



2012-2013

# CORPORATE AND SOCIAL RESPONSIBILITY REPORT

Property of TFF GROUP

2012-2013

## A MESSAGE FROM JÉRÔME FRANCOIS, CEO, TFF GROUP



Our commitment to sustainable development goes beyond a simple slogan and beyond mere environmental principles. It represents both a mindset and a long-term philosophy. At Group François Frères, we conduct activities that integrate Sustainable Development at several levels. The Group's activities stretch back over a century and their impact is measured in the long term.

Our basic rules of corporate social responsibility can be summarized through shared values that are grouped around four pillars :

**SOCIAL:** A commitment to maintaining employment in a healthy, socially responsible and stable environment

- The upholding and continual improvement of good working conditions and an attention to the health and safety at work of employees and temporary workers.
- A commitment to diversity with more than 20 nationalities and ethnic origins represented on our staff.
- A strong emphasis on professionalism through the favoring of permanent contracts.
- The development and transfer of know-how with high added value.

**ENVIRONMENTAL:** A commitment to preserving our natural resources by eliminating wasteful practices and promoting strong environmental ones

- Good management of the natural resource that is our wood: we use 100 % of the oak and our choice of supply areas is focused on criteria of environmental friendliness and sustainability.
- Increased use of wood issued from PEFC sustainable forest management in the manufacture of our products.
- Implementation of tried and tested technology and know-how, without the use of chemicals.
- An active concern for environmental issues on our sites in order to minimize the impact on the environment.
- A constant search for energy saving solutions, through the valuation of all oak wastage at our production sites in order to produce energy and to conserve fossil fuels as early on in the process as possible.

**ECONOMIC:** A commitment to undertake activities that are viable on all levels: structural, operational and financial

- A strong desire to develop innovative products adapted to the market (R & D) through dedicated centers.
- A strategy of careful and well thought-through development
- Low debt and strong cash flow
- Worldwide locations and a global vision.

**SOCIETAL:** A commitment to working in partnership with stakeholders, thus promoting the local roots of each entity

- Local sponsorship programs particularly those that aim to promote the culture and heritage of wine.
- Targeted actions and close work with local communities.
- Actions to promote civic learning around our fields of expertise through education. At Group François Frères we believe that it is good to be proactive and leave a better world behind for future generations and that the staff, the company and the world must coexist peacefully. We believe that the best plans are born and built on great principles oriented towards the future, rather than on impulsiveness or expediency.

*Date: July 24<sup>th</sup>, 2013*

*Signature of CEO:*

A handwritten signature in black ink, appearing to be 'J. Frères', followed by a long horizontal line that tapers to a point on the right.

## CHAPTER I – PRESENTATION OF THE GROUP AND REPORTING METHODOLOGY

### Reporting methodology:

CSR reporting for the fiscal year 2012 is performed on the period from May 1<sup>st</sup> 2012 to April 30<sup>th</sup> 2013. The perimeter for the consolidation and management of CSR accounting is identical to that of the accounting perimeter except for the following areas set out below:

We chose this year to exclude from our CSR Report 2013 a number of sites and subsidiaries due to the following reasons:

Very low numbers for:

- SCI Luzanne : no employee. A company used for the rental of buildings for the Demptos cooperage (managed by Demptos)
- NV Consultant: no significant activity in oenological products, no employee, one manager/ consultancy and sales in oenological products.
- Lagrèze: no current activity , no employee

A holding of less than 51% for:

- Crush Pad: non-consolidated company , owned to 2% by François Frères USA
- Trust International Corporation and its subsidiaries, stake of 50% owned by François Frères USA
- Vinissimo and C Pack : owned to 50% by Classic Oak Australia
- Radoux South Africa : cooperage owned to 50 % by Radoux

The rules for entry and exit of CSR reporting are identical to those set for the accounting year: that any site bought or sold during the reference period will be subject to reporting according to the time spent in the period.

### Highlights of the period:

There was a lack of sales or acquisitions apart from:

- An increase in our ownership of Stavin (USA) from 50 to 100 %
- The closure of the Spanish Cooperage Victoria, a subsidiary of Radoux, following a reorganization of activity and as a result of the presence of Demptos Spain in the country

It is noted that for the first time reporting will be done at two levels:

- For all French subsidiaries on one hand
- At group level for François Frères on the other.

This reporting is modeled on the GRI 3 and the AMF recommendations model based on a diagnosis corresponding to ISO 26000 norms. Data was collected from all subsidiaries by headquarters, on the basis of two Excel questionnaires, and validated for each subsidiary by the site manager before being checked centrally by headquarters.

### Exclusions from the report:

Given the lack of information or the suitability of the feedback it was decided to exclude, at the group level this year, the following items on our CSR report:

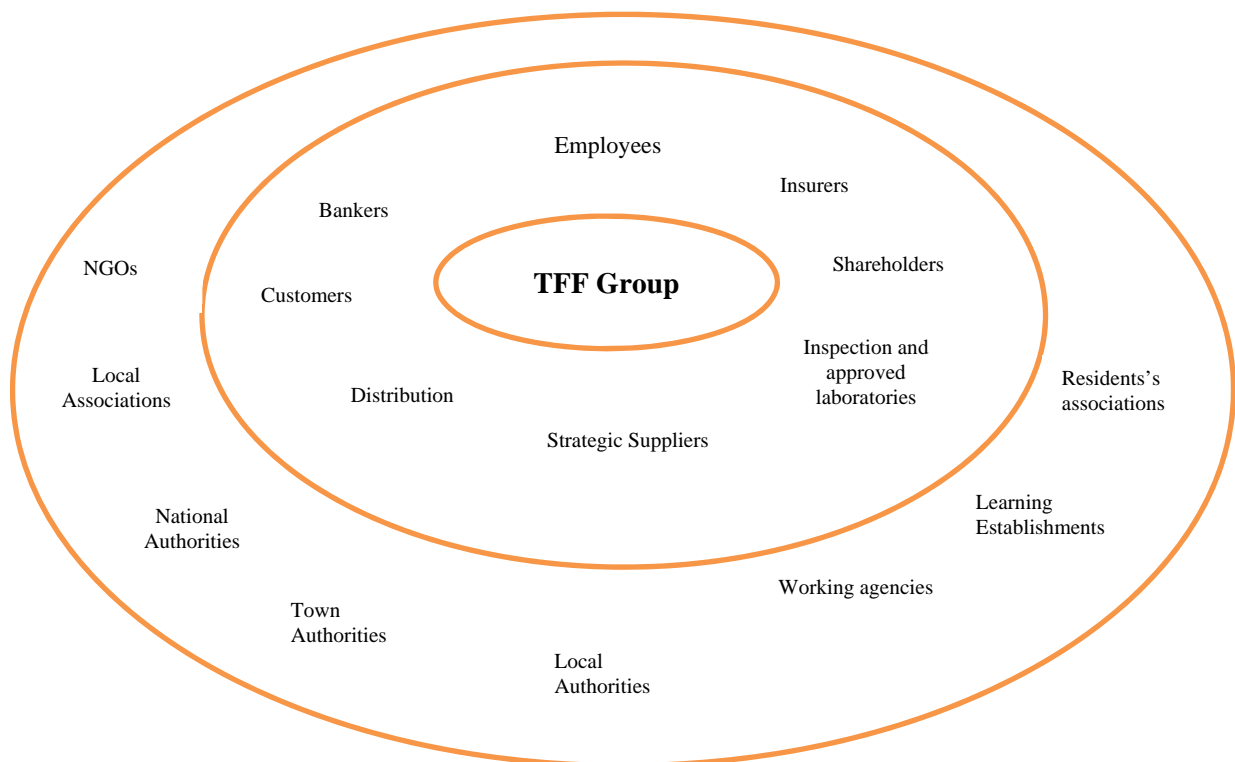
- Land use.

### Responsibility for reporting

CSR reporting is established under the leadership of the Chief Financial Officer, assisted by the Hygiene, Health and Safety referent of François Frères Management.

### Company stakeholders

Stakeholders: “All actors who gravitate around Group François Frères” According to the following hierarchy:



## CHAPTER II – OUR COMMITMENTS

### 1 - GOVERNANCE



Group values at François Frères:

- Integrity, commitment, respect for others and a priority given to the Group's interests are some of the cornerstones of our philosophy, and each of the Group's employees, wherever they are, must adhere to these values which will be the subject to a group charter that is currently being drafted .

Group organization:

See the report by the Chairman of the Supervisory Board on internal control procedures implemented by the company paragraph 1.1 .

Shareholding:

See MD Chapter V.

Non-financial risk assessment

Our assessment and planning of business risks take into account factors related to sustainable development. Among the risk factors monitored are:

- Raw materials: indeed wood is a valuable resource that deserves well thought-through and careful management in order to ensure its renewal for future generations.
- The risks presented by certain "countries" (political, social, environmental and climactic): The Group is particularly attentive to the respect of social rights and regulatory changes.
- The risks between "client" / "consumer" / "distribution network":

The quality of wines depends on our products and we are particularly attentive to health risks, leading to the implementation of strict quality controls of our products. The group is particularly vigilant with respect to the values conveyed through our distribution network to our customers.

- An insurance linked to the environment has been taken out to deal with any environmental hazards including cleanup costs.

## 2 - OUR SOCIAL COMMITMENT

A commitment to maintaining jobs in a healthy, socially responsible and stable environment.

### I - Employment Policy

Group François Frères' employment is based on the following principles:

- Hiring whenever possible on a long term staff basis
- Development and transmission of know-how,
- The respect and valuing of men as quoted by Jerome Francois:

“In almost all of our acquisitions, the previous owners, often the founders of the companies have remained in place, as have their staff. They have been responsible for their units during their integration into the group and even after.”

- The respect of local social policy and organizational characteristics.
- A policy of regular wage indexation.

1 Employees: Total workforce by employment type, employment contract and region (LA1).

The Group workforce within the CSR perimeter as defined above is 685 persons including temporary staff at April 30<sup>th</sup>, 2013 (31 temporary staff 30/04/13).

France (excluding temporary staff): 360

Foreign subsidiaries (excluding temporary staff): 294

Temporary staff at 30/04/013: in France 15 / Abroad: 16

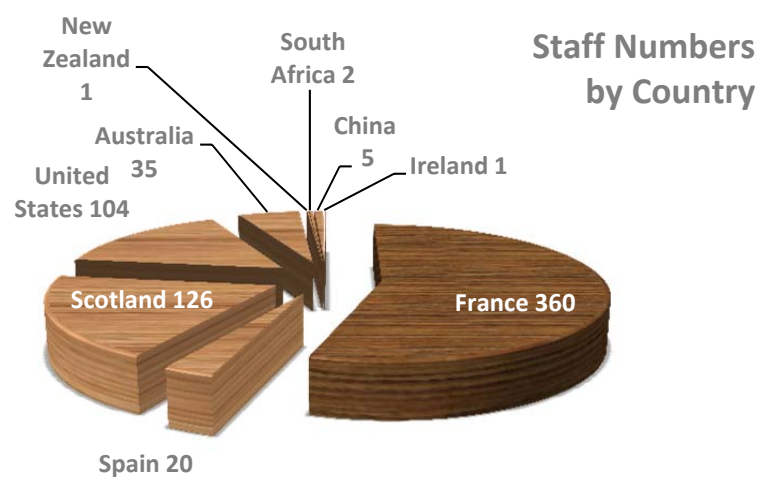
**Group ratio of men to women**



Note: this includes the actual staff in the company at April 30, 2013 and excludes the President.

Comment: Our workforce has increased slightly (four additional persons) compared to last year, total hiring (87 people) offsetting total departures (83 people).

Total workforce by employment type, employment contract and region (LA1)



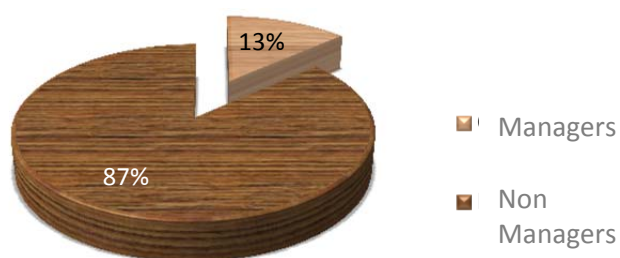
Remark: The majority of our workforce is located in France and Europe.

Employees by sector excluding temporary staff:

Type of Activity	Workforce
Cooperage	483
Stave Milling	93
Cask Making	11
Oak products for Oenology	44
Distribution	23
<b>Total</b>	<b>654</b>

% of managers in the workforce Managers/Non managers for the Group

% managers - TFF Group





## Workforce by type of contract: fixed term / permanent

- o Group: 95.72 % of staff is permanent, 4.28 % of staff is on fixed term contract
- o France : 98.8% of staff is permanent ,1.1 % of staff is on fixed term contract

## Distribution of workforce according to age



Note: Group workforce excluding temporary staff

Workforce below 30, workforce between 30 and 50, workforce over 50

Remark: The majority of staff is in the age group 30 to 50 years, guaranteeing the expertise and professionalism of our teams.

## Staff turnover in number of employees (LA2)

Entry rate = 12.77 %

Number of hires / total staff at start of the period x 100

Exit rate = 12.18 %

Starting number (retirement, resignation, dismissal, death and termination ) / total staff at start of period x 100

Group turnover : 12.48 %

Turnover rate = Entry + exit rate / 2

Remarks: At entrance, most of the hiring was seen abroad due to the strong business growth in Scotland and in the USA. At exit, most losses are explained by the restructuring of the Victoria site in Spain.

## 2 - Organization of working hours

### Working hours

Our French companies have opted for agreements to reduce working time and use, in some cases, an annual modulation. For the organization of working time, we favor daytime working. None of the Group's employees work at night. Similarly, we do not use shift patterns with the exception of one of our subsidiaries. Foreign companies apply local regulations regarding the timetabling of presence and working hours.

### 3 - Remuneration policy (see details of the officers in the management report, Part VIII)

Each subsidiary has a remuneration policy that is defined annually in consultation with the leadership of the group. The group meets its obligations regarding statutory minimum wages.

Year	2012/2013	2011/2012
Wages and benefits	29 888	22 258
Profit sharing and incentives	964	460
<b>Total personnel costs</b>	<b>30 852</b>	<b>22 718</b>

Remarks: The change in personnel costs is 35.8 % and 7 % on a like-for-like basis, having taken into account the impact of changes to Radoux (eleven months of wages) and Stavin (seven months of salary to 50 %).

### 4 - Industrial relations and collective bargaining agreements

The Group applies the laws and regulations in force in each subsidiary's country.

Percentage of employees covered by a collective agreement (A4).

In France, 100 % of the workforce is covered by a collective agreement,  
At group level, 65.60 % of the workforce is covered by collective agreements, reflecting the commitment of François Frères vis-à-vis its legal obligations.

#### Social dialogue

In France: The Company is in compliance with the Labor Code and the applicable collective agreement on these points.

All French companies with a workforce of more than ten staff have delegates, apart from one whose size will fall below the threshold next year. All those with more than fifty employees have a HSC. These bodies are designed to ensure social dialogue.

In order to take account of that social dialogue, mutual agreements have been signed by all French subsidiaries.

### 5 - Health and Safety

The health and safety policy of the group is based around the following themes:

- o Improved working conditions in the workplace at the initiative of employees either through employee representatives or more directly,

- o Improved tools for ensuring less arduous work wherever possible ( lift tables, polyethylene drivers, workbenches adapted to specific duties ) .
- o Training sessions and awareness campaigns on specific issues of concern :
  - OHS training
  - Awareness of the risks associated with wood dust
  - Training on the handling of fire extinguishers and fire safety instructions.
- o Prevention of occupational hazards particularly in the design of machines for the group.

Examples of steps taken:

- Automatic extraction of the barrel from the strapping press (avoiding the need for the operator to manually extract the barrel from the press).
- A modification program of crozing machine according to each entity and every level of expertise.

#### Improving health and safety conditions:

- o In recent years , significant investments in the group have been made to reduce emissions of wood dust and fume. For example; a fume extraction system has been installed on our production site in Saint Romain.
- o An information guide for OHS regulations was sent to each group's French subsidiary to allow them to assess themselves vis-à-vis regulatory requirements.
- o regulations about reducing the drudgery of work were signed for all French subsidiaries with more than 50 employees.
- o HSC are associated with or indeed leaders in the search and implementation of solutions.
- o France : the implementation of a healthcare scheme was offered to all the Group's affiliates . In all 8 out of 12 subsidiaries, representing 70.6% of employees, chose to sign up. The remaining 4 subsidiaries preferred to stick with their existing arrangements for now.

Among our foreign subsidiaries, scattered across eight countries in the world, the differences in the laws that apply to employees proved difficult to identify and did not allow us the time to consider a common health policy for the group as a whole.

#### Percentage of total workforce represented in health and safety committees (LA6)

In France :

Our three French subsidiaries with more than 50 employees have a HSC and our subsidiaries , Brive Tonneliers (below the threshold ) chose to create a HSC which would also cover Bouyouud Distribution and Foudrierie Francois.

Abroad:

Five subsidiaries out of seventeen have part of their staff on health and safety committees.

#### Issues of health and safety covered in formal agreements with trade unions or delegates (LA9).

Plans regarding the drudgery of work were signed by all French subsidiaries.

Rates of injury, occupational diseases, number of working days lost and total number of occupational fatalities by region. (LA7)

The rate of accidents in France



Total number of accidents with work stoppage:

We have recorded 44 accidents that lead to a work stoppage:

- 35 in France
- 9 in our foreign subsidiaries

The frequency rate for France over the period is: 57.60

*Frequency rate for the industry : Manufacture of bespoke packaging; wooden packaging and cooperage products-204ZG code : 72.6 in 2010*

*Frequency rate = (total number of accidents with work days lost / total hours worked in 2012) \* 1000000*

Remarks:

French subsidiaries have a frequency rate below that of the industry.

Due to insufficient data it is not possible this year to provide reliable data at group level.  
The reporting will be improved for next year's communication.

The severity rate for France is: 3.56

*Severity rate within our industry: 3.27 in 2010.*

*Severity Rate = (total number of days lost due to accidents / Total hours worked in the year 2012) \* 1000*

Due to insufficient data it is not possible this year currently provide reliable data at the group level. This aspect of our reporting will be improved for next year's communication.

Remarks: the severity rate within our group in France is similar to that of the industry.

Number of fatal accidents in France and in the Group

In France and overall in the group no fatal accident was reported.

Number of occupational diseases in France

Three work linked illnesses were reported during the period in France out of three hundred and sixty employees. Due to insufficient data it is not currently possible to provide data at group level. Definitions are to be finalized at international level in order to ensure reliable reporting next year.

Absenteeism in France and the Group:

The absenteeism rate in France is 6.02 %

The absenteeism rate in foreign subsidiaries is 3.47 %

The Group's overall absentee rate is 4.87 %

**Absenteeism rate** = total number of working hours lost / total number of hours worked plus overtime.

Remarks: The absenteeism rate for the group is falling (6 % compared to last year). This is due to falls in foreign affiliates, while in French subsidiaries the rate is slightly up.

For the group, the number of working days lost is the equivalent of the work of 29 full-time employees over the course of a year (based on a working day of seven hours).

6 - Training and Education

The Group’s training policy aims to retain and train highly qualified staff to ensure quality work that meets demanding manufacturing criteria. The transmission of know-how internally and the recruitment of experienced coopers, wherever possible, ensure the quality of our products in a field that remains a craft. Training budgets are allocated to each company within the group according to the specific needs related to its activity and qualification levels.

Average hours of training per year, per employee and by employee category

At group level 36.7 % of employees received training during the period and the average number of training hours was 58.53 hours of training per employee trained.

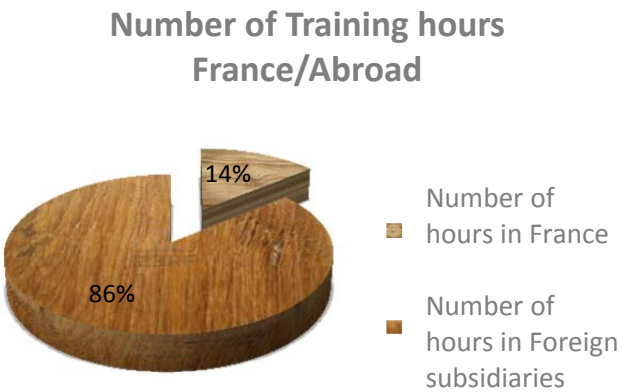
Average hours of training per year in France and in the Group (LA10)

In France :

- 33.3 % of employees were trained
- the average number of training hours per employee was 16.35 h during the period.

In Foreign Subsidiaries:

- 40.8 % of employees were trained
- the average number of training hours per employee was 100.7 hours during the reference period.

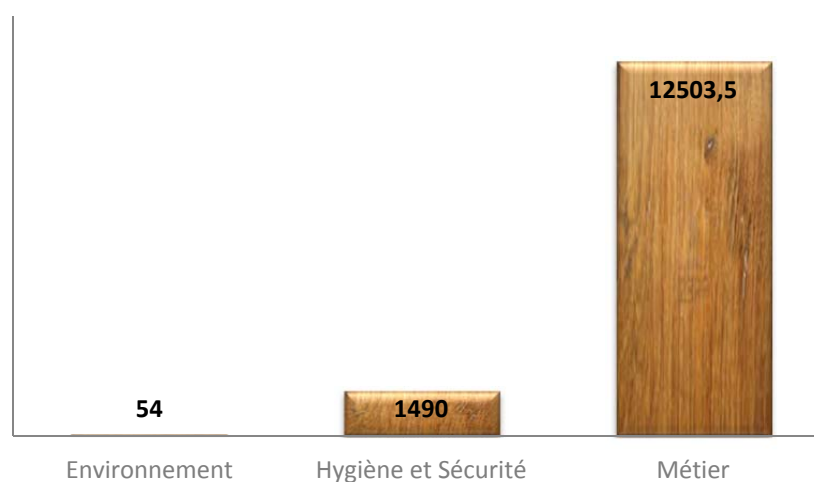


Comment: The number of employees trained in France and abroad was the same but the training provided to employees outside of France was longer.

Types of training undertaken in France and abroad



### Number of training hours in the Group



Remarks: In France: in proportion to the time spent in training , 39.74 % of courses were taught in health and safety and 60.25 % in job training.

At Group level: 0.38 % of training hours were conducted in environment, 10.60 % in health and safety , and 88.94 % to improve professional skills .

In addition, it is important to note that more job training was undertaken abroad because of the lack of teaching facilities for coopers outside of France.

## 7 - Skills Development

Programs aimed at the development of skills through life-long training with a view to ensuring the employability of staff and to assisting them in the managing of the ends of their careers.

This point was dealt with in plans drawn up for older staff in which an assessment of an employee's skills can be made at his or her request, allowing him or her to assess his or her own training needs for the years ahead.

Number of plans for older staff signed by the group in France (LA11) .

Eight subsidiaries signed a senior staff plan. And one is currently being updated.

Numbers of annual interviews (LA12)

Not all our employees have received an annual review, however , the goal for 2013 is a rate of 100% for French subsidiaries.

## 8 - Diversity and Equal Opportunities

Equal pay for men / women (LA13)

In France a professional agreement on occupational and wage equality was signed on July 5<sup>th</sup> 2011, by the “industries and import of wood” sector that all our companies with more than 50 employees belong to.

For foreign subsidiaries: a parity clause for men and women is included in the employment contracts of all subsidiaries in the United States and China.

**Management:** Composition of governance bodies and breakdown of employees by gender (LA13)

The composition of governance bodies and breakdown of employees by sex, age, minority and other diversity indicators is as follows:

### Management in French subsidiaries



### Proportion of women managers in the Group



There is a high proportion of women in our group through its Management and Supervisory Boards. • 50 % of the Management is female • 33 % of the Supervisory Board is female

**The work of disabled employees:**

Currently 16 people with disabilities declared with AGEFIPH are employed in French subsidiaries or 4.44 % of staff. We appeal to ESAT and CAT groups in subcontracting. Given international variations in legislation, we can not communicate on the number of disabled employees in the wider group.

## 3 - OUR SOCIETAL COMMITMENT

## I - The community

The nature, scope and effectiveness of programs and practices that assess and manage the impacts of operations on communities (SO1)

The impact on communities is not subject to a specific policy at group level although most of the leaders of our subsidiaries are from the country where they are located.

The majority of our subsidiaries were taken on through acquisitions and existed before their takeover, therefore already exercising their activity in the area. Therefore, no additional territorial impact was noted for these acquisitions.

Only five production sites have been created from scratch: Demptos Spain, Demptos Yantai (China), Demptos NAPA (USA), Speyside Kentucky (USA) and Speyside Alloa (Scotland).

It should be noted that our sites are not located on sites critical to endangered indigenous peoples.

## II - Corruption (SO3)

No incident of corruption has been identified to date within the Group. The internal control procedures in place within the group and regular audits by external auditors constitute solid preventive anti-corruption measures. In addition, the big corporate customers that are most exposed to this risk are the subject of special monitoring by management. To date, given the very low risk of corruption, anti-corruption policies and specific procedures and training have not been deemed necessary.

## III - Public Policy (SO5)

The group is involved in France through the French Cooperage Federation of which it is a member, through the membership of its main French subsidiaries.

## IV - Human Rights

### Investment and procurement practices

The vast majority of our purchases are timber purchases made with identified and secured suppliers: Indeed the oak is mainly purchased from three countries: France, Hungary and the United States.

Although each country is unique, all share the goal and practice of sustainability. Forest management and regulators include the Ministries of Agriculture, national organizations of forest management and the PEFC system, according to the laws in force in each country.

Percentage of significant suppliers and subcontractors who have been monitored and where actions have been taken with regards to human rights (HR2)

The majority of our purchases are purchases of wood (59 % of PEFC) and our main suppliers adhere to the PEFC label which contains a clause on respect for human rights.

## V - Non-discrimination

### Total number of incidents of discrimination and actions taken (HR4)

We have had no incidents of discrimination reported in the French subsidiaries, and we have no data for foreign subsidiaries.

## VI - The freedom of association and the right to collective bargaining

Operations identified in which the right to freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights (HR5)



No incidents of non-compliance with labor law in France have been reported over the period.

The creation of representative bodies in our French subsidiaries (see Health and Safety section) guarantees the freedom of association and the right to collective bargaining.

The lack of sufficient data for the group does not allow us to communicate on behalf of the group as a whole on this point.

#### VII - the prohibition of child labor

Activities identified as posing a significant risk of incidents involving child labor and measures taken to contribute to the elimination of child labor ( HR6 )

The Group complies with local regulations.

Moreover, given the force required in cooperation work, child labor seems extremely unlikely.

Regular visits by management and technical personnel to our sites confirm this fact.

#### VIII - the abolition of forced or compulsory labor

Activities identified as posing a significant risk of incidents of forced or compulsory labor and measures taken to contribute to the elimination of forced labor. (HR7)

Currently 507 people work in the EEC, 104 in the U.S. and 36 in Australia and New Zealand. The risk of forced labor in these countries is low.

Only two employees are working in South Africa (commercial service) and five people have been working in China for several years now. We have identified no significant risk at this level.

Regular visits of management and technical personnel on our sites have confirmed this fact .

#### IX - the rights of Indigenous People

Total number of incidents involving the violation of the rights of indigenous peoples (HR9)

The group is not affected by this problem due to the locations of its subsidiaries.

## 4 - OUR COMMITMENT TO ECONOMIC MATTERS

### 1 - Economic Performance

Direct economic value generated and distributed (including revenues, operating costs, employee compensation, donations and other community investments , retained earnings reserves, and payments to capital providers and governments) (EC1)

These items are listed above in Chapter III of the report.

Financial implications and other risks and opportunities for the organization's activities linked to climate change (EC2).

Although the activity of the group does not make it a leading contributor to greenhouse gas emissions, travel and logistics remain something we're trying to reduce by optimizing the transport of goods and establishing a rational system of travel planning for our sales force.

## 2 - Market presence

Distribution ratios comparing the basic salary at entry level and local minimum wages at significant operational sites. (EC5)

The minimum starting wage conforms to labor laws and collective agreements in all our French subsidiaries.

Abroad, we do not have enough data to communicate on the subject.

Policy, practices and proportion of spending with locally-based suppliers at significant locations of operation. (EC6)

Given the organization of the group and its efforts to ensure the full integration across the wood production chain, we do not create any commercial dependency for our suppliers.

## 3 - Indirect economic impacts

The development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono investments. ( EC8 )

As part of its activities, François group is not involved in any investment or construction of utility infrastructure. However, the group participates in public life through corporate philanthropy.

Our most significant actions in terms of sponsorship:

- Cultural:

A grant to the Museum of wine in Bordeaux, for the construction of an environmentally friendly building



Support to the bid of the Burgundy “climats” for UNESCO World Heritage site status



A grant to the Music and Wine Festival at Clos Vougeot



A grant for the Heritage Foundation of Brive Tonneliers



Sports :

Football Malmort ( Brive Tonneliers )

Half Marathon of Beaune (TFF)

Professional:

Young talent trophy (Given to young professionals in the world of wine in Burgundy )

Understanding and describing significant indirect economic impacts, and the extent of those impacts (EC9)

Not applicable as there is no monopoly situation or supplier dependency on us.

4 - Consumer Health and Safety (PR1)

In France it was decided to fight against food allergies by using gluten-free flour in our assembly (although there can be no guarantee, however, that there is no trace of gluten from other flour used during the production process by our suppliers). Analysis carried out by independent and accredited laboratories ensures that our barrels are free of contaminants.

## 5 - OUR COMMITMENT TO THE ENVIRONMENT

Organization: Eight out of twelve French subsidiaries have a person dedicated to monitoring QHSE on our sites.

### I – Materials

Materials used by weight or volume. (EN1)

Data at April 30 <sup>th</sup> , 2013	French subsidiaries	Foreign subsidiaries	Group
Consumption of materials (wood in M <sup>3</sup> from 01/05/2012 to 30/04/2013)	47343,17	6568,07	53911,23
Total purchase of wood (M <sup>3</sup> from 01/05/2012 to 30/04/ 2013)	45018,67	7534,83	52553,5
Amount of PEFC wood purchased (M <sup>3</sup> from 01/05/2012 to 30/04/ 2013)	26662,30	407	27069,30

Note: This covers all purchases and consumption of logs and staves. Given that consumption and purchases of French oak staves are themselves drawn from consumption and purchases of our French stave mills these figures are overestimated, since consumption and purchases of staves are listed twice. (See how to deal this information with certifying authorities).

Concrete example can be cited of efforts to reduce our consumption of materials by weight and volume:

Measures to reduce packaging were introduced at Brive Coopers through the ‘Lasting cask legacy ‘. It was decided not to use cardboard protection and significantly to reduce the packaging materials used.

Percentage of materials used that are recycled (EN2).

Our subsidiaries in Scotland and in the United States use recycled wine and bourbon barrels, repairing them when necessary without purchasing additional raw materials, the barrels are sold for the maturing of whisky. We thus give a second life to wine barrels already used in wine and bourbon.

## II - Energy

The main sources of energy for our businesses in France are gas (42 % of the Group's energy consumption) and electricity (71%), while our foreign subsidiaries mainly consume fuel (68 % of the Group's consumption).

Direct energy consumption by primary energy source. (EN3)

Fuel Consumption in M<sup>3</sup>



Gas Consumption in kw/h



Data at April 30th 2013	TOTAL French subsidiaries	TOTAL foreign subsidiaries	TOTAL Group
ENERGY CONSUMPTION BY DIRECT PRIMARY ENERGY SOURCE fuel in M <sup>3</sup>	50,43	108,68	159,11
ENERGY CONSUMPTION BY DIRECT PRIMARY ENERGY SOURCE gaz in KW/h	490,765	673.4	1164.165

Indirect energy consumption by primary energy source (EN4).

#### Electric Consumption (MW/h)



DATA AT AVRIL 30 <sup>th</sup> 2013	Total French subsidiaries	Total Foreign subsidiaries	Total Group
CONSUMMATION ENERGY CONSUMPTION (MW/h)	5108.274	2131,21	7239,48

Energy saved due to energy efficiency. (EN5)

Notable energy savings in France are:

- The installation at TFF of variable speed motors for smoke and wood dust suction systems to reduce power consumption.
- The energy audit performed at Brive Tonneliers has resulted in:
  - ✓ measures to reduce compressed air leaks .

- ✓ measures to optimize lighting, heating, space cooling and the production process

The implementation of these energy recommendations should provide an energy gain of: 43 MWELEC / YEAR ( or 7.6 % of the annual electricity consumption) MWHPCS / YEAR ( 16.3 % of the annual gas consumption ) These savings represent a financial gain of €3.9 k and an average gross return time of less than two and a half months or 7% of the annual energy and water bills.

#### Initiatives to reduce indirect energy consumption and reductions achieved. (EN7)

Local initiatives have already reduced energy consumption:

- The introduction of a paper free policy at Brive Tonneliers
- The LED audit at Brive Tonneliers on continuous improvement in sustainable development, evaluated our performance at 54%.
- The use of wood powered boilers to encourage the use of scrap wood as a heating fuel - 4 sites equipped in all with a site in France and in Scotland.
- The use of waste wood to fuel heating braziers.

### III - Water

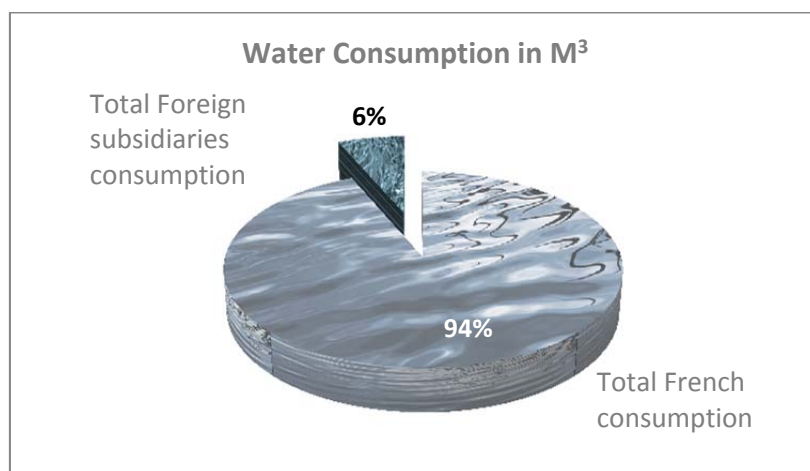
#### Total water use by source (EN8)

Data at 04/30/ 2013	Total French subsidiaries	Total Foreign subsidiaries	Total Group
Water Distribution Network (M <sup>3</sup> )	7745	6172,3	95551,3
Source/ Ground water (M <sup>3</sup> )	81634	—	—

Remarks:

Water is mainly used for watering our logs and testing our barrels .

- Water consumption via water sources and groundwater is not counted for lack of water meters for our foreign subsidiaries.
- The tally for water distribution in our foreign subsidiaries is only partially given that some water usage can be included in the lease charged by site landlords.



Note: the 6 % reduction of consumption by our foreign subsidiaries takes into account only 10 out of 17 of our subsidiaries as seven were not able to give us their figures this year.

The group's overall water consumption is not quantifiable at this time because the majority of our foreign subsidiaries were not able to measure their water consumption, either because they are supplied directly by a source and do not have a water meter, or because their water consumption is included in the rent of their lease.

#### Sources of water

##### Percentages of different sources of water supply. (EN9)

In France 90% of subsidiaries are supplied through local authority distribution networks.

Overseas:

Five subsidiaries have water included in their lease (29.4 % of foreign subsidiaries )

Two subsidiaries are supplied by a source on their land (11.7 % of foreign subsidiaries )

Ten subsidiaries are supplied by a water distribution network (58.8 % of foreign subsidiaries )

##### Percentage and total volume of water recycled and reused . (EN10)

Part of the water that is recycled in some places has not been monitored due to a lack of means of measurement. This is one of the areas that should be improved in the future.

#### IV - biodiversity (EN12)

Our main impact on biodiversity remains the collection of oak wood in the natural environment for the manufacture of the barrel.

To minimize this impact and prevent the depletion of the natural resource, we decided at the group level to purchase PEFC wood in proportions large enough to ensure through this label, reforestation and forest management and a rational approach to the entire supply chain of wood



PEFC: Our group draws more than 50% of its wood from sustainable forests for the sake of the preservation of forest biodiversity.

% PEFC France	% PEFC Group
59,22%	51,51%

Given this commitment, reforestation is systematically practiced and followed.

#### V - Emissions, effluents and waste

##### Management of hazardous and non-hazardous waste for French subsidiaries (EN22)

Data at 30 th 2013	Total French Subsidiaries
Hazardous waste (Tons/year) from April 1st 2012/ April 30 <sup>th</sup> 2013	2,091
Production of non-hazardous waste (tons/year) from April 1st 2012/ April 30th 2013	2742,11

##### Remarks:

Waste tracking is performed on each site according to the regulations in force.

Given the differences in legislation between countries, the monitoring of hazardous and non-hazardous waste in foreign subsidiaries is unreliable and needs to be improved.

##### Measures for the reduction and recycling of waste:

Much of the waste from the manufacturing process is reused and recycled:

- as fuel for sites with wood boilers or sold for firewood externally
- by being reintroduced into the process for use in the braziers that heat the drum of the barrel in the process of its shaping .

## Total emissions, direct and indirect greenhouse gas emissions by weight (Teq CO2) (EN16)

Out of a concern for the environment, the coopers who hold the CTB French barrel certification decided to engage in a collective process of estimating emissions of greenhouse gases (GHGs) in the “Carbon Footprint” of the ADEME tool.

This carbon footprint covers the entire chain from supply to dispatch (from upstream to downstream cargo freight). In order to measure our carbon footprint we based our study on two of our two sites: St. Romain and Jonzac. The carbon footprint is calculated by dividing the total GHG emissions by the total weight of barrels.

The results are as follows:

Origin	Outcome	Remarks
Group	14456 T eq.CO2	Calculation established by extrapolating the production data provided by the two sites and the carbon footprint as measured and validated by the FCBA.
St Romain	2715 T eq.CO2	Calculation made on the basis of the site's data ( amount of barrels produced )
Jonzac	3240 T eq.CO2	Calculation made on the basis of the site's data ( amount of barrels produced )

## Emissions of substances that deplete the ozone layer, by weight. (EN19)

Our French subsidiaries are not CFC users except for some offices that are equipped with air conditioning (and then in very small amounts).

## VI - Noise Pollution

Two of our sites, “Sciage du Berry” and Sogibois have measured outside noise and “Sciage du Berry” has established noise protection and soundproofing on a part of its premises in order to reduce the level of external noise.