



BACARDI LIMITED

GOOD SPIRITED

2019 CORPORATE RESPONSIBILITY REPORT

MARKETPLACE

PEOPLE

ENVIRONMENT

RESPONSIBLE SOURCING

PHILANTHROPY AND COMMUNITY INVESTMENT

ONE DRINK AT A TIME

DO THE RIGHT THING

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About this Report

A welcome from our Chairman and our Chief Executive Officer

Since our founding in 1862, Bacardi has built a legacy of doing business the right and responsible way. And when launching our new BEST10 corporate strategy in 2019, we set a goal to make the next 10 years the best years at Bacardi.

We believe that objective would be impossible without corporate responsibility. That's why one of the five key foundations to successfully deliver upon our strategy was designated, "Do the Right Thing." What is the right thing to do? That's a question kept at the core of every decision we make.

At Bacardi, being corporately responsible in every aspect of our business is being Good Spirited. Thus, we are proud to share more of what that means in this Good Spirited Corporate Responsibility Report for Fiscal Year 2019 (April 1, 2018 - March 31, 2019). It highlights our efforts around the globe to drive progress on our five Good Spirited global goals:

1. Reduce the harmful use of alcohol
2. Care for and support our people, and reflect the diversity of our global operations
3. Return to the environment at least as much as we take away
4. Source our materials responsibly
5. Take care of our communities

Behind these efforts are our cultural pillars and backbone of Bacardi: The ability to be **Fearless** and empowered to challenge the norm and innovate; as a **Family** company, we will take care of each other and our communities; and our employees tackling every day with a **Founder's Mentality**, always doing what is right and taking accountability to ensure the sustainability of our organization.

As a family-owned company with 157 years under our belt, we don't just think about the present day. We think about what we have contributed to the past, the long-term impact of what we are doing today, and the legacy we will leave for future generations. We are pleased to share these results and look forward to continuing the progress for the next 10 years and beyond.



Facundo L. Bacardi
Chairman

Mahesh Madhavan
CEO

Corporate Responsibility at Bacardi

“Celebrating moments that matter, one drink at a time.”

Our Purpose

Doing the right thing has been core to Bacardi since its foundation more than 150 years ago in Cuba as a single rum brand. Today, family-owned Bacardi is the world’s largest privately held spirits company in the world with a portfolio of premium brands that includes BACARDÍ® rum, GREY GOOSE® vodka, PATRÓN® tequila, DEWAR’S® Blended Scotch whisky, BOMBAY SAPPHIRE® gin, and MARTINI® vermouth and sparkling wines. While our business has grown, who we are and what we stand for remains the same after seven generations.

Since its early days in Santiago de Cuba, Bacardi has been committed to giving back to communities, marketing responsibly, operating sustainably, taking care of our people, and doing the right thing. From establishing schools and libraries to building orphanages and hospitals and to even opening the first museum in Cuba, the Bacardi family has set a precedent of giving back. Since then, there have been many examples of corporate responsibility efforts, including an awareness campaign against excessive



alcohol consumption in the 1930s in Mexico with the wording (in Spanish), “Bacardi wants to sell, but it does not want the money you should use to buy bread.” In the 1970s, Bacardi developed the advertising campaign, “Bacardi mixes with everything. Except driving.”

Doing the right thing drives everything that we do, and we’re proud to set the bar high in developing an integrated and values-driven corporate responsibility platform we call Good Spirited. Our efforts are embedded across our business, starting with the very foundation of the company strategy and reaching the very top through the company’s purpose statement. The company strategy - BEST10 - was launched in March of 2019 and promises to deliver the next best 10 years at Bacardi. In BEST10, Bacardi designated “Do the Right Thing” as one of the five foundations of the strategy. It also established, “Celebrate moments that matter, one drink at a time” as the Bacardi purpose statement. With a strong foundation and clear purpose, corporate responsibility touches all facets of the business and is part of the role of all Bacardi people.



Our Good Spirited Global Goals

As one of the largest producers of distilled spirits in the world selling in more than 170 countries, operating more than 20 production facilities in 12 countries, and employing more than 6,000 people, who are referred to as Primos (the Spanish word for cousin), we take our responsibility seriously. From the ways we target our marketing only to adults who choose to drink, to how we source our ingredients and the quality of materials used to make our premium products, to our commitment to support and care for our employees and the communities in which we live and work, Bacardi is committed to doing the right thing. That's why we have a total of five Good Spirited Global Goals that guide our efforts across the company:

The Bacardi Good Spirited Global Goals start with our responsibility in the marketplace. As a beverage alcohol producer, we know some people can misuse our products in a harmful way, and we want to do our part to reduce the misuse. Our commitment to responsible drinking can be found in the purpose statement of our company, "Celebrate moments that matter, one drink at a time." Encouraging responsible drinking, reducing the harmful use of alcohol, and preventing underage drinking are commitments that start from the top.

Our aim is to deliver Corporate Responsibility programs that make a difference and are responsive to stakeholder expectations. We work together with other stakeholders across the industry to maximize our impact and ensure our efforts are aligned with changes and developments in the marketplace and beyond. We are active members of the organizations such as the International Association for Responsible Drinking and the Foundation for Alcohol Responsibility, and why we aligned our Good Spirited Global Goals with the United Nations Sustainable Development Goals (see page 7).

GOOD SPIRITED GLOBAL GOALS



MARKETPLACE

Reduce the harmful use of alcohol



PEOPLE

Care for and support our people, and reflect the diversity of our global operations



ENVIRONMENT

Return to the environment at least as much as we take away



RESPONSIBLE SOURCING

Source our materials responsibly



PHILANTHROPY AND COMMUNITY INVESTMENT

Take care of our communities

Throughout this report for fiscal year 2019 (FY19), you'll find highlights of our commitment to corporate responsibility, such as:

- Bacardi celebrated being named once again among the most reputable companies in the world, as part of the annual Global RepTrak® 100 list compiled by the Reputation Institute (RI) and published in Forbes. Ranked at #87, Bacardi climbed two spots and has made the annual global list seven consecutive times.



- Bacardi is committed to marketing our products responsibly to adults who choose to drink, including on digital channels. In this rapidly changing field, CEOs of signatory companies, including Bacardi, committed to standards which include five safeguards to prevent minors from seeing alcohol marketing online. Bacardi brand marketing teams worked hard to implement the safeguards, and Bacardi achieved 79% compliance in the markets audited by a third party and aims to achieve 100% by 2020.

- We call Bacardi employees Primos, the Spanish word for cousin. As a family-owned company, the term carries with it the family spirit of Bacardi and reflects how connected we are to each other. We measure our performance on how well we take care of each other through our Primo Engagement Survey. In 2019, 92% of Primos shared their feedback and the results were best-in-class. 85% of our people would recommend Bacardi as a great place to work (an increase of 21% since 2017) and 89% feel proud to work for Bacardi.

- Bacardi aims to be an industry leader in environmental performance, and we continued to make progress on our bold goals in 2019. With our Zero Waste to Landfill goal, we achieved 99.6% of waste diversion. We reduced our greenhouse gas emissions from our operations by 20% and our water consumption by almost 10%. Overall, we were able to utilize our assets more efficiently even with increases in production.

- Back in 2013, we set an initial target of sourcing from 100% sustainable sources for our sugarcane-derived products used in our BACARDÍ premium rums by FY23. By the end of FY19, we have already achieved 98.4% sustainable suppliers through working with Bonsucro and aim to reach 100% by the of FY20.

- Bacardi is supporting the long-term recovery and resilience of Puerto Rico after Hurricane Maria devastated the area in the 2017. In FY19, Bacardi and our partner Mercy Corps, a global humanitarian and development organization, provided financial grants, business training, and marketing support to 128 businesses and their employees in Puerto Rico. By supporting local businesses, the storm-affected communities get the economic support they urgently need.

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.

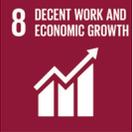
For information on Bacardi CR governance, stakeholders and materiality, and our Impacts, please visit the "Corporate Responsibility" section on www.BacardiLimited.com.



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 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.

GOAL	LONG-TERM TARGETS	ALIGNED SDGS
Support the global strategy to reduce the harmful use of alcohol	<ul style="list-style-type: none"> • 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 core 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 	
Care for and support our people, and reflect the diversity of our global operations.	<ul style="list-style-type: none"> • 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 	 

GOAL	LONG TERM TARGETS	
Return to the environment at least as much as we take away	<ul style="list-style-type: none"> • 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 end of 2020) • Analyze and develop single-use plastic reduction initiatives across operations and supply chain 	    
Source our materials responsibly	<ul style="list-style-type: none"> • 100% of key raw materials sourced from sustainably-certified suppliers • 100% paper and board used for shipping and labels sustainably-certified • 100% of product packaging to be recyclable • 40% recycled content of product packaging materials 	  
Take care of our communities	<ul style="list-style-type: none"> • 95% of Bacardi offices and manufacturing sites participate in at least one CR activity annually in partnership with local organizations • 90% of employees volunteer one work day to a personal cause or organization (My InSpirit Day) 	

*As compared to 2015 baseline (using earliest operations and supply chain data available).

United Nations Global Compact Principles

UNGC PRINCIPLE

BACARDI CR STRATEGY

Human Rights (Principles 1 & 2)

Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses..

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 comply 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.

Labor (Principles 3, 4, 5 & 6)

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 labor; the effective abolition of child labor; 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)

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 adheres to the precautionary principle. We aim to drive continuous improvement in our facilities' performance through a management systems approach.

Our 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)

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.

At Bacardi, we believe we have a role to play in reducing the harmful use of alcohol. For almost 30 years, Bacardi,

along with our industry partners, has supported efforts to promote responsible consumption in the countries where we operate, implementing responsible drinking initiatives at the local level with the partnership of social aspect organizations. Today, we continue to prioritize our Marketplace pillar and our commitment to responsible marketing and responsible drinking.

Good Spirited Global Goal: 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

In 2012, Bacardi along with 10 other leading industry members, made a commitment to build on long-standing efforts to reduce harmful drinking through the Beer, Wine and Spirits Producers' Commitments. Bacardi and other producers came together to support international efforts to improve health and social outcomes for individuals, families and communities through a set of Five Commitments over five years. Investments were made in education, partnerships, and other programs to combat harmful drinking. Although the five-year period has come to an end, Bacardi remains committed to continuing the efforts of the Five Commitments and the 10 action areas.

BEER | WINE | SPIRITS | PRODUCERS' COMMITMENTS

-  **Commitment 1**
Reducing underage drinking
-  **Commitment 2**
Strengthening and expanding marketing codes of practice
-  **Commitment 3**
Providing consumer information & responsible product innovation
-  **Commitment 4**
Reducing drinking and driving
-  **Commitment 5**
Enlisting the support of retailers to reduce harmful 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.

Bacardi is committed to marketing our products responsibly to adults who choose to drink. In FY19, the Bacardi Global Marketing Principles were reviewed and updated to ensure our internal code reflects the external marketplace and is consistent with the current global alcohol codes. It was especially critical that our code reflects the constant evolution of the digital landscape to help ensure that our marketing teams are communicating responsibly to legal drinking age consumers across social media channels. This not only includes treating the digital environment in the same way we would with all other media but taking particular care to ensure we disclose any commercial relationships with Influencers to our consumers by always being open, honest, and transparent. In FY19, Bacardi achieved 79% compliance with the safeguards to ensure responsible digital marketing. More on our Responsible Marketing performance in the digital space can be found in the Key Highlights of this section.

In FY19, Bacardi continued to have 100% compliance with ensuring all advertising contracts include accordance to responsible alcohol advertising codes. Of our total volume of products produced for our priority markets, 100% contain a responsible drinking messaging, logo, or website on its label. All relevant marketing Primos, along with our third-party agencies will be trained yearly with our new online module to ensure compliance to our principles.

Bacardi, in partnership with other industry members and through local social aspect organizations, was involved in more than 100 Responsible Drinking campaigns across the world in FY19. From reducing excessive consumption to preventing underage drinking to discouraging drinking and driving, these campaigns reached millions of individuals with the



RESPONSIBILITY
starts with *me.*

When it comes to responsible drinking, most can agree that it has to start with each one of us. We can make the right decisions and use our spirit of responsibility to change opinion and culture.

Here's how you can start:

- + Enjoy responsibly and know when to stop.
- + Make a plan before going out, and be or use a designated driver.
- + Respect the choice/decision of others not to drink.
- + Respect the legal drinking age.

**LOOK OUT FOR OUR PRIMOS.
LEAVE A GOOD IMPRESSION.
MAKE RESPONSIBLE DRINKING CHOICES.**


BACARDI
ResponsibleDrinking.org

information and tools needed to make mindful, responsible, and healthy choices for themselves and their families. More details on the campaigns can be found in the Key Highlights of this section.

Our efforts to reduce the harmful use of alcohol are integrated with the United Nations Sustainable Development Goals number 3: Good Health and Well-Being. We believe we can help make progress on Target 3.5: "strengthening prevention... to reduce the harmful use of alcohol," and are taking an active role to do so.

Key Highlights

Responsible Marketing in a Digital Age

Since 2012, Bacardi has been committed to responsible marketing practices on digital platforms through our partnership with the International Alliance for Responsible Drinking (IARD). In this rapidly changing field, it is critical that measures and standards are in place to ensure our advertising and marketing messages target adults of legal drinking age who choose to drink. Robust responsible marketing standards for digital channels were developed to promote best practices. CEOs of signatory companies, including Bacardi, committed to these standards which include five safeguards to prevent minors from seeing alcohol marketing online:

Digital Guiding Principles: 5 Safeguards

1. Include an age affirmation mechanism for all social media sites to ensure marketing communications only engage adults over the legal drinking age
2. Implement a Forward Advice Notice (FAN) stating that all content should not be forwarded to anyone under the legal drinking age
3. Promote responsible consumption, including a responsible drinking message
4. Secure transparency statement / official statement authenticating accounts
5. Make available Community guidelines on User Generated Content (UGC) policy

These safeguards are only as effective as they are followed by the industry. To ensure compliance with the digital safeguards, an audit was conducted in 2018 by the World Federation of Advertisers (WFA) and IARD. Bacardi brand marketing teams worked hard to implement the safeguards of the Digital Guiding Principles, and Bacardi achieved 79% compliance in the markets audited. While 14 markets were audited*, we are actively striving for similar performance in all commercially active markets. Next year, we are aiming to achieve 100% compliance. Together we are committed to doing our part to help reduce the harmful use of alcohol.

* The 14 markets audited were Australia, Canada, Chile, Colombia, France, Germany, Hungary, Italy, Japan, Mexico, South Africa, Spain, The Netherlands, and UK.



Nutrition Transparency

As part of the Bacardi commitment to alcohol responsibility, we believe consumers should have access to the nutritional information about their product choices. Consumers interested in knowing the calories, fat, carbohydrates, sugar, protein, salt, caffeine, and allergens of Bacardi products need visibility to that information. That is why we launched the Bacardi nutrition website last year with information on products available in the USA, United Kingdom, France and Spain. We want more consumers around the world to know the nutrition of their beverage choices and have continued to add more products and countries. The most recent countries added to the nutrition site were Germany, Russia, and Belgium. Details on the site are listed by recommended serving size for each product, according to country standards. Learn more on the nutrition section of <https://www.bacardilimited.com/>.

Preventing Drinking and Driving in Russia

Alongside other industry members in Russia, Bacardi participates in the drunk driving prevention program, "Avtotrezvost." This ongoing social project to prevent drinking and driving aims to decrease the number of alcohol-related driving accidents in Russia by targeting students in driving school. Developed by the Moscow State Automobile and Road Technical University, the educational module includes training on the influence of alcohol on the body, the laws and statistics around drunk driving, and alternatives to drinking and driving. With the slogan, "Not a single sip while driving," the program is designed to promote, "a clear mind and vision while driving." Avtotrezvost has reached 230 driving schools and more than 20,000 students across 14 regions in Russia as of 2018.



Avtotrezvost has also gone beyond driving schools to reach another audience in the bars. This campaign was rolled out on Russia's Driver's Day and utilized a creative approach to capture the consumer's attention. A pair of coasters, one for "drinking" and one for "driving" was developed with magnets inside. When a consumer tried to put the two coasters together, "drinking" and "driving" physically bounced off each other. Over 7000 interactive coasters highlighting that alcohol and driving are incompatible were distributed to consumers.

Reducing Underage Drinking in Portugal

Following original success in Spain, the campaign "Menores Nem Uma Gota," (translated to "Minors Not a Single Drop,") was rolled out in Portugal in 2018 with the Portuguese industry association, ANEBE (Associação Nacional de Empresas de Bebidas Espirituosas).



With the aim to reduce alcohol consumption by minors by 2020, the campaign mobilizes well-known voices, social organizations, and public and private institutions to increase the average age of beginning to drink by two years. In 13 schools across Portugal so far, trainings were held to inform underage individuals of the physical and mental health risks related to early drinking. The trainings are designed to change perception around underage drinking to make it socially unacceptable and to help parents set clear boundaries for their children. The campaign doesn't stop its reach at schools. Wider audiences can access the messages and information through online videos, radio shows, and more.

Watch the videos and learn more at <https://menoresnumagota.pt/>.

Encouraging “Slow Drinking” in France and Beyond

The Bacardi purpose statement, “Celebrating moments that matter, one drink at time,” comes to life in the popular campaign: “Slow Drinking.” First developed by Bacardi back in 2011 in France, Slow Drinking quickly expanded to Italy and Spain to promote responsible consumption by transforming a drink into the art of tasting. Many people who drink do so in a way that enhances their enjoyment of life and sociability of enjoying a drink with others. But there are others who may drink irresponsibly – occasionally or regularly – and create health and social problems for themselves and others. That’s why risk is not just a result of how much you drink, but also of when and how you drink. The campaign helps consumers slow down by encouraging them to rediscover pleasures packed with sensations, to think about tastes, to listen to their senses and better satisfy them. It offers tips and guidance for celebrating moments that matter by taking the time to prepare, share, and savor one drink at a time. By focusing on quality and slowness, the program elevates the concept of mindful drinking.

Today, Slow Drinking is a platform in many countries in Europe that delivers responsible drinking messages all year long. Through the digital channels, it fosters a community of people who are interested in mindful drinking. The community can access resources such as the 10 slow drinking tips (listed to the right). Beyond the digital world, in 2018 the campaign has also been activated in retail stores so that the Slow Drinking messaging can be found where consumers purchase Bacardi products. More information can be found at www.slowdrinking.com.



Slow
DRINKING
ENJOY AND SHARE

Top Tips

-  Create a **welcoming environment**
-  Choose an appropriate **glass** for your cocktail
-  Stick to the **right quantities**
-  Keep the **right temperature**
-  Provide some **food**
-  Cleanse your palate with a glass of **water**
-  Take your **time** to enjoy
-  Share your **impressions**

Targets and Progress

FY19 MARKETPLACE TARGETS

Maintain percentage of active priority country responsible drinking initiatives and increase robustness of these initiatives.

Provide consumers access to product nutrition information in more countries

Launch marketing compliance e-learning module to enhance training experience

Launch and communicate the New Global Marketing Principles to all company employees.

100% of marketing agency contracts in compliance with the Producers' Commitments.

100% of traditional and digital media placements have at least 70% minimum legal drinking age audience.

Ensure all five safeguards of IARD's Digital Guiding Principles are in place on brand-owned social media channels and websites across all active markets.

FY19 MARKETPLACE PROGRESS

In FY19, we supported responsible drinking initiatives in 89% of priority countries such as the United States, France, and Spain.

Nutrition information for more brands and countries continues to be added on an ongoing basis, including most recently for Germany, Russia and Belgium

All new Primos in Marketing receive responsible marketing training during onboarding. To improve the training, marketing compliance e-learning module was developed and will be launched in 2020.

The 4th edition of the Global Marketing Principles was launched with strengthened digital marketing guidelines and communicated to all marketing teams.

100% of marketing agency contracts are in compliance with the Producers' Commitments.

As calculated by our media agency partner, we continued 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.

Achieved 79% compliance in active markets audited and aiming to achieve 100% compliance in 2020.

People at Bacardi Limited

Bacardi was built with a sense of being Fearless, a Founders mentality and with Family and heritage at its core.

These cultural pillars of Fearless, Family, and Founders, underpin everything we do at Bacardi. It sets the tone for a culture that supports innovation, community and entrepreneurship. To unleash the power within

our organization and help us realize our full potential, we ignite our culture by dialing up the distinctive aspects of the three F's. That's why Fearless, Family, and Founders guide our long-term goals in our People pillar:

Good Spirited Global Goal: Care for and support our people, and reflect the diversity of our global operations

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.

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.

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.

90% of employees to participate in Bacardi's innovative training and development programs.

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.

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 bi-annual employee survey.





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 Internal Labor Organization (ILO). Our Primos, 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 our hiring strategy, we also recognize the importance of globally reflecting the diversity of our operations among our employees. In our two largest regions, we are closing the gender gap with 44% of our North America and 40% of our Europe workforces being female in FY19. Women in Leadership is one of four key pillars of the company's Global Reflections strategy which is about having a workforce that reflects our communities. As part of the initiative, locally led programs showcase female leaders, attract multi-generational talent, organize disability awareness days and work toward marketing our products to multi-cultural audiences. We are setting bold ambitions towards balancing our population's diversity of gender, geography and generations, with special focus on leadership positions.

We measure our performance to know where we stand on how we take care of Primos, put Bacardi first, and work together to enhance the legacy of the company. The 2019 Primo Engagement Survey yielded an Engagement Index, (a global HR measure that companies use to assess four key elements of employee engagement: satisfaction, pride, retention, and advocacy) of 79% with 92% of our Primos participating. This level of participation exceeds industry benchmarks and is the highest yet for us at Bacardi. It was 3% higher than our participation rate from 2017 and the Engagement Index increased by 10 points over the same period. Beyond participation and the Engagement Index, we received best-in-class results that speak to what makes Bacardi so special.

- 85% of Primos would recommend Bacardi as a great place to work, an increase of +21% since 2017
- 83% of Primos are satisfied with Bacardi as a great place to work, an increase of +13% since 2017
- 89% of Primos feel proud to work for Bacardi, an increase of +3% since 2017

Post Survey, our Primos then got involved in local action planning to understand the results and look to how we maintain our strengths and work on areas of opportunity.

Key Highlights

Creating a Diverse Workforce & Stirring Up Conversations About Equality

We believe in the inherent value that can be created when you bring together a diverse and inclusive community and workplace. Helping female talent at Bacardi, and within our community, is among the causes championed by the company through its Women in Leadership initiative. For a third year in a row, Bacardi hosted an all-day Summit open to more than 500 people across the South Florida community who came together to hear personal and professional stories from changemakers. For the first time, the Summit was replicated in London with a similar agenda that covered gender equality, diversity and inclusivity. A smaller, more intimate event designed specifically for females within the hospitality industry concluded a U.S. tour across five cities to help empower, inspire and support participants. Internally, our mentorship program expanded to more than 250 Primos across markets matching female mentees with both men and women across the business.



Sparkling an Innovation Culture

We have a bold ambition to make the next 10 years the best yet. To achieve this ambition, we need to push the boundaries, embrace disruption and encourage an innovative mindset within Bacardi. The Next Gen Idea Lab is supporting this mission. This global strategic program allows us to identify future growth engines and build the skills needed for the next 10 years. We believe in democratizing innovation and giving all our Primos the platform to lean in, co-create and disrupt by finding new solutions to old problems.

This year we have received 700 ideas from 570 Primos around the world. Out of which we have selected 10 ideas to be tested by the creators and their partners. 28 Primos came together, learned new capabilities, prototyped their concepts and piloted their proposition using USD \$10,000. At the finale they pitched their idea to the Global Leadership Team and three of them received additional funds and a green light to launch their idea. Those respective three launches will be deployed next year.



Providing Primos Tools for Success

In FY19 we continued to rollout our core Primo development programs globally: Coaching To Win, Leading at the Edge, and Shaping Your Career. Our core programs run across geographies, generations, functions, and leadership levels. These are key programs to accelerate the knowledge, skills, and capabilities every Primo needs to master in order to bring their best selves to Bacardi, every day.

Since the kickoff, more than 500 Bacardi leaders have participated in our 'Coaching To Win' workshop to strengthen their coaching skills and ability to bring out the best in their Primos. 'Leading at the Edge' equipped more than 1,000 Primos with tools and resources to become significantly more effective in areas that matter most to them, personally and professionally. Our 'Shaping Your Career' workshop, where Primos spend a whole day reflecting and shaping their career trajectory in line with their purpose and ambition, has seen more than 1,000 Primos participating. Our programs provoke mindsets, change habits and put new behaviors in practice that grow and accelerate our business performance.

Creating a 'Great Place to Work'

The Bacardi culture and investment in the Primo experience has earned Bacardi U.S.A., Inc., the Great Place to Work-Certified™ designation for the second year in a row. The certification was achieved as a result of programs offered in the workplace and positive survey results, including 96% of employees stating it's a great place to work and 98% saying that when you join the company, you feel at home. As a family-owned business for more than 157 years, that sense of welcome is a unique differentiator. The survey also indicated that 97% employees report that Bacardi facilities contribute to a good working environment. The North America regional office was even named one of the Top 10 "Coolest Offices in South Florida" by the South Florida Business Journal.

The office houses three corporate bars, beautifully decorated meeting rooms that inspire creativity, a free cafeteria with family-style seating, an outdoor terrace that doubles as the perfect work and lounge space year-round, and a fully staffed gym with fitness classes. And for that mid-morning snack craving? A juice cart comes around the building with a fresh juice of the day while the gym trainer leads a stretch break – all part of Bacardi efforts to encourage wellness at work.

Attracting and Supporting Talent

We continue to refine and enhance the experience of internal and external talent through our Bacardi Applicant Tracking and Candidate Relationship System – BATS Avature. Talent can now sign up for job alerts to stay updated on the latest opportunities across Bacardi including internally on Next Move, our careers site. We launched our employer branding philosophy - #morethanwork 'when you join Bacardi you join the family and get so much more than a job'. Our focus on 'breaking the script' and creating a positive and memorable experience for candidates features across all of our work and has inspired the creation of the BATPacks for Potential Primos - a valuable resource to set Potential Primos up for success as they start to Interview with Bacardi - giving them the download on our culture and brands. BATPacks for Potential Primos are currently being adapted across functions and regions to ensure a personal and tailored approach.

Targets and Progress

FY19 PEOPLE TARGETS

Increase Primo participation in Bacardi training and development programs

Support equal opportunity and leadership for women at all levels and work towards having at least 45% female workforce and an increase in women in leadership positions

Improve employee engagement, as measured by the Engagement Index of the employee survey, to 80%

FY19 PEOPLE PROGRESS

1996 Primos participated in training and development programs: Leading at the Edge, Shaping Your Career, and Coaching to Win

38% of the total organization is female and 37% of managerial and executive leadership roles are filled by women

Achieved an Engagement Index score of 79% with 92% participation, considered as best in class

People Scorecard

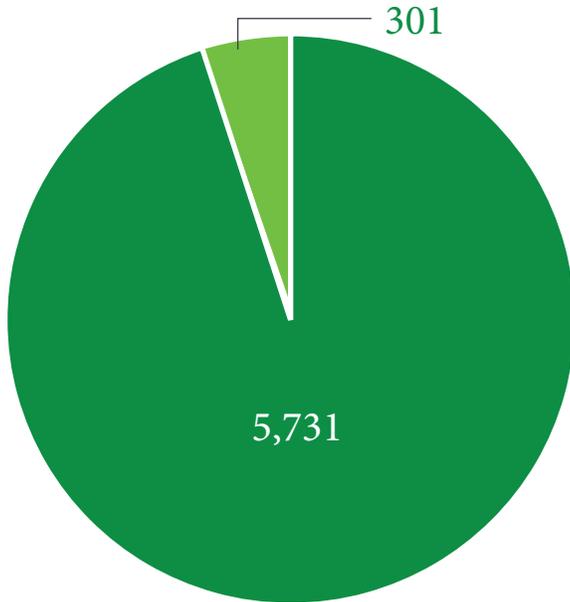
Total number of permanent Primos by employment contract, employment type, region & gender.

*These numbers do not reflect the PATRÓN acquisition.

At the end of FY19, our total workforce was comprised of 5,731 employees and 301 supervised workers.

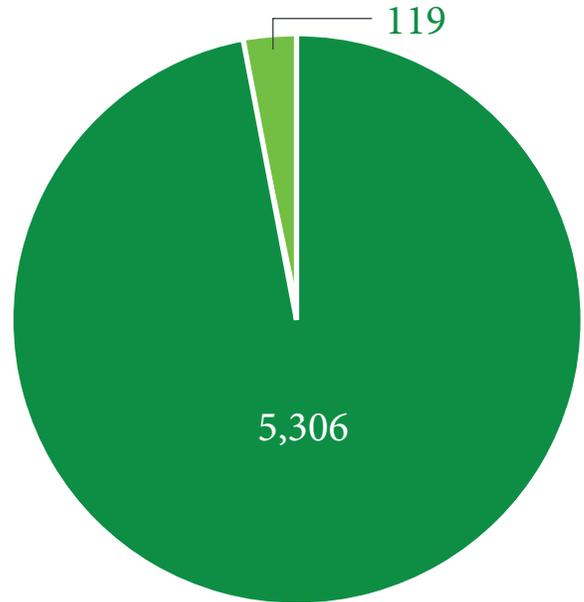
Total Workforce

● Employees ● Supervised Workers



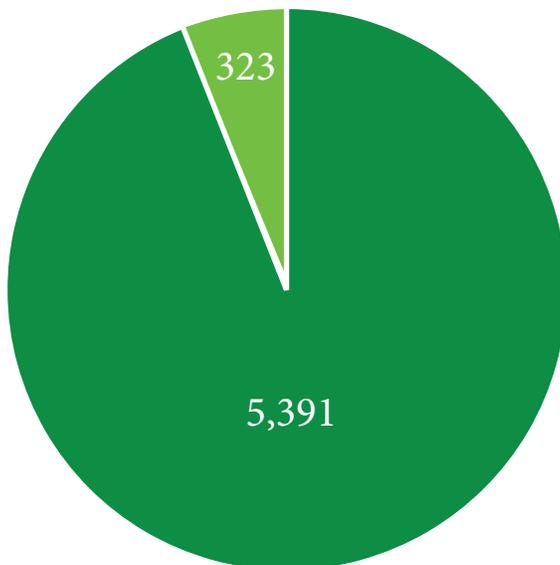
Employees by Type of Employment Contract

● Full Time ● Part Time



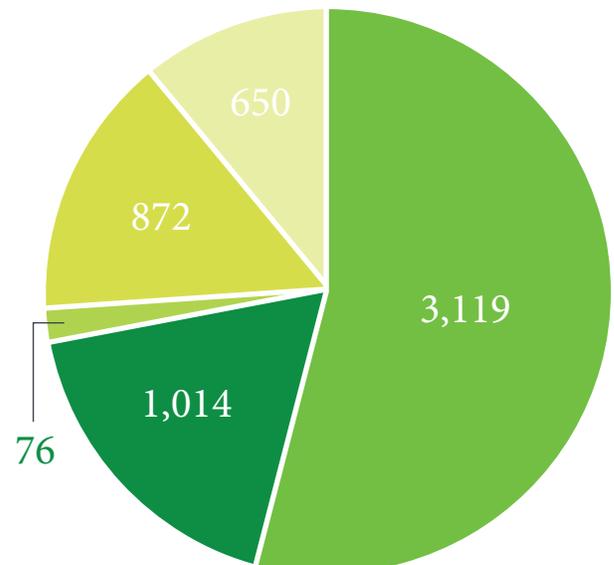
Permanent Employees by Employment Type

● Permanent ● Temporary



Workforce by Region

● North America ● Europe
● Middle East and Africa ● Latin America ● Asia Pacific

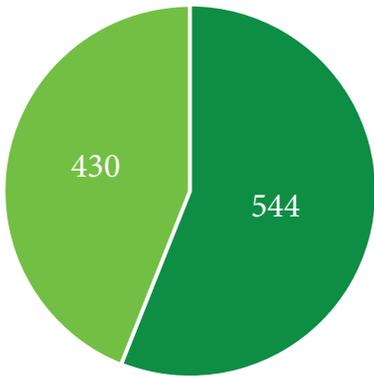


Total number and rates of new Primos hired and Primo turnover by age group, gender and region.

999 new Primos joined the business in FY19, and 790 Primos left the company, representing a turnover rate of 13.8%. There were 484 promotions and 248 lateral moves (for a combined promotion/mover rate of 13%).

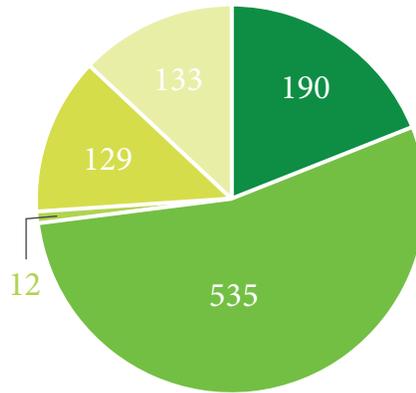
New Hires by Gender

● Female ● Male



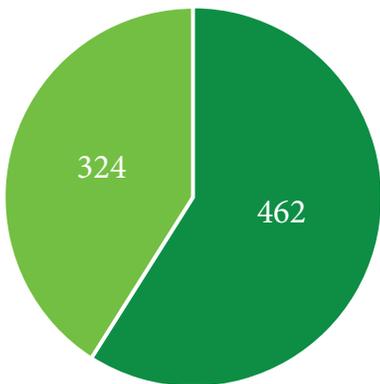
New Hires by Region

● North America ● Europe ● Middle East and Africa ● Latin America ● Asia Pacific



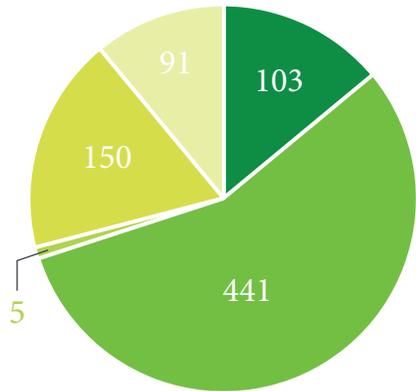
Employees Turnover by Gender

● Female ● Male



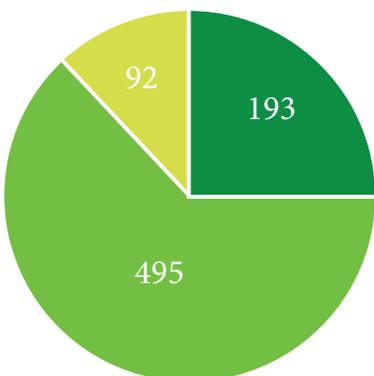
Employees Turnover by Region

● North America ● Europe ● Middle East and Africa ● Latin America ● Asia Pacific



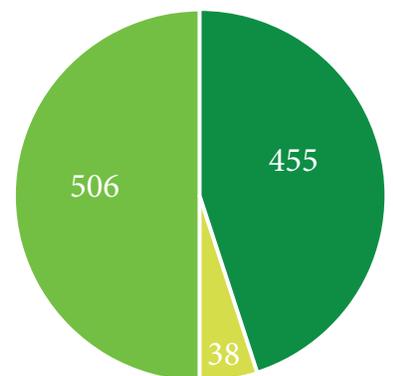
Employees Turnover by Age

● Under 30 ● 30 to 50 ● Over 50



New Hires by Age

● Under 30 ● 30 to 50 ● Over 50

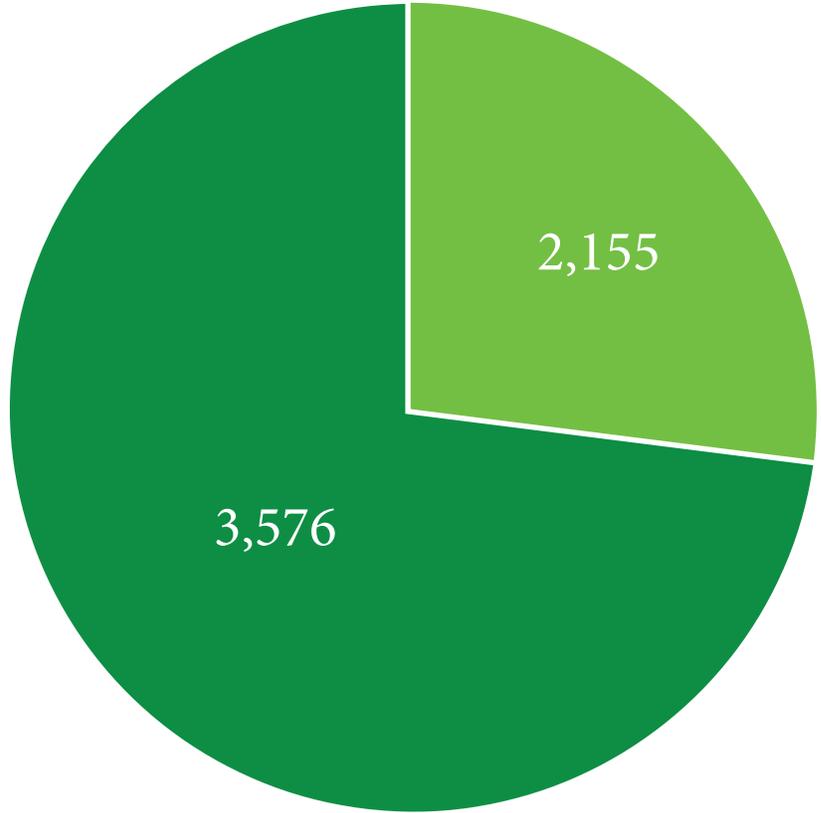


Percentage of total Primos covered by collective bargaining agreements.

In FY19, 38% of Primos were covered by collective bargaining agreements.

Employees Coverd by Collective Bargaining Agreements:

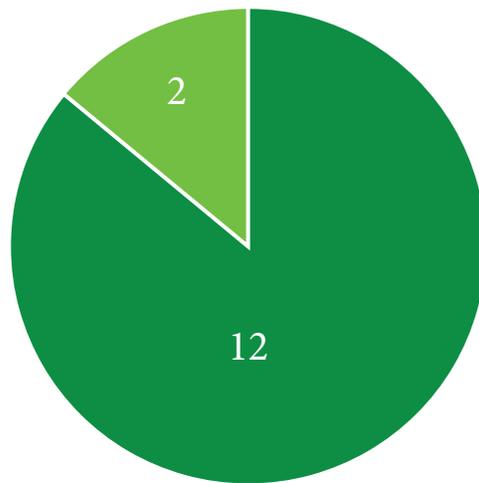
- Covered
- Not Covered



Composition of governance and ethics bodies and breakdown of Primos per employee category according to gender and age group.

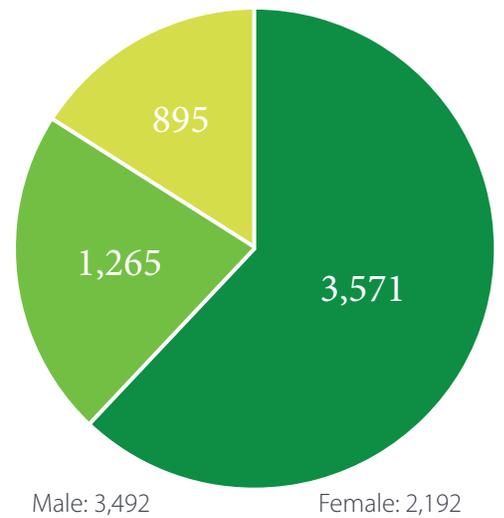
Board Members

- Female
- Male



Total Employees

- Under 30
- 30 to 50
- Over 50



Safety

At Bacardi, safety is more than a priority. It is a value embedded in our culture. We want to ensure that every day, every Primo returns home safely and without an injury. We believe production should never come before safety, and at our manufacturing

sites and offices around the world, the safety of our Primos always comes first. This safety culture is embedded into our Bacardi cultural pillars of Fearless, Family, and Founders.

Fearless

- Stand and Stop, when something is not right
- Ask why
- Relentless look for the real root cause

Family

- Protect all our Primos
- Guardians of our products
- Care for the environment in which we and our families live

Founders

- Look for better ways to do what we do
- Proud of what is produced in my factory
- Don't look for excuses, but for reasons and learnings

Furthering our safety culture and strengthening our performance is an ongoing journey, and we continue to bolster it with foundational elements and breakthrough programs. Bacardi built an in-house, robust safety program called, "Safety First," a five-year 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). The program has already allowed us to reduce our average Lost Time Accident Rate (LTA). In FY19 we achieved a rate of 1.2, a reduction of 37% vs FY18, back on track with our global glidepath. Each year we work towards our global goal of less than 1 Lost Time Accident (LTA) per 1,000,000 worked hours (by 2023).

BACARDI HOUSE OF SAFETY





In FY19, we also launched an extensive safety leadership training program at the local level that will be fully completed in FY20. We are investing in people as the solution, developing their capability to anticipate and adapt to risks and make things go right. In FY19, we held 13 Safety Days at manufacturing sites around the world, with more than 1,500 Primos engaged in learning and sharing best practices in our safety culture. One way Primos engage is through our B-Safe Observations. 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. 100% of our Primos in manufacturing sites were trained in FY18 to conduct B-Safe Observations. After training, all Primos at our manufacturing sites can conduct B-safe Observations, and in FY19 our observation rate improved by 32%. We delivered our best performance in terms of Recordable Incidents frequency rate in our manufacturing sites in FY19.

Out of 23 manufacturing sites operating at end of FY19, 11 were accident-free for more than one year.

Total Recordable Incident Rate (Manufacturing Sites) Per Million of Worked Hours



	LTA rate	Number of LTAs		
		Manufacturing	Non-Manufacturing	Total
FY15	1.1	8	6	14
FY16	1.5	10	9	19
FY17	1.2	9	6	15
FY18	2.0	17	7	24
FY19	1.2	10	5	15

Targets and Progress

FY19 SAFETY TARGETS

Improve overall B-Safe Observations rate by 10% vs FY18. Our FY19 target of 10% increase is more focused on consolidating the practices and delivering good quality B-Safe Observations.

Overall Lost Time Accident (LTA) rate of less than 1 per million of worked hours by 2022 (FY23).

Safety First program – achieving first step to Gold standards by FY19 in all plants

FY19 SAFETY PROGRESS

B-Safe Observations rate was improved by 32% in FY19 vs FY18. This rate corresponds to the completion of an average of 6 B-Safe Observations per primo during in all our manufacturing sites.

Overall LTA rate is 1.2 per million of worked hours, improved by 37% vs FY18.

At our manufacturing sites, we improved by 32% vs FY18 with an LTA rate of 2.6.

We launched a safety Leadership training program and rolled-out our 10 Life-Saving rules to reach our overall safety goal of having less than 1 LTA per million of worked hours by FY23.

Gold level year one was achieved in all active Bacardi plants, excluding the most recently acquired sites.

Environment at Bacardi Limited

We aspire to be the world's most environmentally responsible global spirits company.



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 157 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 be the world's most environmentally responsible global spirits company.

We are committed to continuously reducing the environmental impact of producing our products, especially in the following key areas:



Water use: 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, create 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.



Single-use plastics: removing single use plastic from our value chain, starting from our secondary packaging and point of sales items, focusing on replacing it with durable items made with sustainable materials, recyclable or biodegradable.

Back in 2014, we began an ambitious environmental sustainability initiative with specific goals in sourcing, packaging, and operations to be achieved by 2017 and 2022. The vision was to return to the environment at least as much as we take away. By end of 2017, we were able to achieve a reduction of greenhouse gas (GHG) intensity from manufacturing by 59%, equivalent to taking 15,000 cars off the road each year or reducing oil use by 165,000 barrels annually. In water, we also achieved a reduction of water use in manufacturing by 50%, equal to the volume of more than 1,000 Olympic pools, and only 0.4% of our total waste generated was diverted to landfill. (The achievements are based on our original baseline data year of 2006).

We decided as a company to go even further. In October 2018, we renewed our commitment and launched the new phase of our program, called Good Spirited 2.0. Our new targets, measured towards a baseline updated to our results from 2015, are the following:

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 - the globally accepted approach to determine meaningful and impactful GHG goals)**

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)

**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.

To achieve these targets, we are working 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 the reuse and reduction of waste.



We also engage Primos across the company to advance these goals through the annual Bacardi Limited Good Spirited - Environmental Sustainability Awards. Launched in 2014, the awards recognize the employees, teams and facilities across the company’s global network that developed the best environmental programs across five different categories: Production Facility, Brand Innovation, Sustainable Office, Green Champions or Partnerships. Through these awards, we spotlight how the efforts of Bacardi Primos are closely aligned to the company’s environmental goals. Find some of this year’s winners in the Key Highlights section!

Key Highlights

Renewable Energy in Mexico - Good Spirited Award Winner!

Bacardi in Mexico guaranteed that electrical consumption in Arandas and Tultitlán facilities come from 100% renewable resources, specifically from wind farms. With the supply of electricity from renewable sources, the two facilities eliminated their indirect CO2 emissions, avoiding the emission of 2,795 tons of CO2, equivalent to the emissions generated by 417 compact cars for one year. Bacardi in Mexico has been known as an example of environmental leadership. In 2015, the Arandas facility installed a biomass boiler achieving a reduction of more than 80% of CO2 emissions. Now in 2019, Bacardi in Mexico is proud to report that 100% of indirect CO2 emissions were eliminated by using renewable electricity.

Water Reuse at PATRÓN - Good Spirited Award Winner!

Hacienda PATRÓN dedicated their efforts to the reuse of water. Initiating smarter practices across four platforms, tequila production, liquors production, garden maintenance, and treatment wastewater, the team was able to reuse 10,108 cubic meters of water in the last year.

Sustainable Office in Switzerland - Good Spirited Award Winner!

Driven by the Green Team in Geneva, office enhancements set the standard to make a positive impact on the environment. Among actions including LED tube installation, temperature set point reduction, and no more usage of plastic cups office-wide, the car sharing program for commuters to both the Geneva office and to the Pessione site in Italy, reigned the most visible and impactful.

Packaging Innovation for MARTINI - Good Spirited Honorable Mention!

By working on slight changes on diameter and neck profile not visible to the final customer, the MARTINI team at the home of the brand in Pessione, Italy significantly decreased the weight of a new bottle design for the MARTINI Royale Ready-to-Serve (RTS). The weight reduction signifies less energy required to produce and transport the containers from the manufacturer then to the consumer.

Planting White Oak Trees in Kentucky

Bourbon must legally be aged in new oak barrels, but each white oak tree (the most commonly used tree for North American bourbons) yields between one and three barrels and takes about 70 years to mature. To raise awareness for the increased need for healthy white oak trees, ANGEL'S ENVY conducts its annual initiative, "Toast the Trees." ANGEL'S ENVY pledges each year to plant one white oak tree for every photo of an ANGEL'S ENVY drink or bottle posted throughout the month of September on social media using the hashtag #ToastTheTrees. In 2018, ANGEL'S ENVY's "Toast the Trees" initiative garnered 20,724 hashtags that resulted in 20,724 new white oak trees planted in spring 2019. Since the program's inception, ANGEL'S ENVY has planted more than 45,000 new white oak trees throughout eastern Kentucky and the surrounding Appalachian areas with the Arbor Day Foundation and Green Forests Work.



Increasing Recycling in Mexico City Bars and Restaurants

Bacardi, in partnership with the social aspect organization, FISAC, established an agreement to collect solid waste from the main bars and restaurants of Mexico City in order to reintegrate them into a productive cycle through recycling, reducing the amount of waste that reaches a landfill. At this time, 56 bars and restaurants are in the program recycling 130 tons of glass, 45 tons of cardboard, 4.5 tons of PET and 0.8 tons of aluminum. The program aims to expand to at least 250 bars and restaurants so that 850 tons of glass, 430 tons of cardboard, 50 tons of PET and 10.5 tons of aluminum can be recycled instead of trashed.

The Future Doesn't Suck

Since 2016, Bacardi has been on a mission to eradicate single-use plastic straws from cocktail experiences. In collaboration with Lonely Whale, a non-profit dedicated to bringing forward courageous ideas that positively impact the health of our ocean, Bacardi has been engaging consumers, customers and the bartending community to be part of the movement to eliminate 1 billion plastic straws by the end of 2020 as part of #TheFutureDoesntSuck.

Efforts began in the US and UK where BACARDÍ rum music festivals served plastic straw free cocktails and asked concertgoers to make a personal pledge to stop using single-use plastic straws by visiting www.thefuturedoesntsuck.org. Art installations at Life is Beautiful in Las Vegas called out the impact of plastic to our oceans and offered an Instagrammable moment to help spread the word and drive sign ups. In Miami and New York City, our rum aficionados invited top mixologists to beach clean ups and talks about sustainability. At Tales of the Cocktail®, the world's premier cocktail festival, BACARDÍ rum hosted National Daiquiri Day where guests were asked to sign the pledge and join a New Orleans style procession to drive awareness.

The collaboration has since extended across seven countries, including China where a kickoff event brought together media and industry leads such as Cachet Hospitality Group, to promote the movement.



Participating accounts received a Bacardi No Straws award to showcase their commitment to guests ordering at the bar. Within a month, this China No Straws campaign had nearly 6.35 million impressions and successfully onboarded large hotel chains and restaurants to the movement. This No Straws campaign also won the first Sustainability Year presented at The DRiNK Magazine Bar Awards 2018. These efforts were recognized by the inaugural Sustainability Award at the DRiNK Magazine Bar Awards in China.

To keep the conversation going on social, a digital campaign featuring comedian and activist Daniel Franzese requested the removal of plastic straws from the soda cup and cocktail emojis. To date, two emoji makers have removed plastic straws from designs. The hope is that by removing plastic straws from digital usage, cultural norms around drinking with single-use plastic straws will shift altogether.

Bacardi continues to work with national account partners to help them find alternate solutions to plastic straws and to train bartenders about how to make the shift while still delighting consumers at the bar.

Targets and Progress

FY19 ENVIRONMENT TARGETS

Reduce by 2025 the water consumption at our facilities by 25%, compared with FY15 baseline. Intermediate target for FY19 of 12%

Reduce by 2025 our total GHG emissions from operations by 50% and by 25% from our overall value chain, compared with FY15 baseline. Intermediate target for FY19 of 8% from operations

Continue with the implementation of required waste stream action plans, aiming to achieve our goal of Zero Waste to Landfill of all sites by 2022.

To achieve becoming plastic-free by 2030, remove plastic in secondary packaging and point of sale materials by 2023; continue efforts to eliminate 1 billion single-use plastic straws

FY19 ENVIRONMENT PROGRESS

9.2% reduction of water consumption from our operations achieved in FY19.

Recently acquired PATRÓN operations are under evaluation to be included in future revision of baseline and targets

20% reduction of GHG emissions from our operations achieved in FY19.

Recently acquired PATRÓN operations are under evaluation to be included in future revision of baseline and targets

More than 99.6% of the waste generated from our factories is already diverted from landfill with dedicated collection and recycling in place

Launched research to evaluate current plastic usage and determine priority areas.

Expanded collaboration with Lonely Whale beyond the U.S. to China, UK, and NZ to further efforts to eliminate plastic straws

Scorecard

How we measure our environmental 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 from the baseline year (FY15). Calculations are in accordance with protocols established by the World Resources Institute, World Business Council for Sustainable Development, and Beverage Industry Environmental Roundtable (BIER) guidance documents. In addition, the emission calculation for fuel and electricity is calculated, based

on the latest emission factors (e.g. International Energy Agency). Data for previous financial years is sometimes updated when corrections are identified. We have made some adjustments due to site acquisitions, divestures, and data correction.

Absolute numbers in water use and GHG emissions increased from FY18. This is due to a few manufacturing sites producing more liquid, which resulted in our facilities operating for longer periods of time 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 FY19, measured by the efficiency index, was 2.4% better than FY18. This represents an overall improvement on our water use efficiency index of 9.2% vs. FY15.

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 (72%)
2. Indirect discharges of treated wastewater to municipal treatment facilities (24%)
3. Beneficial land application, including irrigation and fertilizer to improve crop production (in countries where it is permitted) (4%)

Of the total water released by our production facilities, 1,272,221 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

	FY15	FY16	FY17	FY18	FY19
Water Use Efficiency Index (per unit of production) (Baseline FY06 100)	54.6	54.6	55.3	50.8	49.6
Total Water Used (000 cubic meters)	2,916	3,608	3,014	3,359	3,555

* Data for previous financial years has been adjusted for site acquisitions, divestitures, and data correction.

Water Discharge by Volume

	FY18	FY19
Direct Discharge (m ³)	843,386	956,276
Indirect Discharge (m ³)	233,955	315,945
Beneficial Land Application (m ³)	82,270	57,565
Total Volume Discharged (m ³)	1,159,611	1,329,786

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

Water Supply EN8: Total Water Withdrawal by Source (cubic meters)

WATER SOURCE	FY18	FY19
Public Supplies	875,139	1,088,326
Groundwater	597,334	581,660
Surface Water	1,819,573	1,885,521
Harvested	0	0
TOTAL	3,292,046	3,555,507

Water used includes non contact cooling water.

Waste

Waste Management

In FY19:

- Only 0.4% of total waste was sent to landfill (from manufacturing sites)
- 11 manufacturing sites have achieved Zero Waste to Landfill

EN23 Total Weight of Waste by Type and Disposal Method (Metric Tons)

	FY18	FY19	% CHANGE YtY
Non-Hazardous Waste			
Recycling/Reuse/Recovery	157,061	157,033	
Incineration/Treatment	589	952	
Landfill	638	780	
Subtotal (and % YtY change)	158,288	158,764	-0.30%
Hazardous Waste			
Recycling/Reuse/Recovery	4.8	4.4	
Incineration/Treatment	4.9	3.4	
Landfill	0.1	0.0	
Subtotal (and % YtY change)	9.8	7.8	21% improvement
Total Waste			
Recycling/Reuse/Recovery	158,293	157,037	
Incineration/Treatment	594	955	
Landfill	638	780	
Total (and % YtY change)	159,525	158,772	-0.30%

Energy

EN3: Energy Consumption within the Organization (TJ)

	FY15	FY16	FY17	FY18	FY19
Heavy fuel oil	468	229	153	194	197
Natural Gas	421	439	390	659	450
Total fuel from non-renewable sources	889	668	543	853	647
Biogas	208	231	166	262	348
Biomass	64	216	193	279	380
Total fuel from renewable sources	272	447	359	541	727
Grid Electricity	212	235	203	221	216
Wind Electricity	1	1	1	1	3
Total Electricity	213	236	204	222	219
Total Energy Consumption within Bacardi	1,374	1,351	1,106	1,615	1,593

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

* Data for previous financial years has been adjusted for site acquisitions, divestitures, and data correction.

Renewable Energy

In FY19, 44% of electricity was purchased through renewable contracts and 46% of fuel was from renewable sources.

Emissions

For GHG, a 17% reduction on Absolute Emissions have been achieved vs. FY15.

EN15: Direct GHG Emissions (Tons) (Scope 1)

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

	FY15	FY16	FY17	FY18	FY19
Direct GHG Emissions (Tonnes)	56,062	30,043	30,981	37,200	36,860
Indirect GHG Emissions (Tonnes)***	25,252	26,252	18,703	18,732	19,277
Production Process Emissions (Tonnes)*	500	500	560	620	1,207
Offices (>25 people) Indirect Emissions (electricity)(Tonnes)*	5,600	5,600	5,600	5,600	5,600
TOTAL (Tonnes)	87,414	71,395	55,844	62,152	62,944
GHG Intensity Index (GHG Emissions per unit of production) (Baseline FY 06 100%)**	64.5	51.1	55.3	50.8	49.6

* Estimated figures. We are in the process of defining a more accurate way to track these emissions

** 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.

* Data for previous financial years has been adjusted for site acquisitions, divestitures, and data correction.

EN221: NO_x SO_x and Other Significant Air Emissions (Tons)

	FY15	FY16	FY17	FY18	FY19
SO_x	728	302	134	163	147
NO_x	92	55	40	47	50
Particulates	13	6	4	5	6
Total Air Emissions	833	362	178	215	203

Responsible Sourcing at Bacardi Limited

From agave to sugarcane, wheat, botanicals, and beyond, the quality of our raw materials is what makes the products in the Bacardi portfolio so special. That is why Bacardi is committed to protecting the long-term sustainability of our raw materials and sourcing all materials responsibly.

We work with suppliers who commit to the highest standards for labor and human rights, health and safety, environmental protection, and business integrity. Our Responsible Sourcing Standards apply to all suppliers providing goods and/or services to Bacardi.

Our Good Spirited Global Goal of sourcing our materials responsibly encompasses all our key raw materials, paper, and board.

Good Spirited Global Goal: Source our materials responsibly

100%

of key raw materials sourced from sustainably-certified suppliers

100%

paper and board used for shipping and labels sustainably certified

100%

of product packaging to be recyclable

40%

recycled content of product packaging materials

To drive progress on these goals, we make responsible sourcing an integrated part of our procurement strategy which is to secure supply sustainably, to remove price volatility, and to drive value beyond price. The way that Bacardi achieves this strategy is by building long-term partnerships with our suppliers. When we develop long-term partnerships, we enable investments in sustainability, we honor and support brand heritage, and we build quality relationships that lead to quality products. We continuously review our supplier base, and in FY19 consolidated the number of suppliers to 2000 (from 3000) so that we could build the strongest possible relationships with our suppliers to ensure high sustainability and quality standards.



Sourcing responsibly begins with choosing the right suppliers. To become a Bacardi supplier, a vendor is required to go through the Vendor Qualification Process. 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). If a vendor does not qualify, Bacardi will not work with them.

If a vendor is selected, then they go through an onboarding process that includes required training in the Good Spirited Global Goals and accompanying programs. To ensure continuous compliance to our standards and progress on goals, we ask our suppliers

to join Sedex. 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. Through Sedex, suppliers can 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.

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 compilation of good practice in ethical audit technique. SMETA methodology uses the Ethical Trading Initiative code and local law as the measurement tool. It includes four modules that are assessed: health and safety, labor standards, environment, and business ethics.

Sedex Audit Management Service Process



Audit performance in Sedex is continuously reviewed by category managers to verify and track improvements in key areas such as water use and effluent reduction. If there is a gap between a supplier’s performance and our standards, corrective action is immediately requested, and progress is then monitored. If a supplier cannot meet Bacardi standards, business would be discontinued.

At the end of FY19, 96% of our global direct spend was linked to Bacardi through Sedex, with 73% of those linked audited. 100% of our global point of sale suppliers are linked to Bacardi through Sedex, with up-to-date audits. Through this approach, we work with suppliers to ensure they meet the highest of ethical standards for labor, human rights, and environment and economic issues.

Key Highlights

Partnering for Environmental Goals

Environmental sustainability is a key component for Responsible Sourcing. Aligning with the Bacardi Good Spirited global sustainability goals, in FY19 we defined a Global Raw Material base line in order to drive further environmental impact reduction in our supply chain. We developed a long-term plan to reduce greenhouse gas emissions by 20% and water consumption by 25% by FY24. This will be executed across our various raw materials suppliers. We took a partnership approach with our suppliers to build a five-year action plan to achieve the Responsible Sourcing targets. Suppliers provided their input and gave their commitment to reduce water use and greenhouse gas emissions.

For example:

- Water reduction: 10% on beet sugar and molasses by FY24
- GHG reduction: 5% wine, 15% grain neutral spirit, 10% light cane distillate and barley by FY24

Bacardi can't achieve these goals alone, which is why during FY19 we 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. Bacardi is committed to working together with stakeholders to develop solutions and improve standards.

Sourcing Sugarcane Sustainably

Sugarcane-derived products are our most significant agricultural supply, and we work with our suppliers and industry groups to ensure all suppliers are sustainable. To do so, we work with Bonsucro, 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. In FY13 we set up a plan to get 100% of our sugarcane-derived products used to make our BACARDÍ Premium rums sourced from suppliers certified by Bonsucro by FY23. In FY17 we decided to accelerate the plan and reached 86.3% at the end of FY18 and 98.4% at the end of FY19. We now have the objective to reach 100% by the end of FY20, three years ahead of the initial target.



Grains of Paradise

Long-term Investment in Sustainable Grains

Botanicals are key ingredients for BOMBAY SAPPHIRE® gin. In order to help develop a sustainable farming community and long-term, quality supply of Grains of Paradise, our botanicals team in Switzerland partnered with the international NGO AIESEC to help a village in Ghana learn to farm the botanical sustainably. Through this partnership, 10 acres of land have been cultivated for the project. The plants are thriving, and the community members involved formed a formal cooperative and collaborated with an agronomist for additional support. The first harvest is expected in 2020, and meanwhile, the village is operating well with a water pump installed both to nourish the plants and to provide fresh water for the village. Bacardi is proud to support this project which helps advance Goal 8 of the UN Sustainable

Development Goals which advocates for the promotion of sustained and inclusive economic growth and decent work for all.

Sustainable Packaging

We are also working with all our board and paper packaging suppliers to ensure they are sustainably certified. At the end of FY19, 93% of our corrugated packaging suppliers are Forest Stewardship Council (FSC)/ Program 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. At the end of FY19, 93% of our individual box (board) and 84% of our label (paper) suppliers are certified.



Targets and Progress

FY19 RESPONSIBLE SOURCING TARGETS

Raw Materials Sustainability

- Achieve ECOCERT certification for 50% of botanicals for BOMBAY SAPPHIRE gin
- Source 95% of derived sugar cane products from BONSCURO suppliers and complete the plan to reach 100% in FY20
- Achieve BONSUCRO certification for BANKS Rum liquid supplier
- Achieve EQUALITAS gap assessment audit for White Table Wines
- Identify Certification company and start the certification process for Agave

Packaging

- 100% Paper & Board are sustainably sourced (FSC or PEFC or SFI)
- Glass & Metal certification model to be determined

Supplier Certification

- 95% of direct materials & external manufacturing spend are in the portal
- 75% audited by end of FY19

FY19 RESPONSIBLE SOURCING PROGRESS

- Coriander, Cinnamon, Cubeb, Lemon peels and Almond have achieved ECOCERT certification, representing 50% of the botanicals
- 98.4% of our sugar cane derived products are sourced from Bonsucro certified sources/suppliers
- Banks Rum liquid supplier AE & Scheers achieved BONSUCRO Chain of Custody certification
- Suppliers for white table wine in Spain have been audited and are on track
- Identified Sedex as certification partners and CAZADORES 100% blue agave tequila suppliers have initiated the Sedex audit process

- 93% of our corrugated and 84% of labels packaging suppliers are Forest Stewardship Council (FSC)/Programme for the Endorsement of Forest Certification/Sustainable Forest Initiative certified
- For Glass & Metal, ISO standard solution being studied with SGS (ISO 14021) on recycled content management

- 96% of direct materials suppliers are in Sedex and 73% have been audited

Philanthropy & Community Investment at Bacardi Limited

The company and the Bacardi family established a legacy of supporting communities and charitable organizations from its inception in 1862.

We are proud of this tradition that continues today, and Bacardi remains committed to fostering healthy and vibrant communities in which we live and work. Across the entire company, we aim to involve all Bacardi Primos in our philanthropy and community investment activities. We provide paid time off for volunteerism and encourage Primos to volunteer their time in programs and activities to support local organizations. Through our engagement, we support many worthwhile charities working to better our communities. Our flagship global Corporate Responsibility volunteer initiative, Corporate Responsibility (CR) Month, is designed to engage Primos and work in a globally coordinated way to give back to our local communities. The program encourages all Bacardi operations to hold initiatives that give back to their communities.

In FY19, Bacardi Primos in more than 30 locations around the world, participated in CR Month volunteer activities. Primos in Great Britain worked on local habitat and wildlife



conservation efforts while Primos in Hong Kong helped sort and pack food to support food waste and hunger efforts. Primos in Florida built hygiene kits for veterans, and primos in Belgium participated in a local river waste clean-up effort. As these examples highlight, efforts happened globally but focused on local needs.



In FY19, we rolled out a new initiative under our Good Spirited platform called My InSpirit Day. My InSpirit day encourages all Primos to take one day a year to give back to the cause and organization that means the most to them. This is another way that our Primos are making a difference in their local communities around the world and leaving a legacy that aligns with Bacardi family values and culture.

In addition to time spent volunteering, Bacardi supports local initiatives with charitable gifts and in-kind donations in four broad areas:

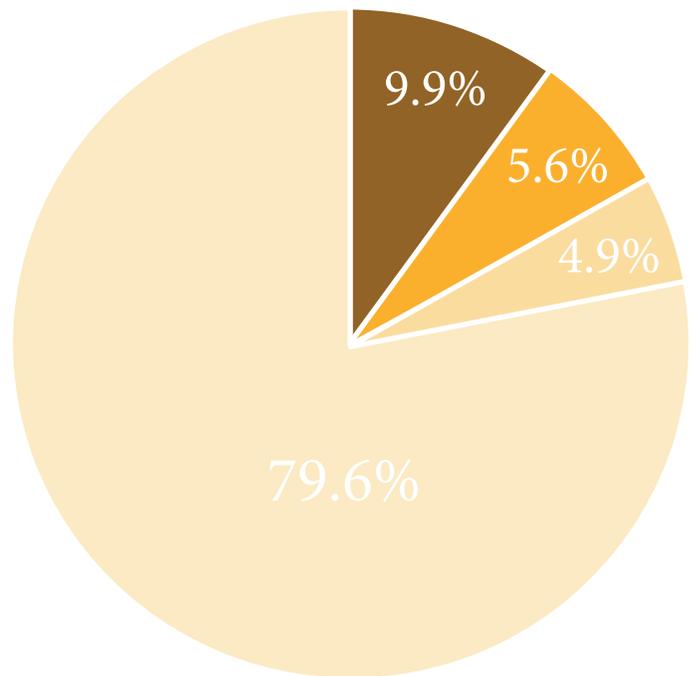
- **Arts & Culture**
- **Education**
- **Environment**
- **Health & Social Services**

Bacardi in the United States, with our North America headquarters located in Coral Gables, Florida, takes our commitment to community very seriously. In FY19, Bacardi in the U.S. provided over \$1 million in cash grants to charitable organizations and more than \$350,000 in in-kind donations.

Some of our offices and Primos 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 premium rums, our people and our community were significantly

Bacardi in the U.S. FY19 Charitable Gifts

● Arts and Culture ● Education ● Environment ● Health and Social Services



affected. In addition to our community relief efforts and providing more than \$3 million in charitable gifts to organizations helping with rebuilding efforts, our Primos and partners from around the world contributed to an online fundraising campaign. All the money raised went to Primos directly affected to help get their lives back on track. The fifth of Bacardi's Good Spirited global goals is to continue to take care of our communities. Two targets we will work towards and report on their progress moving forward include:

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 Primos to volunteer for one work day to a personal cause or organization

Key Highlights



Hurricane Disaster Relief

In 2017, Hurricane María devastated Puerto Rico. Immediately after the storm, Bacardi stepped up to help the recovery efforts, committing more than \$3 million for rebuilding efforts. Two years later, communities there are still working to recover. That’s why, in partnership with global humanitarian and development organization, Mercy Corps, Bacardi is supporting the long-term recovery and resilience of the region.

Bacardi and Mercy Corps recognized that helping local businesses bounce back and supporting natural habitat rehabilitation were key to Puerto Rico’s recovery. A three-pronged program was developed with the support of Bacardi’s \$1.2 million investment:

- *Direct support for small businesses*, including financial support, training, business boot camps, marketing support and mentoring
- *Natural area rehabilitation and recovery*, including coral reef rehabilitation, beach and water cleanups, building new trails and more
- *Marketing and outreach* to spread the word that Puerto Rico is open for business!

Over the last year, we have directly impacted 243 individual businesses and their employees and several natural areas across Puerto Rico. Here are some examples from our partnership.

Business Recovery Highlight:

Donna Durán, Small Business Owner, Cayey

Donna owns Finca Eco-Sustentable Siempre Verde (Always Green Farm) in Cayey. Finca Eco-Sustentable Siempre Verde has been in operation for thirty years. Like many farmers, after Hurricane Maria her crops were completely destroyed and starting over has been a slow and hard process. Through the Mercy Corps – Bacardi program, Donna is developing several innovative projects to help recover, including the use of her farm as an education center for community members with special needs.



Donna also offers tours to seniors for their enjoyment of the farm lifestyle and offers a variety of natural products for purchase. Additionally, she is in the process of opening a chocolate shop on the farm where people will be able to taste different kinds of chocolate products, as well as enjoy fresh, homemade breakfasts. “The chocolate is a project that we are adding to our farm to help make it completely sustainable, especially economically [following Hurricane Maria],” Donna said. “With help from Mercy Corps and the development of our social networks, we hope to be able to continue our farm’s recovery and stay on track.”

To date, Donna has participated in several of Mercy Corps’ training and workshops as well as an advanced social media course to learn how to market her farm and all of her initiatives. She also received a business grant that enabled her to purchase an industrial grinder in March. It will increase the efficiency and production of her packaged products, supporting the expansion and sustainability of her livelihood.

Natural Area Rehabilitation Highlight: Rompeolas Pier & Tamarindo Bay, Culebra

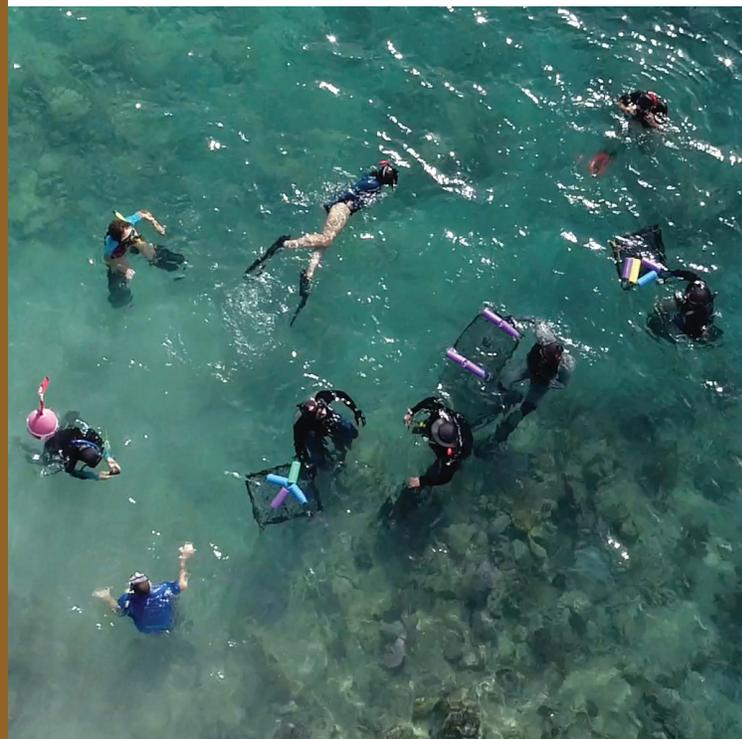
Multiple species of sea turtles are known to nest in the area surrounding Rompeolas Pier—enticing snorkelers and scuba divers alike—and they have been threatened by excessive debris and discarded fishing equipment. On October 13th, Mercy Corps organized the cleanup of Rompeolas Pier on the small island of Vieques, in collaboration with Vieques Conservation and Historical Trust, U.S. Fish and Wildlife Service, and two local dive shops (Black Beard Sports and Isla Nena Scuba). More than twenty volunteers participated in the cleanup and collected approximately 345 pounds of trash, helping the turtles and ecosystem recover.

Puerto Rico benefits from more than \$1 billion in tourist spending each year directly related to coral reefs. In Tamarindo Bay, Culebra, the coral reef suffered significant damage after Hurricane María. On December 1st, Mercy Corps partnered with Sociedad Ambiente Marino to support a clean-up event that drew thirty-three volunteers who covered 1.3 miles of coast. Coral fragments were collected, stabilized, and successfully replanted throughout the reef. Mercy Corps anticipates its investments in this area—made possible by Bacardi—will not only contribute to environmental recovery, but also to the revitalization of local economies via small- and medium-businesses in the area.

Looking Ahead

The work doesn’t stop here. We are excited to continue our efforts to support business recovery and resilience in Puerto Rico, while also expanding our efforts into the US Virgin Islands and Sint Maarten, with the launch of an Innovation Challenge for small businesses, including mentoring and financial rewards for small businesses.

Learn more at <https://www.mercycorps.org/bacardi>



Targets and Progress

FY19 PCI TARGETS

Roll out Charitable Donations Policy globally through trainings, webinars, and other internal communications tools to all Primos.

80% of CR Ambassadors to record employee engagement in CR Month activity.

95% of the 40 Countries where Bacardi has Primos to participate in a CR Month or My InSpirit Day volunteer activity out in communities.

Update financial systems to track all Bacardi Philanthropic giving.

Implement disaster relief and island-wide outreach campaign with Mercy Corps to promote the return of small businesses and natural habitat to Puerto Rico, with the goal of driving tourism and commerce.

FY19 PCI PROGRESS

Full Training implemented on Charitable Donations Policy on October 9, 2018 and additional trainings will be ongoing.

79.3% of CR Ambassadors submitted a CR Month activity in our CR Database for FY19.

87.5% of the countries where Bacardi has Primos recorded participation in a community volunteer activity. Over 2000 Primos participated globally in various volunteer activities.

Financial approval system in place and utilized to track philanthropic giving. Charitable Donations Policy updated to give more flexibility to local offices.

Approximately \$1 million donated to Mercy Corps in FY19, positively impacting 243 small businesses and 3 natural habitat areas.

About this Report

This is the 12th 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 2019 (April 1, 2018 to March 31, 2019). For comprehensive information regarding Corporate Responsibility at Bacardi Limited, please visit our website www.BacardiLimited.com/corporate-responsibility.

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 2019 Corporate Responsibility report. Please email us at CorporateResponsibility@Bacardi.com.

Thank you.