

# EDRINGTON



The Edrington Group Limited  
Abbreviated Annual Report and Financial Statements  
for the year ended 31 March 2024

COMPANY REGISTRATION  
NO. SC036374



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\* In the context of the Annual Report, the 'Company' or 'Edrington' refers collectively to The Edrington Group Limited, and its subsidiaries and joint venture undertakings. Differentiation is made between Company and consolidated group results in the financial statements and the related independent auditor's report.

# Directors and Auditor

## DIRECTORS

C S Gillies, Chairman  
S J McCroskie, Chief Executive  
P A Hyde  
A G Cockburn  
A M C Avis MBE  
S Fitzgerald  
K Torii  
I P Boyadjian  
C Rénier

## SECRETARY

G J Murray

## REGISTERED OFFICE

100 Queen Street  
Glasgow  
G1 3DN

## INDEPENDENT AUDITOR

Deloitte LLP  
Statutory Auditor  
110 Queen Street  
Glasgow  
G1 3BX

# Key Financial Highlights

## Core Revenue (£m)

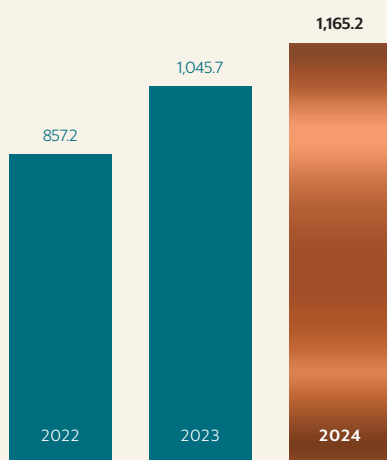
### DESCRIPTION

Total revenue from our sales of continuing Edrington branded products on a constant currency basis.

### ANALYSIS

Core Revenue grew by 11%, reflecting the growth of our prestige products.

+11% vs. 2023



## Brand Investment (£m)

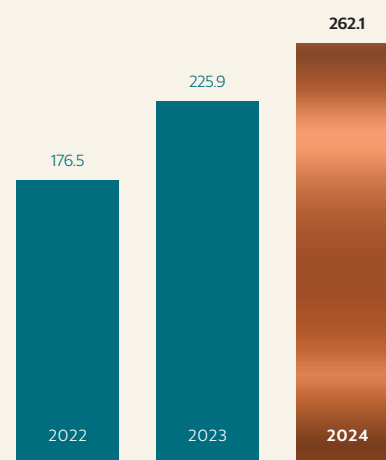
### DESCRIPTION

Marketing expenditure on our core brands, on a constant currency basis.

### ANALYSIS

Brand investment grew by 16%, increasing our re-investment ratio to market leading levels at 22% of Core Revenue.

+16% vs. 2023



## Core Contribution (£m)

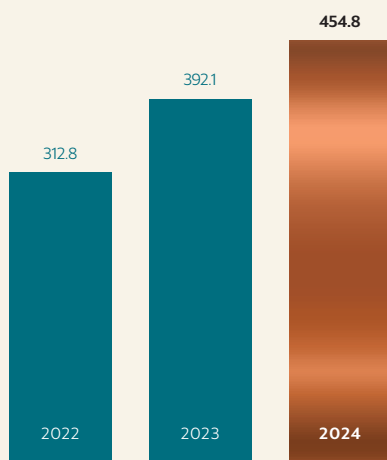
### DESCRIPTION

Profits from our branded sales and distribution after the deduction of overheads on a constant currency basis.

### ANALYSIS

Despite increased cost inflation and a 16% increase in brand investment, Core Contribution grew by 16% reflecting the improved revenue growth, particularly across our prestige products.

+16% vs. 2023



## Earnings Before Interest and Tax (EBIT) (£m)

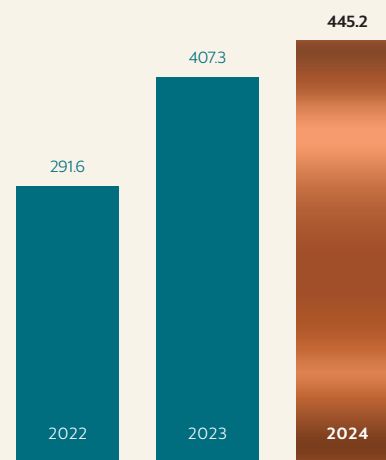
### DESCRIPTION

EBIT is a measure of the profit generated by the business before the impact of interest, tax, minority interest charges and items deemed to be exceptional in nature.

### ANALYSIS

EBIT grew by 9%, reflecting the strong growth in our Core Contribution impacted by adverse foreign exchange movements.

+9% vs. 2023



KEY FINANCIAL HIGHLIGHTS  
(CONTINUED)

## Free Cash Flow (£m)

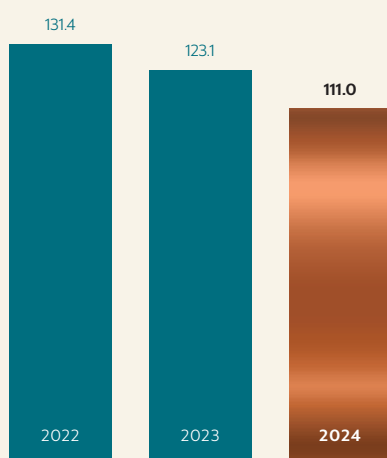
## DESCRIPTION

Net cash flow excluding the movements in borrowings, shares, dividend payments, expansionary capital expenditure and exceptional items.

## ANALYSIS

The small reduction in free cash flow versus the prior year reflects increased levels of investment in capital expenditure and maturing stocks for the future growth of the brands.

-10% vs. 2023



## Net Debt/EBITDA (£m)

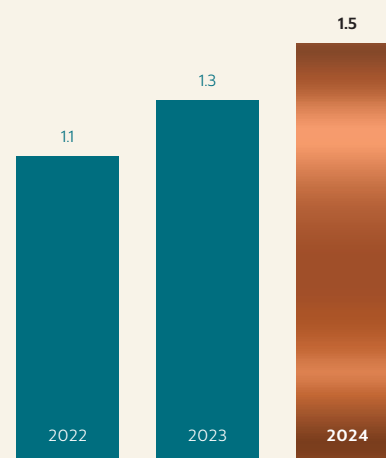
## DESCRIPTION

The ratio of bank and private placement debt after the deduction of cash balances, to reported earnings before interest, tax, depreciation and amortisation.

## ANALYSIS

The 17% increase in the ratio is driven by the increase in net debt as a result of increased investment in capital expenditure and maturing stocks together with the final stage of our share buyback programme.

+17% vs. 2023



## Earnings per Share (p)

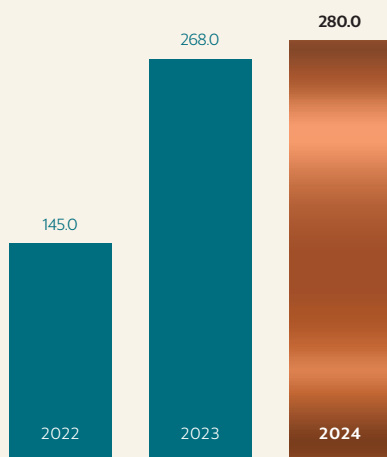
## DESCRIPTION

Profit for the financial year attributable to the owner excluding exceptional items divided by the weighted average number of A and B shares.

## ANALYSIS

The earnings per share increased marginally, despite flat profits, due to there being fewer shares in issue as a result of our share buyback programme.

+4% vs. 2023



## Dividend per Share (p)

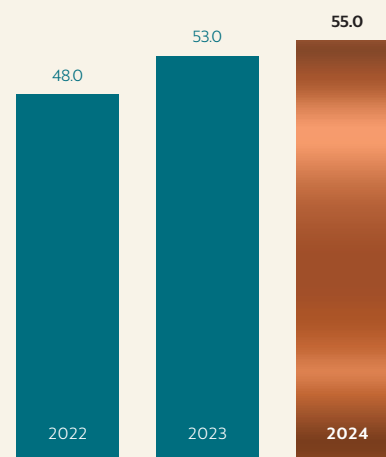
## DESCRIPTION

The total dividend paid per share for the financial year.

## ANALYSIS

The dividend has been increased at a rate that reflects the medium term underlying growth of the business.

+4% vs. 2023



# Chairman's Statement

Welcome to Edrington's Annual Report for 2024.

Once again, Edrington has demonstrated strong performance, navigating through a challenging economic environment with focus and resilience.

## Performance

The strong growth generated in the first six months of the year helped the business to manage the impact of a global slowdown in the second half of the year with core revenue and core contribution delivering double digit growth.

Our strategic focus on ultra-premium spirits continues to drive our success and fuel a cycle of re-investment that has delivered industry-leading performance over several years.

## Heritage and Innovation

The results set out in this report are built on a legacy of exceptional performance by generations of dedicated people. Each of our brands is steeped in its own heritage and tradition, and this year we are particularly proud to mark 200 years since The Macallan was first distilled. The brand has launched its 200th anniversary celebrations with a unique partnership with Cirque du Soleil. We look forward to seeing the spectacular products and compelling experiences and stories that the brand will share during the course of the coming year.

It is under Edrington's stewardship that The Macallan has flourished, attaining its status as the world's most valuable Single Malt Scotch Whisky. I consider it the primary example of what Edrington's carefully developed strategy, talented people and steadfast commitment to both investment and innovation can achieve.

Recognising the debt we owe to our predecessors who have nurtured the business with investments that could never be fully realised in their own time, we in turn must invest for the long term. Indeed, in an industry that is more long term focussed than most, our approach and strategy are demonstrably focussed on the long term.

Following on from the partnership with Grupo Estévez in 2023, we have further deepened our investments in the finest Sherry-seasoned oak casks with the acquisition this year of the Vasyma cooperage business based in Jerez, Spain. We also entered a joint venture partnership with Coopers Oak of Ohio, which provides high quality American oak for casks. The full benefits of these strategic investments will be delivered over decades to come.

As we thank those who have contributed to the current health of the business, I would like to remember Sir Ian Good CBE, who sadly passed this year. Sir Ian played a key role in the history of Edrington, working alongside the Robertson sisters to transform their family business into the brand-led international company we are privileged to be a part of today. He achieved this without sacrificing the sisters' commitment to their people, and also giving more to society.

In my seven years with Edrington, I and my fellow Board colleagues have strived to continue Sir Ian's mission and keep the Company's social purpose and values at the heart of a high-performing business.

## Sustainability

We have also continued to invest to deliver our commitment to reach Net Zero by 2045. Edrington has made substantial investments in the last year in our operations at The Glenrothes and Highland Park distilleries, enhancing energy efficiency and reducing our carbon footprint. Completion of the first phase of our new solar power facility at Brugal in the Dominican Republic is another major step forward in our transition to renewable energy sources.

**CHAIRMAN'S STATEMENT  
(CONTINUED)****Culture**

The quality of employees I have met this year assures me that Edrington continues to attract talented and committed people. I am pleased that this impression is borne out by the results of an employee survey, which has placed Edrington in the top quartile of companies worldwide in terms of employee engagement for the second year in a row.

**Board Changes**

I would like to extend our sincere gratitude of the Board to Alice Avis, who will retire in September. Alice has made an outstanding contribution to Edrington over almost a decade, particularly in her excellent stewardship of our Remuneration and Marketing Code committees and instilling a culture of brand building in the organisation.

It is with great pleasure that we welcome Catherine Rénier as a non-executive director. Catherine's track record of building brands and driving growth in the luxury goods sector will be invaluable to Edrington as the business continues to execute its ultra-premium strategy.

**Dividend and Shareholder Returns**

The Board remains committed to delivering value to our shareholders through our policy of increasing dividends in line with the medium-term underlying growth in the business. This year, we have declared a final dividend of 36p, bringing the total dividend for the year to 55p per share, up 3.8% from 2023. In addition to the dividend, our strong performance last year has enabled us to return a further £80m to shareholders through a share buyback, in addition to the £220m of share buybacks in the prior financial year, enhancing liquidity for our shareholders and providing additional diversification for Edrington's principal shareholder, The Robertson Trust.

**Conclusion**

The positive performance of this year is a direct result of the talent, dedication and commitment of our employees past and present. I extend my deepest gratitude to our Executive Team, my Board colleagues and employees around the world for their unwavering commitment to Edrington and their constant pursuit of excellence.

In the coming year we anticipate further volatility in an environment that has not seen stability in some time. Nevertheless, I am confident that Edrington's strategy and sound financial footing position the business well for the future.



**Crawford Gillies**  
Chairman

24 June 2024

# Chief Executive's Review

I am pleased to present another set of strong annual results for Edrington, which have been achieved despite the post-Covid spirits boom coming to an abrupt end during this reporting period.

The year was one of two halves – an exceptionally strong first six months followed by a much slower second half. The changing dynamic was driven primarily by weaker demand as consumer confidence and spending power declined in response to rising prices and interest rates in many countries, as well as uncertainty about the future caused by a range of issues including conflict in Ukraine and the Middle East. The impact was exacerbated by trade destocking to meet the lower level of demand and to mitigate the higher cost of financing inventories.

Despite these challenges, Edrington achieved 11% growth in core revenue and a 16% increase in core contribution over the previous year. The higher rate of growth in core contribution reflects an increasing proportion of sales from higher value, more profitable products in line with our strategy.

This year's results continue a trend of strong growth, with Edrington increasing its core contribution by 87% over four years from 2019/20, despite doubling our brand investment in the same period. This achievement reflects the success of our ultra-premium strategy, and especially of The Macallan.

A key element of the Company's success is our commitment to investing in our assets and capabilities across our brands and operations. Our long-term policy of substantial brand investment has generated strong equity in our key brands, supporting their resilience in challenging times.

## Brands and Markets

Our leading brand, The Macallan, had another excellent year. We continue to see impressive work by our teams around the world who bring the brand to life for customers and consumers.

The brand delivered robust growth in key markets across Asia Pacific and particularly in Greater China. Our EMEIA region, encompassing Europe, the Middle East, India and Africa, performed well, whilst markets in the Americas were most affected by weaker consumer demand.

The Macallan's new range for travel retail, and particularly for airports, the Colour Collection, has delivered positive early results. Celebrations to mark The Macallan's 200-year anniversary have begun with a partnership with Cirque du Soleil, and the bicentenary will see The Macallan release a range of special editions and communication campaigns to highlight its unique blend of craftsmanship and creativity.

Our other ultra-premium Single Malts, The Glenrothes and Highland Park, have been affected by the drop in consumer demand last year, particularly as this has coincided with their repositioning programmes and our strategic decision to discontinue lower value expressions. We are confident that the brands' new ultra-premium positioning will resonate with consumers in the coming years.

Brugal continues to make good progress towards its goal of becoming a leading ultra-premium rum brand. The brand's core premium expression, Brugal 1888 has been joined by two new ultra-premium products this year, Colección Visionaria and Maestro Reserva. Both new expressions showcase Brugal's unwavering pursuit of excellence and innovation in rum-making.

The Famous Grouse increased contribution again this year, continuing to outperform a challenging category and maintain its leadership positions in key markets.

## Sustainability and Responsibility

The Corporate Sustainability and Responsibility section of this report outlines our progress in four key areas: protecting the environment, promoting responsible alcohol consumption, helping our people thrive, and giving back to our communities.

We have made further progress in environmental sustainability and Edrington has once again met its emission reduction target this year. We have made significant investments in the sustainability of our operations, including new technology at The Glenrothes to capture and reuse heat. Major projects are underway at Highland Park and Brugal, and work will soon begin to provide solar energy at The Macallan distillery.

Beyond our own operations, we continue to work with our suppliers to reduce the environmental impact at every stage of our supply chain from raw materials to the consumer. As we make progress towards our goal of reaching Net Zero by 2045, sustainability considerations will play an increasing role in how we select business partners.

## People

Edrington is committed to remain an excellent employer that can attract and retain a talented and diverse workforce and invest in its skills to deliver our business strategy.

We support our employees in giving back to their communities, through paid volunteer days, and by triple-matching funds raised for charities. These initiatives have contributed to our recent high employee engagement score, once again placing Edrington in the top quartile of businesses worldwide for engagement.

We have continued to narrow our gender pay gap, with a consistent and sustained decrease in our mean and median pay differential. I am also encouraged that we have exceeded our target for women in senior leadership positions, reaching 40%, though I recognise there is much more to do here and across many aspects of diversity.

## Outlook

It is difficult to forecast confidently in an environment of significant economic and geopolitical volatility. Our sense is that tougher trading conditions will remain for this coming financial year. Whatever the backdrop, I believe that Edrington's ultra-premium strategy will continue to serve the business well, including generating results among the best in the industry. I am confident that the Company is well positioned to deliver further success in coming years.



**Scott McCroskie**

Chief Executive

24 June 2024

# Financial Review

## Statutory Key Performance Indicators

	2024	2023	vs. 2023
Revenue	£1,334.3m	£1,276.8m	5%
Earnings before interest and tax	£441.0m	£424.7m	4%
Profit before taxation	£406.9m	£405.1m	0%
Profit for the financial year attributable to owner	£164.0m	£181.8m	(10)%
Total equity	£1,234.6m	£1,215.4m	2%

## Management Key Performance Indicators

	2024	2023	vs. 2023
Core revenue*	£1,165.2m	£1,045.7m	11%
Brand investment*	£262.1m	£225.9m	16%
Core contribution*	£454.8m	£392.1m	16%
EBITDA (pre-exceptional)*	£483.5m	£442.2m	9%
Earnings per share	£2.80	£2.68	4%
Free cash flow*	£111.0m	£123.1m	(10)%
Net debt/EBITDA	1.5	1.3	
Dividend per share	55.0p	53.0p	

### CORE REVENUE

Total revenue from our sales of continuing Edrington branded products on a constant currency basis.

### BRAND INVESTMENT

Marketing expenditure on our core brands on a constant currency basis.

### CORE CONTRIBUTION

Profits from our branded sales and distribution after the deduction of overheads on a constant currency basis.

### EBITDA (PRE-EXCEPTIONAL)

Earnings before the deduction of interest, tax, depreciation, amortisation and exceptional items.

### EARNINGS PER SHARE

Profit for the financial year attributable to the owner excluding exceptional items divided by the weighted average shares in issue during the year.

### FREE CASH FLOW

Net cash flow excluding the movements in borrowings, shares, dividend payments, expansionary capital expenditure and exceptional items.

### NET DEBT/EBITDA

The ratio of bank and private placement debt after deduction of cash balances, to reported earnings before interest, tax, depreciation and amortisation.

### DIVIDEND PER SHARE

The total dividend paid per share for the financial year.

\* A reconciliation of constant currency measures, free cash flow and EBITDA is provided at Note 34 to the accounts.

**FINANCIAL REVIEW  
(CONTINUED)****Group Financial Performance Overview**

Our strong performance this year reflects our ongoing focus on the ultra-premium category, and the sustained high levels of investment behind our brands and people, which drives increased consumer demand and the growth of our business.

Core revenue and core contribution grew by 11% and 16% respectively on the previous year, with particularly strong growth in the first six months of the year. The second half of the year reflected the significant reduction in consumer and customer confidence that was experienced by the whole industry. Pre-exceptional profit before tax was flat versus the prior year with the strong performance of the underlying business being offset by stronger sterling and higher interest costs. Our retained profit for the financial year, before exceptional items, declined by 1% and included the impact of a higher UK corporation tax rate.

We have continued to increase investment in the business through capital expenditure for both the quality and capacity of our operations, along with strategic investments in our sherry cask supply chain through the purchase of Vasyma SL, a cooperage in Jerez and an investment in Coopers Oak LLC, an American oak supplier in the US. In addition, the Group returned funds to shareholders through a share buyback totalling £80m, in addition to the £220m of share buybacks in the prior financial year.

**Group Financial Performance  
(reported on a constant currency basis)****CORE REVENUE**

Core revenue grew by 11% to £1,165m, with a particularly impressive performance from The Macallan. Our strategy of generating consumer demand for our prestige products continues to drive superior growth with an improvement in the mix of our products sold.

**BRAND INVESTMENT**

Brand investment is a critical factor driving the ongoing growth of Edrington, supporting brand equity and engaging and educating consumers. Once again, we have activated record levels of investment during the year, focussing on high quality and creative marketing campaigns, innovative collaborations, consumer education and experiences, and the launch of outstanding new products. Our total brand investment of £262m was up 16% on the previous year, more than doubling in the last four years, and representing a re-investment level of 22% of core revenue. This will help fuel growth in the coming years.

**CORE CONTRIBUTION**

Despite the ongoing cost challenges from inflation and a significant investment in additional headcount focused on consumer and trade education, it is particularly satisfying that core contribution grew 16% to £455m. This growth means that we have been able to maintain our operating margin percentage through an improved product mix and the execution of our revenue growth strategy.

The Macallan performance showed excellent year on year growth, with the continued focus on executional excellence in the on-trade driving consumer demand for the brand. The brand has delivered outstanding innovation through our ongoing partner collaborations and new product launches including Tales of The Macallan Two and Distil Your World Mexico.

In the Estate Brands business unit we have continued the strategic repositioning of Highland Park and The Glenrothes, which has resulted in a reduction in performance as we exit lower aged products from the brand portfolios. To support this strategic re-positioning we have upweighted our investment behind the brand building activities for both brands. Following the acquisition of a controlling stake of Wyoming Whiskey in March 2023 we have successfully integrated the brand into the Estate Brands business unit.

The Famous Grouse performed well, particularly in the brand's key markets where leadership positions are held. This reflects the ongoing health of the brand.

The Brugal business unit continues to deliver impressive results, with robust year on year growth. This is driven by innovation and consumer demand for the brand particularly in The Dominican Republic. It has been an exceptional year of double-digit growth for Brugal 1888, and successful launches of further ultra-premium rum expressions, Maestro Reserva and Colección Visionaria.

Our growth was strong across the regions of Asia Pacific, EMEA and The Dominican Republic. In the Americas growth was impacted by the downturn in consumer and customer demand seen across the industry. In Global Travel Retail we have continued to build on the post pandemic recovery, with another year of excellent growth, complimented by the successful launch of The Macallan Colour Collection. The collection marks our return to age statement products within Global Travel Retail.

**FINANCIAL REVIEW  
(CONTINUED)**
**Statutory results  
(reported at actual currency rates)**

Statutory group revenue grew by 5% to £1,334m. The rate of growth is slower than our core revenue measurement of 11% due firstly to the impact of a stronger sterling versus the prior year and secondly due to lower non-core sales of third-party brands and bulk whisky.

Pre-exceptional profit before tax was flat at £411m with the strong performance of the underlying business being offset by higher interest costs.

Profits attributable to Edrington shareholders (before exceptional items) decreased by 1% to £166m. The profit for the financial year after exceptional items fell by 10% to £164m.

**EXCEPTIONAL ITEMS**

In March 2024 it was announced that Edrington UK would exit the distribution of third-party products in the UK market, resulting in a material reduction in the size of this business. The restructuring costs have been provided for within exceptional items.

In the prior year the Group entered into an agreement, alongside its joint venture partner Beam Suntory, to sell our investment in Maxxium Cyprus Limited and its Russian subsidiary, to the local management. Prior to the disposal we received a dividend from Maxxium Cyprus Limited of £10m and recognised a gain of £2m against the previous year impairment of our investment in the Maxxium Cyprus joint venture. The prior year exceptional item also includes a net gain of £6m as we took a further investment in Wyoming Whiskey to become majority owner.

After including these exceptional items, and after adjusting for non-controlling interests, profits attributable to Edrington shareholders decreased by 10% to £164m. The table below sets out the movement before and after exceptional items in the current and prior years to aid the understanding of their effect compared to the underlying trading performance.

**Statutory results table adjusted for non-recurring items**

	2024	2023	vs. 2023
<b>Profit for the financial year - pre-exceptional items</b>	<b>£166.3m</b>	£168.5m	(-1)%
Exceptional items	<b>(£4.1m)</b>	£17.4m	
Non-controlling interest and taxation on exceptional items	<b>£1.8m</b>	(£4.1m)	
<b>Profit for the financial year</b>	<b>£164.0m</b>	£181.8m	(-10)%

**INTEREST**

Net finance charges, totalling £34m, largely comprised interest costs on funding from the Group bank and US private placement debt. The increase is driven by an increase in average debt level year on year together with an increase in average interest rates.

**Constituent elements of the interest charge**

	2024	2023
Finance income	<b>£12.4m</b>	£7.7m
Finance costs	<b>(£44.2m)</b>	(£25.9m)
Non-qualifying cash flow hedge	-	(£0.1m)
Other finance costs	<b>(£2.4m)</b>	(£1.3m)
	<b>(£34.2m)</b>	(£19.6m)

**FINANCIAL REVIEW  
(CONTINUED)****CASH FLOW AND FINANCIAL POSITION**

Our net debt at 31 March 2024 was £767m, an increase of £169m from 31 March 2023.

Operating cash flow reflects the underlying strong performance of the business with the small reduction year on year driven by higher tax payments. Net debt increased versus the prior year, after completing the £80m share buyback, together with our investments in our sherry cask supply chain through Vasyma SL and Coopers Oak LLC and laying down whisky stocks to support our future growth.

The Group is financed by both US private placement notes and bank debt. The consolidated group net debt to EBITDA ratio at 31 March 2024 was 1.5 times (2023: 1.3 times) and within the I887 Group, where the debt is principally held, we finished the year with a ratio of 2.1 times (2023: 2.1 times) which is comfortably within the limit of our debt covenants.

We maintained a robust financial position this year, total equity increased by £19m (2%) on the previous year. Total assets increased by £94m to £2,718m, primarily as a result of further investments in casks and maturing stock, as well as our investments in Vasyma SL and Coopers Oak LLC. Property, plant and equipment increased by £48m reflecting our cask purchases in the year. Inventories, of which maturing whisky stocks account for the majority of the value, increased by £99m. Cash and other liquid resources decreased by £69m during the year reflecting these investments made in the business.

Total liabilities increased by £74m to £1,483m, primarily reflecting our increased borrowings.

**POST-EMPLOYMENT BENEFIT OBLIGATIONS**

The Group has obligations for three main defined benefit pension schemes for employees. Two of these have been closed since 2014 and the third scheme has been closed since 2015. As at the 31 March 2024, the Group had a surplus of £7m in relation to the post-employment benefit obligations of these schemes, as calculated in accordance with accounting standards. This is a decrease of £17m from the £24m asset recognised on 31 March 2023.

The present value of the schemes' liabilities decreased by £14m, principally due to changes in the mortality and discount rate assumptions. Further deficit repair contributions of £11m were made in the year.

While this surplus position reflects the required accounting treatment for the post-employment benefit obligations, on an actuarial basis, the defined benefit schemes are in deficit. At 31 March 2024, the deficit was valued at £18m.

**DERIVATIVES AND FINANCIAL INSTRUMENTS**

The Group uses derivative financial instruments to hedge its exposure to fluctuations in foreign exchange. The fair value of these instruments at 31 March 2024 is included in the Statement of Financial Position.

At the year-end there were assets of £9m (2023: £14m) and liabilities of £1m (2023:nil), principally reflecting the fair value of forward and option foreign exchange contracts outstanding as at the 31 March 2024.

**SUMMARY**

The Group has successfully mitigated the various external challenges during the year to deliver a strong financial performance and this has once again allowed us to increase our returns to shareholders through both the dividend and share buybacks this year.

The continued consumer demand for our brands, together with the further investments we have made in our marketing, assets and organisational capabilities, give us a business that is well placed to navigate ongoing volatility in the global economy.

Whilst the underlying business performance remains robust, it is clear that the accelerated growth associated with the post-Covid years is over. We will remain focused on executing our strategy in this more challenging trading environment.

**FINANCIAL REVIEW  
(CONTINUED)**

## Going Concern

To assess the appropriateness of adopting the going concern basis for the Group, the directors have reviewed the strategic and financial plan over the next three years. The underlying assumption continues to be that our operations, both in Scotland and Dominican Republic will remain open, and that our global supply chain continues to support the shipment of product to our markets.

The experience of the Covid-19 and other market volatility has given us the confidence that we have the ability to adapt quickly and decisively. With the support of our multiple stakeholders, we have the potential to flex the level of dividends and investment to manage our liquidity.

Our updated three-year plan shows core contribution continuing to grow each year.

The Group has reviewed a number of different scenarios of revenue decline, together with cost and cash savings, to assess the impact on the Group liquidity and our debt covenant conditions.

Based on a scenario showing a contribution decline of 10% from our plan, the business has the ability to remain within our lenders' covenant conditions through a reduction in the cost base and investment levels.

### DEBT FACILITIES AND COVENANT TESTS

The scenario planning shows that there is adequate headroom within the debt facilities and that the covenant tests are met in each test period to 31 March 2026. The Group has two underlying financial covenants; one that measures net debt/EBITDA and the second EBITDA/net interest (banking covenant), EBIT/net interest (private placement covenant).

The results of these assessments were reviewed considering the financial position of the Group at 31 March 2024, the cost and cash mitigation measures available, and the access to ongoing funding facilities. Based on these assessments the Board has a reasonable expectation that the Group will be able to meet its financial obligations for the foreseeable future and has adequate resources to continue to operate for at least 12 months from the date of this annual report. The directors therefore consider it appropriate to adopt the going concern basis in preparing these financial statements.

## Principal Risks and Uncertainties

### OUR APPROACH TO MANAGING RISK

The Board is responsible for risk management and the controls and compliance environment supported by the Executive Committee and the Audit Committee. The Audit Committee has direct oversight of the Group Risk Management Committee and the Assurance, Risk & Compliance function.

Edrington recognises that risks are inevitable in accomplishing our goals and ambitions and the Group's focus is on identifying, evaluating and managing financial and non-financial risks. It seeks to minimise exposure to unforeseen events and identified risks, allowing the business to focus on delivering its strategic objectives. During the year, we have continued to further embed the culture of risk management throughout the Group by actively promoting risk considerations through wider and deeper reviews at a market, functional and project level.

The Board regularly reviews the principal risks facing the Group including those that would impact its business model, future performance, reputation and solvency. A full review and assessment of principal risks was carried out in November 2023, allowing the Board to assess the Group's risk appetite and ensure that the nature and extent of the significant risks facing the business are identified and adequately managed. The assessment includes a review of the impact and likelihood of each risk, together with the mitigating controls in place. This includes detailed scenario planning for our most critical risks. Given the dynamic nature of Edrington's operating environment and external factors, the review of principal risks is performed by both the Executive Committee and the Board on an annual basis, and specific risk reviews are carried out on a quarterly basis at both the Audit Committee and the Group Risk Management Committee.

Risk categories are predominantly macroeconomic or operational in nature. Macroeconomic risks related to the external environment and the international markets in which Edrington operates, over which the Group has less control. Operational risks are more internally focused and include issues such as supply chain disruption, or a failure in business technology.

## FINANCIAL REVIEW (CONTINUED)

The environment in which Edrington operates is constantly evolving so the Group remains vigilant to new and emerging risks as well as previously downgraded risks that may increase. These are assessed on a timely basis and appropriate actions are taken where possible to mitigate the impact of these risks on the business.

During the year the Audit Committee assessed reports received from the internal audit teams and reviewed the actions in place to manage the key strategic risks. These have allowed the committee to assess the general control environment, identify control weaknesses and quantify the potential impact of associated risks.

The internal controls in place are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only therefore provide reasonable assurance against material misstatement or loss. The system includes both financial and non-financial controls and is regularly reviewed to ensure it remains robust and embedded in business processes to enable Edrington to continuously manage the relevant business risks.

### OUR PRINCIPAL RISKS

Whilst the overall level of risk in our operating environment continues to be extensive across the different geographies in which Edrington operates, there has not been a significant increase in risk exposure during the year.

As part of our annual review of risk exposure and evolving risks, we have updated our assessment of principal risks as follows:

- Within the sustainability risk, Sustainability and Climate Change has been separated out into two risks. This allows for separate monitoring of the impact of increased regulatory requirements around sustainability compliance as well as the resilience of key raw materials to the changing climate conditions.
- The risk of supply chain disruption has been renamed to disruption to key supply chain operations as the Group continues to focus on mitigating delays and potential impacts to production.
- The risk relating to counterfeit products has been revised to focus on the impact of one significant incident rather than multiple smaller incidents. As a result, there is a potentially higher risk of reputational damage to the business, especially in relation to our prestige product lines.
- The pandemic risk has been updated to reflect “global event disruption” to cover a range of potential scenarios that could impact business operations. There has been no change to the risk rating from the previous year.

The table below provides details of our updated assessment of the principal risks for the business, including key risk drivers, risk outlooks, and current mitigating actions. The developments section provides details of actions taken in the last year to manage key risks effectively as they evolve. They will continue to be closely monitored as part of our structured risk management processes.

FINANCIAL REVIEW  
(CONTINUED)

Risk and Risk Impact	Risk Mitigating Actions	Developments in 2023-2024
<p><b>Inter-state conflict &amp; Protectionism</b></p> <p><b>RISK OUTLOOK:</b> ↔</p> <p>Economic or political instability restricts market activity, affecting market access, demand or increased costs.</p>	<ul style="list-style-type: none"> <li>• Continuous local and global monitoring of changes in economic, political and operational environments that could impact business performance.</li> <li>• Group level strategic analysis and scenario planning to support strategy delivery, risk management and avoid over-reliance on a single country or region.</li> <li>• Regular pricing, tax and customs reviews to enable a timely reaction to changes in legislation.</li> </ul>	<ul style="list-style-type: none"> <li>• Scenario and contingency planning reviews have been performed based on current global events and potential international responses.</li> <li>• Consistent use of a screening tool to enable real-time monitoring of changes in sanctioned parties to ensure compliance with international regulations.</li> <li>• Alternative suppliers secured to mitigate the risk of supply chain disruption.</li> </ul>
<p><b>Cyber Attack (significant incident)</b></p> <p><b>RISK OUTLOOK:</b> ↔</p> <p>Continued development of cyber threats increases the risk of theft, failure or corruption of digital assets and/or key systems which could lead to business disruption, reputational damage and financial loss.</p>	<ul style="list-style-type: none"> <li>• Group-wide cyber risk management processes and policies, including the restricted use of any generative AI systems.</li> <li>• Regular review of effectiveness measures including vulnerability management monitoring, penetration testing and testing measures.</li> <li>• Annual cyber security review in line with National Cyber Security Principles.</li> </ul>	<ul style="list-style-type: none"> <li>• New cyber awareness and training platform has been rolled out.</li> <li>• We have reviewed and updated our incident response manual.</li> <li>• The Operation Technology plan has been enhanced to ensure adequate systems and securities in place.</li> </ul>
<p><b>Misuse of Personal Data</b></p> <p><b>RISK OUTLOOK:</b> ↔</p> <p>Inadequate management of personal data could lead to reputational damage, penalties, and financial loss.</p>	<ul style="list-style-type: none"> <li>• Reviews of consumer data, with safeguards developed to ensure ongoing compliance.</li> <li>• Enhanced data privacy measures, including brand and market specific data privacy policies, and revised data processing agreements.</li> <li>• IT security measures are regularly reviewed, including data encryption and contractual protections with key third party data processors.</li> </ul>	<ul style="list-style-type: none"> <li>• The Group's annual mandatory data privacy training has been refreshed and issued to all employees with the creation of a new consumer data privacy module for the next financial year.</li> <li>• A full Group data mapping exercise has been completed.</li> <li>• An information classification policy has been finalised and is currently being piloted.</li> <li>• Our data incident procedures continue to be developed and monitored.</li> </ul>

FINANCIAL REVIEW  
(CONTINUED)

Risk and Risk Impact	Risk Mitigating Actions	Developments in 2023-2024
<p><b>Disruption to Key Supply Operations</b></p> <p><b>RISK OUTLOOK:</b> ↔</p> <p>Our ability to maintain the continuity of our supply chain is hindered due to the availability of suitable raw materials, constraints in logistic operations and shipment of finished goods leading to revenue loss.</p>	<ul style="list-style-type: none"> <li>Proactive collaborative business forecasting provides insight into demand requirements that allow for real-time management of potential shortages and overall management of inventory levels across the group.</li> <li>Ongoing relationship management of key vendors and continuous review of raw material quality and availability.</li> <li>Ongoing review of stockholding levels of both raw materials and finished goods to mitigate the impact of disruption.</li> </ul>	<ul style="list-style-type: none"> <li>The new Macallan bottling line has increased capacity and capability as well as providing a contingency for existing lines.</li> <li>A review of contingency bottling arrangements has been completed to secure additional sources of capacity.</li> <li>A supplier resilience program has been initiated with the primary focus on building material supply contingency through dual sourcing of critical packaging materials where appropriate.</li> </ul>
<p><b>Resilience of Key Raw Materials</b></p> <p><b>RISK OUTLOOK:</b> ↑</p> <p>Our ability to secure the appropriate quality and quantity of core raw materials due to environmental concerns, climate change and industry demands.</p>	<ul style="list-style-type: none"> <li>We have established long term contracts with key raw material suppliers in line with projected manufacturing requirements.</li> <li>Strategic vertical acquisitions to secure access to key raw materials</li> <li>Ongoing reviews of the quality and sourcing of our raw materials are performed prior to manufacturing.</li> </ul>	<ul style="list-style-type: none"> <li>A Vulnerability Assessment of key raw materials was completed, including deep dive reviews of the impact of global warming.</li> <li>We have worked to eliminate non-essential packaging materials.</li> <li>Glass weight reduction plans are now in place for a number of our brands.</li> <li>Our investments in Grupo Estévez and Coopers Oak enable continuity in our Sherry and Wood supply.</li> </ul>
<p><b>Counterfeit Products &amp; Brand Protection (significant incident)</b></p> <p><b>RISK OUTLOOK:</b> ↑</p> <p>Ineffective or inadequate protection of intellectual property rights, resulting in reputational damage, an increase in counterfeit goods and a decline in sales volumes and/or market share.</p>	<ul style="list-style-type: none"> <li>Ongoing monitoring of the principal exposures of our brands.</li> <li>Brand security education, surveillance and enforcement activities are performed to identify and address any potential counterfeit and/or refilling operations.</li> <li>Ongoing monitoring of global trademark applications, opposing those that infringe our rights.</li> <li>Implementation of Custom's Notices in conjunction with a programme of market inspections and raiding and shutting down of counterfeit/refilling operations in key countries.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing developments in the detection, monitoring and reporting on counterfeit products.</li> <li>Joined Alliance Against Counterfeit Spirits (AACS) in China to work more closely with peer brands on investigations, raids and government lobbying.</li> <li>Continuing development of product security features</li> </ul>

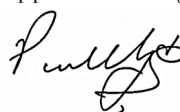
FINANCIAL REVIEW  
(CONTINUED)

Risk and Risk Impact	Risk Mitigating Actions	Developments in 2023-2024
<p><b>Tightened restrictions on alcohol sales</b></p> <p><b>RISK OUTLOOK:</b> ↔</p> <p>Tighter restrictions on alcohol promotion, sales and/or consumption may limit market access resulting in loss of revenue.</p>	<ul style="list-style-type: none"> <li>• Membership of national and international organisations that work to encourage the responsible promotion and consumption of alcohol and reduce alcohol-related harms.</li> <li>• Annual review of our policies, communications, and requirements, including Code of Conduct and Marketing Code.</li> <li>• Edrington's policies and campaigns are reviewed annually by the Marketing Code Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• We continue to partner with relevant organisations, including the Scotch Whisky Association, spiritsEUROPE, and other trade organisations, to monitor potential restrictions.</li> <li>• Continued reviews of restrictions across all geographies are performed to enable proactive monitoring of any changes.</li> </ul>
<p><b>Sustainability: Regulatory Compliance &amp; Adverse Weather</b></p> <p><b>RISK OUTLOOK:</b> ↔</p> <p>Global warming results in adverse weather conditions, increased risk of wildfire, flooding, sea level rises or other events that cause significant operational disruption.</p> <p>Increased regulatory requirements for environmental reporting and greater expectations for businesses to reduce contributions to climate change increases costs and complexity in operations and could lead to reputational impacts for any misleading information published.</p>	<ul style="list-style-type: none"> <li>• Sustainability related KPIs have been defined and assigned across the different Business Units to ensure requirements are built into their strategic objectives.</li> <li>• Sustainability risk assessments are reviewed regularly to ensure risks are managed at both a local and Group level.</li> <li>• Climate change scenario completed in prior year with results included in prior year report and TCFD reporting in 2022/23 accounts.</li> <li>• LRQA audits every site every 2 years as well as 2 yearly internal audits.</li> </ul>	<ul style="list-style-type: none"> <li>• Regulation tracking is now in place and coordinated with the business for action planning.</li> <li>• A refresh of the annual sustainability training has been completed for targeted employees.</li> <li>• A review of sustainability targets and associated metrics in line with CFD recommendations has been performed to reflect mitigating actions for identified key climate risks. These risks are detailed in the Corporate Sustainability and Responsibility Report.</li> </ul>
<p><b>Global Event Disruption</b></p> <p><b>RISK OUTLOOK:</b> ↔</p> <p>A new global event that results in government-imposed restrictions to travel, trading, and human interaction, which could have a negative effect on business operations, trading, or logistic activities.</p>	<ul style="list-style-type: none"> <li>• Scenario planning carried out to ensure business continuity plans remain relevant and supportive of our operations.</li> <li>• Strategic increased stockholding levels support challenges to distribution should there be supply chain disruptions.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued monitoring.</li> <li>• Annual reviews and stress testing of potential disruptive events performed during the year.</li> <li>• Deep dive reviews on our response to global events in line with learnings</li> </ul>

## RISK OUTLOOK LEGEND FROM PRIOR YEAR:

- ↑ Increased
- ↔ Stayed the Same
- ↓ Reduced

Approved and signed on behalf of the Board.



**Paul A Hyde**  
Chief Financial Officer  
24 June 2024

# Corporate Governance

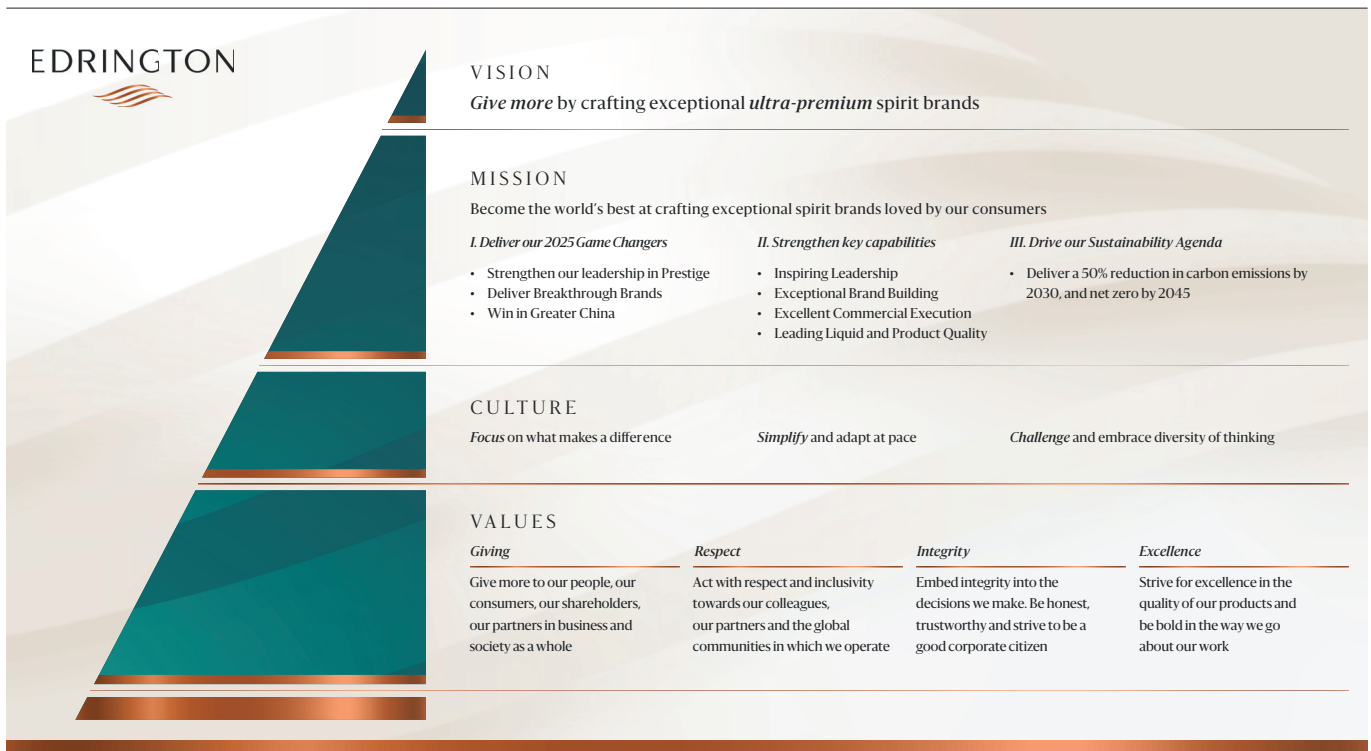
As a private business, Edrington is not required to follow the UK Corporate Governance Code. It is, however, committed to the highest standards of both governance and corporate citizenship, and therefore voluntarily observes those elements of governance and disclosure that are appropriate and add value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

**CORPORATE GOVERNANCE  
(CONTINUED)**

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.

**CORPORATE GOVERNANCE  
(CONTINUED)****Principle 3 – Director Responsibilities**

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.

**CORPORATE GOVERNANCE  
(CONTINUED)**

## 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.

CORPORATE GOVERNANCE  
(CONTINUED)

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>

CORPORATE GOVERNANCE  
(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>

CORPORATE GOVERNANCE  
(CONTINUED)

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>

CORPORATE GOVERNANCE  
(CONTINUED)

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>

CORPORATE GOVERNANCE  
(CONTINUED)

Key Stakeholder	Principal Methods of Engagement	How this Stakeholder Group Influenced Board / committee discussions and decisions
<p><b>Pension Trustees</b></p>	<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>
<p><b>Lenders</b></p>	<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>
<p><b>HM Revenue &amp; Customs</b></p>	<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>
<p><b>Government and Regulatory Bodies</b></p>	<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>

**CORPORATE GOVERNANCE  
(CONTINUED)**

## 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

CORPORATE GOVERNANCE  
(CONTINUED)

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>

CORPORATE GOVERNANCE  
(CONTINUED)





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>

# Corporate Sustainability and Responsibility

Edrington aims to be a company that makes a positive contribution to the communities where we live and work, and which sustains the environment upon which we all depend.

We have developed our Sustainability and Responsibility framework to establish priorities and track our progress. This framework targets four areas that help Edrington deliver on its strategy and become a more sustainable and responsible business.

 <p><b>GIVING MORE TO OUR COMMUNITIES</b></p>	 <p><b>ENGAGING GREAT PEOPLE</b></p>	 <p><b>PROMOTING RESPONSIBLE CONSUMPTION</b></p>	 <p><b>PROTECTING THE ENVIRONMENT</b></p>
<p><b>Focus Areas</b></p>	<p><b>Focus Areas</b></p>	<p><b>Focus Areas</b></p>	<p><b>Focus Areas</b></p>
<p>Support Employee Fundraising</p>	<p>Champion Development</p>	<p>Responsible Brand Communication</p>	<p>Reduce Carbon Emissions</p>
<p>Give More Globally</p>	<p>Promote Diversity, Equity and Inclusion</p>	<p>Work in Partnership</p>	<p>Sustain Wood</p>
<p>Inspire Volunteering</p>	<p>Employee Engagement</p>	<p>Educate our People</p>	<p>Protect Water</p>
<p><b>Key Objectives</b></p>	<p><b>Key Objectives</b></p>	<p><b>Key Objectives</b></p>	<p><b>Key Objectives</b></p>
<p>Contribute up to 1% of EBIT to Giving More initiatives around the world.</p>	<p>Increase female representation in senior leadership.</p>	<p>Enable our people to be alcohol responsibility ambassadors with year-round education and support.</p>	<p>Net Zero by 2045</p>
<p>Double-match all employee-initiated charitable fundraising.</p>	<p>95% employees to have development plans.</p>	<p>Commit to the Edrington Marketing Code with training for relevant employees and adherence in our communications.</p>	<p>Trace oak supply to region of origin in Europe by 2025 and US by 2030.</p>
<p>Inspire employees to use their four days' paid leave for Giving More activities.</p>	<p>Drive top quartile employee engagement.</p>	<p>Partner with leading responsibility organisations to help people make positive choices about alcohol.</p>	<p>Replenish 100% of global production water consumption in the Dominican Republic by 2030.</p>
	<p>Provide support and engage in wellbeing activities for employees.</p>	<p>Ensure all brands packaging carry responsibility advice by 2025.</p>	<p>Increase the percentage of paper and board secondary packaging made from recycled material to 75% by 2030.</p>

Edrington has appointed a senior leader to drive the delivery of each area and its associated objectives. Together they form a steering group coordinated by the Head of Sustainability, who reports to the Chief Executive.

**CORPORATE SUSTAINABILITY  
AND RESPONSIBILITY  
(CONTINUED)**

## Giving More

Giving More is one of Edrington's four core values, and it is integrated into the Company's history and ownership model through The Robertson Trust.

The Robertson Trust has grown to become Scotland's largest private grant-making charitable trust. Since its inception, the Trust has donated £367m to a wide range of charitable organisations across Scotland, supporting its mission to fund, support and champion those seeking solutions to poverty and trauma.

In Scotland, where it operates, The Robertson Trust joins Edrington in matching the charitable donations of employees.

In 2023 Edrington celebrated the tenth anniversary of its Giving More International fund, electing to exceed its commitment to double-match funds raised by employees in 2023/24, and triple-match funds. As a result, Edrington donated £3.55m to charities around the world.

In addition to charitable funding, Edrington provides each employee with four days' paid leave to volunteer in their local community. The Company encourages its employees to dedicate this time to the causes that matter most to them and the take-up of these days has increased year on year.

## Engaging Great People

Edrington aims to cultivate an inclusive environment that celebrates diversity and enables everyone to make a meaningful contribution.

To achieve an inclusive and high-performance culture we have introduced progressive initiatives and policies focusing on diversity, equity and inclusion (DE&I), development of our people, engagement and wellbeing.

Our DE&I agenda focuses on three areas: culture and engagement, awareness and education, and impactful interventions.

To deliver our agenda, Edrington has a network of DE&I Champions that works to inform policy, ensuring it reflects the needs and focuses of our community, and embeds meaningful change. Our global Balance network leads on gender equality.

During the year Edrington continued to embed its newest major DE&I initiative, a Global Carers Policy, which provides support to employees who have care responsibilities for family members who are seriously ill, older or disabled.

Investing in the careers of our people continued to be a priority throughout the year. The Company exceeded its target for development plans, with 99% of employees equipped with a personal plan. Education and development are managed through a portfolio of in-person and online resources. The Edrington Academy has continued to expand its tools and content, allowing all employees to access their own choice of learning with the annual Learning at Work festival featuring over 100 learning sessions.

Edrington increased its global engagement score to 82% this year, achieving its target of top quartile engagement. This encouraging result is a testament to the Company's culture and values, and above all, its talented people.

The wellbeing of our people is of vital importance, and Edrington provides a global network of wellbeing activities and sessions to help employees manage a healthy balance of work and home life. In addition, the Company continued to provide all employees and their families with access to free and confidential support through its Employee Assistance Programme.

## Promoting Responsible Consumption

A healthy population and a relationship of trust with consumers are intrinsic to the success of our business. Edrington is committed to promoting the responsible consumption of its brands by adults who choose to drink alcohol and considers that both the industry and our organisation have a vital role to play in encouraging and assisting consumers in making healthy choices about alcohol.

Edrington's responsibility begins with ensuring that our brands are distilled, packaged and promoted to a consistently high standard everywhere in the world. The Company exceeded its training target for the year, with 99% of people in eligible roles completing Marketing Code training. We have pledged that 100% of our brands' packaging will carry responsibility advice by 2025, and currently over 95% of our products carry these messages.

In its policies and training, Edrington is clear that no employee is ever required to drink alcohol as part of their role. We enable our people to be ambassadors for alcohol responsibility through a year-round programme of events and training. Confidential advice and support are available to any employee through the Employee Assistance Programme.

**CORPORATE SUSTAINABILITY AND RESPONSIBILITY (CONTINUED)**

Within local markets, Edrington works with and funds organisations that support responsible consumption and work to reduce the harms associated with alcohol misuse, including Drinkaware and the Community Alcohol Partnership.

**Protecting the Environment**

In the past year, Edrington has been continuing its sustainability strategy with further progress toward our Net Zero target. This includes the installation of a new heat recovery system at The Glenrothes Distillery and commencing an engagement project with our key suppliers and partners through the production of clear environmental guidance and discussions with our top suppliers on their own environmental commitments. Edrington also continues to report annually through the Carbon Disclosure Project (CDP) and has been awarded a B rating in the climate change category for a second year.

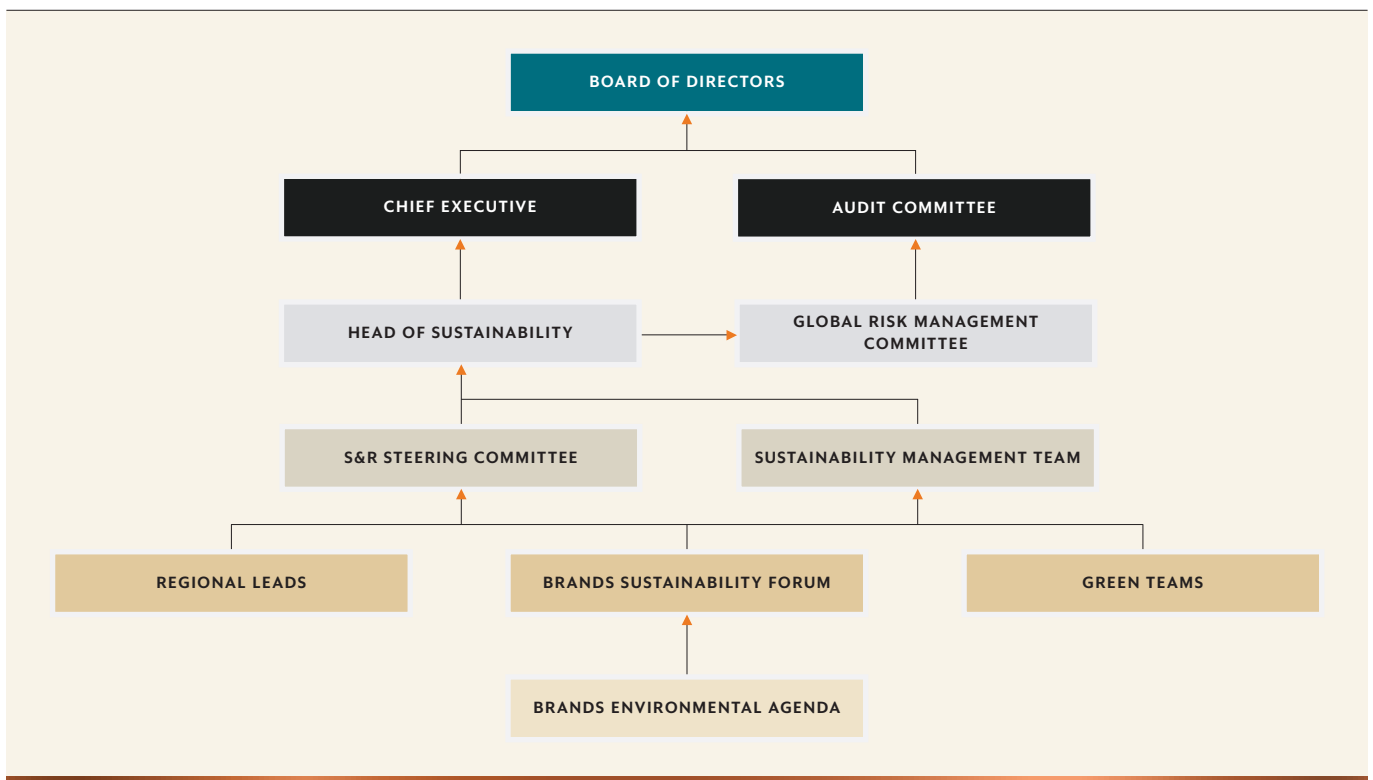
Last year we embarked on a journey to incorporate climate-related reporting, developing our reporting under the Taskforce for Climate Related Disclosure (TCFD) framework. This report summarises our progress against the requirements of the UK Climate-related Financial Disclosure (CFD) regulations, which adopt the pillars of the TCFD framework: Governance, Strategy, Risk Management,

and Metrics and Targets, detailing how we are identifying and managing climate risks in Edrington today, and how we plan to integrate this further over the coming years. The climate-related financial disclosures made by Edrington also comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategy Report) (Climate-related Financial Disclosure) Regulations 2022.

**Governance**

Appropriate governance for sustainability, including climate-related risk, is critical in enabling the success of the Group. The governance structure details the principal responsibilities and reporting lines relevant to the identification, consideration and management of climate risks and opportunities.

The Board of Directors is ultimately responsible for the global strategy on climate-related issues with executive control assigned to the Chief Executive. The Board meets five times a year and an update on the progression of the sustainability strategy was provided twice in the current year by the Head of Sustainability focusing on technology investment and risks to raw materials supply and each board report includes a dedicated section on environmental sustainability.



**CORPORATE SUSTAINABILITY  
AND RESPONSIBILITY  
(CONTINUED)**

The board-level responsibility of the Chief Executive for climate-related topics covers oversight of disclosure projects such as internal climate risk assessments, participation in the Carbon Disclosure Project (CDP), CFD reporting and all other climate-related matters and issues.

Within the Executive Committee each of the members have a responsibility for climate-related issues in their section of the business. These roles include the three brand Business Unit Managing Directors, the Managing Director of Global Supply Chain, Head of Sustainability, Global HR Director, and the Chief Financial Officer.

The Head of Sustainability reports on climate-related action and progress to the Chief Executive and leads the Sustainability & Responsibility (S&R) Steering Committee. This committee is the key driver for shaping and implementing the Group environmental sustainability strategy and supporting the Business Unit and Functional Managing Directors in setting more specific aligned strategies.

The Sustainability Management Team report to the Head of Sustainability. This team is responsible for the ongoing work on sustainability at Edrington; engaging with brand teams, and local market leads to ensure that Edrington's global sustainability strategy is cascaded throughout the business. They cover risk regulation and reporting, engaging with subject matter experts across the finance, risk, compliance, and legal teams, and manage resources, internal campaigns, and employee engagement programmes.

## Strategy

Edrington's 2025 strategy emphasises sustainability as one of three core aims contributing to the overall mission to "become the world's best at crafting exceptional spirit brands loved by our consumers". The environmental strategy is fully embedded within the business and progress towards achieving our objectives is coordinated by the Sustainability Management Team.

The strategy for climate-related risks builds on our corporate strategy for sustainability. Edrington has set a science-based target to achieve Net Zero by 2045 with a near-term target of a 50% reduction in emissions by 2030. Our ambitions for tackling climate-related matters and plans for increasing business resilience will be implemented through our sustainability strategies.



**CORPORATE SUSTAINABILITY AND RESPONSIBILITY (CONTINUED)**

**Scenario Analysis**

Edrington has used scenario analysis to assess the climate-related risks to the business, focusing on the business as a whole and on key raw material supply chains. We have determined the levels of physical climate-related risk under 2°C and 4°C scenarios for short-, medium- and long-term planning by identifying the respective trends up until the 2030s and 2050s. These assumptions have been selected in line with TCFD guidance to utilise a range of scenarios which provide a reasonable diversity of potential future climate states against which to assess our risks.

The climate-related scenario analysis and risk assessments were completed in February 2023 and conducted in accordance with our corporate risk assessment methodology to allow integrated consideration of climate risks within our overall risk management processes.

**Scenario Context**

Best Case Climate Scenario	Worst Case Climate Scenario
<p><b>PHYSICAL</b></p> <p>Representative Concentration Pathway 4.5 – assumes the employment of a range of technologies and strategies to reduce greenhouse gas emissions leading to a stabilisation of global average temperature risk to 2°C by 2100.</p>	<p>Representative Concentration Pathway 8.5 – assumes greenhouse gas emissions continue to grow unmitigated leading to a best estimate global average temperature risk of 4°C by 2100.</p>
<p><b>TRANSITION</b></p> <p>Sustainable Development Scenario – assumes a forward looking approach with the integration of announced pledges from business and governing bodies.</p>	<p>Stated Policy Scenario – reflecting the impact of existing policy frameworks from business and governing bodies.</p>

Due to the nature of this assessment, publicly available climate information has been extracted from a range of sources coupled with model intercomparison to inform the analysis. The output of the analysis was then categorised in line with our corporate risk categories to rate the likelihood and magnitude of the climate risks.

The output from the scenario analysis has been integrated into our decision making focusing on the medium and long term effects on business resilience, with the key risks mapped to our focus goals for 2023-2024, as detailed within the Risk Management section.

of the five pillars of our Environmental Sustainability Strategy: reduce carbon emissions, sustain wood, protect water, enhance biodiversity, and promote the circular economy. Ensuring that these are aligned to our strategy focuses our attention for more effective outcomes.

**OVERVIEW OF OUR PROCESS AND IDENTIFICATION OF RISKS**

The outcome from the climate-related risk and opportunity assessment has been integrated into the Sustainability Risk Assessment (SRA) which is reviewed and updated by the Sustainability team in conjunction with the internal risk and compliance team bi-annually.

**Risk Management**

**PRINCIPAL RISKS AND UNCERTAINTIES**

Our climate-related risks are assessed in line with our corporate risk management processes, as detailed in the principal risks and uncertainties section on page 16 and are linked to our goals and strategic objectives. To manage our principal risks, we have developed KPIs which relate to each

**EVALUATION AND MANAGEMENT OF RISKS**

The leads for each relevant operation within Edrington have the responsibility of producing the wider risk assessment for their individual operational units. An annual session is held to identify, reassess, discuss, and update sustainability and climate-related risks. The priority risks, those rated as ‘serious’ and ‘high’, in the SRA are determined using a significance criterion of likelihood versus consequence.

**CORPORATE SUSTAINABILITY  
AND RESPONSIBILITY  
(CONTINUED)**

## Metrics & Targets

The table below provides details of Edrington's key climate-related risks, and the mitigating actions arising from consideration of the primary goals in the Environmental Sustainability Strategy.

### RAW MATERIAL SCARCITY - PHYSICAL & TRANSITIONAL

MEDIUM TO LONG TERM RISK

The risk that there is constrained supply of key raw materials arising from natural events caused by climate change leading to effects on supply, production, and distribution. The key raw materials are identified as oak, barley, sherry, molasses and water.

Key Focus Area	Metric	Target	Current
Sustain Wood	% traced in Europe	Trace oak supply to region of origin in Europe by 2025.	75%

#### Strategic Response

Following further climate scenario analysis focused on our supply chain, Edrington has now embarked on the creation of an individual risk register for each of the raw materials identified as being of medium or high risk to climate related events. Each will contain clearly defined mitigating actions and will be managed by a select working group.

The use of quality oak for casks is integral to our operations and the supply of oak is at risk of climate change impact due to increased risks of wildfires and drought. Ensuring that we have full traceability of our oak supply and continuing to develop strong relationships with oak suppliers will help with early identification of potential supply chain issues and allow time to react accordingly.

### RESTRICTIONS IN USE OF KEY RAW MATERIALS - PHYSICAL & TRANSITIONAL

MEDIUM TO LONG TERM RISK

The risk that our operating practises are not in line with our environmental commitments, leading to major environment damage or regulatory requirements restricting or eliminating the use of key materials:

- Peat: this would significantly hinder our ability to produce certain brands.
- Water: which would impact our business continuity.

Key Focus Area	Metric	Target	Current
Protect Water	Litres of water per litre of alcohol produced (l/lpa) (average across all production sites)	Manage process water use annually to 12.5-25l/lpa across production sites in line with the Scotch Whisky Association (SWA) guidance.	15.9l/lpa
Enhance Biodiversity	Re-certification achieved	Annual re-certification of Hobbister peatland to the 'Responsibly Managed Peatlands Standard.'	Certification achieved

#### Strategic Response

This year Edrington delivered the target of achieving the Responsibly Managed Peatlands standard for Hobbister Moor two years ahead of plan and has now updated this to reflect the new target to achieve annual re-certification. As well as managing process water use in line with SWA guidance, we are also continuing work on our water replenishment project where we aim to replenish 100% of production water consumption in the Dominican Republic by 2030.

**CORPORATE SUSTAINABILITY  
AND RESPONSIBILITY  
(CONTINUED)**

**NET ZERO - TRANSITIONAL**

**MEDIUM TO LONG TERM RISK**

The risk that our commitment to Net Zero by 2045 is not met because of a lack of access to green energy, third party non-compliance, incompatibility with our environmental requirements, or changes in legislation on carbon emissions classification.

Key Focus Area	Metric	Target	Current
Reduce Carbon Emissions	tCO <sub>2</sub> e (location-based)	Reduce Scope 1 & 2 emissions by 50% by 2030 in line with our Net Zero commitment	Ahead of target at 59% Reduction
	kg CO <sub>2</sub> e/loa	Reduce location-based intensity by 50% by 2030 (vs 19-20)	Ahead of target at 53% Reduction

**Strategic Response**

In 2023/24 Edrington reduced its annual CO<sub>2</sub>e emissions for scopes 1 and 2 plus air travel by 10% compared to the previous year. This was primarily driven by the continued use of low carbon biomethane (produced from distillery co-products) at The Glenrothes and The Macallan distilleries, as verified by Renewable Gas Guarantees of Origin (RGGOs).

We have also continued to drive energy efficiency through the improved management of site energy through continuous training for employees, and the implementation of a new heat recovery system at The Glenrothes distillery. In addition, a project at Highland Park is underway to increase energy efficiency, including the implementation of a heat recovery system removing the use of coke at the distillery.

Additional detail on our emissions results is presented in the section below.

**PACKAGING COMPLIANCE - PHYSICAL & TRANSITIONAL**

**MEDIUM TO LONG TERM RISK**

The risk that there is a shortage of environmentally compliant packaging material, including glass, wood, paper and cardboard, due to increased regulation around sustainable packaging.

Key Focus Area	Metric	Target	Current
Promote Circular Economy	% recycled content	Increase the percentage of paper and board secondary packaging made from recycled material to 75% by 2030	New Target to be implemented from FY2025

**Strategic Response**

Edrington is committed to reducing the environmental impact of our packaging and has introduced a new target to increase the percentage of paper and board secondary packaging that is made from recycled material to 75% by 2030. This is in addition to ongoing projects to reduce the carbon impact of glass bottles and the introduction of a bespoke Life Cycle Analysis tool into our new product development process. Advancing our packaging credentials at this time with trusted suppliers aligned to our environmental commitments will help to support the continuity of supply in the future.

**CORPORATE SUSTAINABILITY  
AND RESPONSIBILITY  
(CONTINUED)**

**REGULATORY COMPLIANCE - TRANSITIONAL**

**MEDIUM TO LONG TERM RISK**

The risk that an inability to comply with environmental requirements or commitments could lead to a loss of license to operate.

Strategic Response

To remain up to date with environmental regulatory changes we work with our partners and trade associations in conjunction with maintaining a dialogue with government and regulatory schemes. This year we have implemented an internal regulation tracker based on a third-party horizon scan to engage and inform key stakeholders across the business.

## Opportunities

Edrington has identified climate opportunities and plan to evaluate these over the coming year. Once an opportunities register has been fully established, reviews will be undertaken within the biannual risk review processes.

## Streamlined Energy and Carbon Reporting

We report our emissions in line with the Greenhouse Gas Protocol Corporate Standard for our financial year, the below table reports scope 1 and 2 emissions from our businesses where Edrington has operational control, including our operations in the Dominican Republic, the USA, and Spain.

In previous years we have also reported Scope 3 emissions from air travel however as we advance our methodology for future Scope 3 reporting these have been removed in the current year to be included in subsequent reporting years along with our other Scope 3 emissions.

Our total energy consumption increased in 2023/24 however due to our commitment to renewable and lower emission energy sources our overall emissions fell from 2022/23.

CORPORATE SUSTAINABILITY  
AND RESPONSIBILITY  
(CONTINUED)

REPORTED EMISSIONS	2023/24 (tCO <sub>2</sub> e)	2022/23 (tCO <sub>2</sub> e)	Change vs PY
Scope 1	9,175	9,709	(6%)
Scope 2	4,121	5,852	(30%)
<b>Total Scope 1&amp;2</b>	<b>13,296</b>	<b>15,561</b>	<b>(15%)</b>
<b>SCOPE 1 &amp; 2 BY TYPE</b>			
Gas	1,314	3,356	(61%)
Electricity	4,121	5,851	(30%)
Company Vehicles	1,937	2,357	(18%)
<b>Total (Gas, Electricity + Company Vehicles)</b>	<b>7,372</b>	<b>11,564</b>	<b>(36%)</b>
Overseas Offices	657	886	(26%)
Other (Thermal Fuels)	5,267	3,111	69%
<b>Total Scope 1 &amp; 2</b>	<b>13,296</b>	<b>15,561</b>	<b>(15%)</b>
<b>INTENSITY RATIO</b>			
Distillery Production (LOA'000)	34,560	35,056	(1%)
<b>Intensity Metric (kgtCO<sub>2</sub>e/LOA)</b>	<b>0.213</b>	<b>0.330</b>	<b>(35%)</b>

ENERGY CONSUMPTION	2023/24 (MWh)	2022/23 (MWh)
Scope 1	95,522	84,180
Scope 2	55,856	56,450
<b>Total Scope 1&amp;2</b>	<b>151,378</b>	<b>140,630</b>
<b>SCOPE 1 &amp; 2 BY TYPE</b>		
Gas	72,327	69,611
Electricity	17,076	16,553
Company Vehicles	1,327	1,444
Other (Thermal Fuels)	60,649	53,022
<b>Total</b>	<b>151,379</b>	<b>140,630</b>

\* Calculated as (1)X1000/(2)

## Methodology

The emissions and conversion factors used in the calculation come from BEIS figures published in 2022 and where this is not possible other government or international recognised body factors have been utilised. In collating our data we have included joint ventures with significant size where we do not have operational control into Scope 3.

# Directors' Report

The directors present the audited financial statements for the year ended 31 March 2024.

## Results for the year

The Company's financial results, which are detailed in the income statement, cover the year to 31 March 2024.

An interim dividend of 19.0p per share was declared in November and paid in December 2023 (2023: 17.0p per share). The directors have agreed a final dividend of 36.0p (2023: 36.0p per share). The aggregate dividends recognised in the year amounted to £31.6m (2023: £32.1m).

Revenue (pre-exceptional) for the year amounted to £1,334.3m (2023: £1,276.8m) resulting in a profit before tax (pre-exceptional) of £411.0m (2023: £387.7m) and overall profit for the financial year (pre-exceptional) of £314.8m (2023: £312.9m). Exceptional items totalling a cost of £2.3m (2023: income £13.3m) (after taxation and minority interest), leading to a profit for the year, attributable to Edrington shareholders, of £164.0m (2023: £181.8m).

A detailed review of the Company's business strategy along with associated risks and uncertainties is included within the Strategic Report.

## Future developments

This is detailed within the strategic report within the "Going Concern" section on page 12 and the "Outlook" section on page 7.

## Directors

The directors who served during the year and to the date of this report were:

C S Gillies  
S J McCroskie  
P A Hyde  
A G Cockburn  
A M C Avis MBE  
S Fitzgerald  
K Torii  
I P Boyadjian (appointed 1 April 2023)  
C Rénier (appointed 1 June 2024)

## Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and profit or loss of the Company for that period.

**DIRECTORS' REPORT  
(CONTINUED)**

In preparing the parent company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State where applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the Group financial statements, International Accounting Standard I requires that directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company auditor is aware of that information.

This information is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

### Employee share schemes

The Company operates two share schemes for eligible employees in the United Kingdom.

The ShareSave Scheme is an annual scheme enabling eligible employees to save for a three-year period to buy Edrington 'B' Ordinary Shares at 80% of the market price. The scheme has been approved by HM Revenue and Customs. The Company charges the fair value of the option at the date of grant to the income statement over the vesting period of the scheme.

The ShareReward Scheme allows Edrington 'B' Ordinary Shares to be awarded annually to eligible employees of the Company. The employee's entitlement to receive shares is dependent on the growth in the Company's core contribution in the year, exceeding a pre-determined growth rate. The scheme has been approved by HM Revenue and Customs. The Company charges the annual fair value of this scheme to the income statement if the performance criteria have been met.

The ShareReward Scheme was active in both the year ended 31 March 2023 and 31 March 2024.

**DIRECTORS' REPORT  
(CONTINUED)**

## Executive incentive plans

An Annual Incentive Plan rewards executive directors and senior executives based on the Company's financial results and the executives' individual performance against business objectives.

The Annual Incentive Plan was active in both the year ended 31 March 2023 and 31 March 2024, further details within Note 5 of the financial statements.

The Long-Term Incentive Plan rewards senior executives based on the Company's performance over a three-year period, by awarding a cash incentive. The Company charges any associated costs to the income statement over the period of the plan. The financial performance conditions, which represents 60% of the award, requires fully meet threshold performance in respect of the three-year period ended 31 March 2024.

## Energy and Carbon Reporting

Reporting of the Group's energy consumption is detailed within the Corporate Sustainability and Responsibility report on pages 36-37.

## Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

## Employee Engagement

A summary of how the Company engages with its employees is detailed within the "Stakeholder Engagement" section within the Corporate Governance report.

## Business Relationships

Fostering business relationships with our suppliers, customers and lenders is key to the success of the business. Further details of our engagement with our business partners are outlined within the "Stakeholder Engagement" section within the Corporate Governance report.

## Corporate Governance

The group has voluntarily adopted and is complying with the Wates Corporate Governance principles for Large Private Companies. Further detail on the compliance with each of the principles is detailed within the Corporate Governance report on pages 17-20.

## Financial Instruments

The Group's financial risk management objectives and policies, including the policy for hedge accounting and liquidity risk are detailed with the "Accounting Policies" section and in notes 17 and 18 of the Notes to the Financial Statements.

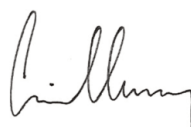
## Going Concern

The Company has carried out assessments of the future trading performance and cash flows with sensitivities completed to reflect the current uncertain environment and is discussed on page 12 of the annual report. The results of these assessments were reviewed considering the financial position of the Group at 31 March 2024, the cost and cash mitigation measures available to it, and the access to ongoing funding facilities. Based on these assessments the Board and directors have a reasonable expectation that the Group will be able to meet its financial obligations for the foreseeable future and have adequate resources to continue to operate for at least 12 months from the date of this annual report. The directors therefore consider it appropriate to adopt the going concern basis in preparing these financial statements.

## Auditors

As auditors are now deemed, under Section 487(2) of the Companies Act 2006, to be reappointed automatically, Deloitte LLP, having expressed their willingness, will continue as statutory auditors.

Approved and signed on behalf of the Board



**Gavin Murray**  
Group Company Secretary

24 June 2024

# Independent Auditor's Report

To the members of The Edrington Group Limited

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

In our opinion:

- the financial statements of The Edrington Group Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard IO1 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the group income statement;
- the group consolidated statement of comprehensive income;
- the consolidated and parent company statement of financial position;
- the consolidated and parent company statements of changes in equity;
- the group cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 34.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted International Accounting Standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard IO1 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations, pensions and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- Revenue recognition, specifically in relation to the recording of sales around the year end, the elimination of intra Group trading and the consistency and accuracy of the treatment of price promotions. Our audit procedures to address these risks included, but were not limited to, substantive detailed testing on pre and post year end revenue transactions, intra Group eliminations on consolidation and on price promotions and their application and treatment across the Group.
- Accruals, specifically in relation to the completeness, existence, valuation and allocation of advertising & promotion and selling cost accruals. Our audit

**INDEPENDENT AUDITOR'S REPORT  
(CONTINUED)**

procedures to address this risk included, but were not limited to, substantive detailed testing, including testing historical accuracy of accruals, recalculation of the year-end accruals balances with agreement to contracts and post year end invoices.

- Maturing inventory, specifically in relation to existence of inventory. Our audit procedures to address this risk included, but were not limited to, attendance at and re-performance of inventory counts.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house/external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS****Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

**Matters on which we are required to report by exception**

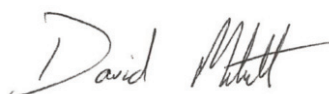
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.


**David Mitchell CA**

(Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Glasgow, UK

24 June 2024

# Group Consolidated Income Statement

year ended 31 March 2024

	Note	Pre-Exceptional 2024 £m	Exceptional (Note 2) 2024 £m	2024 £m	Pre-Exceptional 2023 £m	Exceptional (Note 2) 2023 £m	Total 2023 £m
<b>Revenue</b>	1	<b>1,334.3</b>	-	<b>1,334.3</b>	1,276.8	-	1,276.8
Cost of sales		<b>(841.0)</b>	-	<b>(841.0)</b>	(833.4)	-	(833.4)
<b>Gross profit</b>		<b>493.3</b>	-	<b>493.3</b>	443.4	-	443.4
Other administration costs		<b>(53.1)</b>	<b>(4.1)</b>	<b>(57.2)</b>	(38.2)	-	(38.2)
<b>Group operating profit</b>		<b>440.2</b>	<b>(4.1)</b>	<b>436.1</b>	405.2	-	405.2
Share of profit in joint ventures	11	<b>5.0</b>	-	<b>5.0</b>	2.1	-	2.1
Gain on investment in joint venture		-	-	-	-	2.2	2.2
Reversal of impairment of investment in associate		-	-	-	-	3.5	3.5
Income from joint venture investments		-	-	-	-	9.7	9.7
Gain on acquisition of investment		-	-	-	-	2.0	2.0
<b>Earnings before interest and tax</b>		<b>445.2</b>	<b>(4.1)</b>	<b>441.1</b>	407.3	17.4	424.7
Finance income	3	<b>12.4</b>	-	<b>12.4</b>	7.7	-	7.7
Finance costs	3	<b>(44.2)</b>	-	<b>(44.2)</b>	(25.9)	-	(25.9)
Other finance costs	3	<b>(2.4)</b>	-	<b>(2.4)</b>	(1.4)	-	(1.4)
<b>Profit before taxation</b>	4	<b>411.0</b>	<b>(4.1)</b>	<b>406.9</b>	387.7	17.4	405.1
Taxation	6	<b>(96.2)</b>	<b>0.9</b>	<b>(95.3)</b>	(74.8)	(0.1)	(74.9)
<b>Profit for the financial year</b>		<b>314.8</b>	<b>(3.2)</b>	<b>311.6</b>	312.9	17.3	330.2
Attributable to non-controlling interests		<b>(148.5)</b>	<b>0.9</b>	<b>(147.6)</b>	(144.4)	(4.0)	(148.4)
<b>Profit for the financial year attributable to owner</b>		<b>166.3</b>	<b>(2.3)</b>	<b>164.0</b>	168.5	13.3	181.8

All the activities of the Group are classed as continuing.

The notes and accounting policies on pages 52 to 104 form an integral part of these financial statements.

# Group Statement of Comprehensive Income

year ended 31 March 2024

	2024 £m	2023 £m
Profit for the year attributable to owner	164.0	181.8
Profit for the year attributable to non-controlling interests	147.6	148.4
	<b>311.6</b>	330.2
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial (loss)/gain on pension schemes net of non-controlling interests		
Group	(17.6)	(25.7)
Associates and joint ventures	0.2	(1.5)
Non-controlling interests	(5.8)	(5.8)
Movement in deferred tax on pension schemes		
Group	4.4	6.8
Associates and joint ventures	-	0.4
Non-controlling interests	1.4	1.1
Pension fees paid direct to Pension Fund	-	(0.1)
Revaluation reserve movement	0.2	0.2
Movement in financial instruments taken straight to reserves		
Group	(0.3)	(0.8)
Non-controlling interests	0.3	0.8
<b>Items that will be or have been reclassified to profit or loss</b>		
Exchange differences on foreign operations		
Subsidiaries and associates	(15.3)	8.8
Joint ventures	-	0.1
Non-controlling interests	(0.7)	(1.9)
Exchange difference on foreign dividend	(0.4)	2.6
Movement on deferred tax taken straight to reserves		
Group	-	(0.4)
Non-controlling interests	-	0.2
Share based payment movements		
Group	(1.3)	(1.2)
Non-controlling interests	1.3	(2.2)
Cash flow hedge reserve movement	0.3	1.0
Other comprehensive loss attributable to parent	(29.8)	(9.8)
Other comprehensive loss attributable to non-controlling interest	(3.5)	(7.8)
<b>Total other comprehensive loss for the year</b>	<b>(33.3)</b>	<b>(17.6)</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>278.3</b>	<b>312.6</b>
<b>Attributable to parent</b>	<b>134.2</b>	<b>172.0</b>
<b>Attributable to non-controlling interest</b>	<b>144.1</b>	<b>140.6</b>
<b>Total</b>	<b>278.3</b>	<b>312.6</b>

The notes and accounting policies on pages 52 to 104 form an integral part of these financial statements.

# Statement of Financial Position

as at 31 March 2024

	Note	Company		Group	
		2024 £m	2023 £m	2024 £m	2023 £m
<b>Non-current assets</b>					
Intangible assets	8	-	-	411.8	410.5
Property, plant and equipment	9	-	-	679.0	631.5
Right-of-use assets	10	-	-	26.4	21.8
Investment in subsidiary undertakings	11	343.7	310.4	-	-
Investment in joint ventures	11	-	-	68.6	65.4
Investments in other interests	11	-	-	0.4	0.4
Derivative financial instruments	19	-	-	2.7	3.6
Deferred tax asset	20	-	-	87.9	76.5
Pension and other employment assets	26	-	-	4.7	21.9
<b>Non-current assets</b>		<b>343.7</b>	<b>310.4</b>	<b>1,281.5</b>	<b>1,231.6</b>
<b>Current assets</b>					
Inventories	12	-	-	942.9	844.4
Trade and other receivables	14	24.8	2.0	296.7	282.4
Current tax assets	14	-	-	3.9	-
Assets held for sale	13	-	-	0.4	0.5
Derivative financial instruments	19	-	-	6.0	10.5
Cash and liquid resources		84.1	83.2	186.3	254.8
<b>Current assets</b>		<b>108.9</b>	<b>85.2</b>	<b>1,436.2</b>	<b>1,392.6</b>
<b>Total assets</b>		<b>452.6</b>	<b>395.6</b>	<b>2,717.7</b>	<b>2,624.2</b>

The notes and accounting policies on pages 52 to 104 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
(CONTINUED)

	Note	2024 £m	Company 2023 £m	2024 £m	Group 2023 £m
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	21	5.9	6.0	5.9	6.0
Share premium		0.5	0.5	0.5	0.5
Other reserves	22	8.7	4.8	79.6	75.9
Retained earnings		430.0	348.4	635.9	648.8
Cash flow hedge reserve	23	-	-	0.6	0.3
<b>Equity attributable to owners of the parent</b>		<b>445.1</b>	359.7	<b>722.5</b>	731.5
Non-controlling interests	11	-	-	512.1	483.9
<b>Equity</b>		<b>445.1</b>	359.7	<b>1,234.6</b>	1,215.4
<b>Non-current liabilities</b>					
Borrowings	16	-	-	860.7	661.5
Lease liabilities	29	-	-	22.4	17.4
Deferred tax liabilities	20	4.2	3.3	219.4	204.2
Derivative financial instruments	19	-	-	0.4	-
Other liabilities	15	-	-	4.9	4.1
Deferred consideration	15	-	-	2.2	2.4
<b>Non-current liabilities</b>		<b>4.2</b>	3.3	<b>1,110.0</b>	889.6
<b>Current liabilities</b>					
Trade and other payables	15	2.5	32.3	72.1	71.6
Borrowings	16	-	-	62.1	166.3
Lease liabilities	29	-	-	8.2	7.7
Derivative financial instruments	19	-	-	0.9	-
Current tax liabilities	15	0.3	0.3	17.2	22.3
Other liabilities and provisions	15	0.5	-	212.6	251.3
<b>Current liabilities</b>		<b>3.3</b>	32.6	<b>373.1</b>	519.2
<b>Total liabilities</b>		<b>7.5</b>	35.9	<b>1,483.1</b>	1,408.8
<b>Total equity and liabilities</b>		<b>452.6</b>	395.6	<b>2,717.7</b>	2,624.2

In the year to 31 March 2024 The Edrington Group Company made a profit of £194.6m (2023: £164.0m). The Group has taken the exemption from the requirement to publish a separate income statement for the parent company as set out in Section 408 of the Companies Act.

The notes and accounting policies on pages 52 to 104 form an integral part of these financial statements.

The consolidated financial statements of The Edrington Group Limited (registered number SC036374) were approved by the Board of directors and signed on behalf of the Board:



**S McCroskie**  
Director  
24 June 2024



**P A Hyde**  
Director  
24 June 2024

# Consolidated Statement of Changes in Equity

year ended 31 March 2024

## GROUP

	Share capital £m	Share premium £m	Other reserves (Note 22) £m	Retained earnings £m	Cash flow hedge reserve £m	Total attributable to owners of parent £m	Non-controlling interests £m	Total equity £m
<b>Balance at 1 April 2023</b>	<b>6.0</b>	<b>0.5</b>	<b>75.9</b>	<b>648.8</b>	<b>0.3</b>	<b>731.5</b>	<b>483.9</b>	<b>1,215.4</b>
Adjustments from other reserves	-	-	-	(0.3)	-	(0.3)	-	(0.3)
Adjusted balance at 1 April 2023	6.0	0.5	75.9	648.5	0.3	731.2	483.9	1,215.1
Dividends	-	-	-	(32.9)	-	(32.9)	(115.9)	(148.8)
Share based payments (note 25)	-	-	3.8	-	-	3.8	-	3.8
Buybacks of shares	(0.1)	-	0.1	(80.0)	-	(80.0)	-	(80.0)
Employee Benefit Trust share movements	-	-	-	(33.6)	-	(33.6)	-	(33.6)
<b>Transaction with owners</b>	<b>(0.1)</b>	<b>-</b>	<b>3.9</b>	<b>(146.5)</b>	<b>-</b>	<b>(142.7)</b>	<b>(115.9)</b>	<b>(258.6)</b>
Profit for the year	-	-	-	164.0	-	164.0	147.6	311.6
Other comprehensive loss	-	-	-	(30.1)	-	(30.1)	(3.5)	(33.6)
Cash flow hedge reserve (note 23)	-	-	-	-	0.3	0.3	-	0.3
Revaluation reserve	-	-	(0.2)	-	-	(0.2)	-	(0.2)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(0.2)</b>	<b>133.9</b>	<b>0.3</b>	<b>134.0</b>	<b>144.1</b>	<b>278.1</b>
<b>Balance at 31 March 2024</b>	<b>5.9</b>	<b>0.5</b>	<b>79.6</b>	<b>635.9</b>	<b>0.6</b>	<b>722.5</b>	<b>512.1</b>	<b>1,234.6</b>
<b>Balance at 1 April 2022</b>	<b>6.3</b>	<b>0.5</b>	<b>77.5</b>	<b>678.2</b>	<b>(0.7)</b>	<b>761.8</b>	<b>464.7</b>	<b>1,226.5</b>
Adjustments from other reserves	-	-	(0.1)	0.2	-	0.1	-	0.1
Adjusted balance at 1 April 2022	6.3	0.5	77.4	678.4	(0.7)	761.9	464.7	1,226.6
Dividends	-	-	-	(33.5)	-	(33.5)	(127.1)	(160.6)
Share based payments (note 25)	-	-	(1.6)	-	-	(1.6)	-	(1.6)
Buy back of shares	(0.3)	-	0.3	(155.9)	-	(155.9)	-	(155.9)
Employee Benefit Trust share movements	-	-	-	(11.2)	-	(11.2)	-	(11.2)
<b>Transaction with owners</b>	<b>(0.3)</b>	<b>-</b>	<b>(1.3)</b>	<b>(200.6)</b>	<b>-</b>	<b>(202.2)</b>	<b>(127.1)</b>	<b>(329.3)</b>
Profit for the year	-	-	-	181.8	-	181.8	148.4	330.2
Other comprehensive loss	-	-	-	(10.8)	-	(10.8)	(7.8)	(18.6)
Acquisition of subsidiary	-	-	-	-	-	-	5.7	5.7
Cash flow hedge reserve (note 23)	-	-	-	-	1.0	1.0	-	1.0
Revaluation reserve	-	-	(0.2)	-	-	(0.2)	-	(0.2)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(0.2)</b>	<b>171.0</b>	<b>1.0</b>	<b>171.8</b>	<b>146.3</b>	<b>318.1</b>
<b>Balance at 31 March 2023</b>	<b>6.0</b>	<b>0.5</b>	<b>75.9</b>	<b>648.8</b>	<b>0.3</b>	<b>731.5</b>	<b>483.9</b>	<b>1,215.4</b>

The notes and accounting policies on pages 52 to 104 form an integral part of these financial statements.

# Company Statement of Changes in Equity

year ended 31 March 2024

## COMPANY

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Liability for share-based payments £m	Retained earnings £m	Total equity £m
<b>Balance at 1 April 2023</b>		<b>6.0</b>	<b>0.5</b>	<b>1.6</b>	<b>3.2</b>	<b>348.4</b>	<b>359.7</b>
Dividends		-	-	-	-	(33.0)	(33.0)
Share based payments	25	-	-	-	3.8	-	3.8
Buybacks of own shares		(0.1)	-	0.1	-	(80.0)	(80.0)
<b>Transactions with owners</b>		<b>(0.1)</b>	<b>-</b>	<b>0.1</b>	<b>3.8</b>	<b>(113.0)</b>	<b>(109.2)</b>
Profit for the period		-	-	-	-	194.6	194.6
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>194.6</b>	<b>194.6</b>
<b>Balance at 31 March 2024</b>		<b>5.9</b>	<b>0.5</b>	<b>1.7</b>	<b>7.0</b>	<b>430.0</b>	<b>445.1</b>
<b>Balance at 1 April 2022</b>		<b>6.3</b>	<b>0.5</b>	<b>1.3</b>	<b>4.8</b>	<b>437.9</b>	<b>450.8</b>
Dividends		-	-	-	-	(33.5)	(33.5)
Share based payments	25	-	-	-	(1.6)	-	(1.6)
Buybacks of own shares		(0.3)	-	0.3	-	(220.0)	(220.0)
<b>Transactions with owners</b>		<b>(0.3)</b>	<b>-</b>	<b>0.3</b>	<b>(1.6)</b>	<b>(253.5)</b>	<b>(255.1)</b>
Profit for the period		-	-	-	-	164.0	164.0
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164.0</b>	<b>164.0</b>
<b>Balance at 31 March 2023</b>		<b>6.0</b>	<b>0.5</b>	<b>1.6</b>	<b>3.2</b>	<b>348.4</b>	<b>359.7</b>

The notes and accounting policies on pages 52 to 104 form an integral part of these financial statements.

# Group Cash Flow Statement

year ended 31 March 2024

	Note	2024 £m	2023 £m
<b>Operating activities</b>			
Operating profit		<b>436.1</b>	405.2
Adjustments for:			
Depreciation of property, plant and equipment	4	<b>26.4</b>	24.2
Depreciation of right of use assets	10	<b>8.4</b>	7.2
Amortisation of intangible assets	8	<b>3.5</b>	3.5
Gain on sale of fixed assets		-	(0.1)
Non-cash impact of exceptional gain on sale		-	(2.0)
Non-cash derivative movement		-	(0.1)
<b>Operating cash flows before movements in working capital</b>		<b>474.4</b>	437.9
Increase in inventories		<b>(89.0)</b>	(48.1)
Increase in receivables		<b>(21.5)</b>	(37.4)
Decrease in payables		<b>(24.8)</b>	(20.4)
Employer pension contributions paid	26	<b>(5.9)</b>	(7.5)
Other non-cash movements		<b>2.1</b>	(8.2)
<b>Cash generated by operations</b>		<b>335.3</b>	316.3
Tax on profit paid		<b>(94.2)</b>	(67.9)
<b>Net cash from operating activities</b>		<b>241.1</b>	248.4
<b>Investing activities</b>			
Dividends received from joint venture undertakings		<b>2.5</b>	11.2
Interest received		<b>10.7</b>	6.3
Purchase of property, plant and equipment	9	<b>(90.2)</b>	(71.7)
Purchase of intangible assets	8	<b>(1.7)</b>	(2.2)
Sale of property, plant and equipment		<b>0.7</b>	1.3
Disposal of investment		<b>1.0</b>	1.0
Investment in joint venture	11	<b>(1.0)</b>	(35.4)
Acquisition of subsidiary	31	<b>(6.6)</b>	(12.2)
Net cash acquired on acquisition	31	<b>0.2</b>	0.3
<b>Net cash used in investing activities</b>		<b>(84.4)</b>	(101.4)

**GROUP CASH FLOW STATEMENT**  
**(CONTINUED)**

	Note	2024 £m	2023 £m
<b>Financing activities</b>			
Interest paid		<b>(45.4)</b>	(26.4)
Net proceeds from EBT share transactions		<b>(33.6)</b>	(11.2)
Purchase of own shares	22	<b>(80.0)</b>	(155.9)
Repayment of lease liabilities	24	<b>(8.3)</b>	(8.1)
Equity dividends paid		<b>(32.9)</b>	(33.5)
Dividends paid to non-controlling interests in subsidiaries		<b>(115.9)</b>	(127.1)
Drawdown of revolving credit facilities	24	<b>706.8</b>	2,008.3
Repayment of revolving credit facilities	24	<b>(610.5)</b>	(2,139.9)
Drawdown of private placement debt	24	-	300.0
Repayment of other loans	24	<b>(7.3)</b>	(4.0)
<b>Net cash used in financing activities</b>		<b>(227.1)</b>	(197.8)
<b>Net decrease in cash and liquid resources</b>		<b>(70.4)</b>	(50.8)
<b>Cash and liquid resources at beginning of year</b>		<b>252.4</b>	302.9
Effect of foreign exchange rate changes		<b>(0.9)</b>	0.3
<b>Cash and liquid resources at end of year</b>	24	<b>181.1</b>	252.4

The notes and accounting policies on pages 52 to 104 form an integral part of these financial statements.

  
THE  
MACALLAN

HIGHLAND  
PARK  
ESTD 1798  
SINGLE MALT SCOTCH WHISKY

THE  
GLENROTHES  
ESTD 1879

  
BRUGAL

 THE FAMOUS  
GROUSE

WYOMING  
W  
WHISKEY

**Naked**  
Malt

VALDESPINO  
— EST. 1875 —

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