



EDRINGTON

Global Sourcing Guidelines

Version 3.0
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The
MACALLAN



THE
FAMOUS
GROUSE



Principles

Wherever The Edrington Group operates in the world we will be a responsible corporate citizen, positively managing the social, environmental and ethical impact of our activities.

We believe in fair, free and open markets. Through our four core values of Integrity, Independence, Innovation and Involvement, the highest standards of ethical and compliant behaviour is expected and required in all undertakings and all business relationships.

The laws of every land in which we operate must be complied with, without exception.

These Global Sourcing Guidelines establish the standards expected of all our suppliers, and we require our suppliers to ensure these standards are in turn applied throughout their own supply chains.

The guidelines are based on internationally recognised codes of practice, notably the Ethical Trading Initiative (ETI) Base Code (<http://www.ethicaltrade.org/resources/key-eti-resources/eti-base-code>) and the UN Global Compact (<http://www.unglobalcompact.com>).

The UK Bribery Act 2010 establishes certain legal obligations on UK companies like Edrington and these obligations extend to our dealings with our supply chain. In response to this legislation Edrington has introduced an Anti-Corruption Policy (a copy of which can be found on our website - <http://www.edringtongroup.com>) and these guidelines are aligned with, and support, that policy.

Suppliers must apply the Edrington Global Sourcing Guidelines at all times and be able to demonstrate that they are doing so. Edrington will work with its suppliers to facilitate compliance with the guidelines and drive continual improvement but will also take action, which may involve cancelling contracts, if suppliers do not operate in a compliant manner. Edrington will seek to have the provisions of these guidelines reflected in contractual arrangements with our suppliers, as well as our standard terms and conditions of trade.

Terms of Engagement

Ethical Standards

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.

Legal Requirements (including Corruption and Anti-Competition)

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.

Bribery or other corrupt, anti-competitive or unethical activities in whatever form (including money laundering and extortion) is contrary to Edrington's beliefs and aims and will not be tolerated in any circumstance. Activities of this nature, or activities which may suggest or give the impression of a lack of ethical behaviour, must be avoided without exception.

Environmental Requirements

We will only do business with partners who share our commitment to the environment and who conduct their business in a way that is consistent with Edrington's Environmental Policy, a copy of which can be found on our website (<http://www.edringtongroup.com>).

Corporate Social Responsibility

We require our business partners to meet or exceed domestic and international legislation and/or regulations relating to social responsibility. A copy of Edrington's Corporate Social Responsibility Policy can be found on our website (<http://www.edringtongroup.com>).

Community Involvement

We will favour business partners who share our commitment to positively impacting and improving the communities in which they have a presence.

Employment Standards

We will only do business with partners who adhere to the following guidelines:

- **Child Labour** - Use of child labour is not permissible. Workers cannot be under 15 years of age and not younger than the compulsory age to be in school. We will not do business with suppliers who use child labour directly in any of their facilities, or indirectly throughout their extended supply chains. We support the development of legitimate workplace apprenticeship programmes for the educational benefit of younger people.
- **Prison Labour/Forced Labour** - 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 directly or indirectly utilises prison or forced labour.
- **Disciplinary Practices** - We will not do business with suppliers who use corporal punishment or other forms of mental or physical coercion.

- **Working Hours** - Whilst recognising the need for flexibility in scheduling, we will identify local legal limits on working hours and seek business partners who do not exceed them, except in the instance of reasonable & appropriately compensated overtime. Edrington will favour suppliers who operate, on average, a working week of less than sixty hours and will not do business with suppliers who, on a regular basis, require employees to work in excess of that. Employees should be allowed at least one day off in seven.
- **Wages and Benefits** – Edrington believes that employees must be properly contracted, enjoy the benefits and protection of all relevant employment legislation and regulation, and be fairly paid for their work. 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.
- **Freedom of Association** - We respect workers' rights to form and join organisations of their choice and to bargain collectively. We expect our suppliers to respect the right to free association and the right to organise and bargain collectively without unlawful interference.

Suppliers that we do business with must ensure that workers who make such decisions or participate in such organisations are not the object of discrimination or punitive disciplinary actions and that the representatives of such organisations have access to their members under conditions established either by local laws or mutual agreement between the employer and the worker organisations.

- **Discrimination** - Whilst we recognise and respect cultural differences, we believe that workers should be employed on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs. We will not do business with suppliers who exercise any form of discrimination.
- **Health & Safety** - We will only do business with suppliers who provide workers with a safe and healthy working environment which is compliant with all relevant legislation, regulation and codes. Where applicable, this extends to the provision of residential facilities for workers which must also meet relevant standards. We will only do business with partners who share our commitment to Health & Safety and who conduct their business in a way that is consistent with Edrington's s Health & Safety Policy, a copy of which can be found on our website (<http://www.edringtongroup.com>).