

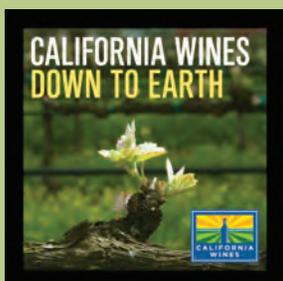


What the Trade Says About Sustainability in the Marketplace

Wine trade speakers at a CSWA Communicating Sustainability workshop echoed Wine Institute research into trade and consumer attitudes about the eco-friendly attributes of wine. "Thirty percent of the wines we offer are sustainable, organic or biodynamic," said Emily Wines, MS, director of wines, Kimpton Hotels & Restaurants. "Customers care about sustainability and they look to retailers and restaurateurs to do the research and make those wines available."

Peter Granoff, MS, of the Ferry Plaza Wine Merchant concurred that eco-friendly attributes are important to consumers, and said his store's website allows visitors to search for wines produced with sustainable, organic or biodynamic practices.

Both speakers agreed that a seal, logo or information on the wine bottle was the best way to communicate about sustainable practices. The recent Wine Institute-sponsored trade survey supports this, indicating that sustainability certification programs are helpful (71%) as are seals on bottles (81%).



Communicating Sustainability and Certification

Buying Decisions Influenced by Sustainably Grown and Made Wine

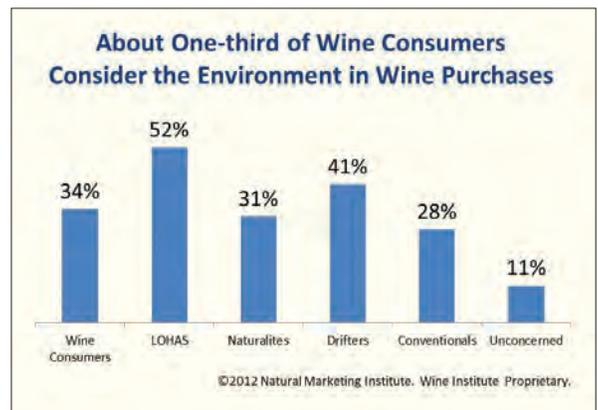
TWO RECENT STUDIES sponsored by Wine Institute indicate that the sustainable attributes of wine are important considerations for key segments of consumers and the wine trade when making purchasing decisions.

Wine Institute was a sponsor of the Natural Marketing Institute's 11th annual LOHAS (Lifestyles of Health and Sustainability) Consumer Trends Database™, which quantifies and segments the consumer market for environmentally and socially responsible products. Among the findings were that 34% of wine consumers across all segments consider environmental/sustainable attributes when making wine purchases, and 66% said they identify these eco-friendly attributes at the point of purchase via labels and in-store information. Of the LOHAS consumers, who describe themselves as active stewards of the environment, 43% reported purchasing wine in the past three months (higher than the general adult population); 52% consider environmental attributes when selecting wine.

Wine Institute also partnered with PE International, Inc. in a survey of 59 trade respondents, including major retail and restaurant chains and

distributors. Thirty-seven percent said sustainable attributes were frequently or very frequently a factor in wine selection, while 86% indicated that they were at least occasionally a factor. Most respondents rely on winery materials to identify wines with sustainable attributes, followed closely by third-party certification seals and wine labels.

"Both studies underscore that the California wine industry has an opportunity to communicate our sustainable practices to consumers and trade in a meaningful way," said Allison Jordan, executive director, California Sustainable Winegrowing Alliance (CSWA).



% GP 21+ and wine consumers indicating that environmental or sustainable attributes are often/sometimes a factor in wines selected.

A summary of the trade and consumer surveys can be downloaded at: www.wineinstitute.org/files/2013-SWP-Research.pdf.

"Sustainable winegrowing is key to a successful wine business, motivated work force, and improved environment. With the mantra of continuous improvement, California continues to lead the way in sustainability in the global wine business"

STEVE SMIT, CONSTELLATION BRANDS AND CSWA CHAIRMAN



HIGHLIGHTS FALL 2013

How J. Lohr, LangeTwins and Honig Spread the News

CASE STUDIES presented by three wineries at CSWA's *Communicating Sustainability Workshop* demonstrated numerous ways to promote eco-friendly winegrowing practices to decision makers and consumers.



The sustainability theme in J. Lohr's logo.

Cynthia Lohr, vice president of marketing for J. Lohr Vineyards & Wines in Paso Robles and San Jose, said her winery's sustainability journey began with a public pledge, a commitment to continuous improvement and the adoption of the taglines "Respecting Nature, Nurturing Balance" and "A Natural Partnership." J. Lohr conveys its commitment through its website, social media and marketing materials including case cards, brochures, neck tags and print ads—all featuring the Certified California Sustainable Winegrowing (CCSW) seal.

Marissa Lange of LangeTwins Winery and Vineyard in Lodi noted her winery's use of vineyard signage highlighting conservation awards and habitat restoration projects. LangeTwins, which adheres to the Lodi



Signage for LangeTwins habitat restoration project in Lodi

Rules sustainability program, prints the Certified Green seal on marketing materials, and its website includes a detailed timeline that outlines sustainable practices used by the family business since 1984. iPads at winery events and this fall, the tasting room, tell sustainability stories in a visual and interactive way.

Honig Vineyard & Winery in Napa Valley, represented by President Michael Honig, has an innovative "Green Report Card" on its website

which "grades" the winery's progress on sustainable vineyard, winery and business initiatives. Honig, who uses the CCSW seal on shelf talkers, tasting menus and as part of his email signature, often describes his winery with a single sustainable feature, billing it as the "solar energy winery" to make it easy for consumers to remember.



Honig Winery shelf talker with CCSW logo.

Practical Tips for Communicating Sustainability

With trade and wine consumers interested in sustainability, California wineries have a tremendous opportunity to promote their eco-friendly practices. Wineries can start by establishing objectives and key messages, and determining target audiences and strategies for reaching these groups. Sustainable messages can be incorporated into communication vehicles such as websites, brochures, videos, signage, emails, labels, shippers, fact sheets, etc. Vintners should ensure that all employees understand the winery's environmentally-friendly practices; employees can be the most powerful ambassadors!

Wine Institute and CSWA offer member wineries several opportunities to promote their sustainability efforts:

- CSWA Sustainable Highlights newsletter
- CSWA videos
- Wine Institute news releases on sustainability topics
- Wine Institute's Facebook/Twitter/Pinterest social media sites
- Member winery profiles & events on discovercaliforniawines.com
- Wine Institute media fact sheets listing wineries with solar energy, green buildings, eco-tours and more
- Event submissions to visitcalifornia.com website

Contact 415/356-7525 or communications@wineinstitute.org

THE CALIFORNIA SUSTAINABLE WINEGROWING ALLIANCE (CSWA) program has broad reach within the industry with 1,800 wineries and vineyards, representing 72% of California's winegrape acreage and 74% of the state's case production, that have participated in CSWA's Sustainable Winegrowing Program.

In 2010, CSWA added voluntary Certified California Sustainable Winegrowing, which requires an annual assessment, meeting 50 vineyard and 33 winery prerequisites and doing a third-party audit. Fifty-seven wineries and more than 183 vineyards are CCSW-certified with more applications in process. See: www.sustainablewinegrowing.org.

CALIFORNIA SUSTAINABLE WINEGROWING ALLIANCE NEWS

New Tool to Measure Vineyard Greenhouse Gas Emissions

CSWA has introduced an online tool for calculating greenhouse gas emissions and carbon sequestration in California vineyards. The DeNitrification and De-Composition (DNDC) model for winegrapes helps winegrowers "measure to manage" to reduce input costs and emissions and potentially benefit from market and regulatory incentives. The DNDC is part of CSWA's online Performance Metrics system which measures, manages and tracks energy, water and nitrogen use, and GHG emissions.

The DNDC model is used by at least 40 other agricultural crops because it is the most accurate tool available to quantify emissions. CSWA's DNDC tool is a simplified, user-friendly version of the DNDC model, and the full DNDC model could potentially be used to calculate carbon offset credits that can be sold under compliance programs, such as AB 32.

To use the DNDC tool, visit <https://metrics.sustainablewinegrowing.org>



In CSWA's new video, hear how Julie Nord of Nord Vineyard Services in Napa reduces emissions with vineyard practices. See: www.sustainablewinegrowing.org/CSWA-video.php

Advancing Adoption of Sustainable Winegrowing

CSWA Third-Edition SWP Workbook and 2012 Progress Report Available

MARKING A DECADE since its establishment, the California Sustainable Winegrowing Alliance issued its 2012 Progress Report earlier this year, highlighting the release of its third-edition California Code of Sustainable Winegrowing Workbook, updating CSWA



program participation numbers and outlining a new Performance Metrics tool that measures vineyard and winery use of water, energy and applied nitrogen, and greenhouse gas emissions related to energy use.

Since 2002, CSWA's Code Workbook has been used by 1,800 vineyard and winery organizations to self-assess their operations. Sustainable winegrowing participants represent 72 percent of California's winegrape acreage (389,375 acres) and 74 percent of its case production (189 million cases). CSWA has also held 232 educational workshops attended by 10,737 participants.

"With more than 70 percent of California's winegrape acreage and case production engaged in the CSWA program, the industry has bolstered its environmental and sustainability credentials in the public policy and marketplace arenas, including the competitive global market," said Robert P. (Bobby) Koch, Wine Institute president and CEO. "The scale of this accomplishment is remarkable, as California is the world's fourth largest wine producer."

"A tremendous amount of time and effort went into revising the Code Workbook," said John Aguirre, president of the California Association of Winegrape Growers. "CSWA involved 50 growers and vintners in 35 meetings over two years to review and revise the workbook. Vineyards and wineries throughout the state will find the workbook's updated best practices and



resources even more relevant and effective." For Code Workbooks or the 2012 CSWA Progress Report, go to: www.sustainablewinegrowing.org

or info@sustainablewinegrowing.org

"Sustainability is about meeting our current needs without compromising the ability of future generations to meet their needs."

ROB BOLCH, TREASURY WINE ESTATES



HIGHLIGHTS FALL 2013

Down to Earth Month Publicity Reaches 200 Million Impressions

THE 2013 "California Wines: Down to Earth Month" communications campaign on sustainable winegrowing this spring generated more than 200 million impressions via TV, radio, video, print and online stories. Eleven broadcast spots aired including NBC-TV Los Angeles, KRON-TV San Francisco, Fox News TV Sacramento, KCRA TV Sacramento, and KGO Radio, among others. Wine Institute partnered with the Santa Cruz Mountains, Monterey, Livermore Valley and Eldorado wine regions to co-produce two

sustainable winegrowing broadcast segments on California Life TV, reaching 15 million households. Wineries and associations in 12 regions of the state hosted more than 32 green-themed consumer events.



Wine Institute's "California Wines Green Tour" video features a traveler enjoying the state's beautiful wine regions and sustainable winegrowing practices.

California Legislature Recognizes Sustainable Winegrowing

CALIFORNIA'S ASSEMBLY AND SENATE unanimously passed ACR 15 (Chesbro) proclaiming April 2013 "Down to



L-R: Assemblymembers Mariko Yamada and Wesley Chesbro and Senator Noreen Evans hear testimony at the sustainable winegrowing information session.

Earth Month" to celebrate California sustainable winegrowing. The Senate and Assembly Wine Committees held an information hearing on sustainable winegrowing followed by a wine reception in the Capitol. The hearing featured representatives from government, sustainable winegrowing programs, and the vintner/grower community. CSWA hosted a tour for legislators featuring sustainability at several Carneros region wineries.

CSWA Receives Drinks Business Green Award

CSWA was recognized with the Sustainability Award of the Year by The Drinks Business, a European-based industry trade publication. Judges lauded CSWA for achievements in gaining broad program participation by the state's wineries and vineyards. They also recognized CSWA's "constant process of review and improvement, as well as the transparency of its reporting."

CSWA's innovative techniques, such as the online workbook that allows vintners and growers to track sustainability performance over time and a video series with case studies that encourage wineries to learn from their peers, were highlighted. The judges recognized CSWA's more than 230 education events attended by nearly 11,000 participants.

The Drinks Business noted that the green agenda is increasingly important in the wine industry and that judges faced a challenge based on the quality and quantity of entries.

CSWA is a 501(c)3 nonprofit organization established in 2003 by Wine Institute and the California Association of Winegrape Growers. For information, contact 415/356-7525 or communications@wineinstitute.org. Copyright © 2013 CSWA. Printed on recycled paper.

