

Napa Green Ambassadors

Part I

- What is sustainability?
- Sustainability v. Organic
- What is Napa Green?
- Importance of Third-Party Certification
- Evidence visitors and guests want to hear about “doing well by doing good”





WHAT IS SUSTAINABILITY?



Caring for the health of
NATURE



Caring for the health of
EMPLOYEES & COMMUNITY



Caring for the resilience & health of
RESPONSIBLE BUSINESSES



Napa Green helps wineries cut their energy use by 20% or more.

The average baseline electricity use of a 10,000 case winery is 15 kWh/case = \$3.60/ case or \$1.52/gallon.

10k case winery 20% energy savings = \$0.72 a case or \$7,200

Average baseline electricity use at a 50,000 case winery is 12 kWh/case = \$2.88/case or \$1.22/gallon.

50k case winery 20% energy savings = \$0.58 per case or \$29,000

Average baseline electricity use at a 150,000 case winery is 7 kWh/case = \$1.68/case or \$0.71/gallon.

150k case winery 20% energy savings = \$.34 per case or \$51,000

The background of the slide features a close-up photograph of a vine. Several green, serrated leaves are visible, some in sharp focus and others blurred. A single, pale white flower with five petals is in bloom, positioned towards the right side of the frame. The overall lighting is soft and natural, highlighting the textures of the plant.

SHARED PRINCIPLES

- Energy Efficiency
- Water Efficiency
- “Green” purchasing, recycling & composting
- Phasing out harmful synthetic pesticides
- Climate Action
- Social Equity and Justice

How is Sustainability Different from Organic?

ORGANIC

- Farm system only
- Focused on Don't: Eliminate Synthetic Pesticides
- Does necessitate other environmental stewardship practices like IPM and cover crops
- Not concerned with environmental regulatory compliance

SUSTAINABLE

- Vineyard AND Winery
- Focus on Do: Resource Efficiency; Climate Action; Social Equity
- Includes phasing out the use of potentially harmful pesticides
- Can facilitate environmental regulatory compliance

CERTIFICATION STANDARDS	NAPA GREEN VINEYARD	NAPA GREEN WINERY	ORGANIC*	BIODYNAMIC*	NAPA GREEN LAND <i>(Phased out 2021)</i>
Environmental Compliance	<i>Required for entry to program</i>	<i>Required for entry to program</i>			✓
Third-Party Audit	✓	✓	✓	✓	✓
Whole Property Certification	✓	✓	✓	✓	✓
Organic approved pesticides	✓	✓	✓	✓	✓
Prohibited & Restricted Pesticides	✓				
Integrated Pest Management	✓	✓	✓	✓	
Social Equity & Justice	✓	✓			
Climate Action & Resilience	✓	✓			
Water Efficiency	✓	✓			
Energy Efficiency	✓	✓			
Recycling & Composting	✓	✓			
Track Resource Metrics & Continuing Improvement	✓	✓			
"Green" Packaging & Purchasing		✓			
Tree & Forest Conservation	✓				
Continuing Education	✓	✓			
Neighbors & Community	✓	✓			

**Essential to recognize that Organic and Biodynamic certification DO NOT include sustainability and environmental stewardship standards for the winery.*



Caring for nature and community
elevates quality and experience.



**NAPA
GREEN**

CERTIFIED

**As of 2020, >90% of NVV members
participating in Napa Green**

**85 Napa Green Certified wineries,
representing nearly 40% of certified
sustainable wineries in CA**

**Napa Green members have saved >14
million kWh or >\$4 million in energy
costs, and >27 million gallons of water**

**Napa Green Wineries have won nine
statewide Green Medal awards**

WHAT IS NAPA GREEN WINERY?

Napa Green is one of only four sustainable winegrowing programs nationwide offering the opportunity for comprehensive soil-to-bottle certification in both the vineyard and winery. 40% of all of the certified sustainable wineries in CA are in Napa County. These wineries implement more than 100 sustainability and stewardship standards to:

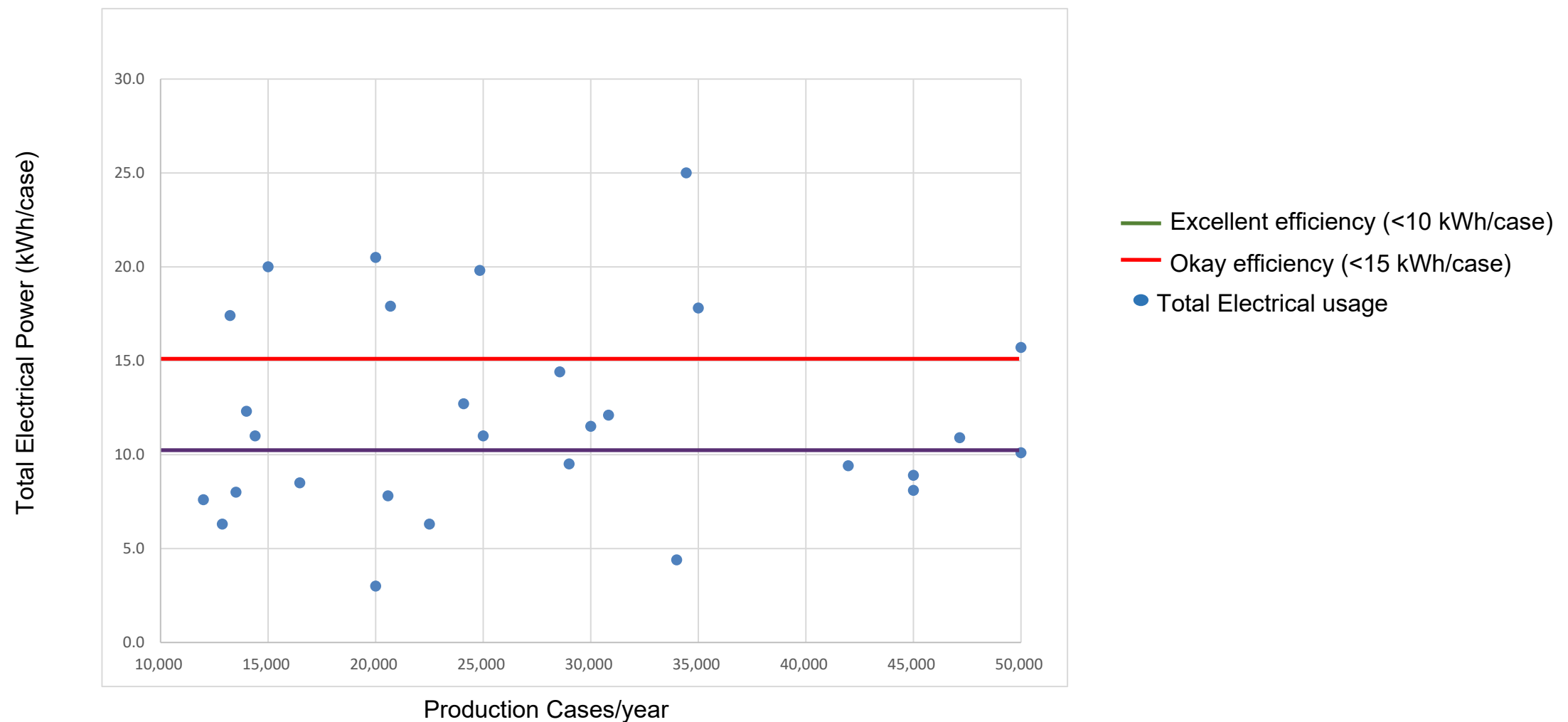


- Save energy and water and increase efficiency
- Prevent waste through recycling, composting and environmentally preferable purchasing
- Reduce GHG emissions and the winery's carbon footprint
- Commit to social equity
- The whole facility is certified from production to administration to hospitality

Energy Intensity Metrics for Wineries

Producing >10,000 to ≤ 50,000 cases

kWh/case for TOTAL energy use — Grid + Solar (as relevant)



Note – at a cost of ~\$0.24/kWh

Most Efficient \$0.72/case ~ Least Efficient \$6.00/case




Napa Green Certified Winery — Action Plan & Timeline

Project Name	Brief Description	Responsible Party(s)	Start Date	Expected End Date	Comments
ENERGY EFFICIENCY - Lighting & Equipment	Implement one additional Lighting & Equipment elective measures		Already Done with 1	Already Done With 1	16. Use an outside air intake for air compressors (cool air takes less energy to compress). Only 1 additional measure was applicable to our property. We have added more motion detectors since covid.
WASTE REDUCTION - Annual Staff Training	Diversion is low. Connect with UVDS/County for training, free signs and bins for Recycling and Composting. Contact Amanda Griffis, Amanda.griffis@countyofnapa.org .		7/30/21	7/30/21	
WASTE REDUCTION - Recycling & Composting	Consolidate uncontaminated shrink/film wrap and put in a clear plastic bag, then recycle in mixed recycling.		9/1/21		Will implement with next bottling on Sept 1.
WASTE REDUCTION - Recycling & Composting	Make two sided printing and copying standard practice in your business (set printers and copiers to default to duplex printing). Make single-sided the exception instead of the rule.				
WASTEWATER - Efficiency and Compliance	Begin metering and tracking process wastewater. This is an important proactive measure for the new winery Waste Discharge Requirements. Compare water:wastewater ratio - wastewater should be about 80% of income water.		8/23/21		Setting up a meeting with Mccollum Engineering to discuss our plans.
POLLUTION PREVENTION - Climate Action	Implement three (3) additional Climate Action elective measures. Recommend going "Deep Green" with MCE to receive 100% of grid energy from renewable sources (CA wind and solar) - this counts as two (2) measures. There is a cost premium of \$0.01/kWh for 100% renewable. Contact Chris Kubik to learn more: ckubik@mcecleanenergy.org .		7/30/21		11. Working with team to streamline and limit our deliveries for full loads. 8. Met with Chris at MCE and looking at Deep Green program. 14/15 - exploring options for these.
EQUITY & COMMUNITY - Sustainability Engagement	Implement one (1) additional Sustainability Engagement elective measure		Post Harvest		Writing a sustainability plan post harvest - #4

Benefits

- The warm fuzzies
- Improve operational efficiency and cut production costs
- Improve quality — of product, of work life, of broader community
- Build consumer loyalty and differentiate your produce in the marketplace
- Increase market access - ready information for distributors and retailers
- Establish baseline metrics so you can track improvement over time
- Learn from peers - operational workshops
- Regulatory peace of mind and 10% discount on Napa County CUPA permitting fees, as well as BAAQMD

A photograph of a vineyard with green grapevines and clusters of grapes. A white rectangular text box is overlaid on the upper portion of the image.

“Wine-growing is among the most visible and influential agricultural enterprises in the world. As the best-known American wine region, Napa's response can be both a model and a call to action.”

-Eric Asimov, "Napa Valley Winemakers Fight Climate Change on All Fronts"

The Napa Green logo, which consists of the words "NAPA" and "GREEN" in white, bold, sans-serif capital letters, stacked vertically within a green rectangular border.

**NAPA
GREEN**

A photograph of a vineyard with green grapevines and clusters of grapes. A white rectangular text box is overlaid on the lower portion of the image.

“Wine producers can lead by showing the world what a low-carbon high life – a good life that is compatible with a sustainable environment – looks like.”

-Dr. Kim Nicholas
Lund University Center for Sustainability

NAPA GREEN LAND



Springboard



- Improve the health of Napa River watershed
- Prevent Erosion & Soil Runoff
- Essential Environmental Compliance

NAPA GREEN VINEYARD



- First wine industry sustainability certification to focus on climate action, regenerative farming, and social equity.
- Cutting edge program to address the critical issues of today and tomorrow.



Ambitious Goal: Help growers become carbon neutral within six years (two certification cycles), and carbon negative (climate positive) within nine years.

SOCIAL EQUITY, JUSTICE AND INCLUSION



- Leadership & Human Resources
- Workforce Health, Safety & Wellbeing
- Communication, Training & Advancement
- Neighbors and Community

CARBON FARM PLANS AND REGENERATIVE FARMING



- Carbon Farm Plan – Onsite and DIY Assessment
- Soil Sampling & Testing
- Data Tracking and Online Metric Calculator
- Carbon Farming Action Plan

IRRIGATION ASSESSMENTS & WATER EFFICIENCY



- Water Efficiency Standards

TREE & FOREST PRESERVATION AND ENHANCEMENT



- Preservation Standards

PROHIBITED & RESTRICTED PESTICIDES

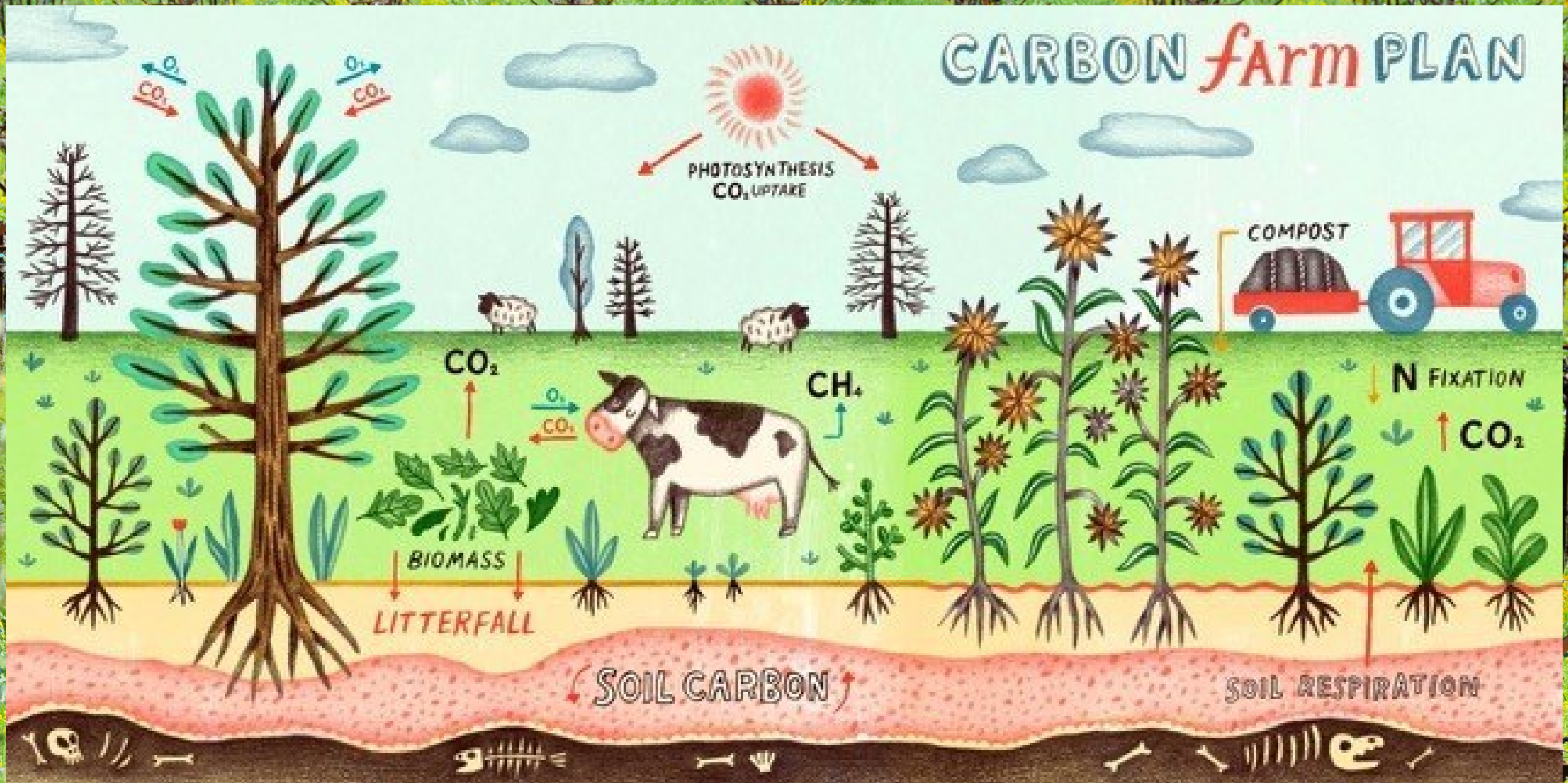


- Prohibited (No Use) Pesticides List
- Restricted (Some Use) Pesticides List
- Gold Level (Optional)

CONSERVATION BURNING OR BURNING ALTERNATIVES



- Conservation/Low-Smoke Burn How To
- Flame-Cap Kilns
- Additional Climate Smart Burn Technologies



Among some confusion and skepticism, sustainability certifications for wine provide transparency and reassurance

- ✗ **Less appeal of general sustainability claims that are not certified on wine**
- ✗ **Certification 'over-load' leads to confusion**
- ✓ **Certification for wine with reasoning provides reassurance**
- ✓ **The logo design of certifications on wine has a strong impact on acceptance levels**

"I think the certifications are really important. Anyone can say anything. You can't really trust what someone just says"

Age 21-35

"If there's an association behind a claim, they've taken the extra step, and possibly spent extra time and money to get it done, rather than just making a statement"

Age 45-60

Sustainability Certifications


Comprehensive - Soil to Bottle

Vineyard Only



Environmental Certifications





“Companies have an opportunity to deepen relationships with consumers by serving as the educator, the convener and the catalyst for those wanting to make a difference...

Although consumers unequivocally stand ready to reward companies for their responsibility efforts, they need to hear about it first.”

-Nielsen Corporate Social Responsibility Survey

Competition for Market Share

8 companies have ~60% of the market share
32 companies have ~75% of the market share

**The rest competing with 7600+ wineries for
attention**
~125,000 wine SKUs

**Four largest distributors >60% of revenue
share**
Ten largest distributors >70% of revenue share

**Sustainability could be distinguishing factor
but...**



Who Cares about Sustainability?

Sustainably produced wine has the highest future purchase consideration



“Sustainable wine - that’s going to be good for me and the world around me... organic wine, that’s just going to be good for me”
Age 30-45

Alternative wine styles: **Consideration** by generation

% who would consider buying the following alternative wine styles in the future

Base = All aware of the following alternative wine styles

		All US regular wine drinkers		Generations		
				Gen Z + Millennials (21-39)	Gen X (40-54)	Boomers + (55 +)
1	Sustainably produced wine	74%		73%	77%	75%
1	Environmentally friendly wine	74%		74%	75%	73%
1	Fairtrade wine	74%		76%	77%	70%
4	Organic wine	70%		74%	76%	62%
4	Preservative free wine	70%		67%	75%	71%
4	Sulphite free wine	70%		70%	70%	70%
4	Orange / skin contact wine	70%		69%	78%	57%
8	Wine from a carbon neutral winery	68%		68%	68%	69%
9	Biodynamic wine	58%		59%	60%	53%
9	Vegetarian wine	58%		60%	66%	36%
11	Vegan wine	55%		61%	53%	39%



How will COVID-19 change the consumer?

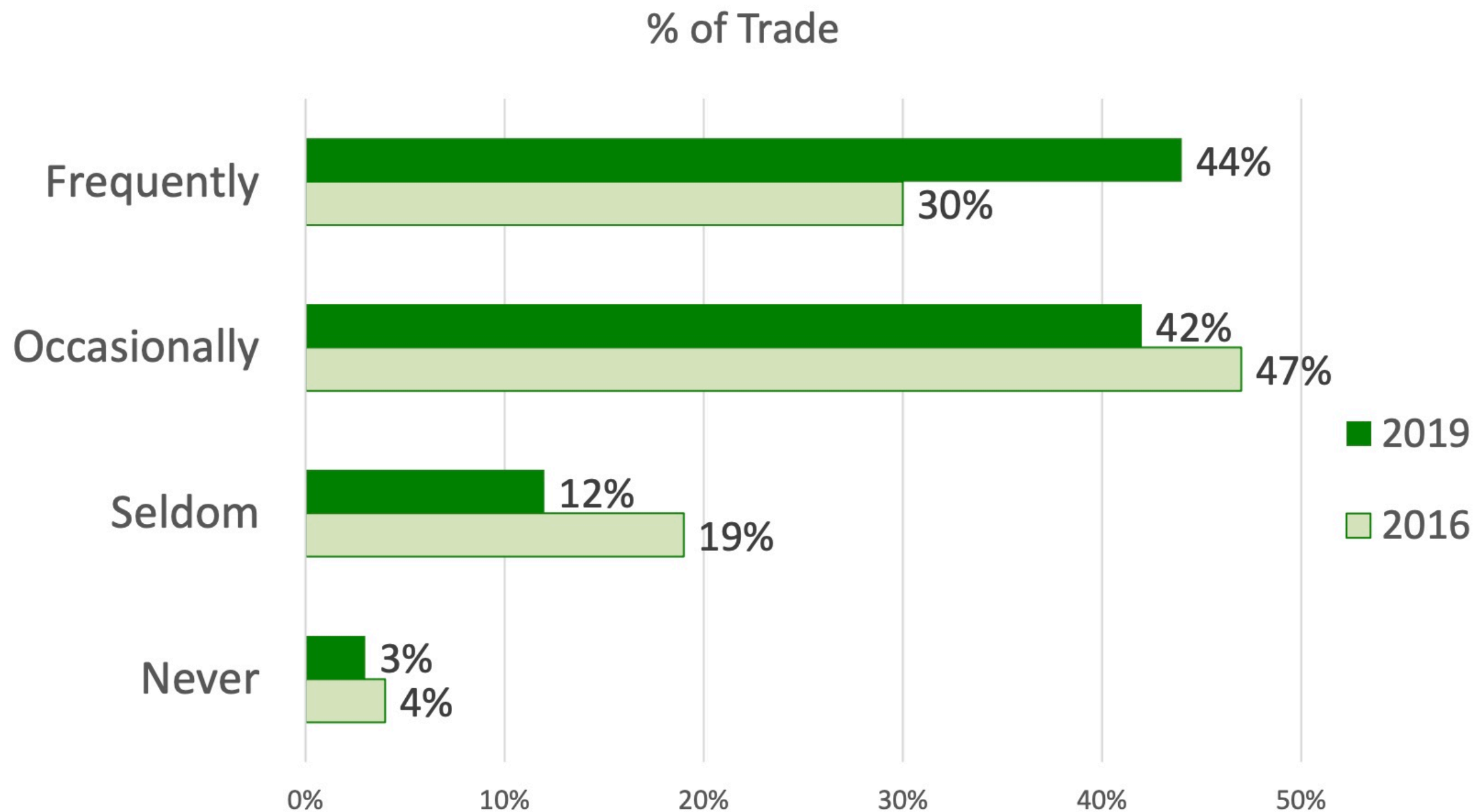
Data-driven insights into consumer behavior

Accenture COVID-19 Consumer Pulse Research: Wave 7




60% of consumers making more environmentally friendly, sustainable or ethical purchases since the pandemic began, with 90% intending to do so long-term.

Vinebase: We've created tags and filters for wine attributes and find that consumers enjoy **searching based on values**. More importantly, consumers really want to know the **story behind the wines**. They want to go to a dinner party and beyond the varietal or AVA, they want to be able to tell the story of the people that made the wine, their **ethos** and winemaking philosophies.

How often do you recommend and/or feature wines that are sustainably produced?



Market Outlook for Sustainably Produced Wines

Statements	% Endorsing
Demand for sustainably produced products will increase steadily in the next 5 - 10 years.	76%  66% in 2016
Demand for sustainably produced products has increased over the past 5 - 10 years.	73%
All things being equal, I would purchase or support a wine that is sustainably produced over one that is not.	71%  NA in 2016
I have significantly more customers asking about sustainability or environmental impact now than 5 years ago.	52%  NA in 2016
Sustainability is too vague a concept to give confidence.	33%
Wine has a reputation for being produced sustainably relative to other food and beverage products.	27%

“Underselling Sustainability”

While 81 % of consumers say they are more likely to buy from a brand with a positive approach to sustainability, **almost half (45%) also say they are unaware of the sustainable practices that brands have adopted.**

Consumers may be willing to pay more for sustainable wines, but they can't tell for sure which ones they are.

-Is Sustainable Winegrowing Sustainable?

“For several wineries, I had no idea sustainability was part of their identity.

-David Glancy, MS, CWE, Founder, CEO, San Francisco Wine School



Top Obstacles to Selling More Sustainably Produced Wine

Lack of understanding and familiarity by consumers

72%

The wines are hard to identify or not clearly labeled

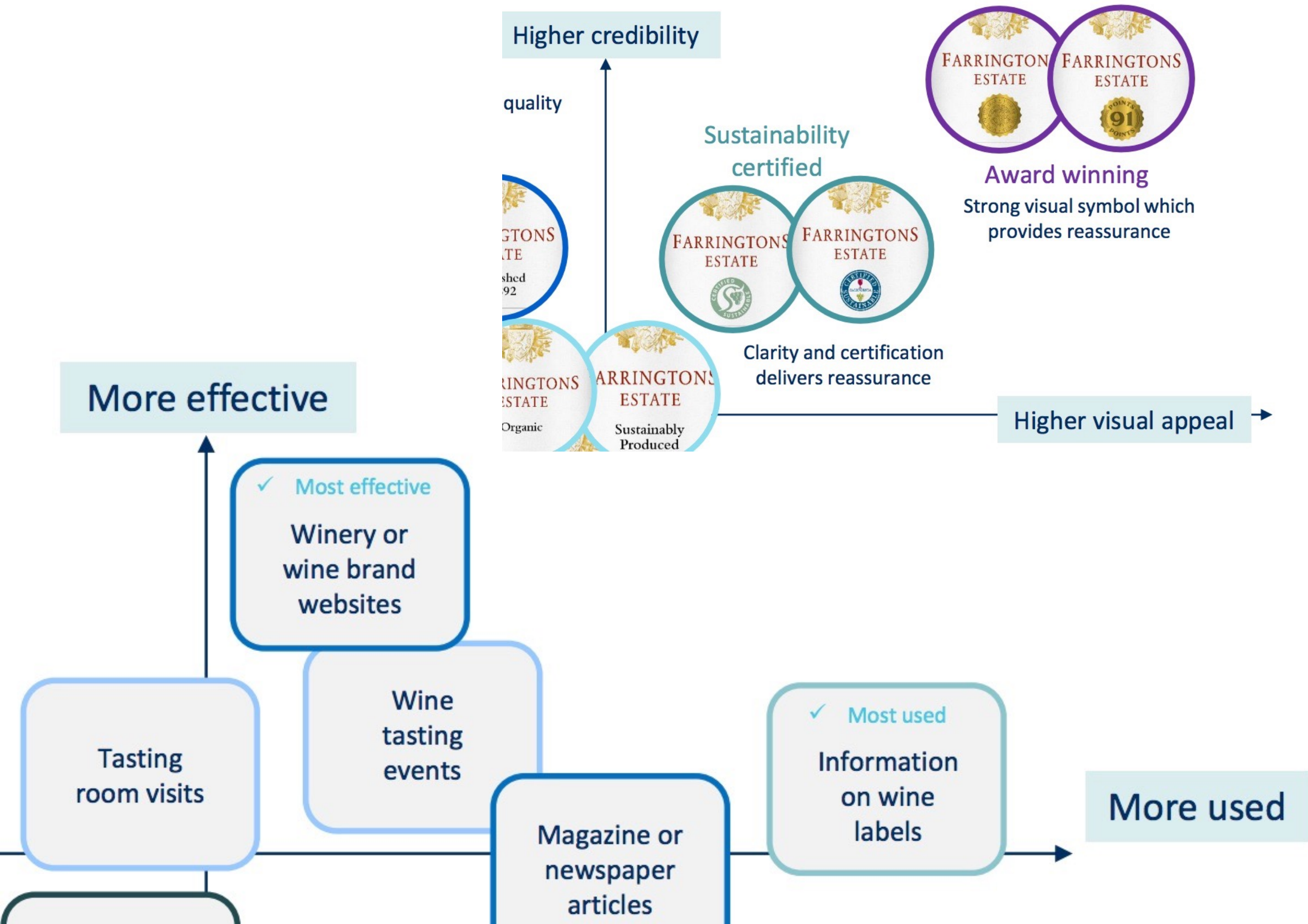
48%

Lack of promotion or advertising of such wines

36%

Which Promotions would be Most Useful?

Promotion or Action	% endorsing
Clear and highly visible labeling or identification on the package of wine (e.g. logo, certifying organization)	69%
Back label information highlighting methods of sustainable production (e.g. cover crops, minimized pesticides, etc.)	68%
Tastings or seminars at consumer events	60%
Articles and coverage of sustainability in traditional media (e.g. magazines, newspapers, online news, radio, TV)	58%
Social media outreach	57%
Back label information specifying the benefits of sustainability (e.g. lowering carbon emissions, preserving environment)	53%
Advertising identifying sustainable wines and their benefits	50%
Point of sales materials identifying and promoting sustainable wines	48%



CONSUMER-GOODS' BRANDS THAT DEMONSTRATE COMMITMENT TO SUSTAINABILITY OUTPERFORM THOSE THAT DON'T

U.S. purchasing of consumer packaged goods across 36 categories and >71,000 SKUs:


50% of CPG growth from 2013 to 2018 came from sustainability-marketed products; sustainable product sales have grown 5.6 times faster than their conventional counterparts.

-2019 study, NYU Stern's Center for Sustainable Businesses

A 2018 Nielsen study found **2% growth for mainstream products but 5% growth for sustainable products.**

	SUSTAINABILITY SELLS	
	OVERALL CATEGORY SALES GROWTH	SUSTAINABLE PRODUCTS SALES GROWTH
WEIGHTED AVERAGE OF 3 CATEGORIES	+2%	+5%
CHOCOLATE	+5%	+16%
COFFEE	-1%	+1%
BATH PRODUCTS	+1%	+14%

Source: Nielsen Answers on Demand (Health & Wellness Characteristics) & Nielsen Product Insider, powered by Label Insight | Total US FDMx | 52 Weeks Period Ending 03/24/2018 vs Year Ago



Wines certified through sustainability programs Napa Green and Low Input Viticulture and Enology (LIVE) had **\$4.40 and **\$3.28** price premiums respectively, compared to \$1.27 for wines certified by the USDA organic program.**

Key takeaway:

Younger drinkers continue to be willing to pay more for sustainably produced wines

2019

2020

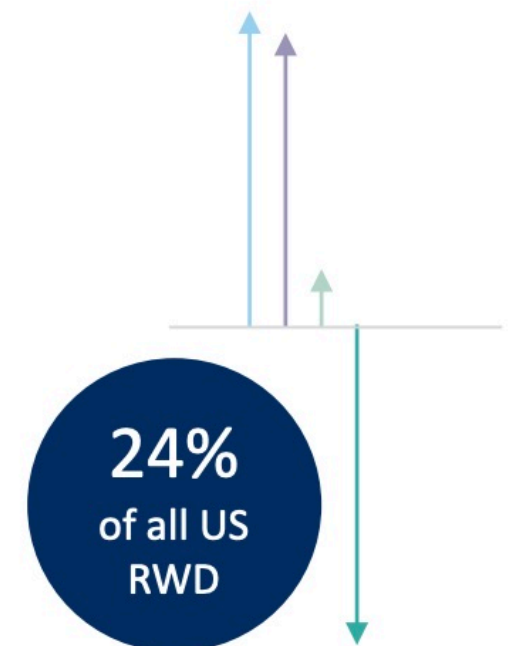
Willingness to pay more for sustainably produced wine

% who would pay the following extra amount for a sustainably produced wine

Base = All US regular wine drinkers (n=2,000)

	All US regular wine drinkers	Generations			
		Gen Z (21-24)	Millennials (25-39)	Gen X (40-54)	Boomers + (55 +)
<i>sample size =</i>	2,000	154	601	470	775
I would not be willing to pay more	26%	14%	11%	22%	43%
Up to \$1 more	10%	8%	7%	10%	13%
\$1.00 to \$1.99 more	14%	20%	13%	13%	14%
\$2.00 to \$2.99 more	18%	25%	20%	19%	14%
\$3.00 to \$3.99 more	11%	13%	17%	10%	7%
\$4.00 to \$4.99 more	7%	5%	11%	8%	3%
\$5 or more	14%	14%	20%	16%	8%
Average extra value	\$3.0	\$2.9	\$3.3	\$3.1	\$2.5

"I am willing to pay more for a product that is environmentally safe"





Differentiate your wine. Tie-breaker on shelf. Build consumer loyalty.

Wente - Measuring impact of added retail shelf space

Jackson Family - Canada bottleneckers and windmill shelf displays



Bordeaux's St.-Emilion Mandates Sustainable Viticulture

Increase in demand for wine made from organic or sustainably grown grapes, particularly from Nordic countries, Canada, Switzerland, Germany, Japan and certain regions in China and the U.S.

"In the last two to three years, I've seen my revenue double. I've had very significant demand from the West Coast and New York."

-Thierry Valette, owner of Clos Puy Arnaud

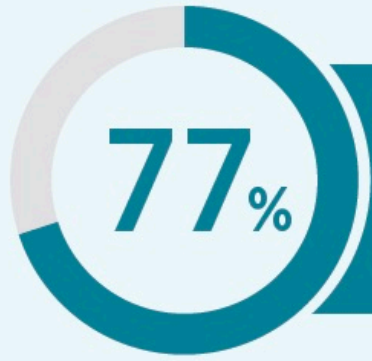


“I used to feel awkward having the signs out there, like we were bragging, which is not my thing. But then, it occurred to me that customers see our signs and then they may go into the tasting room next door and ask why they’re not organic. So now I like the signs, because I think they’re inspiring a conversation, which is great.”

Kevin Morrisey, Winemaker, Ehlers Estate

Demand generation to get the virtuous cycle spinning...





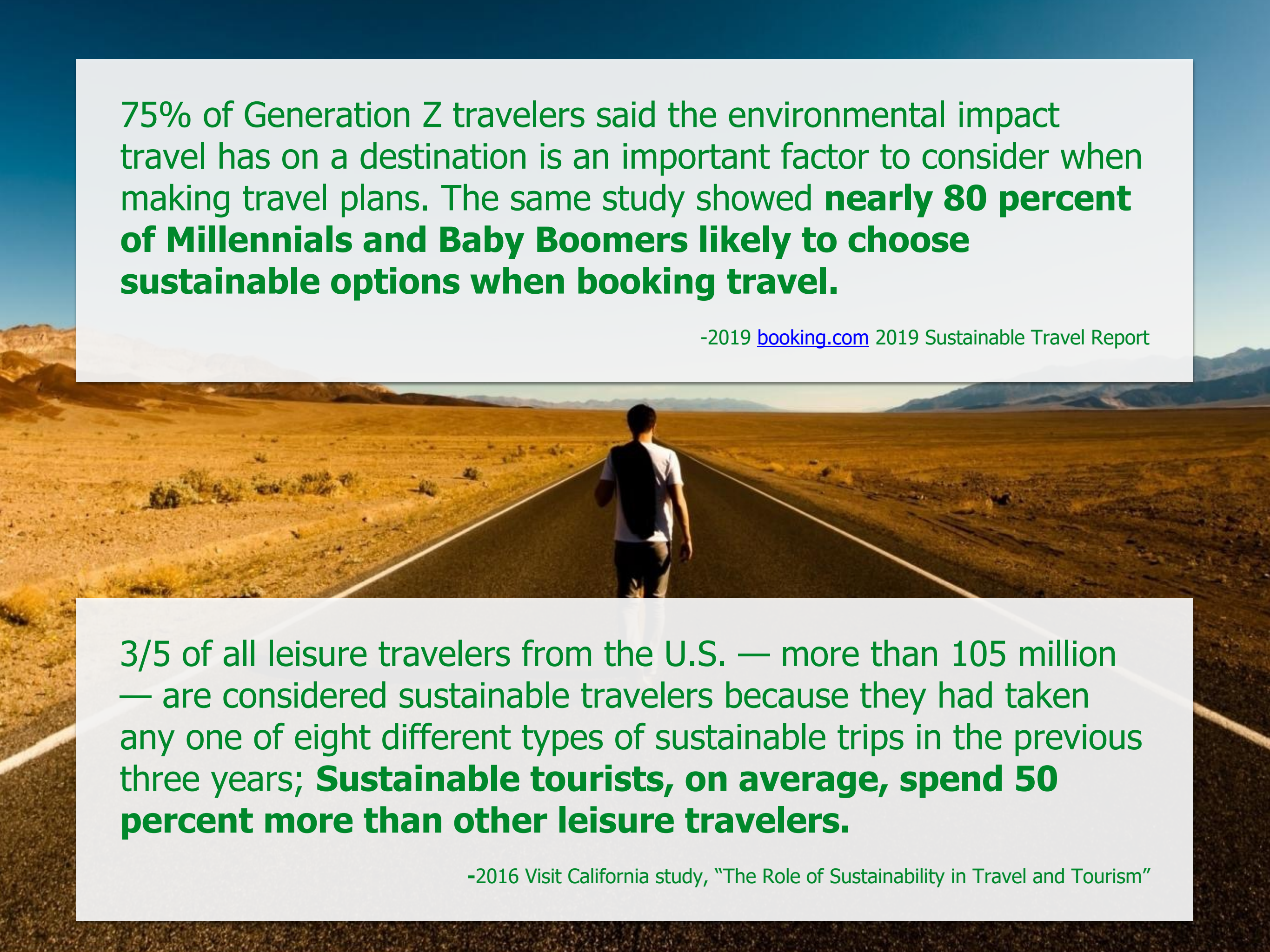
Percentage of leisure travelers to
California who live in California



Destination Stewardship & Sustainable Travel, Feb. 2020

Sustainability is not just what California does, but what it is as a destination and a leisure brand. California will become recognized as a global leader in sustainable tourism practices.

Brands that take a stand outperform their competitor brands, growing at a much faster rate. Today, consumers will no longer invest their time, money and loyalty to brands that are just selling a product or experience.

A person with a backpack is walking away from the camera down a long, straight asphalt road that stretches into the distance. The landscape is a vast, flat desert with dry, yellowish-brown grass and scattered small shrubs. In the far distance, there are low, hazy mountains under a clear blue sky. The overall scene conveys a sense of travel and exploration in a natural environment.

75% of Generation Z travelers said the environmental impact travel has on a destination is an important factor to consider when making travel plans. The same study showed **nearly 80 percent of Millennials and Baby Boomers likely to choose sustainable options when booking travel.**

-2019 [booking.com](https://www.booking.com) 2019 Sustainable Travel Report

3/5 of all leisure travelers from the U.S. — more than 105 million — are considered sustainable travelers because they had taken any one of eight different types of sustainable trips in the previous three years; **Sustainable tourists, on average, spend 50 percent more than other leisure travelers.**

-2016 Visit California study, "The Role of Sustainability in Travel and Tourism"

77% of consumers say they have **stronger emotional bonds to purpose-driven companies**, according to a Cone Porter Novelli study.

64% of consumers across 14 major markets, including the U.S., China, India, Mexico, UK, the Netherlands, Germany, Brazil, Japan and more, are **belief-driven buyers**, and the belief-driven mindset now spans generations, according to a 2018 Edelman study.

62% of consumers want companies to stand up for the issues they are passionate about, and **52% believe that brands should stand for something bigger than just the product they sell**, found Accenture, in From Me to We, The Rise of the Purpose-Led Brand.

A Kantar study found that **brands that were recognized as having higher commitment to purpose grew at more than twice the rate of others.**

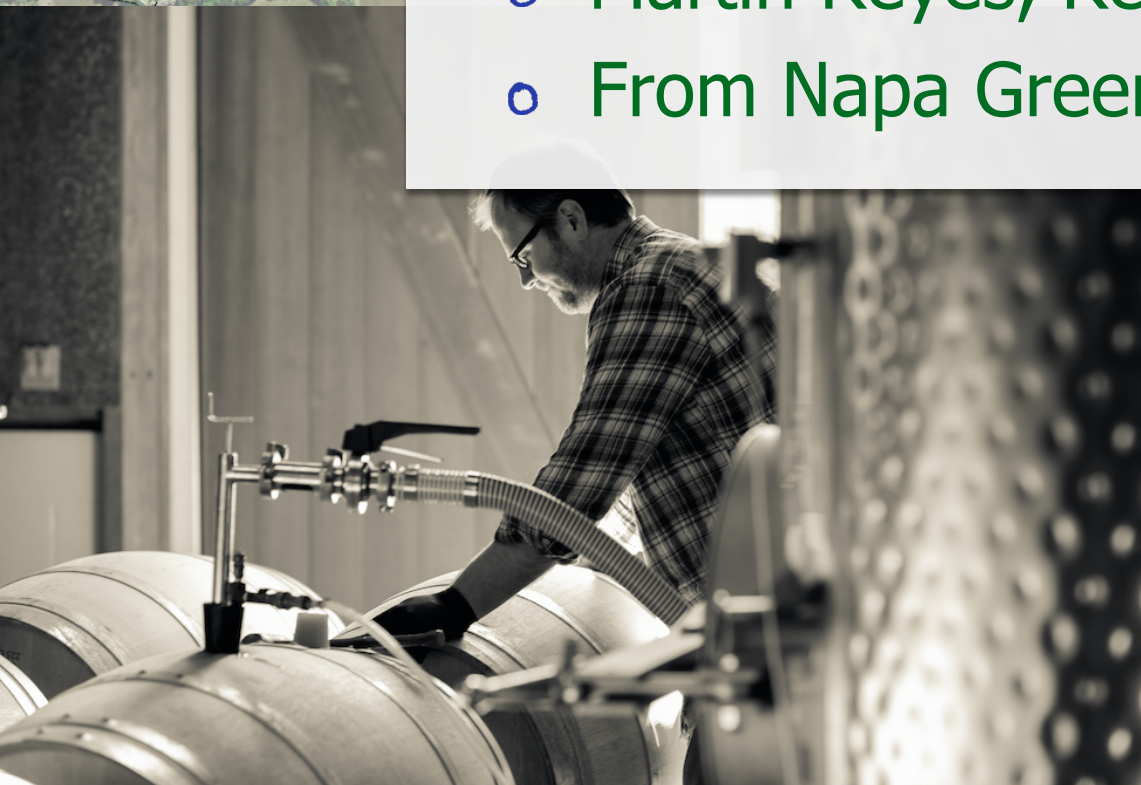


If you share it, they will use it.



Part II — Inspiration for your own sustainability stories

- Napa Wildlife Rescue
- Meghan Vergara, Veritas Consultants
- Martin Reyes, Reyes Wine Group & Wine Unify
- From Napa Green certified members



Napa Wildlife Rescue



This is the tiniest barn owl we have ever received. Yesterday it curled up like it was still inside an egg and today is trying out different positions. We are hoping to use our barn owl occupancy monitoring data to find a suitable foster mother and siblings for this owl.
[#barnowl](#) [#babybird](#) [#smallowl](#) [#birdrescue](#) [#napawildlife](#) [#wildliferescue](#) [#birdrescue](#)



You and 332 others

24 Comments 26



Our orphaned foxes are now feeling well enough that we can move them out of the hospital and into to a small enclosure where they can practice life skills. What are life skills for a baby grey fox? Running and climbing, of course!
Prior to any move, we weigh wildlife patients to make sure they are gaining weight or keeping stable, depending on why they came in. We were lucky to snap this picture. Foxes are not good at holding still!
[#babyfox](#) [#lifeskills](#) [#runningandclimbing](#) [#greyfox](#) [#fox](#) [#wildlifenasapacounty](#) [#nativewildlife](#) [#nativehabitat](#) [#protectwildlife](#)



You, Kellie Anderson and 462 others 21 Comments 44 Shares



As you head out this holiday weekend, please remember that there are lots of newly born wildlife out there as well. It's one of the many joys of spring time.
That said... It's important not to inadvertently become a fawn-napper! Every year we get calls about "abandoned fawns". In reality, a fawn by itself is normal and sometimes well intentioned people end up kidnapping fawns under the assumption that they are rescuing them. Mother deer will leave their babies alone for up ... [See More](#)



150

6 Comments 72



We really know what every wildlife rehabilitation center is going through right now! It's baby season, meaning every week there are more and more babies to tend to. This baby raccoon is not excited about getting a routine wormer, even though it is vanilla flavored. But onward! We want to keep everyone healthy!
[#babyraccoon](#) [#raccoon](#) [#wildliferehab](#) [#babyseason](#) [#healthy](#) [#napawildlife](#) [#keepthemwild](#)



You and 257 others

11 Comments 21 Shares