

# MACDONALD & MUIR LTD

— D I S T I L L E R S —

## **Modern Slavery Act 2015 Statement**

This statement is made pursuant to Section 54 of the UK Modern Slavery Act 2015 and sets out the steps Macdonald & Muir Limited has taken during its financial year ending 31 December 2016 to ensure that slavery, servitude, forced or compulsory labour and human trafficking (collectively "Modern Slavery") is not taking place in any part of its business or its supply chain.

### **Business & Supply chain**

Macdonald & Muir Limited is a producer of single malt scotch whisky.

Macdonald & Muir Limited is a direct subsidiary of The Glenmorangie Company, part of the Moët Hennessy Group, itself part of the LVMH – Moët Hennessy Louis Vuitton Group ("LVMH").

Macdonald & Muir Limited produces single malt scotch whisky, under the brands Glenmorangie & Ardbeg, which is sold worldwide through the Moët Hennessy Group distribution channels and network.

Macdonald & Muir Limited purchases:

- Dry Goods from suppliers located in the following countries: UK, France, Spain, Portugal, Poland, Italy, Switzerland. Some suppliers source in China and Thailand.
- Casks from suppliers located in the following countries: US, France, Spain, Portugal.
- Malt from suppliers located in the UK.
- POSM from suppliers located in the following countries: UK, US and France. Some suppliers source in Bangladesh, China, Germany, Honduras, Indonesia, Italy, Netherlands, Philippines, Poland, Portugal, Romania, Taiwan, Turkey and Vietnam.
- Services from suppliers located in the following countries: UK, France, US and India.

Products produced by Macdonald & Muir Ltd are then principally sold intra-group to Moët Hennessy UK Ltd and MHCS (a company incorporated in France), while some products are sold directly to visitors of our distilleries.

### **Policies & practices**

Macdonald & Muir limited is committed to act with integrity in all its business dealings, to promote ethical conduct, in compliance with applicable laws and to provide guidance about business conduct.

Macdonald & Muir has implemented various policies that are relevant to that goal and which sets out what is expected from its business, employees and external suppliers:

- **The Glenmorangie Suppliers' Code of Conduct**, which derives from the Moët Hennessy Suppliers Code of Conduct and the LVMH Suppliers Code of Conduct, states that:
  - o Companies of Moët Hennessy Wines & Spirits have agreed to abide by moral and ethical values in the management of the company.
  - o Third party suppliers as well as their factories, subcontractors and their own suppliers must comply with Moët Hennessy Supplier's Code of Conduct and abide by the principles stipulated in the Convention of the International Labor Organization, the

MACDONALD & MUIR LTD.

The Cube, 45 Leith Street, Edinburgh EH1 3AT  
Tel: 0131 603 8888 Fax: 0131 524 5255

Registered in Scotland: No. 19038  
Registered Office: The Cube, 45 Leith Street, Edinburgh EH1 3AT

Universal Declaration on Human Rights, the guiding principles of the OECD and the principles of the Global Compact.

- Any forced labor, child labor, harassment and abuse and discrimination are prohibited. It also requires suppliers to provide safe and healthy workplace, freedom of association, regular wages in accordance with applicable laws and reasonable working hours.
- It conditions the subcontracting of any part of the manufacturing process to prior approval, which is subject to acceptance by the subcontractors of the Supplier's Code of Conduct and all other applicable conditions.
- It requires that suppliers keep proper records to prove compliance with this code of conduct and provide access to complete, original, and accurate files to check compliance with the Code's requirements and to conduct compliance audits at any time without notice. Suppliers are expected to improve and correct any deficiency.
- Any breach of conduct or any violation of this code of conduct by suppliers or their subcontractors will result in a review and possible termination of the business relationship.

- **LVMH Code of Conduct**, which requires:

- the commitment of every LVMH Group company to act to the highest integrity standards, respect and engagement in their behavior and in the way they conduct business every day and everywhere.
- the respect and promotion of human rights and making sure LVMH's activities do not encourage human rights abuses.
- LVMH's attachment to human rights through exemplary behavior in the operation of its business and to encourage, within its sphere of influence, the improvement of social conditions which constitute an essential factor in economic development.
- that LVMH Group Companies, including Macdonald & Muir, will inform their business partners of their ethical principles and expectations and ask suppliers to comply with the principles of the Supplier Code of Conduct.

The LVMH Code of conduct is available online: <https://www.lvmh.fr/wp-content/uploads/2014/11/code-of-conduct.pdf>. The LVMH Suppliers Code of Conduct is available at <https://r.lvmh-static.com/uploads/2014/10/lvmh-suppliers-code-of-conduct.pdf>

The Glenmorangie Suppliers Code of Conduct is available upon request.

### **Due diligence processes for slavery and human trafficking**

Prior to engaging with a new Supplier, Macdonald & Muir requires suppliers to acknowledge that they will comply with the Suppliers Code of Conduct.

Macdonald & Muir:

- Reserves the right to check adherence to these principles and to conduct compliance audits at any time without notice and specifies that Suppliers shall supply the necessary information and grant access to representatives from the companies of Moët Hennessy Wines & Spirits who seek to verify compliance with the requirements of this code.
- requires that supplier shall keep proper records to prove compliance with the supplier's code of conduct
- requests suppliers to agree to improve and correct any deficiency discovered.

Macdonald & Muir shall use its best endeavors to ensure that template contracts to be used with suppliers include clauses requiring suppliers to adopt similar anti-slavery standards and practices.

### **Training and awareness**

Macdonald & Muir conducts regular trainings for its employees to ensure legal and human resources compliance. Examples of in person training include but are not limited to Responsible consumption, competition law, safety etc.

Policies and innovative sensitization content (videos etc.) are made available on a dedicated website accessible to all Moët Hennessy employees on an intranet. New content is regularly advertised to all employees through newsletters.

Macdonald & Muir's aim is to eliminate risk of Modern Slavery in its business operations and its supply chains.

Macdonald & Muir Ltd will ensure that this statement is reviewed and updated on an annual basis.

The Board of Directors of Macdonald & Muir has approved this statement and it has been duly signed by the Chairman of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Hoellinger', with a horizontal line underneath it.

Marc Hoellinger  
Macdonald & Muir Limited  
27 June 2017