

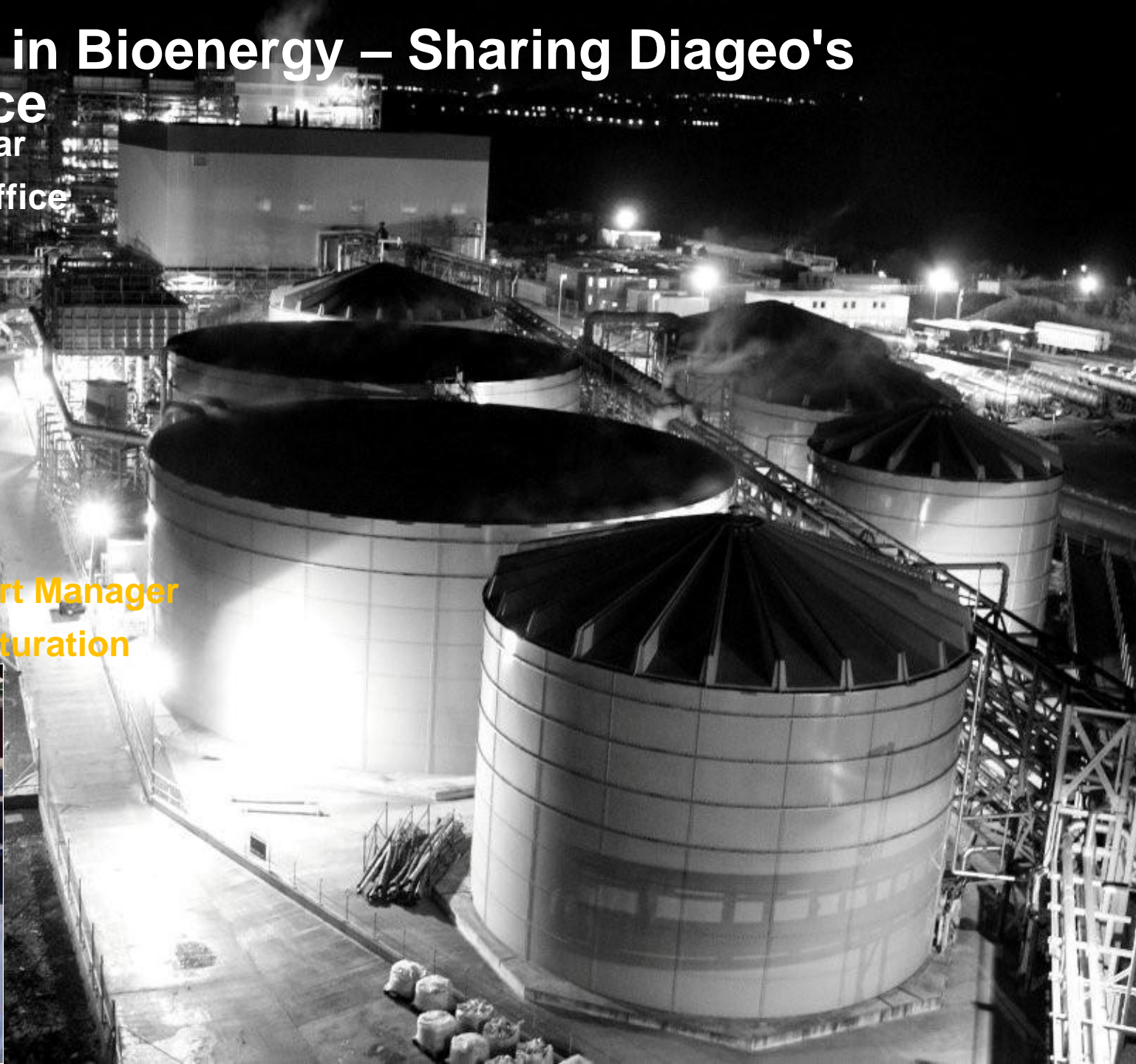
# Investing in Bioenergy – Sharing Diageo's Experience

Energy Seminar

Wales Audit Office

25<sup>th</sup> July 2013

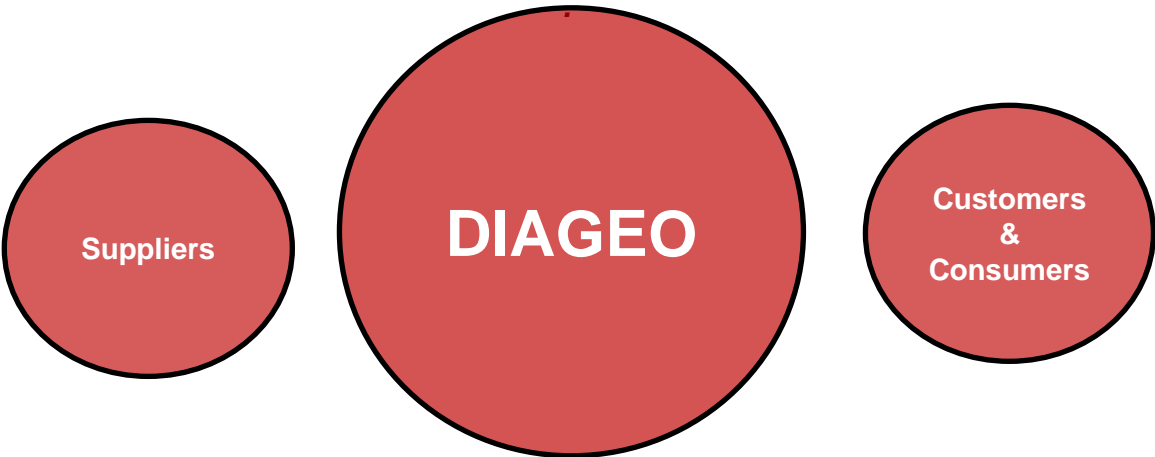
Sean Pritchard  
Technical Support Manager  
Distilling and Maturation



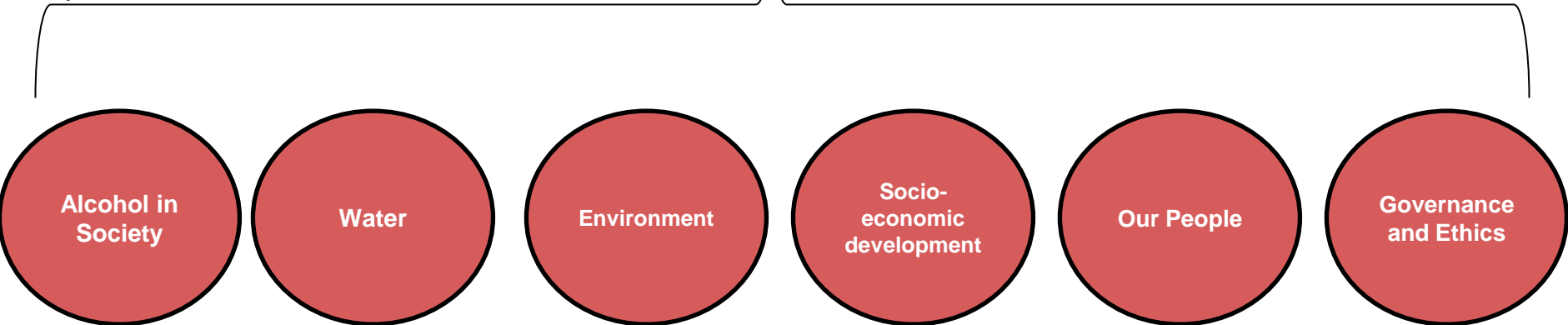
# Our approach spans across our value chain and focuses on our most significant social and environment impacts

## Sustainability & Responsibility

Our value chain



Our impacts



# Sustainability & responsibility protects long term value

- Delivers business efficiencies and security of supply
- Engages suppliers, customers and consumers
- Engaging our employees
- Builds reputation with stakeholders and protects and enhances our license to operate
- Drives competitive advantage with key stakeholders particularly in emerging markets

# Ground breaking technology delivering cost savings and security of supply

## *Roseisle Distillery, Speyside*

- 50% renewable energy
- 100% reduction in polluting power of effluent
- £17m investment in bioenergy plant with 17 year payback



# Leveraging learning across the group

## *Cameronbridge Distillery, Fife*

- £65m bioenergy plant in commissioning – aims to:
  - Generate 30 MW of energy
  - Provide 90% of energy demand for the site
  - Reduce discharge vol by 50% & BOD loading reduced by 99%
  - Reduce CO2 emissions by 56,000 tonnes
  
- Energy efficiency best practice projects
  - Cost £700k, savings £1.4m, 6mths payback
  - Reduces CO2 emissions by 3,000 tonnes



# Leveraging learning across the group

## *Dailuaine Distillery, Speyside*

- £6m AD plant using distillery draff & pot ale
- Generates 0.5 MW of biogas to CHP unit
- Provides 40% of electrical demand for the site
- Reduces CO2 emissions by 250 tonnes



## *Glenlossie Distillery, Speyside*

- £6m biomass plant using distillery draff
- Generates 3.4 MW of thermal energy
- Provides 50% of energy demand for the site
- Reduces CO2 emissions by 6,000 tonnes



# Lessons learnt – project management

- Do not underestimate the complexity
- Have an agreed defined quality standard to and from process
- Benchmark existing applications of proposed process
- Ensure verification of any trial work before project design
- Leave sufficient time for contract negotiations if outsourcing project.

# Wider lessons learnt so far....

- Stretching targets that require engagement by all employees and stakeholders
- A variety of approaches:
  - Behavioural change in employees
  - Re-use of energy, reduction of landfill, recycling schemes
  - Continuous improvement
  - Large capital projects
  - Support of community



# Finally - leadership

*It demonstrates the need for holistic management; you cannot just look at the P&L, you cannot just look at your margins, you have got to have a far broader view of life.*

*Diageo's investment in environmental sustainability has multiple paybacks: improved risk management around resource scarcity, increased efficiencies and cost savings, while importantly reducing our environmental impact.*

**Paul Walsh**

CEO and Chairman of Diageo's  
Corporate Citizenship Committee.

**Deirdre Mahlan**

Chief Financial Officer

DIAGEO

Any questions?

