

Press release – 29 April 2022

## **Chivas Brothers, the Scotch Whisky affiliate of Pernod Ricard, invests in sustainable future of Scotch with £88 million expansion of Aberlour and Miltonduff distilleries**

Chivas Brothers, the Scotch Whisky business of Pernod Ricard, today announced a £88 million investment into Aberlour and Miltonduff, two of its strategic single malt distilleries. The investment will go into upgrading sustainable distillation technologies at the Speyside distilleries along with significant production capacity expansions to meet the growing global demand for Scotch.

The distillery expansions will grow Chivas Brothers' total production by 14 million litres of alcohol per annum. The investment is further confirmation of Chivas Brothers' commitment to Scotland and a testament to the growing global demand for Scotch whisky which has seen exports increase across all regions, with market gains in Latin America, Middle East, Africa and Asia. In its Half Year results in February, Chivas Brothers announced a net sales increase of +23%, confirming the company's recovery to beyond pre-Covid levels.

The distillery expansions will also serve to accelerate Chivas Brothers' ambitious goal of reaching net zero distillation by 2026 with the installation of new bio plants and high-efficiency Mechanical Vapour Recompression (MVR) fan technology for pot still distillation across both sites. This mechanism enables a major energy recovery by compressing the vapor which thus rises in temperature and is then sent back to heat the wines during the distillation process. Last year, the company announced plans to roll out MVR technology across all viable sites in its distillery portfolio by 2026 following a groundbreaking pilot study at its Glentauchers distillery which resulted in energy reductions of 90% on a single pot still there.

Jean-Etienne Gourgues, Chairman and CEO of Chivas Brothers said:

*“Scotch has demonstrated its resilience as a category over the past few challenging years and in the process has opened new avenues for growth. This expansion will allow us to increase our volume to capitalise on the increased demand and interest in Scotch, but also supports our drive to reduce emissions in line with our sustainability ambitions. We're once again betting big on the future of Scotch so we can bring in new consumers to the category and continue to shape a sustainable future of whisky.”*

The Aberlour distillery, which has been producing whisky since 1879 will see its production capacity double to 7.8 million litres of alcohol per annum. This additional capacity will support the accelerating global demand for the cult favourite Scotch which continues to be the best-selling single malt whisky in France and has made significant gains across Asia. The distillery will also undergo a significant facelift with an upgraded visitor centre which will draw more whisky fans to the area and boost local tourism. A new still house will be equipped with large windows providing visitors with views into the nearby woods and the River Spey; the water source for the spirit.

Miltonduff's expansion will consist of a brand new state-of-the-art sustainable distillery built next to the existing facility. The distillery, which will include a bio plant and evaporator, will add 10 million litres of alcohol per annum to the total production capacity. Miltonduff single malt is one of the foundations of Ballantine's blends and is a key component of other blended whiskies in the Chivas

Brothers portfolio. This increased capacity will further accelerate Ballantine's pace of growth which in HY22 results saw global sales rise by +23%, fuelled by a range of new expressions.

**Secretary of State for International Trade, Anne-Marie Trevelyan MP, said:**

"Scotch Whisky is a UK exporting success story and this excellent news will see some of the best products made in Scotland, sold to the World - supporting jobs and economic growth and helping us to level up the country.

"It's great to see Chivas Brothers adopt new ground-breaking energy efficient technology, helping deliver the Government's Net Zero strategy, and maximising export opportunities through green UK innovation."

Both sites are expected to be operating at full production capacity by mid-2025

**Ends**

**About Pernod Ricard**

*Pernod Ricard is the No.2 worldwide producer of wines and spirits with consolidated sales amounting to €8,824 million in FY21. The Group, which owns 16 of the Top 100 Spirits Brands, holds one of the most prestigious and comprehensive portfolios in the industry with over 240 premium brands distributed across more than 160 markets. Pernod Ricard's portfolio includes Absolut Vodka, Ricard pastis, Ballantine's, Chivas Regal, Royal Salute, and The Glenlivet Scotch whiskies, Jameson Irish whiskey, Martell cognac, Havana Club rum, Beefeater gin, Malibu liqueur, Mumm and Perrier-Jouët champagnes, as well as Jacob's Creek, Campo Viejo, Mumm Sparkling and Kenwood wines. Pernod Ricard's strategy focuses on investing in long-term and sustainable growth for all its stakeholders, remaining true to its founding values: entrepreneurial spirit, mutual trust, and strong sense of ethics. The Group's decentralised organisation empowers its 18,500 employees to be on-the-ground ambassadors of its vision of "Créateurs de Convivialité". Pernod Ricard 2030 Sustainability and Responsibility roadmap "Good Times from a Good Place" is integrated into all its activities from grain to glass, and Pernod Ricard is recognised as a UN Global Compact LEAD participant. Pernod Ricard is listed on Euronext (Ticker: RI; ISIN Code: FR0000120693) and is part of the CAC 40 and Eurostoxx 50 indices.*

**About Chivas Brothers**

*Chivas Brothers is a global drinks producer and exports company steeped in Scottish heritage. It is the only Pernod Ricard business dedicated entirely to Scotch whisky and comprises a prestigious range of single malt and blended whiskies. Chivas Brothers' award-winning portfolio features some of the world's most revered Scotch whisky brands including Chivas Regal, Ballantine's, Royal Salute and The Glenlivet. With a multitude of awards and accolades for its quality, craftsmanship, industry-leading sites and award-winning campaigns, its brands are at the heart of moments of connection across the globe. The company comprises 1,600 employees, 14 Scotch distilleries, two bottling facilities and over 300 warehouses across its 26 sites including Orkney, Scotland and London. [www.chivasbrothers.com](http://www.chivasbrothers.com)*

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