

## **Bacardi Cuts Greenhouse Gas Emissions in Half**

## More than a year early, the company reaches 50% GHG reduction target

Hamilton, Bermuda, November 15, 2016 – With sustainability, small steps add up; however, Bacardi has forged ahead with giant leaps. The largest privately held spirits company cut its greenhouse gas (GHG) emissions intensity, worldwide, in half—more than a year earlier than its end of December 2017 target. This astounding 50% reduction in GHGs is equivalent to taking 15,000 cars off the road each year, reducing oil use by 165,000 barrels annually or installing 18 wind turbines.

"This is great news, and we should all be very proud as we recognize that climate change poses one of the greatest challenges to the continued prosperity of society. We set an ambitious corporate responsibility goal, and we reached it nearly 15 months early. We not only achieved it; we surpassed it with outside-the-box thinking, hard work and the passion of Bacardi employees," says Mike Dolan, chief executive officer of family-owned Bacardi Limited.

Moving forward, Bacardi will set new targets in alignment with the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) adopted in Paris (COP21) late last year, and supporting the UN's Sustainable Development Goals.

For Bacardi, this achievement comes as no surprise given the hundreds of energy reduction initiatives implemented globally at the company's distilleries, bottling lines, visitor centers and offices. Bacardi realized this astonishing goal through systematic objectives laid out within its <u>Good Spirited: Building a Sustainable Future</u> global environmental sustainability platform, which reinforces the company's years of leadership in corporate social responsibility. From operations to improved energy efficiencies, every area was addressed, including lighting, motors, HVAC and compressed air systems. Further, continuous audits ensured real gains, which helped refine methods and accelerate the GHG reductions achieved. The original target date to accomplish the 50% reduction was December 31, 2017.

"Through full-circle thinking, we were able to stay the course on this 10-year vision," adds Jean-Marc Lambert, senior vice president, Global Operations. "We're not stopping here—we're working toward a net-zero impact throughout the entire value chain in the production of our world-class brands. Our goal is to return to the environment as least as much as we take away."

Among the many energy-focused initiatives, the company focused on renewable electricity from wind turbines and heat recovery systems at operations sites. Additionally, new biomass boilers at the Tequila CAZADORES® facility, and ABERFELDY® and ROYAL BRACKLA® Scotch whisky distilleries reduce the amount of fuel needed for reliable, cleaner energy. Instead of oil, renewable organic material, such as wood pellets and chips, and agave fibers leftover from the production of the company's premium brands is used as fuel for the biomass boilers. As a model of sustainability, the refurbished CAZADORES facility in Mexico is 100% biomass fueled, with 0% of its waste deposited in landfills—nothing goes to waste...not even the biomass boiler's ashes, which are used to enrich the soil in the agave fields.

In Puerto Rico, Bacardi harnesses <u>wind power</u> to produce BACARDÍ® rum, and improvements to an existing cogeneration system considerably increased the rum factory's fossil-fuel independence. This system's boiler uses a mix of fuel and biogas (or methane) generated during the anaerobic treatment of the distillery's wastewater. In that process, micro-organisms naturally degrade waste materials, creating biogas in the process. The biogas is fed into the boilers which power the distillery. This saves about half the energy needed to run them and reduces the need for imported oil or gas.

Bacardi will continue its Good Spirited initiatives on the course to its net-zero vision. Rigorous evaluations to ensure every ounce of energy is well spent will continue as the Good Spirited momentum turns eco-conscious passion into real environmental returns.

This includes replenishing the environment, planting trees and finding ways to do more business with less impact.

Without forgetting its legacy, or the heritage of any of its iconic brands, Bacardi will continue to tackle existing infrastructure with sustainability improvements and add state-of-the-art, "green" distilleries that help improve the environment, like the BOMBAY SAPPHIRE® gin distillery at the historic Laverstoke Mill in England. Bacardi completely transformed the historic, dilapidated mill to a fully functioning, green-certified distillery that now makes use of clean biomass and hydro-electrical energy sources, using the natural currents from the River Test that flows through the center of the distillery.

A large portion of energy use and GHG emissions comes from production and general commerce as products are moved around the globe. To expedite production and reduce transportation redundancies, the company created an energy-efficient blending and shipping center in Scotland for DEWAR'S® and WILLIAM LAWSON'S® Scotch whiskies.

In Italy, the company switched from fossil fuel to <u>hydropower</u> to produce MARTINI® vermouth and sparkling wines and transforms botanical discards into fertilizer and livestock bedding. On campus, employees use <u>bicycles</u> instead of cars to traverse the 40-acre site.

Similarly, the Bacardi partnership with Ryder since 2008 reduced GHG emissions by more than 20% in the U.S. Together, the two companies move goods in the cleanest, most efficient way possible through recommended SmartWay program strategies and technologies. This successful drop in GHGs did not go unrecognized as Bacardi earned the EPA's SmartWay Excellence Award as an industry leader in freight supply chain environmental performance and energy efficiency for two years in a row.

As a founding member of Beverage Industry Environmental Roundtable (BIER), a coalition of leading global beverage companies working together to advance environmental sustainability, Bacardi signed the Joint Commitment on Climate Change. This commitment further helps develop energy saving and water reduction solutions that have a broader impact in the beverage sector.

Since 2006, when Bacardi began tracking its global impact on the environment, it has improved water use efficiency by 46% and reduced GHG intensity ratio by 50%. Building on current programs and efficiencies that reduce its environmental impacts, the Bacardi Limited "Good Spirited" sustainability program sets specific goals in three areas to help the Company reach its vision of a net zero impact:

- 1. Responsible Sourcing: Bacardi strives to obtain all raw materials and packaging from sustainably sourced, renewable or recycled materials while maintaining or enhancing the economic status of growers and suppliers.
- 2. Global Packaging: Bacardi commits to use eco-design to craft sustainability into its brand packaging and point-of-sale materials.
- 3. Operational Efficiencies: Bacardi continues to focus on reducing water use.

To learn more about Bacardi Limited and its "Good Spirited: Building a Sustainable Future" environmental initiative across the entire Bacardi family of premium spirits and wine brands, visit <a href="http://www.bacardilimited.com/good-spirited">http://www.bacardilimited.com/good-spirited</a>.

## **About Bacardi Limited**

Bacardi Limited, the largest privately held spirits company in the world, produces and markets internationally recognized spirits and wines. The Bacardi brand portfolio comprises more than 200 brands and labels, including BACARDÍ® rum, GREY GOOSE® vodka, DEWAR'S® Blended Scotch whisky, BOMBAY SAPPHIRE® gin, MARTINI® vermouth and sparkling wines, CAZADORES® 100% blue agave tequila, and other leading and emerging brands.

Founded 154 years ago in Santiago de Cuba on February 4, 1862, family-owned Bacardi manufactures its brands at 29 facilities and sells in more than 160 countries. Bacardi Limited refers to the Bacardi group of companies, including Bacardi International Limited. <a href="https://www.BacardiLimited.com">www.BacardiLimited.com</a>

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