

## Summary of carboNZero certification:



### The New Zealand Wine Company Limited

Disclosure 2 of 3 year certificate period

*The New Zealand Wine Company Ltd meets the requirements of carboNZero<sup>Cert™</sup> certification having measured its greenhouse gas emissions in compliance with ISO 14064-1:2006 including additional life cycle emissions associated with its selected wine products, committed to reducing its emissions and neutralised its remaining unavoidable emissions in respect of its organisation and its selected wine products.*



THE NEW ZEALAND WINE COMPANY  
LIMITED

**Introduction<sup>1</sup>** - 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. During this reporting period NZWC acquired a 66% shareholding in Lineage Imports LLC, a San Francisco based start-up company with import and Californian distribution licences. NZWC supplies wine for Lineage's carboNZero certified brand eco.love Wines. NZWC has excluded emissions associated with the operation of Lineage due to lack of operational control.

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<sup>Cert™</sup> certified, and were measured and offset at the end of this reporting period. These include selected wine products from the 2007 vintage forward sold under the Grove Mill, Sanctuary, Frog Haven, eco.love Wines, Blackbirch and Black Birch Mountain brands.

**Boundary** – Figures 1 and 2 (next page) illustrate the organisational structure used for describing NZWC's greenhouse gas (GHG) emissions inventory, and which business units were

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<sup>1</sup> **Disclaimer:** This Disclosure Statement is a summary of the verified information considered for certification and the certification decision. It should not be taken to represent the full submission for certification. While every effort has been made to ensure that the information in this Disclosure Statement is accurate and complete, Landcare Research does not, to the maximum extent permitted by law, give any warranty or guarantee relating to the accuracy or reliability of the information.

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included in the carboNZero certification. Yellow business units were excluded from the certification.

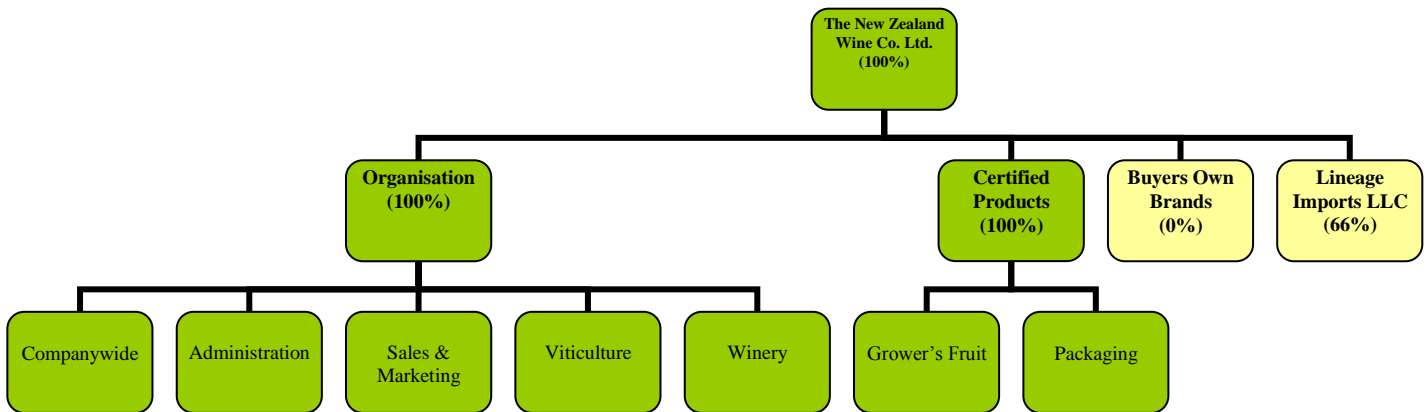


Figure 1: NZWC structure

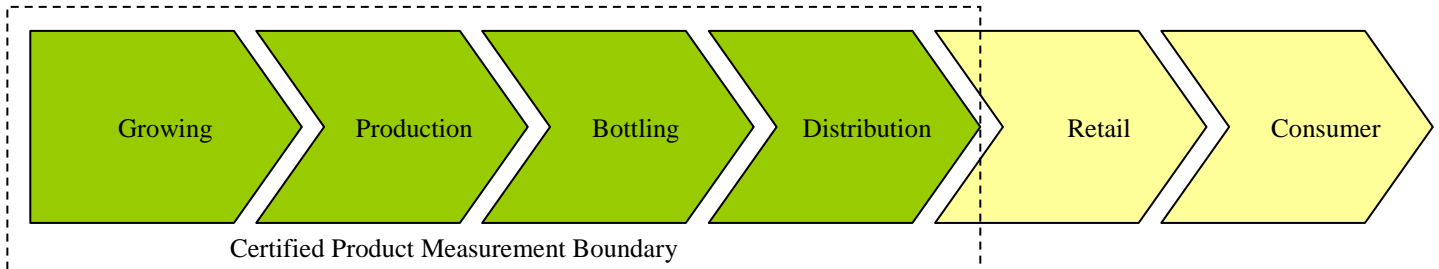


Figure 2: Life cycle emissions sources for selected wine products

**Consolidation approach** – operational control

**Base year** – 01/07/2006 to 30/06/2007

**Measurement period** – 01/07/2010 to 30/06/2011

**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 1,029.50 tonnes carbon dioxide equivalents (CO<sub>2</sub>e) comprising:

Scope 1: 119.23 tonnes CO<sub>2</sub>e

Scope 2: 70.10 tonnes CO<sub>2</sub>e

Scope 3: 840.17 tonnes CO<sub>2</sub>e

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### NZWC GHG Emissions by business unit (tCO<sub>2</sub>e)

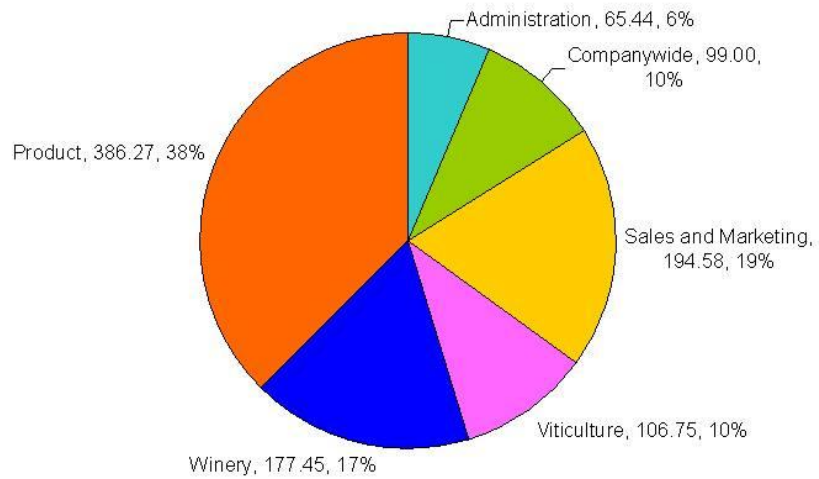


Figure 3: GHG emissions (tCO<sub>2</sub>e) by business activity

### NZWC FYE11 Top 10 GHG Emission Sources

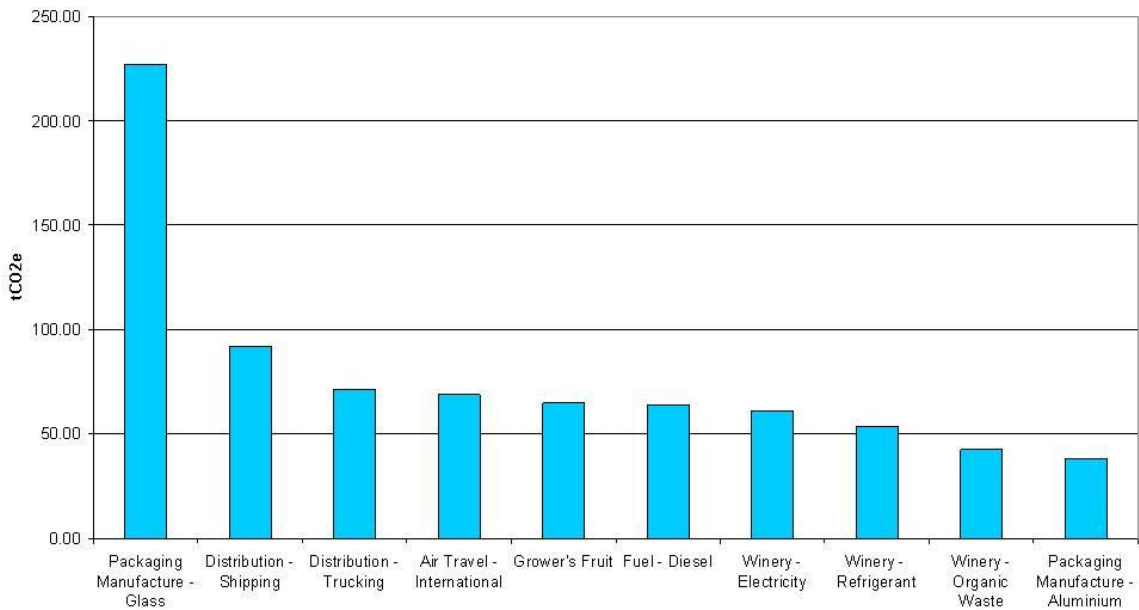


Figure 4: Top 10 GHG emissions sources

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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 and wine additives
- sequestered CO<sub>2</sub> and emissions associated with biomass
- wastewater treatment
- organic applications and fertilisers
- enteric livestock fermentation
- contract bottling and storage
- emissions associated with supplies for non-carboNZero certified products
- emissions associated with the operation of subsidiaries
- emissions associated with minor employee expense claims

#### GHG emissions reduction commitments –

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

- Continued procurement of lightweight glass bottles,
- Continually scope new packaging technologies,
- Scope bottled in-market project in the USA utilising alternative packaging,
- 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 comparative 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 had set a 5% rolling average reduction target based on the metric considered appropriate for the wine industry of tonnes CO<sub>2</sub>e per 1,000 litres sold. The 5% reduction is based on the rolling average of emissions as per the intensity metric above therefore removing the effects of seasonality.

The rolling 5 year average footprint from FYE07 to (and including) FYE11 is 962.09 tCO<sub>2</sub>e. Therefore a 5% reduction on this rolling average would have resulted in a footprint of 913.99 tCO<sub>2</sub>e. The FYE11 footprint of 1,029.50 tCO<sub>2</sub>e is therefore an overshoot of 7%. Net of the refrigerant effect, the footprint is a 15% overshoot.

NZWC has not met the target of a 5% reduction base on the rolling 5 year average footprint/1,000 litres sold. This has arisen as a symptom of lower FYE11 sales than FYE10 and a greater footprint being driven by a higher ratio of carboNZero certified products being sold in FYE11 than non-carboNZero certified products pushing scope 3 emissions (and the total footprint) higher in FYE11 than FYE10. NZWC will endeavour to meet this target during FYE12.

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#### 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 – FYE11 average case weight down to 15.31kg from 15.87kg in FYE10.
- Fruit procurement – no fruit was bought from outside of Marlborough – this eliminates the need for transporting this fruit over long distances,
- Vehicle replacement – fleet converted to low-emission diesel vehicles,
- Teleconferencing – this is used for management meetings and is integral for sustainable business with offices in several locations.

**Offset** – 1,030 tonnes CO<sub>2</sub>e. BIOMASS Siam Cement Credits. Serial numbers 13000001-13001030 have been cancelled (or equivalent) on Markit Environmental Registry.

**Verified by** – AsureQuality

**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 products<sup>2</sup> branded Grove Mill, Sanctuary, Origin, Southern White, Frog Haven, Blackbirch, Black Birch Mountain, Lansdowne Estate and eco.love Wines respectively.

**Certificate number** – 2010117J – Year 2

**Valid until** – 30 September 2013

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<sup>2</sup> **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

**eco.love Wines** Sauvignon Blanc, Pinot Noir, Riesling

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

**Lansdowne Estate** Chardonnay, Gewürztraminer, Pinot Gris, Pinot Noir, Riesling, Sauvignon Blanc

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