

Our Commitment

We will report annually to our stakeholders on our progress to demonstrate how we are meeting our commitments and delivering against our targets.

Transparency supports credibility and encourages dialogue. The SWA aims to publish an annual report on the industry's progress towards our goals, allowing stakeholders to assess performance. It allows us to regularly review the targets to ensure they are appropriate and relevant, as well as identifying any need for mitigation measures.

Industry Life Cycle Assessment Project

A detailed Life Cycle Assessment (LCA) of the industry has been jointly managed by the Scotch Whisky Research Institute and the Scotch Whisky Association. Detailed information on all aspects of the industry's environmental performance has been collected to support effective monitoring.

Data on all activities was captured, from cereals growing, our use of raw materials, the manufacturing process, to the packaged product being transported to customers. The LCA has allowed the industry to identify those parts of the process, for example, that make the largest contribution to greenhouse gas emissions and water use, and those areas where action can make the most environmental impact.

The baseline is 2006, on which strategy targets are based. This data will allow an annual assessment of industry performance, with the SWA publishing an annual report on the findings. The LCA demonstrates industry working in a non-competitive manner to develop its sustainability programme from which all will benefit.

Company reporting

Companies already openly demonstrate to stakeholders a wide range of information about their environmental performance. This will continue. Examples include Diageo's

annual Corporate Citizenship report, The Edrington Group's Corporate Social Responsibility report, and Pernod Ricard's Ethics Report. Enthusiasm and informing staff about environmental issues is also important. This is undertaken across the industry through information boards, intranet and internal company newsletters.

Environmental Management Systems

An Environmental Management System (EMS) is a framework for managing an organisation's impacts and ensuring compliance with legislation and other environmental commitments. It also demonstrates to stakeholders the standards by which operations can be measured and a commitment to measurable 'continuous improvement'.

Several SWA members, as well as their suppliers, operate EMS to the international standard of ISO 14001. Others use their own risk management systems. All require the collection and analysis of data to establish trends and performance against KPIs. The industry's environmental strategy requirements will be incorporated within these systems.

Chivas Brothers have an integrated management system covering environment to ISO 14001, Quality to ISO 9000 and Health and Safety to OHSAS 18000. The system is independently audited by Lloyds, with the company's own internal standards sometimes exceeding international standards. Environment Manager Jeremy Spouge commented that *'we find standards and auditing valuable in providing structure and drivers for improvement, and in the formal recognition of the way we achieve it'*.



Carbon Reporting

Over 60 distilleries and packaging plants are part of the industry Climate Change Agreement or EU Emissions Trading Scheme. Both require detailed reporting and auditing of energy usage against reduction targets.

Supporting Stakeholders

Distillers are also committed to supporting other stakeholders' work to improve the environment. A good example of this is the support provided to the RSPB by The Edrington Group in relation to Black Grouse conservation. For every bottle of Black Grouse Scotch Whisky sold, 50p is donated by the distiller to RSPB conservation work to improve habitats at four key Black Grouse reserves in the UK, including large scale native tree planting and creation of open woodland. Black Grouse numbers on the reserves have soared by 50% compared to five years ago.

Stuart Housden, Director of the RSPB in Scotland, said '*Unless urgent conservation programmes are put in place, this bird and its remarkable natural behaviour could disappear forever from our shores. We are absolutely delighted that the Famous Grouse has chosen to support black grouse conservation by funding our work for protection, creation and restoration of the special natural habitats they depend on*'.

Gerry O'Donnell, Director of The Famous Grouse said '*It's great to see the money raised being put to good use at reserves around the UK, and we look forward to following the progress of the black grouse conservation work.*'

Community engagement

The industry is at the heart of both rural and urban communities. Active local engagement is essential.

Prior to construction of Scotland's newest distillery at Roseisle on Speyside, public meetings were arranged to discuss any concerns about potential environmental impacts. Diageo was able to reassure local residents that the plant would result in a net reduction of traffic movements.

Local visitor centres increasingly aim to achieve green tourism certification and to take the opportunity to inform the public about environmental improvement. Redundant casks were provided to the Glasgow Wood Recycling Charity in Drumchapel by The Edrington Group to be transformed into garden furniture.

