



SUSTAINABILITY REPORT 2024

WELCOME

It gives me great pleasure to share with you the latest sustainability report from Simpsons Malt Limited.

While this report will be filled with many positive updates, I must begin by acknowledging two pivotal figures in the history of our fifth-generation, family business who sadly passed away within the last 12 months: the company's Chairman, Simon Simpson OBE, and Non-Executive Director – and my father – David McCreath OBE.

Simon served as Chairman from 1981 until his passing, while David founded – with Simon's assistance – our agricultural merchanting division, McCreath Simpson & Prentice, back in 1980. Their foresight to work together more than 40 years ago and enable us to become a maltster and merchant is a key part of our business operation today, with farmer suppliers and end users in the brewing and distilling industries finding increasing value in the supply chain transparency and traceability we can offer.

The report will reference efforts in our own operations and our supply chain, with exciting updates on our low-carbon fertiliser partnerships and our Energy Centre project.

However, as a Certified B Corporation – for which we're currently undergoing re-verification – sustainability for us goes beyond environmental, so you will also be able to read colleague updates, as well as how we're continuing to positively impact the communities around our sites and the feedback about the service we provide our customers.

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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Simon Simpson OBE

1935 - 2023

Great-grandson of Simpsons Malt Limited Founder James P. Simpson, Simon was the son of Richard L. Simpson who, together with his brother James F. Simpson, led the business following the death of their father – Richard H. Simpson – in 1942.

Simon 'officially' joined the family business in 1953 at the age of 18, at a time when the company operated 17 floor malting sites in the north of England. Ten years later, on New Year's Day 1963, the company's Tweed Valley Maltings became operational, resulting in the closure of many of the smaller malting sites in the following years.

In 1981, Simon assumed the position of Chairman following the death of his uncle James and he continued to oversee the growth of the Berwick-upon-Tweed site as it became – and remains – the company's headquarters and the largest single malting site in the United Kingdom.

Awarded an OBE in 2004, Simon was dedicated to community service, helping to form The Simpson McCreath Trust in 2008 alongside David McCreath, which has donated more than £100,000 to good causes. He remained active in the business until his passing, sharing the family history with new starters, including his granddaughters Eva, Freya, Isla, Georgina and Charlotte.



David McCreath OBE

1942 - 2023

Grandson of Henry G. McCreath, the Founder of grain merchanting company H.G. McCreath & Son in 1866, David joined the family business in 1961 after completing a degree in agriculture and working on a farm in Felkington, Northumberland.

Over the next two decades, he built extensive agricultural knowledge and, when the family business was sold in 1980, David approached Simon Simpson, who gave him credit lines to start agricultural merchanting business McCreath Simpson.

David ran it single-handedly for two years before acquiring John Prentice & Co., resulting in the formation of McCreath Simpson & Prentice (MSP) in 1983. Over the next 40 years, David oversaw the significant growth of MSP into one of the UK's leading agricultural merchants.

David was held in great esteem within the agricultural sector, serving on the Boards of British Cereals Export, Scottish Quality Cereals and the Scottish Corn Trade - the latter of which he was President of in 1993. He also received an OBE in 2006 for his services to the malting industry.

A trustee of The Simpson McCreath Trust since its formation in 2008, David remained engaged with colleagues and community projects until his passing.

A message from the new Chair

"It is a real privilege to succeed my father, whose passion for innovation and independence, together with his honesty and industriousness, helped to drive our family business forward over the past four decades.

"We will build on my father's legacy by continuing to work closely with customers and partners in our vertically integrated supply chain, championing sustainability both on-farm and within our own operations in order to grow our family business for future generations."



Richard Simpson





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 315,000 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.

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.



simpsonsmalt.co.uk



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

Founded in 1980, but with a family history in agricultural merchanting that stretched 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.

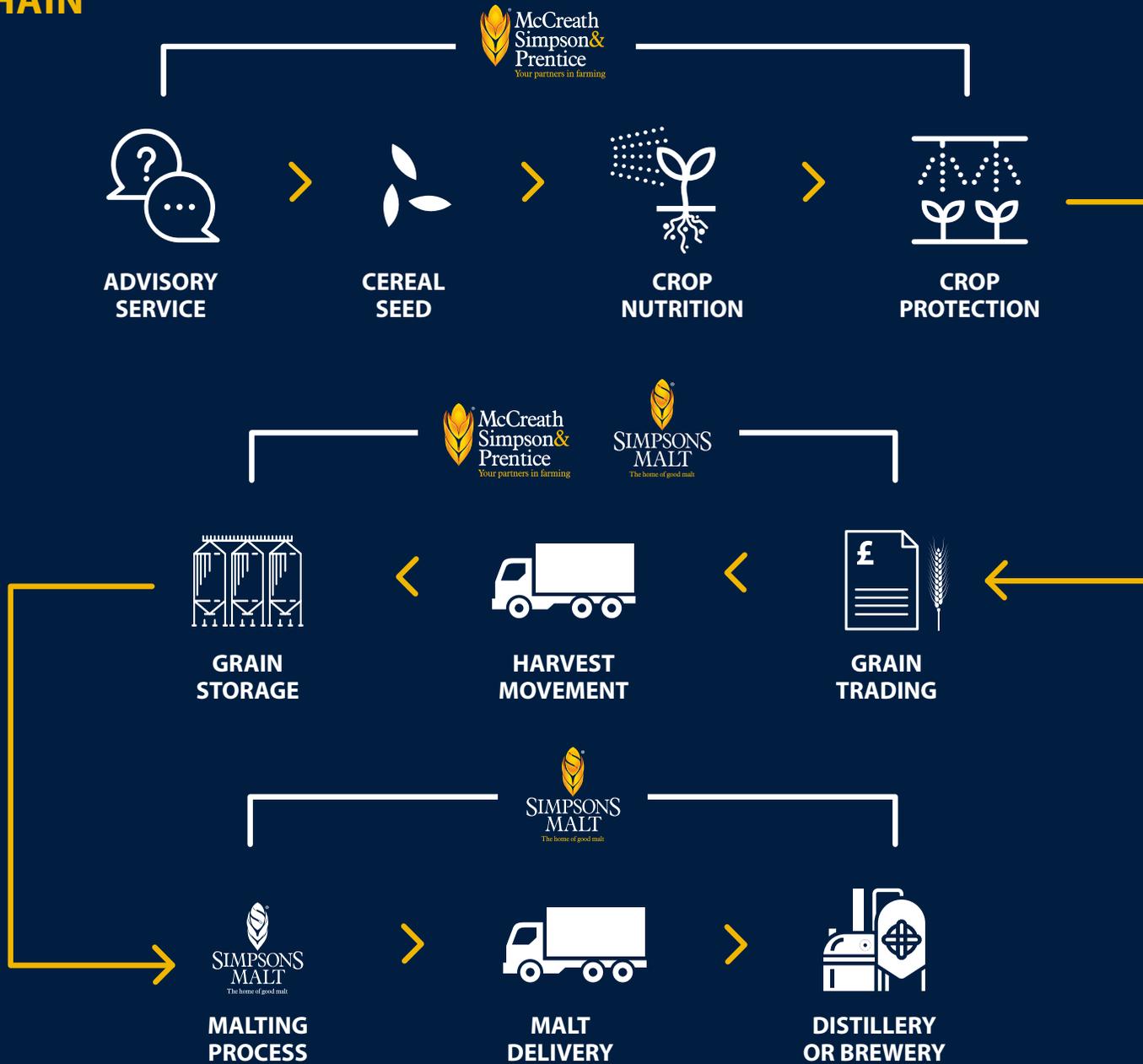
With this vertically integrated supply chain and sustainability at the forefront, it enables the sourcing of malting barley and distilling wheat – among other combinable crops – that is traceable, with the verification to back it up.



mspagriculture.co.uk

OUR SUPPLY CHAIN

FROM SEED
TO BOTTLE



OUR LOCATIONS



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. Yaregrain

6,000 tonnes of grain storage

8. Tweed Valley Maltings

260,000 tonnes of malt production
70,000 tonnes of grain storage

9. Tivetshall St Margaret Maltings

55,000 tonnes of malt production
7,000 tonnes of grain storage

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 (1981-2023)



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 have been a Certified B Corporation since November 2021 and we're currently in the process of recertifying - a requirement every three years - with the result due in late 2024.

Certified



Corporation



THREE YEARS OF B CORP



We've been part of the B Corp community for three years and are currently in the midst of our first recertification, the result of which will be shared later this year.

Being a B Corp has had an immensely positive impact on our family business, which our Shared Services Director, Malcolm Brown, outlines here...

How has the business changed since certification in 2021?

Sustainably growing our family business is now at the heart of everything we do and is embedded in every strategic decision. In the past three years, we have also acquired and integrated the W.N. Lindsay Ltd merchanting business, allowing us to further our ambition of dealing directly with local growers and local communities.

How has it altered how we operate?

We've increased our emphasis on listening and acting upon feedback from colleagues through introducing Great Place to Work surveys and customers through Net Promoter Score (NPS) surveys. We've made various changes to our policies and procedures, from implementing more detailed Supplier Codes Of Conduct, to aligning our good cause donations with UN Sustainable Development Goals. We've also expanded our SAI Platform Farm Sustainability Assessment (FSA) groups to cover all our local barley growers to support them in their sustainability journeys, while we've looked at innovative ways of meetings our net zero targets through implementing an Energy Centre and trialling low-carbon farming projects with growers.

What have we found beneficial about being part of the community?

It's a great framework to support us in making positive changes in our business. We are able to share experiences through taking part in quarterly briefings and all colleagues have access to the B Hive, where they can ask

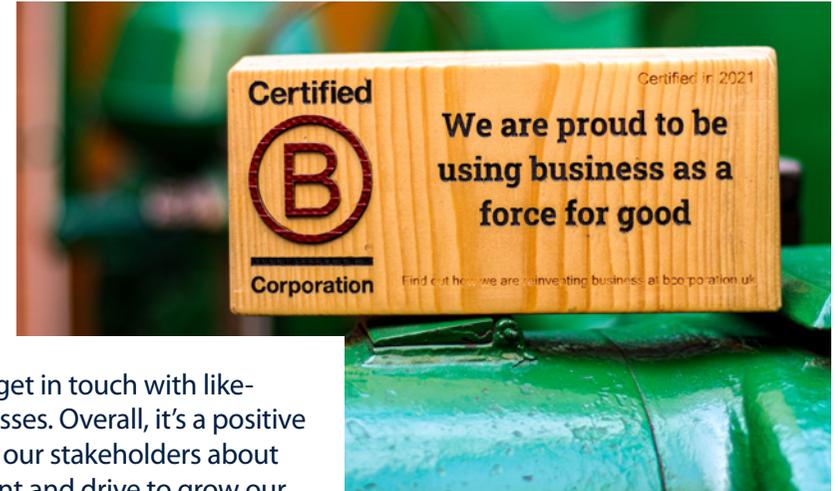
questions and get in touch with like-minded businesses. Overall, it's a positive message for all our stakeholders about our commitment and drive to grow our business in the most sustainable way.

What are the biggest things we've learned?

To listen and engage with our stakeholders, colleagues, customers and suppliers, and incorporate the great ideas and suggestions they have into our plans. It's taught us to focus on a few things and embed them well, rather than trying to do too much at once! Finally, when you are doing things for the right reasons, to be a force for good, it is much easier to empower people to support you on the journey.

What are our hopes for recertification?

We're looking to make incremental improvements in all pillars, especially around staff, supplier and customer engagement. We're also hopeful of opening up a new Impact Business Model for our support of local suppliers and communities.



Net Zero Business of the Year

We were delighted to be awarded Net Zero Business of the Year at the Scottish Borders Chamber of Commerce's 2023 Business Excellence Awards.

The award was presented to us in recognition of our sustainability achievements to date, along with our mission of achieving net zero Scope 1 and Scope 2 emissions and carbon neutral malting barley and distilling wheat production by 2030.

WORKERS

We have long considered our growing workforce to be key to the success of our fifth-generation, family business. As a result, we invest significantly in our people each year to ensure that they are not only informed, engaged, equipped and empowered in the workplace, but are rewarded well financially and supported with their physical and mental wellbeing.

It was wonderful, therefore, to have this validated by colleagues as we became Great Place To Work Certified during 2023.

This is a global award given to organisations who quantify their workplace culture and produce better business results by creating a high-trust work environment for all employees, with results generated through a comprehensive survey.

As part of our ongoing commitment to continuous improvement, we are making improvements based on the feedback colleagues provided us and are working with them to implement positive changes.



RESULTS
73%
PARTICIPATION RATE
49% required for certification

75%
POSITIVE RESPONSE RATE
65% required for certification

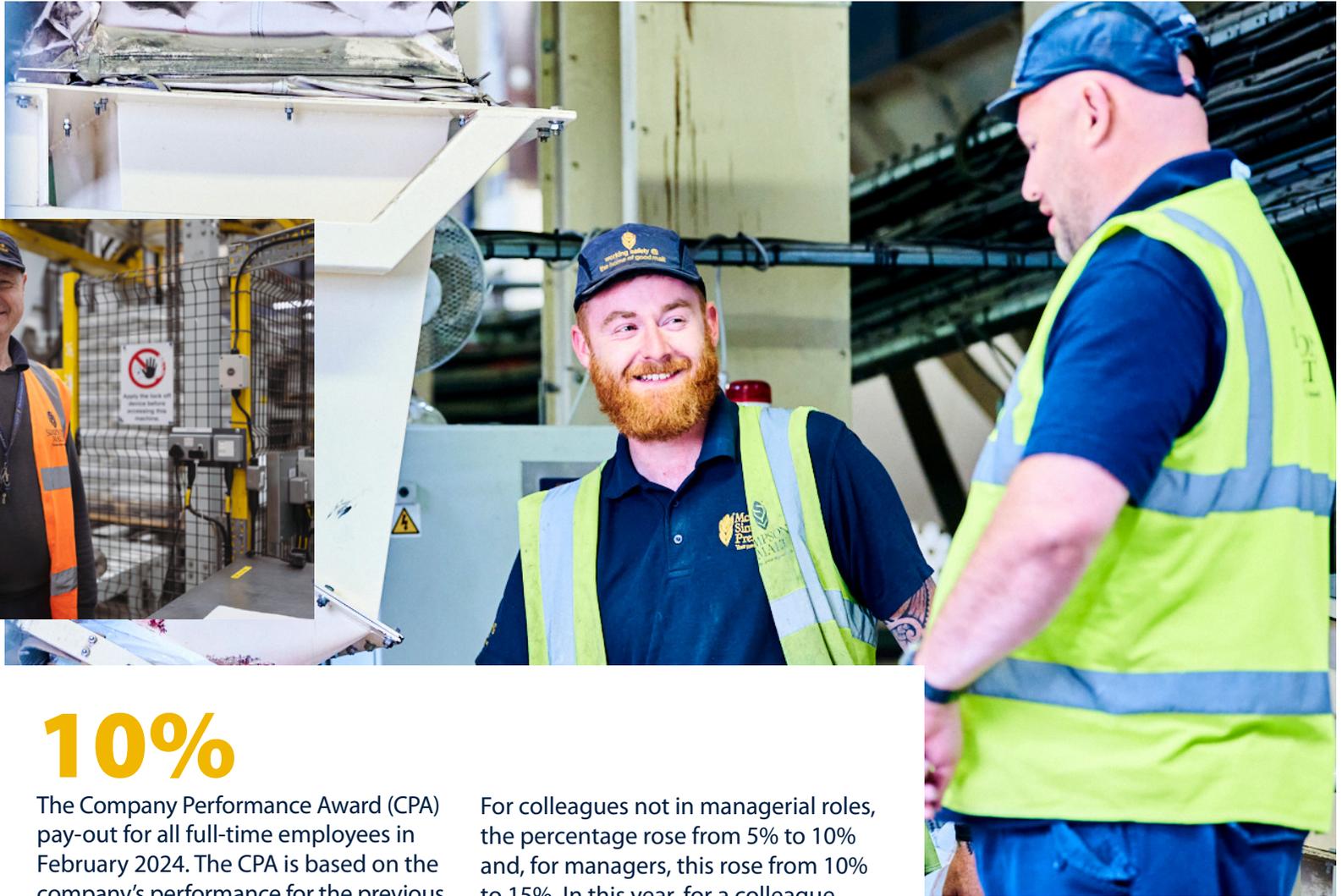
Great Place To Work®

Certified

NOV 2023-NOV 2024

UK

SUPPORTING OUR COLLEAGUES FINANCIALLY



5%

With the cost of living still increasing, full-time colleagues received a 5% increase in their base salary or pay rate, which came into effect from January 1, 2024. This was an above inflationary rise, with inflation at 3.9% in December 2023.

10%

The Company Performance Award (CPA) pay-out for all full-time employees in February 2024. The CPA is based on the company's performance for the previous financial year and, in recognition of our colleagues' continued contribution to the overall growth of the business, a permanent change to the base CPA percentage was made.

For colleagues not in managerial roles, the percentage rose from 5% to 10% and, for managers, this rose from 10% to 15%. In this year, for a colleague earning £30,000 per annum, the CPA is a maximum of £3,000 before tax ($30,000 \times 0.10 = 3,000$). For a manager earning £40,000 per annum, the CPA is a maximum of £6,000 before tax ($40,000 \times 0.15 = 6,000$).

OUR COLLEAGUES

390

The number of colleagues in the business on permanent contracts as of January 2024.

74

The malting industry is traditionally male dominated, but the number of women working in our business has increased considerably in recent years to 74 (18.97%) as of January 2024. This has increased from 46 out of 307 colleagues (14.98%) in January 2021.

18

The number of women in managerial or supervisor roles as of January 2024. This has increased from five in January 2021.

-4.30%

This is our median gender pay gap, which is calculated by finding the midpoint in all employees' hourly pay and discarding the lowest and highest rates of pay or 'outliers.' This has shifted significantly in recent years, with the median gender pay gap being 15.28% in 2018.

29

The number of colleagues who are participating in – or have completed – apprenticeships, with these ranging from engineering, finance and agronomy to learning and development, IT and leadership and management (levels 3 and 5).



PHYSICAL AND MENTAL WELLBEING

Expansion of Plumm Health services

Since late 2021, all colleagues have been able to access Plumm Health, a global platform for accessible online mental wellbeing services.

In recognition of the importance of family life on the overall wellbeing of each individual, we recently upgraded our Plumm subscription to the Family Access package. This allows colleagues to add up to three family members each (18+) to their account, giving them access to Plumm's self-help resources and chat therapy.

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.



EMPLOYEE ENGAGEMENT



EV SCHEME

Road transport is the UK's largest contributor to greenhouse gas emissions, with figures from 2020 showing that it accounted for 24% of total emissions.

With a survey conducted in 2022 showing that most colleagues commute by petrol or diesel vehicles to our sites, we wanted to offer an incentivised, environmentally conscious transport solution.

As a result, we have launched Octopus Electric Vehicles' electric car salary

sacrifice scheme as a new employee benefit. Electric vehicles produce zero tailpipe emissions, can run on renewable energy source and are viewed as a positive step towards a more sustainable future.

Colleagues give up a portion of their gross monthly pay for a new electric vehicle, but can save up to 40% on the monthly cost thanks to savings on national insurance and income tax.

What's included?

- A brand-new EV with no upfront costs
- Insurance (T&Cs apply)
- Maintenance, road tax & MOT
- Tyres
- AA breakdown
- Free home charger with standard installation

POT GANG

Ahead of Earth Day in 2023, colleagues were offered the opportunity to receive a gardening subscription box from the company via Pot Gang.

Providing comprehensive monthly boxes with all the essentials for growing fruit, vegetables and herbs, Pot Gang aims to simplify the gardening process and make it accessible and enjoyable for all.

Around 100 colleagues signed up for the boxes, which included tomato, mint and cucamelon seeds and, in the following weeks and months, colleagues – and their families – watched the produce grow before enjoying the fruits of their labour.

VEGETABLE BOXES

As we all know, Christmas is a busy – and more costly – part of the year for families.

Every December, all colleagues receive a £50 One4all voucher from us to assist with festive spending and, more recently, we have started to offer subsidised vegetable boxes containing all the produce required for a family Christmas Dinner.

Colleagues pay 50% of the box cost and, in total, there were 130 orders across all our sites. This not only assisted colleagues with their Christmas food shopping, but also supported greengrocers local to our sites.



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 charity's four trustees are two members of the Simpson family (Richard Simpson and his eldest daughter, Eva) and two members of the McCreath family (Tim McCreath and his daughter, Abigail).



BRFC WOMEN

In summer 2023, we entered into a three-year partnership with the newly-formed Berwick Rangers Community Academy donating £15,000 per year, with the funding assisting with the launch of a women's team in the town.

It was absolutely fantastic to follow the progress of the team throughout their inaugural season, which resulted in promotion from Northumberland Division 1 as champions with an 'invincible' 100% record.

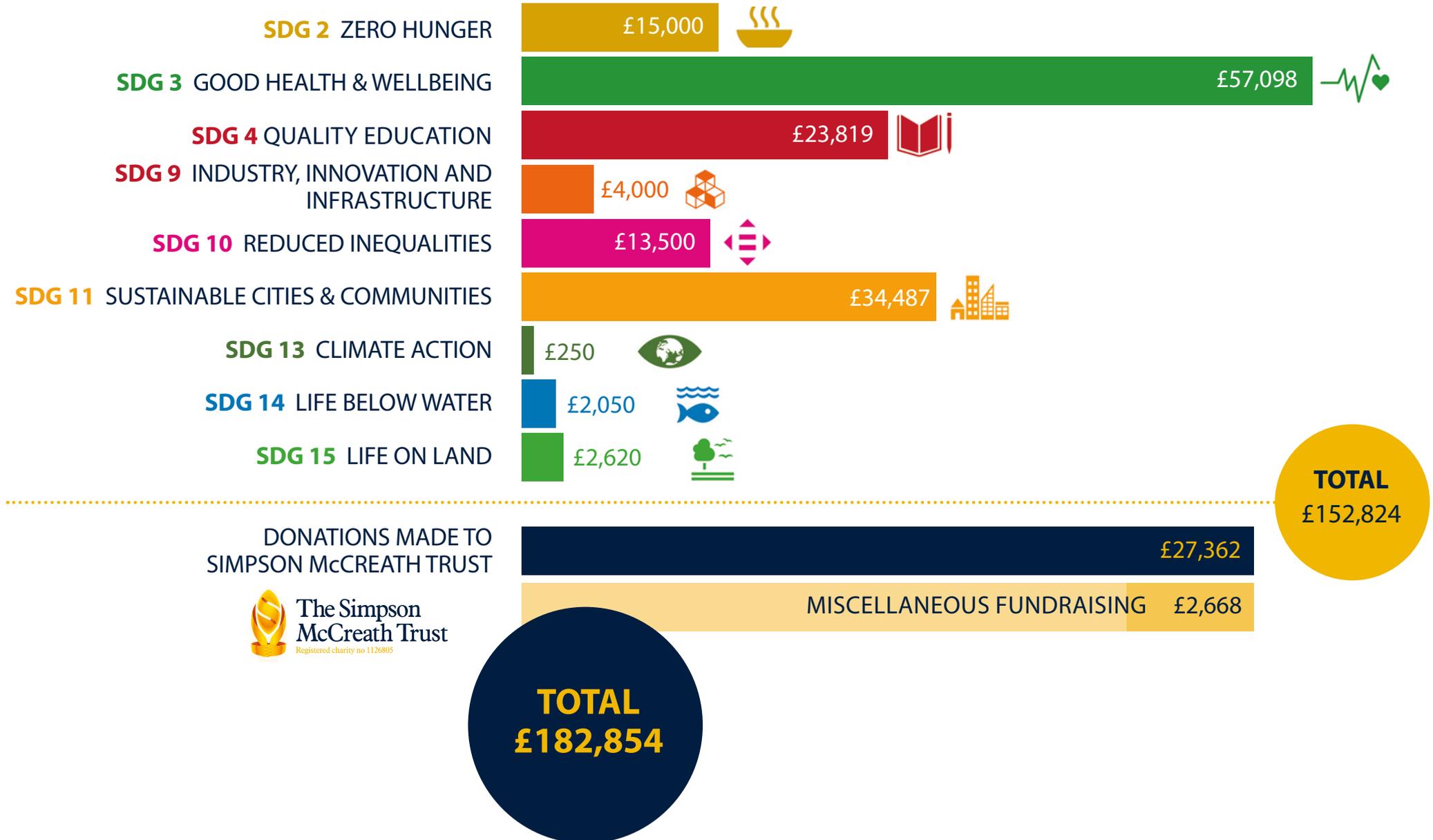
UN SUSTAINABLE DEVELOPMENT GOALS

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 2023.



WHAT OUR RECIPIENTS SAY



“The City of Brechin Pipe Band is the oldest self-funded civilian pipe band offering free tuition to all players. Unfortunately, flooding during Storm Babet caused extensive damage to both the hall that we practice in and some of our equipment. We are extremely grateful for the very generous donation we received from Simpsons Malt and this money has been used to strip back the affected floors and walls and replace some of the damaged equipment.”

Craig Black, Pipe Major, City of Brechin Pipe Band



“The Grove School is held in people’s hearts in this community, and we always feel that when we apply for grants because companies like Simpsons Malt are always willing to support us. We find as much money as we can from our own budget but it’s not enough to do what we really want to do. The donation from the Simpson McCreath Trust has allowed us to fund a new classroom and kitchen, which has made a huge difference to every child that has walked through our door.”

Penny Derries, Headteacher, The Grove School



“We are unbelievably grateful for the grant we received from the Simpson McCreath Trust, which has enabled us to build a community changing place facility that includes a shower and changing bed for disabled adults and children. You were one of the first to pledge money towards the project and this gave us the belief that we could turn an idea into reality.”

Karen Renton, Fundraising Coordinator, Northern View



“Thank you for the incredibly generous £5,000 donation towards the fifth annual Winter Appeal. The funds from this appeal will bolster our efforts to extend our reach and impact across the winter months, providing vital support to numerous individuals and families who are confronting the challenges of food insecurity. Your generosity will make a tangible difference in our mission to alleviate hunger and nourish communities in Northumberland.”

SJ Hunt, Chief Executive, The Country Food Trust



“Your River Waveney Trust membership goes a long way towards our core funds and it is wonderful to build long-term relationships with local businesses. This year, we are continuing with our environmental projects; wetland habitat creation, tackling invasive species and working to reduce pollution. We are also working hard to reduce flooding using natural solutions, keep canoe access open on the river, train new volunteers in citizen science water quality testing and host events related to our bathing water work in Bungay.”

Martha Meek, Development Manager, River Waveney Trust



“With the funding you have provided our school, we have been able to improve the sound proofing of our large Victorian classroom. This has had learning benefits for our children with sensory difficulties, including autism and ADHD, as well as children with hearing difficulties. We were able to complete the project at no expense to the school, which I never thought would be possible. The total spend was £4,328, of which your contribution was essential and substantial!”

Helen Ballam, Headteacher, Rattlesden CofE Primary Academy





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 net zero Scope 1 & 2 emissions.

ANNUAL EMISSIONS



GROUP CARBON EMISSIONS

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. The bars show total Scope 1 & 2 emissions for Simpsons Malt & W.N. Lindsay Ltd in tonnes of CO₂e. The lines show the kg CO₂e per tonne of white/base malt produced at each malting site. Our Scope 1 & 2 emissions are independently verified by Lucideon and are reported to the Carbon Disclosure Project (CDP) on an annual basis (see more on page 25).

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.

There was a gradual increase in total emissions from 2020 through to 2022, which was largely due to a return to higher production volumes post-pandemic and the acquisition of the grain merchanting business of W.N. Lindsay Ltd, which brought four additional grain storage sites under the company's ownership.

In 2023, we saw a reduction in our total group emissions by approximately 1,900 t CO₂e from the 2022 level. The refurbishment of the traditional kilns at our Tweed Valley Maltings lowered carbon emissions at both site and

group level. Despite a slight increase in location-based intensity metric, our overall electricity usage reduced by 500,000 kWh due to efficiency gains, which offset the increase in electricity conversion factor.

We continue to make direct savings in energy and associated carbon emissions through operational and technological improvements, such as replacing older machinery with more energy efficient versions and switching to alternative fuels.

Looking ahead, our focus remains on reducing our carbon emissions. Our partnership with AMP Clean Energy to deliver an Energy Centre at our Tweed Valley Maltings is set to achieve up to

55% decarbonisation across the entire business once it is operational in early 2025 (see more on page 27).

Additionally, we have partnered with key agricultural providers - Yara, OCI Nitrogen and BASF - to run Scope 3 emission reduction pilots, which it is anticipated will reduce crop production greenhouse gas emissions by up to 30% through the rollout of low-carbon fertilisers to malting barley and distilling wheat suppliers in 2024.

Overall, while we have increased production volumes and acquired a new business which has moved emissions into Scope 1 & 2, we have still reduced our carbon footprint by 1,472.3 t CO₂e - an 11% reduction from the 2019 baseline.

CDP

We are delighted to have been awarded an A- rating for Supplier Engagement on Sustainability by the CDP, which is above the global average for food and beverage processing.

The CDP (formerly the Carbon Disclosure Project) is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impact. With more than 23,000 companies from more than 90 countries now disclosing to CDP, only about 400 companies have achieved an A-rating or better for their leadership in environmental transparency and performance on climate change, deforestation and water security.

Due to our global environmental crises - such as 2023 being recorded as the official hottest year on record and biodiversity declining at a significant rate – the importance of recording and accessing high-quality environmental data is more critical than ever.

While we celebrate our A- rating, we acknowledge that our environmental journey is ongoing. With CDP raising the eligibility bar every year, we remain committed to advancing our environmental initiatives and making further improvements.

A- Rating

Supplier Engagement on Sustainability

CAPITAL MARKETS AND PURCHASERS



Request environmental data through CDP

COMPANIES

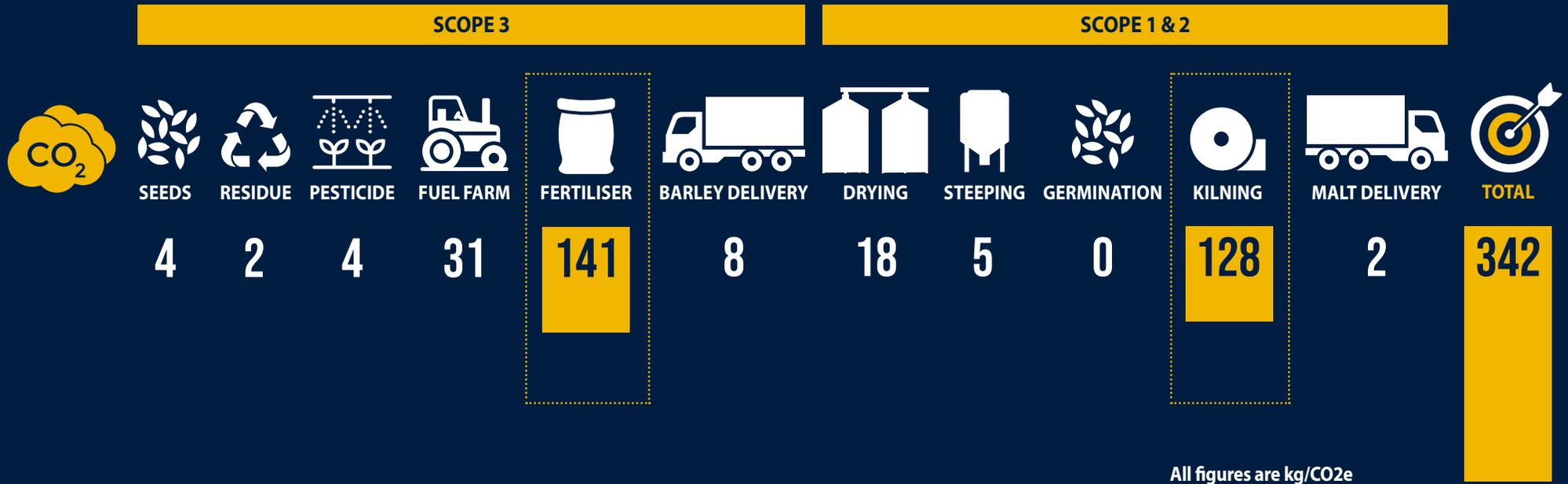


Measure and disclose their impacts, risks, opportunities and action

Companies take action to tackle climate change, prevent deforestation and safeguard water



OUR SUPPLY CHAIN EMISSIONS WHERE WE ENDED 2023



The graphic above shows the GHG emissions from growing malting barley and malt production at our Tweed Valley Maltings, which is measured in kg CO₂e per tonne of malt delivered. The two largest emitters are from fertiliser production and application (Scope 3) and the kilning stage of the malting process (Scope 1).

However, through industry partnerships on the supply of low-carbon fertilisers and delivery of the Energy Centre at our Tweed Valley Maltings, we hope to be able to significantly reduce the emissions associated with these two steps of the malting barley supply chain, which you can read more about on the next two pages.

The difference between the figures on this slide and the line graphs on page 24 is that this slide shows Scope 1 & 2 emissions at our Tweed Valley Maltings and Scope 3 emissions relating to malting barley production with some minor exclusions. Page 24, meanwhile, shows Scope 1 & 2 emissions per tonne of malt produced at each site without any exclusions.

ENERGY CENTRE DEVELOPMENT



Up to
80%
reduction in Scope
1 & 2 emissions at our
Tweed Valley Maltings

Around
55%
reduction in Scope
1 & 2 emissions
company-wide

Back in June 2023, we announced that we had entered a long term energy supply contract with AMP Clean Energy (AMP). AMP will finance, construct, and operate the low-carbon Energy Centre on land next to our Tweed Valley Maltings. Construction work started in late 2023 and the project is progressing well, with it set to be ready for commissioning in Q1 2025.

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.



FERTILISER PARTNERSHIPS

In having McCreath Simpson & Prentice integrated within our business, it has enabled us to work more closely with our supply chain to tackle our Scope 3 emissions.

Fertiliser supply and application is one of those and it comprises a significant 40% of our malt carbon footprint per tonne.

As a result, we've created industry-leading partnerships with two of the world's leading fertiliser brands – Yara and OCI – on the supply of low-carbon fertilisers. A biomethane feedstock has been sourced instead of fossil gas, which reduces the carbon footprint of the fertiliser by up to 38% compared to a standard, grey-based product. Use of this lower-carbon fertiliser ultimately

equates to a 15-20% reduction in greenhouse gas emissions from malting barley and distilling wheat production.

This is a stepping stone in the move to green ammonia based fertilisers, manufactured without natural gas and instead from water and renewable electricity.

These partnerships were announced in 2023 and, in recent months, the products have been delivered to farms and applied to winter wheat and spring barley crops as part of pilots for 2024 harvest.

As you can imagine, we are eagerly anticipating the results post-harvest and what the impact the low-carbon fertiliser will have on our overall carbon footprint moving forward.



BASF

We are working alongside BASF Agricultural Solutions as part of a unique carbon reduction and removals certification programme as we aim to reduce the carbon footprint of our malting barley and distilling wheat supply chains.

With access to BASF's Carbon Farming Platform, Xarvio, members of our sustainability team are working closely alongside a group of our contracted growers throughout 2024 to document all on-farm management practices.

The platform enables detailed field mapping to highlight good and poorly performing areas of each field, allowing growers to farm with more precision

and efficiency with crop nutrition and crop protection products.

The platform will measure, report and verify how changes to farm practices, such as cultivation methods or fertiliser programmes, impact the carbon footprint of the harvested crop.

As time progresses, the build-up of data will become more comprehensive and used to help farmers build resilience in their business. It will also provide increased levels of transparency to our end user customers and give us a greater understanding of their – and our – Scope 3 emissions, helping them to track, assess, and report carbon emissions reduction efforts.



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 demand on the area's water resources and boreholes we abstract from, but it also reduces the amount of wastewater we discharge.

Although we're constantly striving to reduce our water use, it's important to acknowledge that there may be times where water use is increased due to factors such as barley quality, which can affect water uptake during the steeping process.

2.94m³

This is the amount of water we use company-wide per metric tonne of malt produced, of which 2.07m³ is abstracted from boreholes and 0.87m³ is recycled.





VARIETY TRIALS

Our technical team, in conjunction with our farming partners, run a variety of different crop trials sites each year, while we also manage our own farm near Bamburgh in Northumberland.

Operating the trials sites and running the farm provides us with many benefits, giving us the ability to assess new barley and wheat varieties, trial innovative products, precision farming tools and sustainable farming practices, while also giving us an understanding of the challenges farmers face in an ever-changing marketplace.

Our malting barley trial plots are assessed for their agronomic performance throughout the growing season, before being micromalted through the laboratory at our Tweed Valley Maltings in Berwick-upon-Tweed to evaluate their malting and distilling performance.

In addition to our spring barley trials site in Northumberland and winter wheat trials site in the Scottish Borders, in 2024 we are also operating two spring barley development sites in Angus and Morayshire, close to our Stracathro and Keith grain storage sites. These locations will allow us to analyse regional differences and suitability of certain varieties, while also enabling us to host in-person tours for farming and end user customers in those areas.





HVO

5 million litres

In early 2021, we introduced HVO fuel into our 30-plus strong haulage fleet and we recently drew our five millionth litre of the fossil-free paraffinic diesel.

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

Our additional haulage partners use HVO for their malt deliveries with the company, while we have also started to use the fuel in our other site vehicles.

With HVO use giving a 90% carbon reduction, across those five million litres it has saved us 11,155 t CO₂e (1,239 t CO₂e vs 12,394 t CO₂e for fossil diesel).



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 pulse Customer Satisfaction (CSAT) surveys to our malting customers, while the results from our second year of Net Promoter Score (NPS) surveys for the Simpsons Malt and McCreath Simpson & Prentice divisions, conducted by MMC Research & Marketing, can be found on pages 34 and 36.

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

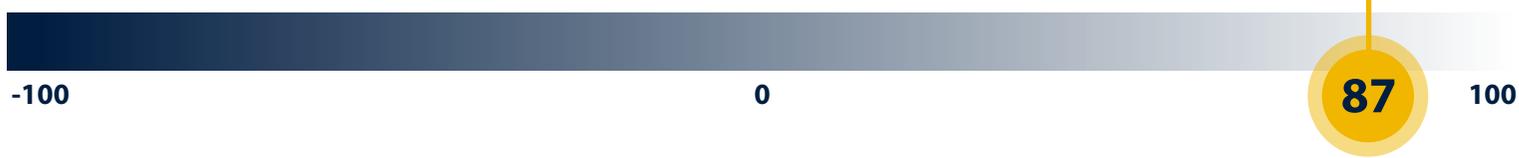
recommend us to others. It is an index ranging from -100 to 100. A score above zero is considered 'good' (more people would recommend us than wouldn't), while a score above 50 is considered 'excellent'.

Our Growers Group concept, which you can read about on page 38, has also progressed considerably over the past 12 months. The barley and wheat tonnage allocated to Growers Groups for end user customers in the distilling industry more than trebled from 2022 to 2023, while relationships between all parties in the supply chain have been strengthened through an increased number of in-person events and follow-up communications.





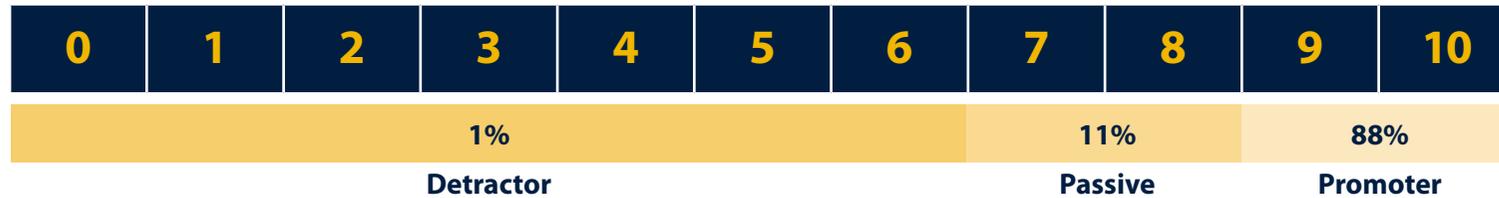
Our Net Promoter Score (NPS)



97%

are planning to either increase or maintain their business with Simpsons Malt

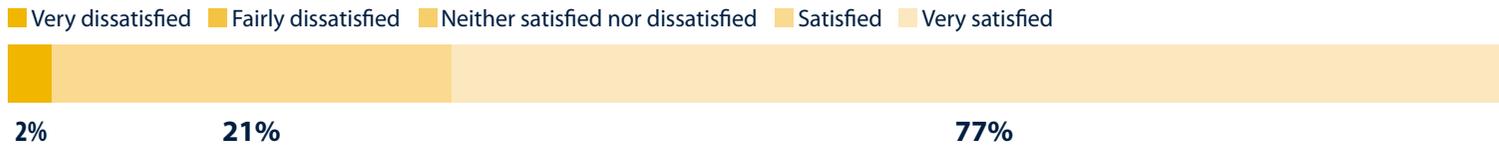
NPS = % Promoters - % Detractors



98%

were satisfied with Simpsons Malt's products and services of which 77% were very satisfied

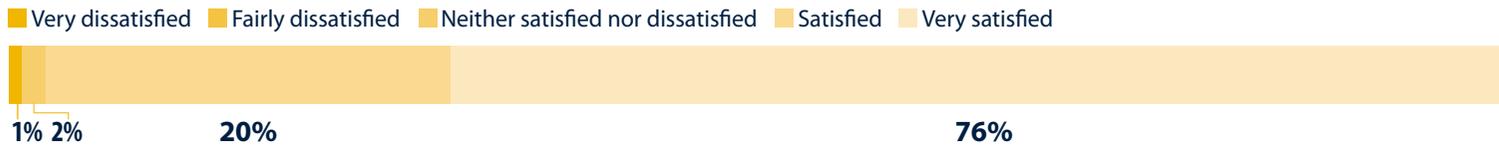
Satisfaction with our products



87%

either strongly or slightly agreed that Simpsons Malt is an industry leader on sustainability

Satisfaction with our customer care



102 total respondents



**SIMPSONS
MALT**

The home of good malt

“Overall, brewhouse performance is high and results are consistent across the year, with little, if any, batch-to-batch variation.”

Chris Wilkinson

“The quality of the malt is as good as it gets and, in our opinion, the quality of the roasted and crystal malts is superior to other maltsters in our area”

Andy Hipwell

“Always high quality and consistent in the brewhouse. Gives our beer character and flavours superior to other maltsters.”

Theo Howie

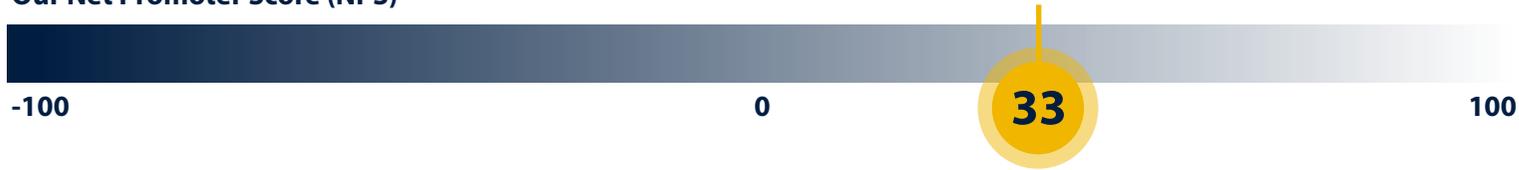
“Great, prompt service and our rep has huge knowledge of brewing and the products. Despite being a small customer, Simpsons Malt clearly respects businesses of all sizes.”

Brewer

“Great customer service. Always friendly and always helpful.”

Andy Thomas

Our Net Promoter Score (NPS)



89%

are planning to either increase or maintain their business with MSP

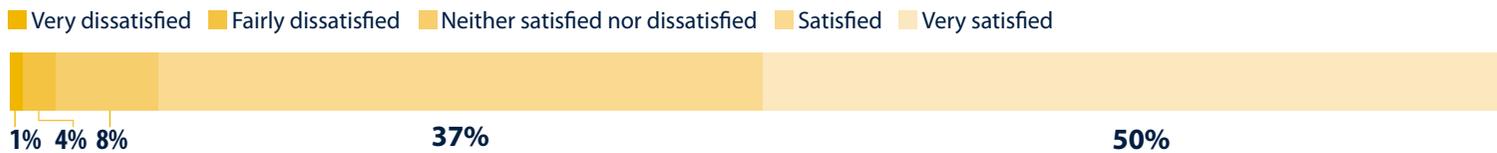
NPS = % Promoters - % Detractors



91%

were satisfied with MSP's customer service of which 55% were very satisfied

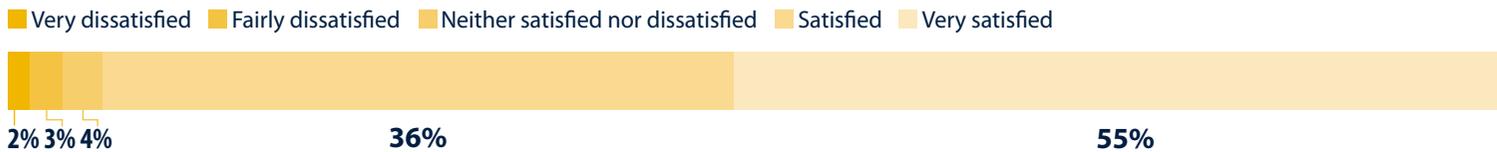
Satisfaction with products and services



87%

were satisfied with MSP's products and services of which 50% were very satisfied

Satisfaction with customer service



114 total respondents

"Good company with good hard-working people who are knowledgeable and personable."

Richard Blackett

"I like the rep and deliveries are always on time, with good communication around deliveries allowing me to plan for them."

Tom McOuat

"Cannot fault your admin regarding payments and information on loads of grain delivered at harvest time."

Peter Cargill

"Good attentive staff with excellent response rates and up to date market information."

David Allan

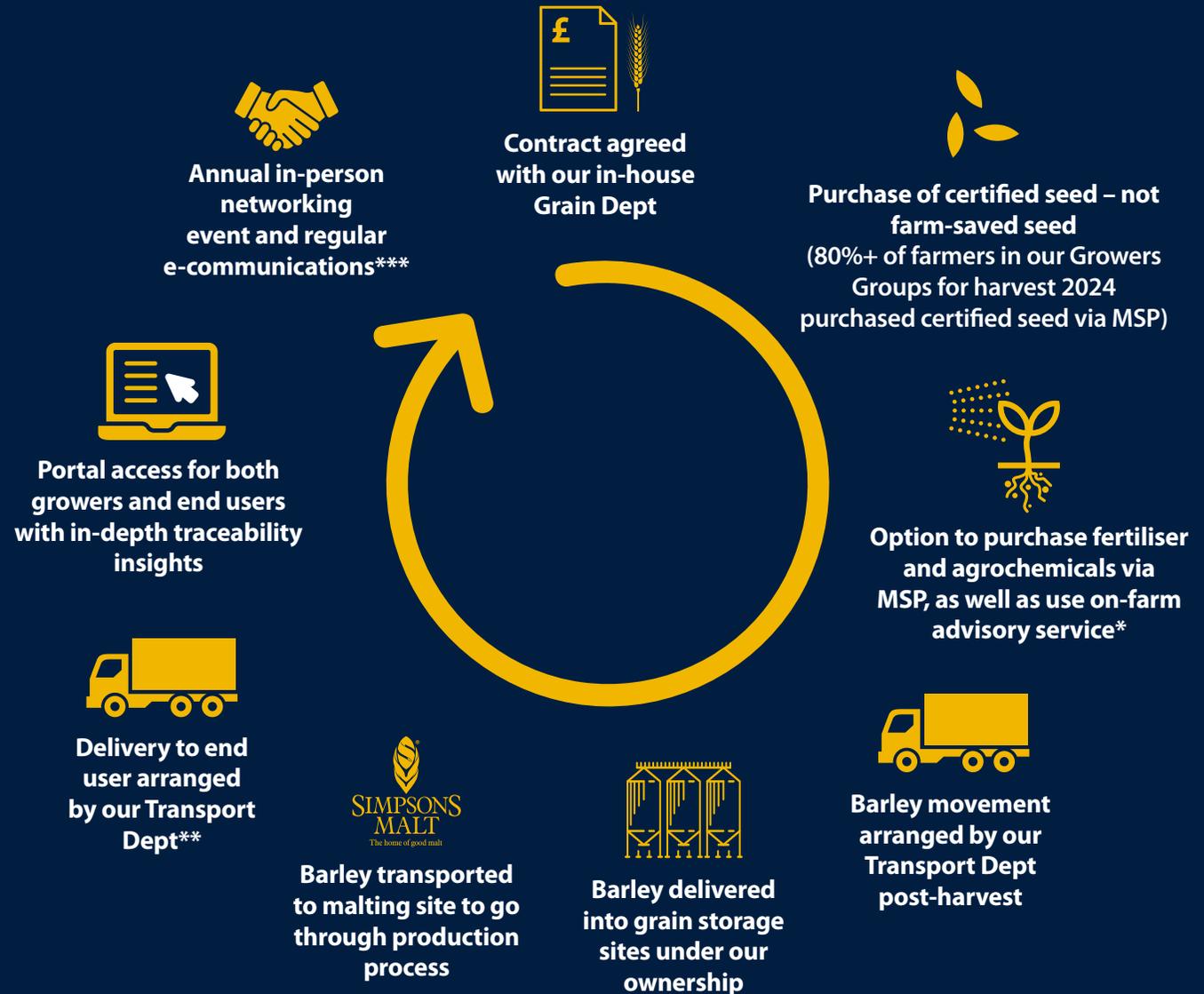
"Any time we have needed to be in touch, they have handled it professionally."

Allan Bowie

WHAT IS A GROWERS GROUP?

The term 'Growers Group' has become quite prominent in recent times and, at Simpsons Malt Ltd, we wanted to define what it means to us.

That's because, with McCreath Simpson & Prentice integrated in our business infrastructure, we believe our offering is unique with enhanced traceability from seed to malt delivery through our vertically integrated supply chain.



* Available for farming customers in MSP trading area only

** UK bagged malt orders are transported via the pallet network

*** Currently for growers in distilling Growers Groups only

CASE STUDY: THE MACALLAN GROWERS GROUP

We are proud to be the sole malt supplier for The Edrington Group's single malt Scotch whisky brands – The Macallan, Highland Park and The Glenrothes – and this relationship has now spanned more than 25 years.

We have launched the Growers Group concept with each of these brands and, in February 2024, we held The Macallan Growers Gathering event at The Macallan Estate in Speyside for growers within that group, along with members of our team.

The day included a tour of The Macallan Estate, where growers were able to view the scale of the premises and gain a greater understanding about the intricate process involved in crafting their renowned whisky, while also learning more about our long-term relationship with The Macallan.

There were also sustainability focused presentations, which outlined each company's sustainability roadmap and the investments both are making to reduce the carbon footprint of the malting barley supply chain.



“As you know that The Macallan is the end user, it makes you take care and pride in what you hope to achieve each year. Every harvest can be different, and we should never stop learning.”

Marjory & Jane Ashworth, Gordon Stewart & Partners

“The visit was first class, and it was great to hear of the positive work and investment by both Macallan and Simpsons Malt.”

Robert Drysdale, Corsindae & Fetternear Farms

CASE STUDY: CHIVAS BROTHERS WHEAT GROWERS GROUP

With our in-house grain trading department and large grain storage infrastructure, we also have the ability to create Growers Groups outwith malting barley.

In collaboration with Chivas Brothers, we have launched a Growers Group for distilling wheat, which Chivas Brothers uses in the production of blended whiskies at Strathclyde Distillery on the south side of Glasgow.

The growers – based from the Highlands of Scotland down into northern England – are all contracted through McCreath Simpson & Prentice to grow distilling wheat, with the wheat stored and transported by us post-harvest to the distillery.

With a purpose to facilitate improved supply chain sustainability through collaboration, in December 2023, we hosted a launch event for growers. During this, representatives from Simpsons Malt Ltd and Chivas Brothers spoke about the malting and distilling processes, as well as each business's sustainability roadmap. Breakout groups also took place focusing on low-carbon fertilisers, our carbon farming project with BASF and on-farm biodiversity.



FARM SUSTAINABILITY ASSESSMENT (FSA)

In having McCreath Simpson & Prentice (MSP) integrated into our business, it allows us to directly influence sustainability practices on-farm. Consequently, in December 2020, we decided to work alongside our farmers to attain verification to SAI Platform's Farm Sustainability Assessment (FSA), showcasing our commitment to greater understand current farm sustainability practices being used and tackle our Scope 3 emissions.

FSA is a globally-recognised and highly effective standard that helps farmers and food and drink companies around the world produce, sell, and source more sustainably grown agricultural products. Unlike other verifications, which only consider feed and food safety, FSA offers a comprehensive, industry-wide assessment.

There are three levels of FSA performance: Bronze, Silver, and Gold. For reference, the Red Tractor and Scottish Quality Crops (SQC) verification is equivalent to FSA Silver.

We have two Farm Management Groups (FMGs), one consisting of 419 growers initially verified in 2020, and another comprising 340 growers who were verified in 2022 following our acquisition of the grain merchandising business of W.N. Lindsay Ltd.

The reverification process occurs every three years and, in 2023, our first FMG was updated to FSA version 3.0, achieving 91% Gold and 9% Silver. The group verified in 2022 achieved 92% Gold and 8% Silver.

Through the majority of these growers achieving FSA Gold, it signifies that they are using first-class sustainable farming practices, providing them with secure market access by facilitating them to do business with companies that are interested in sustainable sourcing. Meanwhile, for us, it is certification that we are sourcing sustainable malting barley from our contracted farmers to produce our high-quality malts.



2023 Group

91%

GOLD

9%

SILVER

.....
2022 Group

92%

GOLD

8%

SILVER

ONGOING PROJECTS AT OUR TWEED VALLEY MALTINGS



GKV 10

Malt production capacity has increased by up to 15,000 tonnes per year with the commissioning of a new germination & kilning vessel (GKV) in July 2024.

The GKV has a 400-tonne batch load, while it also has an increased diameter in comparison to the other nine GKVs on-site to allow for more efficient kilning. It is the first GKV that has been built at our Tweed Valley Maltings for 16 years.



PEATING PLANT

Our Tweed Valley Maltings headquarters is also where we produce peated malt for the distilling industry and, in July 2024, our existing peating plant was decommissioned with a new, more efficient plant commencing production.

Although the new peating plant will see us increase peated malt production to support customer demand, its environmental impact will be reduced through the adoption of an industry-leading smoke abatement system.

The new plant will give us a higher phenol extraction per tonne of peat, improving our peat use efficiency.

TWEED VALLEY MALTINGS SILOS

At our Tweed Valley Maltings, we are currently in the process of constructing ten malt storage silos – five with 400 tonnes of storage and five with 320 tonnes of storage.

This will allow for increased segregation of malt to service an increasing number of customers that we have assigned Growers Groups for.

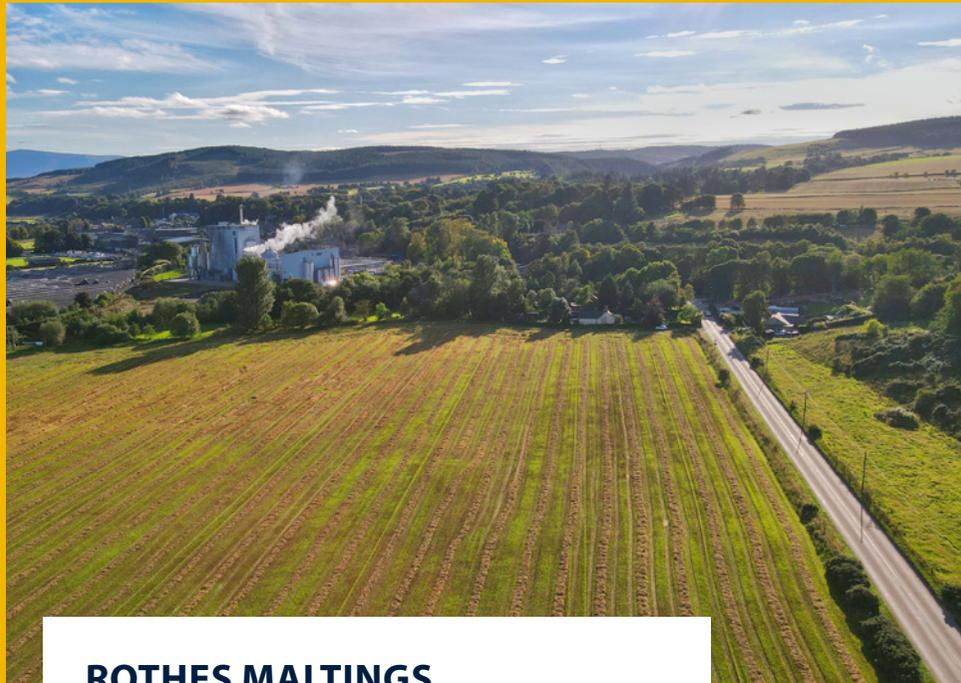
OTHER COMPANY-WIDE PROJECTS



TIVETSHALL SILOS

A series of silos have also been built at our Tivetshall Maltings – five with 115 tonnes of storage, three with 105 tonnes of storage and three with 33 tonnes of storage.

This has allowed for the transfer of white malt production directly through to the Bagging Hall, reducing the amount of traffic movements on-site and increasing storage for the wide range of malts produced at the site.



ROTHES MALTINGS

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

The land purchase has been completed and all statutory operating licenses have been secured. The project is well progressed in terms of design, with investment ongoing in readiness to deliver up to 85,000 tonnes of annual malting capacity in support of our customers' own growth ambitions.

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.

KEITH INTAKE

A significant investment is now underway at our Keith Grain Store, with the construction of a new barley intake and four intake bins.

This will enable a more efficient intake of barley during harvest, while also helping us to achieve the segregation required for our Growers Groups.

A new pre-cleaner and dresser is also being installed, which – once constructed – would enable us to transport barley directly from the grain store to the Rothes Maltings for malt production.

WHAT'S NEXT



GOVERNANCE

We're going to be conducting an Independent Materiality Assessment, a strategic tool that helps organisations align their sustainability efforts with stakeholder expectations and business objectives.



WORKERS

We're implementing improvement plans identified following the Great Place to Work survey, with reverification scheduled for November 2024. We'll also be launching a Rewards & Recognition platform to centralise people benefits and introduce a recognition framework.



COMMUNITY

We'll continue to donate more than 1% of our profit before tax to the local communities around our eight sites across the UK.



ENVIRONMENT

We're growing our key low-carbon trials from small-scale pilot schemes up to 25% of the contracted tonnage for relevant Growers Groups.

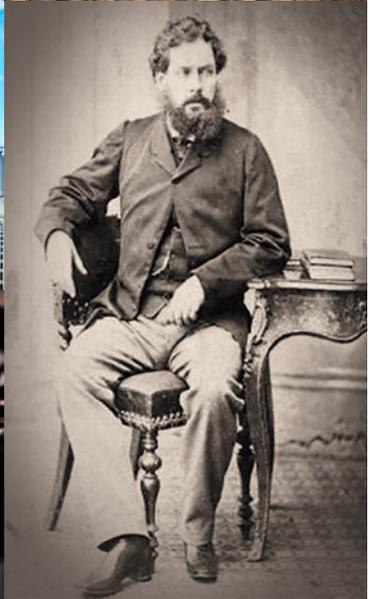


CUSTOMERS

We're expanding our number of Growers Groups and will be hosting in-person meetings for each group, as well as introducing regular e-communications.

We will continue to identify and invest in opportunities to:

- Meet the ongoing needs of our malting customers
- Service the farm supply chain off the back of customers' needs
- Extend the life of our malting and grain storage sites
- Improve quality and food safety
- Improve operational efficiency
- Help us achieve net zero Scope 1 & 2 emissions





simpsonsmalt.co.uk



mspagriculture.co.uk

