

Emissions Reductions That Pay Off

Alltech's Data-Driven Scopes 1 and 2 Goals are Delivering Environmental and Financial Wins

CASE STUDY

Overview

With a 26% reduction from its 2021 baseline, Alltech is ahead of schedule in its commitment to reduce Scope 1 and 2 emissions by 42% by 2030. This success is the result of strategic, data-driven projects that not only reduce environmental impact but also improve operational efficiency and profitability.

Takeaways

26% REDUCTION



Alltech's 2024 Scope 1 and 2 emissions were 26% lower than in 2021, representing a reduction of 9,726 metric tons of CO₂e. This is equivalent to the emissions from over 1 million gallons of gasoline burned.

\$5.89 MILLION



Total investment in efficiency and renewables projects in 2023 and 2024, with an expected payback of 2-3.5 years.



"Many of the sustainability projects we have implemented haven't just reduced our environmental impact, they've also strengthened our bottom line. It's also given us a powerful story to share with customers. When they see what we're doing, they realize they can take the same journey — and together, that's where real change happens." Dr. Mark Lyons, President and CEO, Alltech

About Alltech

Alltech is a global leader in the agri-food and pet food ingredients industries, advancing the health and wellbeing of people, animals, plants, and pets through functional nutrition and scientific innovation. A proud PSC member since 2019, we are committed to sustainable progress across the industries we serve.

The Challenge

The agri-food industries and pet food industries are facing increasing pressure to reduce its environmental footprint, with customers and partners seeking greater transparency in sustainability reporting. Alltech needed to establish a clear, data-backed path to reduce its direct emissions and demonstrate leadership in the supply chain.

The Solution

Alltech embarked on a company-wide initiative to reduce Scope 1 and 2 emissions by establishing a GHG baseline and implementing strategic, data-driven projects. **In 2024, Alltech had double-digit revenue growth and still reduced absolute Scope 1 and 2 emissions by 7.8% from the year prior.** By prioritizing thermal efficiency, waste heat recovery, and renewable energy, Alltech is proving that environmental responsibility can align with business profitability.

What's Next

Alltech is expanding its focus to tackle the more complex challenge of Scope 3 emissions, which have a further goal of a 25% reduction by 2030. This will require an industry-wide effort and deeper collaboration with suppliers to reduce emissions from raw materials.

Call to Action

Alltech's success shows that sustainability projects can be profitable and efficient. Their portfolio thrives when projects are guided by data, driven by integrated teams, and designed to deliver both environmental and financial returns.

The Full Story:

Alltech's Commitment to Emissions Reduction

Since 2021, Alltech has cut its Scope 1 and 2 emissions by 26%, already outpacing its 2030 target of a 42% reduction. By establishing 2021 as a baseline, the company can measure every improvement with confidence and share transparent progress against ESG standards.

Implementation and Process

Alltech pledged to reduce Scope 1 and 2 emissions by 42% by 2030, setting the goal with the SBTi framework to align with the 1.5°C climate target. The initiative involves leaders across the business, with teams using tools such as Watershed, Workiva, and EnergyCAP to track progress.

Since setting our GHG reduction target in 2021, we have invested \$10.4 million in energy efficiency and renewable energy projects.

Lessons Learned

The journey has revealed that some sustainability projects can offer significant business benefits, not just environmental ones. "It's been great to see how the engineering and operations teams continue to find new projects and technologies for driving down emissions," says David Butler, Head of Sustainability.

Alltech learned that a project's success is determined by more than its emissions impact; projects must also demonstrate value by increasing efficiency, reducing costs, or simplifying processes to gain approval from the executive team.

Key Initiatives

Waste Heat Recovery

A primary focus has been capturing and reusing waste heat from energy-intensive processes like boilers and dryers. These projects have resulted in GHG and utility bill reductions of 25% to 38% by significantly increasing thermal efficiency. This approach turns a potential waste stream into a valuable energy source.

Powering Progress with Renewable Energy

Alltech is steadily expanding its renewable energy portfolio. Today, the company operates solar arrays at nine sites worldwide, delivering 3,500 mwp of capacity and generating around 15,700 mwh of clean energy each year. This output directly reduces scope 2 emissions. Looking ahead, five additional solar projects are planned for 2025, expected to cut a further 2,170 metric tons of CO2e.



NINE

sites worldwide currently operating solar arrays



FIVE

additional solar projects planned for 2025



2,170

more metric tons of CO2e expected to be cut by 2030

Anaerobic Digestion:

Alltech's Application BMP lab has developed a new product that boosts the performance of anaerobic digesters by approximately 15% in on-farm trials. This innovation will be expanded to other facilities in 2025.

What's Next

While Alltech has made great strides in its Scope 1 and 2 emissions, the company recognizes that Scope 3 emissions constitute the largest portion of its footprint. These emissions are not under its direct control and will require an industry-wide effort to reduce. Alltech has a further goal of a 25% reduction in Scope 3 emissions by 2030 from a 2023 baseline. The company is actively engaging with suppliers to identify solutions and is committed to integrating ESG into every aspect of the organization. As Alltech CEO, Dr. Mark Lyons explains, "Many of the sustainability projects we have implemented haven't just reduced our environmental impact, they've also strengthened our bottom line."

Alltech's journey demonstrates that taking ownership of emissions is not just about compliance—it's about driving innovation, strengthening a company's financial position, and inspiring others to take action.