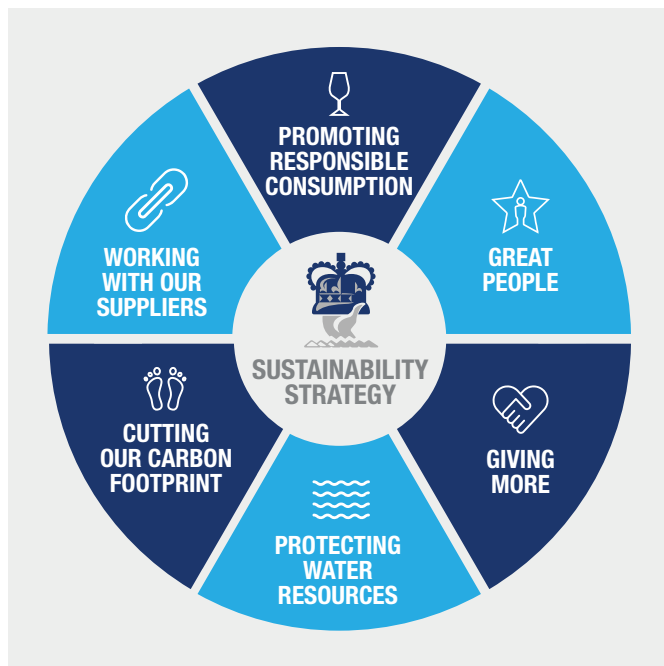




# Corporate Sustainability and Responsibility

Edrington was created to be a company that makes a positive contribution to the communities in which we live and work. We have worked for more than a century and a half to build a responsible and sustainable business. This report details Edrington's sustainability programmes for the year to 31 March 2019.

In May 2019, Edrington announced its new sustainability strategy. Its six target areas of Promoting Responsible Consumption, Great People, Giving More, Protecting Water Resources, Cutting our Carbon Footprint and Working with Suppliers are each aligned to the UN's Sustainable Development Goals.



## Giving More

Giving More is woven into the history and fabric of our business in a way that is unique to the industry.

The company's principal shareholder is The Robertson Trust, which was established in 1961 by the Robertson sisters, who donated their shares in the business founded by their grandfather. Elspeth, Agnes and Ethel Robertson wished to ensure that the family business could continue the family's legacy of support for Scottish charities. The Robertson Trust uses its dividends from Edrington to improve the quality of life and realise the potential of people and communities in Scotland. Since 1961 The Robertson Trust has given £263 million to charities, making it Scotland's largest independent grant-making Trust.

Giving More plays a fundamental role inside our business too. The company encourages its employees to become involved

with charitable causes they feel passionate about, helping them volunteer, raise funds and meet their personal goals.

Every Edrington employee has three days paid leave every year to work for a charity making a difference in their community. Some use this individually, while other teams work together on projects for charities. In larger Edrington locations we organise large scale partnerships with charities where as many employees as possible can work together to create a real transformation in their community. Examples of Giving More activities in 2018/19 can be seen on the Edrington website.

When our employees raise funds for a charity, Edrington matches those funds to double the value. The Robertson Trust also matches funds raised for charities in Scotland, thereby turning every £1 into £3.

- > In 2018/19, the total raised and donated by Edrington employees to good causes in Scotland was £674,000 (2018: £585,000).
- > Employees organized 169 fundraising activities in Scotland last year (2018: 147)

As Edrington's international business has grown, the company has developed initiatives to bring the spirit of The Robertson Trust to life outside Scotland. Since 2012, Edrington has donated 1% of pre-tax earnings to charities chosen by international employees.

- > Last year, the total raised and donated by Edrington's international employees was £2.2 million, making a total of £9.72 million since 2012.

## Alcohol in Society

Promoting responsible consumption is one of the six key areas of Edrington's new sustainability strategy.

Edrington has built a successful business based on the quality of our brands, consumer trust and responsible self-regulation. Our role begins by ensuring that our brands are packaged and promoted to a consistently high standard everywhere in the world. We train employees who work in sales, marketing, events and procurement in the Edrington Marketing Code. Employees renew their training every two years and the company has a training compliance target of 95% at any one time.

We believe we can achieve more in partnership, so Edrington works with and funds organisations that support responsible consumption and work to reduce the harms associated with alcohol misuse. Here is a selection of the work supported by Edrington in the past year.



## Corporate Sustainability and Responsibility (continued)

### Responsibility and Our People

Edrington's Alcohol Responsibility Week is an annual week-long international campaign which reaches employees across more than 20 countries. It is designed to give every one of our people the information and support they need to make positive choices around alcohol, whether in their work or home life.

In 2018/19 the company worked with Drinkaware, the UK's leading source of alcohol responsibility information, to host their 'Drinkaware at Work' training.

Outside the UK, regional leaders led events to champion Alcohol Responsibility Week and give the campaign a local context. Other activities included a 'low and no-alcohol' cocktail masterclass where an Edrington mixologist shows employees how to make a range of mixed drinks that include either one unit of alcohol, or none at all.

Edrington's occupational health team worked with the 'Drink Wise, Age Well' to run information sessions in its site in Scotland.

### Responsibility in Action

In Scotland, Edrington is a contributing partner to the Scotch Whisky Association's Scotch Whisky Action Fund, a 5-year commitment with the aim of supporting innovative projects that tackle alcohol-related harm. The fund is independently managed by Foundation Scotland. In the four years the fund has operated it has funded 37 projects.

Through its UK joint venture, Edrington-Beam Suntory UK, Edrington funds the Best Bar None programme, which raises standards in the hospitality industry.

Edrington is a member of the European Spirits Group and spiritsEUROPE, an organisation that represents spirits producers and co-ordinates a network of 31 national associations.

Through the Asia Pacific International Wine and Spirits Alliance (APIWSA), Edrington has contributed to tailored alcohol responsibility campaigns in China, Vietnam, Korea, Singapore, Cambodia, Indonesia, Thailand and Taiwan.

In the Americas, Edrington chairs the Foundation for Advancing Alcohol Responsibility. Known as Responsibility.org, this independent, national, not-for-profit organisation leads the fight to eliminate drink driving and underage drinking and promotes responsible decision-making regarding alcohol. FAAR programmes engage with law enforcement, public officials, educators, parents, and students.

### Environmental

In a world of seven billion people who depend on shared natural resources, today's consumers expect sustainability to be at the heart of a responsible business. Edrington structures its sustainability agenda in line with the Scotch Whisky Association's Environmental Strategy, which is considered to be the only one in Scotland embracing an entire business sector.

Launched in 2009, the SWA's environmental strategy sets ambitious targets driving sustainability. In addition to this, where it is appropriate for our business, Edrington aligns its sustainability agenda to the principles of the United Nations' Sustainable Development Goals.

### Energy

Edrington is on track to meet the Scotch Whisky Association's 2020 target of improving energy efficiency by 7.6%. Edrington's distilleries in Scotland are 11.3% more efficient than the 2008 base line year when measurement started.

Edrington's new Macallan Distillery is on track to source 95% of its energy requirements from renewable sources by 2019. This has been achieved by partnering with Estover Energy to supply steam from its biomass plant adjacent to the distillery, and Helius Energy/CoRDE to supply electricity from its biomass cogeneration plant located in nearby Rothes. This will take Edrington's UK sites energy sourcing to 50% from renewable sources, significantly ahead of both the SWA and Scottish Government targets. Under the company's new sustainability strategy we expect to see this increase in 2020.

### Responsible Water Use

Protecting Water Resources is a key area of Edrington's sustainability strategy. Our Scotch whisky distilleries are on track to meet the 2020 target of improving distilling water efficiency by 10%.

The Scottish Environmental Protection Agency's most recent report rated all Edrington's sites as 'Excellent'. Full details are available on the SEPA website.



## Corporate Sustainability and Responsibility (continued)

### **Sustainable Packaging**

The growing popularity of premium spirits around the world is accompanied by consumer demand for bottles and packaging that convey the heritage and value of the spirit. This is driving up glass and packaging weights, particularly in the case of single malt Scotch whiskies. The strength of Edrington's super premium portfolio means that it is not currently on track to meet the SWA's target of reducing packaging weight and recycled content targets.

Edrington will continue to work with suppliers and industry partners to find opportunities to support the industry's aim of reducing packaging. Our business will listen to consumers and be ready to respond rapidly to trends that support packaging innovation.