

Summary of carboNZero certification:

The New Zealand Wine Company Limited



The New Zealand Wine Company Ltd meets the requirements of carboNZero^{Cert™} certification having measured its greenhouse gas emissions in compliance with ISO 14064-1 including additional life cycle emissions associated with the selected products, committed to managing and reducing its emissions and neutralised its remaining unavoidable emissions in respect of its organisation and the selected wine products.



THE NEW ZEALAND WINE COMPANY
LIMITED

Introduction¹ –

The New Zealand Wine Company (NZWC) is an integrated wine company involved in growing grapes, winemaking, bottling, and marketing and sales of premium quality wines in New Zealand and to export markets under a number of owned and contracted brands; the most notable of these brands are Grove Mill, Sanctuary and Frog Haven.

The NZWC Group comprises NZWC as the principal operating company and four wholly owned non-operating subsidiaries. Grove Mill Wine Company Limited and Sanctuary Wine Company Limited are the direct marketing companies for their "Grove Mill" and "Sanctuary" brands, respectively. In addition, Bedford Road Investments Limited is a dormant company available for strategic opportunities or for land investments and The New Zealand Wine Company (Europe) Limited.

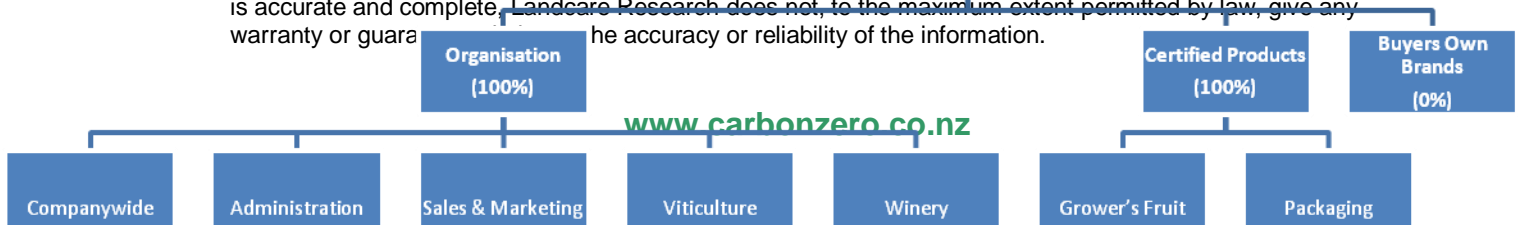
The New Zealand Wine Company's vision is to: "Build successful premium New Zealand wine brands globally through environmentally sustainable business practices".

The following summary of our carboNZero certification is for The New Zealand Wine Company organisation and additional lifecycle emissions of selected wine products. The selected wine products include those that have previously been carboNZero^{Cert™} certified, and were measured and offset at the end of this reporting period. These include selected wine products from the 2007, 2008, and 2009 vintages forward sold under the Grove Mill, Sanctuary, Frog Haven, Origin, Southern White brands, Blackbirch and eco.love Wines.

Boundary –

Figures 1 and 2 (next page) illustrate the organisational structure used for describing NZWC's greenhouse gas (GHG) emissions inventory, and what business units were included in the carboNZero certification. Yellow business units were excluded from the certification.

¹ **Disclaimer:** This Disclosure Statement is a summary of the certification and the certification decision. It should not be taken as a warranty or guarantee of the accuracy or reliability of the information. While every effort has been made to ensure that this Disclosure Statement is accurate and complete, Landcare Research does not, to the maximum extent permitted by law, give any warranty or guarantee of the accuracy or reliability of the information.



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Figure 1: NZWC structure

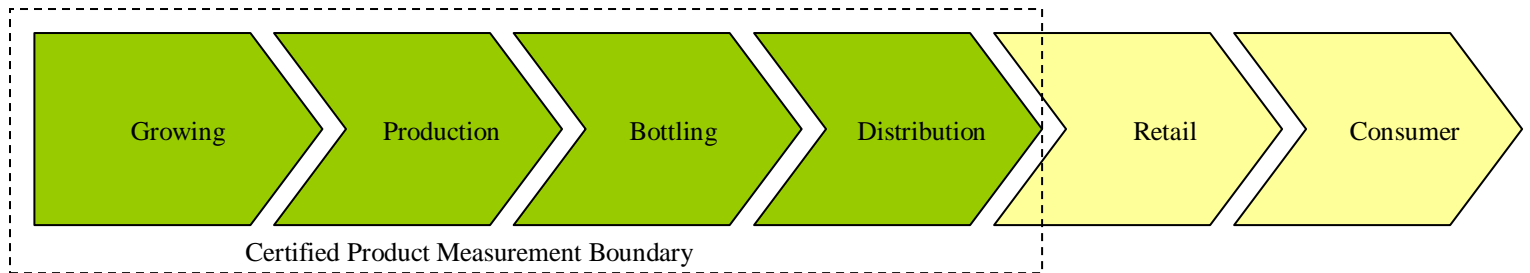


Figure 2: Life cycle emissions sources for selected wine products

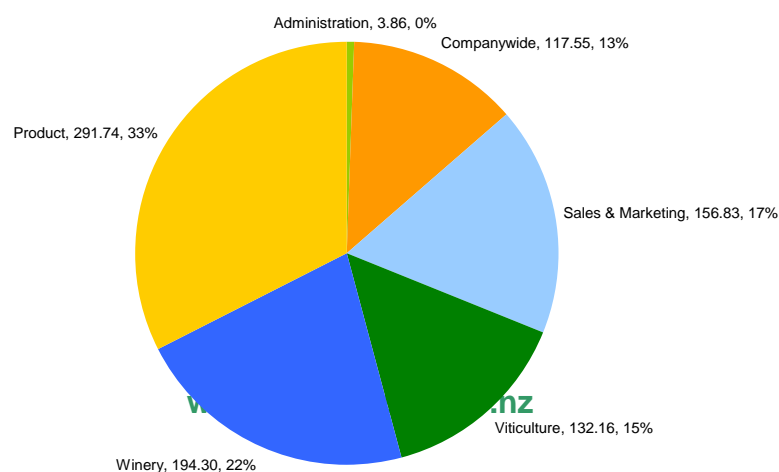
Consolidation approach – operational control

Base year – 01/07/2006 to 30/06/2007

Measurement period – 01/07/2009 to 30/06/2010

GHG emissions source inclusions – the diagram below shows the operational GHG emissions for NZWC by emissions source. NZWC's total emissions for this period were 896.43 tonnes carbon dioxide equivalents (CO₂e) comprising 139.56 tonnes CO₂e Scope 1, 83.76 tonnes CO₂e Scope 2 and 673.11 tonnes CO₂e Scope 3 emissions. Figures 3 and 4 (next page) give an illustration of emissions by business unit and by top 10 source.

NZWC GHG Emissions by Business Unit (tCO₂e)



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Figure 3: GHG emissions (tCO₂e) by business activity

NZWC FYE10 Top 10 GHG Emission Sources

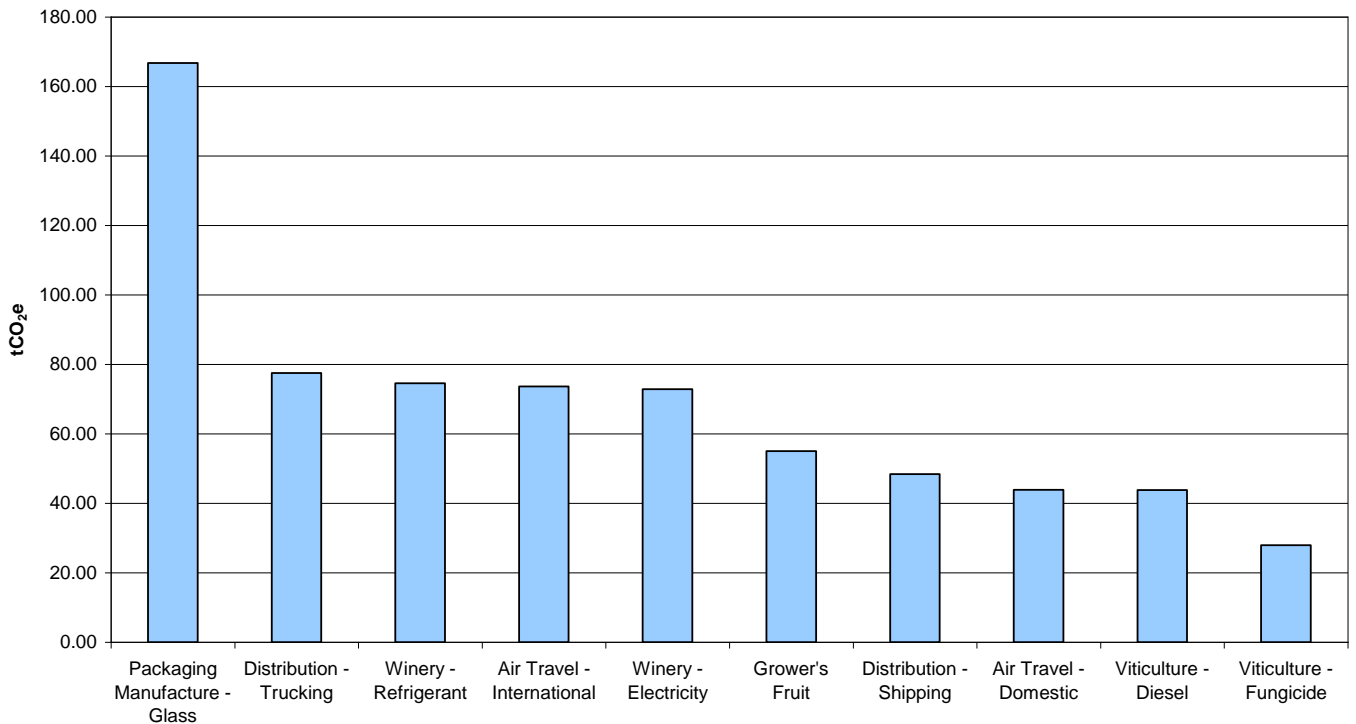


Figure 4: Top 10 GHG emissions sources

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GHG emissions source exclusions –

The following emissions sources were excluded from the inventory:

- hotel accommodation and some ground transport
- embodied emissions in minor capital items and equipment
- embodied emissions in consumables
- sequestered CO₂ and emissions associated with biomass
- wastewater treatment
- organic applications and fertilisers
- enteric livestock fermentation
- fermentation emissions
- embodied emissions in wine additives
- contract bottling and storage
- emissions associated with customers
- distribution of marketing samples under 2kg
- emissions associated with supplies for non-carboNZero certified products

GHG emissions reduction commitments –

NZWC has developed a GHG emissions reduction plan. Some projects in this plan include:

- Continued procurement of lightweight glass bottles,
- Installation of gasification boiler (or other technology) to provide hot water to bottling line and therefore an emissions intensity reduction,
- Researching new cold stabilisation technologies – potential for large energy savings,
- Continued environmental advocacy – portraying our world leading experiences to others within the industry and therefore encouraging overall industry emission reductions.

Given that NZWC has been carboNZero certified for five periods now, NZWC management have decided to set a five year rolling reduction target. The boundary of what has been measured and reported has been consistent since FYE07, therefore upon certification for FYE11 NZWC has set a 5% rolling average reduction target based on the metric considered appropriate for the wine industry of tonnes CO₂e per 1,000 litres sold. The 5% reduction will be based on the rolling average of emissions as per the intensity metric above therefore removing the effects of seasonality.

GHG emissions reduction report against last year's plan –

NZWC has successfully implemented several GHG emissions reduction plans from FYE09. Some projects in this plan included:

- Bottle lightweighting – to date we have achieved 13% reduction against traditional weights,
- Undervine mower procured – enabled a reduction in agrichemicals used on organic block,
- Fruit procurement – no fruit was bought from outside of Marlborough – this eliminates the need for transporting this fruit over long distances,
- Vehicle replacement – fleet being converted to low-emission diesel vehicles,
- Video conferencing – this is used for management meetings and is integral for sustainable business with offices in several locations.

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Offset – 824 tonnes CO₂e. VERs² from PRE³ landfill gas projects (Palmerston North). Serial numbers 208883-209706 have been cancelled (or equivalent) on the carboNZero registry. Carbon credits were not required to offset 73.41 tonnes CO₂e from electricity purchased from Meridian Energy.

Verified by – Deloitte

Threshold of materiality – excluded emissions do not exceed 5% of the total footprint for organisation and product boundary stated.

Level of assurance – reasonable assurance for organisation and limited assurance for product.

Certification status – carboNZero certified “organisation” and “product” covering The New Zealand Wine Company Limited and products⁴⁵ branded Grove Mill, Sanctuary, Origin, Southern White, Frog Haven, Blackbirch and eco.love Wines respectively.

Certificate number – 2010117J

Valid until – 30 September 2013

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² VERs are created by eligible projects for emissions reductions achieved up to the end of 2007.

³ PRE - Projects to Reduce Emissions is a New Zealand government scheme for projects that are eligible under the Joint Implementation initiative of the Kyoto Protocol – see www.mfe.govt.nz

⁴ **Grove Mill** (including Reserve Wines, Grove Mill Estate and Grove Mill Diversion)

Chardonnay, Gewürztraminer, Pinot Gris, Pinot Noir, Riesling, Sauvignon Blanc

Sanctuary Chardonnay, Gewürztraminer, Pinot Gris, Pinot Noir, Riesling, Sauvignon Blanc

Frog Haven Chardonnay, Gewürztraminer, Pinot Gris, Pinot Noir, Riesling, Sauvignon Blanc

Origin Chardonnay, Gewürztraminer, Pinot Gris, Pinot Noir, Riesling Sauvignon Blanc

Southern White (3 Litre Pack only) Chardonnay, Gewürztraminer, Pinot Gris, Pinot Noir, Riesling, Sauvignon Blanc.

Blackbirch Chardonnay, Gris Blanc, Riesling, Sauvignon Blanc, Pinot Noir

Black Birch Mountain Chardonnay, Pinot Gris, Pinot Noir, Riesling and Sauvignon Blanc.

eco.love Wines Sauvignon Blanc, Pinot Noir, Riesling