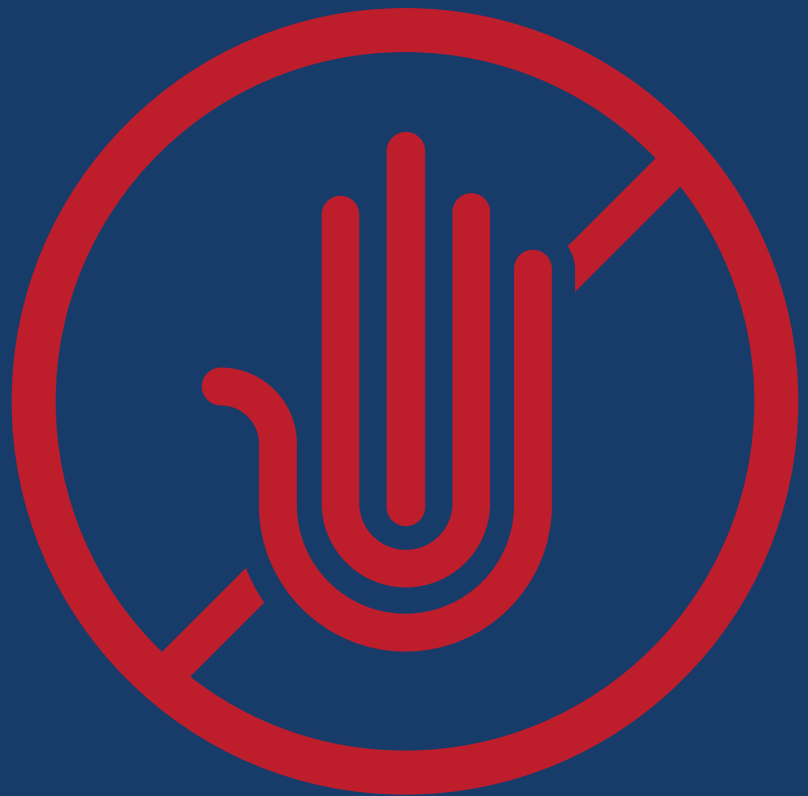




EDRINGTON



Anti-Corruption Policy & Procedures



Edrington Codes

CODE OF CONDUCT **ANTI-CORRUPTION POLICY** **& PROCEDURES**

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Edrington Codes

POLICY

The United Kingdom Bribery Act 2010 requires companies to have in place “adequate procedures” to prevent acts of bribery being committed directly or indirectly on their behalf anywhere across their global operations. For this reason it is appropriate to clearly state our beliefs and confirm our general practices, not just for the UK, but around the world.

Edrington believes in a fair, competitive and ethical business environment and embraces the following ten core aspirational principles. Edrington will:

- set a “tone from the top” through a visible and active leadership commitment to implementing effective anti-bribery measures within the organisation
- comply with all applicable anti-bribery and anti-corruption laws and regulations in the jurisdictions where we operate and transact our business
- promote an internal corporate culture that encourages ethical behaviour
- maintain a zero tolerance approach to bribery wherever in the world we do business
- encourage our business partners to uphold the same ethical standards that we observe
- maintain an anti-bribery compliance programme that applies to all our operations worldwide
- communicate our commitment to anti-bribery compliance to our employees

- review our anti-bribery compliance programme regularly to ensure it remains effective and appropriately targeted
- engage in appropriate and legal collective action where we believe that a coordinated response by the beverages sector will help to address the challenge of corruption
- review internationally accepted standards in anti-bribery and anti-corruption compliance periodically, in order to ensure that these principles remain relevant and appropriate.

Edrington’s Board believes that this Anti-Corruption Policy and Procedures Manual properly reflects the six principles of the UK Government’s guidance on the Bribery Act (top level commitment, proportionate procedures, risk assessment, due diligence, communication (including training), and monitoring and reviewing) in a proportionate and efficient manner.

The detailed practices and procedures which must be followed in support of this Policy are set out in the Procedures section. Your attention is also drawn to the separate Speaking Up Policy which explains how any concerns of malpractice can be raised in a confidential and secure manner.

Finally, it is confirmed that in no circumstances will an individual suffer any disadvantage or other adverse consequence for refusing to engage in a corrupt act. This includes the refusal to give or receive a bribe, and is regardless of whether business is lost, or fails to be secured, as a result.

May 2019

RESPONSIBILITIES

- The **Edrington Board** has overall responsibility for ensuring that the Policy is adequately resourced and carried out consistently with clear lines of authority.
- The Edrington **Audit Committee** is responsible for providing independent oversight and assessment of the adequacy and effectiveness of this Policy and for making suitable disclosure of their opinion.
- The **Group Risk Management Committee ("GRMC")** is responsible for ensuring that review procedures are in place to assess the adequacy and effectiveness of this Policy.





EDRINGTON

The Group Anti-Corruption Officer ("GACO")

is responsible for:

- monitoring the effective application of this Policy across Edrington
- ensuring an adequate level of awareness is maintained and effective monitoring and reporting procedures are in place, and
- providing appropriate reporting on pertinent activities to stakeholders in the Policy.

The Local Anti-Corruption Officer ("LACO")

is responsible for:

- monitoring the effective application of this Policy across the local operation
- ensuring that relevant local policies are aligned with this Policy, and
- ensuring an adequate level of awareness is maintained and monitoring and reporting procedures are complied with.

This role is fulfilled by the Country or Regional Managing Director or General Manager, or Group Functional Director as appropriate.

BUSINESS RELATIONSHIPS

SUBSIDIARIES AND OTHER EDRINGTON CONTROLLED ENTITIES

- Subsidiaries or entities over which Edrington has effective control must comply with this Policy in full.

THIRD PARTIES - GENERAL

- It is Edrington's intention to only do business with organisations who share the same values and demonstrate the same high ethical standards.
- Appropriate documented due diligence must be undertaken and approved in accordance with the *Edrington Third Party Risk Management Policy "KY3P"* (a copy of which can be found via the "Functions" section on the company intranet) prior to entering into business relationships with third parties.
- Where the policies, procedures or practices of the third party are inconsistent with this Policy, appropriate actions must be taken to protect Edrington's position. Any elements of the Policy necessary to supplement the third party's own arrangements will be included in the relevant contracts.
- All arrangements must be in writing with clear specification of the terms and conditions for the delivery of, and payment for, goods and services, and be appropriately authorised by both parties.
- All fees and payments must be for legitimate purposes, be appropriate and justifiable remuneration for the good(s) or service(s) provided, and be supported by adequate transparent formal documentation.
- Edrington will provide appropriate advice, training and documentation to third parties to ensure the required standard of performance is clearly established and understood.
- Adequate monitoring and feedback processes will be maintained by the Local Anti-Corruption Officer to evaluate performance of third parties in relation to this Policy.
- Edrington will contractually reserve the right to terminate third party relationships without recourse in the event of any act that is in breach of this Policy.

EDRINGTON JOINT OR MINORITY INTERESTS

- In ventures in which Edrington has a joint or minority interest, Edrington will seek to influence the other partner(s) such that the venture adopts the principles of this Policy in both its policies and procedures and modus operandi.

AGENTS, INTERMEDIARIES AND OTHER SUPPLIERS OF REPRESENTATIVE SERVICES

- Third parties engaged to provide services on Edrington's behalf, who in doing so are authorised to hold themselves out to other parties as if they are Edrington and / or to make representation or commitment on behalf of Edrington, are required to formally acknowledge and commit to carrying out their activities in relation to Edrington in a manner consistent with this Policy.
- Agents, intermediaries and other suppliers of representative services must contractually agree to keep proper records and books of account and to hold them available for inspection by Edrington, auditors or investigating authorities (subject to appropriate measures necessary to protect the commercial confidentiality of other organisations represented).



BUSINESS TRANSACTIONS – GENERAL REQUIREMENTS

RECORDS AND BOOKS OF ACCOUNT

- All business transactions must be recorded accurately and transparently in the records and books of account with sufficient segregation, detail and documentation to readily identify and substantiate the parties involved, the amounts of money involved and the business purpose of the transactions.
- The records and books of account must be held available for inspection in accordance with local statutory retention periods.
- The falsification of records or books of account, or the making of false, misleading or incomplete statements in connection with any stakeholder enquiry, audit, examination of financial statements or preparation of required reports, whether internal or external, is expressly prohibited.

DELEGATED AUTHORITY AND APPROVALS

- A comprehensive, documented and approved Summary of Delegated Authority (Authorisation Matrix) must be maintained up-to-date at each location and confirm all approvals required by these procedures.
- All approvals must be proactive and be appropriately documented and retained for potential future review.
- The delegated authorities in relation to activities specifically addressed by this Policy must be approved by the Group Anti-Corruption Officer.

INTERNAL CONTROLS AND AUDIT

- An effective system of internal control, including adequate controls specifically designed to aid the detection and prevention of activities which are in breach of this Policy and anti-corruption laws, must be maintained in order to provide reasonable assurance that –
 - transactions are executed in accordance with approved delegation of authorities
 - transactions are appropriately recorded
 - access to assets is appropriately restricted and controlled, and
 - recorded assets and liabilities fairly reflect existing assets and liabilities.
- Internal controls and arrangements under this Policy will be subject to regular review and audit by internal audit, risk management and external audit functions to ensure the integrity and effectiveness of the controls, records and books of account.
- The findings of such audits and reviews will be made available to the Audit Committee for their independent assessment of the adequacy of arrangements.

CONFLICT OF INTEREST

- Situations where loyalty to the company may come into conflict with personal interests and / or loyalties must be avoided e.g. where a spouse or partner is employed by a potential supplier.
- If such a conflict does arise it must be declared at the earliest opportunity in writing to senior management who must then take appropriate action to ensure there is no actual, potential or perceived impact on proper decision-making, up to and including insulation of the individual from decision-making or operation in the area in which the conflict of interest exists.

ANTI-CORRUPTION POLICY REGISTER

- As set out elsewhere in this Policy certain responsibilities and business relationships and activities are required to be recorded in an Anti-Corruption Policy Register.
- The format and manner of use of the register is as approved by the Group Anti-Corruption Officer and must be applied consistently by each location or function.
- The register must be kept up-to-date by the Local Anti-Corruption Officer, held available for inspection and reported to the Group Anti-Corruption Officer as required under the monitoring & reporting procedures supporting this Policy.

INCENTIVISATION PROGRAMMES

- Incentivisation programmes for customers, suppliers and staff must be proportionate to the level of business and benefit derived, must be appropriately approved in advance, and must not encourage behaviour which is inconsistent with this Policy.

FACILITATION PAYMENTS

- Facilitation payments must not be made. Regardless of value or whether such payments may be considered consistent with local custom and practice, Edrington, in accordance with the UK Bribery Act, has zero tolerance for facilitation payments.
- Where a facilitation payment is solicited by another party it must be refused and notified in writing to the line manager and the Local Anti-Corruption Officer at the earliest opportunity.
- Where there is no alternative to making a facilitation payment to protect against loss of life, limb or liberty, the payment should be made and reported in writing immediately to the line manager and the Local Anti-Corruption Officer, the latter in turn notifying the Group Anti-Corruption Officer and recording the incident in the Anti-Corruption Policy register.

**GOVERNMENT OR POLITICAL BODIES
OR OFFICIALS**

- Given the sensitivities of interactions and transactions with Government or political bodies or officials, they must be clearly permissible under local rules, consistent with local custom and practice, and must not create the appearance of impropriety.
- The Local Anti-Corruption Officer shall determine whether a due diligence review of a government or political body or official is necessary. If deemed necessary, details of the review and the conclusions must be documented and retained.
- The Local Anti-Corruption Officer must specifically approve and periodically reapprove all employees and third party intermediaries authorised to interact with government or political bodies or officials on behalf of the company.
- The Local Anti-Corruption Officer must maintain an up-to-date list of those employees and third party intermediaries in the Anti-Corruption Policy register together with any relevant restrictions or provisions on the nature or extent of the approved interaction.
- Appropriate and properly documented due diligence of all third party intermediaries with government or political bodies or officials must be undertaken in accordance with the Edrington Third Party Risk Management Policy prior to engaging their services.
- The manner in which any such intermediary conducts business with government or political bodies or officials must be transparent, ethical, beyond reproach, and be subject to appropriate oversight by the Local Anti Corruption Officer.

BUSINESS TRANSACTIONS – SPECIFIC TYPES OF ACTIVITY



HOSPITALITY, ENTERTAINING AND GIFTS

- The occasional acceptance or offer of reasonable items of hospitality, entertaining and gifts can legitimately contribute to good business relations, but must never influence, or be perceived to influence, proper business decision-making.
- When establishing new business relationships all parties must be made aware of this Policy and, in particular, the position regarding these types of activity.
- It is prohibited to solicit hospitality, entertaining or gifts.
- It is also prohibited to give or receive items of this nature when:
 - > there is an established, or presumed, expectation that it will be reciprocated or recurring
 - > it is not compliant with local laws and regulations
 - > it is in cash, cash equivalent or other form of untraceable funds
 - > it is in relation to services provided in a personal capacity
 - > it is a loan
 - > it is of excessive value in relation to the level of business or the industry norm
 - > it is inappropriate, in poor taste, “adult” in nature, or in an inappropriate venue
 - > it has not been approved in accordance with the Summary of Delegated Authority
 - > the business partner is not present, or
 - > it is during periods when important business decisions are being made (e.g. tenders).
- All instances of giving or receiving of hospitality, entertaining or gifts with a known or estimated market value of £250 or more (or equivalent) must be recorded in the Anti-Corruption Register, disclosing the nature of the item given or received, the name, position and company of the person giving or receiving, the business purpose and the (known or estimated) market value. The Local Anti-Corruption Officer must regularly review this record and evidence that the review has been satisfactorily completed.
- The following may be given (subject to normal approval limits set out in the Summary of Delegated Authority) or accepted without prior approval within the following parameters:
 - > a gift (of one or more items), including corporate gifts featuring the logo of the donor
 - > meals related to a business context, or
 - > occasional invitations to events of no more than one night and two days, where “occasional” means no more than 3 times per year with the same individual or organisation.

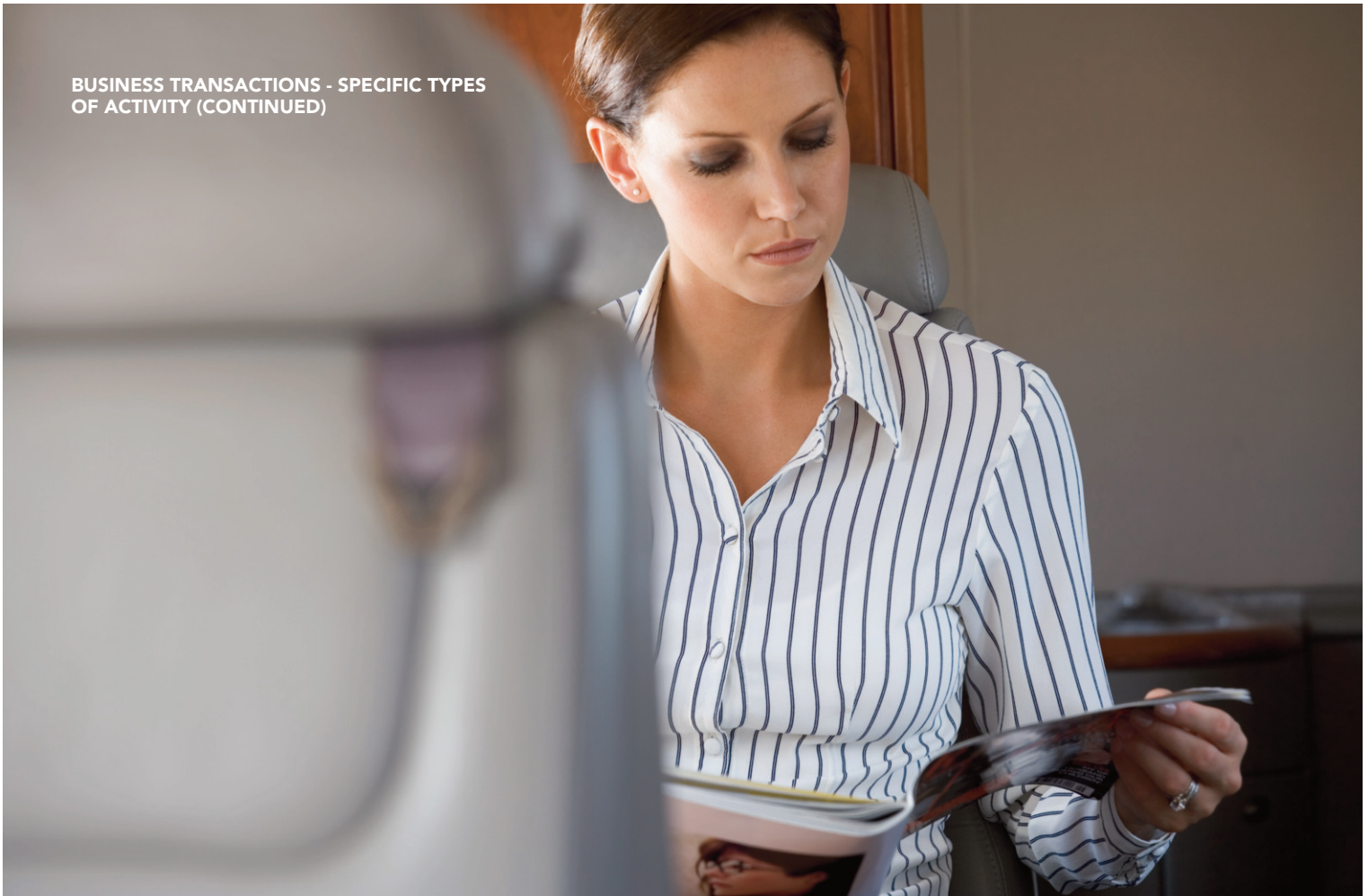
- The giving or accepting of items of this nature outside of these parameters must be approved in advance by the line manager and Local Anti-Corruption Officer and be promptly recorded in the Anti-Corruption Policy Register.
- There are two, and only two, specific exceptions to the prohibitions detailed above:
 - (1) In certain circumstances, typically cultural in nature, the refusal to accept a gift which is not compliant with the prohibitions may be considered discourteous or cause embarrassment and, as a result, be detrimental to Edrington's interests. (Note: gifts only, not hospitality or entertaining.)

In such circumstances:

 - > the gift may be accepted on behalf of the company but must be reported to the line manager and Local Anti-Corruption Officer at the earliest opportunity
 - > the gift must be submitted in the condition received to the Local Anti-Corruption Officer who will determine the appropriate action to be taken (e.g. donation to charity)
 - > the receipt of the gift and the action taken must be promptly recorded in the Anti-Corruption Policy Register.
 - (2) Where Edrington would be disadvantaged (as opposed to gaining an inappropriate advantage) by not giving or receiving hospitality, entertaining or gifts which are customary in the industry and territory but not compliant with the prohibitions (e.g. cash gifting at weddings, moon cakes), the activity may be undertaken if, and only if:
 - > it can be clearly demonstrated that the activity is customary in nature, our competitors undertake the activity, Edrington will not undertake the activity to any greater extent, and Edrington would be disadvantaged if it did not do so
 - > the activity is not illegal
 - > the prior documented approval of the Local Anti-Corruption Officer is required
 - > the nature of the activity and the provisions under which it is undertaken have received the documented approval of the Group Anti-Corruption Officer.
- The Local Anti-Corruption Officer must record the nature of any such exceptional activity in the Anti-Corruption Policy Register together with provisions as to the extent to which the activity may be undertaken and the enhanced approvals which are required.

THE OCCASIONAL ACCEPTANCE OR OFFER OF REASONABLE ITEMS OF HOSPITALITY, ENTERTAINING AND GIFTS CAN LEGITIMATELY CONTRIBUTE TO GOOD BUSINESS RELATIONS, BUT MUST NEVER INFLUENCE, OR BE PERCEIVED TO INFLUENCE, PROPER BUSINESS DECISION-MAKING.





TRAVEL EXPENSES (MET IN RELATION TO A THIRD PARTY)

- Any travel costs met in relation to a third party (including transport, accommodation, meals and entertainment in connection with business travel) must be:
 - > reasonable and customary
 - > based on a specific business need
 - > provided in the normal course of business
 - > permissible under applicable laws and regulations
 - > limited to what is necessary to meet the needs of the business
 - > approved in accordance with the Summary of Delegated Authority.
- The service provider or organisation must be reimbursed directly. It is prohibited to reimburse an individual or a party not directly involved in the transaction.
- Travel costs in relation to a third party must not exceed what would be incurred by an Edrington employee of equivalent status if they were to travel to the same destination.
- Travel costs in relation to family members, or other individuals accompanying the third party, must be approved in advance by the Local Anti-Corruption Officer and the activity promptly recorded in the Anti-Corruption Policy Register.

CHARITABLE DONATIONS

- Charitable donations must be approved in advance in accordance with the Summary of Delegated Authority, which must include the Local Anti-Corruption Officer.
- Charitable donations must be reasonable in value and must be paid or given (in the instance of company product or other tangible good) to a legitimate registered charity or an authorised official or representative of a legitimate registered charity.
- The charity must have clear relevance to the business.
- Charitable donations must never be given in cash or cash equivalent.
- A receipt or other form of independent evidenced acknowledgement must be obtained and matched to and retained with other related documents supporting the transaction.
- All charitable donations must be discretely and promptly recorded in the books and records and the Anti-Corruption Policy Register.

CONTRIBUTIONS TO POLITICAL PARTIES

- Contributions to political parties, organisations or individuals engaged in politics are prohibited and must not be made.

SPONSORSHIP

- Sponsorship is defined as support provided by Edrington to another person or organisation, or an event or activity run by another person or organisation, where:
 - > the support is provided by the giving of company product, or the time or expertise of employees, or some other form of help at Edrington's expense, and
 - > Edrington and/or its brands benefits indirectly through association.
- Sponsorship must be approved in advance in accordance with the Summary of Delegated Authority and discretely and promptly recorded in the books and records.
- The cost of sponsorship must be reasonable and commensurate with the benefit expected to be derived, and must not be given in cash or cash equivalent.
- The nature and recipient of the sponsorship must have clear relevance to company business.
- Sponsorship of a government or political body or official, or an event or activity run by a government or political body or official, must be approved in advance by the Local Anti-Corruption Officer and the transaction promptly recorded in the Anti Corruption Register.

HUMAN RESOURCES



- Human Resource policies and procedures, including recruitment, terms and conditions of employment, promotion, training, performance management, remuneration, recognition and disciplinary practices, must be aligned with the commitments of this Policy.
- New hires who will be involved in any activities covered by this Policy must have background checks carried out to the extent permissible under applicable laws. At a minimum, references must be obtained and any offer of employment must be conditional on disclosure of:
 - > any unspent criminal record or indictment
 - > any civil or administrative penalty or pending investigation relating to unethical activities.
- If any negative information is discovered by the background checks the relevant functional main Board member and the Group Anti-Corruption Officer must be advised. The relevant Board member must approve the candidate before they may be hired.
- Job descriptions and related documentation must make clear the mandatory nature of compliance with this Policy. Employees and relevant Third Parties will be required to certify their compliance if and when asked to do so.
- Compliance with this Policy is mandatory and any breach will result in disciplinary action which, given the importance of this Policy, could ultimately result in termination of employment and the involvement of external authorities.

TRAINING AND COMMUNICATION

- An adequate level of awareness of this Policy and individuals' responsibilities under it must be maintained.
- Directors, managers, employees and agents of Edrington, its subsidiaries and its joint ventures must therefore receive appropriate and consistent training in this Policy. The training must be provided on induction within one month of joining and on a regular basis thereafter (frequency as recommended by the Group Anti-Corruption Officer and approved by the Audit Committee from time-to-time based on assessment of awareness across the company).
- Trainees must formally acknowledge that they have received and understood the training and the acknowledgements must be retained.
- Appropriate steps must be taken to assess the effectiveness of the training (e.g. an "exit exam"), with the assessments retained and the training revised to improve as necessary.
- The Local Anti-Corruption Officer will ensure that training records are documented, retained and reported on as required.
- Where appropriate, significant third party business partners will also receive training on the Policy.
- A copy of this Policy must be held at each location in a manner that is known to and readily accessible by staff.
- On a regular basis the purpose, importance and key requirements of the Policy must be communicated in an appropriate manner to staff and other stakeholders (e.g. intranet "home page", team briefs, website, other Group periodicals). To that end, Local Anti-Corruption Officers should maintain a communication plan, including a regular agenda item at staff meetings.

SEEKING GUIDANCE AND RAISING CONCERNS

- If it is uncertain whether an act was or may be in breach of this Policy, guidance must be sought at the earliest opportunity from the Local or Group Anti-Corruption Officer.
- If a bribe, including a facilitation payment, is demanded or offered it must be rejected and reported to the line manager and the Local Anti Corruption Officer at the earliest opportunity.
- Where an individual, in good faith and with reasonable belief, has a concern that an act in breach of this Policy has occurred, may occur, or is planned to occur, the concern must be raised at the earliest opportunity in accordance with the Edrington **Speaking Up Policy**. This policy can be found on local and group intranets and the Edrington website, and the key points are repeated here.
- The **Speaking Up Policy** explains the ways in which concerns can be raised in a confidential and secure manner, as follows:
 - (1) In the first instance the concern should be raised with the individual's immediate manager. This can be done verbally or in writing.
 - (2) If, for whatever reason, the individual does not consider it appropriate to raise the concern in this manner they should contact their Head of Department / Director. Again, this can be done verbally or in writing.
 - (3) To deal with circumstances in which an employee does not feel comfortable raising their concern internally, Edrington has contracted with an external company to provide "FairCall".

Concerns can be raised through FairCall 24 hours a day, 7 days a week, 365 days a year by phone, by email, online, by fax or by post. In addition, concerns can be raised in English or any of the main languages spoken across Edrington. FairCall will pass a report setting out the information shared to the Group HR Director and the General Counsel within 24 hours of receipt.



TOLL FREE TELEPHONE NUMBERS

specific to territory:

China	400 120 6249	Singapore	800 120 6646
Cyprus	800 966 40	South Africa	0800 980 941
Denmark	808 20182	South Korea	00798 4434 1369
Dominican Republic	1888 7519 133	Spain	8000 98603
Finland	0800 112 422	Sweden	0200 899 925
Hong Kong	800 968 035	Taiwan	0080 1136 571
Indonesia	00180 3011 3290	UAE	8000 444 7652
Malaysia	1800 812 341	UK	08000 564 643
Mexico	001 855 297 8092	USA	1844 677 4154
Netherlands	08000 227 956	Vietnam (VNPT)	1203 2627
Norway	800 12783		
Russia	810 800 2371 5011		

ONLINE:

web portal form available through the FairCall website at www.thornhill.co.za/kpmgfaircallreport



EMAIL:

edringtonfaircall@kpmg.co.za

FAX:

In South Africa **0800 200 796**
Outside South Africa **+2712 543 1547**

POSTAL ADDRESS:

KPMG FairCall
P.O Box 14671
Sinoville
Pretoria
South Africa

- Where a concern has been raised in good faith, regardless of whether the concern is subsequently proven or not, it will be dealt with in the strictest possible confidence and in no circumstance will:
 - > the individual suffer any adverse consequence for having raised that concern in good faith, or
 - > retribution in any shape or form against the individual raising the concern be tolerated.
- Thorough, independent and sensitive investigation will be made into all concerns and breaches of the Policy.

MONITORING, REVIEW AND REPORTING

- It is imperative that this Policy is evidenced in practice and the corresponding records retained.
- The **Audit Committee** must take appropriate steps to carry out an independent assessment of the adequacy and effectiveness of arrangements made under this Policy and, as required, disclose its findings in the annual accounts. Such assessment must be carried out bi-annually, or with greater frequency as necessary.
- The **Group Risk Management Committee** must take appropriate steps to assess the adequacy and effectiveness of arrangements made under this Policy and report its findings to the Edrington Board. Such assessment must be carried out annually, or with greater frequency as necessary.
- The **Group Anti-Corruption Officer** must take appropriate steps to ensure that properly resourced processes are in operation across the company which provide adequate assurance that:
 - (1) the Policy is consistently complied with and evidenced in practice
 - (2) relevant parties, both internal and external, remain aware of the requirements of the Policy and their responsibilities under it
 - (3) any instances of non-compliance will be swiftly identified, brought to the attention of senior management and addressed in an appropriate manner, and
 - (4) accurate reports are submitted to the Audit Committee, Group Risk Management Committee, and other stakeholders as required.
- The **Group Anti-Corruption Officer** must report any instance of corruption brought to his or her attention in a timely manner to the relevant authority. Where the act occurred overseas the Group Anti-Corruption Officer will coordinate with local senior management the reporting of the act to the relevant local law enforcement agency.
- The **Local Anti-Corruption Officer** must ensure that:
 - (1) appropriate and properly resourced local processes are in operation to provide adequate assurance that :
 - > the Policy is consistently complied with and evidenced in practice
 - > relevant parties, both internal and external, remain aware of the requirements of the Policy
 - (2) any instances of non-compliance are swiftly identified, brought to the attention of local management and the Group Anti-Corruption Officer, and addressed in an appropriate manner
 - (3) accurate reports are submitted to the Group Anti-Corruption Officer as required

APPENDIX 1 DEFINITIONS

Bribery

- The offering, promising, giving, accepting or soliciting of an “**undue reward**” with the intention of encouraging the person being bribed to “**improperly perform**” their duties to obtain or retain a commercial advantage.
- An “**undue reward**” is any benefit, financial or otherwise, to which the person being bribed is not entitled and can be to the direct benefit of that person, or to their family, friends, associates or acquaintances.
- To “**improperly perform**” duties would be to act other than in good faith, other than in an impartial manner, and / or in a manner that is in breach of their position of trust. The performance of duties will be judged against UK, not local, standards.

Bribery of a public official

- The offering, promising or giving of a financial or other advantage to a “**public official**” with the intention of:
 - > influencing the official in the performance of their official function
 - > obtaining or retaining business or an advantage in the conduct of business
 - > securing or expediting the provision of a service which would reasonably be expected of the official in the normal discharge of their duties
- An offence will not be committed where the “**public official**” is permitted or required by written law to be influenced by the advantage.
- “**public official**” includes:
 - > any person holding a legislative, administrative or judicial position
 - > any person performing a public

- function in a branch of national, local or municipal government or any public agency (e.g. health agency) or public enterprise
- > any official or agent of public international organisations such as the UN or World Bank.

Corruption

- The misuse of entrusted power or authority by an individual for their personal gain, or for the gain of their family, friends, associates or acquaintances.

Money Laundering

- The process of hiding the criminal origins of money or money’s worth (the “proceeds of crime”) within legitimate businesses or business activities to give it the appearance of legitimacy.

Extortion / Solicitation

- The request or demand for a bribe, with or without a threat of repercussion if the bribe is refused.

Facilitation Payment

- A payment made to a public official to expedite or secure the performance of an action that would reasonably be considered routine to the official carrying out their duties.

Third Party

- An individual who is not employed by Edrington, or an organisation or venture in which Edrington does not have a joint or controlling interest.

APPENDIX 2

CIRCUMSTANCES THAT MAY INDICATE CORRUPTION

The presence of the following circumstances does not mean that a bribe or other act of corruption has or will take place, but management should exercise greater diligence and scrutiny of activities, and take extra care in ensuring adequate and effective safeguards are in place.

If there is a concern or guidance is required in relation to the context of a business relationship or activity the Local or Group Anti-Corruption Officer should be contacted at the earliest opportunity.

The following is a not an exhaustive list of circumstances that may indicate corruption:

- Business in a country with a corruption perception index (“CPI”) score at or below 4.9, as defined by Transparency International (www.transparency.org/policy_research/surveys_indices/cpi). A list of higher risk territories can also be found in the Edrington Third Party Risk Management Policy (a copy of which can be found on the company intranet).
- Request by a customer, business partner, distributor etc. for:
 - > an increase in price, rather than a discount, for matters unrelated to a change in contract specifications or requirements during negotiations
 - > an unusual transaction structure, inclusion of incorrect or unnecessary cost items or false documentation, or
 - > a payment “up-front” or before completion of a project, or an increase in compensation during the life of a project where not provided for in the governing contract.
- Requests for payments to be made:
 - > in a different country to that where the organisation resides or provides it goods or services
 - > to a third party, or
 - > in cash or any other form of untraceable funds.
- Requests for reimbursement of expenses which are poorly documented or substantiated.
- Incomplete or inaccurate information in required disclosures.
- Requests for false invoices or other documentation.
- Refusal to commit to, or certify compliance with, the Global Anti-Corruption Policy.
- The organisation is owned by or employs a government or political official or officials.
- One or more principals of the organisation are related to, or associated in some way with, a government or political official or officials.
- Prices observed in the market which are exclusive of duty or other excise or sales related taxes.
- Depletion volumes which are in excess of volumes known to be shipped directly to the market.

THE ANTI-CORRUPTION POLICY AND PROCEDURES CAN BE FOUND ON THE EDRINGTON INTRANET UNDER "EDRINGTON CODES", IN THE EDRINGTON ACADEMY UNDER "CODE OF CONDUCT: OUR VALUES IN BUSINESS" AND ON THE EDRINGTON WEBSITE AT WWW.EDRINGTON.COM.

PLEASE USE THE SEARCH FUNCTION PROVIDED FOR ASSISTANCE AS REQUIRED.



Edrington Codes