

Diageo invests \$75m in its first malt whisky distillery in China



Sam Fischer, President,

Diageo Asia Pacific and Global Travel

Diageo has broken ground on the site of its first malt whisky distillery in China.

Located in Eryuan County in Yunnan Province, the Diageo Eryuan Malt Whisky Distillery will produce its first China-origin, single malt whisky.

Details of the \$75 million investment were officially unveiled at a ceremony on November 2 in Eryuan, attended by provincial and local government officials, industry representatives and the local community.

Sam Fischer, President, Diageo Asia Pacific and Global Travel, said: “China is the world’s largest beverage alcohol market [source: IWSR 2020] and the demand for whisky is growing rapidly among middle-class consumers who are keen to further discover and enjoy fine whiskies. Today we celebrate another significant step forward, and one which builds upon our local insights and combines those with Diageo’s global whisky expertise in order to delight the next generation of Chinese whisky consumers.”

At more than 2,100 meters above sea level, the site of the 66,000 square meter distillery was selected for its temperate climate, rich natural biodiversity, and access to natural spring water that is a source of the second largest highland lake, Erhai Lake, in Yunnan.

“The natural surroundings and the Eryuan landscape will allow us to craft a world-class, China-origin, single malt whisky that will capture the imagination of premium whisky lovers in China,” said Fischer. ¹

Diageo's Society 2030: Spirit of Progress sustainability action plan will shape the design and development of the distillery. Renewable and clean technologies will be used in the distillery to ensure it is carbon neutral, recycles all the water it uses, and is a zero-waste site.

The site will feature an immersive and interactive visitor center that will attract whisky enthusiasts and boost the local cultural tourism industry. The sustainable and innovative design of both the distillery and the visitor center will incorporate local cultural elements and embrace the region's natural landscape.

Construction is expected to begin in early 2022.

Sustainability action plan

Combating climate change and its associated impacts is at the heart of Diageo's sustainability action plan. The company has already halved the carbon emissions associated with its operations since 2008 and is working to reach net-zero carbon across its direct operations by 2030, harnessing 100% renewable energy.

As part of its 2030 action plan, Diageo is also working to achieve net-zero carbon across the entire supply chain by 2050 or sooner, with an interim milestone to achieve a 50% reduction by 2030.

Diageo is also part of a pioneering group of organizations that are championing a green recovery and supporting the Sustainable Development Goals, through membership of the United Nations Global Compact, We Mean Business Coalition and other key global advocacy organizations.

As a signatory to RE100, Diageo aims to source 100% of its electricity from renewable sources by 2030. In addition, Diageo has signed onto the global Race to Zero campaign, a commitment to achieving net-zero carbon emissions by 2050 or earlier.