



Zilzie Wines Disclosure Statement

The Carbon Reduction Institute (CRI) welcomed Zilzie Wines into the NoCO2 certification program in 2008. In doing so, CRI undertook an audit of the Greenhouse Gas (GHG) emissions produced from the operations of Zilzie Wines for the purpose of reducing and offsetting these emissions.

The initial audit considered all GHG emissions sources within the boundaries outlined below over a one year period. Zilzie Wines then opted to offset 100% of the emissions related to the Bulloak range of wines, purchasing the equivalent amount of carbon credits revealed in the audit. This allowed Zilzie Wines entry into the NoCO2 certification program, with the ability to promote Bulloak as a carbon neutral certified product. Zilzie Wines are also included in the Low Carbon Economy. Ongoing certification with the NoCO2 program requires that Zilzie Wines maintain an accurate GHG inventory through quarterly monitoring and annual re-audits conducted by CRI.

How were Zilzie Wines' emissions calculated?

Using the Greenhouse Gas Protocol, CRI drew boundaries to determine the emissions sources for which Zilzie Wines' were responsible. The rationale for the selection of boundaries is outlined below.

Emissions Boundaries

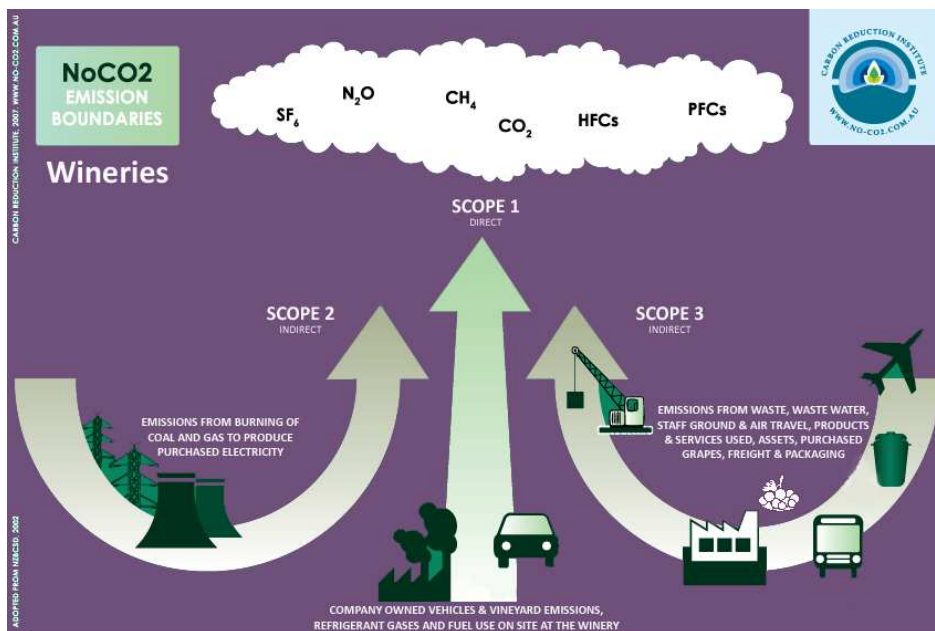
There are two types of boundaries that must be set when compiling a GHG inventory; an organisational boundary and an operational boundary.

Organisational boundaries allow an entity to distinguish between GHG emitting activities that are attributable to their organisation, and those that are not. When setting organisational boundaries, CRI applies a *control rationale*, in accordance with the Greenhouse Gas (GHG) Protocol's definition – accounting for emissions from activities over which they have direct control. This covers activities where an organisation has authority to directly alter its emissions patterns, be it through the implementation of technology change, direct authority or policy (a purchasing policy, OH&S, recruitment etc).

In following this methodology, the emissions from any spend made directly by the Zilzie Wines in its operations have been assigned to its greenhouse gas inventory. In some instances however, a company will have elements of control over activities without evidence of a dollar spend within its financial accounts. A good example is staff travel, where a company may encourage and incentivise use of public transport and carpooling. CRI included staff travel in Zilzie Wines' audit because of this; and because of the educational benefit gained by staff by incorporating their travel behaviour into the audit. The emissions accounting methodology described above are applied to all organisations audited within CRI's NoCO2 certification scheme.

Operational boundaries allow an entity to define the emissions that they own or control and categorise them into different scopes (as either direct or indirect) to separate and define the emissions produced from their operations. Three scopes as defined by the GHG Protocol are described below.

- **Scope 1: Direct GHG emissions** - Emissions that occur from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces and vehicles.
- **Scope 2: Electricity indirect GHG emissions** - Emissions from the generation of purchased electricity consumed by the company.
- **Scope 3: Other indirect GHG emissions** – Emissions that are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. These include emissions from waste, the extraction and production of purchased materials; transportation of purchased fuels and transportation of employees to and from work.



The emissions sources included in this study are shown here:

Scope(s)	Source	Emissions Type
Scope 1	Fuel	*Direct and Indirect emissions from burning combustible fuels onsite at the winery, machinery and company owned vehicles
	CO ₂	*Direct application of purchased CO ₂ in the winery
Scope 2	Electricity	*Indirect emissions from the burning of coal and gas at power plants to produce purchased electricity
Scope 3	Waste and Wastewater	*Methane emissions from the decomposition of waste in landfill, and from decomposition of wastewater
	Staff Ground and Air Transport	*Fuel combustion – Direct and indirect CO ₂ e emissions from car and air travel
	Expenses	*Embodied Emissions of all expenses in the chart of accounts including all products and services used
	Assets	*Annualised embodied emissions of all assets based on depreciation rates used for tax purposes
	Purchased Grapes	*Greenhouse gas emissions from farming grapes consumed by Zilzie Wines
	Freight	*Direct emissions from freight
	Packaging	*Embodied emissions in packaging

The above emissions sources were calculated by applying a combination of Life Cycle Emission factors (for items such as transport, electricity, fuel usage and waste), privately contracted emissions analysis and greenhouse intensity figures from Australian Input /Output tables.

What Methodologies were used?

The Carbon Reduction Institute’s audits follow the standards outlined by the World Business Council for Sustainable Development’s Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. Also used are life-cycle emissions factors, privately contracted emissions analysis as well as Australian input output tables produced from a CSIRO triple bottom line analysis of the Australian economy. CRI commissioned a report (produced by AHA Viticulture) on the inputs and outputs from the production of grapes in different regions in Australia. Also referenced is the 2008 Greenhouse Gas Protocol for the Wine Industry for the Grape and Wine Research and Development Corporation, produced by the Winemakers’ Federation of Australia, Provisor Pty Ltd and Yalumba Wines.

How were emissions offset?

We have offset 100% of the greenhouse gas emissions from Bulloak Wines by purchasing and retiring verified carbon offsets generated by renewable and energy efficiency projects. These projects have been verified against the [Voluntary Carbon Standard](#), one of the world’s leading third-party verification benchmarks, and correspond to real, permanent, verified and additional reductions in greenhouse gas emissions. For more information about these projects, please visit www.noco2.com.au/web/page/offset.