



SUSTAINABILITY REPORT 2023



WELCOME

It gives me great pleasure to share with you the inaugural sustainability report in the 160-year history of Simpsons Malt Limited.

Sustainably growing our fifth-generation, family business for future generations has long been central to our operations, but becoming a Certified B Corporation in November 2021 and now operating within the movement's assessment framework has helped put us firmly on the pathway to a more sustainable future.

Since certification, we're proud of our achievements across the five B Corp categories. Many of these are highlighted throughout this report, from the financial support given to our colleagues during the cost-of-living crisis and the funds we have been able to donate to local good causes, to the engagement with our customers and the gradual reduction of our carbon footprint in recent years.

We acknowledge that we still have progress to make to achieve our major sustainability goals: carbon neutral malting barley and distilling wheat production and net zero Scope 1 and Scope 2 emissions by 2030. However, we believe that our business infrastructure – comprising both malting and agricultural merchanting divisions – places us in a unique position to engage directly and positively impact sustainable practices throughout the supply chain.

We hope you enjoy reading this report and, if you have any feedback, please feel free to share it with me: timmcCreath@simpsonsmalt.co.uk.



Tim McCreath
Managing Director



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ABOUT US

Founded in 1862, Simpsons Malt Limited is an independent, fifth-generation, family-owned business and Certified B Corporation comprising a malting division (Simpsons Malt) and an agricultural merchandising division (McCreath Simpson & Prentice).



One company, *two* brands



Simpsons Malt is one of the largest independent, family-owned malting companies in the world with the capacity to produce around 300,000 tonnes of malt per year at its two malting sites.

The company's passion is a focus on making malts with taste, flavour and consistently high quality with the world's best brewers and distillers in mind, helping them to craft the finest beers and whiskies.

simpsonsmalt.co.uk

From grain to glass, the company's distilling malts are fully traceable, produced from two-row barley procured by McCreath Simpson & Prentice (MSP).

After more than 160 years, Simpsons Malt continues to invest in state-of-the-art equipment at its two malting sites in Berwick-upon-Tweed, Northumberland and Tivetshall St Margaret, Norfolk, with this constant innovation and drive to improve processes ensuring the consistent production of malts with character.



Simon Simpson OBE, Chairman and fourth generation of the Simpson family.



McCreath Simpson & Prentice (MSP) is one of the UK's leading agricultural merchants.

Founded in 1980, but with a family history that stretches back to the 1860s, MSP supplies farmers from the Highlands of Scotland to North Yorkshire with a range of farm inputs, including cereal seed, livestock feed, grass and small seeds, agrochemicals and fertiliser.

MSP also has a growing team of BASIS and FACTS qualified farm traders who provide an unrivalled quality

of service, advice and support to farmers. The division's in-house grain trading department, meanwhile, works alongside both farmers and end user customers in the brewing and distilling industries to procure the company's required malting tonnage each year.

With this vertically integrated supply chain and sustainability at the forefront, it enables the sourcing of malting barley and distilling wheat – among other combinable crops – that is traceable, with the verification to back it up.

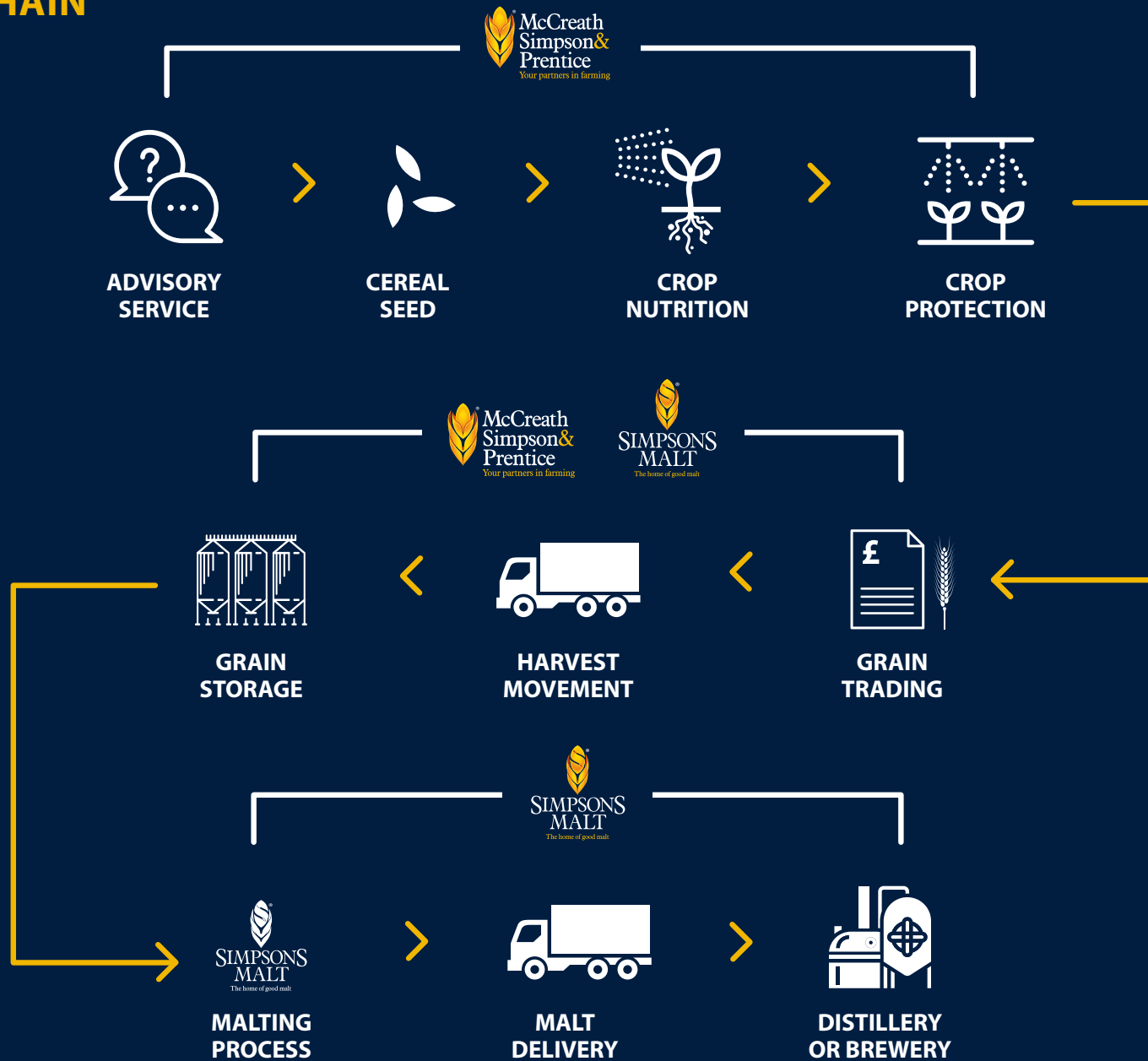
mspagriculture.co.uk



David McCreath OBE, Director and Founder of McCreath Simpson & Prentice.

OUR SUPPLY CHAIN

FROM SEED
TO BOTTLE



OUR LOCATIONS

- Grain Storage Sites
- Malting Sites

1. Keith Grain Store

50,000 tonnes of grain storage

2. Stracathro Grain Store

100,000 tonnes of grain storage

3. Sidlaw Grain Store

30,000 tonnes of grain storage

4. Gladsmuir Granary

50,000 tonnes of grain storage

5. Craigswalls Grain Store

125,000 tonnes of grain storage

6. Fersfield Grain Store

35,000 tonnes of grain storage

7. Tweed Valley Maltings

245,000 tonnes of malt production
70,000 tonnes of grain storage

8. Tivetshall St Margaret Maltings

55,000 tonnes of malt production

OUR BRAND PROMISE

"FROM THE BARLEY *We Source*
TO THE MALT *We Produce,*
WE CARE AS MUCH *Now*
AS WE DID IN 1862"

Simon Simpson OBE, Chairman



OUR COLLECTIVE AMBITION

Our purpose

To sustainably grow our family business for future generations

Our vision

To be the maltster and merchant of choice

Our core values



PASSION

We are passionate about producing quality malts and also our people, whether that be colleagues or our customers, all of whom we consider part of the Simpsons Malt family.



INDEPENDENCE

As a 160-year-old, family-owned company, we have independence of thought, action and strategy, meaning the business has the freedom to do what's required to evolve.



CHARACTER

There is integrity, loyalty, originality, spirit, drive and quality in everything that we do. We have a reputation for excellence that we have to nurture and retain.



INNOVATION

Among malting businesses, we've long been considered a pioneer in new technologies that have helped to drive not only the company forward, but the industry as a whole.

GOVERNANCE

PART OF THE B CORP COMMUNITY

We're proud to be a Certified B Corporation and have been since November 2021.



FIVE B CORP QUESTIONS ANSWERED

What is a B Corp?

B Corps are for-profit companies who are committed to prioritising the environment and society in the way they do business, meeting the highest verified standards of social and environmental performance, transparency and accountability.

Why did we want to become a B Corp?

B Corps set the highest standard for good business and assess the overall positive impact of the company that stands behind it. B Corps serve more than just their shareholders, with an equal responsibility to the community and to the planet. Increasingly, that's what people care most about – and we wanted to be a part of that.

How did we become a B Corp?

Our journey to becoming a B Corp started a number of years ago. Over a two-year period, we completed The B Impact Assessment, the third-party certification framework that

comprises five key areas: Governance, Workers, Community, Environment and Customers. We were scored in each of these impact areas, with 80 points required to become certified. The breakdown of our score can be seen on the previous page, while we have also chosen to design this report based on these impact areas.

How has our Governance been impacted?

By becoming a B Corp, we are legally and morally committed to prioritising our responsibility to the environment and society. Our articles of association, registered at Companies House, now reflect this. It means that for every business decision we make, we must prioritise the welfare of people and the planet, not just profits. Operating within the movement's assessment framework will also allow us to live our brand purpose of sustainably growing our family business for future generations – both economically and environmentally.



What's next?

Our goal is to continue to raise our score upon each recertification. Official recertification takes place every three years, but we have been charting our progress internally on an ongoing basis. The next goal is to become a B Corp 'Best In The World' company, which is reaching 130 points.



By becoming a B Corp, we are legally and morally committed to prioritising our responsibility to the environment and society.

WORKERS

Despite the COVID-19 pandemic, our workforce has grown significantly in the past three years. In January 2021, we completed the acquisition of the grain merchandising business of W.N. Lindsay Ltd, while demand for our products and services across both divisions of the business has also continued to grow.

We believe that our colleagues are key to this success. We invest significantly in our people each year to ensure they are informed, engaged, equipped and empowered in the workplace, but are also rewarded well during successful years and supported adequately during difficult economic times.

We are members of the Suppliers Ethical Data Exchange (SEDEX) and participate in the SMETA audit, which enables us to understand standards of labour, health and safety, environmental performance and ethics within our operations. This allows us to make improvements to working conditions and environmental performance and share the results with our stakeholders.



A GROWING, COMMITTED WORKFORCE

349

The number of full-time employees in the business as of February 1, 2023. This is a 31.2% increase in just three years, with 266 full-time employees on February 1, 2020.

9.3 years

The average length of service across our current full-time employees. Although we don't have data on this, we believe this to be considerably above the UK average. The US average is 4.1 years.

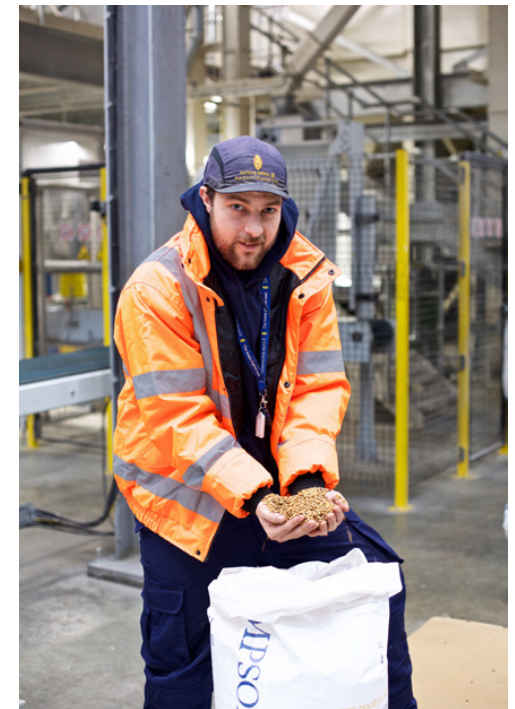


56

The number of full-time colleagues who have more than 20 years' service. We're incredibly proud that many colleagues choose to spend the majority of their careers with us, passing down their vast knowledge onto the next generation.

29

Over the past year, 29 colleagues have been participating in – or have completed – apprenticeships, with these ranging from engineering, finance and agronomy to learning and development and leadership and management (levels 3 and 5).





SUPPORTING OUR COLLEAGUES FINANCIALLY

£2,200

As the cost of living crisis hit the UK, we committed to paying all full-time colleagues a total of £2,200 to help them through this difficult period. The money came in the form of two separate cost of living payments (£1,000 in August 2022 and £1,200 in January 2023).

6%

In addition to the CPA pay-out and cost of living payments, all full-time colleagues received a 6% increase in their base salary or pay rate, which came into effect from January 1, 2023.

114%

The Company Performance Award (CPA) pay-out for all full-time employees in February 2023. The CPA is calculated based on the company's performance for the previous financial year. In this year, for a colleague earning £30,000 per annum, the CPA is £1,710 before tax ($30,000 \times 0.05 = 1,500 \times 1.14$).



PHYSICAL AND MENTAL WELLBEING

Plumm Health

All our colleagues have access to Plumm Health, a global platform for accessible online mental wellbeing services.

Plumm can be accessed on demand and the reason for use doesn't need to be work-related.

Additionally, a colleague's use of Plumm is 100% confidential, with the company only receiving anonymised data on how well the platform is being used.

What Plumm offers colleagues

- One-to-one video and text chat therapy sessions with accredited therapists
- Therapist-led digital courses
- Guided meditations
- Live monthly workshops

Westfield Health

All colleagues are enrolled onto Level 1 of Westfield Health's Foresight Health Cash Plan free of charge, with the option to pay extra to go up a tier. As part of Level 1 of the plan, colleagues can claim the following amounts per year:

Optical – *up to £65*

Dental – *up to £60*

Dental accident – *up to £200*

Chiropody – *up to £25*

Therapy treatments – *up to £150*

Colleagues also have access to Doctorline, where they can pick up the phone and arrange a call back from a practising UK GP to discuss any health issues and receive advice or a diagnosis. They can also choose to have a webcam consultation so they can see and speak to a doctor while at home or work.

Colleagues can also claim for treatment for their children on certain key benefits, too.

Westfield Rewards

In addition to Westfield Health, colleagues also have access to Westfield Rewards, providing exclusive discounts and special offers from more than 1,000 leading retailers, restaurants and destinations.





COMMUNITY

The local communities around our eight sites in the United Kingdom are incredibly important to us.

We're proud to have an esteemed history of supporting a variety of clubs, schools, groups, organisations and charities. That support can be from the company via the Simpsons Malt or McCreath Simpson & Prentice brands.

We also have a charitable arm, the Simpson McCreath Trust (registered no. 1126805). The Simpson McCreath Trust operates independently of Simpsons Malt Limited and is particularly active in the areas of sport, arts and culture, health and social welfare, education, community facilities, sustainability and the environment.

The charity's four trustees are two members of the Simpson family (Simon Simpson OBE, Chairman & Richard Simpson, Vice Chair) and two members of the McCreath family (David McCreath OBE, Director & Tim McCreath, Managing Director).



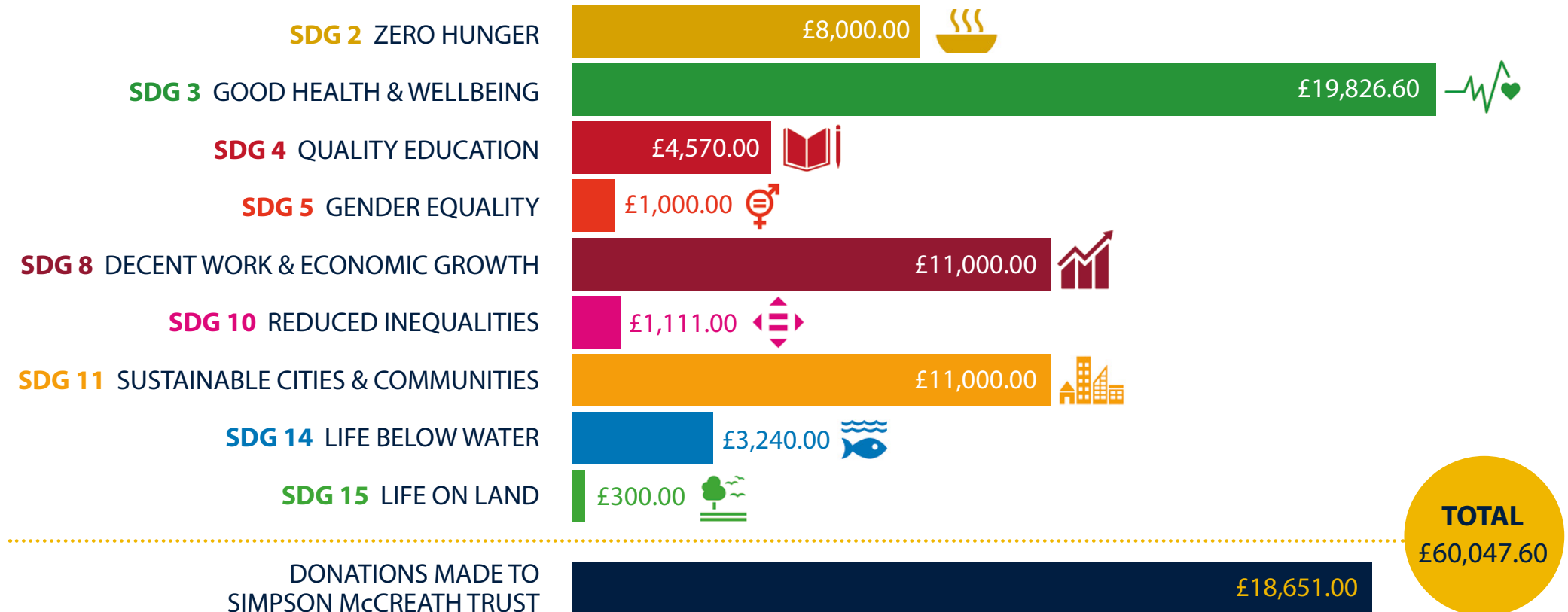
UN SUSTAINABLE DEVELOPMENT GOALS

In line with our B Corp certification, we ask that all sponsorship and/or donation requests align with at least one of the UN's Sustainable Development Goals.



DONATIONS TO GOOD CAUSES

The graphic below shows the funds donated to good causes aligned with the following SDGs in 2022.



TOTAL
£78,698.60

1.03%
OF PROFIT
AFTER TAX

WHAT OUR RECIPIENTS SAY



River Waveney Trust

"Thanks to support from Simpsons Malt and others, we have been able to continue facilitating our successful Waveney Farming Cluster which, without support, would have not been able to continue. The group covers 10,000 hectares of land in the Waveney Catchment and works together to improve water quality, wildlife habitat and overall farming practices across the area. Thanks to this support, the positive impact of the group on the environment can continue to be seen."

**Martha Meek, Development Manager,
River Waveney Trust**



Northern Soul Kitchen

"When asked who our supporters are, there isn't a conversation that goes by where Simpsons Malt and their unwavering support isn't mentioned. It isn't an exaggeration to say that Northern Soul Kitchen wouldn't exist today without the financial support we have had from Simpsons Malt. We will always be wholeheartedly thankful that they have so generously supported what we do in the town and will continue to shout about that support in any way we can."

**Millie McRobbie, Project Manager &
Co-Founder, Northern Soul Kitchen**



Choices 4 Growth

"We work directly with individuals, children and families in the Berwick-upon-Tweed and surrounding areas offering counselling and support services, with the belief that mental health support is a right, not a privilege. The donation from Simpsons Malt has enabled us to expand our services into the Prior Park School House where we are launching Alternative Choices, allowing us to support school refusers who would benefit from having a neutral site to attend their counselling and drop-in sessions."

**Aimee Roberts, Fundraising
Administrator, Choices4Growth CIC**



Berwickshire Swap SCIO

"We were delighted to receive a donation from Simpsons Malt in support of our Emergency Parcel Service, which provides a parcel of essential children's items – containing a full seven-day wardrobe – and operates on the basis of referrals from health visitors, social workers and other family support services. The clothing items are laundered, ironed and packed before being hand delivered to the referral maker and, with support like this, it will enable us to continue to distribute to families struggling in these challenging times."

**Catherine Oram, Finance & Funding
Officer, Berwickshire Swap SCIO**





ENVIRONMENT

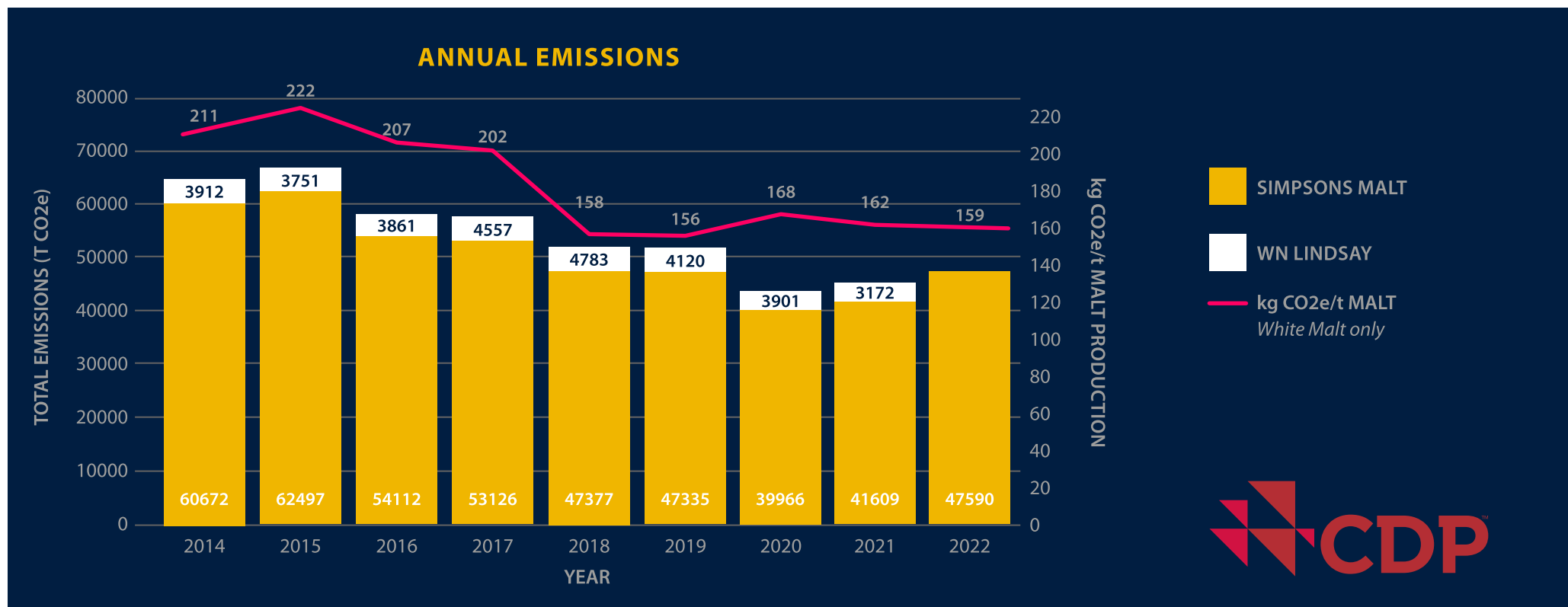
Everybody at our two malting sites and six grain storage sites works to minimise the impact of our operations on the environment. We are making a significant effort to reduce our carbon footprint through better energy management, transport efficiency and water and waste management.

As part of our commitment to reduce our carbon emissions, we have set a goal to achieve net zero Scope 1 & 2 emissions by 2030, which is 20 years ahead of the 2050 targets set in the Paris Agreement.

In recent years, we have spent time baselining our carbon footprint by department – in both the malting and agricultural merchandising divisions of the business – to get accurate data on carbon emissions throughout the company. We have also been working with our farming partners to compile a detailed overview of the on-farm carbon footprint and assisting them with ways in which they can operate more sustainably.

Internally, we are now working on carbon reduction plans across each department, with various projects having been completed – or currently in progress – to meet annual targets on the road to the overall goal of becoming net zero.





OUR CARBON FOOTPRINT

The graphic above displays our carbon footprint and, as you can see, we have consistently been reducing our carbon emissions in recent years, with a reduction of more than a quarter since 2015. Our Scope 1 & 2 emissions are independently verified by Lucideon and reported to the Carbon Disclosure Project (CDP) annually.

We consider 2019 to be our baseline for assessing progress against our goal of achieving net zero Scope 1 & 2 emissions by 2030, as this was when we were operating most efficiently prior to the COVID-19 pandemic.

In 2021, our total emissions were greater than the 2020 level due to increased production volumes, but emissions per tonne of white malt produced improved from 168 kg CO2e/t in 2020 to 162 kg CO2e/t due to improved efficiency following initiatives such as switching our haulage fleet onto HVO fuel (read more on page 22). This has achieved a >90% reduction in emissions from combustion of fuel for transport purposes (Scope 1) of approximately 2,200 tCO2e, when compared to using standard pump deriv.

In 2022, our total group emissions were greater again due to increased production volumes and the acquisition of the grain merchandising business of W.N. Lindsay Ltd and its incorporation into our operations. The acquisition has reduced Scope 3 emissions associated with third party grain storage and grain drying but has moved these into our Scope 1 & 2 emissions. However, even with these additional Scope 1 & 2 emissions, the emissions per tonne of white malt produced improved from 162 kg CO2e/t in 2021, to 159

kg CO2e/t in 2022. This is due to a number of initiatives introduced to improve operational efficiency, energy monitoring and the installation of new kiln fans at our Tweed Valley Maltings in February 2022. The new kiln fans increased production volumes by approximately 10% and also improved energy efficiency.

Overall, while we have increased production volumes and acquired a new business which has moved emissions into Scope 1 and 2, we have still reduced our carbon footprint by 3,865 tCO2e, or 7.5% from the 2019 baseline.

HVO

As part of our efforts to reduce emissions from our trucks, in January 2021, we took delivery of a 140,000 litre HVO fuel tank and switched our entire fleet based out of our Tweed Valley Maltings – around 30 trucks – onto HVO, a synthetic paraffinic fuel that's stable, renewable, sustainable and high-quality.

As a premium-quality second-generation renewable diesel alternative, HVO is made from 100% renewable raw materials and has reduced the greenhouse emissions of our fleet by more than 90%. Our additional haulage partners also use the fossil-free fuel for their malt deliveries with the company.

HVO is the best available technology to significantly reduce emissions until electric or hydrogen powered haulage vehicles become viable, which is still a number of years away.



MORE THAN
90%
reduction in our fleet
greenhouse emissions





WATER USE

The malting process uses significant volumes of water and, at both of our malting sites, we have aerobic water treatment plants to ensure our wastewater is safe to be discharged.

At our Tweed Valley Maltings, we have a Reverse Osmosis (RO) plant, which gives us the ability to treat used process water that would ordinarily be discharged and reuse it. This process produces water of a potable quality and, not only does it significantly reduce the demand on the area's water resources and the boreholes we abstract from, but it also reduces the amount of wastewater we discharge.

Continuous improvement projects on the water treatment plant at our Tweed Valley Maltings have not just improved plant performance (reducing abstractions and increasing water recycling), but have led to a number of improvements to health and safety when operating the plant, removing the need for manual handling and improving access.

We are continuing to improve and fine tune our tank settings and are continuously reviewing our site water use. Awareness and education training initiatives are active throughout our production teams across all sites, and water use forms a fundamental part of our sustainability and environmental modules during the induction and onboarding process.

26%

increase in recycled water produced through the RO plant from 2021 to 2022

14%

reduction in abstracted water per tonne of malt from 2021 to 2022



PACKAGING

Our Tivetshall St Margaret Maltings is home to our state-of-the-art bagging plant, where work has been ongoing to reduce plastic use, both on the material of the bags and the hooded plastic which helps to secure bags onto pallets for delivery.

Previously, our pallets were wrapped in two layers of hooded plastic to ensure stability in transit.

In 2021, following successful trials with supplier LC Packaging, we switched to new 25kg bags that reduced the denier/gsm and increased the calcium level to allow for an easier transition through the bagging line. An anti-slip layer was also added, reducing the chances of them slipping during delivery.

As a result, our pallets are now wrapped with one layer of hooded plastic material instead of two, leading to a 45% reduction in plastic used. As for the hooded plastic material, in March 2023 – after another successful trial – we switched to a new product made up of 30% recycled plastic.

In 2022, we reviewed wood use, with a focus on our pallets. Work was completed to restructure current pallets to maintain structural stability but reduce wood content. The new restructured pallets use 25% less wood and a phased switch first saw us move to these for domestic use in Q4 2022, with export from Q2 2023.

On the bags themselves, meanwhile, paper labels are now being used instead of plastic labels.

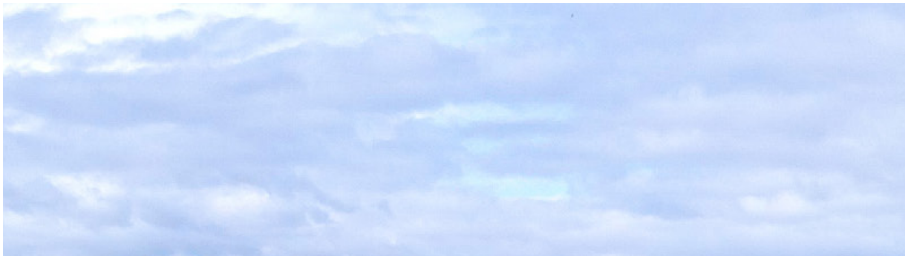
25%

less wood used with new restructured pallets

45%

reduction in plastic used in pallet wrapping





LOW-CARBON FERTILISER

As a business, we acknowledge that fertiliser application is significant part of a farm's overall carbon footprint. As a result, over the past couple of years, we have been exploring low carbon malting barley and distilling wheat production.

We are now partnering with fertiliser producers, farming partners and distilling customers to trial products and, in March 2023, we took delivery of the first tonnes of low-carbon nitrogen granular fertiliser in the UK from one of our fertiliser partners.

In the case of this product, it achieves low-carbon status as a biomethane feedstock has been sourced instead of

fossil gas, reducing the barley carbon footprint by 20% compared to a standard, grey-based fertiliser.

We plan to sell the fertiliser commercially from autumn 2023, subject to successful trials. These trials will be taking place throughout the year at our company farm in Northumberland, as well as other trials sites in our trading area.

UP TO
20%
reduction in the barley
carbon footprint through
using low-carbon fertiliser





TRIALS SITES

Our technical team, in conjunction with our farming partners, run a variety of different trials each year to help us with our sustainability objectives.

We trial new varieties of winter wheat and spring barley and are experimenting with various cover crops and fertilisers. We also operate nutrient use efficiency (NUE) trials, explore different fertiliser application timings, use new biostimulants on the market, conduct seed treatment trials and experiment with precision agriculture technology such as Drone AG's Skippy Scout.

From these trials, we obtain a huge amount of data and this is passed on to our advisory team. This aids them with decision making on farm to ensure a maximum return on investment for the farmer, while minimising inputs and caring for the environment.

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CLOTHING

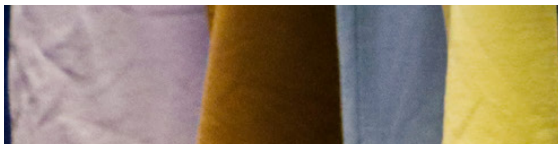
In 2022, we started working with a fellow B Corp, Project Merchandise, on the supply of customer merchandise, including t-shirts, hats, caps, stationery and much more.

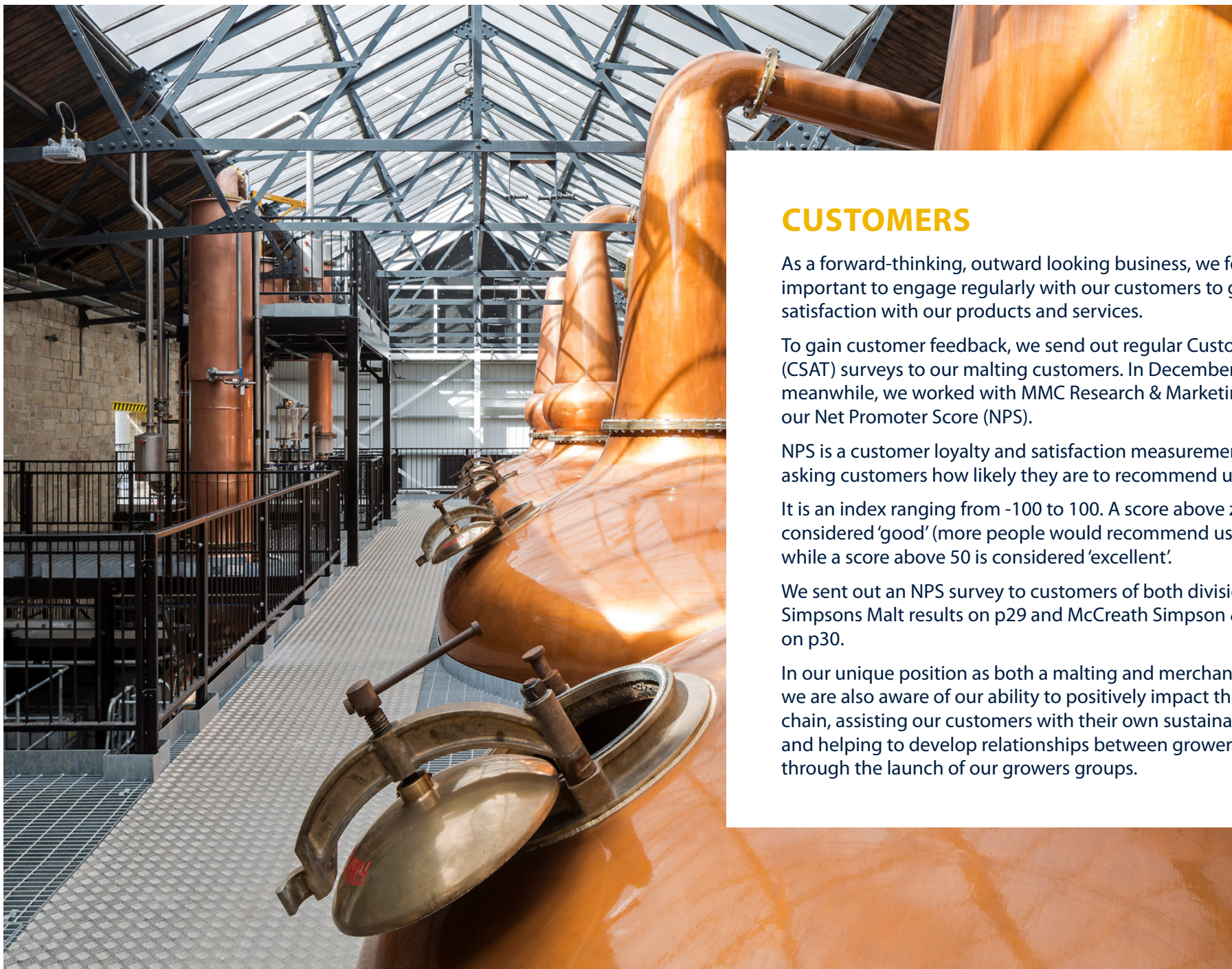
Project Merchandise is committed to delivering only the most sustainable merchandise and, with all of the products listed on their ecommerce website made from sustainable materials, it enables us to make conscious purchasing decisions.

Our procurement and health and safety departments are also in the process of ensuring all workwear garments they source – including staff uniform and PPE – are manufactured using sustainable materials.

“We take great pleasure in our relationship with like-minded organisations that share our commitment to environmentally and socially conscious procurement. It wouldn’t be possible to deliver on our mission to make merchandise more sustainable without the support of brands like Simpsons Malt.”

Shaliza Halani, Account Manager,
Project Merchandise





CUSTOMERS

As a forward-thinking, outward looking business, we feel it is incredibly important to engage regularly with our customers to gauge their satisfaction with our products and services.

To gain customer feedback, we send out regular Customer Satisfaction (CSAT) surveys to our malting customers. In December 2022, meanwhile, we worked with MMC Research & Marketing to determine our Net Promoter Score (NPS).

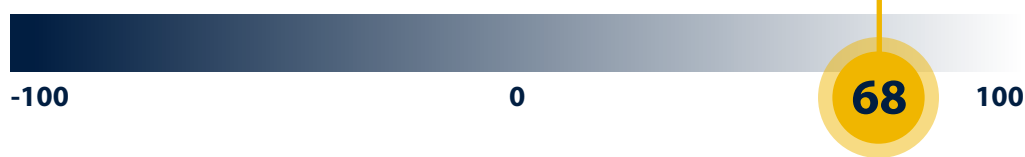
NPS is a customer loyalty and satisfaction measurement taken from asking customers how likely they are to recommend us to others.

It is an index ranging from -100 to 100. A score above zero is considered 'good' (more people would recommend us than wouldn't), while a score above 50 is considered 'excellent'.

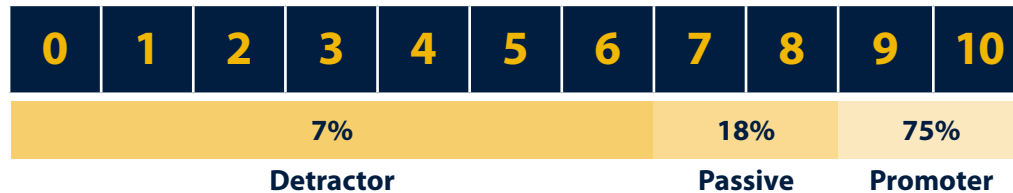
We sent out an NPS survey to customers of both divisions, with Simpsons Malt results on p29 and McCreath Simpson & Prentice results on p30.

In our unique position as both a malting and merchanting business, we are also aware of our ability to positively impact the entire supply chain, assisting our customers with their own sustainability objectives and helping to develop relationships between growers and end users through the launch of our growers groups.

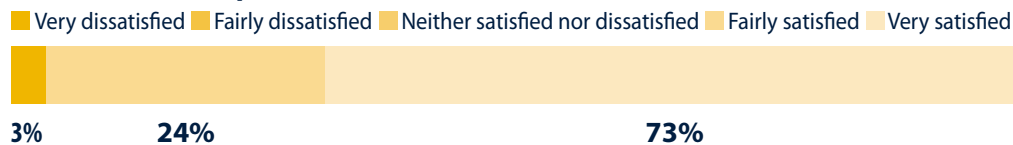
Our Net Promoter Score (NPS)



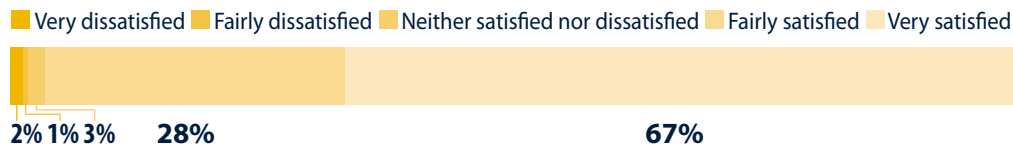
NPS = % Promoters - % Detractors



Satisfaction with products



Satisfaction with customer care service



94%

either strongly or slightly agree that sustainability is increasingly important to their business.

115

total respondents

93%

of respondents will work with us more or the same as last year

"We get very consistent results using Simpsons Malt. The product arrives well packaged (great pallet assembly) and clearly labelled."

Andy Parker, Elusive Brewing

"Leading the way in terms of ways of working, sustainability and grower engagement."

Gordon Buist, Chivas Brothers Pernod Ricard

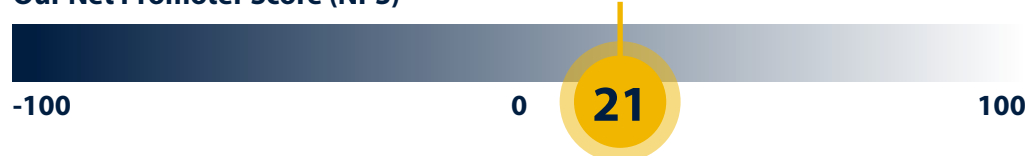
"A very reliable supplier with good quality malts. Always quick to answer and very straight forward, so it is easy to do business with you. Your price is always fair and detailed and where we have needed support, you have been there to help us."

Alfredo Ruiz Pose, The Glenmorangie Company

"There are a broad array of speciality malts to choose from which are always exceptional."

Daniel Gooderham, Adnams

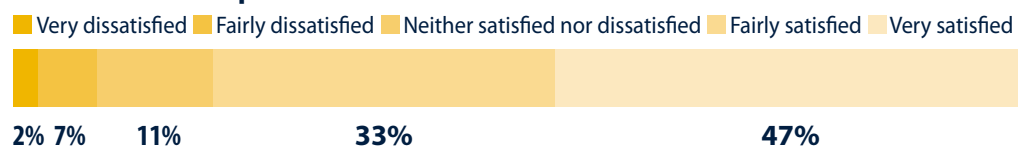
Our Net Promoter Score (NPS)



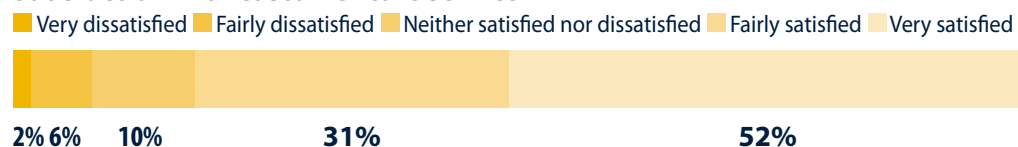
NPS = % Promoters - % Detractors



Satisfaction with products and services



Satisfaction with customer care service



76%

either strongly or slightly agree that sustainability is increasingly important to their business

126

total respondents

69%

of farmers said face to face meetings were the most important way to communicate

"Our agronomist does not push unnecessary chemicals and products and is always looking for the best ways to keep our farms profitable. He deals with everything from seed, chemicals and soil sampling to livestock feed. An excellent service."

James McOuat, Pitcoag Farm, Glencarse, Perth

"MSP provides an excellent back-up for grain testing, results, availability of transport and payments are prompt."

Posie Ridley, W Henderson & Company, Reedieleys Farm, Cupar

"I have a top-notch farm trader who is willing to take a call any day or time. I always get plenty pre-warning for wagons coming in and drivers are all very helpful and pleasant. Pretty competitive also for products."

Angus Maclean, Barevan, Muir of Ord

"Always deliver on time and collect grain on time at harvest."

Christopher Hadley, Savills



FARM SUSTAINABILITY ASSESSMENT (FSA)

Back in December 2020, we first showed our commitment to sustainability from seed to maltings by assisting all our farming partners who grow malting barley on contract in becoming verified to SAI Platform's world-renowned Farm Sustainability Assessment (FSA).

A total of 422 of the company's farming partners across Scotland and northern England achieved Gold performance level through the FSA, which is a highly effective, multi-purpose tool that helps farmers and food and drink companies around the world produce, sell and source more sustainably grown agricultural products, audited through one industry-wide assessment.

There are three levels of FSA performance: Bronze, Silver and Gold. By achieving the highest performance level of FSA Gold, it means that these farming partners are able to demonstrate they use first class sustainable farming practices, while it also provides them with secure market access as it allows them to do business with companies that are interested in sustainable sourcing.

At the time, this was the first barley buying Farm Management Group in the UK and the only verified barley buying group for a malting company.

Following the acquisition of the grain merchanting business of W.N. Lindsay Ltd, in November 2022 we had a second Farm Management Group of 340 farmers externally verified. This verification saw the group achieve 92.2% Gold and 8.8% Silver.

The first group is due for reverification to the recently updated FSA version 3.0 in December 2023 and we are very much looking forward to continuing to work alongside our contracted barley farmers in the production of sustainable malting barley and distilling wheat.



GROWERS GROUPS

For most of our distilling customers, we are able to offer traceability from seed to bottle, with malting barley or distilling wheat being grown by customers of McCreath Simpson & Prentice and then collected from farm, stored in grain storage sites that we own and then either delivered direct (wheat) or malted and delivered to the end user (barley).

This insight throughout the supply chain has led to the launch of growers groups, where select farms grow malting barley or distilling wheat for specific distilling customers, with the grains stored separately thanks to our large grain storage infrastructure of around 500,000 tonnes.



CASE STUDY: BORDERS GROWERS & DISTILLERS

In January 2022, alongside The Borders Distillery and 12 farming businesses in the Scottish Borders, we formed Borders Growers & Distillers – a long-term partnership showcasing traceability of the malting barley supply chain from seed to spirit.

The 12 farms are located within a 30-mile radius of The Borders Distillery and all are verified to Gold performance level of the Farm Sustainability Assessment (FSA).

At the start of each season, each grower will receive their certified malting barley seed from our fully licensed seed processing plant and, after harvest, the barley is moved from the farms by our haulage fleet to a designated barley store for Borders Growers & Distillers at our Craigswalls Grain Store.

Following a period in storage, the barley is then transported ten miles east to our Tweed Valley Maltings for malt production, before the finished product is delivered via bulk wagon load to The Borders Distillery. It means that from seed to bottle, the entire process is happening within a 40-mile radius.

Once at the distillery, The Borders team mill, mash and distil this homegrown barley to create their award-winning Puffing Billy Steam Vodka and Kerr's Borders Gin, as well as their future Single Malt Whisky – the first to be produced in the Scottish Borders since 1837.

"Borders Growers & Distillers will work together to produce outstanding products in a rapidly changing and challenging environment, and it's incredibly important and powerful to us for our consumers to know that the spirits they are drinking are made from locally-sourced raw materials."

John Fordyce, Managing Director, The Borders Distillery

"We're really pleased to be involved in a local supply chain collaboration with Simpsons Malt and The Borders Distillery and it gives us a great sense of pride to know that the work we put in throughout the year is rewarded with some of our barley going into some fantastic local products."

Andy Baird, Harpertoun Farm, Scottish Borders – Part of The Borders Distillery Growers Group

BORDERS GROWERS & DISTILLERS LOCATIONS



1. Messrs R M & G E Baird
2. Messrs W Barr & Co
3. W Douglas
4. P & P Fraser
5. W Murray (Farming) Ltd
6. CWR Forster & Partners
7. Phen Farms
8. Messrs J G Runciman & Co
9. D J Reddihough
10. M & J Turnbull
11. Firm of J J Walker
12. John Oakes & Partners
13. Tweed Valley Maltings
14. Craigswalls Grain Store
15. The Borders Distillery



LOOKING TO THE FUTURE

As we seek to achieve net zero Scope 1 & 2 emissions by 2030, here are a few upcoming projects that we hope will help significantly towards us achieving this goal.

NEW MALTINGS IN ROTHES

In February 2023, we received planning permission in principle from Moray Council to build a state-of-the-art maltings with malting barley storage facilities on the outskirts of Rothes.

The maltings will have an annual production capacity of 85,000 tonnes and most of this tonnage is being earmarked for major distilling customers located in Speyside.

Furthermore, the barley that will be used for malt production will be locally grown by farming customers of our agricultural merchanting division McCreath Simpson & Prentice, with the barley transported into the site from our grain stores in Keith and Stracathro.

85,000
tonnes annual production
capacity

ENERGY CENTRE

We have partnered with AMP Clean Energy, who will finance, develop and operate a low carbon Energy Centre on land next to our Tweed Valley Maltings. The land remains under our ownership, with AMP taking a long-term lease over the site.

The Energy Centre will comprise of biomass boilers and a large electrical boiler, the latter of which will be powered by curtailed renewable wind energy that would have otherwise been switched off, therefore maximising the benefit from the growth of renewable electricity generation.

It is anticipated that the low-carbon Energy Centre will provide more than 90% of the heat energy to the kilning process, with existing gas fired heaters remaining in place to provide additional production resilience and to meet any peaks in demand. Due to how energy intensive the kilning stage of the malting process is and how big our Tweed Valley Maltings is, we are anticipating up to an 80% reduction in our carbon emissions from this site, along with a group carbon reduction of around 55% in Scope 1 & 2 emissions.

With the contract signed in April 2023, construction work will begin in Q3 2023, with a view to the Energy Centre coming online in Q3 2024.



SCOPE 3 EMISSIONS IN BARLEY AND WHEAT PRODUCTION

We have an ambitious target to achieve carbon neutral malting barley and distilling wheat production by 2030. We are forming long-term partnerships with our farming customers, distilling customers and farm input suppliers to work collaboratively to create a more resilient supply chain by addressing all three pillars of sustainability: economic, social and environmental.

This starts with implementation of SAI Platform's Farm Sustainability Assessment (FSA), measurement of greenhouse gas emissions from producing the crop, traceability of the seed and crop inputs, maximisation of input-use efficiency and the use of lower carbon products such as low-carbon fertilisers and cover cropping.

These opportunities and trials will be shared with our farming partners and the rest of our supply chain to aid our decarbonisation journey, with engagement from all partners involved required to achieve our common goal of a resilient, carbon neutral supply chain.



simpsonsmalt.co.uk



mspagriculture.co.uk

