



# ENVIRONMENTAL STRATEGY REPORT 2020

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## Scotch Whisky Industry Environmental Strategy: Progress Report 2020

The Scotch Whisky industry is proud to be at the forefront of Scotland’s ambitions for sustainable growth. This makes good business sense: Scotch Whisky is made of only three natural ingredients – water, yeast and barley. The industry’s environmental ambitions go beyond safeguarding these precious resources for Scotch Whisky production – our member companies are leading Scotland’s drive towards a net-zero future.

The Scotch Whisky industry launched its first Environmental Strategy in 2009 with a set of ambitious targets. This sixth progress report highlights what has been achieved by the end of 2018.

There has been significant progress in several areas, particularly on non-fossil fuel use – a target the industry achieved two years ago but, as the report shows, the industry continues to make progress.

The targets for recycled content and packaging weight have been challenging, but they have focussed minds in the industry. We can learn from the last decade and work with our supply chain partners to overcome challenges in the years ahead.

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which help to underpin our continued work to make Scotch, and our planet, sustainable.



THEME	OUR 2020 TARGET	INDUSTRY PERFORMANCE 2009-2018
Reducing energy use & greenhouse gas emissions	By 2020, we will source 20% of our primary energy from non-fossil fuels	The industry has continued to go beyond its 2020 ambition and achieved 28% of primary energy use from non-fossil fuel sources. This has contributed to a 34% reduction in greenhouse gas emissions.
	By 2020, we will improve our energy efficiency by 7.6%	Energy efficiency has improved by 9.2% since 2008. The industry has achieved its target 2 years early.
Water Management	By 2020, we will improve our distilling water efficiency by 10%	Water efficiency has improved by 22% since the 2012 base year. Detailed site water audits by companies have helped drive progress.
Circular Economy	By 2020, reduce by 10% the average unit weight of our packaging materials	This is the most challenging target. Our packaging weight has increased by 2.6% since 2012. The main driver is continued consumer demand for premium products.
	By 2020, no general waste from Scotch Whisky operations to landfill	Our companies have successfully reduced their general waste down to just 1% over the last decade. The industry continues to collaborate with waste management companies to further reduce landfill use.
	By 2020, all packaging will be reusable or recyclable	The amount of packaging that is reusable or recyclable is broadly stable at 94%. The last push towards 100% can only be delivered working with supply chain partners.
	By 2020, 40% of product packaging to be from recycled materials	The recycled content of our product packaging is 37%. Glass has the biggest impact on this target. The industry explores with government how supplies of high-quality glass bottles can be maintained whilst increasing its recycled content.

## Building on a decade of progress

The SWA started a comprehensive review of the Environmental Strategy in June 2019, ahead of the completion of 2020 targets. The review will consider new targets, looking beyond 2020, and aims to continue the industry's leadership on crucial issues such as tackling climate change. Here we look ahead to the SWA's new Environmental Strategy, building on a decade of progress.

### CLIMATE CHANGE

7 AFFORDABLE AND CLEAN ENERGY



We are proud of the leadership the industry in embracing non-fossil fuel energy. This has resulted in a 34% CO<sub>2</sub> emissions reduction since the 2008 base year.

Industry efforts, including switching from higher to lower or zero carbon emitting fuels and significant investment in renewable technologies including biomass burning, anaerobic digestion technology and solar power, have paid off.

For the new strategy we have commissioned research to identify pathways to achieve net zero - exploring new technology options, many as yet un-tested in the industry.

### RESPONSIBLE WATER USE

6 CLEAN WATER AND SANITATION



Water is essential to life and plays a vital role in the economy as well as climate regulation. The water efficiency target has helped member companies to focus on their water usage, for example by investing in monitoring and auditing measures to optimise usage.

The new strategy will continue to focus on site water usage and wider water stewardship responsibilities. Climate change could impact water availability: taking early action now will ensure our distillers are resilient for decades to come.

### CIRCULAR ECONOMY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Packaging weight continues to be one of the most challenging targets to meet. Global sales of premium products have more than doubled between 2009 and 2019 placing more heavy bottles and packaging into circulation – driven by consumer demand in a competitive market.

The new strategy will look at how the UK and Scottish government's ambitions for the circular economy can help the industry to focus on the 'ease of recycling' of our materials. Collaborations with packaging supply chain partners will be essential.

### SUSTAINABLE LAND USE

15 LIFE ON LAND



In the new strategy this theme, added in 2016, will focus on peat and cereals.

Although a small user, the Peat Action Plan will express the industry's commitment to sustainable peat use and restoration.

Quality cereals are central to the success of Scotch Whisky. In 2018, more than 90% of malted barley and other cereals came from Scottish sources. The new strategy will set an ambition to develop 'net zero cereals' together with farmers, maltsters and the International Barley Hub.

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