A Welcome from Our Chairman and Chief Executive Officer

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A welcome from our Chairman and our Chief Executive Officer

Fiscal year 2018 (April 1, 2017 – March 31, 2018) was an exciting year for Bacardi. We welcomed a new global CEO with Mahesh Madhavan taking over after twenty years managing many markets in Europe, Asia-Pacific, the Middle East, and Africa. Along with a new CEO, Bacardi embarked on developing a ten-year business strategy, keeping corporate responsibility (CR) principles at the core.

This year we also launched our new culture pillars of Fearless, Family, and Founders. The pillars stand for our belief that being fearless means being empowered to challenge the norm and innovate; as a family company we will take care of each other and our communities; and our employees will act with a founder’s mentality, always doing what is right and taking accountability to ensure the sustainability of our company.

In addition, we recently announced our expanded Good Spirited global goals to encompass all the company’s CR pillars with a target date of 2025. We reviewed the United Nations Sustainable Development Goals and aligned with the ones we feel we can have the most impact on moving forward. Our long-term Good Spirited global goals address what Bacardi Limited is doing, often in partnership with others, to help achieve many of the targets. Furthermore, we are proud to be a signatory of the United Nations Global Compact and this report constitutes our annual communication of progress. Comprehensive information on our Good Spirited CR program can be found within www.BacardiLimited.com.

Some FY18 CR highlights include:

• For the sixth consecutive year, Bacardi Limited was named among the most reputable companies in the world, ranked at #89, according to the annual Global RepTrak® 100 list released by Reputation Institute and published in Forbes. In addition, Bacardi in the United States was also certified as a Great Place to Work. *

• 2017 represents the last year for reporting on the Producers’ Commitments to Reduce Harmful Drinking. While the five-year initiative has concluded, we remain committed to continuing the spirit of the five commitments and the 10 action areas, including finalizing new, responsible, and robust industry standards to ensure our digital advertising only reaches adults of legal drinking age who choose to drink.
• At the end of 2017 we calculated the results of the first round of our Good Spirited environmental sustainability initiative - our achievements in operations, sourcing and packaging. While we are proud of our efforts in reducing greenhouse gas emissions intensity (down by 59%), water usage (down 50%), waste (less than 1% sent to landfill), and sourcing our sugarcane-derived products in a responsible way (86% Bonsucro-certified), we learned from some of the challenges we faced in packaging weight reduction and the increasing importance on improving our water consumption. These learnings have informed the next round of overall Good Spirited goals, including taking the supply chain into account.

• This past December, we launched our nutrition pages on www.BacardiLimited.com to provide consumers nutritional information about our premium products. While only currently available in four priority countries, we will continue to add to this site with additional markets and products.

• Our Women in Leadership program has expanded into all regions of our global operations with a mentoring program kicking off in Eastern Europe, expansion of our support for S.H.E. Summit, Women Empowerment Series in North America, and kick-off of our Spirit Forward program to support women in the hospitality industry. At the end of FY18 36% of leadership positions were held by women.

• Last September, Hurricane Maria hit our Puerto Rico community causing significant damage to many areas where our colleagues live and work. Along with the Bacardi family, we were proud to commit US$3 million to disaster relief there and in other areas affected by natural disasters. The charitable gifts were used to provide immediate relief to hard hit communities through our “Emergency Stop & Go” centers and mobile caravans, providing distribution of food, water and supplies, and access to medical services and cell phone charging stations. We are committed to continuing our rebuilding efforts with our new partner Mercy Corps on a tourism recovery program for Puerto Rico and the U.S. Virgin Islands and St. Martin, consisting of support to small and medium enterprises and natural area rehabilitation.
In FY18, we announced our intention to fully acquire Patrón Spirits International AG, with the acquisition completing in April 2018. While we are delighted to welcome Patrón into our family and have included some of its CR highlights in this report, we will spend the next fiscal year working with the Patrón team to measure and establish data baselines regarding CR reporting, including our environmental and safety targets. Patrón has developed strong CR initiatives in recent years and we look forward to continuing these great efforts.

On behalf of the more than 7,000 employees of Bacardi, we are pleased to share our 2018 Corporate Responsibility report with you. We are proud of our efforts this past year and look forward to what the future holds in our Good Spirited endeavors.

Facundo L. Bacardi
Chairman

Mahesh Madhavan
CEO
Corporate Responsibility at Bacardi

Being Good Spirited means being corporately responsible in every aspect of our business.

This extends across all our offices and operating sites, from how we source our ingredients and the quality of materials used to make our premium products, to the ways we market our brands only to adults who choose to drink, to our commitment to support and care for our employees and the communities in which we live and work.

Our founder, Don Facundo Bacardí Massó was Good Spirited when he repurposed old whisky barrels to age his rum. He also took the lead in relief efforts after a devastating earthquake struck Santiago de Cuba in 1852. Over the years, other examples of our company’s Good Spirited efforts include creating awareness against excessive consumption with the wording “Desea vender, pero no quiere el dinero que debe comprar pan” (“Bacardi wants to sell, but it does not want the money you should use to buy bread”) in the early 1930s in Mexico, and developing the advertising campaign “Bacardi mixes with everything. Not driving,” in the 1970’s.

The company was built with a sense of being fearless, with a founder’s mentality of running the business, coupled with family and heritage at its core. Moving forward, these values will guide our continued commitment to be a responsible business by empowering our employees to question, challenge, and innovate our business and the way we work. We want them to be Good Spirited and to see the organization as if it was their own, to do what’s right for the business, take accountability for their work, and to treat each other and our communities as family.

We recognize the risks associated in our business and the challenges we face moving forward. As a beverage alcohol producer, we know some people can misuse our products in a harmful way. Alone, we cannot solve the problem of harmful use, but we know we must do our part. As an industry and in partnership with others we believe we will be most effective and provide a larger impact.
In addition, as a global corporate citizen we acknowledge our role in reducing our environmental impact and supporting the people who source and manufacture our products. We also know we have a responsibility to protect the safety of our people every day. We look to global benchmarks and standards to ensure our Corporate Responsibility (CR) programs are among the best in the industry and that they will have a positive impact in our communities.

There are challenges we face in implementing many of our CR programs. We recognize we only have direct control within the four walls of our operations, but we need to work with our entire supply chain to create further positive impact. We also believe we can influence our partners, suppliers, distributors, and others who we work with to find improved solutions to the challenges we face in all CR pillars.

Moving forward, Bacardi is evolving its CR strategy by committing to new, more encompassing Good Spirited goals globally, aligning with relevant United Nations Sustainable Development Goals (UN SDGs) and reinforcing the impact the private sector can make, often through partnerships, on many of the goals.

To support 10 of the UN SDGs that we can impact, we have set five new goals with multiple corresponding targets with an end date of 2025. The new Good Spirited global goals build on past successes and look holistically at our product value chain. When setting these goals, we looked to international standards and benchmarks to ensure our targets were ambitious and meaningful.

Our aim is to deliver Corporate Responsibility programs that are Good Spirited, make a difference, and are responsive to stakeholder expectations. These new global goals will progress to support future corporate and commercial strategies.
By living our cultural values of **fearless**, with a **founder's mentality** and treating others like **family** every day, we commit ourselves to contributing to a more sustainable future for all our stakeholders. By caring deeply and passionately about our business and the world around us, we excel in creating brands consumers can trust.

**Our Core Pillars:**
Through stakeholder research and a materiality assessment, we have identified priority areas which have been grouped under five pillars. These broad themes are where our business impacts society and where we are focusing our Good Spirited Corporate Responsibility efforts.

**These are:**
- Marketplace (Responsible Marketing & Promotion and Alcohol Responsibility)
- Environment
- Responsible Sourcing
- People
- Philanthropy & Community Investment

**Our Approach in Context**
Our Good Spirited Corporate Responsibility approach is guided by the world in which we live and work. As a signatory to the UN Global Compact, we commit to their principles and communicate on our progress every year. We are also mindful of other global standards and work in partnership with other companies, governments, and civil society to align our targets with their goals to make a larger impact, including:

- UN Sustainable Development Goals
- The Ethical Trading Initiative (ETI) Base Code
- The United Nations Universal Declaration of Human Rights
- The Fundamental Conventions of the International Labor Organization
- UN Convention on Biological Diversity
- World Health Organization's Global Strategy to Reduce Harmful Use of Alcohol
- United Nations Framework Convention on Climate Change

We are proud of the quality and heritage of our company and our brands, and Corporate Responsibility is an integral component of our business. We invite you to learn more about our work in each of our priority areas and our goals for the future.

For information on Bacardi CR Governance, Stakeholders and Materiality, and Our Impacts, please visit the “Corporate Responsibility” section on www.BacardiLimited.com.
# United Nations Sustainable Development Goals

The 2015 United Nations Sustainable Development Goals (UN SDGs) were adopted by countries to address social, economic, and environmental issues, with each goal having specific targets to be achieved by 2030. These targets provide benchmarks for measurement, and we believe that through partnerships with governments, other companies in the private sector, and civil society, we can have a positive impact on many of the goals.

To support 10 of the UN SDGs that Bacardi can impact, we have set five new goals with multiple corresponding targets with an end date of 2025. The new Good Spirited global goals build on past successes and look holistically at our product value chain. When setting these goals, we looked to international standards and benchmarks to ensure our targets were ambitious and meaningful.

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<tr>
<th>GOAL</th>
<th>LONG TERM TARGETS</th>
<th>ALIGNED SDGS</th>
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| Support the global strategy to reduce the harmful use of alcohol | • Increase support of responsible drinking initiatives and partnerships in the top 80% of Bacardi markets  
• Carry responsible drinking messaging and website designation on 100% of brand labels  
• Make available to the consumer nutrition information for all brands  
• Lead efforts, along with other industry members and partners, to put in place measures and standards to ensure digital marketing messages are targeted to adults of legal drinking age only | 3 Good Health and Well-Being |
| Care for and support our people, and reflect the diversity of our global operations. | • Less than 1 Lost Time Accident per 1,000,000 worked hours (previously set to achieve by 2023)  
• Support equal opportunity and leadership for women at all levels by having at least 45% female workforce and an increase in women in leadership positions  
• 90% of employees participate in Bacardi’s innovative training and development programs | 5 Gender Equality  
8 Decent Work and Economic Growth |
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<th>GOAL</th>
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<tr>
<td>Return to the environment at least as much as we take away</td>
<td>• 25% reduction of water consumed (focusing on water not returned to original source) at our operations*&lt;br&gt;• 50% replenishment of water incorporated into final product*&lt;br&gt;• Reduce absolute Scope 1 &amp; 2 GHG emissions 50% and reduce absolute value chain GHG emissions (scopes 1, 2 and 3) 20% (approved by the Science Based Targets initiative)*&lt;br&gt;• Zero Waste-to-Landfill at all manufacturing sites (previously set to achieve by 2022)&lt;br&gt;• Eliminate one billion single-use plastic straws in collaboration with others (by 2020)&lt;br&gt;• Analyze and develop single-use plastic reduction initiatives across operations and supply chain</td>
<td>6 CLEAN WATER AND SANITATION&lt;br&gt;7 AFFORDABLE AND CLEAN ENERGY&lt;br&gt;12 RESPONSIBLE CONSUMPTION AND PRODUCTION&lt;br&gt;13 CLIMATE ACTION&lt;br&gt;14 LIFE BELOW WATER&lt;br&gt;8 DECENT WORK AND ECONOMIC GROWTH&lt;br&gt;12 RESPONSIBLE CONSUMPTION AND PRODUCTION&lt;br&gt;15 LIFE ON LAND&lt;br&gt;17 PARTNERSHIPS FOR THE GOALS</td>
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<td>Source our materials responsibly</td>
<td>• 100% of key raw materials sourced from sustainably-certified suppliers&lt;br&gt;• 100% paper and board used for shipping and labels sustainably-certified&lt;br&gt;• 100% of product packaging to be recyclable&lt;br&gt;• 40% recycled content of product packaging materials</td>
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<td>Take care of our communities</td>
<td>• 95% of Bacardi offices and manufacturing sites participate in at least one CR activity annually in partnership with local organizations&lt;br&gt;• 90% of employees volunteer one work day to a personal cause or organization (My InSpirit Day)</td>
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*As compared to 2015 baseline (using earliest operations and supply chain data available)
# United Nations Global Compact Principles

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<th>UNGC PRINCIPLE</th>
<th>BACARDI CR STRATEGY</th>
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<td><strong>Human Rights (Principles 1 &amp; 2)</strong>&lt;br&gt;Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.</td>
<td>Our suppliers have to meet our Responsible Sourcing Standards, which were developed in line with the Universal Declaration of Human Rights, which commit our suppliers to complying with human rights principles. Through our Responsible Sourcing process, in connection with Sedex, suppliers undergo self-assessments and on-site audits. In addition, our Anti-Slavery and Human Trafficking Statement is in compliance with the UK Modern Slavery Act.</td>
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| **Labor (Principles 3, 4, 5 & 6)**<br>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation. | Through our People Strategy and Responsible Sourcing Standards, we respect the right to freedom of association among all of our employees, require our suppliers to respect freedom of association, and the right to collective bargaining. In addition, we do not use forced or child labor in any of our operations. Our company Code of Conduct, which applies to all our employees and third parties approved to do business with Bacardi, includes a commitment to equal opportunity and non-discrimination. Our Responsible Sourcing Standards, Anti-Slavery and Human Trafficking statement, and Sedex self-assessments and audits set out the same requirements for our suppliers. |

| **Environment (Principles 7, 8, & 9)**<br>Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies. | Our group-wide environmental strategy and policy supports a precautionary approach. We aim to drive continuous improvement in our facilities’ performance through a management systems approach. Bacardi’s commitment to environmental sustainability is reflected in our goals in sourcing, packaging and operations with a focus on energy, greenhouse gas emissions, water, and waste. Through our Vendor Qualification Process and Responsible Sourcing Standards, our suppliers are required to protect the environment as part of business practice. |

| **Anti-Corruption (Principle 10)**<br>Businesses should work against corruption in all its forms, including extortion and bribery. | Our company Code of Conduct details the behaviors we expect from our people and it addresses issues of conflicts of interest and bribery and corruption. Our Responsible Sourcing Standards state that bribery and corruption are not tolerated. |
Marketplace at Bacardi Limited

Many people drink moderately and as part of a healthy lifestyle. However, we recognize that alcohol, if abused or misused, can cause harm.

As a producer of beverage alcohol, we recognize we have a responsibility to market our brands in such a way as to ensure we do not target those under the legal drinking age and to encourage all those who choose to drink, to do so responsibly.

For more than 25 years, Bacardi, along with our industry partners, has supported social aspect organizations that promote responsible consumption in the countries where we operate, implementing responsible drinking initiatives at the local level. Today, we remain committed to prioritizing our Marketplace pillar and our commitment to responsible marketing and responsible drinking. More information on the industry’s commitment to alcohol responsibility can be found on the International Alliance for Responsible Drinking website at ResponsibleDrinking.org.

In FY18, we enhanced our Slow Drinking campaign website to be more robust with responsible drinking information, linking back to resources found at ResponsibleDrinking.org. In addition, we launched the Bacardi Limited nutrition site which includes nutritional information for products available in four countries in their local language. More products and countries will continue to be added to this site throughout FY19.

2017 represented the last year of the Producers’ Commitments to Reduce Harmful Drinking. Over the last five years, Bacardi, along with 10 other industry members, has invested in education, partnerships, and other programs to combat harmful drinking. While we have achieved much during this time, we remain committed to continuing to work together on the five commitments and ten action areas.

546 Million
We (as an industry) collectively reached more than half a billion people with underage drinking prevention education between 2014 and 2017, through channels including websites, social media, TV and radio broadcasts, and newspapers.

347
We (as an industry) operated an average of 347 drink driving prevention programs each year between 2014 and 2017.
In 2017, Bacardi, often in partnership with other industry members and through local social aspect organizations:
• Implemented 44 education programs operating in 16 countries
• Reached nearly 4 million underage individuals with underage drinking prevention education
• Operated 54 don’t drink and drive programs across 19 markets

Bacardi continued to have 100% compliance with ensuring all advertising contracts include accordance to responsible alcohol advertising codes.

In FY18, through our Producers’ Commitments reporting, Bacardi reported on our efforts to provide consumers responsible drinking information on our product labels. Of our total volume of products produced for our priority markets, 100% contain a responsible drinking message, logo, or website on its label, and 66% of total volume contain both responsible drinking messaging and a website.

In FY18, the Bacardi Global Marketing Principles were updated to reflect changes in digital marketing and social media platforms, including ensuring we are transparent with influencer partnerships. Moving forward, all relevant marketing employees, along with our third-party agencies will be trained yearly with our new online module to ensure compliance to our principles.

We have also reviewed the United Nations Sustainable Development Goals and believe we can make an impact on many of the targets. Goal 3 (Good Health and Well-Being) target 3.5 addresses “strengthening prevention…. to reduce the harmful use of alcohol.” Bacardi, along with our industry partners, believe we have a role to play in reducing the harmful use of alcohol and our first Good Spirited global goal was developed with this target in mind.

Moving forward, we will report on the activities to help us achieve this goal in future CR Reports.

### Good Spirited global goal: Support the global strategy to reduce the harmful use of alcohol

- Increase support of responsible drinking initiatives and partnerships in the top 80% of Bacardi markets
- Carry responsible drinking messaging and website designation on 100% of brand labels
- Make available to the consumer nutrition information for all brands
- Lead efforts, along with other industry members and partners, to put in place measures and standards to ensure digital marketing messages are targeted to adults of legal drinking age only
## Targets and Progress

### FY18 MARKETPLACE TARGETS


- **Increase percentage of active priority country responsible drinking initiatives, whether in partnership with other industry members or Company led, including enhancing Slow Drinking.**

- **Launch updated marketing compliance training module globally for relevant marketing, creative excellence, sales and agency staff to use for new hires and as a yearly refresher for existing employees, with translation available in at least eight languages.**

- **Design and launch updated responsible marketing principles for all company staff.**

- **100% use of new digital legal compliance system (Creative Approval Hub) by global marketing, creative excellence, legal teams, and advertising agency personnel to track global marketing campaign compliance approval.**

- **Through partnerships with IARD and local Social Aspect Organizations (SAOs) and Trade Associations (TA), increase under the legal drinking age and influencer reach by 20% through responsible drinking initiatives, as measured through the Producers’ Commitment reporting.**

- **100% of marketing agency contracts in compliance with the Producers’ Commitments.**

### FY18 MARKETPLACE PROGRESS

- Bacardi’s Slow Drinking website was updated to include relevant International Alliance for Responsible Drinking info. In addition, the Bacardi Limited nutrition site was launched which includes nutritional information for products available in four countries in their local language.

- Bacardi is active in 86% of priority markets on responsible drinking initiatives. (Examples of these markets include: United States, France, Russia, Spain, United Kingdom, Canada, Mexico)

- The training module was delayed due to updates to the Global Marketing Principles. Now finalized, the module will be housed on the global Human Resources training site to be used by all relevant staff and agencies. In addition, we will work to translate the module into additional languages over the next two years.

- New Global Marketing Principles were drafted and although the launch was delayed due to internal review and management changes, the Principles will be communicated out to all Company employees in FY19.

- Bacardi underwent a change in marketing leadership in FY18 resulting in the development of a new Digital Asset Management system. The new system will incorporate legal compliance and approval workflows when launched in FY19.

- Bacardi reached more than 9.7 million underage individuals and influencers in 2017 with educational materials to prevent underage drinking and promote responsible drinking as measured through the Producers’ Commitment reporting; an increase of 250% from 2016.

- 100% of marketing agency contracts are in compliance with the Producers’ Commitments.
# Targets and Progress

## FY18 Marketplace Targets

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<tr>
<td>100% of traditional and digital media placements by company with at least a 70% minimum legal drinking age audience.</td>
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<tr>
<td>All company products to have at least one responsible drinking website, messaging, or logo on label.</td>
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<td>Pilot company employee responsible drinking pledge in select countries to ascertain value and viability for potential global roll-out.</td>
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<td>Ensure all six safeguards of the Producers’ Commitments Digital Guiding Principles are in place for all country-level brand social media platforms and websites.</td>
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## FY18 Marketplace Progress

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<td>As calculated by our media agency partner, we continue to place 100% of traditional and digital advertising in mediums with at least a 70% minimum legal drinking age audience. Often, these numbers are more than 90% for both traditional and digital advertising.</td>
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<tr>
<td>All products sold in our priority markets have labels which include a responsible drinking message, logo or website address. 66% of total volume sold contain both responsible drinking messaging and a website address.</td>
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<td>The responsible drinking pledge was piloted in a few priority markets, including our largest market of the U.S., and made available to all offices/sites through our CR Month activities. We will continue to share the pledge principles to employees through internal communications.</td>
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<tr>
<td>An audit, sanctioned by the International Alliance for Responsible Drinking, found that of the countries audited, Bacardi branded social media platforms and websites had a 79% full compliance rate for all safeguards and an average compliance rate of 91%.</td>
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Key Highlights
Beer, Wine & Spirits Producers’ Commitments to Reduce Harmful Drinking - Digital Guiding Principles

The Digital Guiding Principles were developed as part of the Beer, Wine and Spirits Producers’ Commitments to Reduce Harmful Drinking. The Commitments address targeted actions in five key areas, one of which involves work dedicated to strengthening and expanding marketing codes of practice. In September 2017, the CEOs of the signatory companies came together to reflect on the five years of the Producers’ Commitments and further commit to develop, in collaboration with others, new robust responsible marketing standards for digital channels that represent best-practice in this rapidly-changing field.

Over the last few years, Bacardi brand marketing teams have worked to implement the safeguards of the Digital Guiding Principles. The guidelines require the content of any online marketing and social media advertising to meet the same high standards that apply to traditional marketing activities.

The Digital Guiding Principles cover the following areas:
• Include an age-affirmation mechanism for all social media sites to ensure marketing communications only engage adults over the legal drinking age
• Implement a Forward Advice Notice, stating that all content should not be forwarded to anyone under the legal drinking age
• Promote responsible consumption, including a responsible drinking message
• Ensure user generated content (UGC) also complies by making available our UGC community policy on all brand sites

We are also transparent about the purpose of our commercial marketing communications and have secured “official” status authenticating our accounts from the social media platforms.

Moving forward, our industry will work with others, including the social media platforms, to put in place measures and standards to ensure our advertising and marketing messages target adults of legal drinking age who choose to drink. Together we are committed to doing our part to help reduce the harmful use of alcohol.
**Nutrition Site**

As part of the Bacardi commitment to alcohol responsibility we are now providing consumers nutritional information about our products. In FY18 we launched the Bacardi nutrition website. The first phase is available now on www.BacardiLimited.com with information about products available in four of our largest selling markets (USA, UK, France, Spain). The site will continue to evolve with additional countries and products included over the next fiscal year.

Nutrition details for products include calories, fat, carbohydrates, sugar, protein, and salt, and if the product includes any caffeine or allergens. Details are listed by recommended serving size for each product, according to country standards.

**Responsible Drinking Initiatives in Spain**

Through Bacardi and other industry member support in Spain, the national trade and social aspect organizations - FAS (Fundacion Alcohol y Sociedad) and FEBE (Federacion Espanola de Bebidas Espirituosas) - implemented responsible drinking initiatives to prevent underage drinking and drink driving and promote responsible consumption.

The FAS program, “MENORES NI UNA GOTA” (Minors not a single drop), informs underage individuals of the risks related to early drinking to their physical and mental health. The goal is to change perception around underage drinking to make it socially unacceptable, and help parents set clear boundaries for their children. Through workshops with parents and making resources available on their website, the campaign reached more than 750 families in six months, with 2,000 guides downloaded, and more than 1 million watching instructive videos. In 2018, the campaign will be rolled out in agreement with the National Pharmaceutical Society to raise awareness about underage drinking risks in all pharmacies in the Spanish territory. More information on the program can be found at www.menoresniunagota.es

FEBE’s “Los Noc-turnos. Designated Driver” campaign raises awareness of the dangers of drink-driving among young drivers and promotes the designated driver concept as normal behavior. Twenty events were held in multiple locations, often in partnership with local municipals and police. Individuals were tested for their blood alcohol concentration and those with 0.0 level received prizes, and additional resources on alcohol responsibility was shared with everyone.

FEBE also provides lectures and trainings to university students to promote positive peer influence and provides retail training to promote responsible serving in the trade. More than 500 have been trained in both programs in the first few months of 2018.
Environment at Bacardi Limited

For Bacardi, environmental sustainability is good business – an approach that dates back to the very beginning of the company more than 155 years ago.

When Bacardi founder Don Facundo Bacardí Massó started his business in 1862, he accepted the Spanish government’s challenge to reduce surplus amounts of molasses in Cuba, leading to the crafting of BACARDÍ® rum. Repurposing old whisky barrels to age his rum was also part of his original plan, a practice still in use today.

Our environmental sustainability commitment has grown over the past 155 years and we are proud of the voluntary actions we have taken to be an industry leader in environmental performance in our operations. Our goal is to return to the environment at least as much as we take away. We recognize the environmental impact of producing our products and have implemented procedures to continually improve efficiency. Key potential areas of impact include:

- **Water:** clean water is fundamental to our business and we recognize the importance of water conservation.
- **Climate change:** the fossil fuels we consume in our value chain process to operate our facilities, manufacture our products, and transport them to our customers, creates greenhouse gases that contribute to climate change.
- **Waste:** effluents and waste from our 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.

Announced in early 2014, Good Spirited was an ambitious environmental sustainability initiative with specific goals in sourcing, packaging, and operations to be achieved by 2017 and 2022 — under the vision to return to the environment at least as much as we take away. Significant reductions have been achieved in greenhouse gas emission (GHG) intensity (59%) and water usage (50%), as well as Zero Waste-to-Landfill targets.
GHG Emissions
Bacardi cut GHG intensity from manufacturing operations in half more than a year earlier than its 2017 target. At the end of December 2017, the reduction was at 59%, compared to 2006 baseline. This reduction is equivalent to taking 15,000 cars off the road each year or reducing oil use by 165,000 barrels annually. Hundreds of initiatives implemented globally at Bacardi distilleries, bottling lines, visitor centers, and offices for energy reduction were part of achieving this reduction. Among the many energy-focused initiatives, Bacardi focused on renewable energy from biogas, heat recovery systems, and wind turbines. Additionally, new biomass boilers installed at the Tequila CAZADORES® facility in Mexico and ABERFELDY® and ROYAL BRACKLA® Scotch whisky distilleries in Scotland reduced the amount of fuel needed for reliable, cleaner energy. Instead of oil, renewable organic material such as botanicals, wood pellets, wood chips, and agave fibers leftover from production was used as fuel for the biomass boilers. Green electricity – including hydro, solar, and wind – contracts in the United Kingdom, Italy, and Germany were also important tools to reduce the carbon footprint.

Water Usage
The 50% reduction of water use target by the end of December 2017 compared to the 2006 baseline was achieved. A combined effort by more than 25 manufacturing sites was fundamental to reach this milestone. From water reduction initiatives to water reuse, projects were implemented across operations to ensure better efficiency on the way each drop is used. (Note: a revision was made in 2016 from 55% to 50% to focus on the more environmentally effective “consumptive” water use reduction, which measures water that is not returned to the original water source.)

Waste
A target of achieving Zero Waste-to-Landfill from our manufacturing sites by 2022, was also set in 2014. As of the end of December 2017, 99.6% of the waste generated from Bacardi operations was diverted from landfills (only 0.4% sent to landfill), with one third of sites already achieving Zero Waste-to-Landfill status. Further initiatives focusing on reduction, reuse, and recycling are in place for the remaining sites to achieve this status by 2022.

Packaging
Despite efforts to reduce GHG through glass weight reduction, Bacardi was not able to achieve the 10% packaging weight reduction goal between 2008 and 2017. As of the end of December 2017, the reduction was at 4%. This missed target was mainly driven by two factors: new packaging design implications and a refocus to overall greenhouse gas impact (understanding the implications of the full chain from supplier to distributor) instead of only weight reduction. For example, Bacardi identified contributors to GHG beyond glass weight, including furnace efficiency and transportation logistics. This learning has been key in developing new goals that focus on supplier collaboration and glass weight reduction, including production efficiency, recycled content, weight, and transportation.
Bacardi was recently approved by the SBTi for our targets regarding our role in reducing GHG emissions. Specifically, the goal is: “Bacardi commits to reduce absolute Scope 1 & 2* GHG emissions 50% by 2025 from a 2015 base-year. Bacardi Limited also commits to reduce absolute value chain GHG emissions (scopes 1, 2 and 3*) 20% by 2025 from a 2015 base-year.”

Our environmental Good Spirited global goal, announced earlier this year, is our commitment to the protecting the planet and doing what we can to ensure a sustainable future for the world around us.

*Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Our focus will continue to be on:
- Sustainable water balance (water consumption vs water replenishment)
- Reduction on absolute GHG emissions
- Efficient use of resources and materials

Good Spirited global goal: Return to the environment at least as much as we take away

25% reduction of water consumed (focusing on water not returned to original source) at our operations*  
50% replenishment of water incorporated into final product*  
Reduce absolute Scope 1 & 2 GHG emissions 50% and reduce absolute value chain GHG emissions (scopes 1, 2 and 3) 20% (approved by the Science Based Targets initiative)*  
Zero Waste-to-Landfill at all manufacturing sites (previously set to achieve by 2022)  
Eliminate one billion single-use plastic straws in collaboration with others (by 2020)  
Analyze and develop single-use plastic reduction across operations and supply chain

*By 2025, as measured against a 2015 baseline (using earliest reliable data available)

To achieve these targets, we will work with partners to identify opportunities to protect watersheds and provide access to potable water in high-risk manufacturing site countries, work with our suppliers to reduce their GHG emissions and invest in renewable electricity and continue to focus on reuse and reduction of waste.

In addition, as announced in our partnership with Lonely Whale to eliminate 1 billion single-use plastic straws, we are analyzing and determining the presence of single-use plastic across our entire supply chain, including point of sale materials, and establishing a baseline and plan for the elimination of these items. When not possible to eliminate we will work towards changing to either biodegradable or recyclable plastic.
# Targets and Progress

## FY18 Environment Targets

| Implement specific action plans to reduce water consumption, with special focus at three of our main distilleries located in Puerto Rico (Cataño) and Scotland (Aberfeldy and MacDuff). Due to changes in our strategy, focusing more on consumption of water, versus overall usage, these action plans should put us on track to achieve a 50% reduction (vs. FY06) during the second half of this reporting period. We are still aiming to reach the original 55% reduction goal, but additional time is expected to get there. |
| Define new targets (short and long-term) for water use and GHG emissions, as part of our future sustainability strategy. The new scope will be expanded to go beyond our four walls, with additional focus on the upstream portion of our value chain. The target for water will use a context-based approach -- focusing on local watershed conditions. A science-based method will be used for setting a target for GHG reduction. |
| Continue with the implementation of required waste stream action plans, aiming to achieve less than 0.32% of total waste from production sites to landfill, towards our goal of Zero Waste-to-Landfill of all sites by 2022. |
| Work on our transition plan to the new ISO 9001-2015 and ISO 14001-2015 management system standards at all manufacturing sites, in order to comply with the three-year transition process, set by ISO to maintain our certification. Gap assessments to be completed and action plans in place to achieve full transition by September 2018. |

## FY18 Environment Progress

| At the end of FY18, we had a 50.4% reduction in overall water usage (vs. FY06). Water reduction initiatives and water reuse projects implemented at our main distilleries (Cataño, Aberfeldy and MacDuff) were key to helping the company achieve a 7.3% improvement, as measured by the efficiency index, versus FY17. |
| After achieving a 59% reduction on GHG intensity (vs. FY06), new targets have been developed for our operations and the overall supply chain. These new targets are focused on absolute reduction, following a science-based approach. For water, new long-term targets were developed focusing on local watershed conditions and consumptive water use, additional reduction at our operations, and adding the “replenish” dimension to continue our journey of achieving a Sustainable Water Balance. |
| By the end of FY18, only 0.4% of the total waste from production sites was sent to landfills. While we did not reach our original FY18 target, we believe we are still on track to achieve the 2022 target of Zero Waste-to-Landfill. |
| Gap assessments were completed and workstreams created to focus on the changes required to make the transition to the new ISO management system standards. Workstreams have completed the required tasks to allow the evolution of our management system, with new certification complete in July 2018. |
Scorecard
How we measure our performance

Bacardi measures performance in two ways: absolute totals and efficiency metrics. Absolute measures are straightforward – for example, total quantity of water used. Efficiency metrics normalize these absolute totals against an appropriate business output – for example, water used per unit of product manufactured.

Our targets are based on improvements in our performance against our efficiency index. Baseline year (FY06) figures, and those from previous reporting years, have been recalculated to reflect significant changes within the company (e.g. acquisitions, divestments, etc.). During FY18 we experienced some structural changes, including the consolidation of some manufacturing operations. Twenty-five wholly owned manufacturing sites were measured for this data. Recalculation was done in accordance with protocols established by the World Resources Institute and World Business Council for Sustainable Development, and Beverage Industry Environmental Roundtable (BIER) guidance documents. In addition, emission calculation for fuel and electricity are recalculated, based on the latest emission factors (e.g. International Energy Agency).

Absolute numbers in water use, waste, and energy increased from FY17. This is due to a few manufacturing sites producing more liquid, which resulted in our facilities operating for longer periods of time, producing more recyclable/reusable waste, and using more water for cooling (though the water was returned to the original source with no impact). While absolute numbers increased, we were able to utilize our assets more efficiently, resulting in the improvement in efficiency indexes.
Water

Water Use
Our total water used in FY18, measured by the efficiency index, was 7.3% better than FY17. This represents an overall improvement on our water use efficiency index of 50.4% vs. FY06.

Water Discharge
We manage used process water from our facilities in three ways:
1. Direct discharges of treated wastewater to local bodies of water following onsite treatment (73%)
2. Indirect discharges of treated wastewater to municipal treatment facilities (20%)
3. Beneficial land application, including irrigation and fertilizer to improve crop production (in countries where it is permitted) (7%)

Of the total water released by our production facilities, 1,077,341 cubic meters was discharged as wastewater and 82,270 cubic meters was applied to cropland as a fertilizer or for irrigation. The water that is applied to land for beneficial reuse is returned to the crops that provide our raw feedstock to make spirits in countries where regulatory authorities permit.

Water Used

<table>
<thead>
<tr>
<th>Water Use Efficiency Index (per unit of production) (Baseline FY06 100)</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Water Used (000 cubic meters)</td>
<td>54.6</td>
<td>53.6</td>
<td>53.5</td>
<td>49.6</td>
</tr>
</tbody>
</table>

Water Discharge by Volume

<table>
<thead>
<tr>
<th>Direct Discharge (m³)</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect Discharge (m³)</td>
<td>759,426</td>
<td>843,386</td>
</tr>
<tr>
<td>Beneficial Land Application (m³)</td>
<td>346,864</td>
<td>233,955</td>
</tr>
<tr>
<td>Total Volume Discharged (m³)</td>
<td>78,784</td>
<td>82,270</td>
</tr>
</tbody>
</table>

| Total Volume Discharged (m³) | 1,185,074 | 1,159,611 |

Changes in the production mix and manufacturing consolidations in FY18 affected water discharge in the same way as water use as noted earlier.

Water Supply

EN8: Total Water Withdrawal by Source (cubic meters)

<table>
<thead>
<tr>
<th>WATER SOURCE</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Supplies</td>
<td>781,837</td>
<td>875,139</td>
</tr>
<tr>
<td>Groundwater</td>
<td>559,184</td>
<td>597,334</td>
</tr>
<tr>
<td>Surface Water</td>
<td>1,629,961</td>
<td>1,819,573</td>
</tr>
<tr>
<td>Harvested</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,970,982</td>
<td>3,292,046</td>
</tr>
</tbody>
</table>

Water used includes non contact cooling water.
**Waste**

**Waste Management**

In **FY 18:**
- Only 0.4% of total waste was sent to landfill (from manufacturing sites)
- 11 manufacturing sites have achieved Zero Waste-to-Landfill status

---

**Energy**

**EN3: Energy Consumption within the Organization (TJ)**

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy fuel oil</td>
<td>468</td>
<td>229</td>
<td>153</td>
<td>191</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>421</td>
<td>439</td>
<td>390</td>
<td>431</td>
</tr>
<tr>
<td>Total fuel from non-renewable sources</td>
<td>889</td>
<td>668</td>
<td>543</td>
<td>622</td>
</tr>
<tr>
<td>Biogas</td>
<td>208</td>
<td>231</td>
<td>166</td>
<td>262</td>
</tr>
<tr>
<td>Biomass</td>
<td>64</td>
<td>216</td>
<td>193</td>
<td>279</td>
</tr>
<tr>
<td>Total fuel from renewable sources</td>
<td>272</td>
<td>447</td>
<td>359</td>
<td>541</td>
</tr>
<tr>
<td>Grid Electricity</td>
<td>212</td>
<td>235</td>
<td>203</td>
<td>200</td>
</tr>
<tr>
<td>Wind Electricity</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total Electricity</td>
<td>213</td>
<td>236</td>
<td>204</td>
<td>201</td>
</tr>
<tr>
<td>Total Energy Consumption within Bacardi</td>
<td>1,374</td>
<td>1,351</td>
<td>1,106</td>
<td>1,364</td>
</tr>
</tbody>
</table>

Wind power includes only that from dedicated contract suppliers. Grid electricity includes all forms of renewable and non-renewable energy on the national grids.

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**Renewable Energy**

In FY18, 44% of electricity was purchased through renewable contracts and 47% of fuel was from renewable sources.
Emissions

We surpassed our long-term target of reducing total GHG emissions intensity by 50% versus FY06 by the end of 2017, reaching 59%!

EN15: Direct GHG Emissions (Scope 1)
EN16: Indirect GHG Emissions (Scope 2) (Market-based)

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct GHG Emissions (Tonnes)</td>
<td>56,062</td>
<td>39,043</td>
<td>30,638</td>
<td>35,904</td>
</tr>
<tr>
<td>Indirect GHG Emissions (Tonnes) (Market-based)***</td>
<td>25,252</td>
<td>26,252</td>
<td>18,703</td>
<td>17,627</td>
</tr>
<tr>
<td>Production Process Emissions (Tonnes)*</td>
<td>500</td>
<td>500</td>
<td>560</td>
<td>620</td>
</tr>
<tr>
<td>Offices (&gt;25 people) Indirect Emissions (electricity)(Tonnes)*</td>
<td>5,600</td>
<td>5,600</td>
<td>5,600</td>
<td>5,600</td>
</tr>
<tr>
<td>TOTAL (Tonnes)</td>
<td>87,414</td>
<td>71,395</td>
<td>55,501</td>
<td>59,751</td>
</tr>
<tr>
<td>GHG Intensity Index (GHG Emissions per unit of production) (Baseline FY 06 100%)**</td>
<td>64.5</td>
<td>51.1</td>
<td>45.3</td>
<td>42.9</td>
</tr>
</tbody>
</table>

*Estimated figures. We are in the process of defining a more accurate way to track these emissions based on industry standards.
** Intensity index doesn’t include estimations for production emissions and offices
***Scope 2 emissions are calculated using market-based emission factors. Our FY18 total indirect location-based emissions were 26,872 tonnes.

EN221: NO\textsubscript{x}, SO\textsubscript{x} and Other Significant Air Emissions (Tons)

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>SO\textsubscript{x}</td>
<td>728</td>
<td>302</td>
<td>134</td>
<td>163</td>
</tr>
<tr>
<td>NO\textsubscript{x}</td>
<td>92</td>
<td>55</td>
<td>40</td>
<td>47</td>
</tr>
<tr>
<td>Particulates</td>
<td>13</td>
<td>6</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Total Air Emissions</td>
<td>833</td>
<td>362</td>
<td>178</td>
<td>215</td>
</tr>
</tbody>
</table>
Key Highlights

FY18 Good Spirited Environmental Sustainability Award Winners

• Our rum facility in Catano, Puerto Rico redesigned distillation columns, reconfigured the barrel conditioning process, and upped its steam recapturing process to significantly reduce water usage. The BACARDÍ® rum facility reuses 100% of its condensate within the distillery, which saves an incredible 35,000 gallons of water each day. Along the same lines, a new barrel conditioning process reduced spills and water waste, which produces a savings of 768,000 gallons of water per year. The plant also now recaptures 95% of the steam it generates during distillation (up from 60%) to produce clean energy, reducing the need for heavy oil consumption.

• Over a five-year period, the single malt distilleries of John Dewar & Sons Limited – ABERFELDY®, AULTMORE®, CRAIGELLACHIE®, MACDUFF®, ROYAL BRACKLA® – reduced overall water use by 16%. The efforts include automation of cooling water systems in still houses, reduction in water used in cleaning procedures, and the installation of additional water meters. These new methods help lessen water needs from local rivers, burns, and springs.

• The Tequila CAZADORES® facility in Arandas, Jalisco, Mexico, maintained its zero-waste-to-landfill status in FY18 as it continues to reuse and recycle all waste. In addition, the facility secured Procuradoria Federal Proteccion al Ambiente (PROFEPA) Clean Industry Status certification for its best-in-class legal compliance, safety, and environmental practices.

• The Bacardi team in Spain moved to a new office in Barcelona that reduces environmental impacts while addressing the health of employees. The new facility, designed with eco-conscious materials, offers employees a workspace that promotes well-being. In addition, each team member received their very own Fitbit® after the move to help increase health and activity awareness and the office launched an in-house app to educate and promote healthy eating habits and physical activities.

• During the 2017 Gin Day trade show, the Pessione, Italy team, which represented BOMBAY SAPPHIRE® at a booth, collected more than 50kg of discarded lemon halves from the trade show bars, distilled them, and used the extracted oils to make 90 jars of BOMBAY SAPPHIRE® Recycled Lemon Eco Soap to gift to area bars and increase environmental awareness.
• Building on the success of the 2016 launch of the Bacardi "No Straws" initiative, our Green Champions and customer partners were some of the biggest advocates in making the initiative come alive. HMS Host, the airport and travel dining concessions company, partnered with Bacardi to promote “No Straws” at 360 locations across the world. HMS Host locations serve the BACARDÍ® Wildberry Mojito and GREY GOOSE® Cucumber Mint Lemonade “strawless.”

**Patrón**

The newest brand to the Bacardi portfolio, Patrón tequila, has a firm commitment to environmental protection. At its Atotonilco, Mexico facility a unique state-of-the-art waste treatment process works through a reverse-osmosis technology to clean water and concentrate vinasses for feeding compost process. In addition, the plant supports ten fellow distilleries and farms by receiving their bagasse, and along with Patrón’s, they transform it into high quality compost used to enrich agave fields and community areas; more than 6,000 tons of compost produced a year. Patrón also is the first tequila distillery to use natural gas as source of energy, reducing GHG emissions into the atmosphere.
Responsible Sourcing at Bacardi Limited

Bacardi has embedded responsible sourcing into our business through our procurement strategy. We choose suppliers who commit to the highest standards for labor and human rights, health and safety, environmental protection, and business integrity.

We work with our suppliers to ensure these high standards are met and together we address the challenges faced within the supply chain, including ethical sourcing, compliance, advancing human rights and reducing environmental impacts.

Our Responsible Sourcing Standards apply to all suppliers providing goods and/or services to Bacardi – more than 3,000 in FY18. These standards, along with our Vendor Qualification Process (VQP), represent the minimum requirements for our supplier partners.

To trade with Bacardi, vendors must comply with the standards set out in these documents and ensure their suppliers and subcontractors do likewise. We require the agreement to and return of a satisfactorily completed and executed copy of these documents for each manufacturing facility used, including principal subcontractors (i.e. where main manufacturing is outsourced). Bacardi is committed to only selecting suppliers (vendors, agents, and manufacturers) that strive to conduct business in a professional and ethical manner.

In addition, we work within the Sedex platform (a nonprofit organization dedicated to improving ethical business practices in global supply chains) to manage our multi-tier responsible sourcing data. This includes checking our suppliers’ compliance to our standards, understanding challenges faced in achieving compliance, opportunities to work together to develop solutions and improve standards, and gives the supplier a platform to demonstrate responsible sourcing compliance to new customers.

Supplier Engagement Approach

1. Bacardi communicates Responsible Sourcing Standards to supplier.
2. Supplier joins Sedex and completes a self-assessment.
3. Bacardi engages with suppliers on completing a self-improvement action plan based on their self-assessment.
4. Suppliers on audit schedule are asked to commission a 3rd party audit.
5. Bacardi reviews progress on actions from self-improvement plan and audit and supplier shares progress.
6. Bacardi continuously reviews progress on overall Responsible Sourcing program with suppliers.

New suppliers assessed against Bacardi Responsible Sourcing Standards during Vendor Qualification Process.
Sugarcane-derived products are our most significant agricultural supply and we work with our suppliers and industry groups to ensure all suppliers achieve certification to the Bonsucro standard (a global multi-stakeholder nonprofit organization that promotes sustainable sugarcane production, processing and trade around the world, covering human rights and labor conditions, biodiversity, environmental, and economic viability of sugarcane producers). As of the end of 2017, 86.3% of our sugarcane-derived products used to make our BACARDÍ rums are sourced from Bonsucro-certified suppliers, well ahead of our original 2017 target of 40%.

At the end of FY18, 88.5% of our global direct spend was linked to Bacardi through Sedex, with more than 50% of those linked audited. 100% of our global point of sale suppliers are Sedex linked to Bacardi, with up-to-date audits. During FY18 we also worked with the Prosecco and Asti Consortiums, and Equalitas (a standard which focuses on the social, environmental and economic pillars of sustainability of the wine sector) to develop a plan to implement their standards for our grape suppliers.

Moving forward we will work to define and implement sustainable agriculture sourcing strategies, with credible third-party certification for additional crops, including our botanicals, agave, and wheat.

**Packaging**

We are also working with all our board and paper packaging suppliers to ensure they are sustainably certified. As of mid-2018, 90% of our corrugated packaging suppliers are Forest Stewardship Council (FSC)/ Programme for the Endorsement of Forest Certification (PEFC)/ Forestry Sustainable Initiative (FSI) certified. We are working with our individual box and label suppliers on action plans to achieve FSC certification, currently gathering baseline data suppliers. As of mid-2018, 52% of our individual box (board) and 66% of our label (paper) suppliers are certified.

As announced with the launch of the expanded Good Spirited initiative, our long-term global goal to continue to source our materials responsibly encompasses all our key raw materials, paper, and board. In addition, we will work with all new direct or point of sale suppliers to ensure they meet the highest of ethical standards for labor, human rights, and environment and economic issues. We will continue to ensure 100% of our global point of sale suppliers are linked to Bacardi through Sedex and that they have up-to-date audits that detail their compliance to minimum standards.

**Good Spirited global goal: Source our materials responsibly**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>of key raw materials sourced from sustainably-certified suppliers</td>
</tr>
<tr>
<td>100%</td>
<td>paper and board used for shipping and labels sustainably certified</td>
</tr>
<tr>
<td>100%</td>
<td>of product packaging to be recyclable</td>
</tr>
<tr>
<td>40%</td>
<td>recycled content of product packaging materials</td>
</tr>
</tbody>
</table>
Targets and Progress

<table>
<thead>
<tr>
<th>FY18 RESPONSIBLE SOURCING TARGETS</th>
<th>FY18 RESPONSIBLE SOURCING PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing target to ensure 100% of our suppliers assessed to our Vendor Qualification Process (VQP).</td>
<td>100% of suppliers are assessed to our VQP</td>
</tr>
<tr>
<td>95% of Global Direct spend and 100% of Global Point of Sale suppliers linked to Bacardi through Sedex. In addition, we will work with local teams to ensure local POS suppliers are using Sedex and completing SAQs</td>
<td>At the end of FY18, 88.5% of our Global Direct spend is linked to Bacardi through Sedex, with more than 50% of those linked audited. 100% of our Global Point of Sale suppliers are Sedex linked to Bacardi. We continue to have challenges in ensuring local POS suppliers are using Sedex and will work on an action plan on how to engage local teams to address these challenges moving forward.</td>
</tr>
</tbody>
</table>

Raw Material Action Plans:
• For grapes, work with Prosecco and Asti Consortiums to achieve highest level of standards with focus on environment, ethics, and economics; including for Asti a reduction of residual phito treatment (35%) and for white table wine a carbon footprint reduction (20%).
  • Action plan defined for Agave suppliers to be sustainably certified.
  • Botanicals action plan underway, our goal is for 60% of main botanicals sustainably certified by FY18, 100% by FY19.
  • Continue to build on wheat supplier improvement programs.
  • LEBLON® to achieve Bonsucro certification.

  • During FY18 we worked with the Prosecco and Asti Consortiums, and Equalitas (focuses on the social, environmental and economic pillars of sustainability of the wine sector) to develop a plan to implement their standards for our grape suppliers. In FY19 we will initiate a gap assessment and identify the next steps for the certification process. The Asti Consortium is still working towards their ongoing residual phito treatment and carbon footprint reduction targets, hoping to achieve in crop FY19.
  • In FY18, we worked with our Cazadores Agave suppliers to prepare for their Sedex linked audit. In addition, we are working with on-the-ground partners to assess certification options for Agave moving forward.
  • The botanicals action plan is defined, and we are on track to have ECOCERT certification (a certification organization for sustainable development) for 50% of our main botanicals in 2018 and 100% in 2019.
  • Our wheat supplier improvement program is ongoing, and we are working with our supplier on sustainable farming practices.
  • In FY18, we were able to achieve Bonsucro certification for LEBLON®

For sugarcane-derived products for rum, ensure VQP audits for new suppliers and work with them to achieve Bonsucro certification by end of CY17.

As of end of CY17, all new suppliers have completed VQP audits and 86.3% of our sugarcane-derived products for BACARDÍ rum are sourced from Bonsucro-certified suppliers.
# Targets and Progress

<table>
<thead>
<tr>
<th>FY18 RESPONSIBLE SOURCING TARGETS</th>
<th>FY18 RESPONSIBLE SOURCING PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Train all new strategic raw materials and packaging suppliers on Good Spirited program goals. Work with suppliers to achieve Forest Stewardship Council certification for labels and corrugated packaging.</strong></td>
<td>• While ongoing suppliers received training on our Good Spirited program over the last few years, all new strategic raw materials and packaging suppliers were trained on our Good Spirited programs and long-term goals during FY18.</td>
</tr>
<tr>
<td></td>
<td>• As of mid-2018, 90% of our corrugated packaging suppliers are Forest Stewardship Council (FSC)/Programme for the Endorsement of Forest Certification (PEFC)/Forestry Sustainable Initiative (FSI) certified.</td>
</tr>
<tr>
<td></td>
<td>• We are working with our individual box and label suppliers on action plans to achieve FSC certification. As of mid-2018, 52% of our individual boxes and 66% of our labels are sustainably certified.</td>
</tr>
</tbody>
</table>
Key Highlights

Supplier Engagement through Sedex
We ask our suppliers to join Sedex to share information with us, and any other customers, on their relevant standards; and to take a similar approach with their suppliers, as we recognize there are risks further along our supply chain.

Sedex is one of the largest collaborative platforms in the world for buyers, suppliers and auditors to store, share and report on information quickly and easily. Members can take advantage of standardized formats and reports while collaborating by sharing common information.

For buyers, Sedex makes it simpler to understand how supply chains are performing and identify and act on opportunities for improvement. For suppliers, Sedex makes it easy to share information with multiple buyers in an agreed format.

We request our suppliers to perform a Sedex Members Ethical Trade Audit (SMETA) for each of their facilities that deliver products to our manufacturing sites. SMETA is one of the most widely used ethical audit formats in the world and is a compilation of good practice in ethical audit technique. Using SMETA, a supplier can have one audit conducted and share it with multiple customers, rather than having a different audit conducted for each customer. SMETA methodology uses the Ethical Trading Initiative code and local law as the measurement tool.

It includes four modules:
- Health and safety
- Labor standards
- Environment
- Business ethics

Sedex Audit Management Service Process

Customer/Buyer communicates to Supplier Audit Requirements
Supplier schedules audit with chosen Audit Company
Audit is completed offline and report produced by Audit Company
Supplier sends request to auditor to upload report on to the Sedex System
Auditor uploads report with audit issues and this becomes visible to customers
**Meyrin-AIESEC Partnership**

Our botanicals team in Meyrin, Switzerland partnered with international nonprofit organization AIESEC (a platform for young people to explore and develop their leadership potential) to help a Ghana village in West Africa learn to farm Grains of Paradise responsibly and become sustainable for the long-term. The new plants are thriving, and the village is operating well with school and nutrition available. With the help of AIESEC, the village will be able to independently choose whether to organize as a cooperative or a direct supplier for BOMBAY SAPPHIRE® gin and now has the skills to farm additional botanicals and crops.
People at Bacardi Limited

As announced last year, we have chosen to internally phase out the word ‘employee’ for our people, instead calling each other ‘Primo,’ (Spanish for cousin, paying homage to our Cuban roots). As a family-owned company, we believe it carries with it the family spirit of Bacardi and reflects how connected we are to each other.

Since our creation in 1862, our business has been built with a sense of being Fearless, a Founders Mentality and with Family and heritage at its core. To unleash the power within our organization and help us realize our full potential, we want to reignite our culture by dialing up the distinctive aspects of Fearless, Founders and Family.

Moving forward, these three pillars of our culture will guide our long-term goals in our People pillar Corporate Responsibility strategy. In addition, we recognize the importance of, and align our standards to, the UN Global Compact, the UN Declaration for Human Rights, and Fundamental Conventions of the International Labor Organization (ILO). Our people, whether direct employees or as members of our supply chain, are our greatest asset and our Code of Conduct and Responsible Sourcing Standards exemplify this commitment.

In FY18, we launched our new Applicant Tracking System to increase our ability to tap into and select the right internal and external talent for Bacardi. We also held the second edition of our Bacardi Ready development program in India, ensuring we are empowering the future leaders of our emerging markets. Building on past successes of our Women in Leadership (WIL) initiative, we started the WIL mentoring program in Eastern Europe and expanded our support of S.H.E. Summit. As of FY18, 36% of management roles were held by women; encompassing 38% of our total workforce.
In addition, in FY18 we expanded Coaching to Win (a development program aimed at building fundamental coaching skills for Bacardi leaders to unlock the performance and potential of their teams) with multiple workshops reaching 300 employees globally. Eight new coaches participated in the International Coach Federation certification program with each supporting the deployment of Leadership Insights (a series of intensive diagnostic and coaching experiences at different leadership levels). Pro-bono coaching hours for the new coaches were committed to supporting one of the projects of our NextGen development program.

Our newly launched Good Spirited global goals include one specifically about taking care of and supporting our people. In our hiring strategy, we also recognize the importance of globally reflecting the diversity of our operations among our employees.
The targets under this goal include references to our culture pillars: *Fearless, Founders, and Family.*

**Fearless**

We help our employees connect with their own values and purpose; empowering them to grow, perform and bring their authentic selves to work every day.

- 90% of employees will have participated in Bacardi’s innovative training and development programs.

**Founders**

We all play a role in making Bacardi ‘the place we want to be’ and we’ve earned the right to be recognized externally for the way we engage our employees.

- Engagement Index (a global HR measure that companies use to assess four key elements of employee engagement: satisfaction, pride, retention, and advocacy) increases to best-in-class level 80% as measured through our biennial employee survey.

**Family**

We treat each other, and our communities, like family… always. We respond as a global family and take into account local uniqueness. And like a family, everyone is appreciated because of their differences.

- Support equal opportunity and leadership for women at all levels by having at least 45% female workforce and an increase in women in leadership positions.
## Targets and Progress

### FY18 PEOPLE TARGETS

<table>
<thead>
<tr>
<th>Target</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Globally embed Becoming Bacardi Mobile Application across all countries.</td>
<td>95% of new hires complete the four elements of Becoming Bacardi in all countries in the first 90 days (Mixology, Development Plans, Buddy, and Becoming Bacardi App).</td>
</tr>
<tr>
<td>Pilot Applicant Tracking System to increase our ability to tap into and select internal and external talent for Bacardi.</td>
<td>Pilot Next Move solution (a proactive internal head-hunting program to explore career interests of employees after more than two years in current position).</td>
</tr>
<tr>
<td>Maintain current Women in Leadership (WIL) ratios and expand external presence through S.H.E. Summit to Asia and Latin America.</td>
<td>Launch of Women in Leadership mentoring program in Eastern Europe and Northern Europe.</td>
</tr>
<tr>
<td>10% of employees involved in Action Teams, as a follow-up to the Primos Engagement Survey, in line with FY15 participation.</td>
<td>Pulse Surveys deployed on a regional basis.</td>
</tr>
<tr>
<td>Continue to expand Coaching to Win (a development program aimed at building fundamental coaching skills for Bacardi leaders to unlock the performance and potential of their teams) through two workshops per region or function.</td>
<td>In addition, we will certify 13 internal talents with the International Coach Federation (coaching certification body) to ensure high quality delivery. Build internal expertise extending Leadership Insights (a series of intensive diagnostic and coaching experiences at different leadership levels) across the organization. Roll out Bacardi Ready in India. Pilot Volemos (a joint graduate development program for Bacardi and its North American distributor) and kick off second Rising Stars program.</td>
</tr>
</tbody>
</table>

### FY18 PEOPLE PROGRESS

<table>
<thead>
<tr>
<th>Progress</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>This target was not achieved as we ran into challenges in use and monitoring. The Becoming Bacardi Mobile Application is available across all countries; however, we are still under 95% completion for new hires.</td>
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</tr>
<tr>
<td>The new Applicant Tracking System was launched with 64,647 unique candidates in 32 countries posting 549 available roles. The Next Move launch was delayed but will be integrated into talent and succession activities, including tailored job alerts available by country and function, in FY19.</td>
<td>In FY18, 36% of management positions were held by women; 25% of executive positions; and 38% of all positions across the organization. In addition, WIL established a global governance and support structure to ensure successful expansion of activities across all our markets. The expansion of the S.H.E. Summit is in progress, as well as the Women's Empowerment Series. The WIL mentoring program in Eastern Europe resulted in 67% of participating women being promoted to new roles within the company.</td>
</tr>
<tr>
<td>There were 65 Action Teams in FY18, representing 8.2% of employees globally. Pulse surveys have been deployed in multiple regions as a follow-up to the Primos Engagement Survey.</td>
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</tr>
<tr>
<td>We expanded Coaching to Win with multiple workshops reaching 300 Primos globally. Eight new coaches participated in the International Coach Federation certification program with each supporting the deployment of Leadership Insights. Pro-bono coaching hours for the new coaches were committed to supporting the NextGen “Shake Your Future” students in Paris. Bacardi Ready was successfully delivered to 25 employees in India. Volemos deployed in North America and Rising Stars (a strategic talent development program focused on new and innovative ideas) relaunched, democratized, and rebranded as the NextGen program.</td>
<td>We expanded Coaching to Win with multiple workshops reaching 300 Primos globally. Eight new coaches participated in the International Coach Federation certification program with each supporting the deployment of Leadership Insights. Pro-bono coaching hours for the new coaches were committed to supporting the NextGen “Shake Your Future” students in Paris. Bacardi Ready was successfully delivered to 25 employees in India. Volemos deployed in North America and Rising Stars (a strategic talent development program focused on new and innovative ideas) relaunched, democratized, and rebranded as the NextGen program.</td>
</tr>
</tbody>
</table>
Key Highlights

**WIL Spirit Forward**
The Bacardi Women in Leadership (WIL) Spirit Forward program is a five-city summit that spans the United States and aims to empower women in the spirits and hospitality industry through inspiring keynotes and invaluable panelist discussions. More than 500 professional women and men in Houston, Miami, San Francisco, Chicago, and New York gathered to share personal stories and work together to tackle gender parity as well as address tough topics ranging from sexual harassment to breaking stigmas in the workplace. The one-day conference featured personal and professional educational seminars, a self-defense workshop, energizing Q&A panels, and a networking happy hour.

In addition to educating, WIL partnered with Speed Rack (a national cocktail competition featuring top female bartenders in key cocktail markets) and PUNCH (an independent, online magazine) to celebrate the accomplishments of female industry leaders. Part of the proceeds from the Spirit Forward events went to Dress for Success, a nonprofit charity dedicated to helping those less fortunate find success in the workplace. There are plans to hold another tour in additional cities in FY19.

**Bacardi Ready India**
In October 2017, 26 employees from India, South East Asia, and the Middle East came together in India for the second running of the Bacardi Ready development program. Bacardi Ready is a fully immersive development experience that challenges and develops the knowledge, skills and behaviors of future emerging market leaders. The program is very experiential in nature covering the full spectrum of topics from commercial and finance, to leadership and culture, to cocktail-making and brand immersion. Throughout the 7-day experience the future leaders had the opportunity to put into practice their new knowledge and skills and each evening attended events celebrating our great brands. To ensure that the learning gets applied in the business, Bacardi Ready went a step further and established 30-60-90 days follow up sessions in Commercial, Customer Marketing, and People domains. This was a win-win as it helped us measure the impact of the program and helped the participants refresh their knowledge and clarify any operational questions they may have about the newly acquired skills.
**Great Place to Work**
Bacardi works every day to make sure coming to work for the company is a great experience for all our employees. In FY18, Bacardi in the U.S. was certified a Great Place to Work®. More than 320 employees filled out anonymous surveys with 91% saying their workplace is great. In addition, these Bacardi employees said:

97%  People celebrate special events around here
96%  I’m proud to tell others I work here
95%  This is a fun place to work
93%  Our facilities contribute to a good working environment
92%  People care about each other here

**NextGen - Shake Your Future**
During FY18, the Bacardi Rising Stars (now called NextGen) development program transitioned from a millennials-only learning opportunity to an idea generation lab open to all Bacardi employee-entrepreneurs aimed to drive change and continuously redesign their thinking. The new NextGen program will focus on inspiring Bacardi employees to grow and develop, instill the Founder’s Mentality, and help win the next generation of consumers.

“Shake Your Future” was a pilot initiative that grew from the NexGen program. It was designed to train unemployed young adults (legal drinking age to 30 years old) as best-in-class bartenders by providing tools for long-term employment. The pilot program took place in the French suburb Saint Ouen, where the Bacardi office is located. Ten students were selected to follow a four-week bartender course from the European Bartender School in Paris, including learning about responsible drinking and resources available, followed by a four-week internship at one of Bacardi’s partner outlets. To ensure the students learned as much as possible, the program concluded with a two-week advanced course at the European Bartender School in Barcelona. During the program each student was also provided with a trained coach (as part of our Coaching to Win program) to help develop the skills needed to ensure employment success. After evaluating the results of the pilot program, the Bacardi team will look to expand Shake Your Future into additional markets.
People Scorecard

Please note this data is for Fiscal Year 2018, before the completion of the Patrón acquisition.

**G4-10**

Total number of permanent employees by employment contract, employment type, region & gender.

At the end of FY18, our total workforce was 5,801, comprising 5,470 employees and 331 supervised workers.

### Total Workforce

- **Employees**: 5,470
- **Supervised Workers**: 331

### Employees by Type of Employment Contract

- **Full Time**: 4,978
- **Part Time**: 103

### Permanent Employees by Employment Type

- **Permanent**: 5081
- **Temporary**: 389

### Workforce by Region

- **North America**: 64
- **Europe**: 882
- **Middle East and Africa**: 890
- **Latin America**: 621
- **Asia Pacific**: 3,013

Please note this data is for Fiscal Year 2018, before the completion of the Patrón acquisition.
**G4-LA1**

Total number and rates of new employee hires and employee turnover by age group, gender and region.

In FY18 806 external new employees joined the business, representing a hire rate of 15%. In FY18 872 employees left the company, representing a turnover rate of 16%. 496 promotions, 301 lateral moves (for a combined promotion/mover rate of 15%).
**PEOPLE**

**G4-11**
Percentage of total employees covered by collective bargaining agreements.

In FY18, 39% of employees were covered by collective bargaining agreements.

*Employees Covered by Collective Bargaining Agreements:*
- Covered
- Not Covered

**G4-LA12**
Composition of governance and ethics bodies and breakdown of employees per employee category according to gender and age group.

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![Chart showing composition of governance and ethics bodies and breakdown of employees per employee category according to gender and age group.](chart.png)

**Total Board Members**
- Male: 13
- Female: 2

**Total Employees**
- Male: 3,377
- Female: 2,093

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![Chart showing employees covered by collective bargaining agreements.](chart2.png)

**Employees Covered by Collective Bargaining Agreements**
- Covered: 3,349
- Not Covered: 2,121

---

**Percentage of total employees covered by collective bargaining agreements.**

In FY18, 39% of employees were covered by collective bargaining agreements.
Safety

We have a responsibility to keep our people safe at work and our vision is an accident-free Bacardi. At our manufacturing sites and offices, the safety of our people always comes first. In FY18 we held 12 Safety Days at manufacturing sites around the world, with more than 1,400 employees engaged in learning and sharing best practices in our safety culture.

Each year we work towards our global goal of less than one Lost Time Accident (LTA) per 1,000,000 worked hours (by 2023). While we have made excellent progress over the last few years, we ran into challenges in FY18. Out of 23 manufacturing sites operating at end of FY18, 11 were accident-free for more than one year.

This accomplishment can be attributed to one of our core safety behaviors - taking care of your coworkers. It is up to each employee to look out for each other and be more involved in pointing out hazards in the working environment; everyone is responsible for engaging in an accident-free work environment. In FY19 we will focus on reassessing our safety fundamentals to ensure full compliance at all our operations sites and on supporting our most recently acquired sites in their safety culture journey.

Note: FY15 & FY16 worked hours have been restated for one site which resulted in a slight increase on TRIR for these two years compared to previous report.

<table>
<thead>
<tr>
<th>Year</th>
<th>LTA rate</th>
<th>Manufacturing</th>
<th>Non-Manufacturing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>1.1</td>
<td>8</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>FY16</td>
<td>1.5</td>
<td>10</td>
<td>9</td>
<td>19</td>
</tr>
<tr>
<td>FY17</td>
<td>1.2</td>
<td>9</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>FY18</td>
<td>2.0</td>
<td>17</td>
<td>7</td>
<td>24</td>
</tr>
</tbody>
</table>
# Targets and Progress

## FY18 SAFETY TARGETS

| B-Safe Observations* rate by 30% vs FY17. While we started to report this rate globally in FY16, we believe our FY17 target was most likely set too low with activities expanding. Our FY18 target is reasonably ambitious as B-Safe Observations reinforce safe behaviors and correct unsafe behaviors through feedback. This is one of the key elements of our safety culture and is contributing to the improvement of our safety performance. This target will be supported by the training of 100% of our employees in all our manufacturing sites in conducting B-Safe Observations. |
| Overall LTA rate of less than 1 per million of worked hours by 2023 |
| Safety First program** – achieving all Silver standards by FY18 in all plants |

## FY18 SAFETY PROGRESS

| B-Safe Observations rate was improved by 57% vs FY17. This rate was achieved by getting 100% of our employees trained as B-Safe Observers in all our manufacturing sites. |
| Overall LTA rate was 2.0 per million of worked hours. Unfortunately, we ran into challenges at our manufacturing sites and had a 3.8 LTA rate (with 17 LTAs) against a target of 1.6. We are launching additional supporting programs to reach our overall safety goal of having less than 1 LTA per million worked hours by FY23. |
| Silver level was achieved in all active Bacardi plants, with new locations achieving Bronze level. |

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* B-Safe Observations are behavioral based safety observations and feedback, based on best practice Behavioral Based Safety programs, to positively reinforce safe behaviors at work, started at Bacardi in 2009. All employees at our manufacturing sites can conduct B-safe Observations as long as they receive the proper training.

**Safety First is our Bacardi-created program to raise our safety culture, designed with four levels: Foundation (Bacardi mandatory minimum standards), Bronze (safety practices right above mandatory), Silver (advanced safety practices), and Gold (‘best practice’ safety practices according to top external benchmarks).
Philanthropy & Community Investment at Bacardi Limited

Philanthropy & Community Investment has been a core foundation since the beginning of Bacardi. The company and the Bacardi family provided local disaster relief assistance, built a new city library, and supported charitable organizations from its inception in 1862 through today.

Bacardi continues to be committed to the communities in which we live and work. We encourage employees to volunteer their time in programs and activities to support local organizations and we support the many worthwhile charities in our towns working to better our communities. Despite being rated as a relatively lower priority on our materiality matrix, engaging our employees in supporting local communities remains an important part of our overall Corporate Responsibility approach as it benefits our communities and organization.

Our annual Corporate Responsibility Month initiative encourages all Bacardi operations to hold events important to their communities. We support local community initiatives across a range of activities in four broad areas:

- Arts & Culture
- Education
- Environment
- Health & Social Services

Part of measuring our community investment is assessing the effect our charitable donations, both cash and in-kind, have on the organizations and communities we support. While we have continually updated our reporting system since its launch last fiscal year to make it more user-friendly, we will begin training our global employees on the process to ensure accurate tracking in FY19. Bacardi in the United States, with our North America headquarters located in Coral Gables, Florida, takes our commitment to our South Florida community very seriously. In FY18, Bacardi in U.S. alone provided $300,000 in cash grants to local charitable organizations and more than $350,000 in in-kind donations.
At our headquarters in Bermuda, we understand the importance of sharing our resources to ensure that we have a stronger, more vibrant local community that improves the quality of life for our employees, customers, and the public. We believe that Bacardi, and its employees, benefit through a greater connection with Bermuda’s worthy charities, and a sense of fulfillment in the community where we live and work. In FY18, philanthropic support in excess of $370,000 was made to Bermuda organizations that enrich the community, including:

- Bermuda Hospital Charitable Trust
- Bermuda National Gallery
- The Bermuda National Trust
- National Museum of Bermuda
- The Bermuda Festival of Performing Arts

Some of our offices and employees were impacted by natural disasters in FY18, including Hurricane Maria, which hit our Puerto Rico distillery in September 2017. While we were very lucky to have minimal damage to our facility and only a 10-day delay in production of our BACARDÍ rums, our people and our community were significantly affected. In addition to our community relief efforts and providing more than $3 million in charitable gifts to organizations helping with rebuilding efforts, our employees and partners from around the world contributed to an online fundraising campaign. All the money raised went to employees directly affected to help get their lives back on track.
Building on these efforts, in FY18 Bacardi announced the creation of the Bacardi Disaster Relief Fund to support employees affected by future disasters and a new volunteer opportunity, called My InSpirit Day, for employees to take an additional workday to give back to a cause that has personal meaning for them.

**Good Spirited global goal: Take care of our communities**

- **95%** of Bacardi offices and manufacturing sites participate in at least one Corporate Responsibility employee engagement activity in partnership with local organizations
- **90%** of employees to volunteer for one work day to a personal cause or organization
## Targets and Progress

<table>
<thead>
<tr>
<th>FY18 PCI TARGETS</th>
<th>FY18 PCI PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roll out Charitable Donations policy globally through trainings, webinars, and other internal communications tools to all employees.</td>
<td>The new global Charitable Donations policy was rolled out through internal communications, though full training will not happen until FY19, as some internal finance systems need to be updated to better track accounting for monetary and in-kind donations.</td>
</tr>
<tr>
<td>80% of CR Ambassadors to record employee engagement in CR Month activities.</td>
<td>48% of CR Ambassadors submitted a CR Month activity in our CR Database.</td>
</tr>
<tr>
<td>95% of the 40 countries where Bacardi has employees to participate in a CR Month activity.</td>
<td>73% of the countries where Bacardi has employees recorded participation in a CR Month activity.</td>
</tr>
<tr>
<td>Update financial systems to track all Bacardi philanthropic giving.</td>
<td>This process has started, including an in-depth internal audit to identify the gaps and recommend best practice and next steps. The roll-out of updating the financial systems will be complete in FY19.</td>
</tr>
</tbody>
</table>
Key Highlights

*Spirit for Life, Caring Together*

Corporate Responsibility (CR) Month took place from May - June 2017. This annual corporate event is held across Bacardi sites and offices and is an opportunity for personnel to support projects in their local communities that are relevant to them. The company gives at least one day to work on an activity together. CR Ambassadors in each region are provided with a toolkit that includes examples and ideas for encouraging local staff to take part in CR Month. Local sites have the freedom, within the CR Month guidelines, to choose projects relevant to their staff and communities.

In FY18, 27%* of Bacardi employees participated in a CR Month activity in 29 countries. Thirty-eight Bacardi offices and manufacturing sites reported holding at least one activity, with a total of more than 12,000 volunteer hours.

Some examples of CR Month activities include:

- Cleaning/landscaping/planting trees at parks, river banks, stone quarry, playgrounds, beaches, office sites
- Cleaning animal sanctuaries, working with therapy animals
- Food, clothing, school supplies, household items collection and donation to local charities
- Organizing food bank pantries, cooking for the less fortunate
- Blood drives
- Fundraising for local charitable organizations
- Responsible drinking programs
- Building homes

Our newest Patrón employees are also committed to supporting their community. Thanks to Patrón's support over the last year, more than 1,100 families from Atotonilco (where the tequila facility is located) received basic food supplies every two weeks. In addition, their volunteer group supported various activities throughout the year, including donations to local group homes, tree reforestation, painting and refurbishing local NGO centers, serving meals to needy families, and spending time with seniors at their residence facilities.

*While 27% is a low number and we hope to grow engagement moving forward, we benchmarked our data against the London Benchmarking Group's yearly report and it is above average for employee volunteer percentages across their member companies.*
Disaster Relief
Immediately following Hurricane Maria’s landfall, Bacardi Limited and the Bacardi family committed more than $3 million for disaster relief and recovery efforts in the impacted areas with more than $2 million being dedicated to Puerto Rico. Major grants have been provided to help Puerto Rico recover and rebuild. This includes a $1 million grant to Mercy Corps to support tourism recovery through trainings and grants to small and medium enterprises, natural area rehabilitation and an outreach campaign; and $300,000 to Unidos por Puerto Rico for organizations working on social services, food and water distribution, and health and housing for Puerto Rico citizens.

Through an island-wide outreach campaign in FY19, Bacardi and Mercy Corps will promote that businesses and natural areas are ready to welcome tourists, with the goal of driving tourism and commerce.

Our Bacardi staff ran and managed two Emergency Stop & Go community relief centers, one in Toa Baja (very near Cataño where the distillery is located) and one in San Juan. The Bacardi-supported Emergency Stop & Go community relief centers provided hot meals, water, cell phone charging stations, medical services, access to government agencies, and activities for families at each center. We also activated 12 mobile relief caravans to deliver food, water, and medical services to 12 of the hardest hit areas across the island. This initiative was called Bacardi Contigo.

BACARDÍ rum committed $1.3 million to the TIDAL X: Brooklyn benefit concert in NYC, which took place on October 17 at the Barclays Center in New York and raised $3.7 million. From Bacardi’s sponsorship, $717,000 was directed to the Global Giving Foundation, which provided charitable donations to disaster relief efforts in Puerto Rico, Mexico, Houston, Florida and the Caribbean.

In addition to our Puerto Rico relief efforts, Bacardi donated $50,000 to organizations in Mexico who provided emergency disaster relief to communities hit by the earthquakes. Bacardi in the U.S. was proud to donate $50,000 and match an additional $10,000 to Southern Glazers Wine & Spirits Employee Relief Fund, set up after the devastation of Hurricane Harvey in Houston, Texas. This money went to support employees who lost homes due to the floods.
Repairing/Rehabilitating Hand Pumps in Nigeria
Access to safe water and sanitation is a major challenge in Nigeria. Working in partnership with the Tulsi Chanrai Foundation, the Bacardi Middle East and Africa team were able to repair and/or rehabilitate more than 60 handpumps in Kebbi State and train private local area mechanics and WASHCOMs (Water and Sanitation Hygiene Committee) to ensure upkeep of the handpumps and safe hygiene practices. It was also important to provide the training to empower the community to take responsibility for their safe drinking water facilities. Now, more than 17,000 residents have access to safe drinking water.
About this Report

This is the 11th annual Corporate Responsibility report produced by family-owned 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.

Reporting Content
This report relates to fiscal year 2018 (April 1, 2017 to March 31, 2018). For comprehensive information regarding Corporate Responsibility at Bacardi Limited, please visit our website www.BacardiLimited.com/corporate-responsibility. This report contains standard disclosures from the GRI (G4) Sustainability Reporting Guidelines.

Data
There have been no significant changes in the scope or boundaries of the data we are reporting this year.

Data presented in the People and Philanthropy & Community Investment sections, as well as Safety data from the People section, cover our offices and our directly-owned and managed production facilities.

Data on indirect GHG emissions cover our directly-owned and managed production facilities and large offices with 25 people or more. All other environmental data cover our directly-owned and managed production facilities.

Performance data from our suppliers, outsourced bottlers, and co-packers are not included.

Any restatements of data are noted in the relevant sections of this report. Data has been compiled following the GRI indicator protocols. Data measurement techniques and assumptions are cited in the relevant sections of the report. The WRI/WBCSD Greenhouse Gas Protocol was used to compile our GHG emissions data.

Boundary
Bacardi Limited refers to the Bacardi group of companies, including Bacardi International Limited. Any reference to “Bacardi” as a company in this report refers to Bacardi Limited, one of its subsidiaries or a group of Bacardi companies. For more information on Bacardi Limited’s corporate structure, brand portfolio, and location of operations please visit www.BacardiLimited.com.

Request for Feedback
We would like to hear from our stakeholders on our 2018 Corporate Responsibility report. Please email us at CorporateResponsibility@Bacardi.com.

Thank you.