

# Corporate Governance

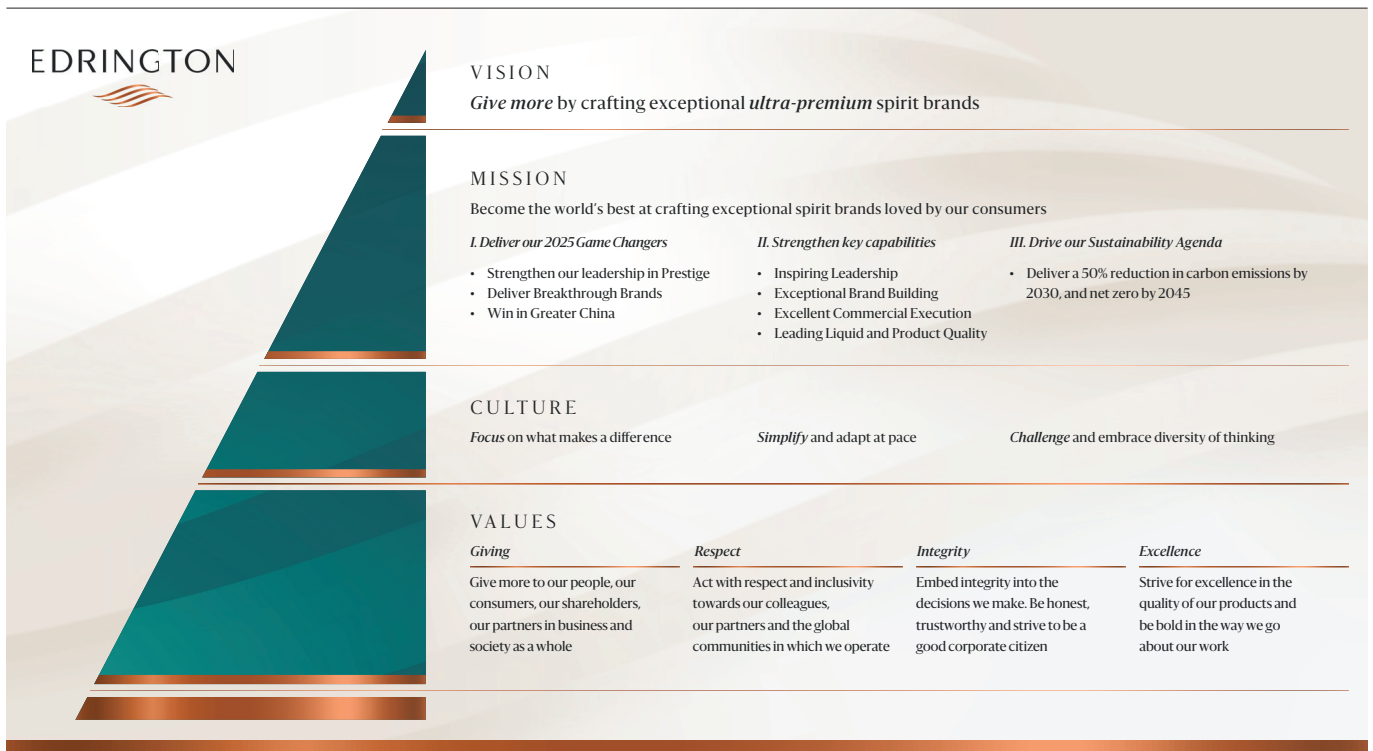
As a private business, Edrington is not required to follow the UK Corporate Governance Code. It is, however, committed to the highest standards of both governance and corporate citizenship, and therefore voluntarily observes those elements of governance and disclosure that are appropriate and add value both to the organisation and its stakeholders.

## Wates Principles

The Board continues to adopt and apply many of the Wates Corporate Governance Principles for Large Private Companies (the 'Wates Principles') and this section outlines how Edrington has incorporated these Principles into its business operations.

## Principle 1 – Purpose and Leadership

Edrington has a well-developed and defined purpose and strategy. Our vision, as set out in the Edrington 2025 strategy, is to “give more by crafting exceptional ultra-premium spirit brands”.



The Board fosters effective stakeholder relationships aligned to the Company's purpose. Further details on stakeholder engagement are included in the Section 172(1) Statement in this section of the Annual Report.

Strategy and values are consistently articulated throughout the business through a range of communication channels and events. These include our Edrington Leadership

Conference, townhall meetings, 'Your Voice' meetings with employee representatives and the annual Edrington Year in Review, which is led by members of the executive team. Business performance is shared quarterly through performance updates supplemented by the Balanced Scorecard, which incorporates key financial and non-financial metrics that are important in achieving our strategic goals, including measures relating to diversity

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and inclusion, sustainability and our 2025 'Game Changer' strategic targets. Together, this framework of communication enables employees to understand financial and strategic plans and to ask questions of senior management.

The Board considers Edrington's culture as a significant strategic advantage. Edrington conducts an independent employee engagement survey every year to monitor culture and take account of the views of the workforce. The most recent survey, in February 2024, resulted in Edrington scoring in the top quartile of companies on a measure of engagement. The Board assesses the results of the engagement survey and forms an action plan for improvements. The management team also engages with recognised trade union partners through partnership meetings, held on a monthly basis. The annual Board evaluation questionnaire asks Board members to give feedback on the culture at Board level. Finally, the business monitors absenteeism rates and surveys new colleagues during their onboarding and voluntary leavers to assist in monitoring the organisation's culture.

Edrington considers that it has in place workforce policies and practices that are consistent with its values and with the long-term sustainable success of the business. The organisation has established and transparent policies in relation to raising concerns about misconduct and unethical practices which are regularly communicated through employee training. Through its Speaking Up Policy, Edrington enables employees to raise matters of concern anonymously relating to the interests of others, or the interests of the Company.

## Principle 2 – Board Composition

At 31 March 2024, the Board comprised the Chairman, three executive directors and four non-executive directors, and is supported by the Group Company Secretary. The roles of Chairman and Chief Executive are separated. Catherine Rénier joined the board as a non-executive director on 1 June 2024.

The Board believes that its composition – its size, mix of expertise and balance of executive and non-executive directors – is appropriate and that it has a suitable balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make

a valuable contribution. A biography of each director can be found on the Group's website at [www.edrington.com/en/edrington-leadership](http://www.edrington.com/en/edrington-leadership). Angus Cockburn is the Senior Director and is appointed on behalf of The Robertson Trust. Kengo Torii is appointed on behalf of Suntory UK Holdings Limited. Crawford Gillies, Stefanie Fitzgerald, Alice Avis MBE and Catherine Rénier are considered by the Board to be independent directors.

The Board's process on nominations is undertaken by the Nomination Committee and includes assessing the composition of the Board and its governance structures as well as considering appointments and succession planning. Further information on the Nomination Committee and other Board committees is set out in the "Board Committees" section below.

## EVALUATION OF EFFECTIVENESS

On an annual basis, each director is asked to complete an evaluation on Board structure, the governance process, strategy and leadership, before conducting a one-to-one interview with the Chairman. Based on his findings, the Chairman prepares a report on the overall effectiveness of the Board, which is then discussed by the Board and any recommendations arising from it are implemented.

In addition to the overall Board effectiveness reviews, the individual performance of executive directors is monitored in the Group's performance appraisal programme and by the Remuneration Committee. Furthermore, the Senior Director seeks feedback on the Chairman annually from both the non-executive and executive directors.

The training needs of the Board and its committees are regularly reviewed. Emphasis is placed on ensuring that directors are aware of proposed legislative changes in areas such as remuneration, corporate governance (including directors' duties), financial reporting and sector specific issues. All directors are also encouraged to visit the Group's operating locations and we were also delighted to welcome our Board to market visits in both Shanghai and Tokyo in the year.

The Board is able to approve potential conflicts of interest within the director group. Directors are required to inform the Board of any actual or potential conflicts which may arise with their other professional or personal interests.

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The Board is collectively responsible for the long-term success of the Group. The Chairman is responsible for ensuring that the Board is effective and is led in the appropriate way. The offices of Chairman and Chief Executive are separate and distinct with the division of responsibilities between them clearly established.

The Board, which meets at least five times a year, has responsibility for defining and executing the Group's strategy, for reviewing trading performance and funding levels, assessing acquisitions and disposals, changes to the structure of the business and overall corporate governance issues. The Board also approves the Group's budget together with its annual report and financial statements. The Board retains overall responsibility for the Group's systems of internal control, including the financial controls designed to give reasonable assurance against material financial misstatement or loss.

The Board believes the financial controls in place, together with the Edrington values and code of conduct, allow it to meet its responsibility for the integrity and accuracy of the Group's accounting records, and to provide timely and accurate financial information to enable it to discharge its duties.

The directors attend all Board and relevant committee meetings. If directors are unable to attend meetings in person, by telephone or video conference they are given the opportunity to be consulted and to comment in advance of the meeting. Board papers are circulated at least five working days prior to each Board or committee meeting to ensure that directors have sufficient time to review them before the meeting and the chair ensures that sufficient time is made available for meaningful discussion. Documentation includes detailed reports on current trading and full papers on matters where the Board is required to give its approval.

Day to day management and control of the business is delegated to the executive directors and they routinely meet together and with other senior managers as required. Where necessary and appropriate, ad hoc committees of the Board are appointed to deal with known matters which require attention between scheduled Board meetings.

All directors have a responsibility to ensure that the strategies proposed by the executive directors are properly considered and challenged, and that the performance of the Group is consistently monitored.

The Board has delegated certain responsibilities to established committees, details of which are set out in the "Board Committees" section below.

**Principle 4 – Opportunity and Risk**

The Board promotes the long-term sustainable success of the Group by considering and assessing how the Group creates and preserves value over the long-term. The Group works to a five-year strategy cycle and the Board holds a two-day strategy session each year.

A dedicated Strategy team, reporting to the Chief Financial Officer, assists in the identification of future opportunities for innovation and entrepreneurship. The Strategy team submits a report to each Board meeting and significant opportunities are considered and approved at Board level.

The responsibility for risk management and internal control systems resides with the Board, with a framework to support the process for identifying, evaluating, and managing financial and non-financial risks. The Board regularly reviews the principal risks facing the Group including those that would impact its business model, future performance, and solvency. To assist with this, the Board, carries out annual reviews of key strategic risks, emerging risks and the effectiveness of risk mitigating actions. Further details of the most recent review are set out on pages I2-I6 of the annual report. These reviews allow the Board to assess the Group's risk appetite, ensure that the nature and extent of the significant risks facing the business are identified and adequately managed. These reviews consider both the likelihood and impact of the relevant risks and ultimately determine which risks will be included on the principal risk register.

The Group Risk Management Committee maintains the principal risk register and provides scoring on these risks. New and emerging risks are identified in several ways – through the Board directly, through the Group Risk Management Committee, or in a "bottom-up" process by the relevant Business Units presenting to the Group Risk Management Committee in scheduled reviews. The Audit Committee is responsible for the direct oversight of the Group Risk Management Committee and the Assurance, Risk and Compliance function. The Group Risk Management Committee reports to the Audit Committee and the Audit Committee chair attends at least one Group Risk Management Committee meeting per annum.

The Board, through delegation to the Audit Committee, the Group Risk Management Committee, and the Assurance, Risk & Compliance function has established an internal control framework with clearly defined roles and responsibilities for those involved. Internal controls are assessed and reviewed on an annual basis and required action plans to address any control gaps are monitored on a quarterly basis.

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## Principle 5 – Remuneration

Details of the Company's remuneration policy are set out in the Remuneration Committee section on page 26.

Directors' remuneration, which is determined by the Remuneration Committee, is benchmarked triennially with the assistance of independent specialist consultants.

Edrington reports gender pay statistics annually and has in place a series of improvement actions and targets to ensure demonstrable progress towards our commitment of narrowing the gender pay gap. In our most recent gender pay gap report published in February 2024, reflecting the snapshot date of 5 April 2023 reference period, we have seen further improvement. The mean gender pay gap of 7.5% represents a decrease of 0.5% points from the previous year's gap (2022: 8.0%) and the median pay gap of 1.4% represents a decrease of 3.2% points from the previous year's gap (2022: 4.6%). Our gender pay report, which explains these results in detail, is published on the Edrington website.

## Principle 6 – Stakeholder Relationship and Engagement

The Board fosters effective stakeholder relationships aligned to the Company's purpose. Further details on stakeholder engagement are set out in the Section 172(l) Statement.

This Board considers how the Group's activities may impact current and future stakeholders as well as the environment. Further detail on Edrington's sustainability strategy is included in the Corporate Sustainability and Responsibility section on pages 29-37.

The Group maintains a website ([www.edrington.com](http://www.edrington.com)) to provide up-to-date, detailed information on the Group's values as well as its operations and brands, including sections on news and business performance. All significant Group announcements are available on this site, as are the annual financial reports. The Group's corporate affairs team manages external communications and can be reached at [corporate.communications@edrington.com](mailto:corporate.communications@edrington.com).

## Section 172(l) Statement

The Board's priority is to ensure that the directors have acted both individually and collectively in the way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members with

regards to all its stakeholders and to the matters set out in paragraphs a-f of Section 172(l) of the Companies Act 2006. You can read more on how the Board have regard to the matters set out in paragraphs a-f of Section 172(l) in the following sections of this annual report:

- (a) the likely consequence of any decision in the long term  
**WATES PRINCIPLES – PAGES 17-20**
- (b) the interests of the company's employees  
**WATES PRINCIPLES – PAGES 17-20**  
**STAKEHOLDER ENGAGEMENT – PAGES 20-25**
- (c) the need to foster the company's business relationships with suppliers, customers and others  
**STAKEHOLDER ENGAGEMENT – PAGES 20-25**
- (d) the impact of the company's operations on the community and the environment  
**STAKEHOLDER ENGAGEMENT – PAGES 20-25**
- (e) the desirability of the company maintaining a reputation for high standards of business conduct  
**CORPORATE SUSTAINABILITY AND RESPONSIBILITY – PAGES 29-37**
- (f) the need to act fairly as between members of the company  
**STAKEHOLDER ENGAGEMENT – PAGES 20-25**

## Stakeholder Engagement

Effective engagement with our key stakeholders is critical to the long-term success of the organisation. Dialogue with stakeholders helps the Board to understand the effects of company policies and practices, predict future developments and trends, and align strategy.

The table below sets out our key stakeholders, how we engaged with them during the year and, where relevant, the impact of that engagement on the strategy and the principal decisions taken during the year. The Board recognise that stakeholder engagement takes place at both the operational day-to-day level within the business and at a Board level. In all cases, the level of engagement informs the Board, both in relation to stakeholder concerns and the likely impact on decision-making throughout the year. The Board uses its regular meetings as a mechanism to address and meet its obligations under Section 172(l) of the Companies Act 2006.

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Key Stakeholder	Principal Methods of Engagement	How this Stakeholder Group Influenced Board / committee discussions and decisions
<p><b>Shareholders</b></p>	<p>The Company's principal shareholder is The Robertson Trust (the "Trust") and representatives from the Trust and the Company meet regularly and where practicable prior to Edrington Board meetings, through the Trust's Investor Relations Committee (the "IRC"). The IRC is the principal forum through which the Trust manages its investment in the Company, monitors the Company's performance and allows the exchange of ideas, providing an effective and meaningful engagement forum. The Chief Executive and Chief Financial Officer present Edrington's strategic plan annually, and at each meeting will provide an update on the performance and progress of the business. The Board and our Executive Committee also meets formally with the Trust on an annual basis to report on financial performance, strategic development, and business outlook with the Audit, Remuneration and Nomination Committees reporting to the Trust on their respective activities.</p> <p>The Company maintains regular dialogue with employee shareholders through a variety of mechanisms (please see "Employees" below for more detail on engagement with employees more generally).</p> <p>The Company also recognises the importance of maintaining communication and dialogue with its other shareholders, including non-employee shareholders. The Company held a shareholder event in January 2024 at which the Chief Executive and Chief Financial Officer updated shareholders on business strategy and performance and at which shareholders were invited to ask questions. The Company also maintains a regular dialogue with Suntory UK Holdings Limited.</p> <p>The Company has an electronic Share Portal platform which allows shareholders to submit electronic requests to buy or sell Edrington 'B' ordinary shares in the internal market and acts as a communication platform. Each shareholder receives access to an electronic copy of the Group's annual report and audited financial statements, together with an unaudited interim financial report.</p>	<p>The Chief Executive and Chief Financial Officer brief the Board on discussions with shareholders and the views are considered in the decision-making of the Board.</p> <p>The Board is aware that the priorities and strategic imperatives of shareholders will not all be the same. For instance, some shareholders may prioritise dividends, whereas others (particularly some employee or ex-employee minority holders of 'B' ordinary shares) may prioritise share liquidity. The Board aims to understand the views of shareholders and to act fairly between members of the Company.</p> <p>Following extensive engagement with significant shareholders, during the year 1,212,121 'B' ordinary shares were repurchased and cancelled by the Company at a purchase price of £66 per share.</p> <p>In addition, we were pleased to issue an interim dividend of 19p per share in December 2023 and to declare a final dividend of 36p to be paid in July 2024.</p>

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(CONTINUED)

Key Stakeholder	Principal Methods of Engagement	How this Stakeholder Group Influenced Board / committee discussions and decisions
<p><b>Employees</b></p>	<p>The Group is committed to engaging employees at all levels regarding matters which affect them and the performance of the Group. The Board takes its responsibilities to hear and understand our employees' voices seriously and firmly believes that good corporate governance is underpinned by Board members meaningfully engaging with stakeholders, including the employees.</p> <p>Eligible employees can request to buy or sell Edrington 'B' ordinary shares in the internal market. Employees in the UK are also given the opportunity to participate in share ownership as part of approved incentive and savings schemes.</p> <p>Edrington has in place an employee engagement survey which runs every two years, with pulse surveys operating at intervals in between. We are pleased that the overall global engagement score from our survey conducted in February 2024 increased again from 80% to 82%, achieving a top quartile level of engagement for the second year running.</p> <p>All employees are invited to attend an annual Year in Review event delivered by a member of the senior management team. These events held around the world, allow employees the opportunity to understand detailed financial and strategic plans for the performance year and beyond, and to ask questions of senior management. In addition there are regular townhall sessions where members of the executive team host an interactive session encouraging questions, thoughts and opinions from the workforce.</p> <p>Executives and senior management at Edrington undertake learning and engagement sessions aimed at fostering constructive and trusting relationships between executives and employees. Regular video interviews with executives and senior management are shared to provide employees with further insight into company's operations, performance and priorities throughout the year.</p> <p>The Group continues to progress its diversity, equity, and inclusion (DE&amp;I) strategy with a global DE&amp;I working group that meets quarterly. This working group is comprised of ten DE&amp;I champions representing each of our Business Units and regions and the global co-chairs of our Balance and Kick-start employee networks. The working group provides employees at all levels with the organisation and opportunity to input and feedback on our DE&amp;I strategy and actions.</p>	<p>A report from the Group HR Director is submitted at each Board meeting and the results of employee engagement surveys are also presented to the Board.</p> <p>Our Your Voice forums operates across the Group with attendees appointed to represent a cross-section of employees in the business. The Chief Executive and Global HR Director attend each meeting in the UK, and one meeting regionally each year. The purpose of the forum is to support meaningful engagement and two-way communication with employees on topics that matter most to our people such as organisational changes, sustainability, ways of working, learning and reward.</p> <p>Engagement with our trade union partners, through monthly partnership meetings, ensures that we have regular dialogue on important matters, such as improving our places of work, employee safety and shift working.</p>

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Key Stakeholder	Principal Methods of Engagement	How this Stakeholder Group Influenced Board / committee discussions and decisions
<b>Joint Venture Partners and Co-Investors</b>	<p>Regular interaction with our joint venture partners and co-investors takes place in several different forums. For instance, there are four Board meetings per year for Highland Distillers Group Limited and The 1887 Company Limited at which directors appointed by our partner William Grant &amp; Sons are present.</p> <p>Similarly, there are three Board meetings of The Macallan Distillers Limited per year at which directors appointed by our partner Suntory are present.</p> <p>Board meetings are also held with our partners in respect of our joint venture distribution entities and our investments in Grupo Estévez, No. 3 London Dry Gin, Wyoming Whiskey and Coopers Oak.</p> <p>A Brugal &amp; Co SA annual general meeting is held each year to which the minority holders of Brugal &amp; Co SA are invited and at which they can ask questions of the Brugal &amp; Co SA Board.</p>	<p>The Chief Executive and Chief Financial Officer brief the Board on discussions with joint venture partners and co-investors and their views are considered in the decision-making of the Board.</p>
<b>Customers</b>	<p>We have regular engagement with our customers through face-to-face or virtual meetings, conferences, and events. Quarterly and annual performance reviews are generally held by Edrington's commercial teams with our distributors, allowing for structured feedback from our distributors.</p>	<p>Customers and channels are reviewed in annual Performance and Strategy Reviews, which are attended by, among others, the Chief Executive, the Chief Financial Officer, and relevant business unit and commercial teams. Engagement with customers informs discussion at these Performance and Strategy Reviews.</p> <p>During the year we engage with certain key customers on new product development and launches.</p>

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Key Stakeholder	Principal Methods of Engagement	How this Stakeholder Group Influenced Board / committee discussions and decisions
<p><b>Suppliers</b></p>	<p>We have regular engagement with our suppliers through face-to-face or virtual meetings, conferences, and events.</p> <p>The Company has formal quarterly reviews with key suppliers, which involve senior management and cover quality, service, commercials, innovation, key business updates, strategic reviews and our vendor rating scores.</p> <p>Ensuring supplier resilience is a key focus, with a resilience programme established. Key suppliers are proactively engaged to ensure sufficient stocks of key components, given the current supply chain risks highlighted around global uncertainty.</p> <p>Partnering with suppliers to deliver the Edrington Net Zero commitment has been a priority focus.</p>	<p>Updates on significant supply chain activities and issues are provided to Board meetings and are considered and discussed by the directors.</p> <p>Engagement with key suppliers during the year informed the Board's discussions and decisions regarding the annual budgeting and long-term strategic planning processes for the Group.</p> <p>The supplier resilience programme has been shared with the Board, highlighting the key focus areas, for both short and long term.</p> <p>To contribute to our drive towards our Net Zero commitment, Environmental Sustainability Guidance for suppliers and partners has been issued to our top 250 suppliers, who are actively engaged through a status questionnaire. To date there has been a 78% response rate.</p>
<p><b>Trade Associations</b></p>	<p>Edrington is an active member of the Scotch Whisky Association (SWA). The SWA is governed by a Council of 16 members, elected at its Annual General Meeting, on which both our Chief Executive and Chief Financial Officer serve.</p> <p>At the international level, Edrington is a member of the Distilled Spirits Council of the United States (DISCUS), the Dominican Rum producers' association (ADOPRON), spiritsEUROPE (which represents producers of spirits drinks at the European level), and the Asia Pacific International Spirits and Wine Alliance (APISWA).</p> <p>Edrington's Corporate Affairs team regularly engages and participates in the work of these trade bodies on pertinent matters, including understanding potential changes to the regulatory framework, promoting the responsible consumption of alcohol and advancing industry standards.</p>	<p>Where relevant, updates on engagement with the SWA, ADOPRON, DISCUS, spiritsEUROPE and APISWA are provided to the Board by the Chief Executive or Chief Financial Officer.</p>

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Key Stakeholder	Principal Methods of Engagement	How this Stakeholder Group Influenced Board / committee discussions and decisions
<b>Pension Trustees</b>	<p>The Group operates three principal pension schemes based on final pensionable salary in respect of Edrington Group, Highland Distillers, and Edrington UK. There are also several schemes within the Group based on defined contributions. The assets of the schemes are held separately from those of the Group.</p> <p>There is regular interaction between the chair of the pension trustees in respect of the Edrington Group and Highland Distillers defined benefit schemes and Edrington's Chief Financial Officer and Group Company Secretary and for Edrington UK with the Financial Director of that entity.</p> <p>Route map meetings are also held twice annually with the pension trustees of the Edrington Group and Highland Distillers schemes, including attendance from the Chief Financial Officer among others.</p>	<p>The Chief Financial Officer and Group Company Secretary brief the Board on the views of the pension trustees on matters of relevance.</p> <p>In the year a final buy-in was completed for the Highland Distillers scheme thus reducing the risk exposure for the Group.</p>
<b>Lenders</b>	<p>Our Treasury team is in regular contact with our banking partners and Private Placement note holders. Annual review meetings are held with our lenders where business performance, future plans and strategy are presented to our lenders and they have the opportunity to ask questions and give their views to management with the Chief Financial Officer in attendance. In addition, regular updates on performances are shared with our lenders.</p> <p>There was significant interaction with our banking partners as part of a refinancing of our 1887 Group facilities which completed in October 2023.</p>	<p>The Company's lenders give their views on key areas of financial risk management strategy. These are regularly discussed by the Treasury Committee and additionally the Chief Financial Officer briefs the Board on the views of the Company's lenders.</p>
<b>HM Revenue &amp; Customs</b>	<p>Edrington aims to develop and maintain professional working relationships with HM Revenue &amp; Customs. Regular dialogue is maintained with our relationship manager, with real time sharing of business developments. Every three years the business has a Business Risk Review with HM Revenue &amp; Customs. The Chief Financial Officer, Director of Strategy and Finance and Head of Group Tax, among others are all closely involved with HMRC engagement.</p>	<p>The Chief Financial Officer briefs the Board on tax matters such as updates to the tax strategy and policies and tax developments such as tariffs and Pillar 2.</p>
<b>Government and Regulatory Bodies</b>	<p>Edrington is committed to working constructively with all government and regulatory bodies across our office locations.</p> <p>Through our trade and industry association membership, executive directors and members of the Corporate Affairs team, among others, maintain open and positive dialogue with this group of stakeholders, building trust and reputation.</p>	<p>The Company aims to comply with all laws and regulations wherever it operates, and we actively monitor changes to these requirements.</p> <p>The Chief Executive, Chief Financial Officer and Group Company Secretary brief the Board on the impact of relevant regulatory changes; this is assessed and considered when making decisions.</p>

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## Board Committees

In discharging its governance responsibilities, the Board has established committees to provide oversight and guidance in certain areas on its behalf. Four principal committees report directly to the Board and are supported by a number of advisory committees as detailed below. Each committee is governed by terms of reference, or similar mandates, which define their purpose, duties and interaction with the Board, Company or other committees.

### NOMINATION COMMITTEE

The Nomination Committee is chaired by the Chairman and meets at least twice per year to assess the composition of the Board and its governance structures as well as considering Board appointments and both senior executive and non-executive succession planning.

The committee is responsible for leading the process for new appointments to the Board and ensuring that these appointments bring the required skills, knowledge, experience and diversity to the Board. As part of this, the committee reviews the structure, size and composition of the Board to ensure it is made up of the right people to direct the Group in the successful execution of its strategy. The committee is also responsible for formulating succession plans for both executive and non-executive directors, as well as reviewing the overall talent and succession plans for Edrington's leadership group.

### REMUNERATION COMMITTEE

The Remuneration Committee is chaired by Alice Avis MBE and meets at least twice per year.

Together with the committee, the Board determines directors' remuneration policy with reference to an external triennial benchmarking review prepared with the assistance of independent specialist consultants. In addition, the committee recommends and monitors the level and structure of remuneration for senior management and reviews reward initiatives and development programmes for all Edrington wholly owned businesses.

The principles of Edrington's executive remuneration strategy, frameworks and programmes are designed to:

- Apply a pay for performance philosophy that directly links executive reward to the achievement of individual results and the strategic goals and performance of Edrington;
- Align remuneration to business outcomes that deliver value to shareholders;
- Balance incentives appropriately to reward superior performance in the short term and sustained performance over the long term;

- Drive a performance culture by setting challenging objectives and rewarding individual performance;
- Be transparent, consistent and fair; and
- Ensure remuneration is globally aligned but with local flexibility, where required, to be competitive in the relevant employment marketplace.

### AUDIT COMMITTEE

The Audit Committee, chaired by Angus Cockburn, meets at least three times a year. The meetings are with the external auditors and senior members of the management team and finance function to discuss audit planning, review statutory accounts and address issues arising from the audit. It also considers the ongoing independence of the auditors and the effectiveness of the audit process. The conclusions of the committee are reported to the Board before the Board approves the annual results. The opportunity is taken for the committee to discuss matters with the auditors without management present through private sessions annually along with meetings outside of audit committee. The committee also addresses risk management and internal controls, where they receive presentations from senior members of the management team and finance function and approve risk management plans going forward.

#### *Financial statements and audit*

The Audit Committee has reviewed the plan presented by the external auditors and agreed the scope of the audit work. During the audit process, the committee kept under review the consistency of accounting policies on a year-to-year basis and across the Group, and the methods used to account for significant or unusual transactions. During the year the committee reviewed the accounting treatment for the acquisitions of Vasyma SL, investment in Coopers Oak LLC and the planned approach for changes to sustainability reporting. They also invited key regions and functions of the business to attend to give the committee updates on their respective areas.

The financial statements were reviewed by the committee in detail prior to their submission to the Board. Following the audit, the committee discussed the issues arising and any matters the auditors wished to discuss. The committee also assessed the effectiveness of the audit process through discussion with the auditors.

#### *External auditor*

Deloitte LLP continued their appointment as auditors, and during the year, the Audit Committee monitored the relationship with the auditors and assessed their performance, cost-effectiveness, objectivity and independence. The committee will assess the effectiveness of Deloitte LLP's

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appointment in relation to the 2024 audit in October 2024. The Board is satisfied that the auditors are independent of the Group and that best practice is being observed.

Deloitte LLP regularly report to the committee to confirm compliance with their own policies, procedures and ethical standards in relation to auditor objectivity and independence. The Audit Committee has established a policy in relation to the use of statutory auditors for non-audit work and will award work to the firm which provides the best commercial solution with reference to the skills, expertise and suitability of the firm.

The Chief Financial Officer may approve specific engagements up to £25,000 cumulatively and the Chairman of the Audit Committee may approve specific engagements up to £50,000. Fees in excess of £50,000 are subject to approval of the full committee.

**SHARES COMMITTEE**

The Shares Committee is chaired by the Chairman and meets on an ad hoc basis as required by the chair.

The committee considers and makes recommendations to the Board regarding the appointment of the independent valuers of the 'B' ordinary shares of the Company. The committee is also responsible for a number of matters related to trading in the Company's 'B' ordinary shares, including considering monthly trading requests and the registration of any transfers pursuant to such requests having regard to the Company's share trading protocol. The committee also considers requests for clearance to deal by restricted persons under the Company's share dealing code, and makes determinations on whether particular facts, matters or circumstances constitute inside information for the purposes of the Company's share dealing code.

Further information on the committees and other advisory sub-committees established by the Board are set out below.

Committee	Members	Remit
<b>Nomination Committee</b>	Crawford Gillies (chair) Alice Avis MBE Stefanie Fitzgerald Angus Cockburn Scott McCroskie	<ul style="list-style-type: none"> <li>reviews structure, size and composition of Board</li> <li>recommends appointments and considers succession planning</li> </ul>
<b>Remuneration Committee</b>	Alice Avis MBE (chair) Angus Cockburn Crawford Gillies	<ul style="list-style-type: none"> <li>sets remuneration policy</li> <li>sets executive director remuneration and incentives</li> <li>approves annual performance objectives</li> <li>approves granting of long-term incentives</li> </ul>
<b>Audit Committee</b>	Angus Cockburn (chair) Stefanie Fitzgerald Kengo Torii	<ul style="list-style-type: none"> <li>reviews and monitors financial results and reporting</li> <li>approves audit planning</li> <li>monitors internal financial controls</li> <li>oversees external audit relationships</li> <li>considers auditor appointment</li> <li>reviews audit effectiveness</li> <li>oversees risk management</li> </ul>
<b>Shares Committee</b>	Crawford Gillies (chair) Angus Cockburn Scott McCroskie Paul Hyde	<ul style="list-style-type: none"> <li>considers and makes recommendations to the Board regarding the appointment, reappointment or dismissal of the independent valuers of the ordinary 'B' shares in the Company</li> <li>considers and, if thought fit, approves shares trading requests in respect of 'B' ordinary shares and any transfers pursuant to such requests having regard to the Company's share trading protocol</li> <li>considers and, if thought fit, approves requests for clearance to deal by restricted persons in terms of the Company's share dealing code</li> </ul>

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The advisory sub-committees established by the Board, whose remits are outlined below, comprise certain executive directors and senior members of the Edrington management team:

Committee	Chairman	Remit
<b>Capital Expenditure Committee</b>	Luis Garrido (Managing Director of Global Supply Chain)	<ul style="list-style-type: none"> <li>develops five-year capital expenditure plan</li> <li>ensures evaluation of business cases and that resources allocated on an appropriate basis</li> <li>ensures risks and interdependencies are clearly understood</li> <li>manages liquidity requirements and post evaluation reviews</li> </ul>
<b>Sustainability and Responsibility Steering Group</b>	Tim Patterson (Head of Sustainability)	<ul style="list-style-type: none"> <li>ensures Edrington conducts business in a socially responsible and ethical way</li> <li>setting and adhering to industry standards on responsible consumption of alcohol</li> <li>identification and monitoring of performance against targets on environmental sustainability</li> <li>in conjunction with The Trust and Edrington's network of Trust Ambassadors, ensures the business supports local communities in which it operates</li> </ul>
<b>Marketing Code Committee</b>	Alice Avis MBE	<ul style="list-style-type: none"> <li>sets marketing policy in compliance with industry standards to ensure responsible marketing practice</li> <li>reviews marketing practice on an annual basis and maintains processes for complying with marketing code prospectively</li> </ul>
<b>Group Risk Management Committee</b>	Lindsay Campbell (Group Finance and Strategy Director)	<ul style="list-style-type: none"> <li>identifies and evaluates principal risks</li> <li>reviews the adequacy of risk management processes</li> <li>recommends improvements in risk management processes</li> <li>reports material findings to the Audit Committee</li> </ul>
<b>Treasury Committee</b>	Paul Hyde	<ul style="list-style-type: none"> <li>ensures compliance with the terms of Group borrowing facilities</li> <li>minimises financial risk arising from exposure to fluctuations in foreign exchange rates, interest rates, liquidity and counterparty risk</li> <li>determines hedging policy on interest rates and currency</li> <li>approves significant decisions on commercial credit limits</li> <li>monitors and approves cash signing authority in the Company</li> </ul>
<b>IT Steering Committee</b>	Euan Fraser (Director of Business Technology)	<ul style="list-style-type: none"> <li>ensures that the technology strategic plan aligns with business priorities and return on investment</li> <li>approves proposed technology projects, and scrutinises ongoing activity</li> <li>audits completed projects to ascertain effectiveness</li> <li>oversees cyber security management and monitors cyber security improvements</li> </ul>