



# SCOTCH WHISKY INDUSTRY Environmental Strategy

## Why an Environmental Strategy?

A thriving natural environment is vital for Scotch Whisky. Fertile land and reliable rainfall are essential for our grains and for a secure, high quality, water supply for our distilleries. And, like other industries, we have a responsibility to minimise our own use of natural resources and our impact on the environment.

That was why we launched an ambitious industry Environmental Strategy back in 2009. It has been a great success and some of the voluntary 2020 targets have already been achieved. But the time has come to check our direction and update our ambition, as our customer expectations, as well as our business and operating environments, are evolving.

Accordingly, we have worked with our stakeholders to refresh our voluntary commitments and targets. The result is set out in this document. We have broadened the strategy to cover more of our activities and modernised it to bring us in line with Government ambitions. We have also listened to stakeholders, raised our ambitions around our water demand, and started our thinking on how we communicate the sector's approach to valuing our natural environment. Our strategy is not restricted to numerical targets. It also reflects our ambition for strong collaboration and deeper engagement within members' value chains.

In parallel with our environmental ambitions, we will continue to protect the high quality and integrity of Scotch Whisky, and continue to use the traditional production practices, as defined by law, on which much of our reputation is built.





# Commitments and Targets

The Scotch Whisky industry sees no contradiction between being modern, profitable, and successful producers of a world-beating product and being at the heart of protecting Scotland's unique environment. That vision is embedded in the four themes of our refreshed strategy.

## Reducing our energy use and greenhouse gas emissions:



Our journey so far has seen us investing in renewable energy, energy efficiency and lower-carbon fuels at our production and manufacturing sites.

We will:

- source 20% of primary energy from non-fossil fuels by 2020, rising to 40% by 2030, on a trajectory to a target of 80% by 2050.
- improve our energy efficiency by 7.6% by 2020. This commitment is enshrined in our sector's Climate Change Agreement.

Delivering on our challenging 2050 ambition of course requires government to set an energy policy with appropriate targets and incentives nationally.

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## Responsible Water Use:



Water is an essential raw material for whisky, so effective water management is a high priority. Future issues include climate change, sustainable resource use and anticipated new regulations. We are committed to engaging with Scottish Government and our regulators on all key water policies. We will:

- improve our distilling water efficiency by 10% by 2020.\*
- be fully compliant with our industry's permitted water abstractions and discharges.
- exercise good water stewardship within our catchments and deliver on our commitments in the River Basin Management Plans.

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*\*All targets are set against a 2008 baseline with the exception of the water efficiency and packaging weight targets which are based around a 2012 baseline.*



### Embracing a 'circular economy' in our supply chain:

A circular economy ensures that resources are in use for as long as possible, that maximum value is extracted from them while in use, and that products and materials are recovered and regenerated at the end of their life. This ethos has always been a part of our industry: for example, spent grain from our distilleries is reused for animal feed and renewable energy production. We've also made strong progress in reducing waste to landfill and will continue to measure and reduce the amount of waste generated in our industry's operations. We will also encourage the responsible sourcing of packaging material.

- we will continue to make beneficial use of our by-products.
- by 2020 no general waste from Scotch Whisky operations will go to landfill.
- we will increase the recycled content of the industry's packaging to 40% by 2020.
- by 2020 all product packaging will be 100% recyclable.
- by 2020 we will reduce by 10% the average weight per case of our product packaging materials.\*

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### Sustainable land use:

Our industry's growth depends on a secure supply of high-quality raw materials – notably cereals and wood – so ensuring these are grown, harvested and procured in a responsible manner is a priority. We will:

- protect and value Scotland's natural environment.
- develop appropriate voluntary codes or standards in partnership with others for our key raw materials.
- encourage the use of wood sourced from sustainable oak forests in the manufacturing of new casks.

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*\*All targets are set against a 2008 baseline with the exception of the water efficiency and packaging weight targets which are based around a 2012 baseline.*





# What are the expected outcomes?



Measured against the base year, in 2020 we expect\*:



- greenhouse gas emissions to be 170,000 tonnes lower
- water use to be 1.1 billion litres lower
- waste sent to landfill to be 4,400 tonnes less



## How will we deliver this programme?

We will:

- influence our supply chains to help us minimise our environmental impact.
- collaborate closely and in a transparent fashion with our local communities, regulators and other stakeholders.
- work with world-class specialists to provide the very best support to our industry.
- facilitate the development of an innovative research and development programme to support the delivery of the strategy.
- collaborate with universities, researchers, our supply chains and other government agencies so we can develop new and bolder solutions together.
- gather and aggregate members' environmental performance data on a systematic basis so we can report effectively on industry progress.
- discuss our progress with stakeholders every year, and review our commitments regularly, but at least once every five years.

*\*in comparison to business as usual*

## Progress to date

Target (summarised)	Progress 2009-2014	
Mitigate our greenhouse gas emissions to the atmosphere through innovation and adoption of relevant technologies.	Emissions per unit of energy have fallen by 13% since 2008. Total emissions have fallen by 1% since 2008.	
Increase our energy efficiency in the production process.	Distilleries and warehouses improved energy efficiency by 2% since 2008. Packaging operations improved energy efficiency by 20% since 2008.	
By 2020, 20% of the industry's primary energy requirements to be from non-fossil fuels.	17% of energy from non-fossil fuels. Up from 3% in 2008.	
Manage our water requirements effectively. Engage actively with SEPA and other relevant authorities in the development of Scotland's River Basin Management Plans to ensure a sustainable and good quality water supply.	Net water use down by 14%.	
By 2020 reduce by 10% the average unit weight of our product packaging materials.	Weight has decreased by 1%.	
By 2020, 40% of product packaging to be from recycled materials.	Recycled content of our product packaging is up from 29% in 2012 to 33% in 2014.	
By 2020, all packaging will be reuseable or recyclable.	Up to 98% from 97% in 2008.	
By 2020, no waste from packaging operations to landfill.	Amount to landfill has decreased to 2% from 13% in 2008.	

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