

Impact Report 2022



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“While we are still in the early stages, we have gained the advantage of momentum and that as we know, it is a powerful force.”

A letter from Sam Galsworthy, our Co-Founder

Thank you for taking the time to read our Impact Report. This is where we get to share all the many things that happened in 2022 in service of our *Crafting a Better Future* mission. And while most things might come over as ‘humble-brag’ (why not, they were hard to achieve!), we are equally willing to share the areas that didn’t quite go to plan either.

As the old proverb goes, ‘A journey of 1,000 miles starts with just 1 step.’, and having recently reflected on this journey, I recall how daunting the size of the task seemed at the time but how far we now seem to have come. While we are still in the early stages, we have gained the advantage of momentum and that as we know, it is a powerful force. This momentum has taken nothing less than some hard yards and some dirty hands – (figuratively and literally) but has been hugely uplifting to have been a part of.

I say ‘literally’, as we surged in our volunteering days in 2022 where nearly 90% of all our Swans participated in 2 days of back-breaking support in service of our chosen partners, The Felix Project and The Wetlands Centre, where it is impossible to leave either with clean hands and if you do, it means you’ve gone at it with a half measures approach and that is not something any of us are used to doing.

Whether it is more volunteering, meaningful efforts at decarbonising the business, taking greater pride and indeed growing our score in B Corp, becoming an *Includability Committed Employer* and so much more, it has been a positive and thoroughly inspiring year. And with the mindset of sustainability slowly becoming an embedded force within the culture of the business, 2023 and indeed beyond looks even more promising as we set our long-term goal on being recognised as the Best Gin in the World, for the World.

My personal thanks to Fiona Humphries for leading the charge with her boundless energy and grounded wisdom; likewise to the Kaizen! Team - supported by our Swans - for their enduring commitment to progress and improvement.

Enjoy the read, share the love



Sam Galsworthy
Co-Founder

Our 'Quite Right' moments in 2022

- We continued to maintain our certification as a B Corp and are proud to be a part of a community of over 4,000 businesses committed to using business as a force for good.
- We held a workshop with our swans on our Value Chain Footprint, encouraging them to take ownership of projects that would help reduce carbon emissions.
- We saved 3 tonnes of eCO2 in Q4 as a result of our new partnership with the Springburn bottling plant and changing the routing of our international shipment.
- We held swan engagement workshops across a range of issues including inclusivity, financial well-being and mental health.
- We continued to keep our swans safe with no serious / Health & Safety Executive reportable accidents in the Distillery.
- All our swans had an individual sustainability performance objective to work towards during 2022.
- Our volunteering hours increased by 18.67% where our staff volunteered at a range of charities such as the Felix Trust, WWT and Chiswick House.
- Under our new 1% for the Planet membership, our Christmas Winter liquid campaign for Very Berry enabled a donation of £10,000 to the Felix Trust.
- We became an Includability Committed Employer, demonstrating we are committed to maintaining an inclusive, sustainable and mentally healthy workplace culture.



Crafting a Better Future

We continue our commitment to champion a better way of crafting gin and to pioneer positive change in our industry.

Our sustainability strategy – *Crafting a Better Future* – remains our guiding light, helping us to shape our actions during 2022 to ensure that our purpose always focuses beyond profit – our why.





What progress have we made in 2022?



In 2022, we continue to proudly maintain our B Corp certification and deliver on our commitments outlined in Crafting a Better Future.

Like last year, we have done better in some areas than others and in 2022, we have worked hard to consolidate our sustainability performance.

STRATEGIC FOCUS AREA	2025 TARGET	PROGRESS
BETTER THAN NET ZERO	ELIMINATE SCOPE 1 EMISSIONS	🦋🦋
	ELIMINATE SCOPE 2 EMISSIONS	🦋🦋🦋
	23% ABSOLUTE REDUCTION IN SCOPE 3	🦋🦋🦋
BETTER RESOURCE USE	100% OF PACKAGING WIDELY RECYCLABLE	🦋🦋
	60% RECYCLED CONTENT IN PACKAGING	🦋🦋
	20% WEIGHT REDUCTION OF PACKAGING	🦋🦋🦋
	5 PARTNERSHIPS TO CLOSE THE LOOP	🦋🦋🦋
	ZERO GENERAL WASTE ONSITE	🦋🦋🦋
BETTER SOURCING	100% OF KEY RAW MATERIALS CAN BE TRACED FROM SEED TO SIP	🦋
	ALL SIGNIFICANT SUPPLIERS SIGNED UP TO CODE OF CONDUCT AND ALIGNED WITH SUSTAINABILITY GOALS	🦋🦋
	SIGNIFICANT SUPPLIERS SUPPORTED IN IMPROVING IMPACT	🦋
BETTER FOR OUR SWANS	YEAR ON YEAR IMPROVEMENT IN WELLBEING & HAPPINESS	🦋🦋
	YEAR ON YEAR IMPROVEMENT IN INCLUSION & REPRESENTATION	🦋🦋🦋
	YEAR ON YEAR IMPROVEMENT IN ENGAGEMENT	🦋🦋
BETTER FOR OUR COMMUNITIES	90% OF EMPLOYEES PARTICIPATING IN 2 DAYS VOLUNTEERING A YEAR	🦋🦋
	YEAR ON YEAR INCREASE IN FUNDS RAISED FOR CHARITY PARTNERS	🦋🦋
B CORP	ACHIEVE A BIA SCORE OF 108.2	🦋🦋





Proud to be a B Corp

In May 2021, we achieved our B Corp certification and we continue to maintain our high standards of social and ethical performance, public transparency and legal accountability, both in our sector as one of the first gin distilleries to have B Corp and within the wider business community.

As we progressed through 2022, we continued to work towards increasing our score by **25 points by 2025**, through the delivery of *Crafting a Better Future*, working in partnership with our lovely swans, suppliers, customers and the local community.





Better than net zero

*Our ambition is to make
decarbonisation business
as usual*

Understanding our changing carbon footprint

What we achieved in 2022*

Scopes 1 & 2

- We continue to source our electricity from renewable sources, eliminating our Scope 2 emissions.
- We harnessed the power of cold water in the winter to reduce our energy use during distilling.
- We continue to improve the efficiency of our steam generation by detecting and eliminating leaks.

Scope 3

- We worked with the Carbon Trust to understand the footprint of our new bottle.
- As a result of our new partnership with the Springburn bottling plant and changing the routing of our international shipment, we estimate we saved 3 tonnes of eCO2 in Q4. It included 8 international orders that were sent directly from Springburn - instead of routing them via EHD - to destinations that included Canada, USA, India and the EU hub.
- We engaged our swans with our Value Chain Footprint and asked them to identify carbon and waste reduction projects for 2022/23.
- We switched our distribution services to DHL and once we have worked the change into our footprinting, we will be able to estimate our carbon reductions in 2023. In the meantime, DHL switched to using biofuels for all shipments in September 2022 which will also further reduce our Scope 3 emissions relating to distribution.



*Our Science Based Targets (SBTs) encompass all of our Scope 1 & 2 emissions, and 73% of our Scope 3 emissions. Only the Scope 3 categories that have seen a significant change on emissions are highlighted in the illustration above. All other Scope 3 categories within our SBTs have remained relatively unchanged and are categorised as 'Other'.



Not everything went ‘quite right’

We acknowledge that our total emissions have increased, although they have done so because the amount of gin, we have sold in 2022 has also increased. However, we know we have to do better and will continue to use the data provided through our carbon and value chain footprint analysis to identify further opportunities where we will work in partnership with our suppliers, swans and our customers to deliver projects that achieve emissions reductions.

We have significantly reduced our use of air freight in 2022, although we still required 2 flights that were deemed as exceptions to our Air Freight Policy. However, we will learn from these exceptions by investigating how they could be avoided in the future.

As our swans emerged from lockdown and grasped the opportunity to return to face-to-face meetings with our customers, our business travel increased, including domestic and international flights, mileage and taxis. We are also aware that factors outside of our swans’ control – such as the rail strikes in 2022 – provided challenges for those who needed to attend meetings in Scotland and this meant that we saw an increase in the number of flights to and from London. Through a programme of ongoing education and engagement with our swans we will continue to remind them to make the most responsible business travel choices, monitoring the trends through our financial management system and understanding their choices through our annual staff travel survey.





Better resource use

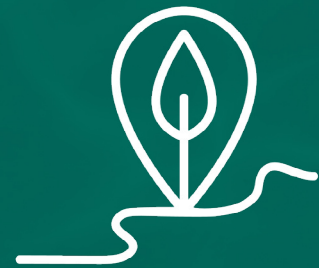
*Our ambition is to be at the
forefront of circularity within
the UK Drinks Industry*

Meaningful steps to better resource use

London Interdisciplinary School conducted research on behalf of Sipsmith to identify opportunities for us to collaborate with local businesses, researching possible uses for effluent and botanical by-products. For botanicals, recommendations included partnerships with sustainable fashion houses or other B Corp companies. For the reuse of effluent, the report recommended it was spread on the land, sent to an anaerobic digestion plant or further research could be conducted into its use in emerging technologies.

Flex-hex packaging was trialled for our single bottles during 2022, where 1.5k bottles were sent out. The feedback from customers was positive, with no complaints about breakages. Building on this success, we will be redesigning our packaging for the new bottle once our existing packaging stock has been used.





Better sourcing

*Our ambition is to have a
thriving workforce with a
demographic representative
of our London home.*



Bettering our supplier partnerships

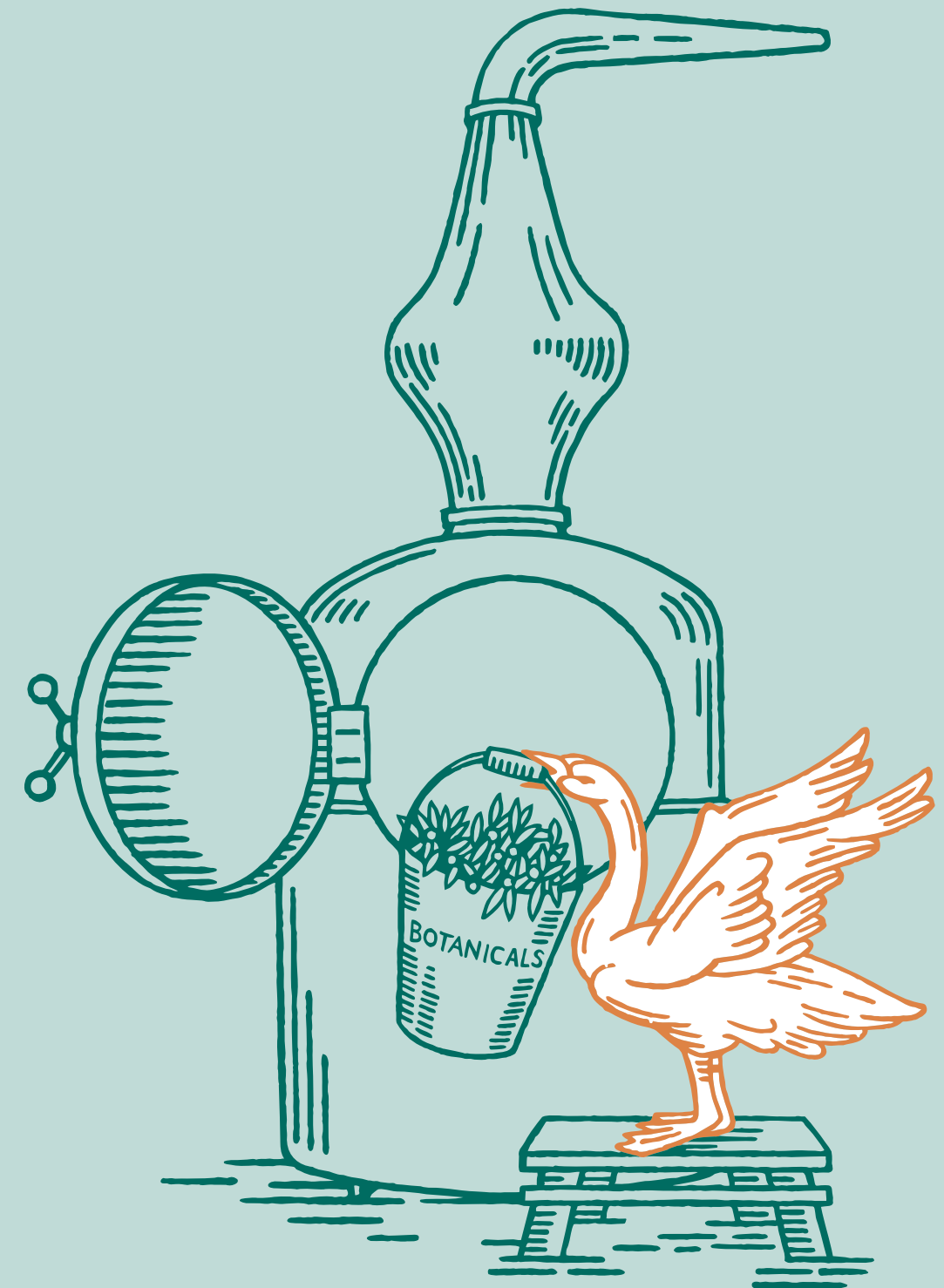
In 2022, we continued to use the SEDEX platform to connect with our suppliers to establish their actions on social and environmental sustainability.

What is Sedex?

Sedex is a CSR information sharing platform on which our suppliers complete questionnaires relating to their labour, health and safety, business ethics and environmental standards.

We work with our parent company Beam Suntory to assess our significant supplier self-assessments, identify any risks, and collaborate with suppliers to improve.

We conduct an annual Supplier Survey with our suppliers to gather data on things like their energy use, water consumption, and waste treatment practices.





The ingredients that go into crafting our gin

We continued to work closely with our botanicals supplier who is a member of the SEDEX platform and is certified to the BRCGS Agents and Brokers standard, which assures quality, safety and operations.



Better for our swans

*Our ambition is to have a
thriving workforce with a
demographic representative
of our London home.*

Creating an inclusive workplace

Our mission continues to be the creation of an inclusive workplace where every Swan can speak up, be heard and access opportunities to progress and develop at Sipsmith.

In 2022, we completed our second Inclusion survey which was completed by 83% of our swans. In comparison with the results of the 2021 survey, we have seen increased positive responses across the 5 categories – Belonging, Voice, Representation, Diversity and Inclusion since 2021, showing that actions taken by our Diversity, Equality and Inclusion Steering Group have had a positive impact.

2022 Highlights

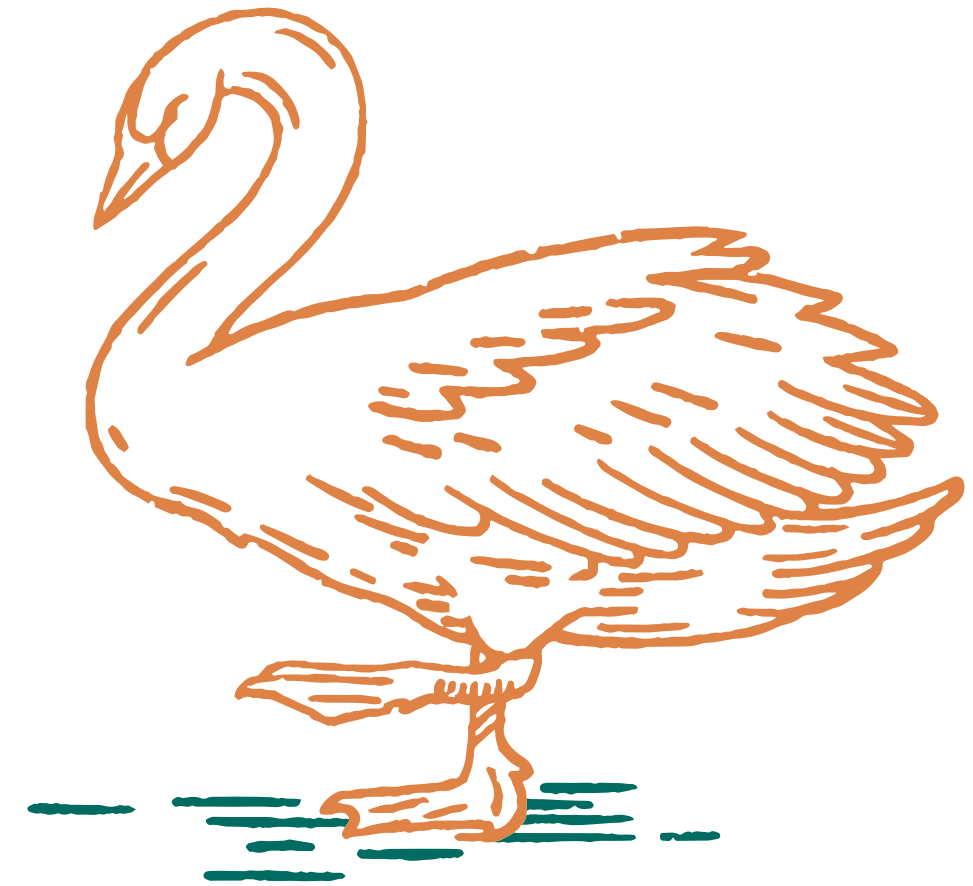
14% of our swans hired in 2022 were from under-represented groups, including minority ethnic backgrounds and the LGBTQ+ community.

50% of our swans are female, 50% male and 9% are from under-represented groups.

Inclusion event highlights included a Diwali evening in the Distillery, an event to mark the month Ramadan and an International Women's Day Q&A session.

Inclusion 101 workshops in January where swans were encouraged to use pronouns.

We became an *Includability Committed Employer* during 2022, demonstrating we are committed to maintaining a workplace that is inclusive, sustainable and mentally healthy.



Promoting engagement and well-being

During 2022, we continued to look for ways to support the physical and mental health and well-being of our swans.



2022 Highlights

We are proud of our health and safety statistics for 2022, where there were no serious accidents or incidents that had to be reported to the Health & Safety Executive. We did have 23 minor incidents, although 61 hazards and near misses were identified, allowing us to investigate and put in place preventative measures that kept our swans safe when they were working in the Distillery.

To support financial well-being, we joined the Bippet platform and in 2022, our swans participated in an introductory session, a workshop on pensions and savings drop-in sessions, together with a financial advisor.

We introduced a 60:40 flexible working policy, whereby we encourage our swans into the office to spend collaborative time with colleagues (for 60% of their working week), whilst recognising flexibility to work from home (for 40% of their time).

On mental health we introduced

Mental Health First Aiders, where we trained 6 employees as points of contact for swans who need help and support.

Mental Health Awareness training for managers, where 14 were trained so they are better equipped to support swans in their teams.

Team engagement continues to be an important focus for us where we ran

Quarterly face-to-face team events to encourage our swans to take an active role in the success of Sipsmith's mission, as well as embracing our B Corp values.

One of our quarterly events focused our swans on our Value Chain, encouraging them to identify projects for reducing our carbon footprint.

To further encourage our swans ownership of our B Corp certification, they each had a sustainability performance objective to work on in 2022.





Better for our communities

*Our ambition is to be widely
recognised as a force for good in
our communities*

Giving back to our local community

We are proud that London is our home and in 2022, we continued to support our local communities, businesses and charities through our swan volunteering programme.

In February, a team of 13 swans supported the local wildlife on World Wetlands Day by volunteering at the London Wetlands Centre in Barnes, who are almost neighbours to the Distillery. Another team of 11 swans volunteered in May, enthusiastically getting their hands on some wetland conservation work, coppicing trees and repairing boardwalks, amongst other things.

The Felix Project also hosted several volunteering days, where 31 swans once again helped to distribute surplus food to Londoners in need.

A further 5 swans spent a half-day of volunteering at Chiswick House, maintaining its beautiful gardens.

In total our team completed 439 hours of volunteering in 2022, which is an 18.67% increase on 2021. Although we didn't meet our ambitious target of 1,000 hours in 2022, we will do our best to hit this number in 2023.





Fundraising & Community Activity

In 2022, we joined 1% for the Planet, becoming a part of the global network of businesses, individuals and environmental partners tackling our planet's most pressing environmental issues. Under our membership, we donated 1% of the profits from our Very Berry gin which was our Winter liquid in 2022. Our donation of £10,000 to the Felix Project allowed them to distribute **45,000** meals to Londoners in need, as well as diverting 18.9 tonnes of food waste.

A further **£1,279** was donated, where for every press pack that was sent out as a part of the Very Berry press campaign, £5 was donated.

Examples of individuals who fundraised in 2022 included several swans running the Hackney Half-Marathon on behalf of The Felix Project. Another swan raised £2,805 for Cancer Research, in memory of her dad.

On International Women's Day, we sold cocktails and donated 50p per drink to the Pankhurst Trust, which totaled a donation of **£200**.

Proceeds from our Green Days were donated to the Bedford Park Festival for Ukraine.

As a part of Earth Day, we supported a fundraising event for Sub Rosa and Urban Grower in Liverpool where people were invited to get involved in a night of gardening, raffle prizes and Dancing 4 Plants. The first 80 people to buy raffle tickets were given a free drink by Sipsmith Gin, raising over **£200** for Sub Rosa and Urban Grower.

In December, we held our annual *Carols by Constance* event. Whilst it was not a fundraiser for one of our charities, we were delighted to welcome the local community that live near to the Distillery to join us for festive singing and mince pies.



Giving back through our drinks community

In October 2022, we partnered with The Alchemist Media City for Sustainability Month, where they put together a Sustainable Menu featuring cocktails with our Lemon Drizzle Gin. To support the event, Sipping for Good donated £1,000 to The Alchemist's chosen charity - Sustainably Run - who in turn planted 813 GiftTrees. Sipsmith's trees join the existing forest of 280,000 in Tanzania and helping them towards their target of 1 billion.



Giving back to the future of Smithery community

Building on the Bar of Smithery launch in 2021, our US ambassadors delivered six Smithery events in their markets during 2022. Highlights included:

- ♦ In New Jersey and Los Angeles, Bar of Smithery partnered with Tiki Fests and held sessions with bartenders where they were challenged to work in teams to produce a garnished Tiki cocktail. They were asked to keep sustainability in mind, so they avoided using plastic umbrellas, straws or sticks, although they could add flourishes with fruits. Once they had finished their cocktails, the bartender teams weighed all the leftover garnishes to demonstrate how much waste food would be thrown away as a result of making their Tiki cocktails. Needless to say, all were surprised by the results of their weigh-ins.
- ♦ Another Bar of Smithery event in North Carolina invited bartenders to work with a professional photographer to shoot the cocktails they had made, with some wonderful results.

Outside of the main Bar of Smithery programme, four of our US ambassadors took part in *Growing for Good* volunteering days.





Coming up in 2023

In 2023, we will be reviewing – Crafting a Better Future – to consider how to further support our sustainability purpose this year. We will also be preparing for our B Corp recertification in 2024, making 2023 a big and busy year for Sipsmith.

Better carbon footprint

Reduce our Scope 3 carbon emissions. For example, building on the carbon reductions estimated as a result of moving to the Springburn bottling plant, we recognise that if we look at our shipments (both national and international) in 2023, it could equate to a minimum 22 tonne eCO₂ saved. In addition, the launch of our new bottle later in 2023 should help us to achieve further carbon reductions.

Better resource use

We will be working on the implementation of an Integrated Management System to help us manage our environmental, health & safety and quality issues more robustly.

Better partnerships

Reshaping this pillar of our strategy, we want to engage more closely with our partners, whether they are suppliers, customers or sippers so that we have deeper conversations about their sustainability challenges, aspirations and how we can support them.

Better for our swans

In 2023 one of our business priorities is to Be a Great Place to Work, and on our journey to crafting a better future this means we will:

Improve our team engagement – through team-by-team engagement improvement plans at all levels of the business and focus them on our purpose beyond profit with sustainability performance objectives, and for the first time, DE&I performance objectives for our People Leaders

Develop our inclusive environment – with set improving inclusion targets as measured by our annual inclusion survey, and by working towards our commitment for our Swans to better represent the demographics of our London home by 2030 through reviewing our recruitment process and training programmes

Our DE&I Steering Group will lead our celebration of cultural events throughout the year and facilitate shared learning and better understanding for all our Swans

Better for our communities

We will continue to increase our volunteering hours through our partnerships with The Felix Project and others, encouraging our swans to get involved either in our organised volunteering or with charities who are local to them. We will continue our fundraising to support our charities and we will also continue our support for 1% for the Planet.



Be part of our journey

Our commitment to *Crafting a Better Future* demands boldness in approach.

We won't get everything right on this journey, but with our Kaizen mentality we will learn from everything we do and seek to improve at every turn.

Our no-half-measures approach and desire to leave a legacy will fuel us forward on this exciting journey.

If you want to be a part of our journey, please email [**kaizen@sipsmith.com**](mailto:kaizen@sipsmith.com)



