<u>Funding helps UK distilleries fuel a</u> <u>greener future</u>

- More than £11 million in UK government funding to will help UK's worldfamous distilleries go green, cutting emissions and supporting green jobs
- hydrogen and biogas will replace fossil fuels in production processes as part of ambitions to end contribution to climate change by 2050
- distilleries sector has the potential to cut carbon emissions by half a million tonnes every year — equivalent to emissions from powering more than 60,000 homes

Hydrogen and biogas will power whisky and spirit producers across the country following a cash boost of more than £11 million from the UK government, driving forward plans to create low-carbon green distilleries.

The multi-million-pound investment announced today will help distilleries across the UK ditch fossil fuels and develop low carbon heating systems that will make production processes greener and more energy efficient.

Four projects will receive a share of more than £11 million to decarbonise their distilling processes for the UK's iconic whiskies and spirits.

The distilleries sector has the potential to cut carbon emissions by half a million tonnes every year — equivalent to emissions from powering more than 60,000 homes or taking around 100,000 cars off of the road. Supported through the Net Zero Innovation Portfolio, the winners are being announced today in the wake of the UK hosting the COP26 UN Climate Change summit in Glasgow earlier this month.

Today's new investment is a demonstration of UK government's continued commitment to develop new green technologies and innovations, playing a vital role in helping eliminate the UK's contribution to climate change by 2050.

And with the Scotch whisky industry supporting 40,000 jobs across the UK, including more than 10,000 people directly employed in Scotland, today's funding will also create more high skilled jobs and provide opportunities for distilleries to develop their fuel transportation and storage technologies.

The announcement also comes in addition to the ambitious green targets announced in the Prime Minister's Ten Point Plan and the Energy White Paper.

Energy Minister Greg Hands said:

From London to Livingston, the UK is home to some of the world's best-loved drinks and the Green Distilleries Competition is supporting producers in this iconic industry to go further and faster in cutting carbon emissions as we build back greener.

We have been at the forefront of the push to tackle climate change at the COP26 summit in Glasgow and today's announcement is a key part of that.

UK industry continues to lead the world in its innovation and commitment to meeting the challenges of tackling climate change head on. That's certainly something worth raising a toast to.

Scottish Secretary Alister Jack said:

It's fitting that this announcement comes just before St Andrew's Day when Scotland's most famous product will be celebrated around the globe.

Scotland's whisky industry has a proud heritage and is taking massive steps to embrace innovative technologies that will make production greener and cleaner. UK government investment like this will help secure the future of the sector and the highly-skilled jobs it supports.

Simon Clarke MP, Chief Secretary to the Treasury said:

Thanks to the UK government's £11 million investment distillers all over Britain are cutting their emissions.

Together with this world class industry we are building a greener future while securing 40,000 high skilled jobs.

Having just hosted COP, our commitment to meeting our net zero has never been so strong and it's vital we continue to drive momentum.

Scotch Whisky Association Chief Executive Karen Betts said:

This funding is a welcome boost for the industry at a time when Scotch Whisky companies are already working hard to reduce their emissions. As a result, nearly 40% of the industry's energy is now coming from renewable sources. But we know we need to go further and faster, and that's where the Green Distilleries Competition is so critical since it supports companies in testing new technologies.

The results of the work undertaken through the competition are then shared across the sector, which helps everyone to map further our path to Net Zero. This is exactly the sort of industry-government partnership that will help us to secure a sustainable future for Scotch Whisky and for the communities across Scotland within which we work.

In the first phase of Green Distilleries Competition funding, 17 projects across the UK received up to £75,000 each to help boost research and development for decarbonisation projects. Phase 2 will enable four of those original 17 to progress schemes that include the use of low-carbon hydrogen and biogas instead of fossil fuels in their production processes.

Projects that have received phase 2 funding include:

- Protium Green Solutions, who are developing a system that uses hydrogen as a fuel source rather than oil in whisky production at the Bruichladdich Distillery on the Isle of Islay
- Locogen Ltd, whose project will be based at the Arbikie Highland Estate Distillery in Inverkeilor near Arbroath are developing and installing a green hydrogen energy system at the distillery, comprising a wind turbine, electrolyser, hydrogen storage and hydrogen boiler system
- Colorado Construction and Engineering, which is based in Livingston near Edinburgh, are developing a novel biofuel batch-gasification system
- Supercritical Solutions, a clean-tech start-up business who are developing the world's first high-pressure ultra-efficient electrolyser to generate green hydrogen as a feedstock for the distilling process working with Beam Suntory at their Glen Garioch distillery in Oldmeldrum, Aberdeenshire

Matt Bird, CEO at Supercritical said:

Our collaboration with Beam Suntory and the Manufacturing Technology Centre will help advance the world's first high-pressure, ultra-efficient electrolyser technology for the production of zero emission hydrogen, helping to decarbonise the whisky industry whilst setting an example for other hard-to-decarbonise sectors.

Funding for the <u>Green Distilleries Competition</u> is part of the £1 billion Net Zero Innovation Portfolio which aims to accelerate the commercialisation of innovative low-carbon technologies, systems and processes in the power, buildings and industrial sectors.

Successful phase 2 distilleries

1. Protium Green Solutions Limited

Protium Green Solutions Limited, in partnership with Energised Environments Limited, Bruichladdich Distillery Company Limited and Deuterium Heating Limited (£2,650,041.64) based in London, England.

Protium Green Solutions works with Bruichladdich distillery with the aim to create a novel onsite fuel switching process that will replace a medium fuel oil boiler with a first of a kind hydrogen boiler.

2. Locogen Ltd

Locogen Ltd, in partnership with Logan Energy Limited and Arbikie Distilling Ltd (£3,000,000), based in Edinburgh, Scotland.

Locogen plan to develop green hydrogen through creating infrastructure to provide Arbikie Highland Estate distillery with hydrogen fuel for raising steam in the distillation process. This will replace the usual method of burning oil for distillation.

3. Supercritical Solutions Ltd

Supercritical Solutions Ltd, in partnership with Beam Suntory UK Ltd and Manufacturing Technology Centre (MTC) (£2,944,778.29), lead based in Maidenhead, England.

Supercritical will advance its novel high pressure ultraefficient electrolysis technology and build the world's first demonstrator, all whilst delivering the world's first hydrogen direct-fired whisky with Beam Suntory.

4. Colorado Construction and Engineering Ltd

Colorado Construction and Engineering Ltd (£2,723,303.52), based in Livingston, Scotland.

Colorado will design, implement and rollout a batch gasification proposal, using a biofuel gasifier and associated reactive fuel burner, where this technology could enable distilleries to retrofit existing boilers with the means to gasify biofuels.