

Good Spirited: Footprint



Bacardi
European Union
2014 > Ongoing
#C02Emissions
#SustainableAgriculture #WaterUse



Objective

50% reduction of GHG emissions*

25% reduction of water consumed*

Zero Waste-to-Landfill at all production sites (previously set to achieve by 2022)

100% plastic free by 2030 (new to 2020)

Zero plastic point of sale materials by 2023 (new to 2020)

Zero plastic secondary packaging by 2023 (new to 2020)

Water positive across all operations by 2030 (new to 2023)

- The above objectives are set for 2025 unless otherwise specified.
- * As compared to 2015 baseline (using earliest operations and supply chain data available)

Description

For Bacardi, environmental sustainability is good business – an approach that dates to the very beginning of the company when Bacardi founder Don Facundo Bacardí Massó started his business in 1862. Bacardi's environmental sustainability commitment has grown over the past 155 years and in 2006, it began tracking its global impacts on the environment. Bacardi recognises the environmental impact of producing their products and have implemented procedures to continually improve efficiency, wishing to be the most environmentally responsible global drinks company. The only way to attain such a goal is to

continuously explore ambitious, new innovations that set Bacardi on the path toward positive outcomes. Global climate change and increasing water scarcity are two challenges with the potential to affect Bacardi directly and indirectly. Additionally, a growing and increasingly affluent global population is consuming more natural resources, producing more waste and pollution and increasing pressure on the environment. These pressures have the potential to disrupt global ecosystems and food security driving up the price of energy and commodities so crucial to Bacardi. Given these challenges, Bacardi recognised that it needs to be part of the solution across all stages of the value chain and that all stakeholders need to work together to tackle these issues.

Therefore, Bacardi launched Good Spirited in 2014. Good Spirit has two overarching chapters: Footprint and Sources. This page covers Footprint for readability. Sources can be found [here](#).

2014 Good Spirited (First round of Good Spirited): Footprint

Recognising the importance of continual environmental performance improvements across their operations, Bacardi set targets for operational efficiencies using a 2006 baseline that undergo review each year. In addition to staying on track with immediate objectives, they also established longer-term goals, developed in response to stakeholder feedback.

Selected actions

- **Installation of new biomass boilers:** The boilers enable Bacardi to convert from the use of heavy fuels to biomass materials like wood chips and pellets. By-products from the distillation process, such as husks from agave plants that create tequila can also be used.
 - FY15, the tequila distillery in Arandas, Mexico, the Scotch whisky distillery in Aberfeldy, Scotland and at the gin distillery in Laverstoke, England, began using biomass boilers.
 - FY16, the John Dewar & Sons Limited (JDSL) Royal Brackla Distillery made the switch from the exclusive use of heavy fuel oil to 100% clean-burning renewable fuel biomass.
- **Recycling old corks:** Since FY16, old corks at the Martini & Rossi facility in Pessione, Italy are delivered to Artimestieri to be reused for natural decorations and green building.

2018 Good Spirited (Second Round of Good Spirited): Footprint

At the end of 2017 Bacardi calculated the results of the first round of Good Spirited. These learnings informed the next round of overall goals which encompasses all the company's CR pillars and align with the United Nations Sustainable Development Goals (UN SDGs) they feel they could have the most impact on. The target set for 2025. When setting these goals, they looked to international standards and benchmarks to ensure the targets were ambitious and meaningful. The overarching area is return to the environment at least as much as they take away.

Selected action Reduced Water Use: The single malt distilleries of JD&SL reduced overall water use over a five-year period ending in FY18. This was done by automating cooling water systems in still houses, reducing water used in cleaning procedures, and installing additional water meters.

2020 Good Spirited (Updated Second Round): Good Footprint

In 2020, the priorities were reinvigorated to ensure that Bacardi is making the most positive impact in the areas most material to their business. The goals are aligned with 10 responsible business principles of the United Nations Global Compact (UNGC), as well as the

United Nations Sustainable Development Goals (SDGs), which are part of the 2030 Agenda for Sustainable Development. Of the 17 Goals, they identified those where they can make the greatest impact.

Selected actions

- **Cutting Carbon Miles:** In FY20, Royal Brackla made strides in reducing packaging weight reducing the significant carbon miles associated with transporting glass bottles.
- **Upcycling:** In FY20, Bacardi rum upcycled wooden pallets for agricultural use and turned old barrels into sunglasses. Also, Martini began working with its label supplier, New Life, to convert clean industrial plastic scraps into high-quality raw material.
- **Eliminating NRFs:** In October 2022, Bacardi eliminated the non-refillable fitment (NRF) (plastic found in the neck of a bottle of alcohol designed to enhance the flow of liquid when poured) along with plastic pourers from its 1.75 litre bottles of Bacardi rum in the U.S., Canada, and Puerto Rico, and from all bottles in its portfolio sold in Spain and Portugal.
- **Plastic-Free Gift Packs:** As of December 2022, all new gift packs in the Bacardi portfolio are 100% plastic-free. The plastic was either removed or replaced with a sustainably sourced alternative.
- **Closed-loop packaging:** In August 2023, Bacardi launched a three-month long pilot to determine if re-usable containers (the ecoTOTE 3.0SC Cruise Edition, developed by ecoSPIRITS for the maritime environment) can be used to serve Bacardi rum on Carnival ships.
- **Cardboard Gift Boxes:** In November 2023, Bacardi started reducing the number of cardboard gift boxes for some of its brands.
- **GHG emissions:** In December 2023, Bacardi successfully completed the world's first commercial production of a glass spirits bottle fuelled by hydrogen in a trial that took place earlier in the month. Bacardi worked with Hrastnik1860 to pioneer new technology that powered a glass furnace with hydrogen as its primary energy source and in doing so cut the Greenhouse Gas (GHG) emissions typically produced as a byproduct of glass bottle production.

Partners

Artimestieri: A nonprofit cooperative and environmental advocacy organisation.

ecoSPIRITS: A circular economy technology company.

Hrastnik1860: Premium glassmaker.

New Life: Converts plastic label liner scraps into REPLA PET grains.

Results

Last trimester of 2023: The ecoTOTE pilot was run on three Carnival ships. Each ecoTOTE reduced single-use packaging by 95% and replaced around four bottles of Bacardi Superior rum. Each one was used, cleaned and refilled around 100 times, thereby creating a closed loop system. Within the pilot phase, approximately 9,400 bottles were with the ecoSPIRITS

system. Also, reducing the number of cardboard gift boxes will cut the company's use of cardboard by approximately 100 tons in the first year alone. Over the course of the glass bottle trial, which produced 150,000 of the brand's 70cl glass bottles, hydrogen contributed more than 60% of the fuel for the glass furnace, cutting GHG emissions by more than 30%.

Fiscal Year 2023 (1 April 2022 to 31 March 2023) (Latest report available as of July 2024)

Water Use and Water Efficiency

- 1,979 megalitres of water was discharged, of which 92.3 megaliters were applied to cropland as a fertiliser or for irrigation.
- Water use efficiency index was 0.7% better than FY22, an overall improvement of 9.7% from FY15.

Energy

- 63% increase in total energy consumption vs. FY15 (increase due to activity growth in manufacturing sites).
- 28% of total energy was from renewable sources (10% more vs. FY15).
- 38% of electricity was purchased through renewable energy contracts (22% more vs. FY15).
- 27% of fuel was from renewable sources (9% more vs. FY15).

GHG Emissions

- As demand for products has grown, there was a 47% increase in GHG emissions (scopes 1 & 2) and a 25% increase in GHG emissions (scopes 1, 2, & 3) vs. FY15.

Waste

- 99.23% of waste from factories was diverted from landfill.
- A total of 21 manufacturing sites have achieved zero waste to landfill.

Packaging

- Plastics: 63% reduction of single-use plastic in POSM and secondary packaging vs. 2020.
- Plastic packaging: 5% reduction in plastic overall vs. 2020.
- Secondary packaging: 254 tons of plastic in value-added packaging (VAP) were eliminated from FY20 to FY22.
- Eliminating NRFs: Cut approximately 140 tons of single-use plastic annually.
- Plastic-Free Gift Packs: Cut 275 tons of single-use plastic annually.

At the end of 2017 Bacardi calculated the results of the first round of Good Spirited.

Operational Efficiency Targets by 2017: Reduce water use by 55%, greenhouse gas (GHG) emissions by 50% and achieve zero-negative impact on biodiversity at production sites by 2017. 85% reduction in wastewater loadings and zero waste to landfill at all production sites by 2022.

- **GHG Emissions:** The 50% reduction was achieved more than a year earlier than its 2017 target. At the end of December 2017, the reduction was at 59%, compared to the baseline. This reduction is equivalent to taking 15,000 cars off the road each year or reducing oil use by 165,000 barrels annually.
- **Water Usage:** The 50% reduction was achieved, which is equal to the volume of more than 1,000 Olympic pools, and only 0.4% of total waste generated was diverted to landfill.
- **Biodiversity impact:** Result unknown.
- **Waste:** As of the end of December 2017, 99.6% of the waste generated was diverted from landfills, with one third of sites already achieving Zero Waste-to-Landfill status. Further initiatives are in place for the remaining sites to achieve this status by 2022.

Global Packaging Targets: 10% reduction in packaging weight by 2017 and 15% by 2022. Despite efforts to reduce GHG through glass weight reduction, Bacardi was not able to achieve the 10% reduction goal. As of the end of December 2017, reduction was at 4%. This missed target was mainly driven by two factors: new packaging design implications and a refocus to overall greenhouse gas impact instead of only weight reduction. This learning has been key in developing new goals that focus on supplier collaboration and glass weight reduction, including production efficiency, recycled content, weight, and transportation.

Measurement & evaluation

Every year, Bacardi are rated on and recognised for their ESG performance. Ratings allow them to evaluate their Company by benchmarking against peers while ensuring their approach aligns with current standards, best practices and expectations.

- **MSCI ESG RATING INDEX:** Score: BBB. In March 2023, Bacardi received a rating of BBB (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment. 2022 Score: AA score achieved for the previous 5 years.
- **SUSTAINALYTICS ESG RISK RATING:** Score: 19.5. As of April 2022, Bacardi received an ESG Risk Rating of 19.5 from Morningstar Sustainalytics, and was assessed to be at Low Risk of experiencing material financial impacts from ESG factors. 2022 Score: 19.7.

Website

<https://www.bacardilimited.com/esg/good-footprint/>

Downloads

Photo gallery



GOOD FUTURES 2025 GOALS

- 25% cut by 2025 Scope 1 & 2 emissions
- 59% Renewable energy for Scope 1, 2, and 3 emissions
- 28.9% Recycled beverage packaging
- 40% Recycled beverage packaging
- ZERO plastic secondary or tertiary plastic waste of sale
- ZERO net GHG emissions