



Sound environmental management is good business

CAWTHRON MARLBOROUGH ENVIRONMENT AWARDS 2021

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JUDGES' REPORT WINE INDUSTRY LAWSON'S DRY HILLS

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INTRODUCTION

Innovation and sustainability is part of the DNA of Lawson's Dry Hills. Founder Ross Lawson was a leader in the 2001 initiative to convert NZ wine companies to use screwcaps rather than cork, to ensure quality and reduce wastage of wine.

Ten years later Lawson's Dry Hills was one of the first wineries to achieve ISO 14001 accreditation, which encompasses sustainability measures across the whole business. They are now focusing on becoming carbon neutral and are on track to achieve this through ISO14064 accreditation in March 2021.



Reaching and maintaining these international standards costs time and money and requires dedicated effort. It's a big call for a relatively small company such as Lawson's Dry Hills and attests to their commitment to looking after the environment while producing quality wine.

GENERAL INFORMATION

Ross and Barbara Lawson planted their first vineyards in Alabama Road on the outskirts of Blenheim in 1982 and started the Lawson's Dry Hills label in 1992.

Gewurztraminer made from those first vines has brought the company international recognition, and they also produce highly regarded Sauvignon Blanc, Riesling, Chardonnay, Pinot Gris and Pinot Noir.

The Lawson family shares in the company were later bought by their business partners, Tim and Pauline Evill. General Manager Sion Barnsley and winemaker Marcus Wright are also shareholders and Lawson's Dry Hills remains New Zealand-owned.

Their grapes come from 132 ha of company-owned or contract vineyards in the Wairau, Omaka, Waihopai and Awatere Valleys, which provides diverse flavour profiles and some future-proofing for climate change.

The wine is made and bottled at their winery in Alabama Road. This autonomy is important as it gives the company control on quality, from grape to glass.

It also allows them independent decision-making that may sometimes put a weighting on sustainability ahead of profit. For example, all bottles are sourced from O-I in Auckland and made from 60 percent recycled glass. It would have been considerably cheaper to use Chinese-made bottles but that did not make environmental sense.

Consumer surveys show customers are increasingly putting a priority on sustainability when deciding what to buy. Recognising this, Lawson's Dry Hills have opted for ISO accreditation. This requires the company to provide evidence of what they are doing, and to show they are maintaining the required standards:

- ISO14001 – an international environmental management standard aimed at reducing impacts on the environment. It applies to all aspects of the company, from vineyard to winery operations, packaging and office administration. ISO14001 promotes continuous improvement and is audited every year. Lawson's Dry Hills attained it in 2011.
- ISO 14064 – an international carbon zero standard that measures, manages and mitigates the company's carbon footprint across the entire operation from vineyard to port. This is audited annually and Lawson's Dry Hills, working with Toitū Envirocare (Landcare Research), is due to be accredited carbon neutral in March 2021.

The cost of ISO accreditation is outweighed by the benefits – it enables the company to measure and reduce its environmental impact, and is internationally recognised which opens doors when it comes to exporting.

Lawson's Dry Hills was one of the earliest wineries to achieve Sustainable Winegrowing NZ certification and they are also part of the voluntary Continuous Improvement Programme.

Winery sustainability measures:

- Power, water and gas use is recorded and monitored and shows significant reductions per kL of wine between 2019 and 2020. Electricity use is 30% lower than the industry average for the size of winery.
- Water use reduced by 25% between 2019 and 2020, and is almost half the industry average.
- Rainwater is harvested off the large roof of the winery and stored in tank for use in the winery.
- 200 solar panels installed on the winery roof supplying 30% of power needs. Expected payback on the \$98K investment is eight years.
- Through buddy scheme with Trustpower, surplus power can be sold to staff members at a significant discount (8c per unit rather than 26c). The Lawson's Dry Hills solar project is being used as a case study by installation company iGenerate.
- Power and water use is tracked through Agrilink, which provides clear data on performance and improvement.
- Bottles are made in New Zealand with 70% recycled content.
- Cartons made from 100% recycled materials.
- Labels are from FSC certified forests and the back paper is returned to the supplier for recycling.
- Sending pallet plastic wrap off incoming goods to Replas for recycling.
- Reducing plastic waste by using Biogone on pallets leaving the winery. This is a recyclable product that is also biodegradable in landfill.
- Member of the Packaging Forum, which aims to have all packaging reusable, recyclable or compostable by 2025. Packaging Forum is a voluntary levy-based organisation.



Vineyard sustainability measures:

- Reduction in herbicide use to twice a year (1 Roundup, 1 Buster) and moving to under-vine weeding and cover crops instead.
- Phasing out synthetic fertilizer, replacing with seaweed spray and EM (effective micro-organisms).
- All grape marc is spread inter-row, depth of 10 mm, with their own spreader. There has been a slight increase in potassium levels but no concerning effects.
- A compost trial is under way as part of efforts to improve soil health.
- Taking a prevention-is-better-than-cure approach to vine disease. Managing yields and vine canopy to reduce disease pressure.

- One spray of Switch and one spray of Gem for foliar disease protection. Also sulphur and seaweed sprays.
- Setting aside 4.5 ha of plantable vineyard land on Waihopai property for pasture, beehives and native plantings to provide habitat for birds.
- Spring-fed wetland area on Waihopai vineyard cleared of gorse and barberry and extended for native plantings – kowhai, cabbage trees, flax and grasses
- 4 ha of Blind River vineyard property to be planted in natives.

To showcase their sustainability story, Lawson's Dry Hills launched a new brand, Inviniti, in July 2020. It is more fruit-forward and commercial in style compared to Lawson's Dry Hills and sells at a lower price point. The aim is to be accessible to a large number of consumers and they don't have to pay a premium to purchase a sustainable product.

With "Certified Sustainable" upfront on the label, the aim is to reverse the thinking that customers have to pay more for a product that looks after the environment. The fact the Inviniti sauvignon blanc has already won gold indicates there is no compromise in quality.

A key part of sustainable management is having a stable workforce. Lawson's Dry Hills' efforts to encourage a strong staff culture range from paying above the living wage to having a daily get-together to do the newspaper quiz. Staff feel valued and don't leave, which means institutional knowledge is built up and stays in the company.

In line with these values, the company is involved in the community as a sponsor and fundraiser. The key partnership is with Yachting NZ, which includes sponsoring local regattas and encouraging sailing for younger people and those with disabilities. The company is also a strong supporter of Dress for Success, Riding for the Disabled, school auctions and the Christchurch Charity Hospital.

PROBLEMS AND HOW THEY HAVE BEEN TACKLED

- *Cost of certification.* Taking on the ISO and the SWNZ Continuous Improvement programmes comes at a considerable cost financially and in staff time. Yet the commitment has been made and the benefits are now proving themselves in improved monitoring and efficiency, reductions in power use and less spent on landfill fees. Staff are on board and engaged in the sustainability effort and the company is receiving positive feedback from export customers.
- *Consumer recognition of Toitū carbon reduction programme.* Lawson's Dry Hills chose the Toitū Envirocare carbon management programme because of the reputation of Manaaki Whenua/Landcare Research, a Government Crown Research Institute. However there is a lag with consumers recognising the Toitū brand and understanding the work behind it. The company is hoping that more will be done by Toitū to raise awareness.



- *Disposal of plastic.* Reducing the amount of plastic is a priority for the company, along with finding recyclable or biodegradable products. Measures include sending plastic pallets to Replas for recycling, and sourcing Biogone pallet wrap which is biodegradable in landfill. The company is a member of the nationwide Packaging Forum.
- *Wetland restoration.* A degraded wetland on the company's Waihopai property has been turned into an opportunity. Advice was sought in clearing invasive weeds, expanding the pond area, and a native restoration plan is now in place including predator control. As well as environmental benefits the project offers all staff the chance to be involved in planting days.

SUMMARY

Sustainability is not an add-on at Lawson's Dry Hills. It is integral to managing their business, from growing the grapes to exporting the wine.

The commitment to voluntary external certification reflects the company's culture to keep improving and innovating across a wide range of initiatives, including recyclable and biodegradable packaging, solar electricity generation, water harvesting, and achieving carbon neutrality.

They were ahead of the curve in recognising the importance of measuring, monitoring and improving as part of their ongoing ISO and SWNZ certification work. These efforts are paying off in efficiency gains and a marketing edge, as well as environmental benefits.

The judges were impressed that sustainability decisions survive the business evaluation test, even if not directly profit-making. Cost savings are weighed up against the right thing to do for the environment and the need to uphold their brand.

Lawson's Dry Hills don't have deep pockets or wealthy overseas funders, but they show how it is possible to invest in sustainability measures and be profitable.

Their long-term commitment is authentic - they believe in what they are doing and keeping on doing it.

SUGGESTIONS

- Look at creating your own compost on the Waihopai property (rather than truck compost from Nelson to Marlborough). Grow green crops on grazing land and use cuttings to make compost, eg, pea straw, hay, hemp, cow manure, grape marc. Benefits include reduced carbon footprint, reduced fertilizer use, and improved soil.
- Set up a trial to make grape marc compost (including prunings, mowings and sheep droppings) on site at a vineyard.
- Apply for funds from the Marlborough District Council Working for Nature scheme for Blind River and wetland planting.
<https://www.marlborough.govt.nz/our-community/grants-and-awards/working-for-naturemahim-te-taiao/?ed-step=1>
- Consider planting the Blind River 4 ha site as part of your carbon offset.
- If buying carbon credits, look at investing in local permanent forest sink initiatives which bring benefits for biodiversity and water quality.

- To promote your Toitū certification, show the story of how your carbon footprint compares. Eg, shipping wine from NZ to London has a smaller carbon footprint than trucking wine from Italy to London.
- Give vineyard staff the opportunity to look at different ideas/ways of doing things to build on institutional knowledge. For example reach out to experienced organic practitioners to see their alternatives to chemical use. Former Environment Award winner, Dog Point is a good example.
- Keep working on extending sustainability throughout the vineyard –improve soil, reduce herbicide, aim for better balanced vines. Continue to encourage staff to look at different ways of doing things. Ideas can come from talking to organic growers.
- If space allows, consider setting aside part of the Blind River property to grow eucalypts as a source of non-chemically treated vineyard posts and offset for carbon emissions.
www.nzdfi.org.nz.
- Suggest a Bragato Research Institute project into using winery roof area for power generation and offer your experience at Lawson's Dry Hills as a case study.
- In the longer term, look at buying an electric car with Lawson's Dry Hills branding on it, to be powered by your own solar-generated electricity.