

SIPSMITH[®]
London

Impact Report 2020



HAND CRAFTED
GIN
IN SMALL BATCHES



A note from Sam, our Co-Founder

At Sipsmith, we have always been positively fueled by purpose. Initially we were driven to bring back gin to the city where it earned its name, crafting our London Dry Gin with uncompromising quality and innovation.

More recently in our 12-year journey, we have come to place the idea of ‘A Future Made by Hand’ at the heart of everything we do by celebrating the innate skill of the human hand and the humbling craft that it is capable of. In a world now ever dominated with technology, we believe fervently that the brilliance and wonder of the human touch must be celebrated wherever possible.

*Emerging out of all of this is a burning sense of care that has grown in us all to do good in the world. We seek to not only reduce our impact environmentally, but to establish a positive societal impact that sees us becoming a **force for good**. It is for this reason that we have committed to becoming a B Corporation. As you read this, we are in the proverbial waiting room, patiently awaiting the news of our submitted B Corp Impact Assessment.*

We will be joining an extraordinary community of over 3000 companies in 74 countries that span over 150 different industries, all of which are swelling with like-minded teams seeking to enable change that the world so badly needs. The starting point of our B Corp commitment was to change our Articles of Association, and further to Beam Suntory’s overwhelming support for this as well as our other sustainability initiatives,

this has now been done. The articles now reflect our new legal responsibility to place in equal priority our shareholders, customers, employees, community and the environment. I am proud to say that the ink has now dried.

*In this, our first Impact Report, you will find what we have been up to this past and frankly, deeply challenging year. Two powerful workstreams have come out of this commitment: the first is **Sipping for Good** – a team focused on supporting the communities with which the business and our team interact and engage with. Secondly is the **Ministry of Sustainability** – a team focused on ensuring our operations, workplace and facilities are squarely on the journey of being environmentally sensitive, and even progressive.*

*Supporting both of these engines for change is our **Ministry of Culture** that have made great strides in our Diversity & Inclusion agenda. They are also empowered to provide education on environmental and social issues to better inform the team of how and where we can do our bit.*

Our vision is to be ‘the Best Gin in the World, that is the Best Gin for the World’ and we are excited to share our first steps on this journey with you.

Sam



Environmental Policy

As part of this journey, we have formed our Ministry of Sustainability, a committee made up of environmental enthusiasts across the business. They are leading the charge in implementing our Environmental Policy, championing 4 pillars:

RESPONSIBLE WATER MANAGEMENT



We treat water as one of the most important resources for our business and will prioritise recirculation and v of water in our distilling process.

ETHICAL PURCHASING



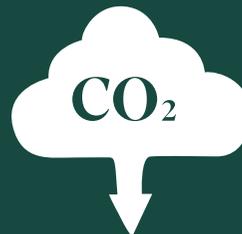
We will prioritise purchasing from local businesses and those that align with our own environmental ambitions.

RESPONSIBLE USE OF RESOURCES

3Rs

We aim to help contribute to a recycling-orientated society and promote the 3Rs across the business.

LOW CARBON COMPANY



We will strive to reduce the emissions of greenhouse gases throughout our organisation in order to minimise our impact on the planet.

Responsible Water Management

We are working on changing the way we operate to improve our water usage onsite. One of the initiatives so far has included the installation of a new cooling system in 2018. This means we have been able to switch from using mains water to cool our stills to using water recycled within our cooling system.

The installation of a new cooling system has *reduced our water consumption on site by approx 40%*



Ethical Purchasing

As part of Sipsmith's commitment to the environment and to build a truly sustainable society, we strive to purchase ingredients, materials and services that have the lowest possible social and environmental impact. We also endeavour to use local, independent businesses, reducing our impact on the environment whilst supporting our local community.



In 2019
58% of our expenses
were spent with
local independent suppliers*
We aim to increase this spend
year-on-year.

**A local independent supplier is located within a 50-mile radius of our distillery*



Responsible use of Resources

In November 2019, we started to separate our waste on site into different streams;
General Waste, Mixed Dry Recycling, Glass and Food Waste.

All of our General Waste is used by our waste partner, Veolia, to produce energy through incineration. *None of it is sent to landfill.*

The separation of our waste streams has enabled us to reduce our General Waste each month.



Our general waste has been reduced
by 70%
This is equivalent to **0.9 tonnes** each month!

This year, we have reduced the amount of packaging we have across some of our range. We have removed neck tags from our triple core range and changed how our mini bottles are packaged so that more fit into a box.



All of our labels and packaging boxes are
FSC certified

We installed a drainage basket to capture our spent botanicals which we send for anaerobic digestion to produce green energy and peat-free compost.



Since installation in October 2019, we have collected
4.5 tonnes of food waste. This has potential to power a **UK home for a year with green energy**



Mobilising efforts to become a Low Carbon Company

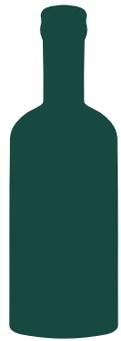
This year, we partnered with the Carbon Trust to *evaluate the Carbon Footprint of our products* and our value chain. Further work is to be completed to enable us to set science-based targets for our Greenhouse Gas Emissions – *a target that will align with helping to ensure global warming does not rise above 1.5 °C.*

The *Carbon Footprint* of our 70cl London Dry Gin



19%

of our Carbon Footprint comes from the distilling and bottling of our gin



23%

of our Carbon Footprint comes from the packaging materials of our gin



13%

of our Carbon Footprint comes from the distribution of our gin to UK sippers



45%

of our Carbon Footprint comes from sippers sipping our gin in a classic gin & tonic

Our Energy Use

In March, *we made the switch to a green electricity tariff.* All our on-site electricity is now produced by hydropower, a renewable energy source. In September, we also switched our gas tariff. The gas to fuel our boiler now comes from Anaerobic Digestion, a low-impact renewable energy source.

We have ensured that all lighting on site uses LED bulbs and occupancy sensors have been installed in key areas.

The switch to 'green electricity' has saved approximately

**33,000
CO₂eKg**

from being emitted, between
March and November 2020

This is enough
for more than

**11,500
bottles**

of our premium, hand
crafted London Dry
Gin (70cl) to be
produced and enjoyed
in a refreshing G&T.



Our Sipping for Good Policy

Another part of this journey has been the formation of our *Sipping for Good* team, a committee focused on supporting the communities which the Sipsmith team and wider business interact and engage with.

The committee champions the interests of three communities identified within our *Sipping for Good Policy*



OUR *local*
COMMUNITY



OUR *drinks*
COMMUNITY



THE *future of smithery*
COMMUNITY

Our Local Community

London is, and always will be our home. As such, we want to support local communities, businesses and charities. During the height of the Covid-19 Pandemic, we formed a partnership with Imperial College London to produce hand sanitizer. The hand sanitizer was donated directly to NHS hospitals and local authority hubs across London.



12,085L
Total volume
of hand sanitizer
produced

Number of
hands cleaned

6,042,500



With delivery to St Mary's
Hospital, Hammersmith
Hospital and Charing Cross
and Imperial Health Centre
(1415L donated in total)

Local authority hubs
and care homes
across London

10,550L



Sipsmith's
Donation

Team
Imperial



*It is fantastic to see our
Hand Swanitizer go to so
many. I'm super proud of
everyone who has been
involved in this partnership!*

Imperial College London

“Sipsmith’s generosity, kindness and support has made us feel like we belonged and were part of something meaningful when the going got rough. Thanks to you, we kept smiling even when things weren’t going our way. The hospitals and hubs we delivered to have all been extremely grateful.”

Our Drinks Community

The Drinks Community (bartenders, hospitality staff, customers and distillers) are our closest community and the 'smiths' of our industry. They have supported us in getting to where we are now and it is our duty to support them through highs and lows.

In support of the Drinks Community, we led two fundraising initiatives:
24-Hour Martini Throwing Marathon
and Sip & Support



We sold our ready-to-drink G&T cans and pre-batched martinis, with *all profits (£47,000)* going to The Drinks Trust and Hospitality Action.



Hospitality
Action

Funds helped to *provide emergency financial support* to individuals who have lost their employment and income due to the Covid-19 pandemic.



"If only there were more Sipsmith's in the world! This was a phenomenal result and will make such a difference to our work over the coming weeks and months."

- Ross Carter, Chief Executive of The Drinks Trust

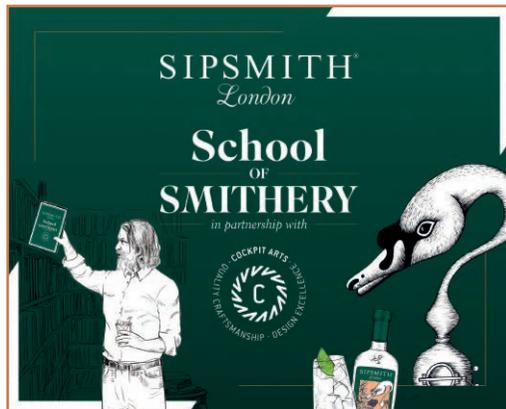
"This is a fabulous way to support the drinks and hospitality industry"

- Feedback from consumers

The Future of Smithery Community

Sipsmith champions a future better made by hand. *We want to promote the Smithery Community by investing in partnerships that support craftspeople and future generations of 'smiths.'* Our unrelenting passion for things well-made, by hand with love and compassion is what inspired us to be a part of London Craft Week, in collaboration with Cockpit Arts. *We've inspired people to sip, now we want to inspire a generation of smiths.*

The week consisted of..



In October, we collaborated with the Cockpit Arts and London Craft Week to celebrate our fellow smiths.

Our founders and experts from Cockpit Arts provided advice to the next generation of smiths to help commercialise their craft.



We showcased 4 makers on our website with bespoke pieces available to purchase.



Our Head of Innovations chatted with fellow makers from a range of industries about how they mastered their craft on Instagram Live.

The Future of Smithery Community



Charlie Laurie chose to design a *Leather Covered Sipsmith Copper Ice Bucket and Tongs*, combining the copper element of Sipsmith with green leather and copper thread.



Scott Benefield, a glassblower, and *Andrea Spencer*, a flame worker designed a *bespoke hand-blown G&T tumbler* to ensure you can celebrate the future of craft with every sip.



Zoë Wilson took the opportunity to further master her incredible skills on a beautiful set of four hand carved coasters.



Sadie Clayton hand crafted a stunning *Sipsmith Copper Drinks Trolley*, inspired by the natural curve of the Sipsmith Swans neck.



David Crump

*Head of Business Incubation,
Cockpit Arts*

“Cockpit Arts was delighted to partner with Sipsmith for the School of Smithery during London Craft Week 2020. Like Sipsmith, Cockpit believes that it is critical to support the makers of tomorrow and that making lies at the heart of a better future for all. We look forward to collaborating again.”



Our Values

At Sipsmith, *we have always valued our people*, so when it came to exploring & defining what Sipsmith's values are, we put that decision firmly in the hands of those who live and breathe them, our people. We are pretty proud of what they came back with, and from our first value to our last, we now strive to live by them every day.

1

No half measures:

Everything we do we do to the absolute best of our ability and quality. We do *the right thing, always*.

2

We are a family:

We have each other's back. We trust, respect and care for each other as individuals, wherever our journey takes us.

3

We are open, honest & brave

We are our full selves: authentic, real, not afraid to reveal our vulnerabilities. We say it as it is and want to hear how you see it too.

4

Be memorable, leave a legacy

Traditions are important to us, so is the future. We're not afraid to challenge the status quo to make things better. We do things differently, with a touch of who we are and a surprise in the detail.

5

There is always a way

We are passionate pioneers with entrepreneurial spirits. We are free to explore new ideas and create work we are immensely proud of. Whatever the challenge, we will find a way to make it work.

6

Laugh together; graft together

We take what we do seriously, but never ourselves.



A Future Made by Hand

In a world that is increasingly automated, *Sipsmith's mission is to help protect 'a future made by hand.'* Central to this mission are our people, crafting their work in line with our company values.

To keep team spirits high during the height of the Covid-19 pandemic, Sipsmith held team challenges that align with our values.

The aim: To bring light and positivity into our lives, and the lives of those around us.



Culture Huddle



Team Challenges



Care Packages



Virtual HIIT/Yoga Classes



Diversity & Inclusion

Sipsmith have created a D&I steering group, made up of representatives across the team. The group are helping to form our D&I strategy for 2021. Our initial D&I strategy consists of 3 pillars:



Data & Demographics



Inclusive Environment



Entry Routes for Underrepresented Groups at Sipsmith

An open forum on Microsoft Teams has been created for discussion on D&I and for transparent sharing of D&I group meeting minutes. Past Sipsmith team days have also included speakers who discuss D&I and engage with the Sipsmith team. Sipsmith wants to provide a safe environment for its employees to share their opinions openly. The D&I ambition is for *Sipsmith to be a beacon for diversity within the local area.*

Recommendations from our Swans

Netflix: Crip Camp

Website: www.theblackcurriculum.com

Articles: How Microaggressions Cause Lasting Pain

TV Show: Mrs America

TED Talk: www.ted.com

Books: Mr Loverman, Girl, Woman, Other, The Lonely Londoners, Taking Up Space

What does this mean?

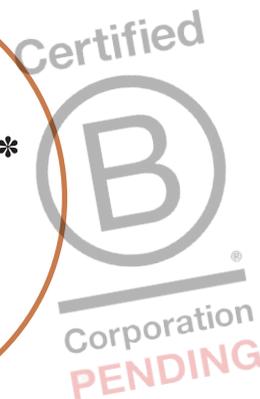
The improvements we have made throughout the year have helped us reach the stage for B Corp Submission. This process has prompted us to analyse our business in relation to the triple bottom line: People, Profit, Planet and identify areas of improvement. We are in the verification stage of B Corp accreditation.

We hope to achieve B Corp status in Q1 of 2021. From there, we will look at improving our score year on year.

Overall **B** Impact Score

83.4*

**Unverified BCORP stat*



Governance
12.1



Workers
29.7



Community
15



Environment
23.7



Customers
2.7

These are early days for us and we are certainly not perfect, but *we're taking the necessary steps at a promising pace* to become the force for good we are striving for. With B Corp accreditation under our belt early next year, we will not rest. *We will apply our KAIZEN! mentality to everything we do*, meaning we will have even more great news to share in next year's report.



If you have any questions, or would like to know more about the work we are doing, please contact our Kaizen Team

✉ kaizen@sipsmith.com

