Spirits Victoria Association Sustainability Report - 2025

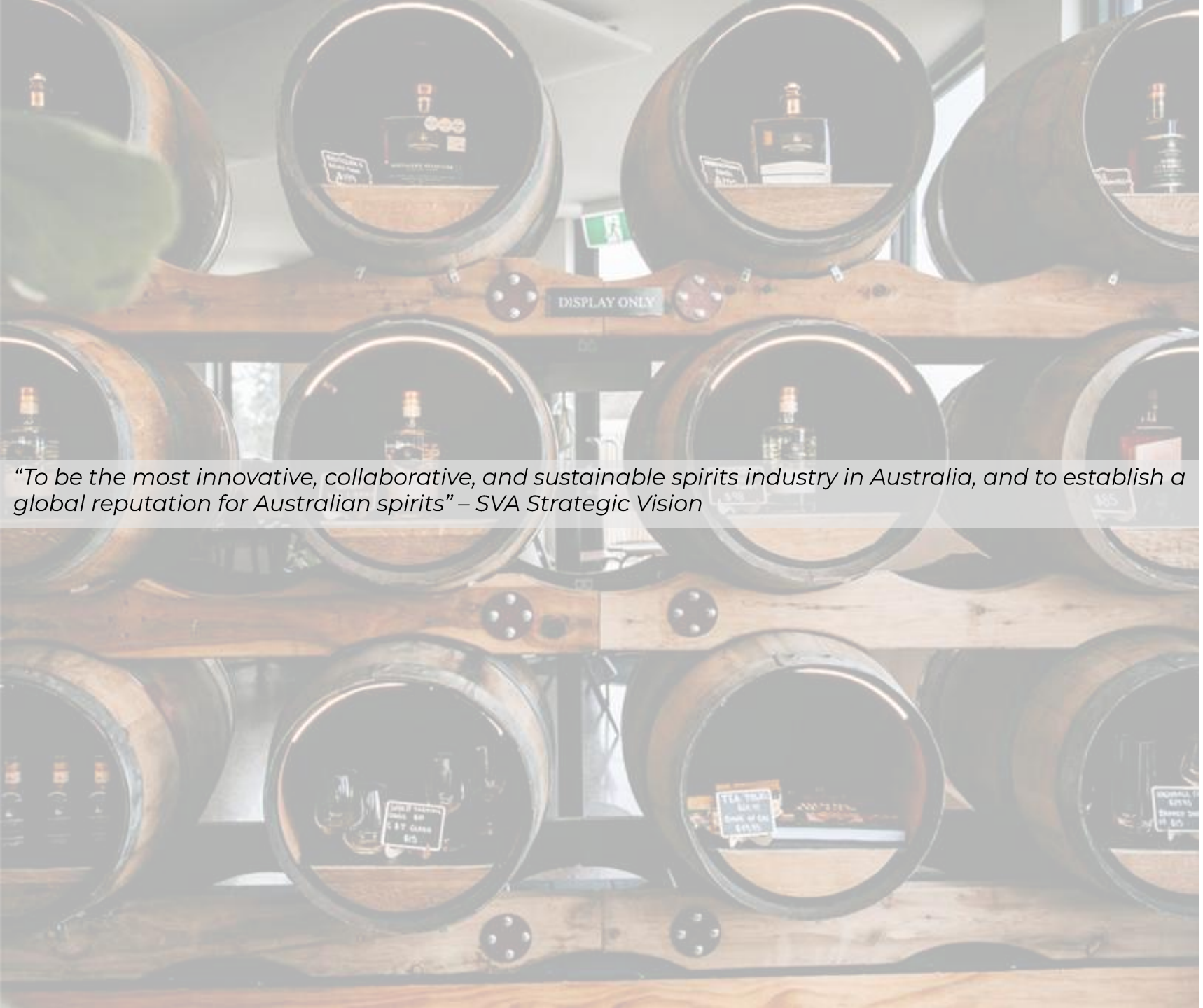
Key metrics, initiatives & trends.

SPIRITS VICTORIA ASSOCIATION

FORESIGHT

Acknowledgement

Foresight sincerely acknowledges all First Nation Peoples across this country where we live and work. We recognise their continuing connection to Land and Sea Country and to culture. We pay our deepest respects to their Elders and Leaders past and present, and to those emerging.



“To be the most innovative, collaborative, and sustainable spirits industry in Australia, and to establish a global reputation for Australian spirits” – SVA Strategic Vision

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1/ Executive Summary

The 2025 Sustainability Report provides a focused view of how Victorian distilleries are navigating a more constrained operating environment while continuing to progress on sustainability. Across a smaller but highly engaged cohort, the data shows clear evidence of improvement in key operational metrics, including reductions in normalised emissions and energy intensity. At the same time, results reinforce that performance is highly sensitive to operating context, particularly production volumes and the role of thermal fuels in distillation.

Renewables continue to gain traction, with solar now a meaningful contributor to electricity supply where site conditions allow. Water and waste management also demonstrate practical progress, with increasing adoption of circular approaches and strong diversion outcomes. However, the analysis makes clear that the most material challenge remains the decarbonisation of process heat, which continues to drive both energy use and emissions.

Importantly, variability across sites highlights that outcomes are not solely determined by scale, but by operating model, asset configuration, and strategic choices. While the small cohort limits comparability, the findings provide a clear and credible signal: efficiency gains are being realised, and targeted interventions can deliver measurable improvements.

		Alcohol (L)	Energy (GJ)	Water (ML)	Emissions ($t.CO_2$-e)	Waste (T)
2023	Total	1,330,000	24,411	24,4	1961	No Data
	Per LAL		18.43	16.12	0.147	
2024	Total	558,859	15,979	13,9	1216	54T (78% Recycled)
	Per LAL		28.59	24.88	0.222	
2025	Total	438,361	4,208	5,8	476	55T (67% Recycled)
	Per LAL		10.1	13.28	0.476	

*Includes hospitality



Image - Starward



Image – Four Pillars

2/ Introduction

Victoria's distilling community continues to be defined by its creativity, craftsmanship, and a shared commitment to producing high-quality spirits with a reduced environmental footprint. In line with Spirits Victoria Association's (SVA's) strategic vision - *To be the most innovative, collaborative, and sustainable spirits industry in Australia, and pioneer a global reputation for Australian spirits* - this third (SVA) Annual Sustainability Report, delivered in partnership with Foresight Consulting Group and the Victorian Government, reflects that strategic vision.

We'd like to extend our sincere thanks to the participating distilleries whose data, insights, and continued engagement make this report possible. In 2025, this commitment endures despite a complex and evolving operating environment, shaped by shifting global market dynamics, domestic policy settings, and changing consumer behaviour.

The global spirits sector is navigating a period of contraction, with industry data indicating a continued downturn in volumes. Global spirits volumes were forecast to decline in 2025, with producers responding to weaker demand through reduced output and ongoing destocking across supply chains[1]. At the same time, cost-of-living pressures continued to influence consumption patterns, with consumers leaning towards discounted products, smaller formats, and more occasional *treat* purchases rather than routine consumption[1].

These global trends intersected with a uniquely challenging domestic context. Australia's excise regime continued to place pressure on spirits producers, with excise indexed biannually while other alcohol categories' excise has been frozen[2]. This created a structural imbalance across categories and placed pressure on distillers, bars, and venues to absorb rising costs or pass them on to consumers[2]. More broadly, policy settings, inflation-linked cost increases, and tightening retail conditions contributed to a more constrained operating landscape for Victorian distillers.

At the same time, important opportunities were emerging. The Victorian Distilled Spirits Strategy (2025–2030) signalled a clear policy commitment to strengthening the sector through innovation, sustainability, and collaboration[3]. Complementing this, the Distillery Door Program continued to support skills development, infrastructure, and growth in the visitor economy[4]. Direct-to-consumer channels, including cellar doors, events, and tourism-linked experiences, proved resilient, offering stronger margins and deeper customer engagement[4].

Consumer preferences also continued to evolve in ways that favoured some Victorian producers. Trends such as premiumisation and demand for authentic, experience-driven products supported the growth of craft distilling, even as broader volumes softened. These shifts created both opportunity and complexity, requiring distillers to balance brand, innovation, and cost discipline in a competitive and changing market.

Against this backdrop, the findings of the 2025 Sustainability Report are especially noteworthy. Across the sector, sustainability remained firmly front of mind. Participating distillers continued to actively pursue improvements in reducing food miles, energy efficiency, renewable energy adoption, packaging optimisation, and supplier sustainability.

The 2025 report builds on prior editions by continuing to track key environmental performance indicators while highlighting how distillers are responding to both external pressures and emerging opportunities. It reinforces that, even in a challenging market environment, Victoria's distilling sector remained committed to sustainability, positioning itself for a more resilient, competitive, and successful future.

3/ Methodology

Expression of interest

SVA and Foresight extended an open invitation to all member distilleries to contribute to the 2025 Sustainability Report.

Survey

Participants attended a 60-minute session with Foresight to complete a structured questionnaire spanning procurement, operating conditions, initiatives, waste, and planning. The approach combined yes/no questions, qualitative responses, and 0–10 rankings to evaluate supplier selection criteria, recycled content, sustainability credentials, and key barriers.

Data Collection

Participants provided detailed sustainability data using the Foresight Spirits Industry data template, covering key metrics such as packaging, raw materials, energy, water, and waste. This report draws on data from one Small and two Large distilleries.

Data Analysis

Distilleries were categorised by production scale (Small/Large). Responses were analysed to identify themes, initiatives, and barriers. Energy (electricity and fuels) was converted to MJ and normalised by production (MJ/LAL) for YoY comparison. A production vs hospitality split was applied, alongside a breakdown of fossil fuels, grid electricity, and on-site renewables (e.g. solar). Water and waste were assessed on the same basis.

Report

The dataset was subject to consistency checks, with follow-up clarifications sought where required. Quantitative data and participant insights informed the analysis, which is presented alongside practical, evidence-based sustainability recommendations.

Limitations

- Participation constraints: Some distilleries faced capacity limitations due to small team sizes and broader market pressures, reducing the time available to complete questionnaires and provide detailed data, producing a smaller sample in 2025.
- Sample size: The relatively small cohort increases sensitivity to outliers, which may influence overall results.
- Operational variability: Distilling processes vary by product type and scale, requiring different stages and resource inputs, adding complexity to data comparison.
- Asset complexity: Variations in site configurations (e.g. distilleries combined with cellar doors, hospitality spaces, and offices) make it challenging to isolate production-only resource use. This has been mitigated through the separation of hospitality-related consumption where possible.
- Estimated allocations: The split between distillery operations and hospitality is based on participant estimates and should be interpreted accordingly.
- Emissions scope: Analysis includes Scope 1, 2, and relevant Scope 3 emissions. Results exclude refrigerants and fleet emissions due to insufficient data availability.
- Data completeness: Data coverage varied across participants, with some categories containing incomplete or partial information.

4/ Production



Image – Bass & Flinders

4.1/ Raw Materials

We assessed raw materials procurement for the 2025 reporting period. Our approach enabled a holistic view of sourcing practices across the supply chain, capturing how distilleries balanced quality, reliability, locality, and cost, while identifying emerging sustainability considerations and structural constraints influencing procurement decisions.

Sourcing

Procurement strategies were shaped by the characteristics of their core inputs, namely dried herbs, fruits, and neutral spirit. These inputs are inherently agricultural or semi-processed, with a supply often constrained by geography, seasonality, and scale. As a result, procurement decisions are driven primarily by quality, reliability, and proximity, rather than formalised sustainability screening. No changes to suppliers were reported by the distillers between 2024 and 2025.

Across all respondents, quality and reliability are consistently prioritised (8–10), reflecting the direct impact of raw materials on flavour profile, product consistency, and brand positioning. This is particularly critical in craft distilling, where inputs such as botanicals and fruit are central to product differentiation. Reliable supply chains are equally essential to ensure continuity of production and minimise disruption.



Image - Bass & Flinders

Proximity

A defining feature is the strong emphasis on local sourcing, with suppliers located in Victoria and Australia scoring highly (8–10). This reflects both operational pragmatism and an embedded sustainability outcome. Local sourcing reduces transport distances and associated emissions, while also supporting regional agricultural producers and domestic value chains. In practice, this is one of the most effective levers available to distillers to influence sustainability within their supply chains.

Price

The treatment of price varies, indicating different commercial models. One distiller places low importance on price (2), suggesting a premium positioning, while others rate it highly (9–10), reflecting cost sensitivity and margin constraints. This divergence highlights that procurement strategies are influenced by brand positioning as much as by sustainability considerations.

Sustainability at the Source

Sustainability practices are consistently rated as moderately important (5–6). However, this should be interpreted in context. Responsibility for sustainability performance in this supply chain largely sits upstream at the agricultural production level, rather than within the distilleries themselves. Many suppliers are small-scale or regional producers who may not formally document sustainability practices or hold certifications. Furthermore, distillers have limited optionality in sourcing specialised inputs such as botanicals and neutral spirit.

Importantly, the nature of the supply chain is relatively low impact compared to more industrial sectors. Agricultural inputs such as fruit and botanicals can contribute to positive environmental outcomes, including carbon sequestration in perennial crops and support for biodiversity (e.g. pollinator activity). As such, sustainability is often inherent to the product rather than explicitly measured in procurement frameworks.

Summary

Overall, the findings indicate that distillers are operating a pragmatic, quality-led and regionally anchored procurement model, supporting sustainability outcomes through local sourcing and supplier relationships. While formal sustainability criteria are not yet a primary decision driver, there is scope to further strengthen procurement frameworks through targeted supplier engagement and the incorporation of recognised sustainability standards where available.

Distillers seeking to strengthen sustainability assurance within their supply chains may consider the following certifications, where available:

- NASAA/ACO Certified Organic – Australian organic certification covering sustainable agricultural inputs
- Fairtrade Certification – social and environmental standards for agricultural producers
- Certified Biodynamic (Demeter) – regenerative agriculture practices (applicable to vineyards and fruit producers)
- Sustainable Winegrowing Australia (relevant for grape-based inputs used in neutral spirit or brandy bases)
- Third-Party Validated Emissions Claims

4.1/ Packaging.

We assessed upstream packaging for the 2025 reporting period. The scope covered all major packaging inputs, including aluminium foil, bottles, cardboard (corrugate and dividers), cork, grains, metal screw caps, metal tins, packaging tape, wooden pallets, paper labels, plastic, and wooden boxes. This methodology enabled a holistic view of packaging impacts across primary, secondary, and tertiary materials, while identifying trends and structural constraints influencing sustainability outcomes.

Supplier Movement

The analysis of upstream packaging procurement highlighted a set of consistent strategic priorities, alongside varying levels of sustainability maturity and structural constraints inherent to the supply chain.

Changes indicate that procurement is not static, but shaped by a combination of:

- operational efficiency,
- corporate governance, and, in some cases,
- deliberate sustainability and localisation objectives.

In one case, a transition from an overseas packaging supplier to a domestic one was driven by comparable cost and quality outcomes. The new supplier offered reduced lead times, improved communication, and lower freight-related emissions.

In another instance, supplier changes were influenced by broader corporate procurement processes, including tendering and supplier consolidation, demonstrating the influence of upstream ownership structures on packaging decisions. Conversely, one distillery reported no supplier changes, reflecting a focus on strengthening internal measurement and implementation of sustainability initiatives at the operational level.

Recycled Content

The use of recycled content in packaging materials emerged as a key area of progress, although uptake remains uneven. Some distilleries demonstrate relatively advanced practices, including the use of glass containing significant proportions of recycled cullet, with defined targets for further improvement, and widespread incorporation of recycled content in corrugated materials.

Others reported similarly strong recycled content performance in cartons and dividers, supported by engagement with suppliers participating in industry initiatives. However, not all distilleries have visibility over the recycled content or sustainability credentials of their packaging suppliers, indicating gaps in transparency and supply chain information.

Barriers

Key barriers to improved sustainability performance are structural rather than attitudinal. The availability of domestically manufactured packaging, particularly glass, remains constrained, with high minimum order quantities limiting access for smaller producers. This is compounded by the significant price differential between imported and locally produced packaging.

In addition, prevailing market expectations for ‘premium’ presentation - characterised by heavy glass bottles, ornate closures, and large gift boxes, continue to drive material intensity and limit the adoption of lighter, more standardised formats.



Image – Bass & Flinders

4.1/ Packaging.

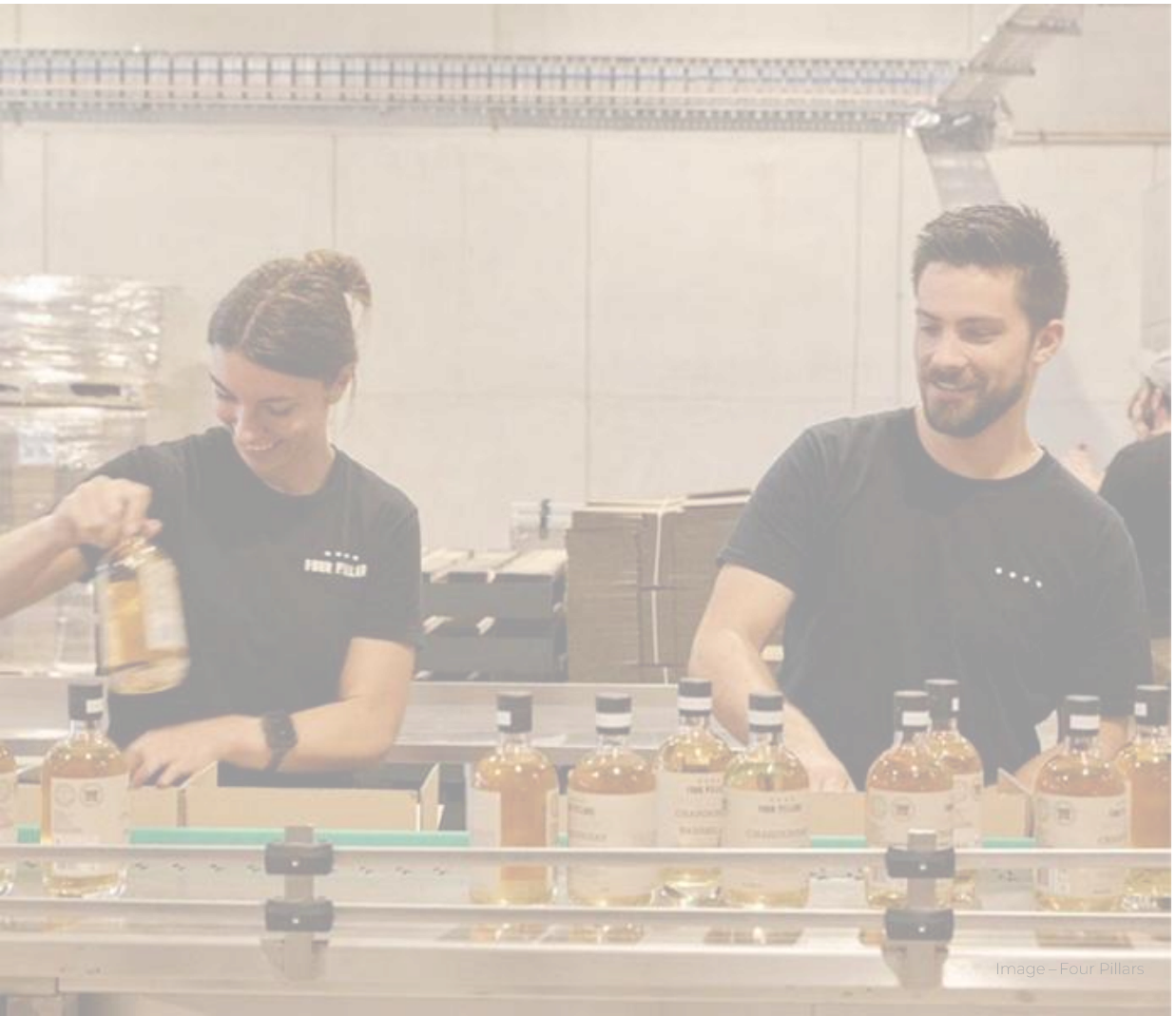


Image – Four Pillars

Prioritisation

Procurement decision-making is consistently anchored in core operational criteria. High importance is placed on quality, reliability, and supplier proximity, reflecting the operational dependency on consistent supply and the cost, complexity, and risk associated with sourcing packaging materials. Strong preference is often given to suppliers located within Australia, and in some cases within Victoria, supporting reduced transport distances and regional economic activity. Price sensitivity varies across distilleries, reflecting differences in scale, commercial positioning, and access to procurement leverage, but remains a critical factor in many cases.

Ambition

Despite these challenges, there is clear evidence of emerging sustainability ambition within the sector. Identified initiatives include transitioning to lighter-weight bottles, increasing recycled content in glass and closures, and shifting towards domestically manufactured packaging over the medium term. In some cases, distilleries are also seeking to better understand and manage sustainability performance internally, recognising that improvements within the business can complement upstream supply chain actions.

Summary

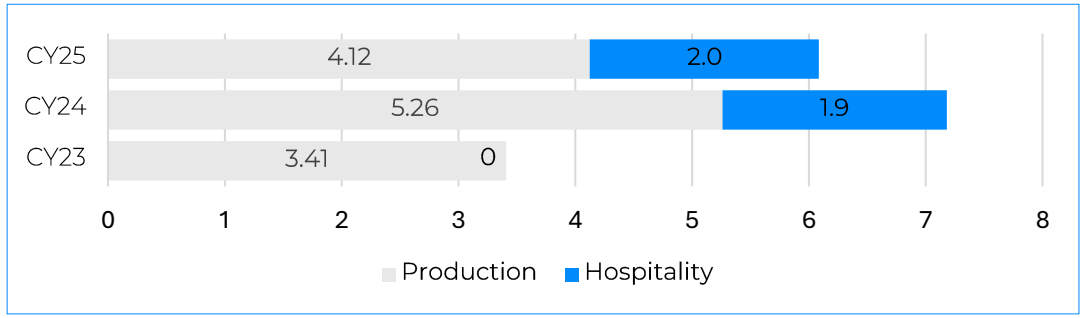
Overall, the findings indicate a sector that is pragmatically advancing packaging sustainability within the constraints of supply availability, cost pressures, and consumer expectations. Progress is most evident where sustainability initiatives align with operational efficiencies or cost neutrality, while more transformative change is dependent on broader shifts in manufacturing capability, market demand, and industry-wide practices.

4.2/ Electricity

Distilleries were categorised as small, or large based on production capacity, enabling comparison across different scales of operation. Total electricity consumption was assessed in megajoules (MJ) for each category and normalised by litres of alcohol produced (MJ/LAL) and compared year-on-year (YoY). Distilleries also provided estimates of the share of electricity used for spirit production and hospitality activities, including a breakdown isolating production-only use. Finally, the analysis distinguishes between electricity generated on-site (e.g. solar) and electricity purchased from external retailers, providing insight into both energy intensity and the increasing role of on-site renewable generation.

	Small	Large 1	Large 2	Total
Energy (MJ)	121,355	2,101,348	445,306	2,668,008
Production Volume (L)	3,426	452,036	9,900	438,362
Normalised (MJ/L)	35.4	4.9	45	6.1

Normalised YoY Split



Operating Context Matters

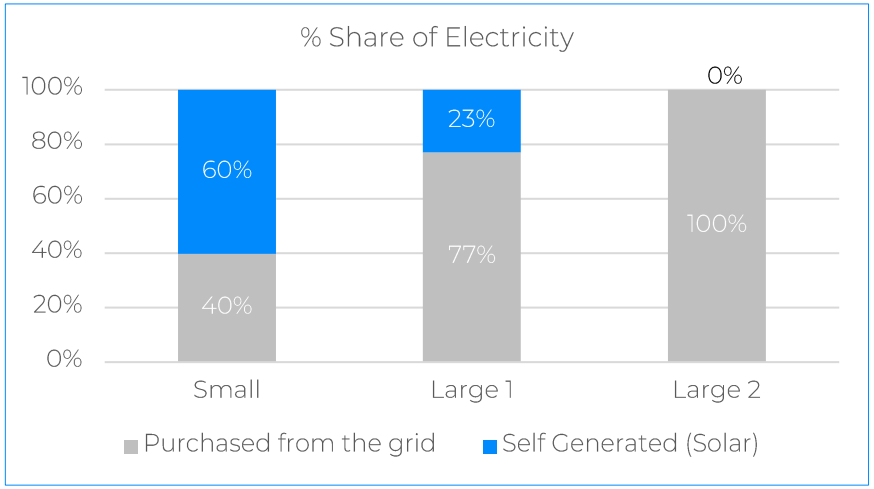
Normalised electricity intensity reflects operating context as much as performance. Distilleries typically operate in large, ventilation-intensive spaces, where heating and cooling loads remain relatively fixed even as production varies.

- Large 1 demonstrates economies of scale, with high production allowing these fixed loads to be distributed across a larger output base, resulting in a low intensity figure.
- Large 2 is an outlier due to a reduction in production following a strategic pivot, while still operating a large facility requiring ongoing conditioning. With output significantly reduced, these fixed loads dominate, leading to a higher normalised result.
- The Small distiller's higher intensity reflects a deliberate production model rather than inefficiency. Producing neutral spirit in-house using local inputs increases on-site energy demand but supports reduced transport miles and greater control over provenance.
- Findings reinforce that intensity metrics are most meaningful when interpreted alongside production strategy and operational context.

Hospitality & Production Split

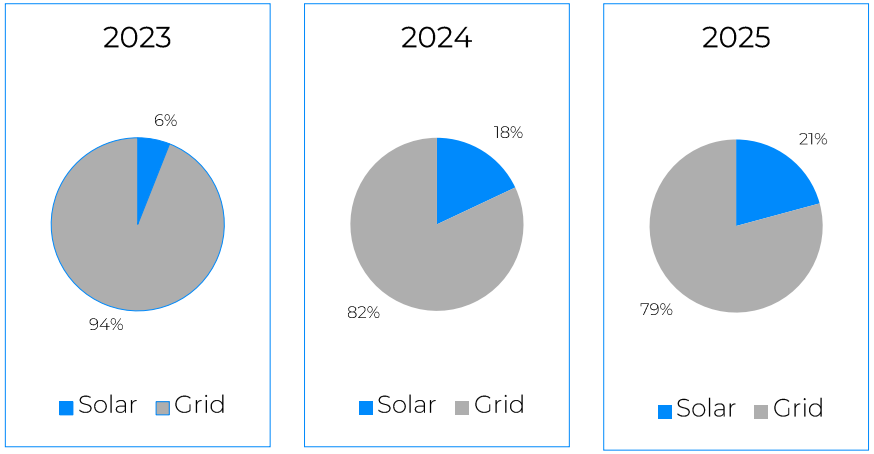
- The uplift from CY23 reflects improved data coverage, with the hospitality split not captured in CY23, rather than a pure performance shift.
- From CY24 onwards, hospitality becomes a consistent and material component of total normalised electricity intensity.
- Year-on-year comparisons are constrained by changing cohorts, with CY25 based on only three distilleries and therefore highly sensitive to individual site conditions.
- In CY25, strong hospitality offerings across all sites sustain the hospitality contribution, while the production result is skewed by one large facility operating at low output.
- Overall, the production component remains the more variable and distortion-prone driver, with fixed loads amplified when production volumes are reduced.

4.2/ Electricity cont.



This chart highlights how strongly renewables are emerging as a practical priority for Victorian distillers. The small distillery is already sourcing most of its electricity from self-generated solar, showing what's possible when rooftop capacity and operating patterns align. Large 1 also demonstrates meaningful progress, with solar contributing a clear share of total electricity alongside grid supply—evidence that on-site generation can play a material role even for higher-volume producers.

Large 2 remains fully grid supplied, but this should be read as a site constraint rather than a lack of ambition: not every premise can accommodate solar due to building design, tenancy arrangements, or landlord limitations. Overall, the message is clear: where solar is feasible, distillers are adopting it and building renewables into their operating model.



Solar contributes a larger share of total electricity over time, but the shift is driven in part by changing participants rather than a pure sector-wide trend. Uptake is strong: roughly half of distillers in CY23 and CY24 had solar, and in CY25 it was two-thirds of a smaller cohort.

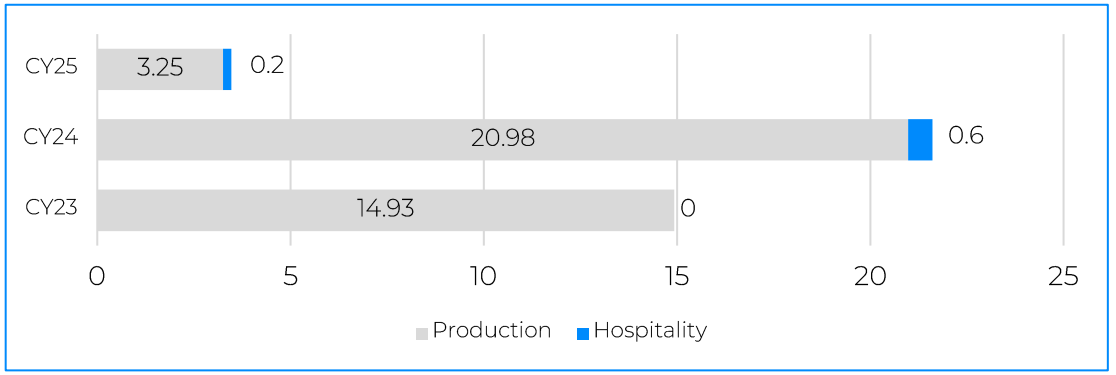
The key takeaway is momentum. Many distilleries have successfully installed and are operating solar arrays on-site, reducing reliance on grid electricity. Comparability is limited because the cohort sizes and mix change each year (especially CY25), so proportions can move materially with just one or two sites.

Barriers to wider rollout remain practical rather than attitudinal, including landlord constraints, upfront capex, and lease terms that limit roof modifications or dilute payback for tenants.

4.2/ Fuels

	Small	Large 1	Large 2	Total
Energy (MJ)	25,162	633,993	860,466	1,519,621
Production Volume (L)	3,426	452,036	9,900	438,362
Normalised (MJ/L)	7.3	1.5	87	3.4

Normalised YoY Split



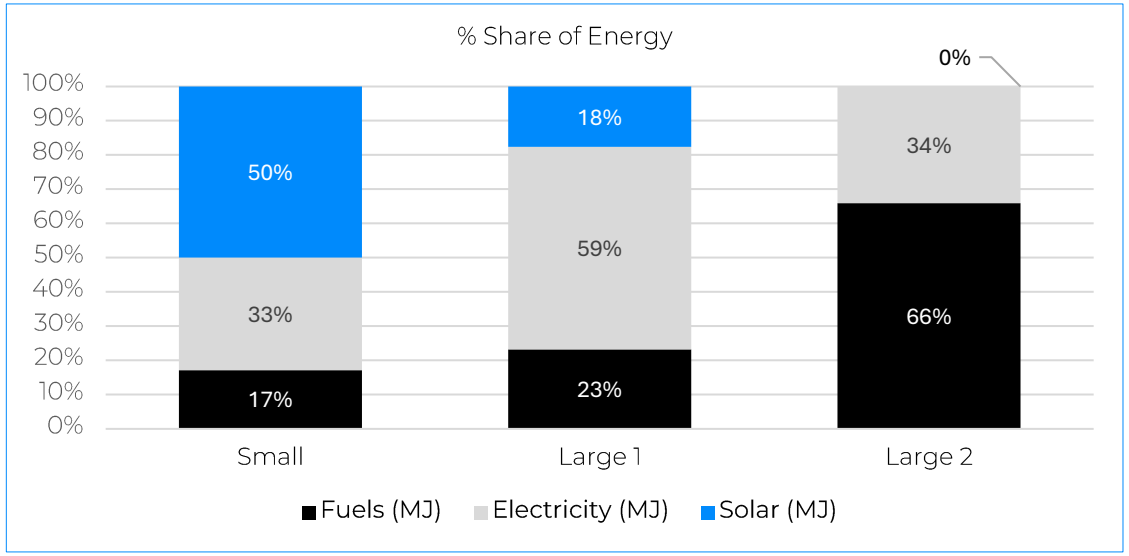
Excellence, & Outliers

- Fuel intensity varies significantly by operating model, with Large 2 recording a very high normalised result driven by heating requirements rather than core production inefficiency. This highlights how site conditions and thermal loads can materially influence outcomes.
- Large 1 stands out as a clear efficiency leader, achieving a very low normalised fuel intensity despite high production volumes, demonstrating strong process efficiency and scale benefits in fuel use.
- The Small distillery also performs strongly, delivering a normalised intensity below the average observed across all cohorts in the CY24 study, reinforcing that smaller sites can still achieve high levels of efficiency.
- Fuel use is concentrated in thermal processes, particularly LPG, LNG and diesel, which remain essential for distillation and heating, making them a critical focus area for future decarbonisation.
- Overall, the results reinforce a dual narrative: strong examples of best practice exist within the cohort, while variability is largely explained by site-specific heating demands and production conditions rather than a lack of operational efficiency.

It's in the Production

- Fuel intensity is overwhelmingly driven by production, not hospitality. Across the cohort, hospitality contributes only a very small fraction of normalised fuel use, reinforcing that most fuel demand sits in core distillation processes rather than cellar door operations.
- Year-on-year movements are primarily a production story. Changes in the total normalised result reflect shifts in production activity, process heat demand, and cohort composition, because production dominates the denominator and the fuel profile.
- This split makes the decarbonisation challenge clear. Distilleries can make rapid progress on electricity and hospitality impacts but achieving low-emissions distilling ultimately hinges on reducing or replacing thermal fuels used for process heat.
- Hospitality remains a 'lower-fuel' part of the footprint. While hospitality can be important for waste, water and electricity, it is not where fuel reductions will deliver the biggest emissions outcome.
- Implication for priorities: the highest-impact levers sit in production heat, efficiency, heat recovery, electrification where feasible, and transitioning to lower-carbon fuel options, supported by continued improvements in measurement and cohort comparability.

4.2/ Fuels Cont.



Energy Profiles

The chart shows three very different energy profiles across the cohort, reinforcing that “decarbonisation levers” vary sharply by operating model. The Small distillery has the most diversified mix, with solar supplying half of total energy, supported by electricity (33%) and relatively low fuels (17%). This is a strong signal that smaller sites can embed renewables deeply into day-to-day operations when on-site generation and demand patterns align. Large 1 remains more electricity-led overall, with electricity forming the majority share (59%), fuels at 23%, and solar contributing 18%, a profile consistent with a larger, more continuous operating base where electrified loads dominate but process heat still requires fuels. By contrast, Large 2 is clearly fuel-driven, with fuels making up two-thirds (66%) of total energy, electricity at 34%, and no solar contribution. Taken together, the results underline a key point for the sector: renewables are already making a meaningful difference where feasible, but the largest decarbonisation challenge, and opportunity, still sits in reducing thermal fuel demand through efficiency, heat recovery, electrification where possible, and fuel switching.



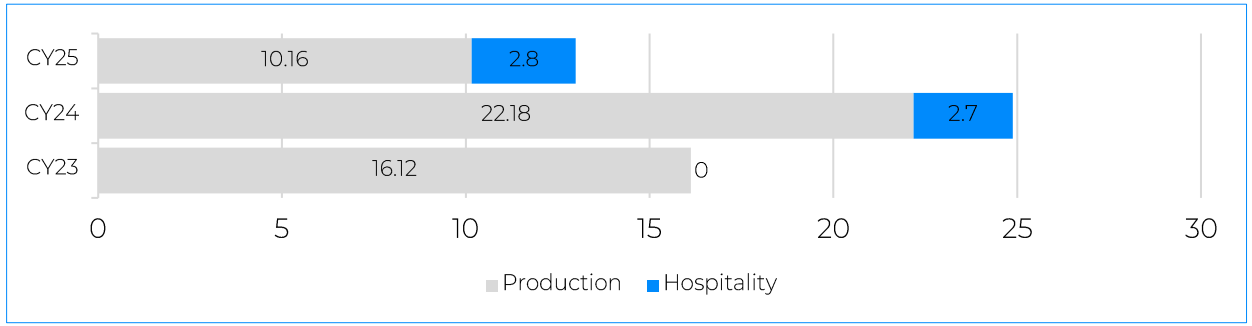
Image - Starward

4.2/ Water

Water underpins every stage of distilling - from production to cooling and cleaning - making it essential to both quality and efficiency. In a water-constrained environment, its efficient use and sustainable sourcing are critical to long-term operational resilience.

	Small	Large 1	Large 2	Total
Net Consumption(L)	170050	4132800	1,171,000	5,473,850
Production Volume (L)	3,426	452,036	9,900	438,362
Normalised (L/LAL)	49.63	9.14	118.2	12.48

Normalised YoY Split



The year-on-year results show a clear improvement in production water intensity, falling from CY24 to CY25. This is a positive signal but should be interpreted cautiously given the smaller CY25 cohort, which increases sensitivity to individual site performance. From CY24 onwards, hospitality water use is captured as a distinct and stable component, contributing a consistent baseline across both years. Overall, the split reinforces a simple dynamic: production intensity is variable and volume-driven, while hospitality remains a steady underlying load.

Understanding Water Intensity: Scale and Process Effects

Normalised water intensity reflects operational scale and process design as much as absolute consumption. Distilleries rely on interconnected processes requiring baseline water volumes irrespective of output.

- Large 1 demonstrates strong water efficiency, with high production volumes distributing fixed process demands—such as cooling and cleaning—across a larger output base.
- Large 2 records a higher intensity, reflecting lower utilisation or site-specific factors influencing water use relative to production.
- The Small distillery's intensity (49.63 L/LAL) sits between the two large operators and reflects its distinct production model. Producing its own base spirit, alongside smaller batch sizes and more manual processes, results in proportionally higher water demand per litre of alcohol produced.

	Small	Large 1	Large 2	Total
Water Withdrawal (L)	188,530	4,132,800	1,371,000	5,692,330
Water Discharge(L)	18,480	0	200,000	218,480
Net Consumption(L)	170,050	4132800	1,171,000	5,473,850

This table highlights a standout outcome for Large 1, where water management is clearly embedded as a core operational discipline. Despite the highest total water withdrawal, net consumption is effectively equal, indicating that water is continually reused within the process, with minimal discharge leaving the site. This represents a best-practice, closed-loop approach—reducing both environmental impact and reliance on incoming water supply. By contrast, the Small and Large 2 distilleries show a more conventional profile, where water withdrawal and net consumption remain closely aligned but without the same level of reuse. While still efficient in absolute terms, these sites present greater opportunity to adopt reuse and recirculation strategies if they become available.

4.2/ Emissions

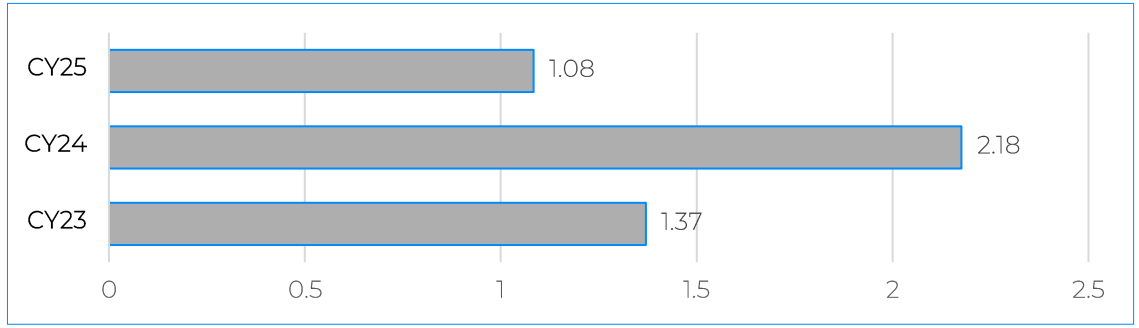
	Small	Large 1	Large 2	Total
Emissions (t.CO_2-e)	143	3,348	3,972	7,463
Production Volume (L)	3,426	452,036	9,900	438,362
Normalised (t.CO2-e)	0.042	0.0074	0.40	0.017

This table highlights a strong divergence in emissions intensity across the cohort, driven primarily by production levels and fuel use.

- Large 1 stands out as a clear leader, achieving a very low normalised emissions intensity relative to its production scale. This reflects efficient operations and the ability to distribute emissions across a high output base—demonstrating what best practice can look like at scale.
- Large 2 records the highest intensity, but this is largely explained by operating context rather than inefficiency. In CY25, production volumes were significantly reduced due to a strategic shift, while the site continued to rely on fossil fuels for heating. As a result, fixed emissions were spread across a much smaller output base, inflating the normalised figure.
- The Small distillery sits between the two, reflecting a more typical profile where emissions intensity is influenced by batch size, production processes, and scale.

Overall, the results reinforce a consistent theme: emissions intensity is highly sensitive to production levels and thermal fuel use, with process heat remaining the key decarbonisation challenge for the sector.

Normalised Emissions (Kg Co2-e)

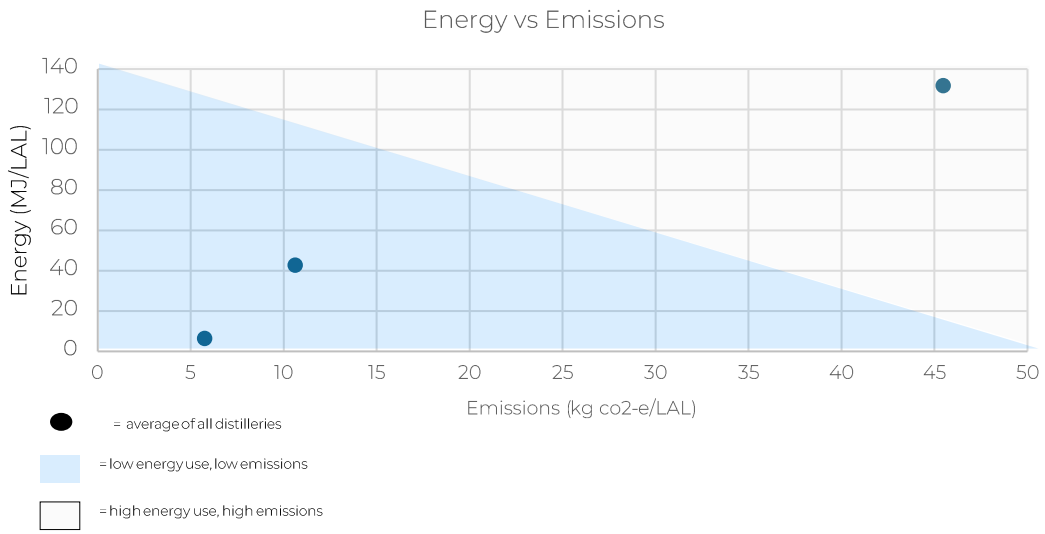


CY25 records the lowest normalised emissions intensity across the study period, indicating that distilling operations were, on average, more efficient than in prior years. This reflects a combination of improved energy performance and favourable operating conditions across participating sites.

However, this result should be interpreted with care. The CY25 dataset is based on a small cohort, making it highly sensitive to individual site performance and production levels. As a result, the apparent improvement may not fully reflect a broad, sector-wide shift, but rather the influence of a limited number of high-performing operations.



Emissions Cont.



This year's scatter plot shows a much wider spread between distilleries than last year, with one clear outlier driving the overall range. Two sites sit in the lower-to-mid intensity area, with low-to-moderate emissions (roughly 5–11 kg CO_2-e/LAL) and lower energy intensity (roughly 5-40 MJ/LAL), indicating comparatively efficient operations for the cohort. The third site sits at the extreme upper end of the chart, with very high emissions (mid-40s kg CO_2-e/LAL) paired with very high energy intensity (around 130 MJ/LAL). This point lands well into the high-intensity zone and materially influences the overall picture.

Consistent with last year's logic, the pattern still supports a positive relationship between energy intensity and emissions: the highest-energy operation is also the highest-emitting, while lower-energy sites sit at lower emissions. The practical implication is straightforward: differences in process heat demand, fuel mix, and utilisation are likely the key drivers separating performance. With such a small number of participants, the plot is most useful as a diagnostic-highlighting where intensity is concentrated and where targeted energy and fuel-switching measures would have the greatest impact.



Image – Bass & Flinders

4.3/ Waste

Waste management remains a central part of sustainability performance across Victorian distilleries, spanning both production and hospitality operations. Waste streams from spent grain and botanicals to glass, cardboard and food, require integrated, end-to-end strategies.

Across this year's cohort, distilleries demonstrate a strong circular mindset. Multi-stream separation is standard practice, with waste actively diverted into higher-value uses such as animal feed, composting and food products, delivering tangible progress toward circularity at an operational level.

Encouragingly, these outcomes are broadly aligned with Victoria's waste and circular economy objectives, particularly the focus on landfill diversion and resource recovery. The sector is already contributing meaningfully to these goals through practical, on-the-ground initiatives.

Circular solutions are highly localised, with strong partnerships across farms, councils (FOGO), and regional suppliers. However, progress remains uneven. While some distilleries are advancing through improved suppliers, reporting and new initiatives, others face barriers in scaling solutions, particularly where waste is perishable, services are limited, or resourcing is constrained.

Overall, the sector shows strong intent and momentum, with further gains dependent on overcoming these structural challenges and building more consistent, industry-wide circular pathways.



54.85T assessed



67% recycled



33% discarded - landfill

Image – Four Pillars

5/ Conclusion

The 2025 findings reinforce that sustainability is now embedded in the Victorian distilling sector, not as an aspiration, but as an operational priority. Distilleries demonstrated practical progress across energy, water, and waste, while maintaining a clear focus on product quality, provenance, and commercial resilience in a challenging market.

Encouragingly, the data highlighted both momentum and capability. Renewable energy adoption accelerated where feasible, circular waste practices continued to become standard, and leading operators demonstrated what best practice can look like at scale.

Foresight Consulting Group is proud to support this work through the ongoing development of practical tools and insights that enable distillers to measure, compare, and improve performance year-on-year. In next year's 2026 Sustainability Report, we hope to attract wider industry participation.

As the sector continues to evolve, broader participation in sustainability initiatives, information sharing and problem-solving will be critical. A deeper dataset will facilitate stronger benchmarking, reduce sensitivity to outliers, and support more confident, industry-wide conclusions. On this note, we put forward a further section on the following slide: Next Steps.

We extend our sincere thanks to the participating distilleries for their openness, rigour, and ongoing engagement. Their contribution enables meaningful benchmarking and strengthens the collective understanding of sustainability performance across the sector.

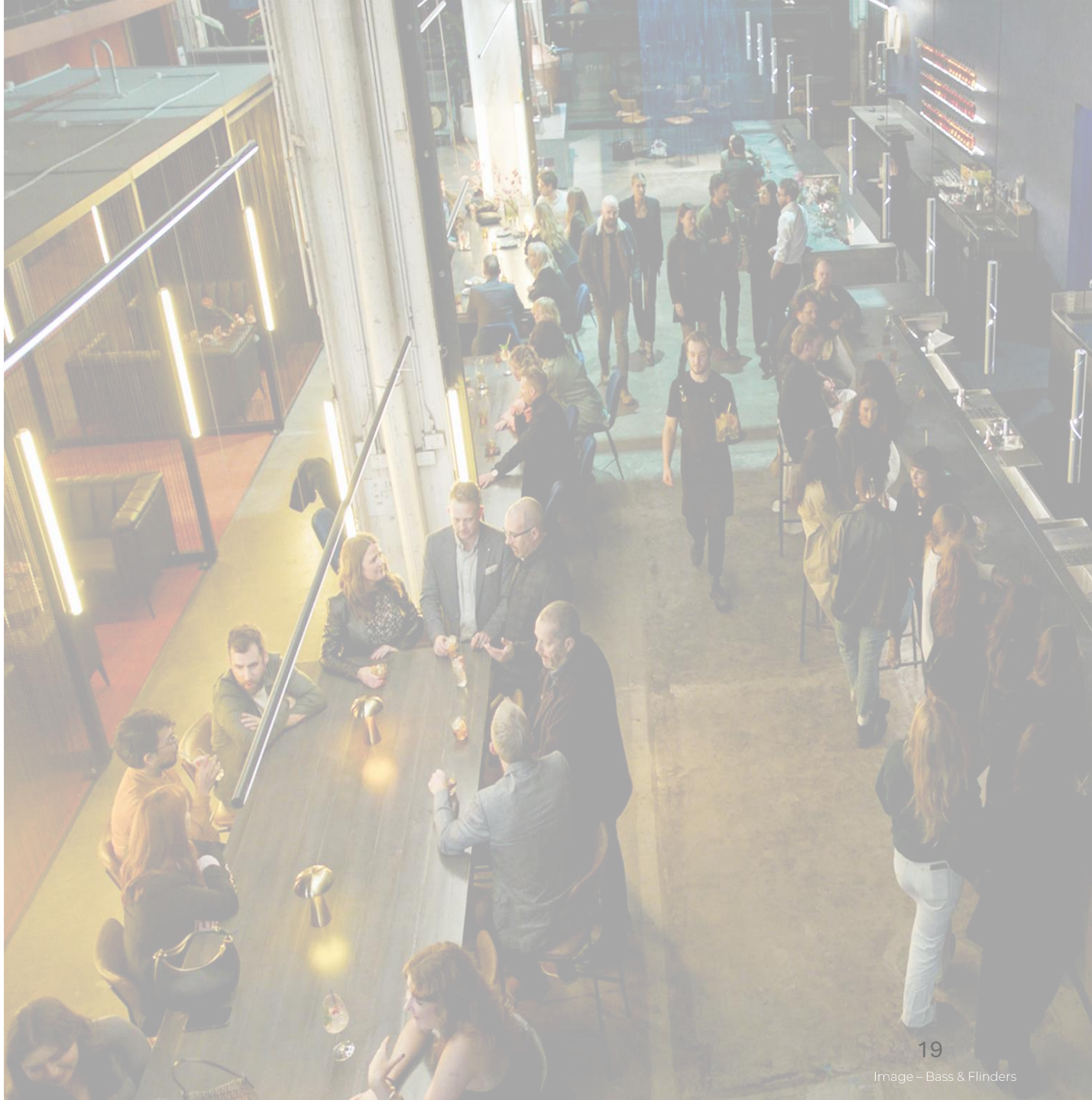


Image – Bass & Flinders

6/ Next Steps

SVA's Strategic Vision - *"To be the most innovative, collaborative, and sustainable spirits industry in Australia, and to establish a global reputation for Australian spirits"* - serves as a clear call to action for Victorian distillers. To support its achievement, we outline below some practical, actionable steps to drive collaboration and progress.

The capability, the data, and the momentum exist. Now is the time to act collectively.

Learn	SVA, in partnership with industry, can identify government co-funding pathways to accelerate sustainability programs, For distillers yet to realise the commercial benefits of sustainable business practices, SVA can also connect them with targeted training and education to support implementation.
Measure	Use the Foresight Industry Toolkit (via the SVA website) to collect data across the value chain. Invest time in measuring and tracking key inputs such as raw materials, packaging, electricity, fuels, water, and waste to identify opportunities to improve efficiency, reduce waste, minimise environmental impact, and enhance resource circularity. Need help? Reach out.
Explore	Explore sector-wide targets and commitments - drawing inspiration from models such as the Irish Whiskey Association's Sustainability Roadmap - to create shared accountability and signal Australia's sustainability ambition to global markets. https://www.ibec.ie/drinksireland/irish-whiskey/campaigns/irish-whiskey-sustainable-together
Engage	Engage supply chain and industry partners with aligned sustainability objectives to unlock collaborative efficiencies. For instance, waste streams can be repurposed locally (e.g. composting), and logistics coordinated with partners to reduce transport emissions and costs.
Grow	Grow the dataset - Broader participation in this annual report is the foundation of everything that follows. A larger cohort enables stronger benchmarking, reduces sensitivity to outliers, and builds the credible, industry-wide evidence base that funders and policymakers respond to.



Image – Starward

7/ References

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Appendix

Participants

PROUDLY EST. 2013

FOUR PILLARS

AUSTRALIAN GIN DISTILLERY

BASS & FLINDERS

est 2009

DISTILLERY

STARWARD