



Costs cut and sales lifted by being carbon neutral

When you see increased sales and a lowering of your cost structure, going carbon neutral makes very good business sense.

For us, becoming the first carboNZero certified wine company in the world boosted our international sales and generated a huge amount of positive publicity.



Rob White

Caring for the environment has been part of our culture since we started in 1988. We were ahead of the game and we've continued to reinforce that, from the way we've progressively expanded our winery through to an onsite wetland rehabilitation project.

In recent years we've taken our environmental programme to a whole new level so that it's become a cornerstone of our marketing.

By 2004 we realised it was a real point of difference and wondered, what's the next step? We went on to implement a number of new initiatives, most notably around the issue of carbon neutrality.

We'd started to get feedback from key export customers around the food mile issue and we thought this is something we should address. We became a pilot company in the Landcare Research New Zealand carboNZero programme, emerging as the first winery in the world to be certified carbon neutral.

The real benefit and interest in our carbon neutral status has come from offshore and in the UK it has become a major driver of our business.

At this stage it's retailer driven and has seen us get new and more products on the shelves at the leading supermarkets.

It also continues to generate a huge amount of positive publicity – last year we got eight minutes of exposure on a BBC World programme that reached 70 million people.

It took one year to achieve certification and we have to be recertified annually. There are a lot of costs involved, such as programmes requiring capital

expenditure and buying carbon credits, but the benefits, including increased sales and energy savings, far outweigh the costs.

In becoming carbon neutral we thought we'd done something great and the world was going to come rushing. Initially we made a big song and dance about it and were deflated by the lack of response.

Carbon neutrality isn't a well-known initiative. You have to target your audience as certain people and certain countries are more interested than others.

Understanding how and where to market your programme is the biggest lesson and probably where we wasted a lot of money early on by blanket media releases and promotional events.

Sometimes too, it's the things you least expect that come and bite you. After we had done a really good job of reducing our carbon emissions, some of our refrigerant was accidentally released into the atmosphere – which is not dangerous but it almost doubled our carbon emissions for the year.

We had focused on how to reduce electricity usage, improve transport of our wine, use less diesel in our tractors and machinery, then someone left a valve open and it doubled our carbon footprint.

While the amount of carbon emissions associated with transport is only one small part of the total carbon footprint, there is an important emotional aspect to it. Consumers overseas still have the perception that if a product is coming all the way from New Zealand, then it must be worse for the environment.

We must have an answer for these consumers – and the best answer is that we are carbon neutral.

More and more consumers are starting to consider the effect of their purchases on the environment when they make their purchasing decisions; it may not be massive numbers now but it is growing.

Rob White is chief executive of New Zealand Wine Company, which produces wines under the Grove Mill, Sanctuary and Frog Haven labels. It achieved annual revenue of almost \$12 million in the year ending June 2008. www.nzwine.co.nz

New Zealand Trade and Enterprise is the government's economic development agency. www.nzta.govt.nz