



CALIFORNIA
SUSTAINABLE WINEGROWING
ALLIANCE



THE VALUE OF SUSTAINABLE CERTIFICATION

Certified California Sustainable Winegrowing (CCSW) enables winegrape growers and vintners to achieve independent verification of their sustainable business practices, which are evaluated annually by third-party auditors against a set of requirements. This process allows certified vineyards and wineries to credibly communicate their environmentally and socially responsible practices in the marketplace and to other stakeholders. Certification is a voluntary option for growers and vintners, and many have chosen to invest time and resources into seeking and maintaining certification due to the many benefits and value derived from the process.

WHY GET CERTIFIED?

While the reasons vineyards and wineries seek certification are varied, the top three motivations are

#1 CREDIBLY COMMUNICATE:

Third-party verification of practices adds significant value to sustainability claims. As the marketplace interest for sustainably grown and produced wine continues to grow, this independent validation becomes increasingly important.

#2 GET CREDIT FOR YOUR EFFORTS:

You already implement sustainable practices throughout your operation. Add value to those efforts by achieving outside recognition of your commitment.

#3 DRIVE CONTINUOUS

IMPROVEMENT: Your business strategy involves continuous improvement and operating more efficiently each year. Certification can formalize your approach and efforts, driving increased efficiencies and potential cost savings.

As of 2017, over 717 vineyards (19% of California's winegrape acres) and 118 wineries (75% of California's wine case production) have derived value from achieving certification.

Visit sustainablewinegrowing.org to see which of your peers are involved.

WHAT'S INSIDE?

This document draws on several tools and resources that can help you consider the full value of certification for your vineyard and/or winery:

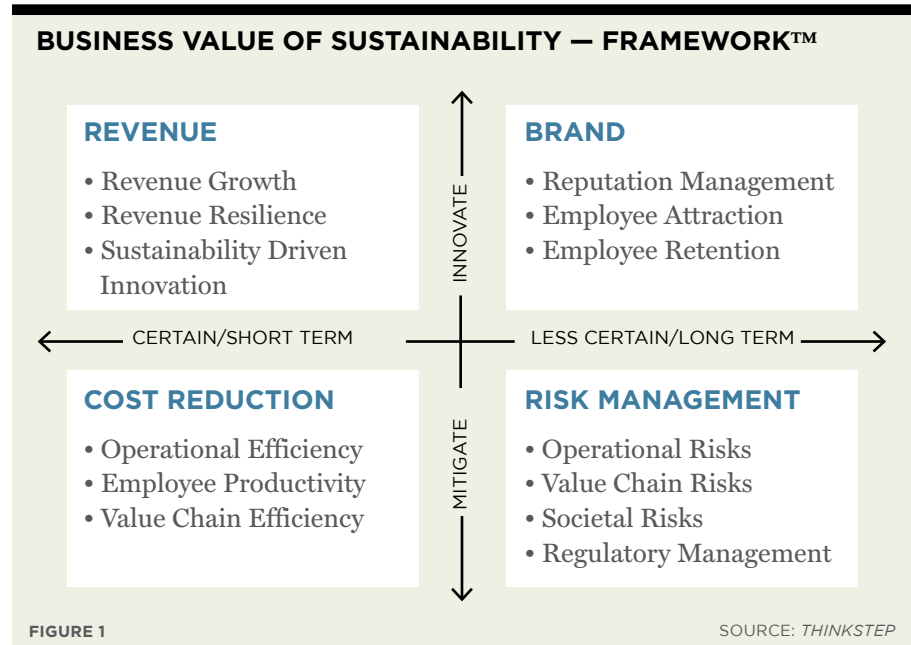
- An Economic Tool that helps growers and vintners assess the expected benefits and costs of the first year of certification
- Results of a 2016 Trade Survey to gauge market interest in sustainability and certification
- The "Top Three" Benefits of Certification
- Tips for Communicating Certification
- A Guide to the Logos
- First steps to become certified sustainable

EVALUATING THE COSTS & BENEFITS OF CERTIFICATION

The California Sustainable Winegrowing Alliance (CSWA) released a new Economic Assessment Tool to help growers and vintners evaluate the potential benefits and investments associated with the first year of certification. The tool was developed by sustainability software experts at thinkstep and is modeled on their well-established *Business Value of Sustainability System™*, with input from current certified participants.

WHY USE THE TOOL?

Certification often has unexpected benefits that are difficult to anticipate and assign a dollar value. Using thinkstep's *Business Value of Sustainability System™* as a foundation (see Figure 1), the tool utilizes key assumptions to estimate dollar values for various benefits. Growers and vintners can modify the tool based on their unique circumstances and include



or exclude various benefits and costs from the calculations. The results of the tool enable growers and vintners to estimate if the expected benefits outweigh the costs to get certified in the first year.

The tool includes estimated values for the following potential benefits:

- Improving relationships with existing buyers by more effectively communicating about sustainability
- Meeting new market needs and

accessing new markets

- Realizing price premiums (especially for certified grapes)
- Increasing efficiencies and reductions in resource consumption
- Reducing employee time spent responding to retailer sustainability questionnaires

In addition to evaluating certification, Economic Tools are also available that growers can use to support decisions on different types of sprayers, compare dust mitigation methods and develop a sustainable water management strategy. They can also use a web-based tool to evaluate costs and potential savings from implementing different trunk disease prevention practices. Vintners can use Economic Tools to evaluate winery water efficiency and identify hot spots, estimate the true cost of water, and conduct a solid waste audit.

The Economic Tools can be found at sustainablewinegrowing.org/economic-tools.php

HOW TO USE THE TOOL

STEP 1: Complete the initial set of questions about current annual revenue, level of interest in sustainability by your retail/trade customers, and cases or acres getting certified.

STEP 2: Estimate the first year benefits by including or removing potential benefits from the list.

STEP 3: Estimate first year investments including certification fees, management time, and/or potential practice changes.

STEP 4: Compare first year costs and benefits.

STEP 5: Review the assumptions and outcomes with decision makers to determine feasibility of certification for your vineyard and/or winery.



SUSTAINABILITY IS A GROWING FACTOR IN PURCHASING DECISIONS

Trade research, commissioned by the California Sustainable Winegrowing Alliance (CSWA) and conducted by Wine Opinions in 2016, shows that a majority of the U.S. wine trade considers sustainability when making purchasing decisions. The research confirms what wineries active in sustainability programs have been reporting for years: demand for sustainably produced wine has increased over the past 5–10 years and is likely to continue to grow over the next decade.

The Wine Opinions findings are based on responses from 457 members of its trade panel (distributors, retailers, restaurateurs, media) surveyed in late 2016 about sustainable practices, certifications and wine sustainability programs.

Highlights of the findings include the following:

- A majority of trade respondents who purchase and sell wine consider sustainable practices when selecting wines either frequently (24%) or occasionally (52%) in response to consumer demand, personal interest or as a selling feature.
- The identification of sustainable wines by logos and packaging is important to the trade.
 - 80% of respondents feel that clear and highly visible labeling or identification on the package of wine is the most effective way to promote certification.
 - Other effective ways to promote certification include education at consumer tastings and events (78%), trade tastings and seminars on certification

process and wines (71%), point of sales materials identifying and promoting certified wines (61%), and social media outreach (59%).

- A majority of respondents feel the addition of *Certified* on a label improves sales or marketability – by a lot (17%) and somewhat (50%).

A summary of the CSWA trade survey results can be downloaded at sustainablewinegrowing.org/tradesurvey. An interview with the researcher can be found at sustainablewinegrowing.org/D2EFeb17.pdf

MARKETPLACE INTEREST IN SUSTAINABILITY GOES BEYOND THE WINE INDUSTRY

- Environmental sustainability is one of the top 10 food trends in 2016 (*National Restaurant Association*).
- Supply chain sustainability initiatives are common for major retailers (e.g., Walmart, Sam's Club, Whole Foods, Tesco).
- 55% of global survey respondents will pay more for products & services from companies committed to positive social & environmental impact (*Nielsen's 2014 Global Survey of Corporate Social Responsibility*).
- Millennials (age 21–34) represent 51% of respondents who will pay more for sustainable products and check packaging for sustainable labeling, according to a nine country study (*2014 Natural Marketing Institute*).

THE TOP THREE BENEFITS OF CERTIFICATION

Many factors influence a vineyard or winery's determination of the value of certification. The Top Three Benefits of being certified – **COST SAVINGS**, **BRAND VALUE**, and **RISK REDUCTION THROUGH CONTINUOUS IMPROVEMENT** – were identified through certified participant surveys, case studies, and interviews. Certified wineries and vineyards share several tangible examples for each of these benefits below.



1. COST SAVINGS

certified sustainable can strengthen internal commitments to improve vineyard and winery efficiencies, resulting in increased efficiency and related cost savings.

- Sangiacomo Family Vineyards began using smaller tractors for smaller tasks, which reduced fuel use by an estimated 25%, resulting in a lower carbon footprint plus cost savings – a win-win.
- At Honig Vineyard and Winery they moved to a lighter-weight bottle for the winery's Sauvignon Blanc which sacrificed nothing in wine quality and made sense on multiple fronts: lower glass cost, lower shipping costs, and less energy used in production.

2. BRAND VALUE

Certification can bolster the value of a brand by differentiating it from other similar products, especially for trade and consumers that are interested in sustainably produced products.

- Francis Ford Coppola Winery is frequently asked questions about the sustainability of their wines from both customers and distributors. They believe that certification improves the winery's competitive advantage and provides credibility to their sustainability claims.
- Clos LaChance Winery believes that certification has increased their overall brand value. The certification sets the winery apart from other brands and provides the opportunity to meet their customer's needs, including retailers that are increasingly interested in sharing the certification information with consumers.

3. RISK REDUCTION THROUGH CONTINUOUS IMPROVEMENT

Certification can help reduce risk by preemptively addressing sustainability issues through continuous improvement of vineyard and winery practices.

- At Rodney Strong Vineyards, a culture of sustainability has helped their 55-year-old winery mitigate many risks including rising energy costs by reducing fermentation energy use 33% with square tanks, protecting air quality by using anti-dust material on vineyard avenues and responding to extended drought by using new technologies for water efficiency.
- For nearly 85 years, the E. & J. Gallo Winery has been committed to a sustainable approach for growing grapes and making wine. As a family-owned company, they remain committed to conducting business in an environmentally-sound and socially-responsible manner throughout their entire company.



COMMUNICATING CERTIFICATION

Successfully communicating about certification is one of the key ways to derive added value from your certification investment. Below are several ways you can ensure all stakeholders understand your commitment to sustainability.

ENSURE STAFF ARE KNOWLEDGEABLE ABOUT CERTIFICATION: Winery and vineyard staff involved in the certification process or implementation of sustainable practices can easily share information about your sustainability commitment, but what about staff involved in sales, hospitality and marketing? Ensuring all staff understand your sustainable practices and certification goes a long way in broadening the reach of your efforts. Here are some ways to guarantee a well-versed staff:

- Discuss sustainable practices during company meetings
- Hold periodic tours with the winemaker or vineyard manager showing practices to staff
- Share sustainability stories in internal announcements or newsletters
- Encourage salespersons, tasting room staff and other hospitality employees to learn about sustainable winegrowing

by taking the Sustainable Winegrowing Ambassador Course – a free one-hour online course. ambassador.discovercaliforniawines.com

MAKE YOUR SUSTAINABILITY STORY EASY TO FIND: Be sure information about your sustainable practices and certification are easily found on your website and included in your social media campaigns. A dedicated sustainability page is often the simplest way to accomplish this and ensures consumers, media and wine trade can all easily access important information and stories.

SHARE YOUR STORY WITH WINE TRADE: There are numerous ways to share your sustainability story with the wine trade, who are often eager to pass the information along to their customers. These communication vehicles include presentations, case cards, shelf talkers, bottle neck hangers, shippers/case boxes, brochures, tech/fact sheets, videos, email signatures, and of course, claims or logo on wine labels.

- Utilize CSWA's short video that describes sustainable winegrowing and certification. sustainablewinegrowing.org/educational-videos.php#29

COMMUNICATE WITH CONSUMERS: Many consumers are excited to learn that the wine they enjoy is grown and produced in a sustainable manner. Coupled with the authentic examples of sustainable practices and innovations being used by your vineyard and/or winery, certification provides further assurances to your customers. Consider including sustainability messages in consumer-facing materials such as brochures, tasting cards/menus, tours, videos and on the wine label. A well-placed certification sign (provided once certification is awarded) communicates directly to tasting room visitors or those driving by your vineyard. CSWA has several brochures that can be helpful and are available from the resources section of the CSWA website.

COMMUNICATE WITH INDUSTRY PEERS: Communicating the benefits of sustainable practices to your peers can help foster increased adoption of sustainable practices and involvement in self-assessment and certification programs. Consider sharing information about sustainable practices that you have found most valuable to the triple bottom line.



KEY STEPS TO INTEGRATE SUSTAINABILITY INTO YOUR COMMUNICATION STRATEGY

1. ESTABLISH OBJECTIVES
2. CONDUCT A SELF AUDIT
3. DEVELOP KEY THEME/MESSAGE
4. DETERMINE AUDIENCES AND MESSAGES
5. DETERMINE TOUCHPOINTS/ COMMUNICATION VEHICLES

More tips are available at sustainablewinegrowing.org/SustainabilityHandout.pdf



WHAT DO THE CERTIFICATION LOGOS MEAN?

This logo indicates wine is made in a certified sustainable winery with grapes from California certified vineyards.*



These logos indicate that the vineyard, winery, or vineyard & winery are certified.

*Certified grapes can come from certified sustainable, Lodi Rules and/or Sustainability In Practice Certified vineyards.

FIRST STEPS TO BECOME CERTIFIED

1. Decide what to certify (a winery, a vineyard, multiple wineries and vineyards, or an entire entity or organization) and submit an application.
2. Complete Self-Assessment(s) to assess your vineyard and/or winery operations and run certification reports to see if prerequisites and overall score threshold are met.
3. Meet additional certification requirements (see box on right).
4. Identify priority areas and create action plans for improvement.
5. Contract with a third-party auditor and prepare for onsite audit.

For more information on how to get certified, visit sustainablewinegrowing.org/CCSW-certificationguidelines.php

CERTIFICATION REQUIREMENTS

Certified wineries and vineyards must meet defined requirements, verified during an annual third-party audit, that ensure key sustainability areas are addressed. Requirements include the following:

- Conducting an annual self-assessment of 140 vineyard and 104 winery best practices using the California Code of Sustainable Winegrowing
- Meeting 58 vineyard and 37 winery prerequisite practices and exceeding an overall score threshold
- Complying with restrictions on crop protection practices as required by California Sustainable Winegrowing Alliance's (CSWA) Red and Yellow Lists.
- Measuring and recording sustainability performance metrics (water, energy, and green house gases for wineries; water and applied nitrogen for vineyards)
- Prioritizing and developing action plans and continuously improving

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