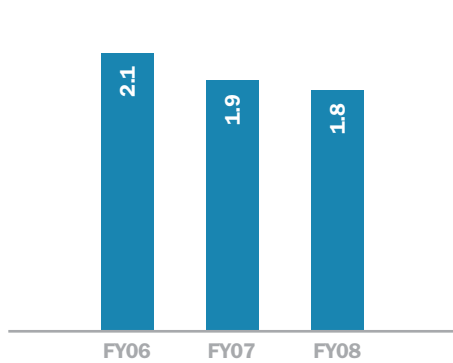


A new boiler at Puerto Rico is increasing the amount of renewable energy generated onsite.

Distilleries: Water Consumed
L/L (100% Alcohol)

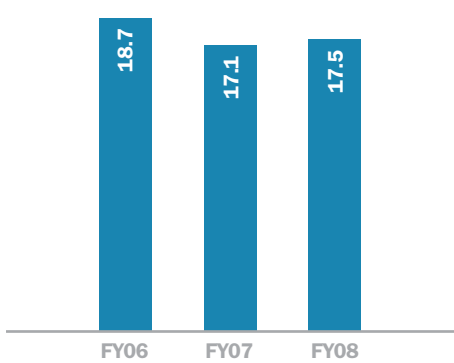


Bottling: Water Consumed
L/L Product

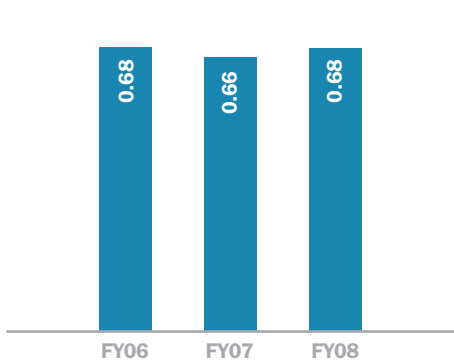


Reported use covers any freshwater (surface, groundwater or municipal water supplies) used in production or maintenance. Some sites where accurate water metering is not yet available have been excluded.

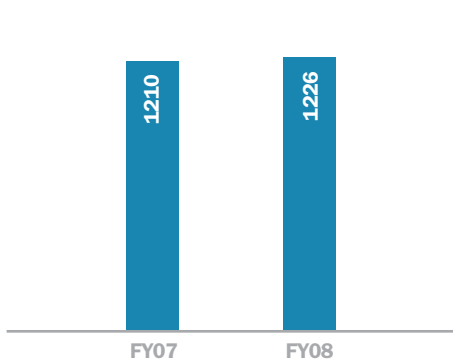
Distilleries: Energy Consumed
MJ/L (100% Alcohol)



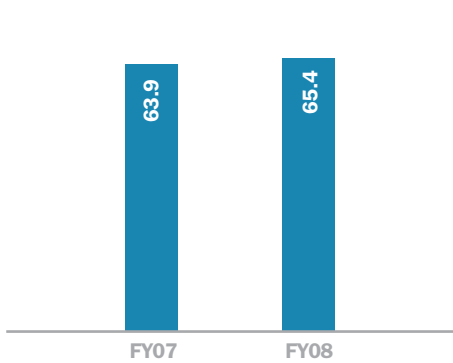
Bottling: Energy Consumed
MJ/L Product



Distilleries: Greenhouse Gas Emissions
gCO₂- e/L (100% Alcohol)



Bottling: Greenhouse Gas Emissions
gCO₂- e/L of Product



Waste Water Effluent Strategy for Distillery sites

The management of wastewater from distilleries is among the biggest technical challenges facing our industry. While the constituents in the wastewaters are virtually all derived from natural sources, they can still act as pollutants. Local environmental authorities set a limit on what we can discharge as wastewaters and periodically conduct monitoring.

We employ a range of technologies and management techniques at our sites to reduce the harmful effects of wastewaters including anaerobic digestion, aerobic treatment, recycling and beneficial reuse.

KEY PERFORMANCE INDICATORS

We track our performance in managing aspects of EHS using the following five Key Performance Indicators (KPIs):

- Water use
- Energy use
- Greenhouse gas emissions
- Absenteeism
- Occupational accidents that lead to lost time (a measure of safety)

Bacardi has put in place a system for measuring the performance of all of its wholly owned, or majority owned, facilities using these KPIs. This is helping us to track our overall progress against our EHS policy objectives and also highlights the areas for improvement at each site.

We will be working during the coming year to refine and expand our Key Performance Indicators to help our facilities make further improvements. KPIs and data for administrative offices, co-packers and third party contract manufacturers will be developed as we progress our programs.

WATER USE

Water use is expressed per unit of production, and is measured separately for distilleries and bottling plants:

- Distillery KPI: Water use (liters) per one liter of pure (100%) alcohol produced
- Bottling KPI: Water use (liters) per liter of product produced

Bacardi has set a five-year target to improve water use efficiency by 15% (starting fiscal 2006) at its distilleries and bottling plants. Good progress is being made toward meeting this target with distilleries showing a 7% reduction and bottling plants a 13% reduction to date. In absolute terms, Bacardi reduced the water consumed by its production facilities by more than 380 million liters over the past year. Our success is largely the result of an increased focus on water use efficiency and continual improvement efforts at the sites.

ENERGY USE

We recognize the importance of climate change and are committed to reducing our contribution to this global problem. Our use of energy and associated emissions of greenhouse gases are mainly linked with the following activities:

- Distilling
- Bottling
- Transporting our products
- Use of offices
- Business travel

In 2008 we focused on our greatest opportunity for improvement, which is energy use and emissions from the manufacturing operations under our direct control. We have a target to improve energy efficiency by 12% from fiscal 2006 to fiscal 2011. While transportation of our products is energy-intensive, it is managed by third parties and it will be the focus of future programs.

We express energy use in relation to the volume of our production. Because the energy consumption profiles of distilling and bottling are quite different, we have developed separate energy KPIs for our distilleries and for our bottling plants:

- Distillery KPI: Energy consumption (MJoules) per one liter of pure (100%) alcohol produced
- Bottling KPI: Energy consumption (MJoules) per liter product produced

Between fiscal 2006 and fiscal 2008 our distilleries have improved their energy consumption by more than 6%, while bottling plants have shown a small improvement. During this period we have distilled an increased proportion of our premium spirits on smaller scale pot stills, for example for malt whiskies and premium tequila. We work to continuously improve their performance, however they are inherently less energy efficient than the facilities used to produce other spirits such as rum and vodka. Our major distilleries have made more impressive gains, reducing unit consumption by 14% over the corresponding period.

GREENHOUSE GAS EMISSIONS

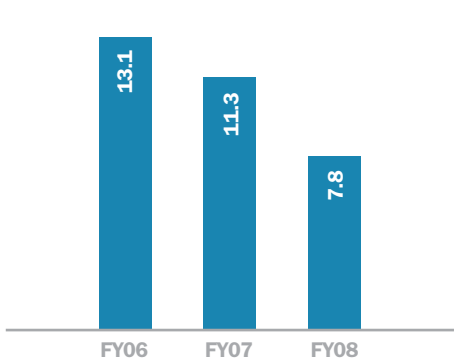
Greenhouse gas (GHG) emissions generally track energy use and Bacardi also reports GHG contribution in relation to the volume of our production. As with energy, we have developed separate KPIs for our distilleries and for our bottling plants:

- Distillery KPI: GHG emissions expressed as grams of CO₂ equivalent (gCO₂-e) per one liter of pure (100%) alcohol produced
- Bottling KPI: GHG emissions expressed as grams of CO₂ equivalent (gCO₂-e) per liter of product produced

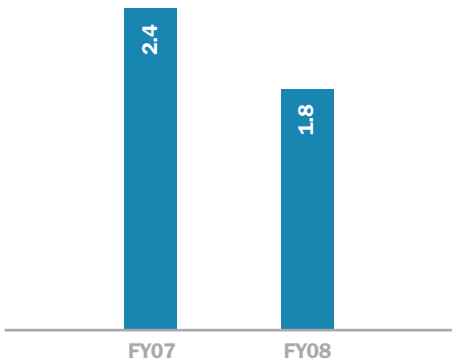
Our overall GHG emissions in distilling and bottling fell by almost 4,000 tonnes in the last fiscal year, though on a unit basis we saw a slight increase due to the product mix changes towards malt whisky and premium tequila. We did not collect GHG emission data in fiscal 2006 but our two-year performance was likely comparable to that for energy use, that is, minimal improvement in bottling operations and about 6% improvement in the distilleries.

Our facilities in Cataño (Puerto Rico) and Pessione (Italy) utilize biogas from the anaerobic treatment of wastewater as a source of energy. The consequence of this policy is that they avoid 16,000 tonnes of CO₂ equivalent emissions.

Lost Time Accident Rate
Accidents/1,000,000 Work Hrs



Employee Absentee Rate
Percentage Work Day Absent



LOST TIME ACCIDENT RATE

We are committed to ensuring a safe working environment in our facilities. The Key Performance Indicator for employee safety is the Lost Time Accident Rate (LTAR), defined as the number of accidents that resulted in one or more days of work lost per million hours worked.

Our goal is to reduce accidents 10% year on year. The LTAR at our production sites has been reduced by 40% in the period from fiscal 2006 (13.1) to fiscal 2008 (7.8). Excellent progress has been achieved over the past two years as a result of our increased emphasis on safety, development of safe work procedures and more training and awareness at the sites.

ABSENTEE RATE

Absences are recorded as the percentage of employee days that have been missed as a result of injury, illness or personal reasons. We have achieved considerable success in improving performance in this area, with a 25% year-on-year reduction in absentee rate. This has been achieved through management focus, measurement and a reduced Lost Time Accident Rate.

NEXT STEPS

- Continue to implement our ISO 14001 and OHSAS 18001 Environment and Health and Safety Management systems certification program.
- Continue to implement our Global Standards and Codes of Practice in our manufacturing facilities, backed by audits.
- Work to deliver continual improvements in our environmental performance, supported by closer integration with the business strategic planning processes.
- Continue to research and develop next generation technologies for distillery wastewater treatment.
- Incorporate sustainability criteria (e.g. optimal bottle weight and recycling) into our packaging development.

CASE STUDIES

ESTABLISHING THE CARBON FOOTPRINT OF A BOTTLE OF RUM

We track total greenhouse gas emissions from both our distilling and bottling operations. This data helps us assess how well we are doing in our efforts to reduce our contribution to climate change, something that consumers increasingly want to do as well. So we have established the carbon footprint of an individual bottle of BACARDI rum.

We measured the greenhouse gas emissions from when the molasses arrived at the distillery to when the finished product reaches our customers. This showed that for each 75cl bottle of rum our CO₂ equivalent emissions were 440g. This is equivalent to the carbon emitted producing the electricity used by a 60W light bulb for ten hours or a widescreen HDTV for a two-hour feature-length film.

In conducting this exercise we have realized how sensitive these calculations are to the assumptions made. While it may be interesting to compare a bottle of BACARDI rum with a competitor's, one should be wary of making straight comparisons of one company's numbers with another's unless it is certain that the same protocols and assumptions have been used in both calculations.

In the interests of transparency Bacardi intends to share its calculations with other companies in the beverages sector similarly willing to share their calculations with the aim of establishing a common standard for calculating carbon footprint. This would allow meaningful comparisons, which we believe would have the desired effect of encouraging improvements in every company's performance.

The calculation for our carbon footprint has been based on the WRI-WBCSD GHG protocol (www.ghgprotocol.org).

CATAÑO, PUERTO RICO: RENEWABLE ENERGY FROM WASTEWATER

Bacardi has invested more than \$25 million in its facilities to manage wastewater. Our largest distillery in Cataño, Puerto Rico – and the largest premium rum distillery in the world – uses its first patented anaerobic digester technology to turn wastewater into energy, reducing the plant's reliance on fossil fuels.

Micro-organisms in the anaerobic digester naturally degrade waste materials, creating biogas (methane) in the process. This biogas is then collected and stored before being burned, mostly to create the steam used in the distillery to make rum.

Last year, the Cataño plant derived more than 30% of its energy requirements from naturally created biogas and avoided consuming more than five million liters of nonrenewable fuel oil, which would have generated more than 16,000 metric tonnes of CO₂. The distillery is currently investing nearly \$7 million to build a co-generation facility, which will produce electricity from the biogas, to further enhance the site's energy efficiency and lower its carbon footprint.



Cataño, Puerto Rico
Wastewater treatment facility

Responsible Sourcing

As a large multinational business we have relationships with more than 2,000 suppliers in countries throughout the world. They supply Bacardi with everything from sugar to stationery. Increasingly society expects companies to extend their responsible business practices to their supply chain, where their influence as buyers can make a real difference.



We recognize that our impact on society extends beyond what happens in our day-to-day operations and encompasses the impacts of our suppliers, particularly:

- The working conditions of employees
- Management of natural resources and waste
- Environmental pollution and effects on biodiversity
- The impact on local economy of wealth generation and employment

We believe that working in close cooperation with our suppliers strengthens our business and improves the quality of life of the people we touch whether they are employees, suppliers, neighbors or customers.

OUR APPROACH

The Bacardi policy is to engage with suppliers of goods and services to assist them in meeting our Responsible Sourcing standards, including safe and fair working conditions, responsible management of environmental issues and legitimate business practices.

The Bacardi Global Standards on Responsible Sourcing are minimum standards we expect of our suppliers. The Standards apply to all suppliers providing goods or services to Bacardi companies. Initially, our focus is on suppliers of basic raw materials and packaging. Where serious breaches of the policy are identified Bacardi seeks either immediate

corrective action or termination of the business relationship with the supplier.

The Global Procurement Director for Bacardi is responsible for implementing the Bacardi Global Responsible Sourcing Policy and Standards and reports to the Chief of Global Operations.

Procurement managers have operational responsibility for the implementation of the policy with suppliers. Business unit heads are responsible for ensuring internal compliance with the policy within their areas of responsibility.

STANDARDS AND CODES OF PRACTICE

Our Global Standards on Responsible Sourcing are based on the Ethical Trading Initiative (ETI) Base Code and key international standards including the International Labour Organization's fundamental conventions on labor standards.

Our eleven standards are:

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 tolerated.

These standards are supported by a separate Code of Practice that is available to all suppliers.

Our policy and global standards are available in full on our website: www.bacardilimited.com

IMPLEMENTING THE GLOBAL RESPONSIBLE SOURCING STANDARDS

We have introduced our Global Responsible Sourcing Standards to our suppliers at regular supplier meetings and briefings. In addition, self-assessment questionnaires have been sent to 25 suppliers in Asia and Latin America asking them to assess their level of compliance with the Standards. For example, the questionnaire asks if the supplier has copies of current versions of health and safety legislation and whether workers have access to safe drinking water and sanitation at the site.

We are currently reviewing the returned questionnaires and determining the follow-up steps. Next year we will begin conducting Responsible Sourcing audits with suppliers. Identifiable issues will be handled on an individual supplier basis to agree on corrective actions and work needed to achieve compliance.

We are committed to working collaboratively with our suppliers, industry partners, government, and non-governmental organizations and trade unions to implement Global Responsible Sourcing Standards as efficiently and effectively as possible.

KEY INITIATIVES

Supply Chain Risk Assessment

Our Responsible Sourcing standards apply to all of our suppliers of goods and services. However, given the large number of small, specialized suppliers, it is not possible to proactively engage with all of them regarding Responsible Sourcing practices.

To prioritize our engagement with suppliers of basic raw materials and packaging, we undertook a supply chain risk assessment and ranked suppliers against their potential risk of non-compliance with the Policy. We identified the factors that are most likely to affect compliance with our Global Responsible Sourcing Standards as "Country of Origin" and "Commercial Sector". The assessment of risk levels referenced independent research including U.S.A. Department of State Human Rights Reports, Geography of Corporate Risk Maps (produced by the International Business Leaders' Forum) and the Global Map of Human Rights Risk (produced by Maplecroft).

Among our direct suppliers (packaging and ingredients) we found that around 10% of them were potentially at a high risk of not complying with our Responsible Sourcing policy. We are actively engaging with them during fiscal 2009 and will provide a progress update in our next report.

NEXT STEPS

- Accelerate the integration of the Global Responsible Sourcing Standards into the organization as a priority for fiscal 2009.
- Based on our risk assessment, finalize and implement a supplier auditing strategy to check compliance with the Global Responsible Sourcing Standards.
- Collaborate with other companies in the food and beverage sector through our membership of the AIM-PROGRESS and Sedex initiatives to access and share supplier self-assessment questionnaires, auditing data and best practice programs.
- Extend our Global Responsible Sourcing Standards beyond packaging materials and ingredients to co-packed products and suppliers of Point of Sale materials.



Miguel Orozco, CAZADORES Master Distiller.

CASE STUDIES



INDUSTRY COLLABORATION

We recognize that there is merit in working with other companies and organizations that source from the same supply chain. Collaboration allows us to share best practices in Responsible Sourcing and learn from each other. There is also the potential to make more of a difference to people in our supply chain than if we work in isolation. A recent example of such collaboration is the Bacardi participation in the Better Sugarcane Initiative (BSI). This multi-stakeholder group has prepared some draft principles and criteria to define 'sustainable sugarcane' and we will be working with our colleagues in the industry during the coming year to refine and finalize these.

We recently joined 'Sedex' (Supplier Ethical Data Exchange) which was created with the goal of reducing multiple requests to suppliers for information on their labor standards. Suppliers that have joined the group share their self-assessment



questionnaires and audit reports with those of their customers who are also members. This has real benefits for suppliers in terms of standardizing and reducing the requests they receive to provide information on labor standards. For Bacardi, it means we can obtain and use information on our suppliers who are already members. We are encouraging our suppliers who are not yet members to join.

We have also joined the AIM-Progress Forum. This is an initiative to develop a common approach to management of responsible sourcing issues by the food and beverages sector. AIM-Progress members have all agreed to use 'Sedex' as a tool for managing supplier information, which will increase the number of food and beverage sector suppliers joining the organization. It will also provide a potential opportunity to share auditing resources with the rest of the food and beverage sector, and will allow us to adopt good practice already established by others in the forum.

TRAINING WORKSHOPS FOR BACARDI PROCUREMENT MANAGERS

Integrating responsible sourcing practices into the way we make purchasing decisions is fundamental to the success of the program.

In fiscal 2008 we ran three workshops with Bacardi procurement managers to help them understand the new approach we are taking to responsible sourcing and how they can integrate it into their day-to-day work. The training included a session that presented managers with completed supplier self-assessment questionnaires and asked them to develop appropriate action plans.

In a related initiative, we brought together some of our procurement managers and three key Chinese suppliers in a joint training session. We impressed upon them that responsible sourcing is now a key part of our supplier performance management initiative and made it clear that alongside quality, cost and lead time, our suppliers will have to consider and act on our responsible sourcing standards.

Our procurement managers and suppliers each appreciated the other's perspective and by learning together gained an insight into the practical steps involved in implementing our Standards.

People

Throughout its businesses, Bacardi has a heritage of fostering teams of dedicated employees. This trait can be traced in the 146-year history of Bacardi and the family support for the business. We believe that how our people are treated and valued directly relates to our success. Our ability to achieve our corporate responsibility objectives depends on how well our people understand our vision and practise high ethical standards in the workplace.

GLOBAL TEAMWORK INITIATIVE

We have a vision to become the number one premium and super premium spirits company in the world. Historically, the Bacardi group of companies operated in a decentralized structure. However, with the growing competitive pressures of our industry and the need to leverage our portfolio and our talent on a global basis, we are implementing the systems, tools and collaboration that will enhance our ability to achieve our vision as a more coordinated global team. We still aim to retain our "family" feeling and our shared Bacardi heritage and values. These values include a focus on adult consumers and quality, respect for our people, and operating with entrepreneurship, commitment and integrity in everything we do. Working together, our leadership team will further refine our values and processes to ensure that we continuously practise and reinforce the desired behaviors for a leading global company.

OUR APPROACH

We have operations in more than 100 countries, a limited number of joint ventures and many distribution partnerships. In all jurisdictions, we continually look for ways to leverage best practices in order to further promote a common Bacardi culture. Global Human Resources provides the principles and strategic framework that guide our regional and local Human Resources teams in establishing and implementing locally relevant, yet similar and consistent:

- Guidelines and policies
- Key processes

- Development and training programs
- Recognition and rewards practices

We focus on four areas with regard to development of our people, culture and values:

- Diversity
- Development and training
- Employee rights and responsibilities
- Communication.

Reporting to the CEO, the Senior Vice President of Human Resources is responsible for developing and measuring global people initiatives and programs. Responsibility for delivering these programs and other initiatives rests with regional and local leadership teams.

Diversity

With a strong and unique culture that has developed over our long history, we value our heritage and culture – and have a tradition of respecting other company cultures as well.

Bacardi has a proud history of successful company and brand integrations. MARTINI retains its Italian essence and style, while DEWAR'S has the same strength in its Scottish heritage and culture. Most recently, GREY GOOSE has been a huge success in the industry by maintaining its roots and super premium value in the heritage and culture of the Cognac region of France. A recent addition, 42 BELOW, vividly expresses its dynamic New Zealand character and culture in its brand.

Our distinctive strength in diversity has been developed due to the true internationality of

our global leadership team. The top leadership team includes individuals from multiple national, cultural and ethnic backgrounds and many share international career paths. Sales and operations in more than 100 markets create a truly diverse population, providing Bacardi with a competitive advantage in building global brands.

In addition, two of our top 13 management positions – Global Chief Marketing Officer (CMO) and Global Chief Information Officer (CIO) – are held by women.

Development and Training

Identification, recruitment, training and retention of global talent is a priority for Bacardi. As a global business that is expanding into new markets, there are tremendous international opportunities available and it is crucial that our people are ready to seize them. Training is a core responsibility of the leadership team in every country and global function.

Significant investment is made into developing our people and building competencies that will expand both the individual and the overall talent within the business. Through the Performance Development and Review and Planning process, employees have regular reviews and feedback sessions with their manager on progress and performance against objectives as well as their personal development plans. Besides supporting the individual employee, these discussions link into the Bacardi learning and development activity plans. They also form a part of succession planning programs.



Our training portfolio across the globe covers a range of business, leadership and functional programs such as Management Fundamentals and Sales, Marketing and Finance seminars. Language training to develop an effective global enterprise is also available in many locations.

To provide flexibility and to respond to different learning styles, distance learning and self-study are available in addition to the many group sessions that are run across the globe.

To ensure that all employees understand how they can benefit from these programs we communicate our learning and development policy in each location. We are actively looking to enhance our training programs by adopting and rolling out best practices from both within and outside Bacardi.

Recognizing success is important. We use performance-based rewards and compensation, based on local market benchmarking. Senior management incentives link performance of brands, markets and operating units to the overall objectives of the group.

Employee Rights and Responsibilities

At Bacardi, we comply with all employment and labor laws and regulations. We have a Code of Conduct – a common set of rules that all Bacardi employees must adhere to which forms a key part of our governance (see page 28). The Code of Conduct sets out our minimum standard of behavior, which we support through a global training program.

The Code of Conduct provides guidance on:

- Complying with laws and regulations
- Resolving conflicts of interest
- Managing company records, financial reporting and auditors
- Handling confidential information and intellectual property
- Using computers and electronic communications
- Dealing with customers, suppliers and competitors
- Working with other members of staff

Code of Conduct training is being rolled out globally to all employees, who are expected to complete the online training. We are tracking progress closely to ensure it is completed on schedule. At the end of fiscal 2008, more than 60% of our employees in 34 countries have received such training. For more about our Code of Conduct, please see page 28.

Communication

We aim to keep all our employees well informed of performance against short- and long-term goals and business developments that have an impact on their day-to-day jobs. In many countries we employ intranet sites, employee magazines and frequent face-to-face communication with senior management on a variety of business topics. These communication tools are being constantly enhanced and will receive increased attention and resources to strengthen the engagement of our talented teams across the globe.

KEY INITIATIVES

Succession Planning

Bacardi has in place a talent identification and planning process that equips senior management to prepare key position succession and career opportunities for our employees. This covers executive levels at the first stage in 2008 and will cascade to other leadership levels in the future.

Leadership Standards

We aim to explicitly link our shared organizational values and goals to the leadership competencies that we expect executives to display. In addition to several leadership and development programs that exist across the organization, Bacardi will be aiming to reinforce leadership competencies through a new change management program to be implemented in 2009.

Bacardi-Martini European Forum

Since 1999, the Bacardi-Martini European Forum has met annually to exchange information about business performance and prospects for Bacardi operations within the European region. The forum consists of management and employee representatives from 13 countries in the EU. The employees of each country nominate one employee representative to the forum to discuss issues that affect staff across the region.

NEXT STEPS

- Continue to enhance communication across all geographies and functions.
- Create opportunities for employees to provide feedback in a structured and actionable way.
- Develop and execute our succession plans and cascade the process deeper throughout our organization.

CASE STUDIES



Jean-Claude Ducluzeau

LONG-SERVING EMPLOYEES

Bacardi prides itself on its heritage and strong sense of family. Building that culture over the years has meant that employees feel proud of being part of our success; today we have more than 200 employees who have built careers with Bacardi that have lasted more than 30 years. A true testament to respect, diversity and family.

One of those 200 long-serving employees is Jean-Claude Ducluzeau, President of the Employee Representatives on the European Bacardi-Martini European Forum. He has been with us since 1973 when he joined the Department of Research and Statistics in France. When asked why he has stayed with us so long, he points to the simple fact that his increasing responsibilities have allowed him to enjoy a fulfilling professional experience. He says his time as Customer Service Manager from 1983 to 1996 was especially interesting because he had to ensure customer satisfaction while also managing the costs and benefits for Bacardi.

The culture of Bacardi is clearly something Jean Claude cherishes. He says Bacardi is a company where people love to come to work every day, a company with strong family values. The word 'respect' comes up again and again. Respect for fellow employees, for consumers and for customers. This respect has always been part of the social fabric of Bacardi for Jean-Claude who has been representing employees since 1993 in France and in his current European role since 1999.

Philanthropy and Community Involvement

As a leading producer and marketer of premium spirits, our effect on society extends beyond our own operations and touches local communities in multiple ways. We have a long-term interest and a responsibility to foster healthy and vibrant communities because where communities succeed, we can also succeed as a trusted partner. Philanthropy and community involvement has long played a central role for Bacardi across its markets.

OUR APPROACH

We focus on projects that support our overall corporate responsibility platform and activate these programs where we live and work. In addition, we respond on a case-by-case basis to provide disaster relief or other humanitarian assistance for worthy causes. We provide support through financial and ‘in kind’ donations, as well as volunteering and various charitable and philanthropic projects.

In fiscal 2008 reported giving by Bacardi companies increased to \$4.44 million from \$4.29 million in fiscal 2007.

Bacardi focuses support in five principle areas:

- Education
- Environment
- Health & Social Services
- Arts & Culture
- Disaster relief assistance

We believe we can best help a community at the grassroots level and try to make a difference locally. We catalogue all activities centrally and are constantly reviewing processes for the effective sharing of best practices.

Important case studies are presented in more detail in the opposite page. Some further examples of our recent community involvement efforts include BOMBAY SAPPHIRE gin sponsoring a bar at a New York cocktail reception in support of Al Gore’s Climate Project; the Bacardi Artisan fair in Puerto Rico which supports 250 local artists by providing a festival to help them sell their creations to the public; providing funding in the Netherlands for cocktail training workshops to train and educate people in various hospitality jobs and supporting university studies in Portugal for a Medicinal and Aromatic plants program. GREY GOOSE held an auction in Vietnam to benefit underprivileged children during the Lunar New Year. We have also donated funds to ‘Casa Bacardi’ at the University of Miami benefiting the Institute of Cuban and Cuban-American Studies, hosted a golf tournament in Canada in support of the Heart and Stroke Foundation of Canada and Bacardi-Martini France S.A.S. helped raise money for the league against cancer. Bacardi is a supporter of the Bermuda Festival of the Performing Arts – performing artists from around the world present a diverse repertoire. An outreach program was established to allow the performers to interact with the Island’s school children to encourage participation and excellence in the arts.

KEY INITIATIVE

Currently we compile a central record of initiatives from quarterly reports local operating companies provide to Bacardi.

Since we would like to exchange more detailed information in a common format, we are developing an internal, secure database that local operating companies will use to document and communicate their philanthropy and community involvement. Local offices will input data online ensuring the information gathered is complete, consistent and comparable. Once launched, the database will provide a comprehensive picture of our philanthropic and community activities at both the global and local levels. It will allow us to track and record these initiatives in a robust manner, as well as share best practices and plans across the organization.

NEXT STEPS

- Roll out the database in 2009 and continue improving the gathering and reporting of philanthropic and community involvement activities.
- Establish methodologies to better quantify and benchmark the effectiveness of our investments.

CASE STUDIES



ENVIRONMENTAL CONSERVATION IN THE BAHAMAS

Bacardi donated US\$150,000 to The Bahamas National Trust to further the environmental conservation of natural and historic resources of The Bahamas and its national park systems.

Our gift specifically supports the Harrold and Wilson Ponds National Park, the first national park in New Providence. The Bacardi donation allows for the extension of the boardwalk nature trail, as well as the construction of a viewing platform to observe the more than 100 different bird species in the park, including the globally threatened Bahama Swallow.



RESPONDING TO DISASTER IN CHINA

In response to the devastating earthquake experienced in China, Bacardi, through its China subsidiary, donated \$100,000 to the Red Cross Society of China to support the earthquake relief efforts. Bacardi also helped facilitate individual employee donations, as the devastation has taken the lives of many thousands and left even more homeless or injured.

SCHOLARSHIP AND ENDOWMENT AWARDS IN BERMUDA

On an annual basis Bacardi awards US\$30,000 to three winners of the Bacardi Scholarship Awards, an overseas education scholarship initiative ensuring Bermudians are represented in the island’s world-renowned accounting profession. One college student receives a US\$20,000 scholarship, while two other students each receive US\$5,000 awards. All three award recipients need to demonstrate excellent academic skills, consistent community involvement, the ability to lead, financial need, and a strong desire to return to Bermuda to work in the accounting profession.

BACARDI SUPPORTS DISABLED CHILDREN IN GREECE

Bacardi Hellas Monoprosopi EPE has been a longtime contributor to The Hellenic Society of Disabled Children (ELEPAP). For the first three quarters of fiscal 2008, the Company contributed US\$195,000 to the organization for three major initiatives: covering the annual treatment costs of three disabled children from the organization, sponsoring its annual Christmas Gala in Thessaloniki and sponsoring a charity ballet event in Athens.

COMMUNITY ACTIVITIES IN MEXICO

In Mexico, Bacardi employees formed the “Bacardi Brigade” to create, coordinate and participate in charitable events benefiting individuals and the wider Mexican community. The “Bacardi Brigade” helped many organizations throughout Mexico including the Comedor de la Caridad (Charity Dining Room) in San Francisco Tepojaco. It also helped the Guadalupeño Children’s Home in Calacoaya where it donated food baskets to 520 needy children and distributed toys to children in the IMSS (Mexican Social Security) Regional Hospital in Lomas Verdes. The employees also organized a benefit for the Church of Saint James the Apostle in Tepalcapa raising more than \$12,000.

ORANGE BOWL COMMITTEE

The Orange Bowl Committee was established in 1935 initially to generate tourism for South Florida. Since then, it has expanded to support community involvement with a focus on supporting young people through sports and academic excellence. Bacardi U.S.A. Inc. has been a member for more than 10 years and last year contributed over \$90,000 to its programs.

Governance and Code of Conduct

Best practices in corporate governance and a comprehensive Code of Conduct provide the foundation for the commitment of Bacardi to corporate citizenship and responsibility.

CORPORATE GOVERNANCE

As the largest privately-held spirits company in the world, Bacardi Limited is committed to acting responsibly and we recognize that proper governance is an essential foundation for a responsible corporate citizen.

Bacardi aspires to adopt and implement the best practices in corporate governance for privately-held companies. It has regularly updated and deepened its governance practices for the benefit of its stakeholders. Some of the practices adopted to date include: separate appointments of the Chairman of the Board of Directors and the Chief Executive Officer of Bacardi Limited, the formation of Audit, Compensation, Nominating and Governance and other Board sub-committees with clearly defined charters, the appointment of independent Directors to the Audit Committee and the direct reporting relationship of external auditors to the Audit Committee. In 2006, the Board adopted the current Code of Conduct of Bacardi Limited and also elected to comply with the standards for internal controls applicable to public companies in the US under Sarbanes Oxley Section 404.

CODE OF CONDUCT

The Bacardi Code of Conduct is the touchstone of our corporate compliance and ethics program, and guides the actions of all our officers, directors, employees and agents in a world of growing complexity, regulation, and expectations. Bacardi is steadfast in the notion that compliance with the Code of Conduct is essential for the continued success of its collective enterprise. The Code of Conduct articulates our high standards on issues such as compliance with laws, conflicts of interest, financial reporting, competition and social responsibility. In order to ensure compliance with this Code of Conduct, a Compliance Committee, comprised of the Bacardi senior executives committee members for finance, law and human resources, has the responsibility of overseeing and implementing the Code of Conduct.

The Code of Conduct is implemented using a variety of tools. At a minimum, all employees are provided with a copy of the Code and the members of the Bacardi senior executives committee and their direct reports are required to annually certify their understanding and

compliance with the Code. Bacardi also provides appropriate educational and training resources to support compliance. Any failures to abide by the Code of Conduct are investigated and may result in disciplinary actions (including the termination of employment).

Bacardi facilitates the reporting of potential violations of the Code of Conduct in several ways. All employees are encouraged to internally report all situations that they reasonably believe may violate the Code of Conduct and would result in harm to the legitimate interests of Bacardi. Where an employee may consider it necessary to report a violation on an anonymous basis, Bacardi has established a telephone hotline that employees, located anywhere in the world, may call on an anonymous, toll-free basis. This hotline is managed by an independent third party provider, with translators who are available twenty-four hours a day, seven days a week.



Interior of Bacardi Limited Headquarters

Program Overview

The following table is a summary of our corporate responsibility program covering our mission, longer-term objectives, strategy and activities for fiscal 2009 for each of the five main impact areas. This is our first report. In the future, we aim to increase the amount of data we report and to place more information on our corporate website at www.bacardilimited.com

	Marketplace	Environment, Health and Safety	Responsible Sourcing	People	Philanthropy and Community
Mission	To achieve industry leadership by taking a socially responsible approach to brand building and by providing information to encourage all those adults who choose to drink to do so responsibly.	To protect the environment, optimizing the use of raw materials, minimizing CO ₂ emissions throughout our supply chain, reducing water use and improving wastewater effluent.	To achieve the highest standards of responsible sourcing throughout our supply chain by engaging and working with our suppliers.	To develop and empower our people to continue the heritage of building strong brands responsibly.	To support philanthropic and local community efforts aligned with brand building and Bacardi values.
Longer-Term Objectives	<p>Achieve 100% compliance with regulators and voluntary codes on marketing materials.</p> <p>Train a defined % of bartenders in major markets on Social Responsibility issues.</p> <p>Facilitate best practice in implementation and communication of effective alcohol policies, education programs and initiatives.</p>	<p>Targets for end 2011:</p> <ul style="list-style-type: none">• Improve energy efficiency at our operating sites by 12% from base year 2006.• Increase proportion of renewable energy to 12%.• Improve water efficiency at our sites by 15% from base year 2006.• Establish and publish data on greenhouse gas emissions.• Reduce lost time accident rate to <6 days of work lost per million worked hours.• New best practice approach to wastewater treatment.	<p>Ensure our suppliers understand our responsible sourcing requirements.</p> <p>Evaluate all our suppliers to understand potential risks in our supply chain.</p> <p>Implement a methodology to manage suppliers who do not initially meet our standards.</p>	<p>Maintain code of conduct training for everyone in Bacardi including new employees.</p> <p>Ensure corporate responsibility program is communicated to all staff.</p> <p>Build capability among senior managers to drive global teamwork initiatives and the corporate responsibility agenda throughout Bacardi.</p>	<p>Ensure our corporate programs are focused on our five principle areas:</p> <ul style="list-style-type: none">• Education• Environment• Health & Social Services• Arts & Culture• Disaster relief assistance. <p>Ensure alignment of local giving with Bacardi values.</p> <p>Maximize the effectiveness of philanthropy and community investment.</p>
Strategy to Deliver Objectives	<p>Communicate our responsible brand building approach through the Global Marketing Principles.</p> <p>Deliver the “Bacardi Marketing Way” training program globally.</p> <p>Contribute to the work of industry organizations and experts to present the industry case for more effective policies to tackle alcohol harm and misuse, and to develop better alcohol education programs.</p> <p>Continue to actively participate in discussions at the Global level with WHO and WTO.</p>	<p>Systematic approach to environmental and health and safety aspects through:</p> <ul style="list-style-type: none">• ISO 14001 and OHSAS 18000 management systems at all facilities by end of 2009.• Continually improve treatment of distillery wastewaters.• Increase energy efficiency and use of renewable energy sources.• More efficient use of water in production facilities.	<p>Communicate our responsible sourcing policy.</p> <p>Use a risk-based approach to prioritize suppliers.</p> <p>Work with those suppliers that have difficulty complying with our responsible sourcing standards.</p> <p>Embed responsible sourcing within all procurement processes.</p>	<p>Promote a culture of continual improvement and development.</p> <p>Provide our people with tools and resources to encourage personal responsibility and corporate citizenship.</p> <p>Encourage a diverse and inclusive workplace and evaluate progress.</p>	<p>Implement a strategy for goodwill and philanthropy.</p> <p>Careful selection of business and community partners to support our key focus areas.</p>
Key Activities & Targets for fiscal 2009	<p>Continue “Champions Drink Responsibly” campaign.</p> <p>Continue commitments to achieve the European Spirits Organisation (CEPS) European Compliance charter by 2010, implementing the European Forum for Responsible Drinking EFRD marketing code in all EU countries; and deliver our three commitments to the EU Alcohol and Health Forum.</p> <p>Increase activity in our involvement in alcohol education and awareness programs working with government and industry partnerships in North America.</p> <p>Further update Bacardi Global Marketing Principles and policies.</p> <p>Strengthen trade association organizations in selected markets of Latin America and Asia Pacific.</p>	<p>Continue to implement ISO 14001 and OHSAS 18001 certification program.</p> <p>Continue to implement Global Standards and Codes Of Practice.</p> <p>Deliver continual improvement in environmental performance.</p> <p>Reduce lost time accident rate to 7 per million worked hours.</p> <p>Incorporate sustainability criteria into packaging developments.</p>	<p>Implement risk based approach to supplier assessment.</p> <p>Extend implementation and follow up to supplier questionnaires.</p> <p>Conduct responsible sourcing audits of potentially higher risk suppliers.</p> <p>Put in place responsible sourcing Key Performance Indicators.</p> <p>Play a full role within cross industry collaborative bodies e.g. Supplier Ethical Data Exchange (Sedex), AIM-Progress, the European Brands Association Program for Responsible Sourcing.</p>	<p>Complete the Bacardi Code Of Conduct training.</p> <p>Continue to enhance communication across all geographies and functions.</p> <p>Prepare a leadership program around values, vision, strategy and organizational effectiveness.</p>	<p>Roll out database to improve gathering, reporting and sharing of activities.</p> <p>Analyze and investigate methodology to better quantify and benchmark the effectiveness of our investments.</p>

REQUEST FOR FEEDBACK

This is the first time Bacardi has published a corporate responsibility report and we are eager to learn what you think of this report and how we can improve our reporting next year.

Feel free to tell us what you thought about:

- The information we included
- Any information we did not include
- The case studies
- The data reported
- The design of the report and the use of photographs/images.

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

Thank you.

Bacardi