

PRESS RELEASE
January 10, 2023

Partnerships and green funding will 'make or break' carbon reduction targets, predicts Absolut

The Absolut Company says to meet 2030 carbon reduction targets, it's important to drive innovation with partners and find new ways to fund sustainability projects amid global economic challenges and uncertainty.



SUSTAINABILITY REPORT FY 21/22

GOOD TIMES FROM A GOOD PLACE

Publishing its Sustainability Report FY21/22 today, The Absolut Company predicts that partnerships and green funding are going to "make or break" the ability to hit carbon reduction goals. Its prediction comes against a challenging and uncertain backdrop. Three years on from the pandemic, the spirits industry is still striving to recover amid fragile supply chains, an energy crisis, sky-high inflation, and rising interest rates.

The Sustainability Report highlights that Absolut Vodka's 2030 carbon road map remains on track and that The Absolut Company's two other main brands, Kahlúa and Malibu, have reached key milestones. The strong progress has been underpinned by the partnerships and collaborations the brands have fostered across the farming, packaging and logistics sectors over many years.

Stéphanie Durroux, Chief Executive Officer, The Absolut Company, says:

"Sustainability continues to be very high on our agenda despite the global economic, logistical and geopolitical challenges we have all faced. Some events, such as Europe's energy crisis, have served to intensify the climate change debate, yet as our latest Sustainability Report highlights, we are as determined as ever. The past year has reinforced the fundamental importance of our sustainability and responsibility strategy to business resilience and growth. As you can see from our report, we work closely with all our partners from farmers to NGOs to suppliers. It is because of these long-standing relationships that we remain on target to achieve our carbon reduction goals."

Key points from the Sustainability Report FY 21/22

Absolut Vodka – on track to be a carbon-neutral product by 2030

Production of Absolut Vodka is carbon neutral through scopes 1 and 2 and is on track to be a carbon-neutral product by 2030 (incl. scopes 1, 2 and 3), with its main distillery emitting 98 per cent fewer emissions than the average. * Its iconic bottles are now made of 53 per cent recycled glass, supporting a sustainable circular economy, and reducing the use of virgin material. Meanwhile, collaboration with Swedish wheat farmers and an improved compensation programme are boosting yields, improving soil health, and addressing biodiversity loss.

Ground-breaking hydrogen partnership

The Sustainability Report, which covers The Absolut Company's financial year ending in June 2022, has been published just weeks after Absolut Vodka announced its ground-breaking initiative with Ardagh Glass Packaging to start using a partly hydrogen energy-fired glass furnace for large-scale bottle production. Absolut says the move is needed to accelerate radical change to solve the significant sustainability challenges that all glassmakers and buyers of glass face. It has been able to fund the green initiative because of surplus emission rights built up at its Nöbbelöv distillery, which is one of the most energy-efficient in the world.

Kahlúa – 100 per cent of its coffee now sourced through “Coffee for Good” project

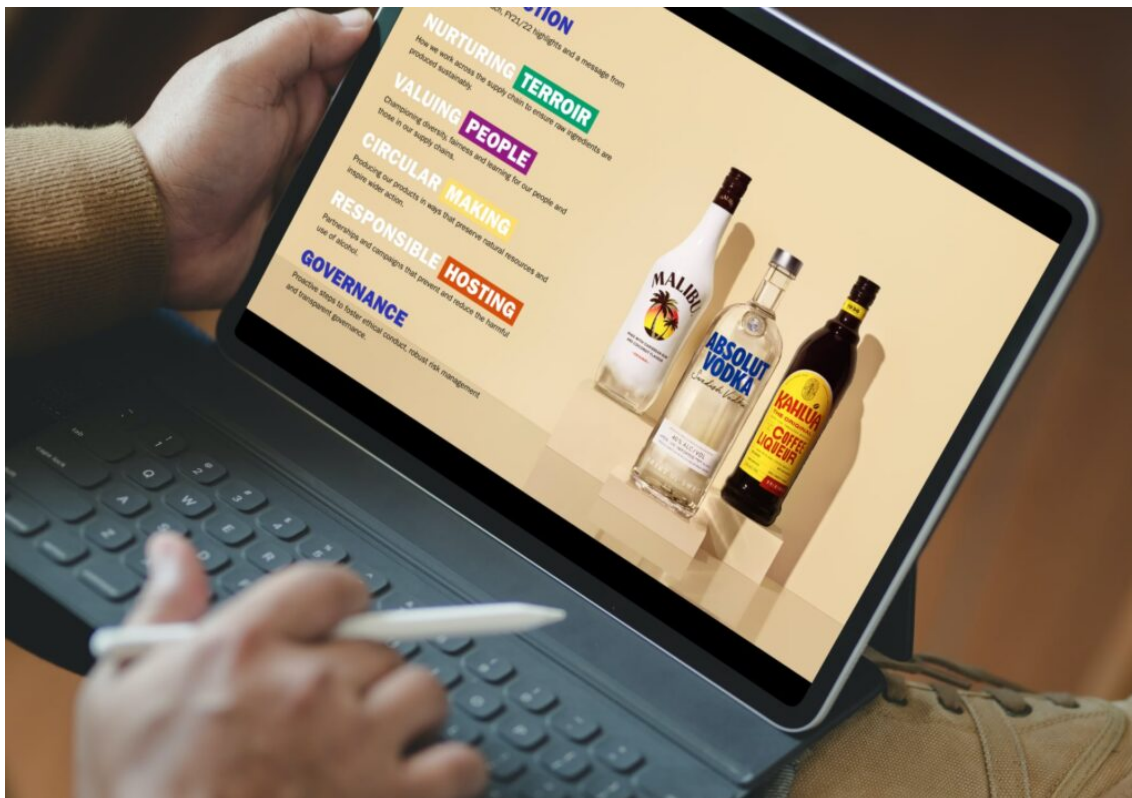
The world’s leading coffee liqueur brand has reached a significant milestone in its ambition to gain transparency and traceability in its supply chain. To achieve this, the brand mapped all steps of its supply chain to identify any potential risk areas. Today, 100 per cent of its key ingredient, Arabica coffee, has full traceability and is solely sourced from the Mexican farming communities participating in its 'Coffee for Good' initiative. The key aim of the project, launched in collaboration with a local NGO in 2016, is to help the farming communities sustain themselves. Since the project began, 704 farmers have been trained, 161 water tanks have been built and more than 213,500 coffee trees planted.

Malibu – PET bottles now made with 30 per cent recycled plastic

Pernod Ricard set out its stall to have at least 25 per cent recycled plastic in its packaging by 2025. Malibu not only met the target four years ahead of plan, but it also beat it. Today, Malibu bottles are made with 30 per cent recycled plastic. Sustainability plans at Malibu, include a partnership with Plastic Bank to support a plastic recycling ecosystem in the Philippines (the world’s third-biggest contributor to ocean plastic) while improving the lives of local communities at the same time. Such has been the success of its collaboration it has extended the partnership by another year.

Stéphanie Durroux, adds: "Partnerships with like-minded organisations and having the courage to make bold decisions that help fund innovative green initiatives are going to be evermore crucial on our carbon reduction journey."

To download a copy of the Sustainability FY 21/22 Report, which provides a detailed and transparent account of The Absolut Company's progress against commitments structured around four pillars – nurturing terroir, valuing people, circular making and responsible hosting – [please click here](#).



Notes to editors:

*According to Beverage Industries Environmental Roundtable (BIER) benchmarking study based on data from 2020. Carbon performance include offsets.

*For more information about the Pernod Ricard Sustainability and Responsibility strategy please see the URD document found here.

About The Absolut Company

The Absolut Company has the worldwide responsibility for the production, packaging innovation and strategic marketing of Absolut Vodka, Malibu and Kahlúa.

Malibu is the number one rum-based coconut spirit in the world.

Absolut Vodka is one of the world's top ten international spirits brands. Every bottle of Absolut Vodka comes from one source, Åhus in southern Sweden.

Kahlúa coffee liqueur is the world leader in its category.

The Absolut Company portfolio also includes Åhus Akvavit. The visitor center, Absolut Home, located next to the main production site for Absolut Vodka, was opened in 2018. The head office is located in Stockholm, Sweden. Chairman and CEO is Stéphanie Durroux. The Absolut Company is a part of Pernod Ricard, the world's second largest wine and spirits producer (source: IWSR).

About Pernod Ricard

Pernod Ricard is the No.2 worldwide producer of wines and spirits with consolidated sales of €10,701 million in FY22. Created in 1975 by the merger of Ricard and Pernod, the Group has developed through organic growth and acquisitions: Seagram (2001), Allied Domecq (2005) and Vin&Sprit (2008). Pernod Ricard, which owns 16 of the Top 100 Spirits Brands, holds one of the most prestigious and comprehensive brand portfolios in the industry, including: Absolut Vodka,

Ricard pastis, Ballantine's, Chivas Regal, Royal Salute, and The Glenlivet Scotch whiskies, Jameson Irish whiskey, Martell cognac, Havana Club rum, Beefeater gin, Malibu liqueur, Mumm and Perrier-Jouët champagnes, as well as Jacob's Creek, Brancott Estate, Campo Viejo, and Kenwood wines. Pernod Ricard's brands are distributed across 160+ markets and by its own salesforce in 73 markets. The Group's decentralised organisation empowers its 19,000 employees to be true on-the-ground ambassadors of its vision of "Créateurs de Convivialité." As reaffirmed by the Group's strategic plan, "Transform and Accelerate," deployed in 2018, Pernod Ricard's strategy focuses on investing in long-term, profitable growth for all stakeholders. The Group remains true to its three founding values: entrepreneurial spirit, mutual trust, and a strong sense of ethics, as illustrated by the 2030 Sustainability and Responsibility roadmap supporting the United Nations Sustainable Development Goals (SDGs), "Good times from a good place." In recognition of Pernod Ricard's strong commitment to sustainable development and responsible consumption, it has received a Gold rating from Ecovadis. Pernod Ricard is also a United Nations Global Compact LEAD company. Pernod Ricard is listed on Euronext (Ticker: RI; ISIN Code: FR0000120693) and is part of the CAC 40 and Eurostoxx 50 indices.

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