



Sound environmental management is good business
**CAWTHRON MARLBOROUGH
ENVIRONMENT
AWARDS**
2015



JUDGES' REPORT

WINE INDUSTRY INNOVATION

PERNOD RICARD

INTERVIEWED

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DATE

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JUDGES

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INTRODUCTION

From protecting the native falcon to precise monitoring of irrigation in the vineyard and big reductions in water use in the winery, Pernod Ricard impressed with its commitment to looking after and improving the environment throughout the company's activities.

This was a wide-ranging entry with a common theme of Lean Management: processes are looked at step-by-step, monitored and changed incrementally to achieve continuous improvement; with staff at all levels involved, informed and engaged.

Being part of a large international company provides the Marlborough Pernod Ricard operation with the support and infrastructure to get to grips with sustainable business development rather than just pay lip service.

It is an excellent example of continuous improvement and compliance being approached and adopted as a team effort, not just the work of one manager carrying a big stick.



GENERAL INFORMATION

In 1973 Pernod Ricard's Montana vineyards were the first in Marlborough to be planted on a large scale. The company has continued to grow to become the largest wine producer in New Zealand with Montana now rebranded as Brancott Estate.

It is also an industry leader in implementing environmental management programmes across the company. These efforts have been acknowledged with a range of ISO certifications for environmental management, food safety, and health and safety; Biogro for 100ha of organic vineyards; and Qualmark EnviroGold for the Brancott Estate Heritage Centre.

These achievements all sit within the Sustainable Development Charter established by Pernod Ricard: "Sustainable development means reconciling economic efficiency with social fairness and the protection of the environment in a process of continuous improvement."

The approach to continuous improvement is embedded in its initiatives for sustainability and efficient use of resources. Per litre of wine since 2010 there has been a 40% decrease in winery energy consumption, 85% decrease in winery waste to landfill, 15% decrease in winery water consumption and a 28% drop in CO₂e emissions.

In the vineyard innovations include computer monitoring of soil moisture that determines how much water is irrigated based on soil type and grape variety, rather than just setting the timer. This refined approach conserves water, saves power (less pumping) and provides bespoke growing conditions for each variety.

Use of certain sprays has been scaled back and in some cases stopped even though they are allowed under Sustainable Winegrowing NZ guidelines.

Organic practices such as under-vine mulching, cultivation to improve irrigation penetration and use of grape marc compost have also been applied to conventional vineyards.

There is a company-wide target for native restoration plantings to be increased each year, with 25% of available land now planted – the Kaituna vineyard and wetland is a good example of this commitment".

In the winery, Pernod Ricard has led the way in finding alternative filtration methods to using diatomaceous earth (DE), a difficult substance to handle and dispose of. Their choice of Dynamos and Decanter technologies has provided environmental and financial benefits. The outlay of \$900,000 was paid back in 3-4 months through improved quality of wine, savings from no longer buying DE, and significant reduction in water use and disposal to landfill. The new filtration system has future-proofed the company as it increases production from 28,000T to 43,000T a year.

The Brancott Estate Heritage Centre is designed to fit into the landscape and includes water collection off the roof, natural ventilation rather than air conditioning, massed native plantings and fencing made from recycled grape posts.

Brancott Estate is the premier sponsor of the Falcon Restoration Trust, providing \$500,000 to raise awareness about this endangered native species. An aviary, self-guided walk and falcon encounters are on site for visitors. \$1 from each bottle of Living Land label goes to the Trust.



The Heritage Centre is also the base for a 5.5km vineyard guided cycle tour that introduces consumers to sustainable vineyard practice as well as learning about the wetland and native planted area.

PROBLEMS AND HOW THEY HAVE BEEN TACKLED

It can be difficult maintaining the momentum of environmental management initiatives long term. This has been overcome by developing simple and effective systems, involving staff from the start, and putting environmental management on the same footing as other vineyard and winery activities.

Processing and disposing of waste is a challenge for the large and expanding winery. The new technology provided by the Decanter and Dynamos filtration systems has been an important step to reduce waste to landfill. Winery Development Manager Eric Hughes chairs the Marlborough Grape Marc industry group which aims to convert all of the region's marc into compost and stock feed or other value add products, rather than dumping it.

Integrating tourism/educational activities into a working vineyard requires health and safety planning and clear lines of communication to work in with vineyard operations such as spraying and machine pruning. This was achieved by the risk assessment process which sets up a staff project team, identifies hazards, puts in controls and carries out an action plan.

SUMMARY

This entry showcases Pernod Ricard's commitment to environmental management and improvement across all parts of the company. While Lean Management and Continuous Improvement are not new concepts, the scale and effectiveness of their implementation is impressive and provides a template for the industry.

Managers and staff have worked together to develop a clear and simple process that translates to all parts of the operation:

1. Identify the risk/issue
2. Manage it
3. Put in an action plan
4. Solve it

Simple technology such as a whiteboard in the staffroom keeps everyone up to date with current issues and what is being done to solve them.

Staff involvement is key, as shown by the series of Post-it notes around the meeting room as cellar staff nipped out a better system for barrel cleaning. The result: steam cleaning to conserve water, a doubling of the number of barrels cleaned per day, and increased productivity.

The entry shows Pernod Ricard as an industry leader in many areas, including cycle tourism in the vineyard, irrigation monitoring and a more environmentally friendly and cost effective system to filter wine.



Vineyard, Winery and Heritage Centre staff have integrated a commitment to the environment into their everyday way of working... it is not just an add-on.

The changes brought about by their Lean Management techniques are good for the environment, good for the staff and good for the company's bottom line. This entry is a stand-out example of the Cawthron Marlborough Environment Awards motto: "Sound environmental management is good business".

SUGGESTIONS

- As the biggest wine company in New Zealand you are well positioned to lead by example when it comes to environmental management. Continue to share your knowledge and best practice at industry events such as Bragato and NZWG Grape Days.
- Continue to increase the native plantings along the vineyard cycle trail and around the Heritage Centre.
- Continue exploring the installation of solar power panels on the winery. (Follow the lead of fellow entrant Spy Valley).
- Your achievements with Lean Management would make a good case study on the NZ Trade and Enterprise website.