CALIFORNIA WINES

Positioning California Wines in a Sustainable Future

Climate Action Plan

Wine Institute Board of Directors Meeting | December 7, 2021

Agenda

California Wines Sustainable Future:
A Conversation with Dr. John Heckman, Anthesis Group

The Current Climate State

Goals for a Climate Action Initiative

Discussion/Questions

CA WINES

A Sustainable Future

John Heckman, Anthesis Group
Allison Jordan, VP Environmental Affairs

For A Sustainable Future, We Need:

To **Stabilize** Global Warming to 1.5ºC

To **Achieve** Net Zero Emissions

To **Align** CA Wine on the Same Path

California's Goals For 2045

State-wide Carbon Neutrality

100% Carbon Emission-Free Electricity

Governments, Markets, and Wineries Are Taking Bold Action

GOVERNMENTS

CALIFORNIA

Carbon neutral by **2045**

100% carbon-emission free energy by 2045

Reduce emissions to 1990 levels via statewide **cap-and-trade** program through 2030

Reduce **GHG emissions 40% below 1990** levels by 2030

INTERNATIONAL MARKETS

European Union: Green Deal goal Net Zero emissions by **2050**

New Zealand: Net Zero by 2050 in law

South Africa: Low Emission Development Strategy; Net Zero by 2050

Governments, Markets, and Wineries Are Taking Bold Action

MARKETPLACES

Tesco
First retailer to offer financial incentives to report and reduce emissions.

Systembolaget
Beverage Industry Climate Initiative: fossil-free and 100% renewable energy by 2030

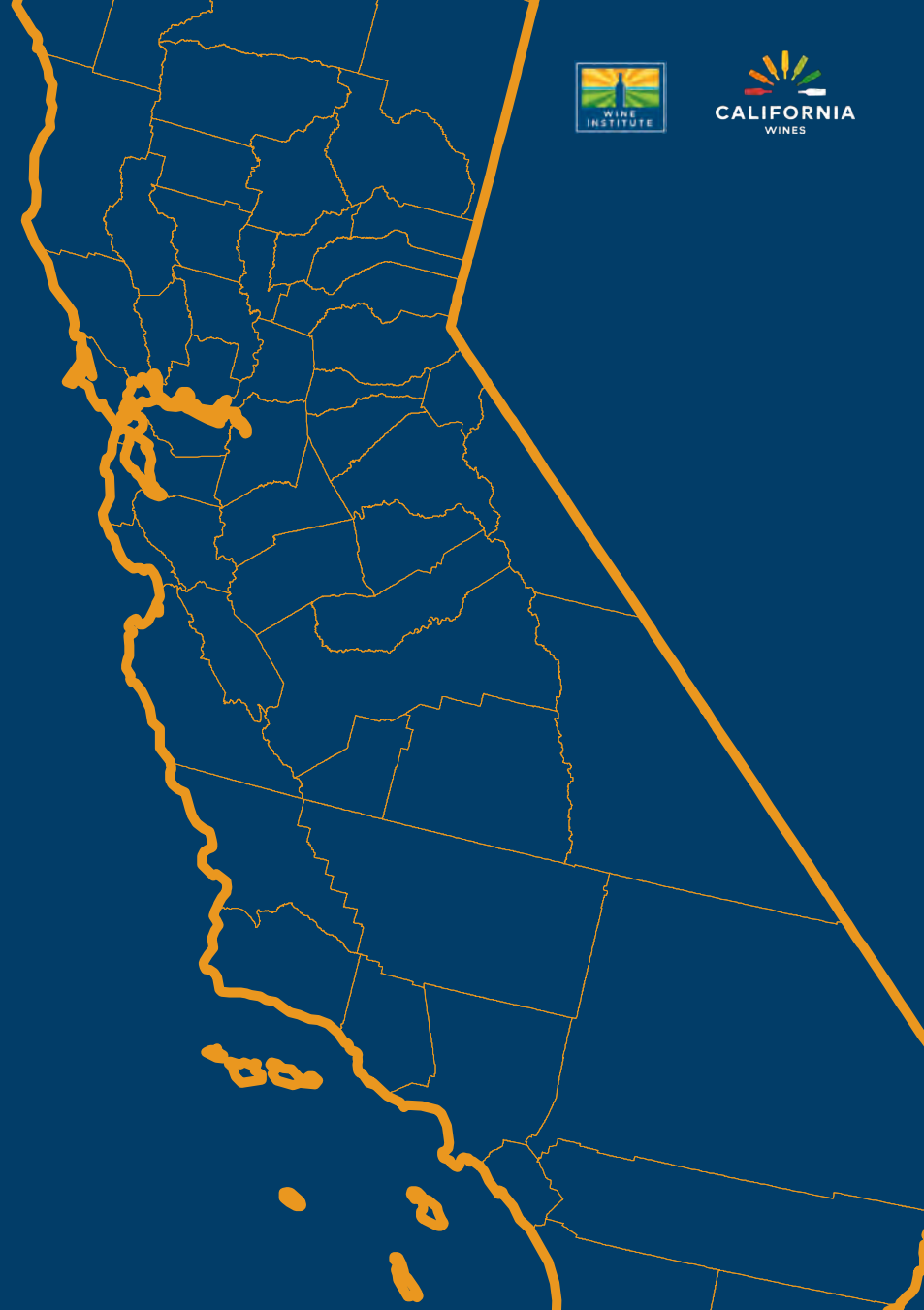
SAQ
Selection criteria includes supplier commitments to reducing GHG emissions

“

Food and Ag is Big and Complex. We have to get out of our silos and collaborate together ... to help us all be successful.

”

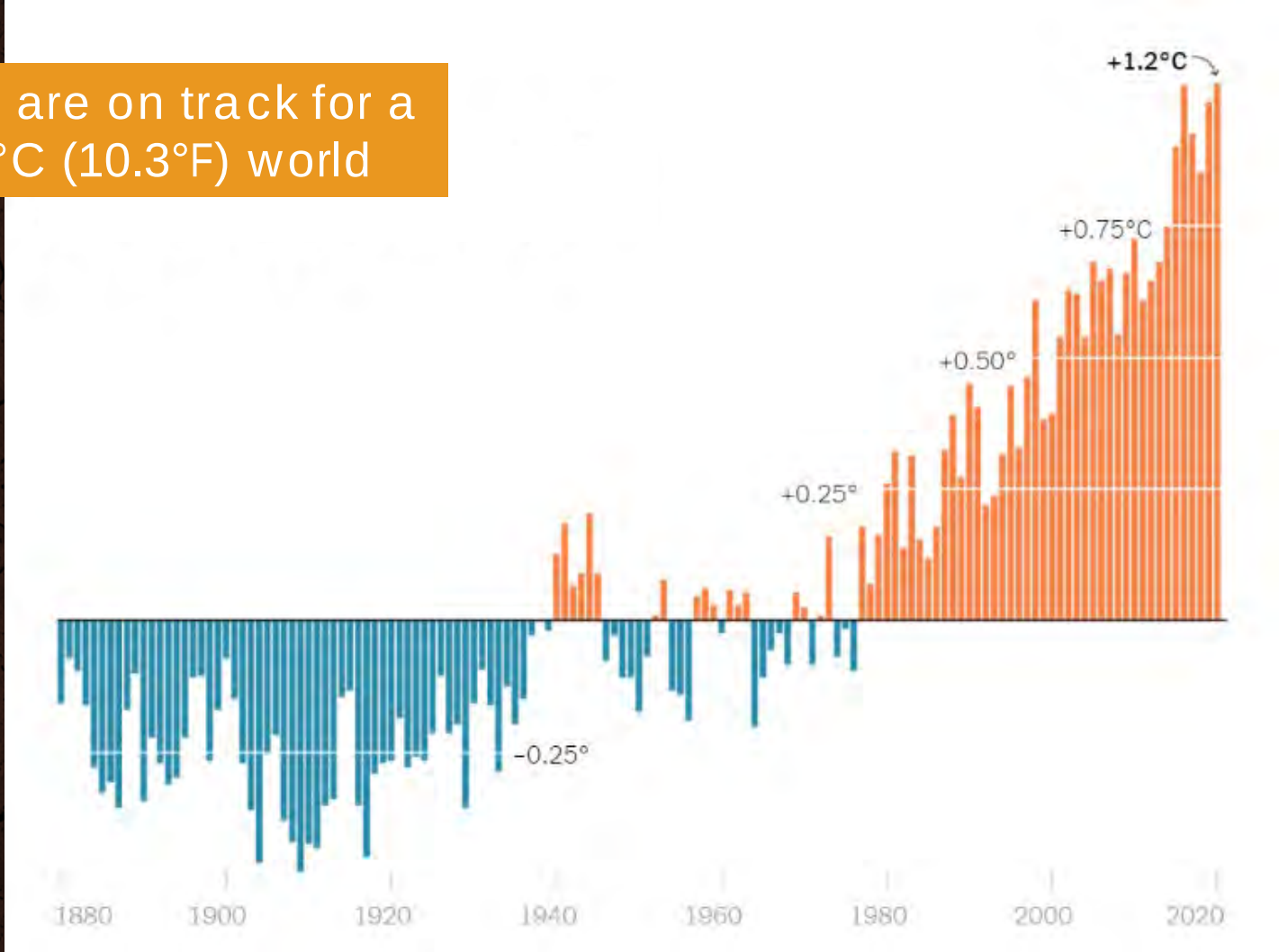
-Secretary Karen Ross



To avoid the worst impacts of climate Change, We Need to Limit Global Temperature Rise To 1.5°C

Source: NY Times

We are on track for a 5.7°C (10.3°F) world



Governments, Markets, and Wineries Are Taking Bold Action

WINERIES

Jackson Family Wines (JFW)
50% emissions reduction by 2030 & Climate Positive by 2050 without buying carbon offsets

Torres Family + JFW
Co-created the IWCA to take a collective stance to decarbonize the industry

Fetzer Vineyards
B Corp certified; Net Zero by 2030

New Zealand Wine
All New Zealand wine will be Net Zero by 2050

Treasury Wine Estates
Net Zero emissions by 2030, 100% renewable electricity by 2024

Taylors Wines
50% emissions reduction by 2030, Net Zero by 2050

To Reduce GHG Emissions
Do More of Some and Less of Others

More	Pillars	Less
100% renewable energy **Electrify everything & renewable energy**	**ENERGY**	Zero fossil energy **Energy efficiency and GHG reduction**
Net Zero value chain **Reduce, reuse, recycle –renewable materials**	**VALUE CHAIN**	Zero fossil energy in value chain **Reduce, reuse, recycle**
Sustainable agriculture **Accelerate sustainable practices**	**AGRICULTURE**	Zero degradation to natural systems **Restore balance to nitrogen & methane cycles**

CALIFORNIA
WINES

CA Wine Is Leading The Way Towards A Sustainable Future

Amplify California Wines' Collective Position

Show Progress Without Duplicating Efforts

Build Our Future Together

How Can We Amplify Our Position?

VISION

For CA Wine to prosper in a Net Zero future

GOAL

Be powered by 100% renewable **energy by 2045**

Enable a Net Zero **value chain** for wine

Lead in sustainable **agricultural** practices on our vineyards

STRATEGY

Identify actions across pillars

Track and report progress

Communicate ambition

MEASURE

Establish KPIs to measure collective progress

Capitalize on previous and ongoing work

We Will Build a Framework to
Show Progress and Inspire Action

More	Pillars	Less
100% renewable energy **Electrify everything & renewable energy**	**ENERGY**	Zero fossil energy **Energy efficiency and GHG reduction**
Net Zero value chain **Reduce, reuse, recycle –renewable materials**	**VALUE CHAIN**	Zero fossil energy in value chain **Reduce, reuse, recycle**
Sustainable agriculture **Accelerate sustainable practices**	**AGRICULTURE**	Zero degradation to natural systems **Restore balance to nitrogen & methane cycles**

Wine Institute and partners will support the CA wine community through…

Advocacy and Public Policy

Tools and Education

Communications

Funding and Technical Support

Compliance

Actions to Date

- Established Global Benchmarks
- Built Sustainable Future Discussion Deck
- Gathered Winery Stakeholder Input
- Shared with CSWA Board and EH&S Committee
- Established Advisory Committee

What We Heard From Stakeholder Interviews

This conversation is long overdue

Broad support for CA Wine committing to a 2045 Net Zero goal that doesn't create complications

Support for 'simpler' approach, focusing on getting things done, working together

Consider interconnectedness of climate change – include adaptation, water, and diversity/inclusion

Concern that 'Only Net Zero by 2045' is not enough to be considered a leader

Advisory Committee Members To Date

Bronco Wine Company
Paul Huckaba

Constellation Brands, Inc.
Matt McGuinness

Delicato Family Wines
Lindsay Moorehead

E. & J. Gallo Winery
Chris Savage

Fetzer Vineyards
Jessica Baum

Honig Vineyard & Winery
Ashley Egelhoff

J. Lohr Vineyards & Wines
Steve Lohr

Jackson Family Wines
Julien Gervreau

Treasury Wine Estates
Will Drayton

Trinchero Family Estates
Ted Wells

The Wine Group
Kyle Schmidt, Joey Giordano

What's Next?

Advisory Committee to develop Action Plan and KPIs for collective progress towards goal of **Net Zero by 2045**

Present Action Plan & KPIs to Board in **March 2022**

Questions?

GET IN TOUCH

Dr. John Heckman
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VP Environmental Affairs
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VP International Marketing
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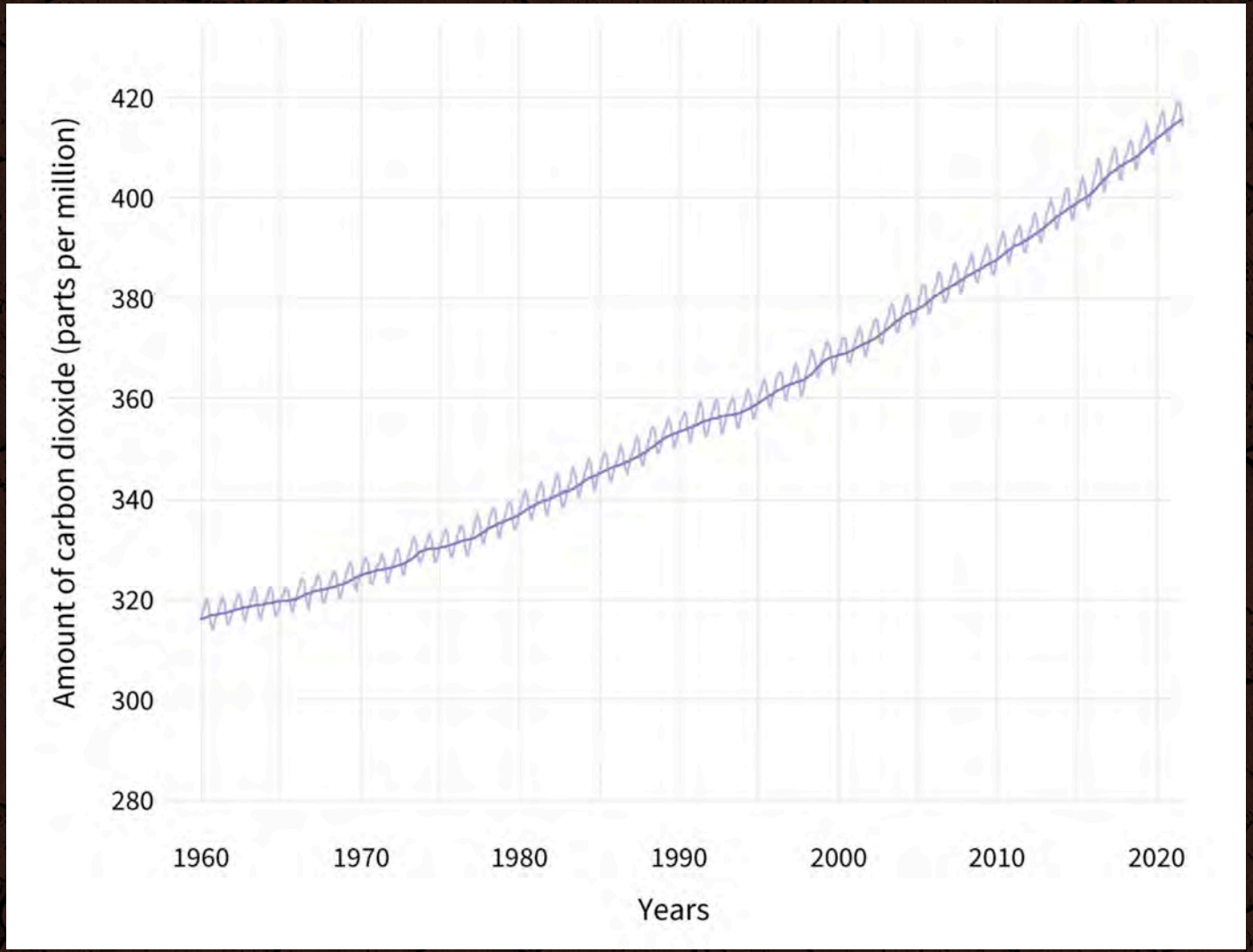
Appendix – Background Materials

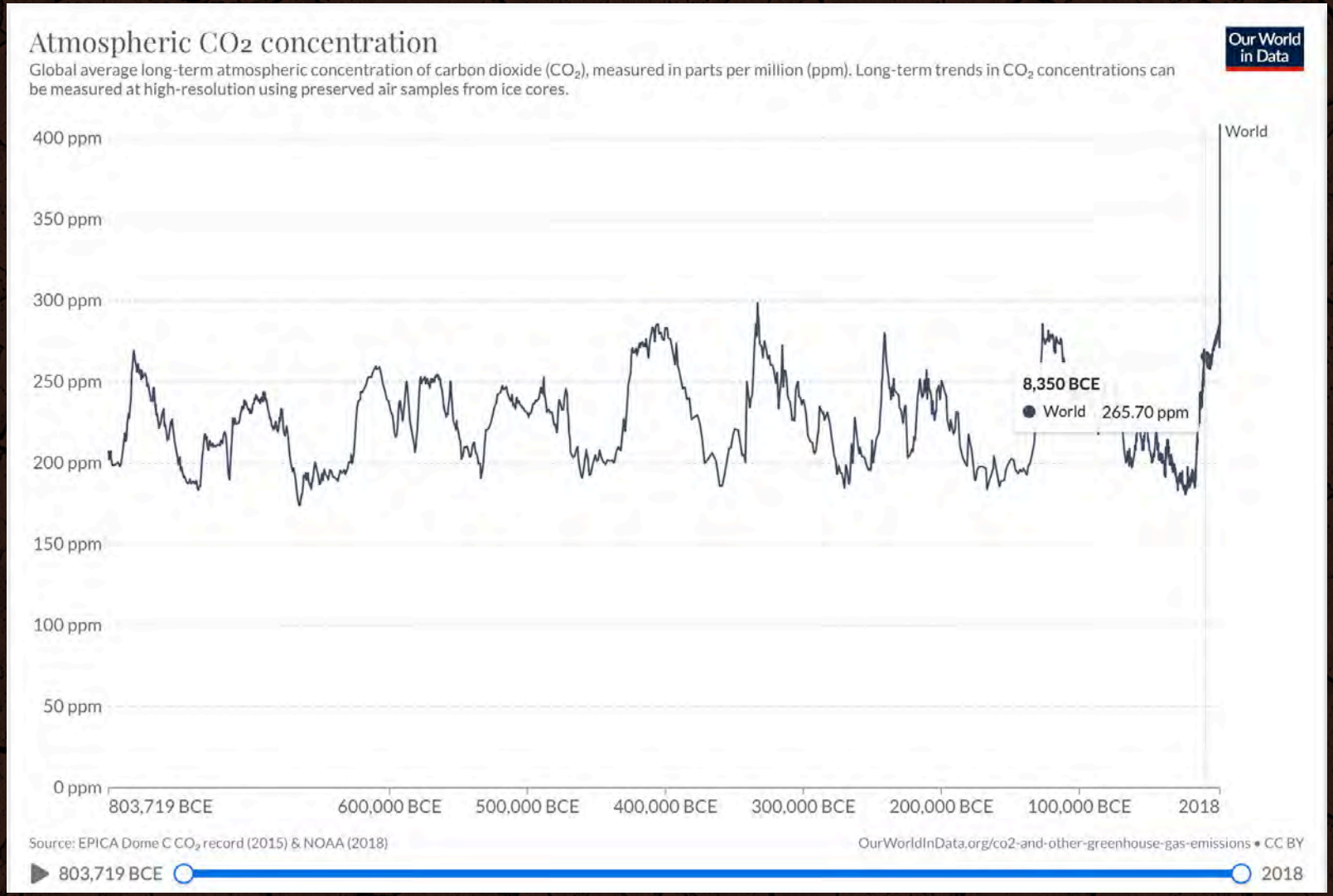
We're Experiencing The Direct Impacts Of Climate Change NOW

- More frequent extreme weather events
- Increased prevalence of disease
- Less cool nights
- Increased frequency and severity of wildfires
- Shift in growing seasons
- Variability in rainfall patterns

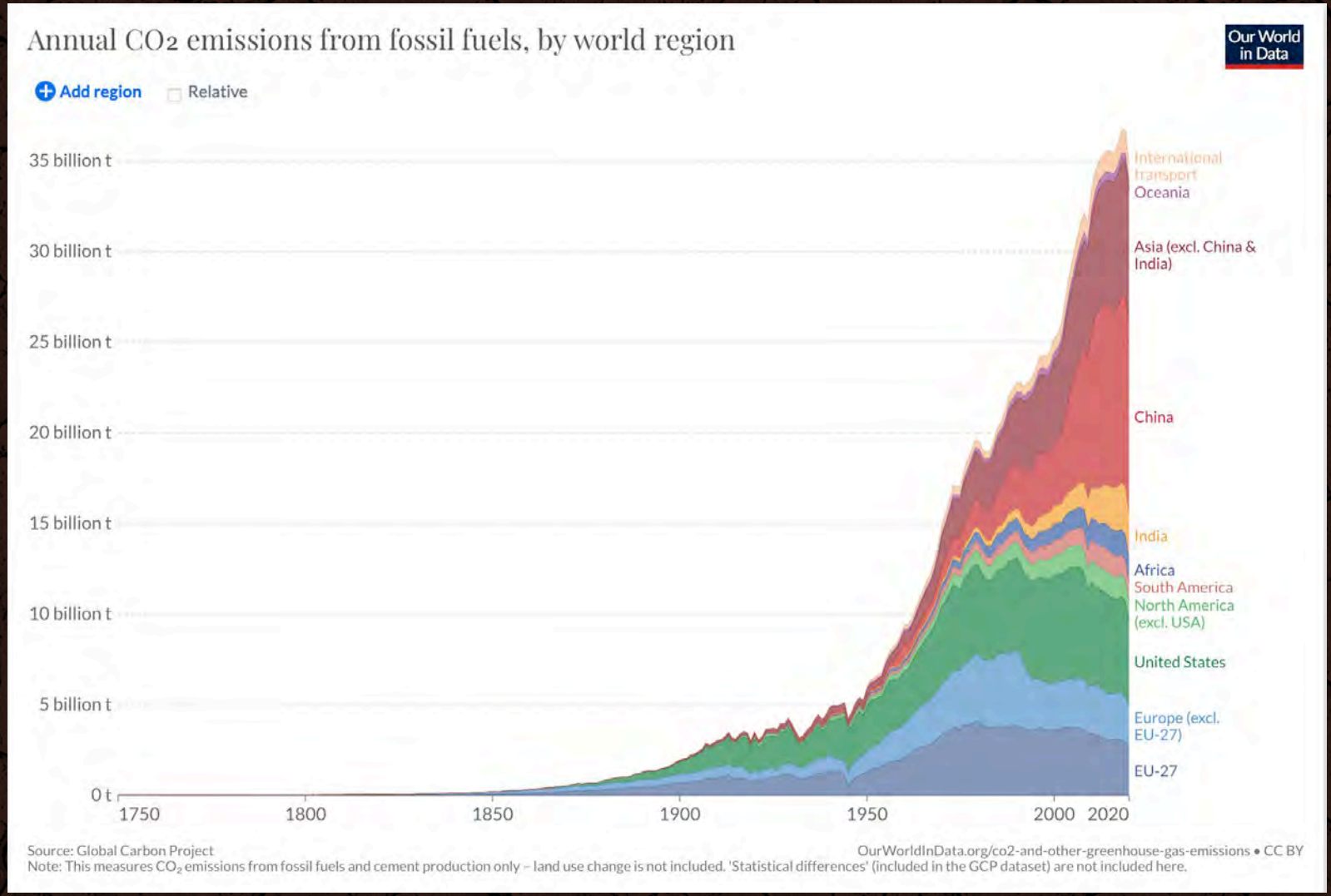
Our CO_2 concentration in the atmosphere continues to increase



The increases can't be explained by historical cycles



But it can be explained by the CO2 we're adding from fossil fuel emissions



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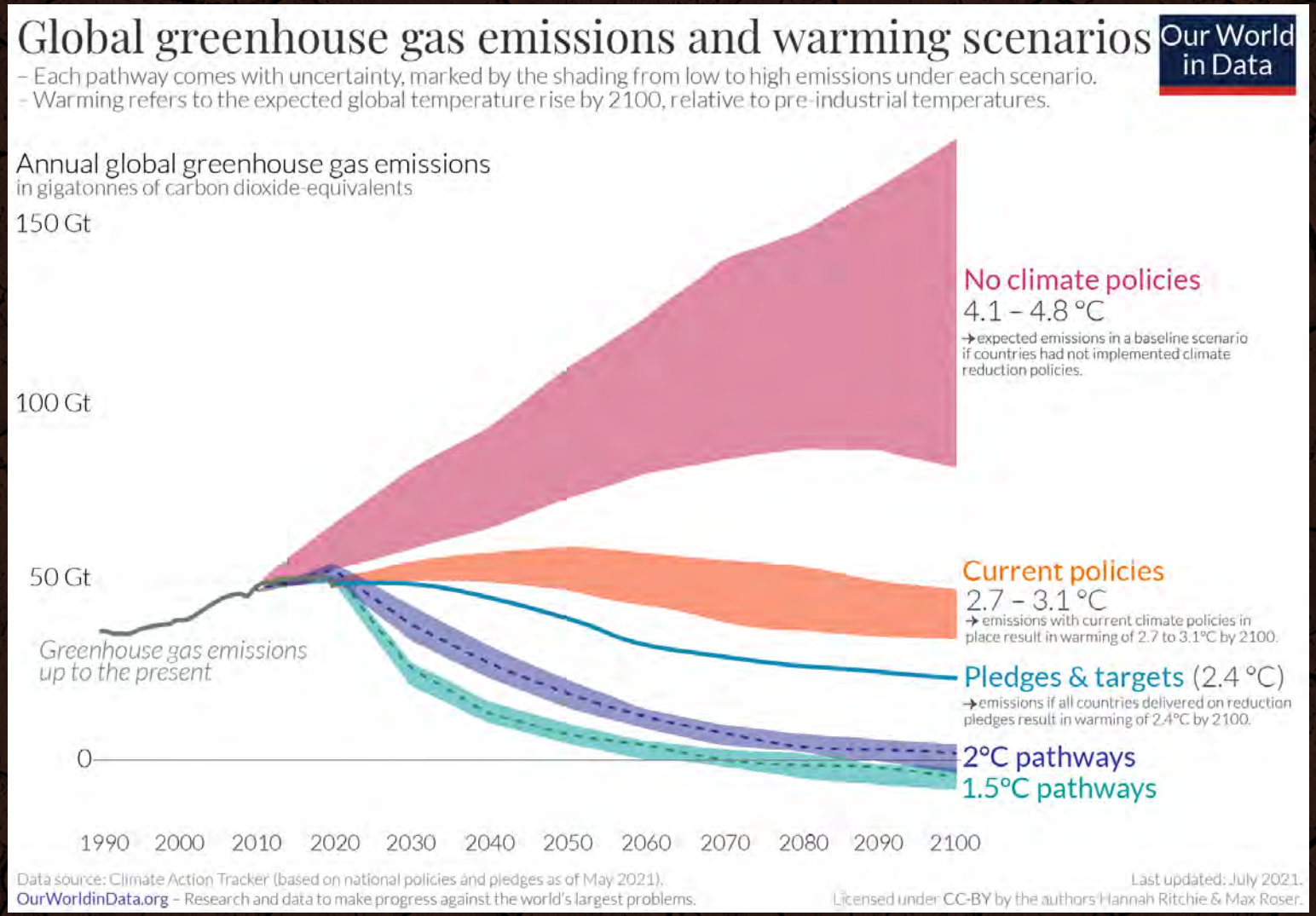
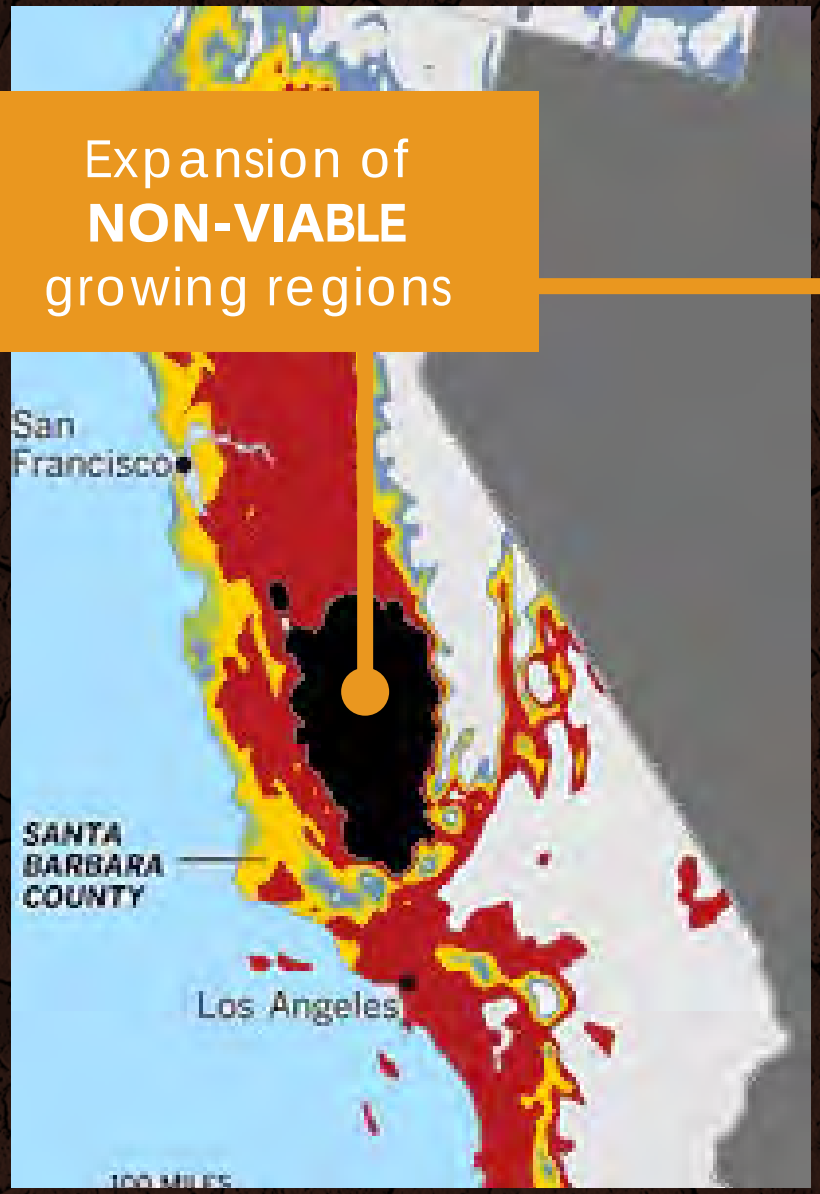
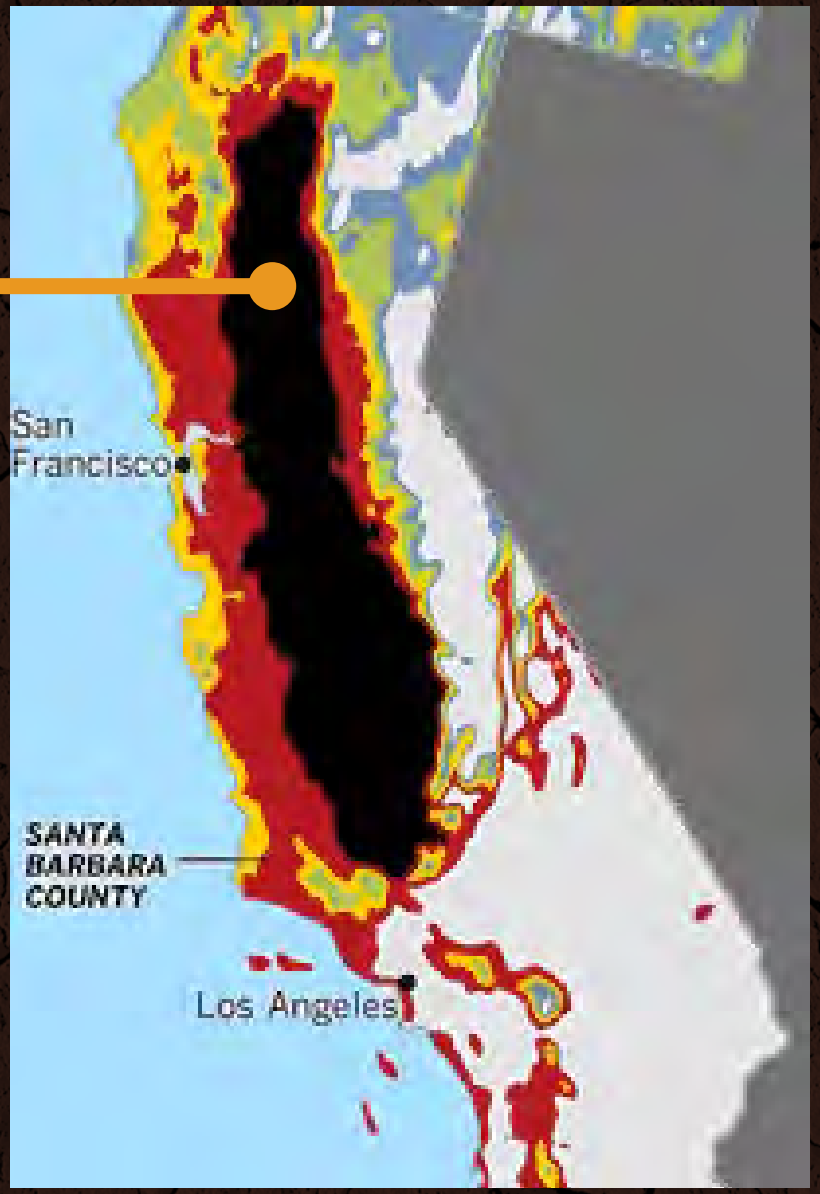
Source: NY Times



Expansion of **NON-VIABLE** growing regions





Some projections show California is expected to lose up to 50% of wine growing regions by 2050

Source: Gregory V. Jones, Southern Oregon University