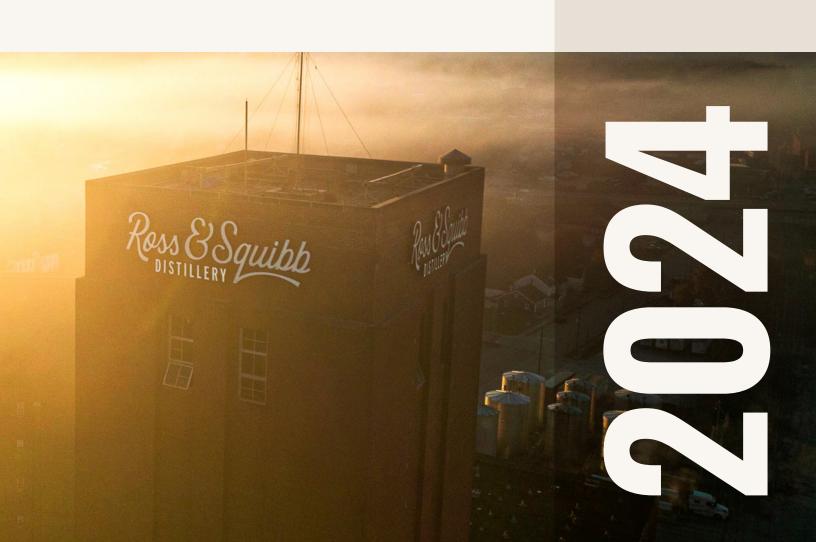
# SUSTAINABILITY REPORT





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#### A Word from Our Interim CEO



I am pleased to share MGP's third Sustainability Report and the progress we made in 2024 towards our environmental, social, and governance (ESG) objectives. At MGP, our commitment to sustainable development is rooted in the core value of respect for people and nature. We take great pride in our craft and work every day to Create Exceptional<sup>®</sup>.

In 2022, we completed a comprehensive ESG materiality assessment to better align our priorities with those of our stakeholders. That assessment aligned our ESG strategy into four main pillars: People, Planet, Products, and Process, which is how this report is organized.

While we continue to prioritize our people, we are particularly proud to highlight the progress we have made in our Planet pillar regarding reductions in greenhouse gas (GHG) emissions (see pages 22-23) and energy usage (see page 26) as compared to our 2022 baselines.

Thank you for your interest in our 2024 report. We look forward to sharing continued, sustainable progress in the coming years.

**BRANDON GALL** 

Interim President and CEO; CFO

June 2, 2025



**MGP Ingredients** At a Glance

## **BORN WITH A PASSION TO CREATE EXCEPTIONAL**

MGP began in 1941 as a humble grain belt distillery. We have since grown and evolved to offer consumer-facing branded spirits and premium contract distilling solutions. Specialty wheat proteins and starches and extruded proteins from MGP are used worldwide in consumer food products.

We partner with startups and global brands alike in the sourced spirits category and in the food science industry, serving not only as reliable producers but as extensions of their R&D processes. Additionally, we innovate and create some of the finest whiskeys, ryes, bourbons, tequilas, gins, and vodkas in the world within our award-winning branded spirits segment.

Our products are created at the intersection of science and imagination. As we continue to advance the business, we remain committed to minimizing our impact on the environment and strive to leave our communities and the world a better place for those to follow.

Learn more at www.mgpingredients.com.

We have focused our expertise and energy on formulating excellence and collaborating with our customers to bring product ideas to life through the following business units:

#### **Branded Spirits**



#### **Distilling Solutions**



**Ingredient Solutions** 

Our established portfolio of brands includes a wide range of products with a focus on premium-plus American Whiskeys, bourbons, and tequila. Additionally, a diversified mid and value portfolio is positioned at different price points.

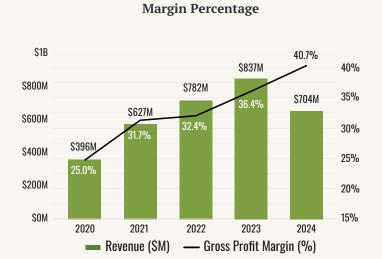
Distilling Solutions is a leading third-party provider of premium spirits to craft and multinational distillers. Products include bourbons; corn, rye and wheat whiskeys; distilled gins; and grain neutral spirits. The segment also sells distillers' feed and related co-products.

Combining innovation and food-science expertise, the Ingredient Solutions segment delivers food manufacturers functional and nutritional ingredients aligned with consumer trends. These include textured proteins for plantbased meat formulations; plant-based crisps for use in snack applications; and starches and fibers used in baking and pastas.

#### **MGP Ingredients** At a Glance



- **●** \$332M from Distilling Solutions
- \$241M from Branded Spirits
- \$131M from Ingredient Solutions



**YoY Revenue and Gross Profit** 





## **GLOBAL LOCATIONS**

**Distilleries** & Production **Operations:** 

Atchison, Kansas

Arandas, Mexico<sup>1</sup>

Bardstown, Kentucky

Lawrenceburg, Indiana

Warehousing:

Atchison, Kansas

Jennings County,

Lawrenceburg,

St. Louis, Missouri

Sunman, Indiana

Corporate & Bottling **Operations:** 

Atchison, Kansas

Cleveland, Ohio

Leawood, Kansas

Londonderry,

St. Louis, Missouri

<sup>1</sup> Owned by our joint venture. Please note that data and information in this report does not include our joint venture.

<sup>2</sup> Other than (i) revenue and gross profit information, (ii) number of worldwide employees, and (iii) specific references to our Northern Ireland operations and products produced by our Northern Ireland operations in this report, the data and information in this report does not include our Northern Ireland operations.

**Our ESG Strategy Our ESG Focus Areas** 

Our sustainability efforts are overseen by our Board of Directors. The Nominating and Governance Committee of the Board of Directors oversees practices and disclosures related to ESG matters, except to the extent overseen by another Board committee. Furthermore, the Human Resources and **Compensation Committee** of the Board of Directors has oversight of matters relating to our human capital management in addition to its oversight of human resources, labor, and compensation matters. We have an ESG Executive Steering Committee, which is chaired by our Chief **Human Resources Officer** and includes other members of our executive leadership team. In addition, we have an ESG working group comprised of a cross-

subject-matter experts.

## **OUR APPROACH TO SUSTAINABILITY**

At MGP, we are dedicated to operating in harmony with people and the environment and are committed to a culture of continuous improvement in which our approximately 660 employees worldwide, stockholders, and local communities all benefit from a business platform based on sustainable growth.

Our dedication to implementing an ESG strategy supports the United Nations Sustainable Development Goals (UN SDGs) and highlights our existing commitments to sustainable development for the prosperity of the company and communities we serve.

We recognize our actions have significant societal and environmental impacts, and are taking a proactive approach to managing these impacts by working to create a strategy that can be distilled down into four main pillars:

## PRIORITIZING OUR ESG FOCUS AREAS

Identifying and developing an understanding of our most important ESG topics is critical to MGP's strategic planning initiatives and reporting.

Following the guidelines set forth by the Global Reporting Initiative (GRI), this assessment referenced industry standards and engaged internal and external stakeholders, including colleagues, investors, customers, suppliers, and partners. As determined by our assessment, our most pressing sustainability topics include: greenhouse gas emissions, water management, energy management, and environmental and social impacts of supply chain.







## **INVESTING IN OUR PEOPLE**

At MGP, we believe that a skilled workforce and strong relationships with communities are at the core of our success. We recognize the importance of a diverse and inclusive workforce where all our employees feel appreciated and welcome to express their values, ideas, and perspectives.

We offer our people the opportunity to contribute to something greater than themselves, and pursue initiatives that enhance the health, well-being, and development of our people, our communities, and the world around us.









## **SUPPORTING OUR EMPLOYEES**

In a dynamic and evolving world, it is important we support and embrace our responsibility to promote a diverse, equitable, and inclusive workforce. The MGP culture is focused on integrity and performance, which makes it even more important for our company to be authentic in our approach. We believe that a diverse workforce is essential to business growth given the valuable background, talents, and experiences each person brings to the table.

We continued to build on strong relationships with partner organizations who share our commitment to diversifying our industries and identified where there are opportunities to expand our talent pipeline.

As part of our ongoing commitment to expanding recruiting outreach and strengthening relationships with diverse organizations, colleges, and universities, we continue to seek opportunities to engage with a broader talent pool. In 2024, we took meaningful steps by participating in career fairs at Ranken Technical College, Kentucky Signature Industries, the University of Kentucky, and the University of Louisville.

We believe the engagement of every employee helps us better understand and serve our customers, and in doing so, strengthens our competitiveness.

#### **OUR COMMITMENTS:**

For recruitment, in 2025 we are partnering with RecruitMilitary, which connects employers with the military community.

For our Employee Resource Group (ERG), we will continue to grow and expand upon ElevateU: Professional Growth Alliance. In 2025, we are:

- Holding membership drives for new members
- Incorporating MGP Serves community efforts and activities
- Creating a library of resources such as books, articles, and courses
- Launching Working Parents ERG

## FEATURED HIGHLIGHTS

# **ELEVATEU**

Professional Growth Alliance

To foster a supportive and inclusive workplace, we continue to invest in and expand our ElevateU program. Over the past year, we have made significant strides in growing this initiative, ensuring it serves as a valuable platform for connection, development, and empowerment. Key achievements include:

- Welcoming **50 initial members**, establishing a strong foundation for engagement.
- Hosting 20 events focused on professional development, career guidance, company insights, networking, and team building.
- Gaining valuable insights from **8 guest speakers**, including executive and cross-functional leaders.
- Launching a **mentorship program** with **16 participants**, fostering professional growth and knowledge-sharing.
- Providing ongoing access to eLearning and continuous learning resources to support skill development.

These efforts reflect our dedication to creating a workplace where employees feel empowered, connected, and supported in their careers. We remain committed to furthering the impact of our ERG and look forward to continued growth and engagement in the future.



We continue to leverage SkillBuild, our learning management system, to promote awareness and empower employees through education. In 2024, we expanded SkillBuild by introducing two programs:

- Respect in the Workplace A foundational training for all employees, reinforcing a culture of respect and inclusion.
- Managing within the Workplace A
   specialized training for managers, equipping
   them with the skills to lead inclusively and
   cultivate diverse teams.

These courses are automatically assigned to all new employees, ensuring a consistent understanding of workplace expectations from the start. Additionally, employees have access to a variety of **SkillBuild** eLearning opportunities, including:

- **Bias Reduction** Strategies to recognize and mitigate unconscious bias.
- Managing Four Generations in the Workplace

   Insights on fostering collaboration across diverse age groups.
- Harassment Prevention Best practices for maintaining a respectful and compliant workplace.





## **WORKFORCE HEALTH & SAFETY**

The health and safety of our employees — as well as our entire network of customers, suppliers, and partners — is of utmost importance to MGP. We hold ourselves to the expectation that our entire workforce returns home safely to their families each day.

#### **OUR COMMITMENTS:**

MGP's proactive approach to safety, which values our people and encourages continuous improvement, continues to be a top priority. As we remain committed to improving the health and safety of our workplace, in 2025 we are continuing to:

- Enhance our Safety Management System (SMS) to include new modules such as Vendor Management, Claims Management, and Quality Event Tracking
- Conduct a series of U.S. site compliance audits, with expanded emphasis on behavior based safety tools

Based on our employee health and safety efforts, we expedienced decreases in three major employee safety indicators.

Health and Safety Data\*

Company Wide	2023	2024	Change
Total Recordable Incident Rate	3.51	3.17	10% Decrease
Days Away Restricted/Transferred	2.71	1.33	51% Decrease
Lost Time Incident Rate	0.80	0.33	59% Decrease

<sup>\*</sup>All rates are normalized to 100 employees working 200,000 hours per year.

## FEATURED HIGHLIGHTS

#### **Safety Management System**

In alignment with our commitment to enhancing workplace safety and compliance, we are pleased to report the full implementation of our SMS across all sites. This milestone marks a significant step forward in strengthening our Environmental, Health, and Safety (EHS) initiatives, ensuring standardized safety training, improved compliance tracking, and enhanced employee engagement in safety protocols.

With our SMS now fully operational, we remain dedicated to fostering a culture of continuous learning and safety excellence, reinforcing our ESG commitment to the well-being of our workforce and the communities in which we operate.

#### **Internal Compliance Audits**

As part of our ongoing commitment to workplace safety and environmental responsibility, we have continued our internal safety audit program across all sites. In line with this commitment, a full audit was successfully completed for all U.S. sites in 2024.

These audits play a crucial role in ensuring compliance with safety protocols, identifying areas for improvement, and reinforcing our dedication to a safe and sustainable work environment. We will continue to monitor and enhance our safety practices to uphold the highest standards in operational excellence.





# EMPLOYEE RECRUITMENT, DEVELOPMENT, & RETENTION

MGP recognizes the importance of talent acquisition, employee development, and retention of the right person for the right role. We are constantly evaluating ways to promote the development and advancement of our employees' careers. We continue to encourage our employees to take advantage of attractive benefits offerings as part of their employment.

#### **OUR COMMITMENTS:**

We continue to develop a culture that offers upskilling and reskilling opportunities across the organization. With that in mind, our goal is to improve the overall experience of our employees and ensure our benefits and perks are competitive and support the retention of talent. In 2025, MGP is continuing, enhancing, and/or launching:

- The Employee Wellness Program, increasing the annual completion incentive from \$250 to \$350
- Communication and delivery of benefit offerings for open enrollment and new hire onboarding through electronic catalogs and videos
- Employee Scholar Program: Offering \$5,250/ year for employees to continue their education and dedicated funding to support membership in professional associations and to enable employees to obtain relevant certifications
- Partnership with Ivy Tech in Lawrenceburg, IN for computer skills training
- "Talent Tuesdays," a monthly email to keep employees informed about all the company's offerings
- "Thrive Performance Management" for sales teams
- The Employee Referral Program, where employees can receive up to \$1,000 for referring a candidate that stays for a period of one year

# "HR Rewind" a monthly reorientation session designed to help employees revisit, review, and refresh their understanding of key topics introduced during onboarding

## FEATURED HIGHLIGHTS

## Celebrate Exceptional

In alignment with our commitment to fostering a positive and inclusive workplace, we successfully launched Celebrate Exceptional — a new reward and recognition program. This initiative provides meaningful opportunities to celebrate and acknowledge our employees through service awards, retirements, new employee welcomes, manager awards, and birthday recognition.

By valuing and recognizing our team members, we continue to strengthen our workplace culture and reinforce our commitment to employee engagement and well-being.

#### **Everything DiSC Training**

As part of our commitment to foster a more collaborative, and high-performing workplace, we implemented company-wide Everything DiSC training. This initiative aligns with our broader ESG goals by enhancing communication, teamwork, and leadership across all levels of the organization.

In 2024, we successfully trained 128 employees across a variety of functions, including HR, Operations, Ingredients, Marketing, Sales, and the Executive Leadership Team. This training has provided participants with valuable insights into workplace behaviors, improving team dynamics and strengthening cross-functional collaboration.

We remain committed to investing in professional development programs that drive both individual growth and organizational success, reinforcing our dedication to a sustainable and people-centric work environment



HRREWIND.



## **CHARITY & COMMUNITY ENGAGEMENT**

MGP has a deep-rooted history of philanthropic activity, and we are proud to continue to build on our legacy. Our responsibility as a good corporate citizen is to promote positivity in the communities where we live, work, and play.

All of our operations have implemented local community engagement and impact programs. We aspire to work closely with experts in the communities where we operate to explore how MGP can contribute to improved quality of life and promote a more natural and healthier environment.

We are continuously looking for ways to expand and diversify the organizations we partner with and the cause-related efforts we support, which is why MGP continues to offer options for employees to direct their company-supported donations to charities they connect with personally.

#### **OUR COMMITMENTS:**

We will continue to expand our direct giving and hours volunteered capabilities. Existing efforts to support this commitment include:

- "MGP Serves," where the company hosts quarterly events, drives, or volunteer opportunities
- Continuing partnerships with:
- National Parks Conservation Association, via a partnership with our Yellowstone Bourbon
- Boxes of Blessings, which since 2014, has provided 198 tons of food
- Chris Long Foundation's Waterboys Initiative to combat water scarcity in Kenya

## FEATURED HIGHLIGHTS



As part of our ongoing commitment to giving back, we organized three key initiatives to support our communities: our **Week of Service**, our annual **Souper Bowl** food drive, and a **Back-to-School Drive** for local students and families.

#### **Souper Bowl Food Drive**

In addition to our Week of Service, we hosted our annual **Souper Bowl** event to combat hunger in our communities. Employees collected and donated canned soup to:

- Atchison (KS) High School
- Jewish Family Services (KS)
- Dearborn County (IN) Clearinghouse
- The Salvation Army
- Central Kentucky Community Action Council, Inc.

To further support this cause, employees also contributed donations for virtual cans of soup, with all proceeds benefiting Feeding America.

#### **Week of Service**

During our dedicated **Week of Service**, employees volunteered their time and resources to make a meaningful impact, including:

- Supporting animal welfare by collecting and donating pet food and hygiene items to the Atchison (KS) Humane Society, Cleveland (OH) Animal Protective League, Marion County (KY) Animal Shelter, and Dearborn County (IN) PAWS.
- Fighting food insecurity by gathering and donating food items to Jewish Family Services (KS), and the St. Louis (MO) Area Food Bank.
- Providing comfort for children and families by:
- Stuffing plush animals for the Atchison (KS)
   Police Department, Atchison (KS) Childcare
   Association, Bardstown (KY) New Life Center,
   and Jewish Family Services (KS).
- Making blankets for St. Louis (MO) Children's Hospital and the Sunman (IN) American Legion's Cover Our Vets program.
- Creating handmade cards for residents at Ripley Crossings (IN) nursing home.
- Enhancing local community spaces through our Lux Row employees' volunteer work at Guthrie Opportunity Center (KY), where they painted stands and crafted cardboard trees for the Festival of Trees.

#### **Back-to-School Drive**

Recognizing the importance of education and the challenges some families face in preparing for a new school year, we organized a **Back-to-School Drive** to support local students. Employees collected and donated essential school supplies to help equip local area families and schools with the tools needed for a successful year.

We are proud of our employees' dedication to making a meaningful impact in the communities where we live and work. Their generosity and hard work exemplify our values, and we look forward to continuing these efforts in the future.

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# OPERATING WITH A GENUINE RESPECT FOR OUR PLANET

MGP is committed to responsible and sustainable growth. We recognize the future impacts climate change may have on our business operations and are committed to implementing strategies that align with and support our <a href="Environmental and Sustainability Policy">Environmental and Sustainability Policy</a>.

When we began our journey to understand the current state across the numerous "Planet" topics, our goal was to establish a baseline that would help guide targeted strategies that reduce operational risks and minimize waste.

#### This approach is rooted in:

- Implementing data-driven initiatives in areas such as energy management, greenhouse gas emissions (GHG), water conservation, and more.
- Finding ways to improve efficiency and sustainability by reusing resources that are essential to our operations.

We firmly believe we are on the right path to mature our sustainability operations and minimize our impact on the planet in the years to come.



### **GREENHOUSE GAS EMISSIONS**

MGP started reporting Scope 1 and Scope 2 GHG emissions for the U.S. sites through its first sustainability report establishing calendar year 2022 as the baseline year and has set a target to achieve a 50% absolute reduction in Scope 1 + Scope 2 GHG emissions over 2022 baseline level by 2027.

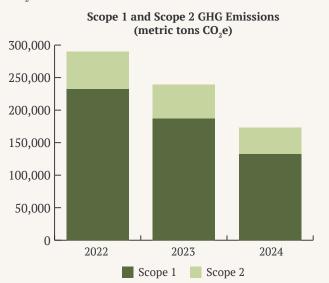
MGP has continued to gain a thorough understanding of the contributing sources of GHG emissions for its U.S. sites. MGP uses the operational control approach to set the organizational boundaries. For operational boundaries, MGP considers both direct (Scope 1) and indirect (Scope 2) GHG emissions and it follows GHG protocol standards to calculate the GHG emissions.

MGP also calculates total biogenic GHG emissions for the sites and reports separately. MGP quantifies and reports GHG emissions from purchased electricity using a location-based methodology and a market-based methodology. MGP documents the sources of all data (e.g., utility bills, fuel spend invoices, etc.) within the GHG inventory to meet the GHG protocol's accounting and reporting principles of consistency and transparency and to aid in future third-party verifications. GHG emissions other than carbon dioxide  $(CO_2)$  such as methane  $(CH_4)$  and nitrous oxide  $(N_2O)$  are adjusted to a carbon dioxide equivalence  $(CO_3e)$  emission rate via global warming potential (GWP) correction factors.

#### **GHG PROGRESS**

The total direct emissions (Scope 1) for 2024 were 132,602 metric tons  $\rm CO_2e$  compared to 232,216 metric tons  $\rm CO_2e$  for the 2022 baseline year, a 43% reduction. The total biogenic carbon emissions were 38,393 metric tons  $\rm CO_2e$  for 2024 and it was 148,138 metric tons of  $\rm CO_2e$  for 2022, a 74% reduction.

The total indirect emission (Scope 2) for 2024 was 40,634 metric tons  $CO_2$ e compared to 58,036 metric tons  $CO_2$ e in 2022, a 30% reduction.



#### **OUR COMMITMENT:**

2022 was MGP's baseline year for GHG emissions for its U.S.- based operations and MGP continues to develop a data-informed greenhouse gas reduction strategy that is both feasible and effective for our company. This data-driven approach helps MGP to identify significant contributors to its overall GHG emissions.

In 2025, MGP will focus on:

 Continuing work towards achieving a 50% absolute reduction in Scope 1 + Scope 2 GHG emissions over 2022 baseline level by 2027

## FEATURED HIGHLIGHTS

Substantial reduction in Scope 1 and Scope 2 GHG Emissions in 2024

As part of MGP's commitment to reduce Scope 1 and Scope 2 GHG emissions, MGP continued working on its continuous improvement efforts and achieved the following GHG emission reductions over its 2022 baseline levels:

- Scope 1 + Scope 2 GHG: 40% absolute reduction
- Biogenic GHG: 74% reduction
- Total Scope 1 + Scope 2 GHG emissions (including the biogenic GHG emissions): 52% reduction

MGP's food grade distilling operation at the Atchison, Kansas facility was a significant contributor to its Scope 1 + Scope 2 GHG emissions and discontinuing this distilling operation has contributed to substantial reduction in GHG emissions.





## WATER MANAGEMENT

Water usage and its release to the environment has been a focus area at MGP for many years. As part of MGP's work in continuous improvement, we recognize that good water management practices are not only good for the planet, but also an integral part of operating our facilities effectively, as well as efficiently. In 2022, MGP started monitoring water intake, water consumption, and water released to the environment for all our U.S. sites. It used the tool *Aqueduct Water Risk Atlas* provided by the World Resource Institute to evaluate if any of the sites are in water-stressed areas in the U.S. Although none of its U.S. sites are currently located in water-stressed areas, MGP understands the vital role that water plays and aims to be well prepared for water stress risks.

MGP follows a reduce, reuse, and recycle strategy to improve its water usage efficiency and diligently monitors the required parameters for water discharge to the environment. MGP's Atchison facility has its own wastewater treatment plant, and for other U.S. sites, MGP discharges to local wastewater treatment plants before being released to the environment. The criteria for wastewater discharge includes pH, total suspended solids, and biological oxygen demand (BOD) depending on the requirements by the U.S. EPA's National Pollutant Discharge Elimination System (NPDES) and local treatment facilities.

In 2024, MGP started conducting water assessments for its distilling sites. The goal was to understand the distribution of water usage in different processes and to find opportunities following its strategy of reduce, reuse, and recycling. MGP is going to continue this effort for its bottling sites in 2025.

2024 Water Management Data Water Withdrawal

Water Withdrawal by Source	All Sites (megaliters)
Groundwater (total)	10,798
Third-party water (total)	1,868
Total water withdrawal	12,666

#### Water Discharge

Water Discharge by Source	All Sites (megaliters)
Surface water (total)	8,498
Third-party water (total)	1,576
Total water discharge	10,074

#### Water Consumption

Water Consumption	All Sites	
by Source	(megaliters)	
Total water discharge	2,592	

#### **OUR COMMITMENTS:**

As MGP continues to keep track of its water usage for all U.S. distilleries, production, and bottling sites, the company is committed to understanding the process-specific water usage within these facilities as well as to further improve quality of water before discharging to the environment.

In 2025, MGP will focus on:

- Understanding the distribution of water usage at its U.S. bottling sites
- Substantially reducing the nutrient level from the wastewater discharge at the Atchison, Kansas facility by steady operation of injection wells

## FEATURED HIGHLIGHTS

In 2024, MGP installed deep injection wells to sequester non-hazardous phosphorus from its Ingredient Solutions' operation in Atchison, KS. Previously, all phosphorus was sent to MGP's permitted wastewater treatment plant, which discharges to surface water. By utilizing deep well injection, MGP is safely and effectively reducing the phosphorus going to surface water.





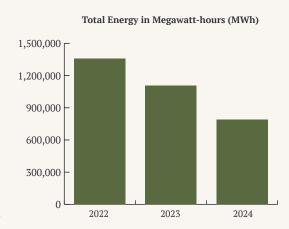
## **ENERGY MANAGEMENT**

In its first sustainability report, MGP established 2022 as its baseline year and committed to achieving a 35% absolute reduction in energy usage by 2027. MGP has achieved this target as the absolute energy usage was reduced by 42% over the 2022 baseline level.

The total energy consumption (fuel usage + electricity usage) for all U.S. sites for 2024 was 791,197 megawatt hours (MWh). Specifically, fuel and electricity usage were 704,009 MWh and 87,188 MWh, respectively. The "Total Energy" graph shows the energy usage decrease compared to the baseline year (2022).

Although MGP continuously evaluates and implements energy saving projects, this substantial reduction in energy usage is due primarily to ceasing operations of MGP's food grade distilling facility in Atchison, Kansas.

Conserving natural resources is a key tenant of our Environmental and Sustainability Policy. The team at MGP are makers and innovators, and we know that our collective knowledge and ingenuity can help us uncover ways to make energy conservation a cornerstone of our operations in the future.



#### **OUR COMMITMENTS:**

MGP continues to focus on optimizing our energy conservation opportunities, and we have been using Energy Star guidelines for our multi-year energy management plan. In 2025, MGP will focus on:

- Continuing to operate Lux Row Distillers as an Energy Star certified facility
- Following EPA's Energy Star guidelines and adopting its "Treasure Hunt" approach at one of MGP's sites

## FEATURED HIGHLIGHTS

#### **Superior Energy Performance**

MGP's Lux Row distillery in Bardstown, Kentucky, earned EPA's Energy Star® Certification for the second consecutive year. The U.S. Environmental Protection Agency (EPA) announced the list of the first-ever Energy Star-certified distilleries on November 17, 2023. The Lux Row distillery was one of eight distilleries to receive the certification. In 2024, this distillery again earned EPA's Energy Star certification.



#### **Energy conservation projects**

MGP continues to identify the energy conservation projects and implements accordingly. In 2024, an energy conservation project was implemented at one of its distilling sites. Previously, city water at incoming temperatures was fed to the boiler water treatment system before going to the boiler. The project reclaimed preheated water that was used as cooling water in distillation condenser and sent that hot water to the boiler water treatment system.



#### **Planet**



## **WASTE MANAGEMENT**

As part of our reduce, reuse, and recycle approach to waste management, MGP is looking at every aspect of our processes that generates waste to avoid our products ending up in a landfill.

MGP is an active participant in the Distilled Spirits Council of the United States (DISCUS) Sustainability Committee, where waste minimization, along with other sustainability focus areas, receives rigorous evaluation. MGP continuously evaluates not only the best waste management practices but also has partnered with several companies to study the potential of converting waste into value-added applications.

MGP generates different waste streams consisting of non-hazardous waste and an immaterial amount of hazardous waste at its processing facilities.

For non-hazardous waste streams, MGP minimizes waste sent to landfills by evaluating waste produced through everyday process operations and maximizing waste recycled or reused by third parties. The company is committed to implementing continuous improvement projects that help significantly reduce the waste generated from our process operations.

Recycling efforts are carried out in all our facilities for materials, including scrap metals, paper shred, e-waste, stretch wrap, cardboard boxes, used batteries, used oils, and used lamps.

Regarding hazardous waste, MGP is a small-quantity generator and hazardous waste is transported and disposed of by an approved treatment, storage, or disposal facility (TSDF).

MGP focuses its efforts on diverting waste from landfill and only sends waste to landfills when there are no other commercially viable options available. As a result of these efforts, several of MGP's sites are nearing a 90% landfill diversion rate.

2024 Waste Management Data

Waste generated by composition, in metric tons

Waste Consumption	Waste Generated	Waste Diverted from Disposal	Waste Directed to Disposal
Hazardous waste	None	None	None
Non-hazardous waste	22,166.53	21,153.60	1,012.93
Total waste	22,166.53	21,153.60	1,012.93

Waste diverted from disposal by recovery operation, in metric tons

Hazardous Waste	Total
Reuse	None
Recycling	None
Total	None
Non-Hazardous Waste	Total
Reuse	20,876.51
Recycling	277.09
Total	21,153.60

Waste directed to disposal by disposal operation, in metric tons

Hazardous Waste	Total
Landfilling	None
Other disposal operations	None
Total	None
Non-Hazardous Waste	Total
Landfilling	1,012.93
Other disposal operations	None
Total	1,012.93

#### **OUR COMMITMENT:**

Our goal is to minimize our waste generation and reduce the waste we send to landfills. In 2025, MGP will focus on:

• Tracking landfill diversion rate following a well-known zero waste certification program with a goal to certify one or more MGP sites as a zero waste (waste diversion of 90% or more) facility by 2027







## A PASSION TO CREATE EXCEPTIONAL

Since 1941, MGP has been perfecting the art of grain creating premium spirits and exceptional food ingredient solutions with some of the best people, companies, and brands in the business. We are dedicated to providing safe and high-quality products for our customers and consumers.

Our beverage spirits and food ingredients products like specialty starches and proteins and textured proteins, are made from grains. The majority of our packaging for beverage alcohol products is glass bottles and for food ingredients is paper bags, both of which are recyclable. Additionally, MGP produces distillers' feed as a co-product that can be used in livestock rations. From a grain optimization standpoint, the value is clear: the more total use of a resource, the greater the impact on production efficiencies, in addition to conservation efforts.









## **PRODUCT QUALITY & SAFETY**

Since 2010, MGP has utilized BRCGS, a Global Food Safety Initiative (GFSI) approved safety standard, as the foundation of our quality and food and beverage safety programs. In 2024, our two main manufacturing sites earned BRCGS food safety certifications, achieving a Grade AA+, which is the highest possible score. Additionally, we continue to enhance food and beverage safety practices at our bottling facilities and craft distilleries.

We believe that building a strong food safety culture must involve everyone from the shop floor to the boardroom. We continue to educate our employees on food and beverage safety topics.

#### PACKAGING LIFECYCLE MANAGEMENT

MGP continues to make strides in minimizing the long-term impact of our packaging materials used in operations. Our priority for our packaging partners and internal development teams is clear: the packaging must be safe and effective for its application, use as little material as needed to safely and efficiently distribute our products, and determine if the packaging material can be reused, repurposed, or recycled. MGP provides recycling opportunities at all of our locations.

#### **OUR COMMITMENTS:**

We are committed to providing safe, high-quality food and alcohol products and packaging for our customers. We continuously monitor new regulations to determine applicability to our business and adjust wherever needed when new information is available. We are committed to:

- Continuing to develop a strong food and beverage safety culture by educating employees in food and beverage safety practices and implementing these practices
- Achieving BRCGS certification for our Lux Row distillery
- Exploring options with our food ingredients customers to reduce packaging

## **SUSTAINABLE INNOVATION**

## Egg Replacement Solutions for the Food Industry

Made from renewable wheat, MGP's wheat starches and proteins, particularly our Arise® line of high protein wheat products, offer innovative and highly effective solutions to replace eggs in baked goods and pastas.

Whether our customers are addressing egg prices affected by bird flu, dietary restrictions, or sustainability goals, MGP's egg replacement solutions are designed to help maintain the taste and performance our customers love.

Our Arise® proteins can replace eggs across a variety of products, providing exceptional binding, texture, and structure. To assist how our customers can transform their product formulations, MGP has assembled an **Egg Replacement Guide** so our customers can understand egg replacement levels and the benefits of MGP's products.





#### **Products**



## **RESPONSIBLE DRINKING & MARKETING**

MGP is committed to promoting the responsible consumption of spirits and supports campaigns that help prevent underage drinking as well as encourage consumers and employees to make informed and responsible choices about alcohol.

We pride ourselves on our iconic brands and encourage those who choose to enjoy spirits to indulge in a safe and responsible manner. Through our premiumization strategy, we are promoting the consumption of our higher quality, better-tasting drinks. Naturally, this promotes a more positive experience for the consumer where our products are being consumed in moderation.

### **OUR COMMITMENTS:**

As an industry leader, it is our duty to lead by example. It is important our messages are directed at legal, drinking-age consumers. To that point, our participation in industry trade associations and campaigns that help educate our team on how to promote responsible drinking and prevent underage consumption is critical. We will continue:

- Utilizing resources from *The Foundation* for Advancing Alcohol Responsibility [Responsibility.org] to:
- Partner with local schools to educate teens about the dangers of underage drinking
- Incorporate Responsibility Works, an eLearning tool for alcohol education in the workplace
- Supporting campaigns against underage drinking, such as the DISCUS "We Don't Serve Teens" campaign

## FEATURED HIGHLIGHTS



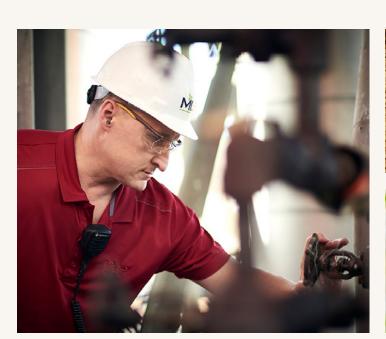




# BUILDING AN EXCEPTIONAL FUTURE THROUGH SUSTAINABLE PRACTICES

To secure a sustainable future for our business and stakeholders, MGP is dedicated to achieving excellence in its operations, supply chain, and governance.

Our processes are the foundation of everything we do, and our standards and attention to detail in our processes ensure we are establishing ethical and compliant practices, protecting data privacy and cybersecurity, managing risks effectively, and minimizing the environmental and social impacts of our supply chain.







#### **Process**



## **ETHICS & COMPLIANCE**

At MGP, we have a culture for ethics and compliance. The company's Code of Conduct applies to all directors, officers, and employees. Our Vendor Code of Conduct sets forth our expectation that all suppliers comply with anti-corruption laws, respect and protect human rights, and other critical ethical practices.

Using industry's best practices as a guide, we continue to evolve the way we drive ethics and compliance across the organization and will do so in the future. Our legal and compliance teams also stay connected with updates from our industry associations and other informational sources as part of our regulatory monitoring process.

#### **OUR COMMITMENTS:**

In 2025, we will:

- Continue to require MGP employees to annually review and acknowledge our Code of Conduct
- Continue to provide relevant ethics and compliance training to our employees

## FEATURED HIGHLIGHTS

#### **Our Ethics Policies**

As part of the onboarding process, new hires are required to review and acknowledge our Code of Conduct and Insider Trading Policy prior to starting their employment with the company. Additionally, MGP requires employees to review and acknowledge both the Code of Conduct and Insider Trading Policy on an annual basis. In 2024, MGP updated its Code of Conduct.

## Managing and Monitoring Legal and Regulatory Compliance

MGP has systems in place to ensure the company is kept informed of and reviews scientific and technical developments, industry codes of practice, new risks to authenticity of raw materials, and relevant legislation in the country where the product will be sold (where known).

MGP maintains compliance with alcohol and food regulations via our internal regulatory groups and monitors compliance with industry-specific regulation via a cross-functional effort that includes our internal compliance and legal teams as well as consultation with expert outside counsel when needed. Additionally, employees at our facilities possess subject matter expertise in alcohol and food controls, licensing, and regulations to ensure we have a breadth of knowledge and expertise throughout our operational footprint.

## **Providing Anonymous, Safe Reporting Mechanisms**

MGP has an anonymous compliance and ethics reporting line operated by an independent third-party that allows any employee to anonymously raise issues of concern. The compliance hotline is a demonstration of our commitment to ensuring all employees have a way to raise concerns that they are not comfortable reporting to a supervisor or other leader.

Employees are made aware of the hotline and how to access it through numerous channels, including through MGP's employee intranet and in our Code of Conduct.



#### **Process**



## **RISK MANAGEMENT & CYBERSECURITY**

Managing risks across the organization is critical to MGP's success and one we take seriously. We embed responsibility for risk management in our business units, as these business leaders have technical expertise to manage the risks in their departments.

As part of our Enterprise Risk Management (ERM) process, we regularly identify, evaluate, and prioritize potential risks with our executive management team and business unit leaders and create a register of these risks. Our executive leadership team and business unit leaders decide on actions and strategies to use to mitigate our risks based on this risk register. Our ERM process and risk register is reviewed with the Audit Committee of our Board of Directors, along with our strategies for managing our risks, at least three times per year. We also disclose risk factors in our <u>Annual Report</u> on Form 10-K.

We are also committed to continuously improving our cybersecurity policies and governance to align with industry's best practices. Our cybersecurity initiatives include, but not limited to, end user training, phishing simulations, and data encryption. For more information about our cybersecurity risk management, strategy, and governance, see our <u>Annual Report</u> on Form 10-K.

## FEATURED HIGHLIGHT

**Safeguarding Data through Oversight and Regulatory Compliance** 

MGP's approach to data privacy and cybersecurity is rooted in executive level management of governance structures and policies that are in line with industry's best practices.

MGP does not store private data and is compliant with all applicable data privacy and cybersecurity regulations in the jurisdictions in which we operate, including the European Union's General Data Protection Regulation (GDPR) and the California Online Privacy Protection Act.





# ENVIRONMENTAL & SOCIAL IMPACTS OF SUPPLY CHAIN

MGP is committed to advancing sustainability practices with our supply chain partners. We encourage our suppliers to explore best practices, continuous improvement, and sustainable agriculture practices to improve upon the environmental and social impacts of our supply chain.

As a producer of alcohol and food ingredients, grain and wood barrels are a significant portion of our overall direct materials sourcing. We are in an open dialogue with our grain and whiskey barrel suppliers and are gratified to recognize their efforts to advance sustainable practices within their respective organizations.

We also continue to monitor and assess our global supply chain risks. Despite these ongoing risks, we see a trend of increased focus on sustainability from our supplier partners and therefore expect this ongoing positive trend to continue.

### **OUR COMMITMENTS:**

We are committed to:

- Monitoring the growth of sustainable agriculture and forestry practices in our supply chain
- Encouraging sustainable practices by our agriculture and forestry product supplier partners
- Managing waste and reducing the environmental impact of our packaging materials



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## GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

MGP Ingredients, Inc. has reported the information cited in this GRI content index for the period from January 1, 2024 to December 31, 2024 with reference to the GRI Standards. The index uses GRI 1: Foundation 2021 and corresponds to sustainability information presented in this sustainability report, our proxy statement, and our annual report, as well as information located on our website. For a detailed explanation of the GRI Standards, visit the GRI website.

GRI Disclosure	Description	Location			
GRI 2: Genera	GRI 2: General Disclosures 2021				
2-1	Organizational details	2024 Form 10K - Cover Page and page 19 Sustainability Report - pages 5 - 7			
2-2	Entities included in the organization's sustainability reporting	2024 Form 10K - pages 1-3 Sustainability Report - page 7			
2-3	Reporting period, frequency and contact point	Calendar year ended December 31, 2024, annually Publication date - May 30,2025 Contact us			
2-4	Restatements of information	Sustainability Report page 14, the 2023 Health and Safety Data was revised after one case was reclassified as work-related based on updated provider information received after the 2023 Sustainability Report was issued.			
2-5	External assurance	No external assurance received			
Activities and workers					
2-6	Activities, value chain and other business relationships	2024 Form 10K - pages 1 - 4, 49, 66, and 67			
2-7	Employees	2024 Form 10K - page 4 Sustainability Report - page 8			
2-8	Workers who are not employees	Information not available			
Governance					
2-9	Governance structure and composition	Corporate Governance Guidelines 2025 Proxy Statement - page 7 - 16			
2-10	Nomination and selection of the highest governance body	Corporate Governance Guidelines 2025 Proxy Statement - page 18			
2-11	Chair of the highest governance body	Governance at a Glance 2025 Proxy Statement - pages 15 - 16			
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Guidelines - pages 1 - 2 Nominating and Governance Committee Charter Human Resources and Compensation Committee Charter			
2-13	Delegation of responsibility for managing impacts	Nominating and Governance Committee Charter Sustainability Report - page 8			
2-14	Role of the highest governance body in sustainability reporting	Nominating and Governance Committee Charter MGP's Sustainability Report is reviewed by all relevant members of the executive team, including our interim CEO			
2-15	Conflicts of interest	Code of Conduct - pages 1 - 2 2025 Proxy Statement - pages 17 and 44			
2-16	Communication of critical concerns	Code of Conduct - page 4			
2-17	Collective knowledge of the highest governance body	Corporate Governance Guidelines pages 4-5 Nominating and Governance Committee Charter - page 2			
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Guidelines pages 4 - 5 Nominating and Governance Committee Charter - page 2 2025 Proxy Statement - pages 17-19			
2-19	Remuneration policies	Corporate Governance Guidelines page 4 Nominating and Governance Committee Charter - page 2 2025 Proxy Statement - pages 17 - 19			

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GRI	Description	Location	
Disclosure 2-20	Process to determine remuneration	Corporate Governance Guidelines page 4 2025 Proxy Statement - pages 23 - 24 and 40 - 41	
2-21	Annual total compensation ratio	2025 Proxy Statement - page 35	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Sustainability Report - pages 3, 8-9	
2-23	Policy commitments	Environmental & Sustainability Policy Statement Code of Conduct	
2-24	Embedding policy commitments	Environmental & Sustainability Policy Statement Code of Conduct Sustainability Report - pages 38 - 39 Vendor Code of Conduct	
2-25	Processes to remediate negative impacts	Code of Conduct - pages 4-5 Compliance Hotline	
2-26	Mechanisms for seeking advice and raising concerns	Code of Conduct - page 4 Compliance Hotline Sustainability Report - page 39	
2-27	Compliance with laws and regulations	<u>2024 Form 10K</u> - pages 5, and 9-12	
2-28	Membership associations	Sustainability Report - pages 18 - 19	
Stakeholder e	engagement		
2-29	Approach to stakeholder engagement	Sustainability Report - pages 8 and 18 - 19	
2-30	Collective bargaining agreements	<u>2024 Form 10K</u> - page 4	
GRI 3: Materi	al Topics 2021		
3-1	Process to determine material topics	Sustainability Report - pages 8 - 9	
3-2	List of material topics	Sustainability Report - pages 8 - 9	
Topic Standar	rds		
205	Anti-corruption 2016		
3-3	Management of material topics	Sustainability Report - page 38	
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report - page 38	
302	Energy 2016		
3-3	Management of material topics	Sustainability Report - page 26	
302-1	Energy consumption within the organization	Sustainability Report - page 26	
302-4	Reduction of energy consumption	Sustainability Report - page 26	
303	Water and Effluents 2018		
3-3	Management of material topics	Sustainability Report - pages 24 - 25	
303-1	Interactions with water as a shared resource	Sustainability Report - pages 24 - 25	
303-2	Management of water discharge-related impacts	Sustainability Report - pages 24 - 25	
303-3	Water withdrawal	Sustainability Report - pages 24 - 25	
303-4	Water discharge	Sustainability Report - pages 24 - 25	
303-5	Water consumption	Sustainability Report - pages 24 - 25	
305	Emissions 2016		
3-3	Management of material topics	Sustainability Report - pages 22 - 23	

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GRI Disclosure	Description	Location
305-1	Direct (Scope 1) GHG emissions	Sustainability Report - pages 22 - 23
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report - pages 22 - 23
305-5	Reduction of GHG emissions	Sustainability Report - pages 22 - 23
306	Waste 2020	
3-3	Management of material topics	Sustainability Report - pages 28 - 29
306-1	Waste generation and significant waste-related impacts	Sustainability Report - pages 28 - 29
306-2	Management of significant waste-related impacts	Sustainability Report - pages 28 - 29
306-3	Waste generated	Sustainability Report - pages 28 - 29
306-4	Waste diverted from disposal	Sustainability Report - pages 28 - 29
306-5	Waste directed to disposal	Sustainability Report - pages 28 - 29
308	Supplier Environmental Assessment 2016	
3-3	Management of material topics	Sustainability Report - page 42
308-1	New suppliers that were screened using environmental criteria	Sustainability Report - page 42
308-2	Negative environmental impacts in the supply chain and actions taken	None identified in 2024
400	Social topics	
401	Employment 2016	
3-3	Management of material topics	Sustainability Report - pages 16 - 17
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<u>2024 Form 10K</u> - page 5
403	Occupational Health and Safety 2018	
3-3	Management of material topics	Sustainability Report - pages 14 - 15
403-1	Occupational health and safety management system	Sustainability Report - pages 14 - 15
403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report - pages 14 - 15
403-3	Occupational health services	Sustainability Report - pages 14 - 15
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report - pages 14 - 15
403-5	Worker training on occupational health and safety	Sustainability Report - pages 14 - 15
403-6	Promotion of worker health	Sustainability Report - pages 14 - 15
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	MGP uses multiple approaches in identification of occupational health and safety hazards. A combination of employee suggestions, safety committees, and action items identified out of near-miss incident analysis are implemented to minimize potential hazards.
403-8	Workers covered by an occupational health and safety management system	All employees and workers are covered by MGP's occupational health and safety management system
403-9	Work-related injuries	Sustainability Report - pages 14
404	Training and Education 2016	
3-3	Management of material topics	Sustainability Report - pages 13, 16 - 17
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report - pages 13, 16 - 17

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GRI Disclosure	Description	Location
405	Diversity and Equal Opportunity 2016	
3-3	Management of material topics	Sustainability Report - pages 12 - 13
405-1	Diversity of governance bodies and employees	2025 Proxy Statement - page 5 Governance at a Glance
413	Local Communities 2016	
3-3	Management of material topics	Sustainability Report - pages 18 - 19
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report - pages 18 - 19
414	Supplier Social Assessment 2016	
3-3	Management of material topics	Sustainability Report - page 42
414-1	New suppliers that were screened using social criteria	Sustainability Report - page 42
416	Customer Health and Safety 2016	
3-3	Management of material topics	Sustainability Report - pages 32 - 33
416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Report - pages 32 - 33
417	Marketing and Labeling 2016	
3-3	Management of material topics	Sustainability Report - pages 32 - 35
417-1	Requirements for product and service information and labeling	Sustainability Report - pages 32 - 35
418	Customer Privacy 2016	
3-3	Management of material topics	Sustainability Report - page 40
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	MGP is not aware of any complaints regarding breaches of customer privacy and losses of customer data in 2024.

This sustainability report may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect management's current beliefs and estimates of future economic circumstances, operations intentions and predictions, industry conditions, company performance, company financial results, and company financial condition and are not guarantees of future performance. All forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially. For information on these risks and uncertainties and other factors that could affect the company's business, see the company's annual report on Form 10-k for the year ended December 31, 2024, as well as the company's other SEC filings. The company undertakes no obligation to update any forward-looking statements or information in this report, except as required by law. Certain information contained in this report relating to goals, targets, expectations, or commitments is subject to change, and no assurance can be given that such goals, targets, expectations, or commitments will be met.

