

The New Zealand Wine Company Limited

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 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.



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, Frog Haven and Thresher's Origin.

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 and 2008 vintages sold under the Grove Mill, Sanctuary, Frog Haven, Origin and Southern White brands.

Boundary – Figures 1 and 2 (next page) show the organisational and product structure used for describing The New Zealand Wine Company Limited's greenhouse gas (GHG) emissions inventory. Business units and lifecycle stages for selected products in green were included in the carboNZero certification. Business units and lifecycle stages for selected products in yellow were excluded from the certification.

¹ **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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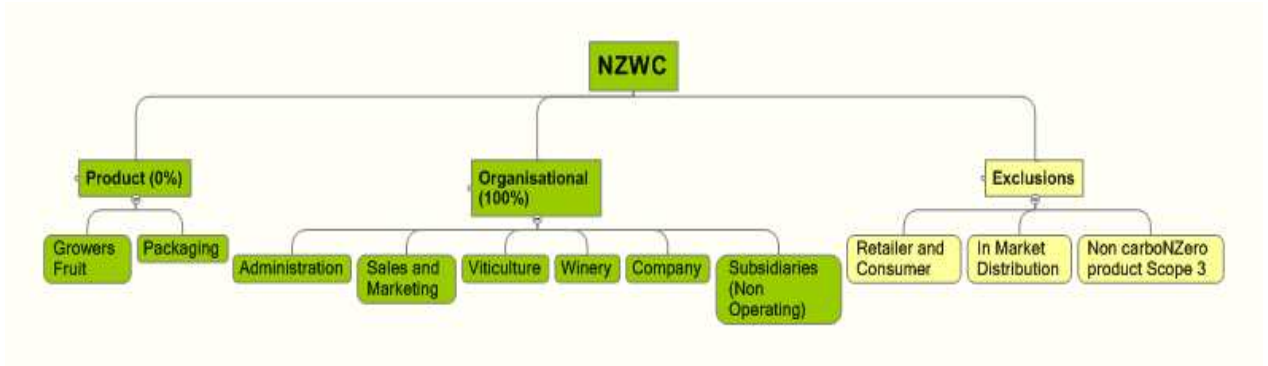


Figure 1: Organisational structure.

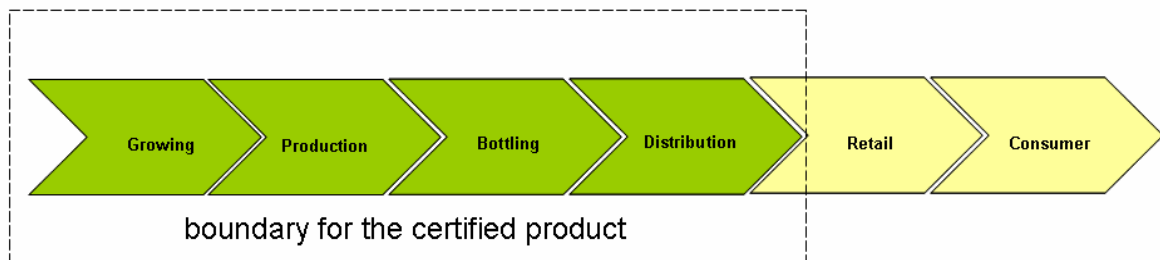


Figure 1: Life cycle emissions sources for selected wine products.

Consolidation approach – Operational control

Base year – 01/07/2006 to 30/06/2007

Measurement period – 1/07/2008 to 30/06/2009

GHG emissions source inclusions – Figure 3 (next page) shows the operational GHG emissions by emissions source and Figure 4 (over page) shows the top 10 emissions sources. The New Zealand Wine Company Limited’s total emissions for this period were 811.06 tonnes carbon dioxide equivalents (CO₂e) comprising 85.43 tonnes CO₂e Scope 1, 85.03 tonnes CO₂e Scope 2 and 640.60 tonnes CO₂e Scope 3 emissions.

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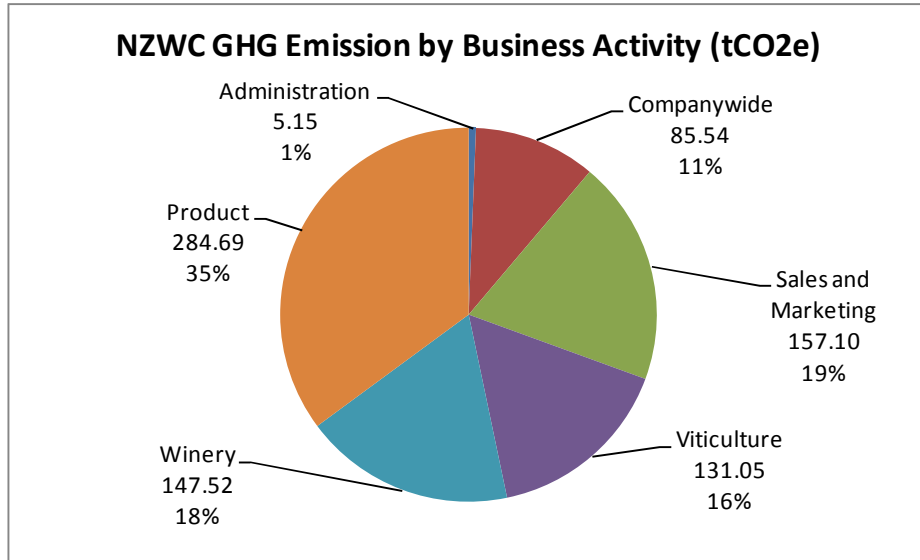


Figure 3: Greenhouse gas emissions sources by business activity.

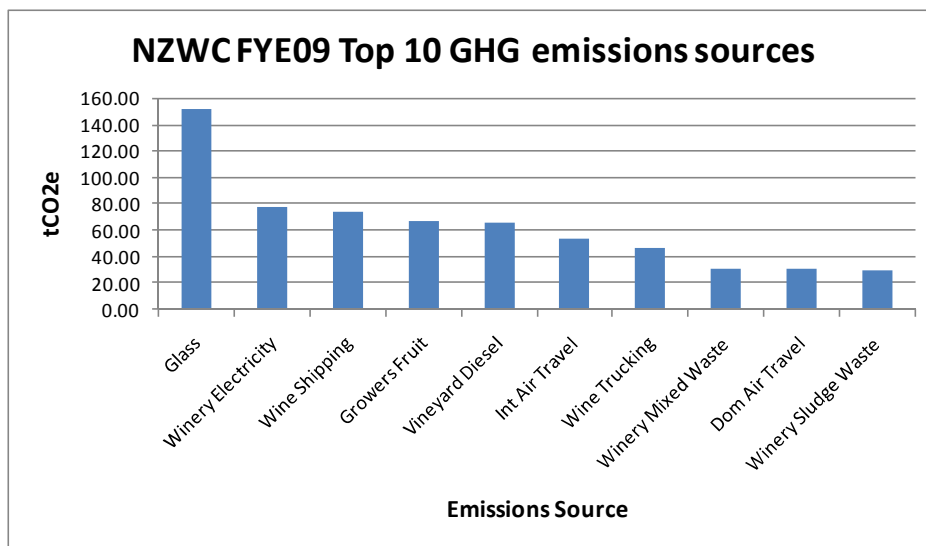


Figure 4: Top 10 emissions sources.

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

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- organic applications and fertilisers
- enteric livestock fermentation
- fermentation emissions
- embodied emissions in wine additives
- fermentation emissions
- contract bottling and storage
- emissions associated with customers
- domestic couriership of marketing samples
- emissions associated with supplies for non-carboNZero certified products

GHG emissions reduction commitments – The New Zealand Wine Company Limited has developed a GHG emissions reduction plan. Some projects in this plan include:

- Use of recovered heat to pre warm bottling line sterilisation water = 2320 kWh or 0.9 tCO₂e,
- As much sludge waste as possible to be used as compost and reduction of general waste to landfill = 28 tCO₂e from sludge, 5 tCO₂e from general waste,
- Installation of video conferencing equipment at Blenheim and Auckland sites to reduce air travel for meetings = 5 tCO₂e,
- Participation in the WRAP GlassRite project. Development and implementation of a bulk import/lightweight glass brand = Unknown,
- Project to continually scope and assess new packaging technologies and procurement = Ongoing,
- Reduce GHG emissions from packaging of products. The emissions come from embedded GHG emissions in the manufacture of the packaging, freight to the NZWC and potential GHG associated with efficiency of freight to market = Unknown.

GHG emissions reduction report against last year's plan – This is the New Zealand Wine Company Limited's third emissions inventory report. Emissions reductions achieved against the previous year's emissions management plan include:

- Reduced the use of diesel to run forklifts, replace with less GHG emissions intensive electric forklifts as required = unknown as forklift diesel sourced from winery tank,
- Reduced potable water use and waste water processed by 250,000 litres PA = estimated savings of 0.15 tCO₂e,
- Reduced freight emissions by shipping juice by rail and not road = 11.94 tCO₂e reduction,
- Reduced risk of HFC leaks from refrigeration compressor = 443.8 tCO₂e reduction,
- Reduced GHG emissions from packaging of products. The emissions came from embedded GHG emissions in the manufacture of the packaging, freight to the NZWC and potential GHG associated with efficiency of freight to market = cask trial undertaken, approximately 14.1 tCO₂e reduction on normally packaged wine.

In the wine industry, GHG emissions vary greatly from year to year due to seasonality and this contributes to a fluctuations in our footprint. The New Zealand Wine Company

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continually seeks to manage this to a realistic level and sets GHG reduction plans and management aspects accordingly.

Offset – 734 VERs² from PRE³ Tararua wind farm project. Serial numbers 334247 to 334980 have been cancelled (or equivalent) on the carboNZero registry. Carbon credits were not required to offset 77.67 tCO₂e emissions from some purchased electricity because some electricity is 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 products¹ branded Grove Mill, Sanctuary, Origin, Southern White and Frog Haven respectively

Certificate number – 2009061J

Valid until – 30 September 2010.

Amendments – ASDA Sauvignon Blanc was not included in the product inventory reported here. However, this product does carry the product logo. The emissions associated with this product have been estimated as 17.11 tCO₂e and 18 tCO₂e. This will be confirmed at the next verification audit and the inventory updated and offset accordingly.

The New Zealand Wine Company Limited. Waihopai Valley Road, Renwick, Marlborough, New Zealand.
Tel: +64 3 572 8200, Email: info@grovemill.co.nz, Web: www.nzwineco.co.nz or www.grovemill.co.nz

ⁱ **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.
ASDA Sauvignon Blanc.
eco.love Sauvignon Blanc, Pinot Noir, Riesling

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