



Hennessy

**2022 Sustainable
Development Report**



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The pace of change is accelerating. The effects of climate change are perceptible for each and every one of us, here and around the world. Echoing this, the erosion of biodiversity, episodes of drought and dwindling water supplies testify to the urgent need for action. Our lifestyles and activities are directly impacted. These facts could be traumatic, undermine our ability to act. And yet, everywhere dedicated women and men are committed to taking part in a positive movement of continuous improvement.

At Hennessy, we have undertaken essential projects to improve our social and environmental impact, and to do our part in improving the natural ecosystems and human ties that constitute our greatest wealth. You will find out about them in this new sustainable development report.

All the transformations underway are part of the Maison's strategy and are addressed at the highest level of our organization. We are working together to ensure the best efficiency of their deployment. An efficiency enhanced by our collaboration, teamwork and sharing best practices with our winegrowers and distillers.

At the societal level, as close as possible to the markets where we are present, it is this same spirit of "working together" that makes our actions possible. It is this same mindset that fuels our ambition to make Hennessy a company committed to cultivating the future together!

NATHALIE MEURER
DIRECTOR OF SUSTAINABLE
DEVELOPMENT



LAURENT BOILLOT
PRESIDENT & CEO HENNESSY



WATCH FULL
INTERVIEW

Over the generations, we have excelled in creating exceptional cognacs, resulting from a unique encounter of nature and human talent, that are served all over the world. Our pioneering spirit still drives us to invest in the future by cultivating the best.

In line with our relentless focus on excellence, we are committed to:

- Integrate the preservation of the earth and the climate in all our decision-making processes,
- Innovate ceaselessly without failing to transmit the essential,
- Bring on board talents in our collective adventure,
- Share a deeply meaningful taste experience,
- Reach out to all cultures around the world.

From grape to bottle

For over 250 years, Maison Hennessy has been crafting its exceptional cognacs in the heart of its native Charente region in France. Responsible and committed to protecting its terroir, the Maison brings the excellence of its know-how to each bottle.



- | | | | | | |
|---|--|---|--|--|--|
| <p>01. HARVEST
Mechanical harvesting in the vineyards of the Charente region ensures extreme precision, both in terms of quality and quantity.</p> | <p>02. DISTILLATION
This process transforms wine into eau de vie.</p> | <p>03. MATURATION
Eaux de vie and wood age simultaneously for years, exchanging aromas and colors.</p> | <p>04. SELECTION
The Tasting Committee selects the finest eaux de vie to make up our cognacs.</p> | <p>05. BLENDING
Only a meticulous selection of fine eaux de vie produces a remarkable top-quality cognac.</p> | <p>06. BOTTLING
Bottles are prepared in our Charente workshops and then shipped to our distributors around the world.</p> |
|---|--|---|--|--|--|



FOUNDING OF
MAISON HENNESSY



WORLD LEADER
IN PREMIUM SPIRITS

Nearly one out of two cognacs sold worldwide is a Hennessy cognac

99%

OF PRODUCTION SOLD
ABROAD IN EXPORT

HENNESSY'S SUPPLY BASIN

33,000 hectares*

*out of the 84, 000 ha of AOC Cognac

30,000
LOCAL JOBS GENERATED

directly or indirectly by Hennessy

8 GENERATIONS
OF MASTER-BLENDERS

from the same Fillioux family
to preserve the expertise of Hennessy cognacs



4 ICONIC BRANDS



HENNESSY COGNACS
ARE DISTRIBUTED
IN 160 COUNTRIES

NUMBER OF EMPLOYEES

1,142*

♀ : 33% ♂ : 67%

*permanent contracts

1,600
PARTNERS

Wine-growers, distillers,
professional distillers...

OUR SUSTAINABLE DEVELOPMENT STRATEGY

Together, let's cultivate the future!

At Hennessy, we love this verb: **cultivate**. It takes us back to our history. The cultivation of the land, of the vine, of course, but also the taste for relationships cultivated over time. With our winegrowing partners, often from generation to generation, with the communities that have adopted us throughout the world, with our employees, we cultivate our common future in a more sustainable and fairer world.

Our ambition: to become the benchmark for sustainability in luxury wines and spirits.



MITIGATE OUR ENVIRONMENTAL IMPACTS



SUSTAINABLE VITICULTURE

Sustainable viticulture
New viticultural model



BIODIVERSITY

Biodiversity on our local terroir
Forest regeneration in France
and around the world



CLIMATE

Carbon footprint
Water footprint



PROTECT AND EMPOWER PEOPLE



CARING FOR OTHERS

Health, safety and
well-being at work
Responsible consumption



SOCIAL INCLUSION

Diversity, equity and inclusion
Local economy and contributing
to solidarity



SUPPORTING CULTURE

Solidarity and community support

OUR ENVIRONMENTAL AND SOCIAL KEY DATES

...1930 | 1940 | 1950 | 1960 | 1970 | 1980

| 1990 | 2000 | 2010 | 2020

<p>1929 Introduction of paid vacations</p> <p>From 1850 onwards Members of the Hennessy family get involved in various charities</p>	<p>From 1950 onwards Schieffelin & Co x Hennessy: early supporters of the African-American community</p> <p>1947 Creation of ISH: l'Institut Social Hennessy</p>	<p>1972 Creation of CSH: Le club sportif d'Hennessy</p> <p>Creation of REVICO for the treatment of distillation residues in co-management with Martell</p> <p>1977 Local partnership with the Arche association, which employs disabled people</p>	<p>Since 1980 Local, targeted support for festivals and local cultural organizations</p>	<p>1991 Setting up the environment commission</p> <p>Since 1996 Resorting to apprenticeship for the company's various departments, with cross-functional support</p> <p>1998 Hennessy is the first spirits company to obtain ISO 14001 certification</p>	<p>2002 First carbon footprint assessment with ADEME</p> <p>2004 ISO 14001 certification for the Groie distillery subsidiary – New environmental policy</p> <p>2006 ISO 14001 certification for the vineyard and green spaces subsidiary</p> <p>2009 Introduction of eco-design with new packaging for Fine de Cognac H₂O Launch of Mousqueton safety initiative</p>	<p>2011 Part of the Hennessy vineyard registered as a reference farm under the government's Ecophyto plan</p> <p>2013 Launch of the electro-solar boat for visitors</p> <p>2015 Introduction of a fleet of electric vehicles</p> <p>2016 High Environmental Value (HVE) certification for the Hennessy vineyard</p> <p>2017 First High Environmental Quality (HEQ) certification for a Pont Neuf building</p> <p>2019 Creation of the American Hennessy Fellows program / Deployment of a Solidarity Pool to allow in-house vacation donations</p>	<p>2020 Creation of a Sustainable Development Department on the Executive Committee</p> <p>Creation of the Unfinished Business program / ISO 45001 health and safety certification obtained</p> <p>2021 Start up of agroforestry project on our vineyard, birth of 10-year partnership with Reforest'Action – 100% renewable energy on our own administrative and industrial sites</p> <p>Creation of the Never Stop Never Settle Society program/First initiative of In The Paint global series of artistic collaborations in Montreal (Canada) with artist Francorama</p> <p>2022 ISO 50001 certification for energy management</p>
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OUR HIGHLIGHTS

ISO 50001 CERTIFICATION OBTAINED

AND IMPLEMENTATION OF AN
ENERGY EFFICIENCY PLAN

Result: -35% gas consumption from October to
December 2022 (versus October to December 2021)

7 DISTILLERS SWITCHED TO BIOMETHANE

i.e. 5,700 Teq CO₂ avoided

LAUNCH OF THE 1,000 PALISSES PROGRAM

With 31 km of hedges planted in 2022
Target: 1,000 km of hedges planted by 2032

THE HENNESSY SPORTS CLUB CELEBRATES ITS 50TH ANNIVERSARY

15 sporting disciplines offered to employees

HENNESSY DEVELOPS THE IN THE PAINT PROJECT IN 7 COUNTRIES

Artistic renovation program for basketball courts
dedicated to communities around the world

91 NEW COGNAC ENVIRONMENTAL CERTIFICATIONS (CEC) BY 2022

19% of vineyards certified and
47% supported in the certification process

4,500 HECTARES OF FOREST ECOSYSTEMS REGENERATED

since 2020, including 2,621 ha by 2022

100% RENEWABLE AND LOW-CARBON ENERGIES

at all our administrative and industrial sites

420 PEOPLE ASSISTED IN THE UNITED STATES

(students, entrepreneurs, shopkeepers)
with a total budget of \$4.9 millions

ACHIEVEMENT OF THE HandiWe[®] LABEL

for companies committed to the inclusion
of people with disabilities

*Created on the initiative of Cap emploi Charente, this label was launched in 2019 and rewards companies committed to disability

ETHICAL GOVERNANCE AND TRANSPARENCY

GOVERNANCE DEDICATED TO SUSTAINABLE DEVELOPMENT

In 2020, Hennessy set up an independent Sustainable Development Department, whose organization was reviewed in 2022.

This new executive department reports directly to Hennessy CEO, which highlights the central issue of sustainability within the company, and has a dedicated budget and team. It is supported by various strategic committees and working groups on specific subjects (environment, agro-ecology, sustainable distillation, eco-design...).

In addition to sustainable development, the department is responsible for coordinating Hennessy's strategic projects (known as "H2030" projects, for their horizon to 2030).

Hennessy has defined the objectives of its Sustainable Development Strategy "Together, let's cultivate the future", in line with the objectives of LVMH's LIFE 360 program and Moët Hennessy's Living Soils Living Together Sustainable Development strategy.

OUR TRANSPARENCY PLATFORM, TRUST IS BASED ON PROOF

To go beyond the regulatory traceability of its products, Hennessy wanted to share with its customers a behind-the-scenes look at the different stages in the life cycle of its cognacs, from vineyard to distribution. A QR code available on products - Hennessy V.S, Hennessy V.S.O.P, James Hennessy and Hennessy X.O - sold in Europe enables consumers to discover the environmental and social initiatives of the Maison as well as those of its partners and suppliers at every stage of the value chain. Launched in early 2022, the platform has since been translated into five languages. It will be enriched over time, notably by covering all Hennessy products, and will be deployed beyond the European continent.

CULTIVATING EXEMPLARY BEHAVIOR AND ETHICS

Hennessy adopts and promotes honest and ethical behavior with all its stakeholders. The Maison subscribes to a set of ethical rules of conduct and principles of action:

- ◆ a Code of Conduct to be followed by all employees in the performance of their duties;
- ◆ a Supplier Code of Conduct to which all suppliers must adhere, as well as their own suppliers and subcontractors;
- ◆ a Responsible Purchasing Policy to assess and support our partners and suppliers, who are committed to complying with a set of ethical, social and environmental rules and requirements.



NATHALIE MEURER,
Director of Sustainable
Development

"The Sustainable Development Department communicates its strategy "Together, let's cultivate the future!", its actions and its progress throughout the year, using a variety of means.

Internal stakeholders receive solid training in Sustainable Development as soon as they join the company, newsletters dedicated to these subjects are periodically sent to them, the company's CSR (Corporate Social Responsibility) news is shared with them on the company's internal social networks, balance sheets are commented on with employee representative bodies and regular physical presentations are made to employees.

Hennessy's external stakeholders have access to this information via the company's various communication channels, notably through the voluntary publication of the annual Hennessy Sustainable Development Report."



MITIGATE OUR ENVIRONMENTAL IMPACTS

OUR AMBITION

- DEVELOP NEW AGRICULTURAL MODELS FOR SUSTAINABLE VITICULTURE
- REGENERATE 50,000 HA OF FOREST ECOSYSTEMS TO INCREASE BIODIVERSITY IN FRANCE AND WORLDWIDE
- HALVE OUR CARBON FOOTPRINT BY 2030 TO LIMIT OUR IMPACT ON THE CLIMATE

OUR 2030 OBJECTIVES AND 2022 INTERMEDIATE RESULTS

VITICULTURE OBJECTIVES

To become a benchmark in the wine industry through:

- ◆ Integrating new landscaping practices that promote biodiversity, soil life and an increase in pollinators
- ◆ The reduction of inputs and supporting our winegrower partners to achieve the CEC certification (Certification Environnementale Cognac)
- ◆ Innovation and sharing our experience
- ◆ Contributing to the local dynamic

FOREST DESTINATION OBJECTIVES

- ◆ Develop biodiversity and agroforestry in Charente by planting 1,000 km of hedgerows by 2032.
- ◆ Contribute to the regeneration of forest ecosystems worldwide by planting 50,000 hectares of forests, trees and hedges by 2030

CLIMATE OBJECTIVES

Cut the carbon footprint by 50% by 2030 (trajectory validated by SBTi*) through our actions on:

- ◆ Distillation
- ◆ Energy efficiency and sobriety
- ◆ Transportation
- ◆ Eco-design of our products and buildings

*Science Based Target initiative.

**The climatic severity index is the ratio between an observed climate indicator and a reference climate indicator. This indicator is made up of unified degree days.

VITICULTURE RESULTS

100% of plots worked without herbicides

10 ha of useful fallow land sown every year

19% of vineyards certified CEC

300 beehives installed in Hennessy vineyards by 2022

FOREST DESTINATION RESULTS

4,500 ha of forest ecosystems regenerated worldwide with Reforest'Action by the end of 2022, with **113** different species

31 km of hedgerows planted in 2022 at the **58** winegrower partners of the Maison in the Cognac region

2,500 m² of micro-forest planted on the Pont Neuf site, with **25** different species

CLIMATE RESULTS

Air freight at 0.18% in 2022

40% reduction in electricity consumption per standardized case produced in relation to climatic rigor** (versus 2021)

76% of Hennessy bottles sold without a case (all formats and products combined)

In-house truck fleet: **100% second-generation biofuels** (XTL HVO/ED95)

Support for **7 exclusive professional distillers** to switch to biogas in 2022

93% of new-generation burners (forced air) installed in the three Hennessy distilleries



Sustainable viticulture

Develop a new agricultural model

TO ADDRESS THE CHALLENGES OF CLIMATE CHANGE, SOIL IMPOVERISHMENT AND BIODIVERSITY LOSS, THE COMPANY IS TESTING AND DEPLOYING MORE VIRTUOUS AGRICULTURAL PRACTICES IN ITS OWN VINEYARDS.



Plant cover with crimson clover in the Bataille vineyard

THE FIGURES

100% of plots worked without herbicides

100% of vineyards using mating disruption instead of insecticides

10 hectares of useful fallow land sown every year on plots awaiting replanting

REDUCING INPUTS

The Maison's new viticultural practices have included a reduction in inputs since 2011, in particular with a "zero herbicide" policy, replaced by limited tillage and the widespread use of plant cover. As an alternative to chemicals, Hennessy is working on biocontrol* and biological control**. For example, hormones (pheromones, etc.) are used to create sexual confusion in certain insect pests (such as grape worms).

*Biocontrol is a set of plant protection methods based on the use of natural mechanisms, such as macro-organism type bio-control agents (nematodes, auxiliary insects or mites), micro-organisms (bacteria, viruses, fungi), chemical mediators (including pheromones), natural substances (of mineral, animal or plant origin).
**Biological control is a method of controlling pests such as crop pests by means of antagonistic living organisms, known as "biological control agents", which belong to the group of crop auxiliaries. It is based on the use of natural predators.

NEW LANDSCAPE APPROACHES TO PROTECT BIODIVERSITY

To maintain the fertility of its soils and vineyards, Hennessy deploys practices that promote biodiversity:

- ◆ Winegrowing agroforestry, with the planting of trees and hedges that help protect the vineyard and provide a refuge for a microfauna of very useful crop auxiliaries in the fight against pests;
- ◆ The use of plant cover (alfalfa, clover, etc.) between the rows of vines to aerate and enrich the soil over the seasons;
- ◆ The maintenance of dry calcicolous meadows by eco-pasture, a practice recommended by the LPO (Ligue de Protection des Oiseaux) / Bird Protection League, allows the development of a remarkable fauna;
- ◆ The installation of 300 beehives in the vineyard in 2022: bees, true sentinels of the environment, are involved in biocontrol and environmental analysis trials as part of a research program in collaboration with the OFA*.

EXPERIMENTAL FIELD PROGRAMS

The company relies on field experimentation as much as on scientific knowledge and innovation to test the agro-ecological models of tomorrow, in particular:

- ◆ Develop and pass on the ancestral know-how of virtuous vine pruning, which prevents the transmission of wood diseases through vine wounds;
- ◆ develop expertise in mycorrhization – symbiosis between plant roots and certain fungi – which helps plants to absorb minerals from the soil and resist water stress and disease.



HENNESSY CONTINUES ITS VINEYARD AGROFORESTRY PROGRAM

This program, which began in 2021 in Hennessy's experimental vineyard, is based on the principles of viticultural agroforestry, which combines trees and vines on the same plot. It aims to restore ecological corridors and the bridges that connect them.

The plantation of hedges provides an aesthetic landscape and promotes the movement and life of species that benefit from the shelter and cover offered by these varied species.

Numerous co-benefits of these landscape evolutions have been observed: the shading effect, the windbreak action, carbon capture, soil enrichment, the creation of shelters for birds...



FIND OUT MORE IN VIDEO

Terrasses of de la Bataille vineyard in Saint Preuil



AGROFORESTRY IN 2022

+3.1 km equivalent of hedges planted in autumn 2022 in the Hennessy vineyard, for a total of 7.1 km.

TOGETHER, MOBILIZED FOR FLAVESCENCE DORÉE PROSPECTION IN THE REGION

Flavescence dorée jeopardizes the sustainability of vineyards. To detect this disease as early as possible and limit resorting to insecticides, prospecting is essential. In partnership with the Chambers of Agriculture of Charente and Charente-Maritime, a collective regional prospecting action was carried out.

Hennessy has involved, with a total of 205 participants over 11 half-days, almost 1,500 ha surveyed and 2,000 km covered by The Maison teams.

DEPLOYMENT OF COGNAC ENVIRONMENTAL CERTIFICATION (CEC) AMONG ITS PARTNERS

Maison Hennessy's ambition is to make the Cognac vineyard a benchmark for virtuous practices in the wine world.

In order to contribute to the collective improvement of the region, Hennessy shares the know-how proven on its own estate and, in particular, supports its partners in obtaining the CEC.

Initiated in 2016 by winegrowers and Cognac Houses within the BNIC*, this certification aims to make winegrowers transition players in the face of climate change and the societal challenges it poses. It is based on a repository of regulatory compliance (pesticide storage area, washing platforms, treatment of organic and phytosanitary effluents) and virtuous practices (fertilization, vineyard protection, biodiversity).

*Bureau National Interprofessionnel du Cognac

CEC FIGURES FOR 2022

19% of farms certified (15.592 hectares)

+ 91 new certifications in 2022

221 participants in workshops organized by Hennessy to improve viticultural practices: soil life, plant cover sowing, spray quality, etc.



Forest Destination

THE "FOREST DESTINATION" PROGRAM IS A COMMITMENTS AND INITIATIVES JOURNEY TARGETING THE REGENERATING FOREST ECOSYSTEMS FOR THE BENEFIT OF FUTURE GENERATIONS.

For Hennessy, the forest is an integral part of the excellence of its cognacs, whose eaux-de-vie flourish in contact with oak wood. By exploiting its own forests, the Bois de la Celle and the Bois de Bagnolet, for almost half a century, the Maison has developed a strong bond with these vital ecosystems. Convinced of the need to preserve their many benefits for the future – for biodiversity, the water cycle, soil fertility and adaptation to climate change – the company is committed to various initiatives in France and around the world. The destination is unique: to regenerate 50,000 hectares of forest ecosystems worldwide by 2030. The planting of hedgerows has been included in the contribution to this objective in 2022.

RESTORING THE BRACONNE FOREST IN COGNAC TERRITORY

This state-owned oak forest, whose seed trees have been destroyed by several storms, is the focus of a program run by the ONF* which aims to preserve the local tree species. Hennessy employees contribute to the harvesting of acorns, which are used to raise seedlings in the ONF's experimental nursery before they are planted back in their natural habitat.

THE FIGURE

3,000 acorns harvested in 2022 and placed in ONF nurseries.

*Office National des Forêts / National office of Forests
**Micro-forest or Miyawaki forest: consists in planting native tree and shrub species very densely over a small area.

PARTICIPATORY PLANTING OF A MICRO-FOREST AT PONT NEUF

In March 2022, a micro-forest** of just over 2,500 m² was brought to life on the Pont Neuf logistics site. Left to evolve as freely as possible according to the Japanese "Miyawaki" reforestation method, this micro-forest enables Maison Hennessy to involve the site's 130 employees in understanding the future challenge of reforestation, and to experiment with its evolutions and benefits over time.

PROJECT IDENTITY CARD

- > 5,000 trees planted in collaboration with Reforest'Action
- > 130 employees involved
- > 25 different species

Participatory planting with Hennessy employees at the Pont Neuf site



FRANÇOIS TREUILLER
Qualified forklift operator
at the Pont Neuf logistics center

"The weather wasn't fine at all but it didn't hamper our fine spirits! After a questionnaire and some advice, in small groups we planted five different species of trees: oaks, lime trees, maples, hornbeams, hazelnuts... What's thrilling is that we'll be able to observe the evolution of this plantation since it's located in our workplace."



Laurent Boillot and Sebastião Salgado at Earth University

Earth University

HENNESSY WAS A MAJOR PARTNER IN THE 2022 EDITION OF THIS FORUM FOR REFLECTION AND DEBATES AROUND THE ECOLOGICAL TRANSITION.

This is the seventh edition of the Earth University which was held on November 25 and 26, 2022 at UNESCO. 250 speakers and 10,000 visitors gathered there. An educational exhibition entitled "Cultivating our forests, Cultivating our future" presented the major challenges facing the world's forests through the regeneration actions implemented by Hennessy, notably with Reforest'Action. Hennessy also participated in two discussion sessions with world experts:

1. **Laurent Boillot**, CEO of Maison Hennessy, spoke at the "Reforestation of the Earth" Conference, notably alongside Brazilian photographer **Sebastião Salgado**, co-founder of the Instituto Terra in Brazil for the protection of the Amazon rainforest, as well as botanist **Francis Hallé**, leader of a project to relocate a primary forest in Europe.
2. **Mathilde Boisseau**, the Maison's Wine & Vineyards Director, took part in a round table discussion entitled "For a living earth, what soil resilience?" alongside botanist **Marc-André Selosse** and psychiatrist **Boris Cyrulnik**.



FIND OUT MORE
IN VIDEO



FIND OUT MORE
IN VIDEO



MATHILDE BOISSEAU
Wine & Vineyards Director

"We are fortunate to have 180 ha of experimental vineyards. There is no one-size-fits-all solution: we test sustainable solutions and learn from our mistakes. Then there is a collective issue of sharing to co-construct with our partner winegrowers the new viticultural practices to be implemented on the 33,000 ha they represent."



SEBASTIÃO SALGADO
Photographer and co-founder
of Instituto Terra (Brazil)

"The only 'machine' capable of transforming CO₂ into wood... is trees through photosynthesis!"





Within the vineyard, the 1,000 Palisses* program

CULTIVATING THE FUTURE OF COGNAC AOC FARMS THROUGH A PROJECT TO PLANT 1,000 KM OF HEDGES AND COUNTRY TREES OVER 10 YEARS.

PROJECT IDENTITY CARD

- > Objective: 1,000 km of hedgerows planted in Charente in 10 years**
- > 31 km planted by 2022 at 58 Hennessy's partner winegrowers

A COLLECTIVE PROJECT, BECAUSE THE LANDSCAPE IS EVERYONE'S BUSINESS

Involving winegrowers and local authorities, promoting their best practices and recreating links with local residents and environmental associations are the key social issues at the heart of this project orchestrated by Maison Hennessy.

The beauty of landscapes reshaped by a variety of tree species is a benefit shared by all. 1,000 Palisses is a territorial program bringing together many local associations and structures: Vitinnov, the Chambers of Agriculture, the LPO, Prom'haies, the CETEF***.

*Palisses is the Charentais term for hedgerow.

**The project has been postponed by two years for implementation from 2022 to 2032.

***Centre d'Étude Technique Environnemental et Forestier / Center for Environmental and Forestry Technical Studies



Planting of a double hedge at a winegrower's partner



RAPHAËL BRISSON, Sustainable Viticulture Manager

"1,000 Palisses aims to reconstitute the green network and create continuity between ecological corridors within the Cognac vineyards. Its ecological and agronomic benefits are numerous: developing biodiversity, stabilizing river banks, capturing carbon, encouraging the presence of crop auxiliaries – those small predators that fight against insect pests – but also improving soil fertility and protecting it from erosion... This transformation of the vineyard makes it more resilient to the effects of global warming."



1,000 PALISSES: A VISION FOR THE FUTURE OF THE REGION

The project has been recognized as a "Nature-based Solution" by the IUCN (International Union for Conservation of Nature).

3 questions to...

FANNY BRUNSTEIN

in charge of Business and Biodiversity, IUCN French Committee



In 2022, IUCN France published "Nature-based solutions and business: seizing the concept to take action!" What is it all about?

Nature-based Solutions (NBS) are actions designed to tackle the territorial challenges posed by the global changes that our societies are facing: the fight against climate change, natural risk management, water supply – to name but a few... Based on

ecosystems, which they help to preserve, manage or restore, the dual purpose of these actions is both to benefit biodiversity and to respond to this identified challenge. We therefore help companies – which have the expertise and the land and financial resources – to take up this type of initiative.

How does the 1,000 Palisses program run by Maison Hennessy with a group of local stakeholders fit into this concept?

The 1,000 Palisses project aims to develop vine/wine production systems that are resilient to climate change, and to participate in the reconstitution of green and blue belt networks conducive to a rich and varied biodiversity on agricultural plots. This is an essential issue, given that the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES) has identified the fragmentation of territories and the artificialization of environments as major factors in the erosion of biodiversity. For a project to be a "Nature-based Solution", it must meet the criteria of the IUCN international standard, and in particular demonstrate inclusive governance, integrating stakeholders from the subject and the territory. 1,000 Palisses fully meets these requirements.



Young plant forming a hedge, at a winegrower partner's vineyard

What are the prospects for this winegrowing agroforestry project, and how is it inspiring?

For the time being, this project is mobilizing the partner winegrowers of Maison Hennessy, but it may be inspiring for other winegrowers in the sector or for the wine industry in the broad sense. The "Nature-based Solutions" are intended to be disseminated, to inspire local players and multiply their scope. The next steps we'd like to take with this project are to make it last, and to imagine ways of involving and inspiring future generations of winegrowers. We also encourage 1,000 Palisses to pursue the "zero phyto" approach, which is essential for improving water quality and thus fully benefiting biodiversity.



"This initiative is currently mobilizing Maison Hennessy's partner winegrowers, but it could prove inspiring for other winegrowers in the area, or for the wine industry as a whole."



Hennessy's commitment to the world's forests



Garden forest from the air, Mount Kenya, Kenya

HENNESSY CONTRIBUTES TO EIGHT AGROFORESTRY AND REFORESTATION PROJECTS AROUND THE WORLD

Hennessy has joined forces with Reforest'Action* in a shared ambition: to protect and revitalize endangered forest ecosystems. Developed at various latitudes where the Maison operates – in South Africa, China, the United States, Kenya, Madagascar, Nigeria and Tanzania – these projects contribute directly to the support of the communities that live nearby. They also address the issue of the transmission of this fragile and precious resource, the forest.

LOCAL ISSUES AT THE HEART OF OUR PARTNER REFOREST'ACTION'S PROJECT

When Reforest'Action supports a project, they focus on its positive local impact. The aim is to support projects that regenerate ecosystems while also benefiting local communities. NGOs in the field then develop the plantations over the following five years. Reforest'Action undertakes to monitor the long-term maintenance of the forest cover, and to measure and share the benefits in terms of carbon capture, water and soil quality, biodiversity, as well as economic and social contributions.



ARNAUD GUIDAL
Head of the International Forestry Division at Reforest'Action

“We share a common observation with Maison Hennessy: the erosion of biodiversity calls for urgent, large-scale action. Act quickly... and well! Our mangrove**, agroforestry projects on farmland and natural forest restoration projects all have a regenerative impact on biodiversity. We assess it upstream and measure it over time.”

THE FIGURES

By the end of 2022, **4,500 hectares of regenerated forest ecosystems**, with **113 different tree species**
End-2024 target: **50% of the 2030 target**, i.e. around **25,000 ha regenerated**



FIND OUT MORE IN VIDEO

*Reforest'Action is an impact company whose mission is to create links between stakeholders to preserve, restore and create forests and develop their multiple benefits, all over the world.
**Mangrove: mangrove-based forest growing in the mud of tropical coastlines.



WESTERN CAPE, BREEDE RIVER VALLEY, AN INITIATIVE SUPPORTED BY HENNESSY SINCE 2021.

This project is rooted in the Western Cape floral region of South Africa, one of the world's most important biodiversity reserves.

What are the ecological and economic challenges facing the Breede River's banks?

It's one of South Africa's longest rivers and the main source of water for this agricultural and wine-growing region. Cape Floral is known for its rich endemic vegetation, the Fynbos. Plants and animals here have adapted to a unique ecosystem, nourished by both fire and winter rainfall. Unfortunately, under the influence of agriculture and global warming, this environment is facing an invasion of its waterways by exotic species. These grow at a rate six times faster than native plants. As a result, they tend to colonize the entire soil surface, capturing water that is becoming increasingly scarce.

What's your role in this project?

My role consists first of all in managing a team, making sure that everyone is trained in the project and in the specificity of our ecosystem: which plants grow in the river, when and how to harvest and sow the seeds... Then there's the educational dialogue to be undertaken with the landowners on how to initiate the rehabilitation. We then prepare the ground by setting up irrigation, digging and supplying fertilizer. Then we plant and monitor the achievement of our tree number targets. We are currently in the process of planting 60 hectares.

What are the benefits of this program?

The beneficiaries of the program are landowners, mostly farmers. This project secures the availability of water, as exotic species consume six times more than local species, it provides ecological services such as pollination, it reduces the risk of fire... Ultimately, the aim is to create ecological corridors rich in diversity. From now on, all farmers and winegrowers will have to move in this direction, by reducing inputs to restore biodiversity in particular. Personally, I'm glad to be working on a project that I can leave as a legacy to future generations!



3 questions to...

RYNO PIENAAR

Conservation Manager at Breedekloof Wine and Tourism



This project secures the availability of water, as exotic species consume six times more than local species.



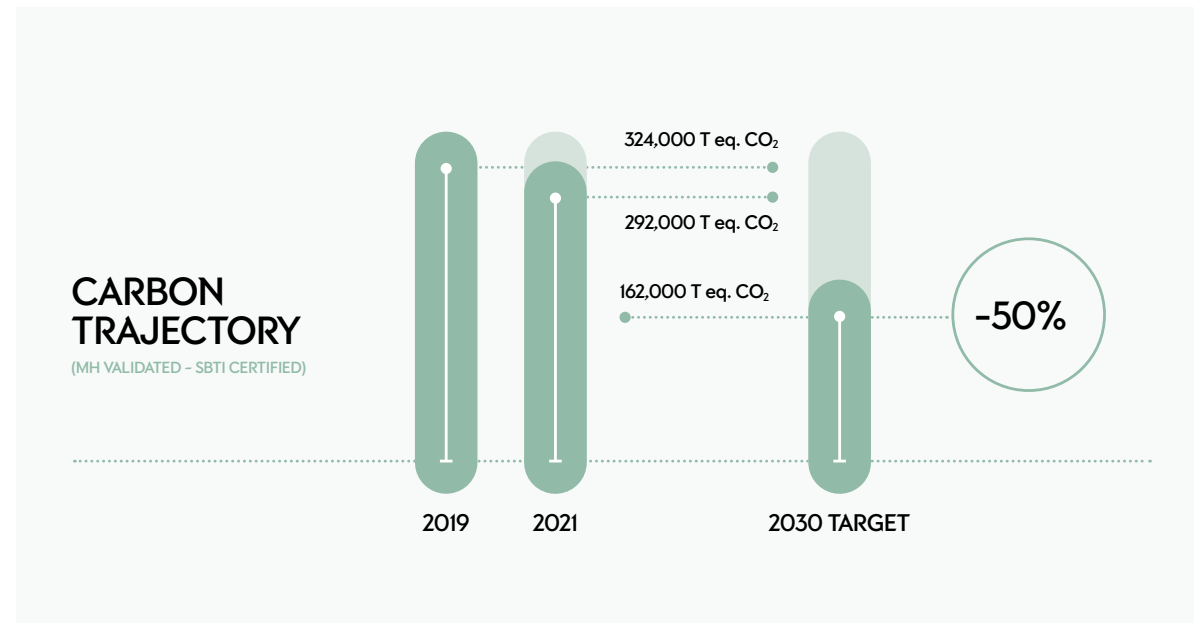
FIND OUT MORE IN VIDEO





The climate

20 years of carbon assessment at Hennessy



SINCE ITS FIRST CARBON ASSESSMENT, 20 YEARS OF INNOVATION AND ACTION HAVE ENABLED THE COMPANY TO MOVE TOWARDS EVER GREATER ENERGY EFFICIENCY AND DECARBONIZATION

To contribute in the fight against climate change, Hennessy is taking action to halve its CO₂-equivalent emissions by 2030 across all its scopes (1,2,3). This target is part of the 1.5°C SBTi* carbon trajectory targeted by Moët Hennessy.

As the first spirits company to receive ISO 14001 certification in 1998, Hennessy initially focused on its own sites, reducing its Eq CO₂ emissions by 75% between 1998 and 2022 (scopes 1 and 2). This reduction has been made possible by a demanding energy management system and by constant improvement of equipment and energy choices at its industrial and administrative sites,

and its means of transport. In order to extend this impact to its scope 3, the Maison is now supporting its partners in this same approach.

Since 2021, Hennessy has been a pilot for ADEME's ACT "Agriculture and Agrifood" decarbonization program. The ACT method is jointly supported by ADEME and the CDP (Carbon Disclosure Project), and is used to assess the alignment of a company's strategy with a sector-specific decarbonization trajectory, defined within the framework of the Paris Agreement objectives

Nota bene: Maison Hennessy's 2022 carbon assessment – currently being calculated – will be published on the ADEME website as soon as it becomes available.

- SCOPES 1, 2 and 3 measure the greenhouse gas emissions generated by a company's activities.
- Scope 1 measures the CO₂ emitted directly by the company (gas-fired heating, vehicle fuel).
 - Scope 2 measures indirect emissions due to energy consumption at the site(s) (e.g. electricity consumption).
 - Scope 3 includes the company's upstream and downstream indirect emissions (purchasing, transport, waste products, product use, end-of-life, etc.).

*Science Based Target initiative.



3 questions to...

MATHIEU ANGLADE

Regional Director ADEME – Agency for Ecological Transition – Nouvelle-Aquitaine

What has characterized Hennessy's relationship with ADEME over the past 20 years?

The relationship between Maison Hennessy and ADEME has remained constant since Moët Hennessy took the voluntary step of carrying out its first carbon footprint assessment 20 years ago. Our cooperation has been peppered with regular mutual challenges and joint progress. The projects that Hennessy is now carrying out are strategic for the company's resilience and its industrial future. What's exciting for us is that the Maison and its projects are imbued with a strong territorial and human involvement. This is an essential point, contributing to the energy and ecological transition strategies we are supporting.

How do Hennessy's energy and climate initiatives match up with the objectives of ADEME Nouvelle-Aquitaine?

The driving force behind ADEME's action is to achieve carbon neutrality by 2050. Hennessy's carbon strategy converges with this objective. By joining our ACT* program on their own initiative, they are embracing its systemic approach. We share the conviction that to accelerate ecological and energy transitions, we need to develop actions on all scopes. Hennessy is both an industrial player, integrated into a territory, leader in a sector linked to agriculture, and a collective of men and women. As a cross-functional player, it can therefore play the role of "assembler" of stakeholders, by involving subcontractors or local authorities in the transition, for example. A player who acts on many levers: agriculture, industrial processes, eco-design, mobility... Finally, in terms of method, Hennessy shares ADEME's ability to move from an idea to its operational implementation through research and development.

What are ADEME Nouvelle-Aquitaine's priorities for the upcoming years?

Our aim is to decarbonize regions, local authorities and businesses. This involves the development and use of renewable energies in the region, and a more circular approach to the economy. In the short term, we need to increase awareness and commitment to create a strong collective dynamic around these issues. The ACT methodology integrates this collective dynamic, not only in terms of decarbonization, but also in terms of the necessary adaptation to climate change. The involvement and inspiring example of a leader like Hennessy are essential to make it desirable to commit to transforming our societal models.

*ACT is a sector-specific decarbonization program supported by ADEME (the French Environment and Energy Management Agency) and CDP (Carbon Disclosure Project).



"The involvement and inspiring example of a leader like Hennessy are essential to make it desirable to commit to the transformation of our societal models."



Decarbonize our activities

HENNESSY HAS UNDERTAKEN A LONG-TERM PROJECT TO REDUCE THE CARBON IMPACT OF DISTILLING ITS EAUX-DE-VIE.

AOC Cognac requires open-flame distillation, and in 2021 this activity accounted for 17% of the company's carbon emissions (scopes 1,2,3).

Since 2002 Hennessy has been implementing a plan in its own distilleries to limit energy consumption in this essential stage. To achieve this, two levers have been activated: optimizing combustion settings and, since 2016, replacing atmospheric burners with forced-air burners. By the end of 2022, 93% of burners have already been replaced in its three distilleries.

And to reduce its carbon footprint, Hennessy has switched all its sites to contracts with Guaranteed Origin of locally produced biogas. A saving of 80% in greenhouse gas (GHG) emissions compared with natural gas.

*Carbon emissions emitted indirectly by the company upstream or downstream (transport, purchasing, suppliers, etc.).



Hennessy distillery partners having subscribed to Biomethane Guarantees of Origin in 2022



FÉLIX POUYANNE-LAFUSTE
Distillation Technical Director

"In order to increase our results, i.e., to impact our scope 3*, the Maison's ambition is now to apply these good decarbonization practices to our partner suppliers: distillers and exclusive professional distillers.

This program was launched in 2022, with seven of them switching to biogas, saving 7.750 T eq. CO₂. In 2023, they will be supported by experts with the help of ADEME to carry out their energy diagnostics. In addition, in 2022, at our Le Peu distillery, we developed the first hybridization tests with 20% hydrogen in the flame. Tests will continue in 2023. This potential carbon-reduction solution meets the needs of our partners who do not benefit from access to town gas."

THE BENEFITS OF HYDROGEN HYBRIDIZATION:

Hydrogen is a clean gas that produces no CO when burned.

By hybridizing burners with hydrogen, we can reduce the CO₂ emissions associated with the combustion of natural gas or propane. Hybridization at 20% power allows CO₂ savings of 20%.

This hydrogen is produced by electrolysis of water using green electricity.



Improving energy efficiency

HENNESSY TAKES ACTION AT ALL ITS SITES TO IMPROVE THE ENERGY EFFICIENCY OF ITS EQUIPMENT AND TO USE IT SPARINGLY.

ENERGY EFFICIENCY, AN ACTIVE APPROACH

A pioneer in energy audits – the first one dates back to 2006 – the Maison has since undertaken numerous actions to improve the energy efficiency of its equipment and buildings.

All our sites benefit from the deployment of innovations aimed at developing renewable energies and reducing energy consumption.

All sites are gradually being equipped with LED lighting, reflective natural light wells are being installed to replace luminaires where possible, the Pont Neuf site is using geothermal energy, and solar water heaters are being implemented.

These efforts have resulted in a 75% reduction in emissions between 1998 and 2022 for scopes 1 and 2 of its balance sheet (in T eq. CO₂). Actions to reduce gas and electricity consumption will be pursued, including:

- ◆ replacing gas boilers with more efficient (condensing) models;
- ◆ insulation of heating and air-conditioning systems;

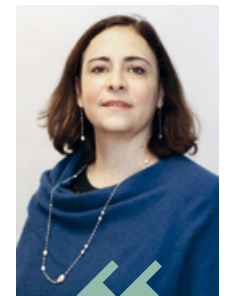
- ◆ leak detection and optimization actions on compressed air networks;
- ◆ the installation of presence and luminosity detectors in the passage areas;
- ◆ the use of white heat-reflective paint on the roof of the La Vignerie bottling site, to limit the use of air conditioning.

THE ENERGY EFFICIENCY PLAN, A COLLECTIVE COMMITMENT

It is a set of measures and eco-gestures that have been put in place and shared since October 2022, with already significant results.

Heating temperatures in offices and industrial areas have been set at 19°C for the winter, and air conditioning is set at 26°C in offices and 23°C in industrial sites for the summer period.

Computer equipment and outdoor lighting at industrial sites are gradually being switched off between 9 p.m. and 7 a.m., to allow for the smooth running of operations.



SOPHIE GOURBAT RAIMBAULT
Sustainable Development
Deputy Director

"Employees following heating instructions and eco-gestures have reduced gas consumption by 35% from October to December 2021 and from October to December 2022 on sites excluding distilleries."

THE FIGURES

(adjusted for climatic rigor*)

-40% electricity consumption per standardized case produced in 2022 vs 2021

-8% gas consumption (excluding distilleries) in 2022 vs 2021

Target: -20% in 2030 vs 2021 (energy performance)

*The climatic rigor index is the ratio between an observed climate indicator and a reference climate indicator. This indicator is made up of unified degree days.



Reducing the impact of transport

IN 2021, TRANSPORT ACCOUNTS FOR 12% OF CARBON EMISSIONS AT HENNESSY WHICH IMPLEMENTS SUSTAINABLE ALTERNATIVES FOR BOTH ITS INTERNAL FLEETS AND FREIGHT.



Panel of Hennessy's internal truck fleet

INTERNAL TRANSPORT STILL EMITTING FEWER EMISSIONS

All the Maison's fleets are now made up of low-impact vehicles. For travel between production sites and in the vineyards, Hennessy has provided its employees with a fleet of electric vehicles since 2015. By the end of 2022, it numbered 120 electric vehicles.

The decarbonization of Hennessy's 45 tractor trucks that manage its internal flows between its bottling and shipping sites has been the subject of studies.

In 2022, the Maison therefore opted for second-generation biofuels*, mainly ALTENS' XTL HVO, a fuel derived from frying oil residues and requiring no engine upgrades.

In 2022, Hennessy also acquired two tractor trucks and a distribution station for ED 95. This biofuel, another product of the circular economy, is produced from grape residues by Raisinor, a company based in south-west France. Derived from waste, these biofuels reduce CO₂ emissions by up to 90%.

Finally, for the transport of wooden barrels, the Maison has 13 straight trucks, one of which has been electric since 2022.

To make further progress on the decarbonization of its farm tractors, the Maison is also testing the XTL HVO after securing its technical approval by the manufacturers.

*Second-generation biofuels: ED95 (ethanol derived from the region's wine pressing waste) and XTL/HVO (esterified and recycled oils or fats) and agrofuels (B100=esterified canola oil from the region).

THE FIGURES

100% of internal fleet with reduced impact (electric/biofuels)

120 velectric vehicles, i.e., 76% of the fleet

12% This is the share of transport in Hennessy's carbon emissions



FREIGHT: CHOOSING AND DEVELOPING THE USE OF TOMORROW'S MODES OF TRANSPORT

With 99% of its sales generated internationally – mainly in the United States, Asia and Europe – Hennessy uses various modes of transport: mainly sea for long distances, rail as a priority and biofuels for overland transport. Sea freight accounts for 90% of the company's shipments. This mode of transport has 152 times less impact in terms of greenhouse gas emissions than air transport for the same journey. As part of a continuous improvement process, the Maison has reduced its percentage of air freight to 0.18% in 2022, for the second year running at this very low level.

In addition, to develop the sea freight models of the future, the Maison supports innovative sailing cargo ship projects.

The first partnership was signed in 2020 with Neoline, and aims to ship 4 million bottles of Hennessy Cognac to the United States from mid-2025, via a link between Montoir-de-Bretagne (near Saint-Nazaire) and Baltimore (USA). This 136-meter-long transatlantic sailing cargo ship promises to reduce carbon emissions by 80-90%.

Alongside other French and international players, in 2022 Hennessy also joined the Shippers' Coalition for "Decarbonated Maritime Transport", which is working with the Nantes-based company Zéphyr et Borée on another sailing cargo ship project scheduled for 2025.

In terms of land transport, Hennessy favors rail, whose emissions are 25 times lower than those of road transport. Rail transport accounts for around 40% of national flows to the ports of Le Havre and Marseille. The Maison aims to use rail wherever possible, and when this is not an option, priority is given to biofuels.

THE FACTS

Air freight at less than **0.18%** by 2022

New partnership for **low-carbon shipping** with Zéphyr et Borée



MATHIEU TESTUD
Supply Chain Director

"We're proud to be working alongside the pioneers of carbon-free maritime sail transport: Neoline, whose shipyard has begun construction, and Zéphyr and Borée, whom we've just signed a contract with. Hennessy's ambition is to halve its carbon emissions by 2030 on scope 3 (which includes transport), and the sailing solution is fully in line with this environmental approach. On land transport, the priority given to rail and biofuels completes our decarbonization roadmap."

Neoliner project





Eco-design of products and packaging

LIKE THE LVMH GROUP, HENNESSY IS COMMITTED TO AN ECO-DESIGN APPROACH FOR ITS PRODUCTS, ASSESSING ALTERNATIVES AND SEEKING TO REDUCE THEIR PRODUCTION IMPACT.

SETTING THE FRAMEWORK FOR OUR COMMITMENT

A pillar of the LVMH Group's Sustainable Development approach, eco-design pursues a number of objectives defined as part of the SBTi trajectory:

- ◆ From 2026, all paper, wood and cardboard will have to be FSC or PEFC certified, and products will no longer be able to use virgin fossil-based plastic;
- ◆ by 2030, 100% of products will be eco-designed and will have to incorporate 70% recycled raw materials.

PROVIDE HUMAN RESOURCES AND DECISION-MAKING TOOLS

In order to define and implement an eco-design strategy with the marketing, development, packaging and purchasing teams, a project manager position was created within the Maison's Sustainable Development Department in 2022. The teams share a best practices guide, which they also distribute to Hennessy's creative agencies and suppliers. They have the opportunity to imagine and co-construct tomorrow's solutions through joint eco-design workshops.

The first tool is the IPE*, which objectively scores the integration of 10 essential eco-design criteria. 100% of new packaging is assessed by the EPI. The second tool, currently being deployed, is a simplified life-cycle analysis (LCA) designed to help arbitrate the most virtuous choices. For major projects, full LCAs are outsourced.

*Indice de Performance Environnementale / Environmental Performance Index.

PROGRESS IN 2022

Eco-design is already producing measurable results, such as the new version of Hennessy V.S.O.P., whose FSC wood head eliminates 51 tonnes of polystyrene a year. Exceptional packaging has been integrated into the reuse approach, with a refill offer for Richard Hennessy decanters. A sleek glass capsule fitted with a stainless steel transfer tool – which preserves the quality of Hennessy eau-de-vie – allows the decanter to be reused many times.

THE FIGURE

76% of Hennessy bottles are sold without a case (all formats and products combined).



Projet Ressource to refill Richard Hennessy bottles



MARION FIORASO
Eco-design and Transparency
Project Manager

“One of our challenges today is to educate and raise our consumers' awareness in Asia and the United States about the notion of eco-design, which is still underdeveloped there.”



Eco-designing buildings

SINCE 2017, ALL RENOVATIONS AND NEW BUILDINGS UNDERTAKEN BY HENNESSY HAVE COMPLIED WITH THE HQE SUSTAINABLE BUILDINGS REFERENCE SPECIFICATIONS.

HQE: A REFERENCE FRAMEWORK FOR SUSTAINABLE BUILDINGS

The High Environmental Quality (HEQ) approach is based on cross-functional commitments valid throughout a building's lifecycle, from design through management and use to end-of-life.

Thus, during certification, the CERTIVEA organization reviews the building's quality of life and use, economic performance, respect for the environment and responsible management.

To date, many of the Maison's buildings and construction projects are in the process of being certified:

- ◆ Maintenance Parc
- ◆ La Richonne Master Plan
- ◆ Pont Neuf village
- ◆ Hennessy Analysis and Research Center
- ◆ New cutting unit at Haut Bagnolet

THE FIGURE

100% of buildings renovated or being renovated according to HQE standards



Future vinification unit at the Le Peu site



MANON LUNG, Wine & Vineyards Project Manager

“The strengths of the new buildings at Le Peu: the HQE auditor emphasized the excellent management of rainwater on the plot for a thirty-year rainfall (used to water the green spaces), the external insulation of the buildings and the improvement in biodiversity (planting of hedges around the site to enable ecological continuity in the heart of the village of Juillac-le-Coq), listening to and taking into account comments from local residents to improve acceptance of the worksite (noise, landscape aspect...)”

VINCENT LACASSAGNE, Technical Director

“The Distillerie Le Peu buildings (wineries, wine-growing building, etc.) were awarded ‘High Environmental Quality’ certification (NF HQE® Batiments Tertiaires) in programming and design on September 2, 2022, with profiles ranging from excellent to exceptional. The ‘E+C-’ label, for positive-energy and carbon-reduction buildings and carbon reduction buildings is in progress.”





PROTECT AND EMPOWER PEOPLE

OUR AMBITION:

CARING FOR OTHERS THROUGH HEALTH, SAFETY, QUALITY OF LIFE AT WORK AND RESPONSIBLE CONSUMPTION

PROMOTING SOCIAL INCLUSION, SO AS TO BENEFIT FROM DIFFERENCES

SUPPORTING CULTURE AND COMMUNITIES, AND PRESERVING OUR HERITAGE

OUR 2030 OBJECTIVES AND 2022 INTERMEDIATE RESULTS

OUR OBJECTIVES: CARING FOR OTHERS

- ◆ Decrease in occupational accident frequency rate
- ◆ Absenteeism rate down to 4%
- ◆ Responsible consumption: promote conscious tasting, with 100% of employees trained by 2023

OUR OBJECTIVES: PROMOTING SOCIAL INCLUSION

- ◆ Making diversity and social inclusion a cornerstone of Hennessy's Sustainable Development policy
- ◆ 50% of women and men in management positions and 40% of women among all the company's employees
- ◆ 8 % of employees with disabilities
- ◆ 25% of employees with international profiles (nationality) in management positions
- ◆ Positioning Hennessy as the preferred partner for the region's wine training courses
- ◆ Getting involved with student, entrepreneur and business circles

OUR OBJECTIVES: SUPPORTING CULTURE

- ◆ Supporting culture
- ◆ Contributing to the preservation and transmission of heritage and know-how

OUR RESULTS: CARING FOR OTHERS

Lost-time accident rate: **9.48** per 1.5 million hours worked (compared with 10.02 in 2021 and 16.8 in 2009)

Absenteeism rate at **5.1%** by 2022

32% of Permanent Contract employees trained on Responsible Consumption in 2022

OUR RESULTS: PROMOTING SOCIAL INCLUSION

Gender equality index in 2022: **94/100**

(+6 points compared with 2021)

8.7% of employees in management positions have international profiles (nationality)

Gender parity on the Executive Committee

18 people of foreign nationality at Maison Hennessy (**10%** of executive hires in 2022)

52% of women and **48%** of men in management positions

Support for viticulture students through the Viticampus, Bachelor Cognac and young talent scholarship programs

420 people helped in the United States (entrepreneurs, shopkeepers, students), for a total budget of **\$4.9 million**

33% of women at Hennessy, with women accounting for **47%** of new hires by 2022

5.4% of disabled employees (**4%** of disabled employees among all permanent hires in 2022)

OUR RESULTS: SUPPORTING CULTURE

Funding for 7 artists to renovate **7 basketball courts** for communities around the world and donation of two courts: budget of **504,000 euros**

125,000 euros dedicated to supporting cultural organizations in Charente
320,000 euros dedicated to the preservation and transmission of heritage and know-how



Paying attention to others

through health, safety, quality of life at work and responsible consumption

AT THE HEART OF ITS APPROACH, HENNESSY PROMOTES SUPPORT, ATTENTION TO OTHERS AND DIALOGUE TO ESTABLISH A SUSTAINABLE SOCIAL POLICY.

3 questions to...
SYLVIE ATIENZA
Human Resources Director



How does Hennessy innovate socially for the health of its employees?

Maison Hennessy has a policy of caring for others and developing men and women that is part of its history. When Hennessy makes a commitment to being the most sustainable Maison, this must also apply to its social policy. We work closely with our social partners to negotiate and sign collective agreements, as was the case in 2022 with the disability agreement. Hennessy's social policy thus includes attention to others through health, safety, working conditions and QWL (Quality of Life at Work). This is achieved on a daily basis, notably through ongoing close collaboration with the members of CSSCT*.

What internal and external initiatives are taken to promote responsible consumption?

Hennessy has been making this commitment for over ten years, through awareness-raising, education and training initiatives for all its employees and partners, and by implementing codes of good conduct. Hennessy is a brand that creates experiences around its products. It is extremely important to have protocols for managing events, which are regularly updated, and which involve, for example, always serving alcohol-free products, providing sufficient food, making available breathalysers, means of transport, and so on.

How does Hennessy promote diversity? How can it be a factor in innovation and performance?

Diversity is a key aspect of Hennessy's sustainable development policy. It is anchored in its history: Richard Hennessy, the company's founder, was himself a product of diversity. Irish, he arrived in France in 1745 and discovered Charente region and Cognac. Today, 99% of our sales come from exports, and our development is based on the meeting of cultures. The three key areas of focus for Hennessy in 2022 were welcoming people with disabilities, with the signing of a fifth agreement in December, gender parity (women accounted for 47% of new hires in 2022) and the internationalization of our teams. We explore cultures, welcome differences and nourish our imagination in the service of the collective excellence and sustainable performance.

*la Commission Santé, Sécurité, et Conditions de Travail / the Health, Safety and Working Conditions Commission



Safety training organized at the Pont Neuf site

SAFETY AND PREVENTION LEADERSHIP

Leadership Sécurité and Cap Prévention are two safety-focused training programs launched in 2022. Thanks to Cap Prévention, initiated in 2021, 200 employees were able to strengthen their "safety culture".

With the BAPAT* training course, the staff concerned reviewed best practices for anticipating risks on worksites, particularly in the event of possible interference between several activities.

In 2022, Hennessy has also continued its partnership with the MSA** to provide training in the prevention of CO₂ poisoning in vats and cellars, as well as in the risks of being crushed by tractors and trailers during harvesting.

A STEADILY DECLINING OCCUPATIONAL ACCIDENT RATE

The accident rate has been falling steadily over the past fifteen years. (16.8 in 2009, compared with 10.02 in 2021 and 9.48 in 2022). This is the result of regular initiatives to raise awareness among all employees.

- ◆ 1,024 safety-related training initiatives, with 6,103 hours of safety training provided.
- ◆ 100% of people working on machines have attended one of the Machine Compliance Management System (MCMS) modules.
- ◆ The milestone of 1,000 resolved non-conformities (due to changes in machines or regulations) was reached in November 2022.

RENEWAL OF ISO 22000, ISO 45001 AND ISO 14001 CERTIFICATIONS

As early as 2007, Hennessy was certified ISO 22000 (Food Safety Management System).

The renewal of this certification, along with ISO 45001 (Occupational Health and Safety Management System) and ISO 14001 (Environmental Management System) certification, valid for three years, were major challenges in 2022. A 22-day ISO 14001 and ISO 50001 audit was necessary, involving all sites, with a very satisfactory result: the renewal of all three standards, with no deviations and many strong points highlighted.

SAFETY WEEK

Open as it is every year to all the company's employees, the October 2022 event was devoted to the prevention of falls on the same level, a regular cause of accidents.

At each site, nearly 600 employees were equipped with safety harnesses linked to a gantry crane, enabling them to venture out safely on slippery surfaces or skateboards, and learn how to prevent and minimize the consequences of a fall by adopting the right reflexes.

*Base de la Prévention Appliquée aux Travaux / Base of Prevention Applied to Works
**Mutualité sociale agricole / agricultural social mutual insurance organization



CAROLINE BERTHO
Quality Safety and Compliance Director



"Hennessy conducts regular awareness-raising initiatives among its employees to reduce the accident rate. The evolution of this rate is obviously a determining criterion that we monitor closely."



Health: prevention and support

HENNESSY ORGANIZES PREVENTION AND AWARENESS-RAISING CAMPAIGNS THROUGHOUT THE YEAR, SUPPORTING ITS EMPLOYEES IN THE FACE OF LIFE'S ORDEALS AND FACILITATING THEIR CARE PATHWAYS.

TARGETED PREVENTION INITIATIVES

In June 2022, a melanoma prevention campaign was specifically aimed at staff considered to be at risk, working outdoors, such as multi-skilled agricultural workers. A team made up of internal resources and external experts (doctor, pharmacist, specialists) made employees aware of the risks involved, during four presentations in partnership with the Ligue contre le cancer (the League against Cancer). For the first time in 2022, the Pink October event also included workshops run by five midwives at all Hennessy sites.

Workshops attended by a large number of men and women. On the program: prevention of risky behaviors in the face of cancer, as well as a demonstration of self-examination to learn how to detect a possible breast tumor.

Other operations organized by Hennessy in 2022 include Smoke-Free Month, an annual awareness-raising campaign for all our employees. In addition, three of our nurses, trained at the Bordeaux University Hospital, are on hand all year round to provide support to people who need it, helping around 20 of them to quit smoking every year.

PREVENTING MUSCULOSKELETAL DISORDERS

The prevention of musculoskeletal disorders is also a major concern for Maison Hennessy. In collaboration with Sport Santé Charente, two coaches worked with the coopers and cellar workers at Maison Hennessy: first to carry out an individual assessment of their motor fitness (level of flexibility, weight/power ratio, etc.), then to provide them with a personalized program of simple motor exercises. This was followed by weekly coaching for each participant for five weeks, based on the results obtained, with a final assessment.

Breast cancer prevention workshop, Pink October 2022



LAURENT DUPONT
Health Manager

“Hennessy focuses on health prevention and also tries to provide support, medical or psychological, to all employees who feel the need and don't always have easy access to care.”



Employees working outdoors in the Hennessy vineyards, gathered for the melanoma prevention campaign.

NEGOTIATED COLLECTIVE AGREEMENTS

Many Hennessy employees, known as “caregivers”, are required to help someone in their close circle experiencing difficulties on a day-to-day basis. To provide them with the best possible support, our partner Klésia and our social worker offer quarterly support sessions. Employees who need time to look after their loved ones can appeal to the “solidarity pool” for extra days off.

The Maison has also introduced a number of new solutions to help employees deal with health-related issues. A job retention committee is tasked with examining the situation of any employee suffering from health problems affecting their ability to hold their job. This committee then suggests adapting the workstation or offering a new professional opportunity within the Maison.

Furthermore, to address the difficulties of accessing medical consultations in the Charente region, a telemedicine booth has been installed at our headquarters in La Richonne.

It enables remote consultation with a general practitioner, via video, with a wide range of examination options (temperature and blood pressure readings, electro-cardiogram, saturometer, dermatological video, etc.).

In addition, employees can meet with a private psychologist, alternating between La Richonne and La Vignerie, the company's bottling site, to discuss both professional and personal issues.



Telemedicine booth at Maison Hennessy head office

THE FIGURES

In 2022: 48 solidarity days offered / 5.1% absenteeism rate



Employees gathered to celebrate 50 years of Club Sportif Hennessy (CSH)

Quality of life at work: taking care of yourself and others

OUR EMPLOYEES' WELL-BEING IS NOTABLY ENSURED BY THE OPPORTUNITY TO PRACTICE A SPORT AND TO ACCESS QUALITY SERVICES.

Promoting sport is nothing new at Hennessy. The Club Sportif Hennessy (CSH), which celebrated its 50th anniversary in 2022, still offers a wide choice of sporting activities in 15 sections (from pétanque to squash) and access to a weight room.

As every year, the Fête des Sports (The Sports Festival) was an opportunity to promote sporting activity and the values of the company through sport. Over 600 employees took part in a soccer tournament and Olympics.

In 2022, in line with the well-being provided by the practice of sport and the promotion of soft mobility for travel, Maison Hennessy also took part in the "Mai à vélo" challenge. An initiative designed to encourage the use of bicycles for daily commuting for an entire month. Hennessy employees turned out in force, with 64 participants and 6,413 km covered, placing the company 78th out of 290 French private companies with over 250 employees taking part.



LAURENT VITAL
Senior buyer and President of Club Sportif Hennessy (CSH)

"Employee well-being is reflected, among other things, in the practice of sport, which Hennessy has favored for 50 years with a dedicated sports club and participation in events that encourage its practice."



A STORE, A CONCIERGE SERVICE AND A CAFÉ

2022 saw the reopening of the new staff sales store and concierge service in a new, dedicated space.

The concierge service not only makes life easier for the company's employees, but also plays a role in the local economy. It gives priority to local producers and businesses, highlighting their products and services, and relies on local social structures.

In 2022, a new convivial venue was also opened: the James Café, where employees can meet up for breakfast or a coffee break.



New spaces for the staff sales store and concierge service



CORINNE BONNET
Sales store & Concierge Manager

"Providing and accessing quality services that make life easier contributes to a sense of well-being and is part of Hennessy's social approach."



Promoting the art of tasting for responsible consumption

HENNESSY HAS SUPPORTED THIS COMMITMENT FOR OVER TEN YEARS, THROUGH TRAINING AND AWARENESS-RAISING INITIATIVES BOTH IN-HOUSE AND WITH CONSUMERS.

The primary social responsibility of a company like Hennessy is to prevent risky alcohol consumption. In 2021, Moët Hennessy joined the IARD (International Alliance for Responsible Drinking), a group that brings together the world's leading producers of beer, wine and spirits. Hennessy is a brand that creates experiences around its products, and above all wishes to help people discover its heritage and know-how through quality tastings. Promoting more responsible consumption is therefore a natural commitment, embodied in precise protocols, codes of good conduct, training and awareness-raising initiatives, aimed at employees and consumers alike.

INTERNALLY: "ALL AMBASSADORS"

In 2022, a multi-media in-house campaign, "All ambassadors of responsible drinking", highlighted the need to take into account the risks associated with alcohol and the good practices to be shared: appreciate exceptional products in the rules of the art, consume reasonable quantities (no one is obliged to drink within Hennessy, whatever their role and function), and of course insist on the incompatibility between alcohol and driving. The sustainable development training given in 2022, including a chapter on responsible consumption, was also an opportunity to remind employees of these fundamentals. 32% of employees took part in two face-to-face sessions in July and September, or followed the e-learning course.

EXTERNALLY: A CODE AND PROTOCOLS

Hennessy also has an important role to play with consumers, and relies on a number of tools. Moët Hennessy's Code of Communication and Responsible Marketing, in existence since 2009, was updated in 2022. The aim of this communication kit is to provide a framework for communication around the Maison's products, so that it does not encourage excessive or inappropriate consumption. In particular, the update focuses on new modes of communication such as digital and the use of influencer marketing. And during events organized by Hennessy, whether internal or external, protocols have also been updated to meet the responsible consumption policy.

ENHANCEMENT OF THE TRANSPARENCY PLATFORM

On many of the Maison's products, consumers can now find a QR code that takes them to the online "transparency platform". Here, they can find essential information on how to enjoy our products "responsibly, in moderation, for the health and safety of all".



All ambassadors of responsible drinking communication campaign deployed at Maison Hennessy



Cultivating the difference

Diversity, Equity and Inclusion

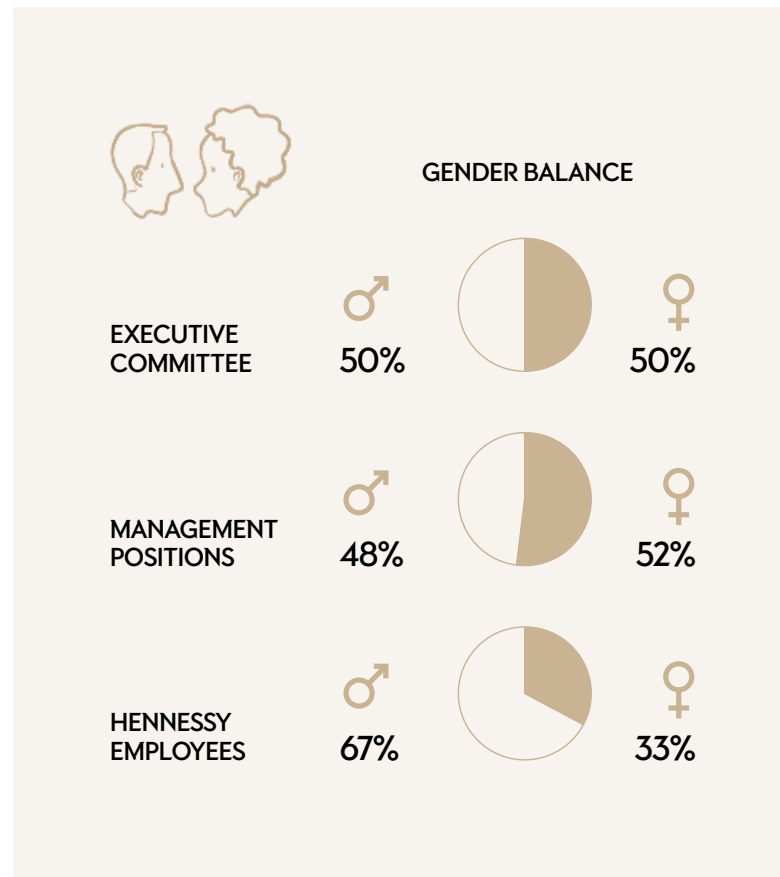
THESE THEMES ARE AT THE HEART OF THE MAISON'S COMMITMENTS, SUPPORTED BY ALL DEPARTMENTS.

Driven by the strong ambition of the Executive Committee, Hennessy explores cultures, welcomes diversity and nourish imagination in the service of the collective excellence and sustainable performance.

Maison Hennessy is particularly attentive to the role of women in the company and pursues, year after year, an objective of parity. This is already the case within the Executive Committee (50% of women).

At management level, the company has 52% of women and 48% of men. In 2022, 33% of Hennessy staff will be women and 67% men, compared with 31.6% of women and 68.4% of men in 2021. This increase is due in particular to new hires within the company.

Thanks to this positive result, Hennessy can post a very good index of professional equality between women and men. For 2022, the index is 94/100 at Hennessy (+ 6 points compared with 2021), while the average score for companies in France for the same year is 86/100. This excellent result is confirmed by two other scores for the pay gap indicator (39/40 in 2022, i.e. + 1 point on the previous year) and for internal promotions (15/15, the maximum score, i.e. + 5 points in 2022 on 2021).



THE FIGURES

94/100: gender equality index at Hennessy (+ 6 points vs 2021)

8.7% of employees in management positions have international profiles (nationality)

10% of managers recruited in 2022 were not of French nationality



Hennessy employee in skills sponsorship (right) and member of l'Arche (left)

DIVERSITY IN RECRUITMENT

Training in "discrimination-free recruitment" was launched in 2022, targeting human resources and recruitment managers, to raise awareness and help them avoid any discriminatory blunders. 15 people have been trained, compared with 5 in 2021, in workshops and role-playing exercises lasting one day for human resources staff and half a day for hiring managers.

This approach was accompanied by actions to increase diversity via associations:

- ◆ NQT*: six young adults from disadvantaged social backgrounds or priority areas supported in their professional integration process;
- ◆ IAE**: welcoming people who are far from employment in the vineyards;
- ◆ SEEPH***: 20 employees took part in a half-day immersion program at the l'Arche association, and 12 people were welcomed for a discovery day;
- ◆ skills sponsorship: a Hennessy employee devotes 4 hours/month of his working time to help industrialize the Arche la Merci (Courbillac) and Arche de Cognac workshops;
- ◆ financial support for 2 projects to empower people with disabilities (for a total of 35,000 euros).

THE "LIVING TOGETHER" CHARTER AT HENNESSY

In 2022, Hennessy drew up this new charter, which aims to build real cohesion between all employees. It is based on three pillars: "how we work together", "how we want to manage at Hennessy" and "how we make social dialogue work".

*Nos Quartiers ont du Talent / Our Neighborhoods Have Talent
**Insertion par l'activité économique / Insertion through economic activity
***Semaine Européenne pour l'Emploi des Personnes Handicapées / European Week for the Employment of People with Disabilities

INTEGRATION THROUGH BASKETBALL

Whether you are a great athlete or not, it's undeniable that sport has a strong social inclusion dimension. And this is particularly true of basketball, with its simple rules and many freely accessible courts. This led Hennessy to enter into a partnership with the NBA (National Basketball Association), the world's leading basketball league. As part of an induction session for new employees, Hennessy offers a basketball session, a warm and friendly way of getting to know the company and future colleagues.





Disability: Hennessy confirms its commitment

MAISON HENNESSY HAS BEEN PARTICULARLY ACTIVE ON THE DISABILITY ISSUE FOR OVER 45 YEARS.



AMAURY BELIN DE CHANTELELE
CSR Project Manager & the company's disability referent

"Inclusion and fight against discrimination are part and parcel of Hennessy's values and are reflected in the way we welcome people with disabilities, adapt jobs and forge partnerships with associations."

FIFTH DISABILITY AGREEMENT SIGNED

Moët Hennessy organized the first Diversity, Equity and Inclusion Week in 2022, during which Maison Hennessy focused on disability.

On this occasion, a new Disability Agreement (the fifth one) was signed, covering: the multiplication of disability-related recruitment channels, the introduction of disability ambassadors at all sites, the strengthening of the

job retention policy and the implementation of a responsible purchasing policy (with a share devoted to the protected sectors).

As part of our Generation Contract, employees who have held an RQTH* for more than four years will be able to benefit from an extension of their activity exemption of up to two months.

*Reconnaissance de la Qualité de Travailleur Handicapé/ Recognition of Disabled Worker Status

Signing of the fifth Disability Agreement in November 2022 in the presence of Sylvie Atienza, HR Director of Maison Hennessy, and the social partners

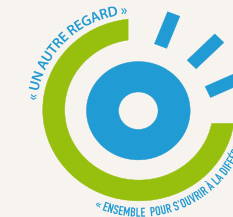


Since 2010, when the first agreement was reached, special attention has been paid to all people who have encountered a disability-related problem in their job, to ensure their integration and continued employment.

THE HANDIWE LABEL IN 2022: A RECOGNITION OF OUR COMMITMENT

On November 15, 2022, Hennessy was awarded the HandiWe label whose purpose is to reflect favorably on companies committed to the inclusion of people with disabilities, and which takes into account four criteria:

- ◆ the company's commitment,
- ◆ accessibility,
- ◆ integration (including recruitment and onboarding),
- ◆ occupational health (including disability prevention and job retention).



HANDIWE, THE LABEL FOR "DISABLED PEOPLE -COMMITTED"

A further opportunity to change the way people look at disability, combat stigmatization in the workplace and remove barriers to inclusion. It's a recognition in line with our corporate values.

It is also an opportunity for Hennessy to have a real lever for sharing its best practices, promoting diversity and enhancing its social commitment, both internally and externally.

OVER 45 YEARS OF PARTNERSHIP WITH ASSOCIATIONS

For several years now, Hennessy has been forging partnerships with associations that help people with disabilities. In 2022, this commitment resulted in more than €868,000 in revenues generated by Hennessy in the sheltered and adapted sector:

- ◆ L'Arche, an association working to promote the talents of people with intellectual disabilities and to build a more humane society, has been a partner since 1977 and is now given concrete expression in the subcontracting of part of our packaging activities, as well as the manufacture of essential elements for our eaux-de-vie, such as our barrel bungs.
- ◆ Through its responsible purchasing policy, Hennessy works with other ESAT* and adapted companies to provide a range of services.

THE FIGURES

People with disabilities accounted for **4% of new hires** and **5.4% of the workforce** in 2022.

The aim is to **increase the proportion of people with disabilities** in our workforce **to 8% by 2030**

*Etablissements et Services d'Aide par le Travail/ Work Assistance Establishments



Contributing to the economy and solidarity

MAISON HENNESSY SETS PARTICULAR STORE BY ACTIONS THAT PROMOTE THE LOCAL ECONOMY AND SOLIDARITY.

SUPPORTING TRAINING IN THE WINE INDUSTRY

Viticampus

To ensure the renewal of generations in viticulture in the region, Hennessy has been supporting viticulture courses and training since 2013. Partnerships have been formalized with various establishments and, in 2022, 180 students were welcomed at Hennessy during open days. Hennessy employees have also given talks in classrooms to present wine professions, and 21 professional projects have received financial support totalling 10,500 euros.

Bachelor Cognac

In 2022, a "Bachelor Cognac: production, distillation, management" was created. This is the only specialized, one-year, sandwich course at a company, with the first class sponsored by Maurice Richard Hennessy. Of the first 24 Bachelor Cognac apprentices, 3 were hosted by Hennessy and 11 by close partners.



Golden Vines Scholarship

The first "Hennessy Golden Vines Scholarship" was awarded in 2022 in collaboration with the Gérard Basset Foundation and Liquid Icons. The first winner was Jian Cao, a Chinese student from Portugal's University of Agronomy, with a Master's degree in oenology. He was chosen from among 18 candidates from all over the world, and won a 12-month contract with the company.

A COLLECTIVE SOLIDARITY COMMITMENT

Hennessy encourages its employees and accompanies them in all actions of support and solidarity. This was once again the case in 2022.

The Maison made a commitment to Secours Populaire and Restos du Coeur to provide shelter for families affected by the war in Ukraine (600,000 euros allocated).

Two blood donation days were organized in collaboration with Établissement Français du Sang (EFS) during working hours.

The Maison also contributed to the Hennessy Social Institute, providing vouchers worth 170 euros per employee, and enabling 1,100 employees to shop in local stores for the festive season (total contribution: 187,000 euros).

Finally, 300 new toys were collected during the "Un Noël pour tous" (Christmas for all) operation and donated to Secours Populaire and Restos du Cœur.



BENOÎT SIMON
HR Development Manager

"The new sandwich course 'Bachelor Cognac: production, distillation, management' is the first joint training course at three renowned establishments in Nouvelle-Aquitaine, recognized by the Ministry of Agriculture and Food Sovereignty, and with the active participation of Cognac professionals."



Programs to support education, employment and entrepreneurship in the United States

HENNESSY HAS A PARTICULARLY STRONG PRESENCE ACROSS THE ATLANTIC, AND FOR SEVERAL YEARS HAS BEEN INVOLVED IN COMMUNITY SUPPORT OPERATIONS.

NEVER STOP NEVER SETTLE SOCIETY

This fund was initiated by Hennessy in 2021 and is the subject of a partnership with The Marcus Graham Project, an organization that has been helping African American students and entrepreneurs as a growth gas for over 15 years. In 2022, La Maison supported 20 of these entrepreneurs to develop projects with an impact for their entire communities, for a total of \$1 million.



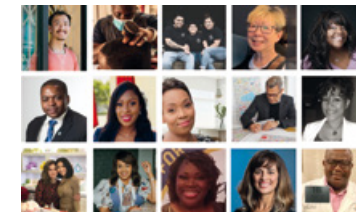
HENNESSY FELLOWS

This program, built in 2019, in partnership with the Thurgood Marshall College Fund, encourages the best graduate students from colleges and universities historically welcoming members of the black community through work experience or financial aid. More than 40 students have successfully completed the Hennessy Fellows program since its inception, including those in the fourth-year group for which a budget of \$1.4 million has been allocated in 2022.



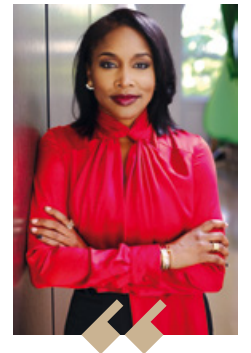
UNFINISHED BUSINESS

Since the COVID-19 crisis, Hennessy has been helping the communities hardest hit by the epidemic to maintain their businesses, in partnership with three local associations: One Hundred Black Men, Asian American Business Development Center, Hispanic Federation. A total of 350 people were thus helped, thanks to a budget of \$2.5 million.



THE FIGURES

420 people benefited from Hennessy's support in the United States, for an overall budget of \$4.9 million.



JASMIN ALLEN
Vice President Hennessy USA

"Hennessy recognizes the tenacity and resilience each selected member embodies as they push the limits of potential to carve their path, address social and economic challenges and make a lasting impact on their community. Hennessy has always supported the Black community. We are honored to continue this legacy through the "Never Stop Never Settle Society" by celebrating extraordinary individuals and championing the vision of their businesses."



Artistic restoration of a basketball court in Lagos (Nigeria) by local artist Osa Seven as part of Maison Hennessy's In The Paint program.

Supporting culture

Combining sport and art for communities around the world

ON A LOCAL AND INTERNATIONAL LEVEL, HENNESSY USES THE SOCIAL ROLE OF BASKETBALL TO IMPROVE THE LIVES OF LOCAL COMMUNITIES WHILE SUPPORTING ARTISTS.

IN THE PAINT: SEVEN ARTISTS, SEVEN COUNTRIES

Over the years, in countries all over the world, basketball has become not only an extremely popular sport, but also one with a strong social impact. Today, basketball courts are places of social interaction and exchange, playing an important role in communities, revealing talents and developing dreams.

Hennessy has therefore chosen to develop the "In The Paint" project worldwide, based on this reality: artistic collaborations that have led to the restoration of basketball courts in 2022, combining sport and art to create a radiant place in underprivileged neighborhoods.

With the key aim of supporting communities and extending social ties while promoting sporting encounters, seven artists were able to demonstrate their talents during the renovation of seven basketball courts in seven countries around the world:

- ◆ **ALEX MARSHAL** in Barbados,
- ◆ **RIOT** in South Africa,
- ◆ **HKWALLS & PEOPLE'S SQUARE** in Hong-Kong,
- ◆ **OSA SEVEN** in Nigeria,
- ◆ **NICO WAYO** in Ghana,
- ◆ **JOHN JOSEPH ODUL** in Tanzania,
- ◆ **LUISA SALAS** in Mexico.

TWO BASKETBALL COURTS DONATED

In the wake of the "In The Paint" project, Hennessy has donated two basketball courts to associations.

The first one to the Ball Out UK association in Great Britain: a floating basketball court that hosted its first game in June 2022 to celebrate the 75th anniversary of the National Basketball Association (NBA), of which Hennessy has been an official partner since 2021. Moored on the River Thames right in the heart of London, it was the scene of a star-studded tournament, hosted by leading British rappers. One of them, Gtraceo explained*: "It's incredible (...) With Hennessy's continued support, I'm delighted to see the impact basketball is having in the UK and what it brings to communities."

The second court was donated to the local association Cognac Basket Avenir. This association is particularly committed to enabling anyone in the Cognac region who wants to play basketball to do so, whether as a hobby or in competition. This includes all those with health conditions requiring an adaptation of the sporting practice, the rules of the game being then relaxed.

JOHN JOSEPH ODUL, Artist, Tanzania

“For me, it was important to integrate and pay tribute to contemporary African art inspired by our Tanzanian community. I'm honored to have collaborated with Hennessy on this project to create a space where people can have fun together as a community.”



FIND OUT MORE IN VIDEO

*Source: Versus online magazine

THE FIGURE

The "In The Paint" project and the donation of these two courts were made possible thanks to 504,000 euros in funding from Hennessy.



Supporting culture and the transmission of heritage

THROUGH ITS ACTIONS, HENNESSY PROMOTES CULTURAL LIFE, PARTICULARLY AT LOCAL LEVEL, AND ALSO SUPPORTS HERITAGE PRESERVATION.

3 questions to...

CÉCILE FRANÇOIS

Corporate Communications Director



What is Hennessy's view on supporting culture?

Maison Hennessy's success can be explained by the remarkable ability of its founder, Richard Hennessy, to connect with a variety of cultures. To be "at home" anywhere in the world. By respecting the diversity of cultural identities and connecting with them. Today, convinced of the importance of culture to "build society", we seek above all to be useful and fair in our proposals. As close as possible to the expectations of the regions in which we operate. Hennessy always favors local cultural initiatives, grounded in human history.

What were Hennessy's major cultural initiatives in Charente in 2022?

Hennessy has a long tradition of links with music and major summer festivals. "A violin on the Sand" in Royan is a classical music festival that has been running since 1987, promoting simple, joyful access to "Great Music". Last year, almost 150,000 people attended the festival on Royan's main beach. Hennessy has also been alongside "Cognac Blues Passions" in Cognac, again faithfully for almost 30 years! For the Avant-Scène theater in Cognac, the Maison provides annual sponsorship and chooses a creation to support. In 2022, it was the "Coup de Chauffe" street art festival. Hennessy is also patron of the History and Culture show in Bourg-Charente.

Were any heritage restoration or renovation projects also supported in 2022?

Hennessy participated enthusiastically in the program to maintain and preserve the gardens and park of the Château de Versailles. This is a five-year sponsorship operation aimed at restoring ecosystems that are beneficial to biodiversity, in direct line with our "Forest Destination" environmental program. In Charente, Hennessy is helping to finance the restoration of the Porte Saint-Jacques in Cognac, one of the town's most emblematic monuments. A medieval architectural landmark to which the people of Cognac are deeply attached. For this reason, Hennessy hosted an exhibition open to all, featuring 28 artists and their works on the symbolism of the Porte Saint-Jacques.



"Hennessy defines itself by the blending and meeting of cultures, and is therefore committed to supporting exchanges between them. We are from here and there. Culture is always a synonym for elevation and progress."



HENNESSY OPEN DAYS

In December 2022, the La Vignerie, Pont Neuf, Haut and Bas Bagnolet sites and the Centre de Gestion des Barriques* exceptionally opened their doors to employees as part of Hennessy Open Days. More than 1,500 people took part, discovering places usually reserved for the teams at these sites. Two months earlier, on October 15 and 16, the Journées Particulières LVMH were also an opportunity to present the Maison's expertise and craftsmanship to over 2,000 visitors, as well as the recent renovation of part of the Château de Bagnolet park and the Atelier des Éditions Rares, a unique space dedicated to the craftsmanship and creation of the most exclusive Hennessy decanters.

*Barrels management center

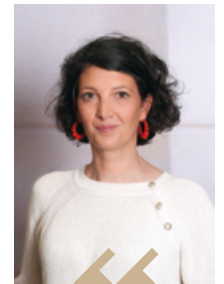


YISHU 8: THE HENNESSY PRIZE FOR CHINESE CRAFTSMANSHIP

Yishu 8 is an association supporting French and Chinese artists, created to salute the excellence of gesture, techniques and the transmission of know-how, by getting the cultures of our two countries to engage in dialogue. In 2022, Hennessy presented the Yishu 8 Chinese Crafts Prize, which is awarded each year to a young Chinese artist, to the young jeweler Han Chang. The prize, worth 120,000 euros, enabled him to come to Paris to discover new techniques, and to Cognac to discuss the preservation of tradition.

FABIENNE MOREAU
Heritage & Cultural Initiatives Director

"The history of the Hennessy family and Maison Hennessy is marked by the notion of commitment. Philanthropy, patronage, CSR... The terms have evolved over the centuries, but the determination to act and the care for others remain the same. Observing and valuing these commitments reinforces the idea of continuous, solid lines of force throughout the history of our House."



MARIE-JULIE MOTARD
Internal Engagement Director

"The employee open days enabled many Hennessy employees and their families to find out about the company's various professions, and to highlight the richness of expertise and sense of innovation".



KEY 2022 INDICATORS

KEY 2022 INDICATORS

ENVIRONMENTAL
INFORMATION

INDICATOR	RESULT 2022
Percentage of industrial sites certified ISO 14001	100%
Total energy consumption	38,744 MWh
Greenhouse gas emissions linked to energy consumption – scope 1&2	1,490 tonnes CO ₂
Greenhouse gas emissions generated by downstream transport – scope 3	17,214 tonnes CO ₂
Total water consumption for process needs	94,643 m ³
Total waste produced (of which 2% hazardous waste)*	3,675 tonnes
Waste recycling rate	99%
Percentage of sites using green electricity since 2017	100%
Percentage of industrial and administrative sites using renewable energy – gas and electricity	100%
Percentage of grapes produced under sustainable viticulture certification (own certified)	100%

QUALITATIVE
INFORMATION

VITICULTURE	
Viticulture policy	
High Environmental Value (HVE) and Cognac Environmental Certification (CEC) pilots in 2018	180 ha
Self-Contained sprayers since 2016	100%
Own certified Hennessy vineyards	100%
Total number of kilometers of hedges on the 40 ha La Bataille vineyard, including 3.1 km in 2022	7.1 km
Percentage of own vineyard free of herbicides	100%
Number of hectares of eco-pasture in the vineyard	12 ha
Partner winegrowers	1,600
Equivalent number of partner winegrowers in hectares	33,000
Percentage of partner winegrowers involved in the CEC approach	100%
Percentage of partner winegrowers involved in a certification support group	25%
Percentage in surface area equivalent of the number of partner winegrowers already certified	20%
BIODIVERSITY AND FORESTS ON SITES	
Hectares of forest regenerated in partnership with ONF in the Braconne forest	5 ha
Pont Neuf site	
Areas of regenerated forest in partnership with Reforest'Action	2,500 m ²
Regeneration program outside France	
Total number of hectares of protected forests outside France	4,490 ha
Tree equivalent	3.1 millions
Eco-grazing sheep on the Bagnolet site	18
Square meters of melliferous fallow on the Pont Neuf site	24,000 m ²
Beehives on Hennessy sites	300
Number of kilometers of hedges planted under the 1,000 Palisses program in Charentes	31 km
TRANSPORT	
Downstream transport policy	
Low-carbon transport (sea and rail)	94%
Share of road transport	6%
Air transport	0.18%
Maritime share	89%
Rail share	5%
Number of electric vehicles in the fleet	120
Proportion of electric vehicles	76%

*construction waste excluded

SOCIAL AND
SOCIETAL INFORMATION

INDICATOR	RESULT 2022
ECO-DESIGN	
IPE score monitoring	
Of our packaging assessed according to the Environmental Performance Index (EPI)	100%
CARING FOR OTHERS	
Employees on permanent contracts	1,142
Permanent hires	127
Absenteeism rate	5.1%
Occupational accident frequency rate (<i>number of accidents per 1.5 million hours worked</i>)	9.48
Accident severity rate	0.12
Number of permanent employees trained	1,056
Number of safety-related training initiatives	1,024
Number of days of paid vacation donated via our Solidarity Pool	48
Number of members of Club Sportif Hennessy sports sections	398
Percentage of permanent employees trained in responsible consumption	32%
SOCIAL INCLUSION	
Balance M/F all staff (permanent contracts)	67% H / 33% F
M/F distribution in management positions	48% H / 52% F
Balance of male/female recruits in 2022	53% H / 47% F
Equality Index score	94/100
Number of people of foreign nationality	18
Employment rate of people with disabilities	5.4%
Annual amount of services invoiced by ESAT or EA establishments or services providing assistance through work	868,681,39 €
Amount allocated to supporting employment, entrepreneurship and education in the United States	\$4.9 millions
Amount allocated to project grants and number of students awarded grants as part of the Viticampus project program	10,500 € for 21 grants / 180 students received at Hennessy during 2 JPOs (2 open days)
Number of Cognac Bachelor students apprenticed at Hennessy	3
Emergency solidarity support	600,000 €
SUPPORTING CULTURE	
Amount allocated to In The Paint initiatives and basketball court donations	504,000 €
Support for cultural organizations in Charentes	125,000 €
Number of visitors to the Hennessy Open Days	1,488
Number of visitors to the LVMH Special Days	2,048

THE DELOITTE & ASSOCIÉS ASSURANCE REPORT

The audit firm Deloitte & Associés has conducted an independent review of a selection of Hennessy's key quantitative and qualitative CSR indicators for 2022. The methodological details and all of the consolidation rules for the social and environmental indicators are defined either in the LVMH social and environmental reporting protocols, which are updated annually and made available to the public, or directly by the Maison through the Hennessy complementary CSR reference framework established in 2022. The methodological notes for the 2022 social and environmental indicators are available in the LVMH 2022 social and environmental responsibility report and the LVMH universal registration document on the LVMH Group publications web page. The complementary Hennessy CSR framework is available on request at environnementhennessy@moethennessy.com. The moderate assurance report by Deloitte on the independent review of a selection of Hennessy's key quantitative and qualitative CSR indicators is available on the Hennessy transparency website at the following address <https://hennessy.respect-code.org/>. Any additional requests can be sent to environnementhennessy@moethennessy.com

Our contribution to the Sustainable Development Goals



The Global Compact is a UN programme that aims to involve businesses and non-profit organizations in respecting 10 key principles to build a more sustainable society, made up of 17 Sustainable Development Goals as part of the 2030 Agenda.

Here are the 10 SDGs to which we are contributing:

<p>3 GOOD HEALTH AND WELL-BEING</p>	<p>5 GENDER EQUALITY</p>	<p>6 CLEAN WATER AND SANITATION</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>10 REDUCED INEQUALITIES</p>
<p>ENABLE PEOPLE TO LIVE IN GOOD HEALTH AND PROMOTE WELL-BEING</p>	<p>ACHIEVE GENDER EQUALITY</p>	<p>ENSURE SUSTAINABLE MANAGEMENT OF WATER RESOURCES</p>	<p>PROMOTE SUSTAINABLE ECONOMIC GROWTH AND GOOD EMPLOYMENT CONDITIONS</p>	<p>REDUCE INEQUALITIES</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>13 CLIMATE ACTION</p>	<p>15 LIFE ON LAND</p>	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>17 PARTNERSHIPS FOR THE GOALS</p>
<p>PROMOTE SUSTAINABLE CONSUMPTION AND PRODUCTION</p>	<p>TAKE ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS</p>	<p>RESERVE AND RESTORE TERRESTRIAL ECOSYSTEMS, MANAGE FORESTS SUSTAINABLY, PROTECT SOIL AND BIODIVERSITY</p>	<p>BUILD EFFECTIVE, RESPONSIBLE AND TRANSPARENT ORGANISATIONS</p>	<p>SHARE SUSTAINABILITY WITH OUR STAKEHOLDERS AND AS MANY PEOPLE AS POSSIBLE</p>





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