





# 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  
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## 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.

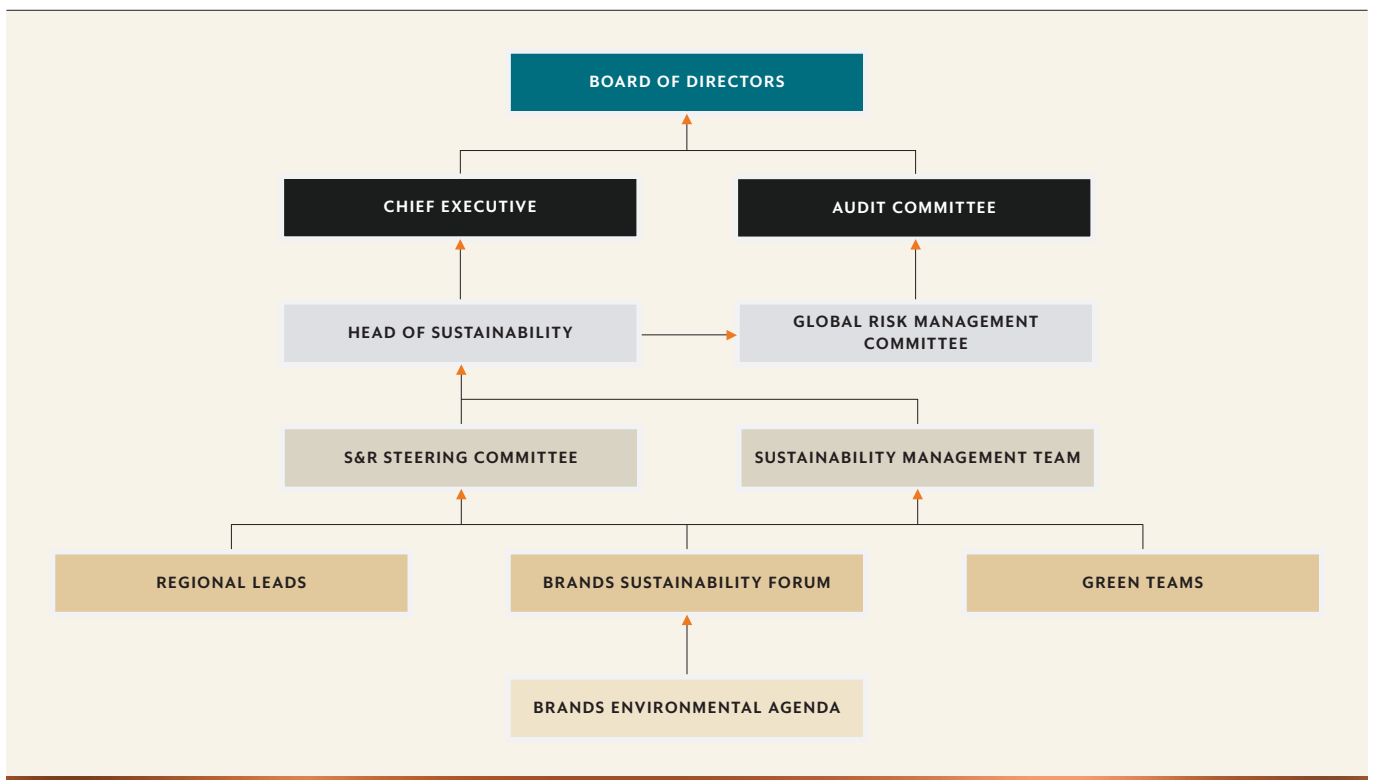
Last year we embarked on a journey to incorporate climate-related reporting, developing our reporting under the Taskforce for Climate Related Disclosure (TCFD) framework. This report summarises our progress against the requirements of the UK Climate-related Financial Disclosure (CFD) regulations, which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



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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.



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**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.

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## 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.

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**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.

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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.

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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>	15,561	(15%)
<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>	11,564	(36%)
Overseas Offices	657	886	(26%)
Other (Thermal Fuels)	5,267	3,111	69%
<b>Total Scope 1 &amp; 2</b>	<b>13,296</b>	15,561	(15%)
<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>	0.330	(35%)

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>	140,630
<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>	140,630

\* 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.