

Slavery and Human Trafficking Statement **June 2021**

This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015.

Organisational Structure

The Edrington Group Limited is an international spirits company headquartered in Scotland with c. 60% of its employees based overseas. As one of Scotland's leading privately owned companies, we consider our legal and ethical obligations in our business dealings to be of the utmost importance.

Edrington is owned by The Robertson Trust, Scotland's largest independent grant making charitable trust and, as such, social responsibility is at the forefront of everything we do. Our commitment to playing our part in the eradication of slavery and human trafficking is no exception.

This statement applies in respect of The Edrington Group Limited and all of its subsidiaries, specifically including the following UK trading entities:

- The Macallan Distillers Limited (company number SC024068);
- Highland Distillers Limited (company number SC158731); and
- Edrington Distillers Limited (company number SC014472).

Policies

HR Policies

We will always comply with local employment laws. Our range of HR policies ensure that our employees are treated fairly in terms of reward and benefits, health and safety, diversity and inclusion, and discipline and grievance.

Code of Conduct, Anti-Corruption, and Speaking Up

Integrity has always been a core value at Edrington. Much of what we expect is clearly defined and enshrined in our Code of Conduct which specifies that we require all business partners to work to the same standards of integrity as we do. We commit to adopting the following in all business relationships:

1. Prior to engaging in any new material business relationships or transactions, we will carry out appropriate due diligence on the other party to ensure that they do business in a manner that is consistent with our Code
2. Where the people we work with have their own Code of Conduct, we will ensure this requires them to operate to the same ethical standards that we have set out in our Code
3. Where the policies, procedures or practices of a third party as set out in their Code of Conduct are not fully consistent with our Code, any elements of our Code necessary to supplement the third party's arrangements should be included in the relevant contracts, and
4. We will not work with business partners whose practices are inconsistent with our Code.

Our Code of Conduct makes clear that we will not tolerate any form of slavery in our business or supply chain. Our employees are required to complete an annual training on our Code of Conduct and the values and required behaviours therein. This training includes business relevant scenarios to illustrate and test trainee engagement and understanding and concludes with a compliance certification by the employee. It is made clear in our Code and related training that, should an employee ever have a concern that Edrington's high standards of ethical and compliant behaviour are not being met, either in the business or by the third parties engaged with the business, they are required to raise that concern through our Speaking Up Policy.

Our Code of Conduct, together with our Anti-Corruption and Speaking Up Policies, are widely available to employees and third parties, in English and all main languages spoken across the company, via company websites and intranets, the Edrington Academy training resource and company mobile devices. In addition, posters confirming key values and behaviours are displayed in communal areas at all locations.

Know Your Third Party

The required approach to evaluating potential new third parties, and then overseeing third parties to ensure they remain appropriate to do business with, is confirmed in our third party risk management policy - Know Your Third Party - which applies consistently across all company locations. As part of this approach, all third parties defined as higher risk are subject to a daily screen, including indications of adverse media coverage.

Global Sourcing Guidelines

We have used internationally recognised Codes of Practice, such as the Ethical Trading Initiative Base Code and the UN Global Compact, to compile our Global Sourcing Guidelines which set out the standards we adhere to in order to be a responsible corporate citizen, positively managing the social, environmental and ethical impact of our activities worldwide:

1. We will only do business with business partners who, as individuals and organisations, promote and adhere to a set of ethical standards which are consistent with our own
2. We require our business partners to be law abiding, complying with all domestic and international legislation and/or regulations relevant to the conduct of their business
3. Activities which may suggest or give the impression of a lack of ethical behaviour, must be avoided without exception
4. We will not utilise prison or forced labour directly or indirectly in the manufacture and finishing of our products. Similarly, we will not utilise or purchase materials from a supplier which is known or suspected to directly or indirectly utilise prison or forced labour
5. We will only do business with suppliers who provide wages and benefits that comply with all applicable laws and match the prevailing local manufacturing or finishing industry practices, and
6. We will not do business with suppliers who are known or suspected to use child labour directly in any of their facilities, or indirectly throughout their extended supply chains.

Risk assessment and due diligence

Our reach and use of third parties spans the globe and we recognise the risk factor in this. Our engagement with the external supply chain aims to impose our values and policies on each link in the chain. Each new supplier is risk assessed against certain criteria including territory of operation or registration. Any supplier assessed as higher risk requires enhanced due diligence checks including screening using our global third-party risk monitoring provider. Existing third parties will periodically be re-assessed against these criteria.

Response to COVID-19

A COVID-19 policy has been introduced and made available to all staff on the intranet. We have worked with local union representatives to agree COVID-19 Safe Systems of Work to give staff who are unable to work from home the confidence that they are safe in their workplace, and to minimise the spread of the virus. Our Speaking Up process has been fully effective and operational during this period.

We have supported our suppliers by offering both financial and collaborative support, to ensure their businesses continued to thrive safely through the pandemic. The collaborative effort involved sharing best practice on COVID-19 Safe Systems of Work, phasing of production and planning around their capabilities, and constant communication on how we can work and support each other's supply chain.

Next steps

Edrington is committed to working with its suppliers to facilitate compliance with our values and behaviours and we strive for continual improvement. Since the publication of our last statement, we have refreshed the Code of Conduct training course and obtained Sedex Members Ethical Trade Audit reports carried out on third party suppliers in certain high-risk locations.

In the coming year, we will re-confirm with our top suppliers that they acknowledge and adhere to our standards and governance in the areas of: Code of Conduct, Corporate Sustainability and Responsibility, Anti-Corruption, Environment and Modern Slavery.

A handwritten signature in black ink, appearing to read "Scott McCroskie". The signature is fluid and cursive, with a prominent initial "S" and a long, sweeping tail.

Scott McCroskie
Chief Executive
The Edrington Group Limited
22 June 2021