

MAKE EARTH GREAT AGAIN

INTERIM UPDATE

SUSTAINABILITY REPORT #5.5

BREWDOG'S PUNKED-UP-PLAN

AN INTERIM UPDATE ON OUR SUSTAINABILITY INITIATIVES...

Every year we release a report detailing our efforts to reduce emissions, and an update on our key sustainability projects across the world. In the past, we have also issued interim updates to provide a brief supporting insight into how things are going. This is one of those bonus updates! In this report, we'll detail some key stats from the last few months, as well as a few detailed and comprehensive updates on our key focus areas for sustainability.

The subtitle for this report should be 'sustainability is hard' – because it is! We don't do this because it's easy, we do it because it is necessary. Critical, in fact, but not without its challenges. At BrewDog, we believe sustainability is not a competition. Therefore, it's imperative that we present an open-book look at how our projects are performing, and where we wish we'd done things differently, so that others may do better than us in future. We're still incredibly proud of how far we have come with our emissions reduction plans, and there is a huge amount of work in front of us to further improve our impact as a business.

Here is a look at how those projects have been doing!



SUSTAINABILITY UPDATE

HERE IS A BRIEF OVERVIEW OF SOME OF OUR MOST RECENT STATS FROM HQ! THERE'LL BE LOTS MORE TO READ ABOUT IN OUR MEGA REPORT 6.0, RELEASED LATER THIS YEAR.

WE HAVE REDUCED PLASTIC USAGE WITH OUR PALLET WRAP BY 50%.

WE ARE CLOSE TO MAKING A CHANGE THAT WILL GENERATE AN 8% REDUCTION IN PAPER USAGE FOR OUR SOLID BOARD BOXES

WE MANAGED TO CLEAN AND DISCHARGE 16,734 M3 OF WATER IN Q1 OF THIS YEAR – THAT'S NEARLY 7 OLYMPIC SWIMMING POOLS!

ALL OUR HEAT SHRINK FILM NOW HAS RECYCLED CONTENT, AND WE HAVE PLANS TO STRATEGICALLY REDUCE THE PLASTIC WEIGHT OVER TIME

WE REDUCED OUR ELECTRICITY USAGE AT OUR ELLON BREWERY BY 7% IN Q1 THIS YEAR!



BABY TREES VERSUS SCOTLAND'S LONG HOT SUMMER

HOW MANY TREES DO YOU
THINK ARE CUT DOWN EACH
YEAR FOR AGRICULTURE, TIMBER
AND TO MAKE WAY FOR NEW
TOWNS AND CITIES?

UNBELIEVABLY, THE
ANSWER IS 15.3 BILLION.
THAT'S RIGHT, EVERY YEAR, HUMANS
DESTROY OVER FIFTEEN BILLION TREES,
REPLACING ONLY ABOUT EIGHT PER
CENT WITH NEW PLANTING.

LOST FOREST

It's reckoned we need to increase planting by about 1.2 billion trees a year to curb the worst effects of climate change.

Our Lost Forest project in the Highlands of Scotland will make only a tiny contribution to that goal, but it's something we feel incredibly passionate about.

Last year we planted 438,950 trees in partnership with our expert ecological partners, Scottish Woodlands. But then came the fifth hottest Scottish summer on record.

With woodland projects of this scale, you know that some saplings won't survive, and you plan for it from the outset. But last summer's extreme conditions resulted in a higher-than-expected failure rate, particularly Scots Pine, which is one of eleven species we planted.



It's disappointing, but over the past few months we have been assessing how many of our saplings made it, and we're working on a plan with Scottish Woodlands to replace those that didn't flourish.



Standing up to climate change is a daunting task, and it's easy to disengage or decide to leave it to others. But if everyone did that, there'd be no hope for humanity. So, we will stay the course, and we won't let setbacks dishearten us.

A WORK IN
PROGRESS



WHY BEER WASTE IS HARD TO DIGEST

AN UPDATE ON OUR ANAEROBIC DIGESTER FACILITY



Our aims for our anaerobic digestion plant at our brewery in Ellon have always been ambitious. As is the theme throughout this mini MEGA update, there is no point approaching sustainability projects with an expectation that the results will be easy and quick. Our AD facility is no exception.

It cost £12 million, it's about the size of a football pitch, and three years after installation began, it's still not working the way we hoped.

OK, so what is an anaerobic digester?

Put simply, it's a big tank with no oxygen where brewery waste is broken down to produce biogas. In our case, the plan is to use that gas to help power our brewery.

We also take the liquid and treat it so it can be discharged to the local watercourse. In the future we will also re-use it in our beer.

Fully operational, it has the potential to be a lean, green machine that reduces our reliance on fossil fuels and returns over 400 cubic metres of clean water to the watercourse each day. It will also produce a cakey by-product that can be used by farmers as fertilizer.

You don't just buy a plant like ours off the shelf. Everything has to be tailored to the site and to the composition of the waste coming out of the brewery.

Early stage design plans for the site were built on an expectation for us to yield certain results. As time has progressed, we now have the experience of real-life results, so we've developed and evolved those targets to achieve the most lucrative, realistic outcomes.



We have now successfully operated the water treatment side of the facility at 100% capacity for up to 3 weeks at a time, which is brilliant, and we have achieved 89% for up to 45 days in H1 of this year. There are still some hard yards ahead to get to full optimisation, but we are really pleased with the results seen to date in 2024.

Thanks to the heroic efforts of our ops team, there is now a credible pathway to a fully operational plant.

Brewing is a relatively simple process, but it requires significant energy, and unfortunately, that entails carbon emissions. If waste from this process can be converted back into energy, then that makes a massive contribution to emissions reduction.

This is a holy grail for brewing, but it means experimentation. It means making mistakes. It means taking a leap of faith, understanding that it may be years before you get a return on investment. And sometimes it means making mistakes so that others don't have to.



WHY WE'RE NO LONGER OUTSOURCING OUR CARBON RESPONSIBILITIES

WE WERE PROUD TO BE THE FIRST CARBON NEGATIVE BEER COMPANY.

WE GOT THERE THROUGH A RELENTLESS FOCUS ON REDUCING EMISSIONS IN EVERY PART OF OUR BUSINESS, AND THEN OFFSETTING THE REST BY PURCHASING HIGH QUALITY CARBON CREDITS.



These credits fund things like forestry management, tree planting and mangrove restoration. Companies use the carbon these projects remove from the atmosphere – or keep in the ground – to cancel out their own emissions.

Unfortunately, over the past few years the carbon market has become, well, unsustainable. The market has grown exponentially as companies and governments look to offset their emissions. As a consequence, there has been a flood of low quality schemes that are dirt cheap but where the carbon benefit is highly questionable, and maybe even non-existent.

At the same time, the number of high-quality, properly verified schemes has dwindled and the costs have gone through the roof. In fact, the cost is now so astronomical that the only way for BrewDog to sustain a carbon negative claim is at the expense of our own sustainability initiatives.

That would be crazy. It would be like cutting out fruit & veg so you can afford to buy vitamin supplements! We absolutely will not invest in low quality schemes. We absolutely will not press pause on our efforts to reduce emissions.

That's why, after regular review of our carbon negative status, and in close consultation with our scientific advisor Professor Mike Berners-Lee at Small World Consulting, we have decided to step away from buying carbon credits and double down on our emissions reduction strategy and investment in the Lost Forest. This way, we can be certain about what we're investing in, and what the carbon benefit is.

A lot of businesses are moving away from carbon negative and carbon neutral for the same reason, and we won't be able to claim this after November as Positive Planet will no longer offer this accreditation.

OVER THE NEXT FEW MONTHS, YOU'LL SEE THE CARBON NEGATIVE CLAIM WIND DOWN ON OUR PRODUCTS AND IN OUR BARS. (WE'LL STILL BE CERTIFIED AS CARBON NEGATIVE UNTIL NOVEMBER).

Some people will be disappointed that we'll be relinquishing our carbon negative claim, but the use of funds we'd otherwise spend on carbon offsets is better invested in facilitating the decarbonisation of our process.



**PEOPLE
PLANET
BEER**

BREWDOG.COM/TOMORROW