



# **Sustainability & Responsibility Report FY'23**







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## Our Approach

### At Sula Vineyards, Green is as important as Red, White and Rosé!

Sustainability is a guiding principle of life and business for us. We strive to be responsible stewards of our land, because it's the best way to make authentic, distinctive wines. Our commitment to producing the best wines through sustainable winemaking and viticulture operations goes beyond protecting our natural environment. We strive to enhance our land and enrich the lives of the community dependent on our businesses through our sustainable vineyards.

Our Sustainability program is designed to drive our growth and develop a reporting framework which allows us to confidently report our performance.

## About this Report

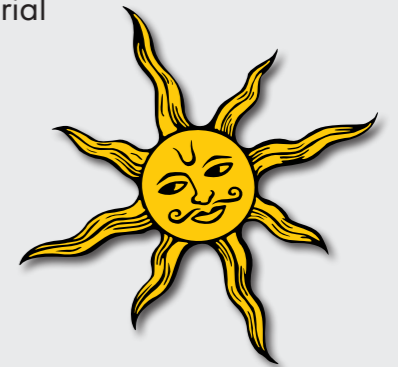
Our 5th sustainability report, covering the timeframe between April 2022 and March 2023, offers a comprehensive overview of our key sustainability principles and the actions we have implemented to support them. It presents a concise overview of our efforts in reducing our environmental footprint, consolidating all the initiatives undertaken. We have consistently published our annual sustainability report since the fiscal year 2018-19.

This report covers all of Sula Vineyard's manufacturing sites along with our wine tourism business.

The reported statistics concerning environmental issues cover our four owned manufacturing facilities - Nashik winery, York winery and Domaine Dindori in Nashik and Domaine Sula in Karnataka, along with two leased wineries Indian Ambiance and ND Wines. It also covers our wine tourism business at Nashik winery and Domaine Sula, including two resort properties The Source and Beyond by Sula. Data regarding our employee welfare measures not only covers the above facilities but also our head office in Mumbai and our regional sales offices across the country. The data in this report covers all significant areas of operation and is therefore not segregated according to region.

### Changes in Reporting

Reporting remains the same as FY'22, The report covers 6 wineries, 2 resorts, 3 restaurants and 3 tasting rooms. The focus of the report is on topics that are material both to our business and to all our stakeholders.



### Assurance

The data presented in this report is consistent with the records maintained throughout the year and has undergone internal validation to ensure accuracy. The internal assurance for this report has been recommended and approved by our senior management team.





## Company Overview

Over the last 21 years, Sula Vineyards has grown and established itself as a pioneer, innovator and leader in the Indian wine industry. We are one of the most eco-friendly companies in India, with a significant amount of our resources committed to sustainable winemaking practices, sustainable vineyards and ensuring fair livelihoods for our community of farmers across Maharashtra and Karnataka.

We ensure that every decision we make respects our values, alongside our objectives. Making great wine is our passion and our goal, but we make sure to put the environment's well-being before anything else.

Each extra step taken towards creating a sustainable final product is worth it.

Manufacturing Capacity

**16.7 Million Litres**

Our year in **Numbers**

Turnover

**₹5,354.3 Million**

Cases Sold

**10,66,000 of our own wines**

Visitors to our Wine Tourism Facilities

**3,46,000**

## Our Wines

Our product selection strives to offer something for everyone and every celebration. Sula Vineyards is proud to have built a culture of wine drinking in India and has been the #1 International Trailblazer in Indian wines. The way we operate, is guided by our core values that aim at preserving and enhancing the art of winemaking.

Our extensive wine portfolio spans over a wide range of products made from about 15 different grape varieties. Our main wine categories include, RĀSĀ, The Source, Dindori Reserve, Sula Classics and York.



RĀSĀ — THE SOURCE — DINDORI RESERVE



SULA CLASSICS



YORK



## Certifications

### Brand Reputation Certificate

As part of our commitment to delivering the best quality of wines, our food safety system is now certified by the Brand Reputation Compliance (BRC) Global Standards. This certification is an upgrade on our earlier ISO 22000 certification. BRC standards are dynamic and evolve rapidly to reflect global best practices, are industry specific and are also recognized by the Global Food Safety Initiative (GFSI). Our two largest facilities are now BRC certified, and the others will also be adopting BRC standards going forward.



### Food Safety and Standards Authority of India

Our products conform to FSSAI during its production, labelling, and sale and are regulated by various laws and regulations, including the Food Safety and Standards (Alcoholic Beverages) Regulations, 2018, which fall under the preview of FSSAI.



### Great Place to Work

Sula Vineyards has been recognized as Great Place to Work® for the second year in a row in the category of mid-sized organizations, an award we are especially proud of as it reflects our efforts on employee well-being.



## Memberships, Affiliations & Associations

Sula Vineyards supports and participates in associations that seek to promote the development of the sector. It also helps in fostering community, providing access to resources and opportunities, enabling advocacy, enhancing professional development and credibility, shaping identity, and facilitating social and growth of the wine sector in a responsible manner for the benefit of the Industry and Consumers.

- International Wineries for Climate Action (IWCA)
- All India Wine Producers Association (AIWPA)
- Confederation of Indian Industry (CII)
- Confederation of Indian Alcoholic Beverage Companies (CIABC)
- The Federation of Hotel & Restaurant Associations of India (FHRAI) – Applied
- The Association of Bars, Hotels and Restaurants (ABHAR)



Confederation of Indian Industry



CONFEDERATION OF INDIAN ALCOHOLIC BEVERAGE COMPANIES





## Sustainable Development Goals

As part of our commitment to delivering the best quality of wines, our food safety system is now certified by the Brand Reputation Compliance (BRC) Global Standards. This certification is an upgrade on our earlier ISO 22000 certification. BRC standards are dynamic and evolve rapidly to reflect global best practices, are industry specific and are also recognized by the Global Food Safety Initiative (GFSI). Our two largest facilities are now BRC certified, and the others will also be adopting BRC standards going forward.



United Nations Sustainable Development Goals, 2023

## Circular Economy

At Sula Vineyards, our waste management practices follow a scientific approach that prioritizes the principles of Reduce, Reuse and Recycle. A significant portion of our waste consists of organic matter, which we convert into organic compost to nourish our vineyards.

Despite 99% of our packaging materials being recyclable, we are committed to further enhancing our sustainability efforts by implementing a comprehensive packaging program. As part of this initiative, we have identified several measures to be implemented, some of which are outlined below:

-  Increase the contribution of recycled Glass bottles.
-  To utilize reusable packaging.
-  Usage of biodegradable and compostable materials.
-  Engaging our suppliers.
-  Educate customers to promoting reuse, recycling & repurposing of materials.





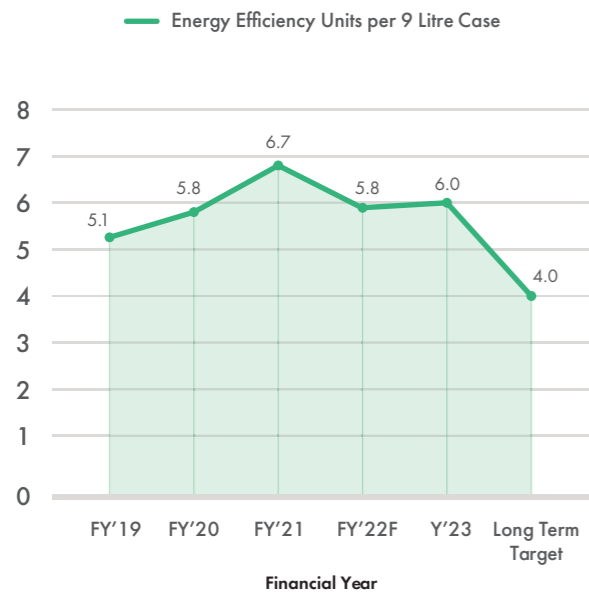
## Key Performance Indicators

Metric	Unit of Measurement	FY'19	FY'20	FY'21	FY'22	FY'23	Long Term Target
Water Efficiency	Litres per 9 Litre Case	84.2	71.5	77.4	60.1	55.1	40.0
Energy Efficiency	Units per 9 Litre Case	5.1	5.8	6.7	5.9	6.0	4.0
Solar Contribution	% Contribution	45%	49%	61%	60%	52%	70%
Solar Generation	In Million Units	2.53	2.96	3.30	3.66	3.98	-

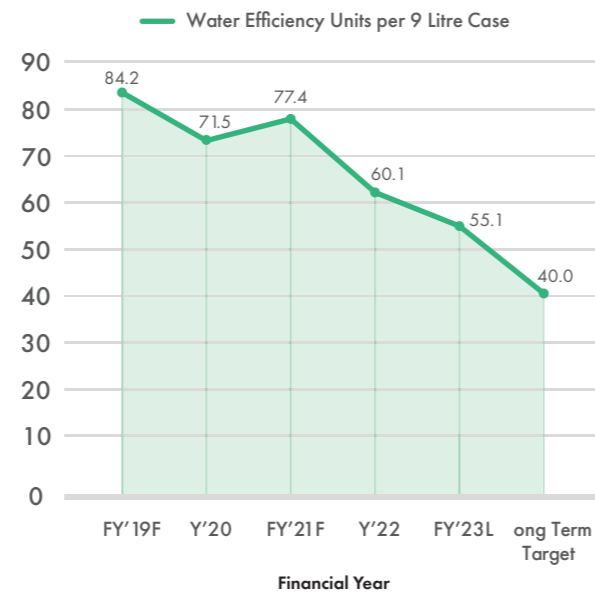
\*Calculations based on number of cases dispatched

\*Excluding York operations.

### ENERGY EFFICIENCY

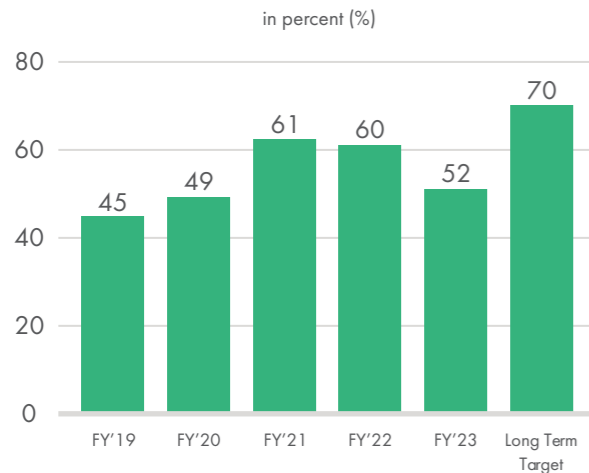


### WATER EFFICIENCY



Energy Efficiency and Water Efficiency are calculated taking into consideration all of our owned and leased facilities

### SOLAR CONTRIBUTION



Solar contribution includes all our owned and leased production facilities and wine tourism business.

### SOLAR GENERATION



## FY'23 Accomplishments

In FY'23, Sula Vineyards has been awarded with the **Silver Membership of IWCA** based on FY'20 emissions as the base line year for calculating greenhouse gas emissions across all three scopes.



In FY'23, at our flagship Nashik Winery and at York Winery we fulfilled 83% and 76% respectively of our energy needs through onsite Solar Power. This is inline with our long term targets.

In FY'23, we installed over 318 KW of additional solar panels at various locations which represents 12% of increase in solar installations.



In FY'23, out of total vehicle purchase 91% were EV's which takes our EV's share to 28%.

We further aim to increase the share of Electric Vehicles by 10% each year, till we get to 80%.



In FY'23, we more than doubled our installed heat pumps capacity which now stands at 661KW as against 300KW in FY22.





## FY'23 Accomplishments

We have introduced a E-bike loan policy for our employees at just 8% rate of interest, thus incentivising them to adopt more sustainable means of transport.



We have installed 10 AC type electric vehicle charging stations at all our facilities in FY'23 and provide charging free of cost to all our employees and guests alike.



In FY'23, we achieved more than 60% of our cooling tower water requirement through recycled water that is about 3 million litres.



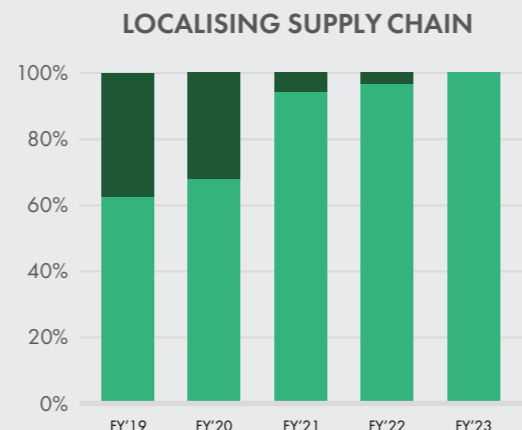
Our diligent efforts towards water conservation have paid off, resulting in a reduction of water usage to 55 liters per case in FY'23, compared to 60 liters per case in FY'22.



We have successfully localised our sourcing of glass bottles and moving away from imported bottles.

In FY'23, 100% of our bottles were sourced locally vis-a-vis 65% in FY'19.

■ Locally Sourced ■ Imported



## Environmental Stewardship

We stay committed to nurturing a culture of responsibility and care towards the planet. We have upped our sustainability quotient with focused efforts on conserving water, reducing carbon emissions, enhancing renewable energy use and phasing out single-use plastic.

Climate change impacts all our operations being an agro based industry. We face the challenge of water availability due to irregular and unseasonal rainfall. Rising temperatures affect our wine storage and supply chain. We plan our operations to ensure conservation and judicious use of natural resources.

We have defined specific targets to ensure that we utilize our resources optimally and continue to contribute towards making our communities greener and more sustainable. Optimum utilization of energy and water at all our properties, reducing greenhouse gas emissions and efficient waste management are the major focus areas for us, and we are making steady progress towards achieving our goals.

### Energy and Green House Gases (GHG)

Our key focus is on reducing the grid power usage and adoption of green energy through solar installations at all our facilities. Solar contribution in FY'23 was 52%. We have taken various initiatives for reducing our GHG emissions by adopting smart operations and innovative technology.

### Heat Pumps

Heat pumps have been installed to heat swimming pool water at our resorts and heat line sanitation water in our bottling operations, as well as in barrel cleaning and the sleeving tunnel.

Moreover, the heat pumps produce cold air as a by-product, which is being used to cool their office spaces, thereby reducing our dependence on air conditioning systems.

### Lees Filtration System

We have taken the initiative to enhance the wine production process by installing a lees filtration system in FY-23. Not only does this system help us produce more wine from the same quantity of grapes (doing more with less!) but it also improves the quality of the wastewater.



This is because the lees are no longer sent to the effluent treatment plant but are filtered.

As the wastewater is now free of lees it has less BOD and COD, thereby reducing our GHG emissions in wastewater treatment.

## Battery Backup System

Traditionally we have relied on diesel generators to produce electricity during times of power supply disruptions. Our solar systems provide energy only during the day and they also need reference power to work. Diesel generators are the dirtiest source of power, have the highest emissions and contribute directly to our Scope 1 emissions.

To reduce the use of DG's we have now installed 440 kWh of batteries for energy storage which will fulfil our needs during power cuts and will also provide reference power for our solar system.

## Solar-Powered Pumps

Sula has taken a significant step towards sustainable farming practices by eliminating the use of diesel-powered pumps for irrigation at their estate vineyards. Instead, they have switched to solar pumps, with a total capacity of 123 Hp in FY-23, which is an increase from 118Hp in FY-22.

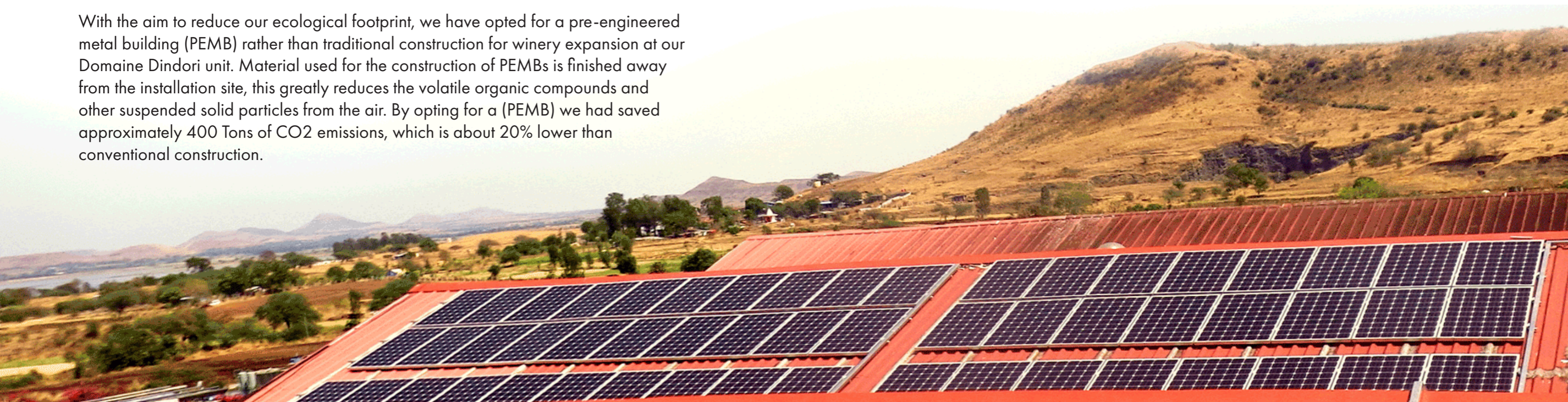
## Sustainable Construction

With the aim to reduce our ecological footprint, we have opted for a pre-engineered metal building (PEMB) rather than traditional construction for winery expansion at our Domaine Dindori unit. Material used for the construction of PEMBs is finished away from the installation site, this greatly reduces the volatile organic compounds and other suspended solid particles from the air. By opting for a (PEMB) we had saved approximately 400 Tons of CO2 emissions, which is about 20% lower than conventional construction.

## Energy Management

We are actively enhancing our energy efficiency practices and internally evaluating our energy consumption by performing daily monitoring and trend analysis. Here are some of the best practices we have implemented:

- Chilling operations only during solar hours.
- Converting fluorescent lighting to LED lighting.
- Utilizing Variable Frequency Drives (VFDs) to reduce energy consumption of equipment, such as pumps.
- Insulated wine storage tanks to prevent heat loss.
- Reducing energy use during cold stabilization by using ion exchange and electro-dialysis for wine stabilization.
- Replacing old air conditioner units with inverter-based AC.
- Insulating barrel rooms to prevent heat loss during wine ageing.





## Water

Viticulture and winemaking are both water intensive processes and conserving every drop of water is necessary. Water resource management is paramount for achieving sustainability and longevity and requires attention not only in our production facilities and vineyards, but also at the tasting rooms and corporate offices.

**We are one of the pioneers in rainwater harvesting in the Nashik area. Our wineries have a combined rainwater harvesting capacity of 36.8 million litres.**



Ariel View of Rainwater Reservoir at Sula Vineyards

At Sula Vineyards, not a single drop of water gets wasted. We have installed high specification effluent treatment plants at all sites to ensure that 100% water is recycled. In FY'23 we reused around 53 million litres of treated water for various purposes like; irrigation of our estate vineyards, landscaping at our resorts and flush water in the office restrooms.

In FY'23, we achieved more than 60% of our cooling tower water requirement through recycled water that is about 3 million litres. Additionally, we also reuse the rejected water from RO treatment and softener plants for activities like, floor cleaning and dish washing at the canteens.



Ariel View of STP at Domaine Dindori

## Waste

Solid waste pollution of green spaces, water bodies and urban environment is a major global issue.

In FY'23, we generated roughly 358 MT of solid waste. 99% of this packaging material is recyclable. For disposal of organic waste, we have set up a 200 Kg biogas plant at our restaurant at Nashik winery and a 35 Kg plant at our canteen facility at Domaine Dindori.



Biogas plant at Restaurant

**The waste generated from the winemaking process is an excellent material for compost production.**

It is sun dried and used as a component for vermicompost along with FYM and shredded vineyard cuttings which is exclusively used in our vineyards as a substitute for chemical fertilizers.



Vermicompost production at our Vineyards



## Vineyard Practises

Maintaining the health of our vineyards and promoting the longevity of their use is integral to the success of our business and the quality of our wines. We operate as a conscientious wine producer, adapting to the changing climate while making high quality wines and preserving the fertility of the land for the years to come.

To combat the seasonal variations arising due to the climate change, we are implementing various practices such as:

- Delayed pruning cycle to mitigate the uncertainty of rains.
- Drip irrigation system at all vineyards
- Moving away from all toxic fertilizer and inorganic chemical usage
- Use of vermicompost for soil fertility
- Nitrogen fixing cover crop plantation during monsoon.
- Using sheep for weeding the the vineyards rather than using harmful weedicides.
- We also work with our grower partners to implement more sustainable practices for grape cultivation, without compromising on the quality and yield.



De-weeding with Sheep

## International Wineries for Climate Action (IWCA)

IWCA is a part of the 'Race to Zero' global campaign, led by the United Nations and its member wineries are committed to achieving net zero emissions by 2050.

The IWCA, which was established by Familia Torres (Spain) and Jackson Family Wines (USA), is a prominent organization within the wine industry that strives to minimize carbon emissions and address the consequences of climate change. The IWCA boasts 40 members that include some of the most distinguished wineries worldwide. Sula Vineyards is the pioneer winery in Asia to become a member of IWCA.

Sula Vineyards has been awarded with the Silver Membership of IWCA in FY'23 based on FY'20 emissions as the base line year for calculating greenhouse gas emissions across all three scopes.

By enrolling in IWCA, Sula has committed to the following obligations:

- Becoming Net Zero by 2050 across Scope 1 to 3.
- Third party verified GHG inventory of Scope 1 to 3.
- Operations to be powered by at least 20% renewable energy.
- Show reduction in CO2 emissions from baseline inventory.

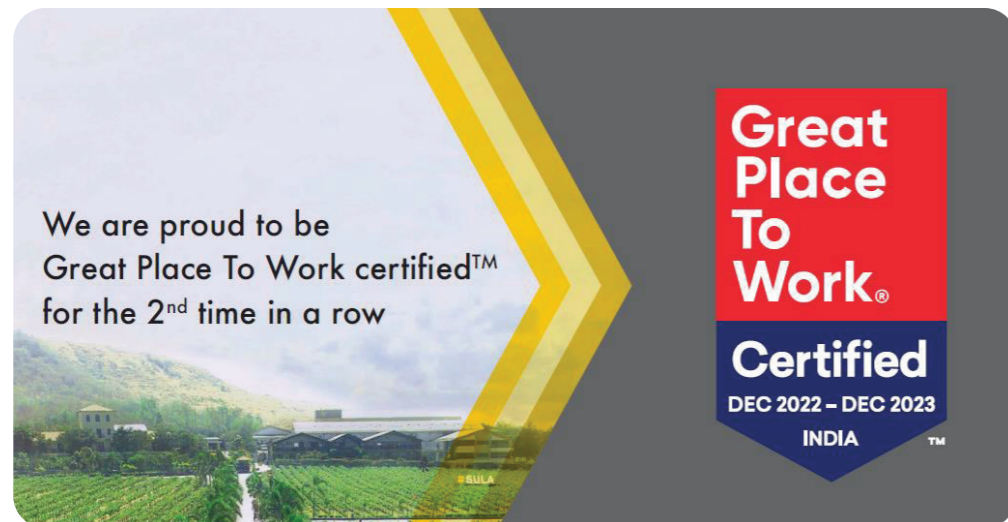




## People

At Sula Vineyards, we prioritize the cultivation of strong relationships with our stakeholders, recognizing that our workforce and the communities we serve are integral to our business prosperity. We are steadfast in our commitment to guaranteeing the safety, security, and overall welfare of our personnel by implementing all requisite measures.

The fiscal year 2023 marked a significant achievement for our organization as we were honored with the esteemed Great Place to Work Award for the consecutive second year. We take immense pride in our 93% satisfaction rate, surpassing the previous fiscal year by 2%. We aspire to maintain this esteemed recognition in the future.



Our organization boasts a diverse workforce comprising skilled professionals from various domains within the wine industry, such as viticulture, winemaking, hospitality, finance, IT, legal, HR, administration, and sales. As of 31st March 2023, we employed a total of 752 full-time employees.

At our organization, we prioritize the success and well-being of our employees through comprehensive benefit plans, recognition programs, and learning opportunities. We recognize the importance of equipping our workforce to thrive in their careers while maintaining a healthy work-life balance. To address the challenges they may encounter, we continually assess the impact of external factors on our employees and provide various benefits to ensure their overall well-being.

## Rewards, Recognition & Benefits

We take immense pride in recognizing the unwavering commitment, perseverance, and diligence exhibited by our employees. In FY'23, we celebrate the achievements of 62 individuals who have dedicated 10 glorious years to our organization, while 14 exceptional employees have reached the remarkable milestone of 20 years of service with Sula Vineyards.

We prioritize the growth and advancement of our diligent staff by providing opportunities for promotion based on their exceptional performance.



Long-Term Service



Outstanding Performance Award



Employee of the Quarter

Apart from employee reward and recognition, we offer several significant benefits that go over and above the statutory mandate to our staff as mentioned below:

**Special Benefits:** Employee wine allotments and discounts, merchandise discounts. Discounted stock sold under an Employee Stock Option Plan. We are very proud to have given stock options to all our employees. We take pride in making all our employee's shareholders, contributing to their happiness and sense of ownership in the company.

**Employee Loans:** Sula Vineyards prudently provides its employees with short-term loans and advances, assuring them access to funds while maintaining the lowest interest rates within the market. Additionally, Sula offers a unique loan program facilitating the purchase of Electric two-wheelers, encouraging employees to transition from fossil fuel vehicles and actively contribute to a sustainable society.

**Parental Leave Policies:** We are 100% compliant with the Maternity Benefit Act 2017. We go above and beyond by offering a month-long paternity leave to all our male employees.



**Learning & Development:** We prioritize the professional growth and development of our employees by conducting a wide range of technical and skill development training sessions both online and offline throughout the year. In FY'23, we organized 192 training sessions, totaling 5300 hours of employee engagement. These training programs cover diverse topics including time leadership skills, time management, effective communication, technical training on ISO, BRC, FASSAI norms, IT security, and awareness, ensuring our workforce is equipped with the necessary knowledge and skills for their roles.

**Internship Program:** We offer internships to young aspiring candidates across various departments like winemaking, viticulture, HR, finance quality control. Hard working and dedicated candidates from these training programs are often offered full time positions in the organization.

**Gender Equality:** We take pride in the fact that we are an Equal Opportunity Employer and ensure zero discrimination during hiring or at the workplace. There is no gender-based discrimination for determining the compensation packages or during promotions. Our corporate office in Mumbai has 50% female employees.

**Employee Wellness:** At Sula Vineyards, we prioritize the well-being of our employees by offering comprehensive health insurance coverage for our permanent employees, their spouses, and two children. To proactively monitor their health, we organize annual health check-ups for all employees. Additionally, we provide on-site medical consultations thrice a month and offer free health check-ups at wineries. Our rest of the employees also have access to a free online doctor application for a quick consultation with renowned doctors. To promote a healthy culture, we organize activities such as yoga classes, walkathons, marathons, and trekking. Furthermore, we have established a green gym at our wineries to encourage physical fitness among our workforces.



**Employee Engagement:** We organize various fun activities throughout the year to foster team spirit and enhance employee engagement. These include annual picnics, parties, festive celebrations, team-building activities, new year's celebrations and sports days, creating a vibrant and enjoyable work environment.



**Safe Workplace:** Sula Vineyards is steadfast in its commitment to fostering a safe and respectful workplace for all employees. We have implemented clear guidelines and standard operating procedures (SOPs) regarding the code of conduct, Prevention of Sexual Harassment (POSH), and whistle-blower policies, which all members of the organization are expected to adhere to. To ensure a safe environment, we have a dedicated panel to investigate any reported complaints. In FY'23, we are proud to report zero cases of sexual harassment. While we received a few disciplinary cases, appropriate actions were taken in accordance with our policy. We continue to conduct awareness sessions to educate employees and maintain a culture of safety and respect.

**Automation:** We have achieved significant progress in automating our HR processes, with 70% now automated. In FY23, we successfully integrated payroll, performance management, loan processing, and attendance management onto a single platform, simplifying navigation for our employees and enhancing overall efficiency.

**Leave Policy:** In recognition of the importance of work-life balance, we provide our Sales and Mumbai office employees with 25 paid leaves per year, while our winery and Hospitality staff receive 28 paid leaves. These additional leaves are offered in conjunction with weekly off days and regional and national holidays to ensure our employees have ample time for rest, rejuvenation, and personal commitments.

**No Child Labour:** We take immense pride in affirming that all our locations are completely free of child labour, ensuring ethical and responsible practices.



## Responsible Enjoyment

### Our Tasting Rooms

Our tasting rooms are designed to offer a relaxing and engaging environment for the enjoyment of our wines. In FY'23, Sula Vineyards promotes responsible consumption of its products both among consumers and employees, recognizing this responsibility. Only those individuals who are 21 years of age or older are served wine at our hospitality facilities. We also offer guided tours and tastings experience, conducted by trained wine experts. We prioritize the health and well-being of our visitors by monitoring for signs of intoxication and promoting a measured tasting experience.



Guided Winery Tour & Wine Tasting

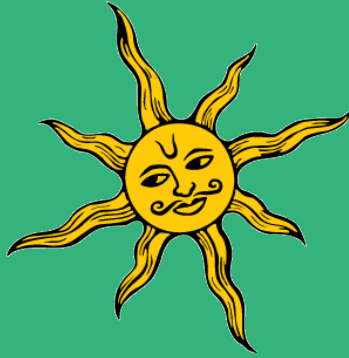
We encourage responsible drinking practices which can help promote a culture of moderation, reduce harmful alcohol consumption, and prevent alcohol related harms.

We do this by various activities which are listed below:

- **Offering tasting samples in small quantities:** We offer tasting samples in small portions to help customers monitor their alcohol consumption and avoid overindulging.
- **Promoting responsible consumption:** We educate customers about the importance of responsible consumption and provide information about the effects of alcohol on the body.
- **Training employees:** We trained our staff to recognize signs of intoxication and provide them with the tools and resources to handle situations involving over-consumption or other alcohol-related issues.
- **Providing clear and accurate information:** We provide clear and accurate information about the product, such as alcohol content, serving size and recommended consumption practices.







**SULA**  
VINEYARDS

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