



**WORKING TOWARDS A
SUSTAINABLE FUTURE**

2024/2025



A SUSTAINABLE FUTURE

The passion our team has for this island runs deep. It's more than just where we work. Arran is our home. And to be able to make whisky in this stunning setting, with some of the most talented people I've ever met, is a true privilege.

This privilege, rightly, comes with big responsibilities, one of which is making sure that we play our part in keeping the island as healthy as possible. Which is why it gives me such pleasure to introduce our sustainability strategy.

We've been working in alignment with goals set by The Scotch Whisky Association and the United Nations Sustainable Development Goals in order to make changes that help us build towards a sustainable future.



Euan Mitchell
Managing Director







ONE ISLAND. TWO DISTILLERIES. AND FIVE SUSTAINABILITY PRIORITIES.

The Isle of Arran is world-renowned for its natural beauty.

Both of our distilleries – Lochranza in the north and Lagg in the south – embrace strong sustainability values because we wouldn't be able to make our whisky anywhere else. The water, the land, the climate, the community – they're all essential to who we are and the whisky we make. So we wouldn't risk them for the world.



OUR FIVE PRIORITIES

Our approach to sustainability aligns with the United Nations Sustainable Development Goals, with a focus on priority areas identified by The Scotch Whisky Association.



WATER

Since water is one of only three whisky ingredients, having clean, fresh water is absolutely crucial to what we do. As part of an island community, being surrounded by some of the planet's most beautiful waters makes us that bit more aware of its importance – both to whisky and the world.

LAND

We'd be nothing without the beautiful land in which we live and work. Arran wouldn't be an idyllic place for very long if we didn't take the best possible care of it. That's why we always do our utmost to minimise any adverse impact to the land when we make whisky. This applies to the Isle of Arran itself, and anywhere we – or our partners – grow or source barley or peat.

WASTE

Everything is connected. This is the policy we've adopted when it comes to reducing the waste we produce as part of our sustainable circular economy. All the materials we use are sourced as ethically as possible, specifically in the footprint of our distilleries and the packaging we use.

EMISSIONS

We're committed to driving towards net zero and reducing our impact on the climate. In everything we do, we're pushing for the day when we can say that we use 100% affordable and clean energy in support of climate action – optimising green resources, reducing emissions and putting the world we live in first.

COMMUNITY

Arran isn't just an island – it's a community of like-minded people who value our way of life and the beauty of our natural resources. We have a strong working relationship with our neighbouring businesses, the local council, the tourist board, and the local population. All of this is geared towards preserving our heritage and the future of our island for generations to come.



CLEAN WATER SANITATION



LIFE BELOW WATER



United Nations Sustainable
Development Goals

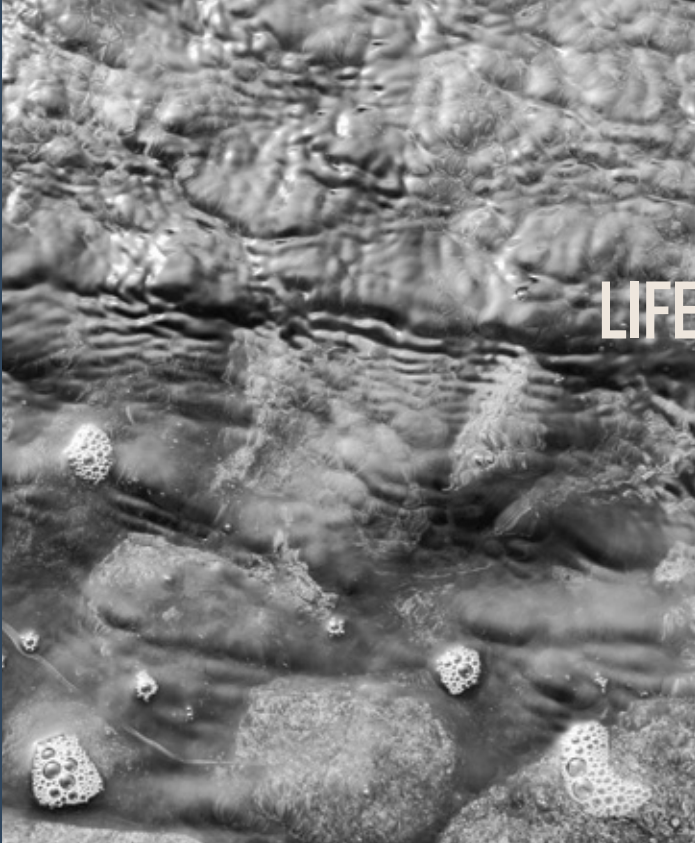
WATER

Water is one of the (only) three permitted ingredients of Scotch Whisky, the careful use of which comes with the high level of awareness that might be expected on an island community.

WATER USAGE

- All water usage is closely monitored and approved by SEPA (the Scottish Environment Protection Agency). This maintains the fine balance in the local ecosystems.
- Most water is not in fact used in the product itself but by the various distillery heating and cooling processes, with the amount of water required at both distilleries significantly reduced through the use of cooling towers.
- Due to the success of the recently installed modern evaporative cooling tower system in Lagg, Lochranza is set to follow suit. This is expected to save 20% to 30% of Lochranza's water requirements.
- Waste water from Lagg is successfully cleaned and filtered through a natural reed bed.





LIFE BELOW WATER

Here at Isle of Arran Distillers we support the world-renowned COAST initiative (Community of Arran Seabed Trust) which has been involved in successfully restoring and conserving marine wildlife around Arran for the past 20 years. We are constantly looking for ways in which we can support its activity on the island either through fundraising or limited release bottlings. We're also proud to be involved in the upcoming Lochranza Biodiversity Enhancement Project, taking place in Loch a Mhuilinn, a neighbouring loch to Loch na Davie, our renowned water source.

WATER SOURCING

We have two water sources on the island, each filled to the brim with as much charm as they have water. Lagg Distillery relies on a dedicated borehole, and Lochranza Distillery makes the most of the stunning Loch na Davie and all its surrounding waterfalls and streams, all of which provide us with plenty of fresh water.





LAND

Isle of Arran Distillers seeks to minimise any adverse impact of its operations on the Island of Arran and beyond, including the use of barley and peat by our suppliers.

OUR ISLAND

- A sedum roof was built at Lagg to replace the carbon footprint used by the new distillery building, and create a vital microclimate for a variety of local insect and bird species.
- From surplus land beside Lagg we created apple orchards which we've harvested and used to produce our very first Lagg Distillery Orchard Cider, in partnership with local cider producer Ayrshire Riviera Cider.
- Beehives have been introduced and these have been the source of award-winning Arran honey.
- We continue to support community farming projects with vital donations.
- Most significantly, we have committed financial support to a major peatland restoration project at Dougarie Estate on Arran. Funding has been granted by Peatland Action and the project will commence in October 2024. This is a very significant step in our commitment to assuming our part in responsible peat usage in Scotland. We are especially delighted to be working at a local level with a fellow island landowner.



LIFE ON LAND



ZERO HUNGER

United Nations Sustainable Development Goals

AND BEYOND

- Our malted barley is diligently sourced from reputable suppliers that share the same sustainability values as IoAD.
- We are encouraging our peated malt supplier in its own initiatives to optimise malt peating processes and peatland restoration initiatives.

INDUSTRY, INNOVATION
AND INFRASTRUCTURE



RESPONSIBLE CONSUMPTION
AND PRODUCTION



*United Nations Sustainable
Development Goals*

WASTE

Isle of Arran Distillers is committed to reducing waste, with particular focus on the waste produced by its distillery footprint and also on the packaging materials used for its finished products.



DISTILLERY FOOTPRINT

- Important targets are being set to reduce the amount of waste sent to landfill, including the collection of compostable waste from visitor centres.
- Lagg Distillery is the proud recipient of an Arran TAP (Think About Plastic) Gold award. TAP is a North Ayrshire Council backed community group which is dedicated to stopping plastic entering the sea with the ultimate aim of making our coastlines completely plastic-free, starting with the Isle of Arran. In January 2019, Arran became the first community in Scotland to receive the 'Plastic-Free' accreditation, and Lagg Distillery is the only business on the island to have been awarded a Gold accreditation from TAP. This recognises significant efforts within our Visitor Experience to avoid or reduce the use of plastics and also the encouragement of our staff and visitors to avoid or reduce their own plastic use.

PRODUCT PACKAGING

- Sustainability considerations are at the heart of our product design process and we work closely with suppliers to ensure our packaging meets our high sustainability standards.
- The Arran Single Malt bespoke glass bottle was redesigned in 2024 and delivered an 8% reduction in the amount of glass used in each bottle.
- Lagg Single Malt glass bottles contain 53% recycled materials.
- All stoppers are made from natural wood and cork sourced from Forest Stewardship Council (FSC) accredited forests.
- Gift tubes components comprise 92% recycled paper and 100% recycled tin. We are also working towards a paper based gift tube for Arran Single Malt gift tubes.
- Customers have the option of receiving products without gift tubes.
- Tamper-proof closures are made of fully recyclable PolyEthylene Terephthalate (PET)
- Outer shipping cases are made of 100% recycled materials.



OPTIMISING GREEN ENERGY SOURCES

- Rowan House, our suite of on-site distillery offices, is heated by an air source heat-pump system.
- Electric Vehicle (EV) charging points have been installed and are available to be used by all distillery visitors. This helps to encourage EV use and reduces carbon emissions on Arran and beyond.
- Electricity purchased has been certified as Green Tariff.

IN THE WORKS:

- A feasibility study is underway to assess the potential for boilers at both distilleries to be powered by biofuels.
- Research is taking place at both locations into the possibility of installing solar panels and wind turbines.
- We are investigating the supply of e-bikes on a staff salary sacrifice purchase scheme which will allow them to invest in a more eco-friendly means of travelling to and from work.



EMISSIONS

IoAD is committed to reducing its carbon footprint and playing its part in the drive towards net zero.



**AFFORDABLE
AND CLEAN ENERGY**



CLIMATE CHANGE

*United Nations Sustainable
Development Goals*

MINIMISING ENERGY USE

- Inherent in its process, distilling requires a significant amount of energy. Both distilleries have elaborate energy recovery systems in place whereby heat produced in one part of the process is recovered and effectively reused to minimise the heating requirement elsewhere in the production process.
- Most lighting is by means of low energy LED lights. Any remaining non-LED lighting is being phased out as legacy systems reach the end of their useful lives.

IN THE WORKS:

- Lochranza's compressed air system is planned to be upgraded in the coming year. This is expected to save a significant amount of kWhrs of electricity annually.
- Additional, sophisticated energy metering systems are being installed to better identify where power is used and where savings opportunities can best be targeted.





COMMUNITY

With almost one third of Arran's population employed in the tourism and hospitality industry, we understand the importance of working with the local community to keep the island thriving.

THE GREEN ISLANDS PROJECT

- IoAD is the only distilling company on the Isle of Arran and our strong working relationships with other businesses on the island give us the platform to safeguard the future of our island environment.
- We're proud members of the Green Island Project which focuses on our collective efforts as island businesses to improve our carbon footprint.
- The Green Islands Net-Zero Project was developed in partnership with Arran Eco Savvy and North Ayrshire Council and funded by the UK Government UK Community Renewal Fund (UKCRF). The aim is to support the islands of Arran and Cumbrae in their quest for net-zero carbon emissions by 2030. The project has developed greenhouse gas (GHG) emissions baseline assessments for the Isle of Arran with a high-level roadmap to achieve net-zero by 2030.
- Many of the recommendations that we have actioned at our distillery sites since 2022 have been as a result of the assessments that were carried out by the project.



VISIT ARRAN AND THE ARRAN TRUST

- We work very closely with tourism organisation Visit Arran, the unifying body for tourism on the Isle of Arran. It helps us deliver the highest standard in everything we do, as well as ensuring best practice in tourism across the whole island.
- In 2024, Visit Arran has been hard at work alongside Arran Geopark in a bid to become a registered UNESCO Global Geopark. We have played a strong part, alongside our fellow island businesses in this process. Following an evaluation mission which took place in July 2024, and during which they visited Lagg Distillery, the assessors committee recommended Arran for Geopark status. This takes us to the final stage of the process of obtaining the recognition. The status, if awarded, would apply from April 2025 and last for four years.
- We are members of The Arran Trust which is the island's visitor gifting scheme. The Trust funds projects which look after the beautiful landscapes and environment of Arran. We work alongside businesses and community groups to improve sustainable practices and aim to safeguard the future of our beautiful island. Through our charity dinners, auctions and exclusive bottlings, we've raised money for repairs to pathways, and the restoration of mountain walkways to enable visitors to continue enjoying visiting the island for many more years to come.



ARRAN FOOD PRODUCERS

As well as being a major producer on the island ourselves, we have excellent working relationships with other island producers including Arran Dairies, Arran Brewery and of course our local farmers. Over the last 10 years we have been partnered with the farmer who owns the field adjacent to Lagg Distillery, where they have been growing Arran barley for use in our Single Malt production. We plan to launch the first bottling of this in Autumn 2025.



OUR GOALS

While we've made big strides in our sustainability goals, across our Five Priorities – Water, Land, Waste, Emissions and Community – we're not done yet. We still have important goals in our sights.

- BY THE END OF 2025 WE AIM TO SEE THE SUCCESSFUL IMPLEMENTATION OF THE PEATLAND RESTORATION PROJECT.
- WE'LL CONTINUE TO ENCOURAGE FUNDING FOR THE LOCHRANZA BIODIVERSITY PROJECT AND ITS IMPACT ON LOCH NA DAVIE, IN 2026.
- OUR SUPPORT OF ARRAN GEOPARK'S BID TO ACHIEVE UNESCO GEOPARK STATUS WILL CONTINUE UNTIL THE PARK SECURES THE RECOGNITION IT DESERVES.





SUSTAINABILITY STRATEGY

2024/2025