



# Enhancing Sustainability and Securing the Future:

Leveraging our data for  
Grassroots Empowerment and  
Gen Z Engagement



SOUTH AFRICA WINE

*discover diversity in a glass*

*agrifusion*

1 November 2024



# Agenda

- Why?
- Evolution of thinking
- Frameworks and guidelines
- Learnings from other Industry Bodies
- Gen Z tsunami
- SA Wine response
  - Focus areas
  - ESG Roadmap
- Take home message
- Questions

# The Why, How and What of ESG in your context



# ESG and sustainability

## Key Drivers

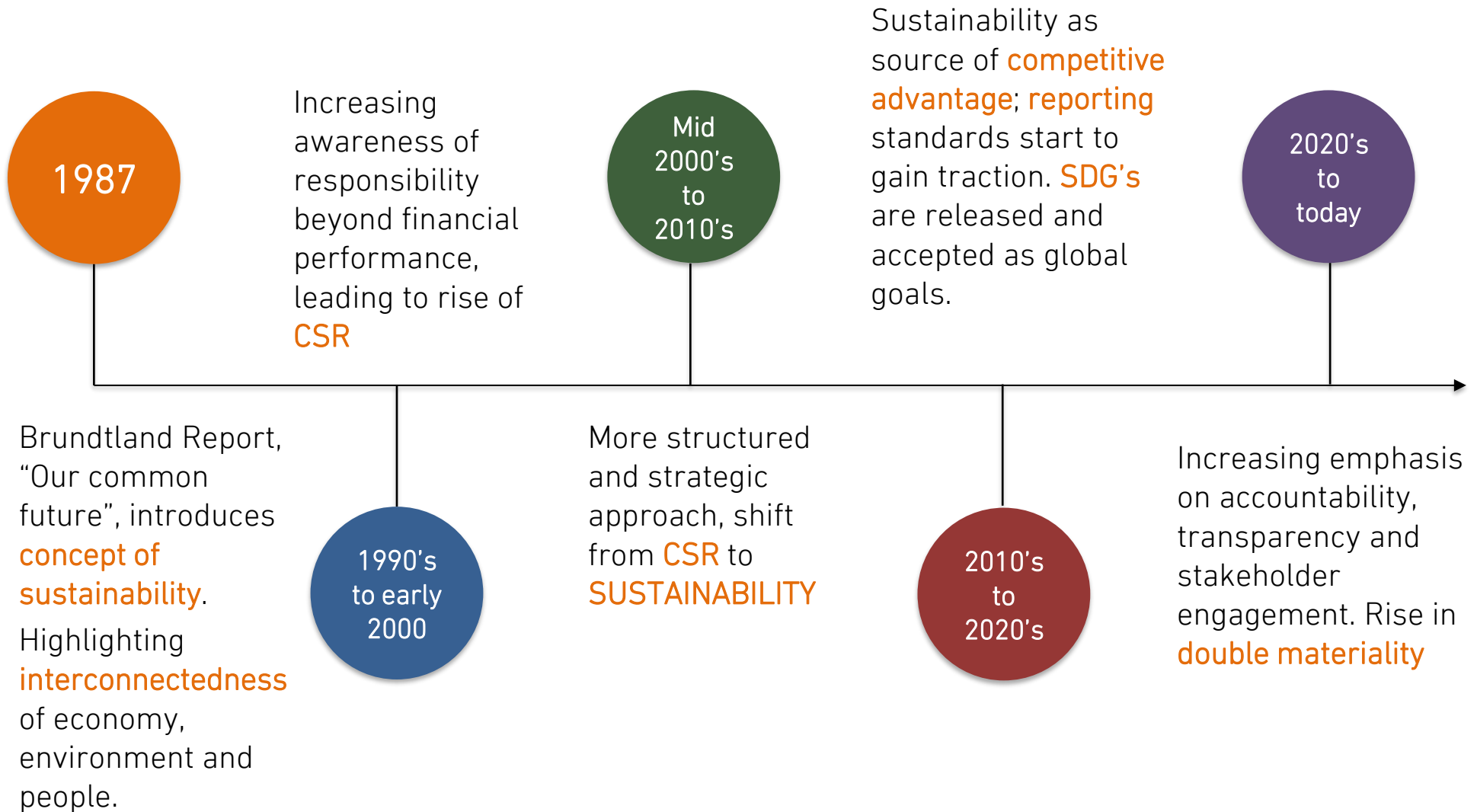
- South Africa's commercial banks and short-term insurers offer preferential rates to clients that adhere to ESG reporting requirements.
- This creates a financial incentive for companies to comply with ESG standards.
- EU Green Deal and CBAM

## Key Questions

- What is sustainability and what is ESG?
- Should we have an Integrated Report or a Sustainability Report?
- How do we focus our energy?
- How well do we have to DO before we can REPORT what we do?
- What do we report?

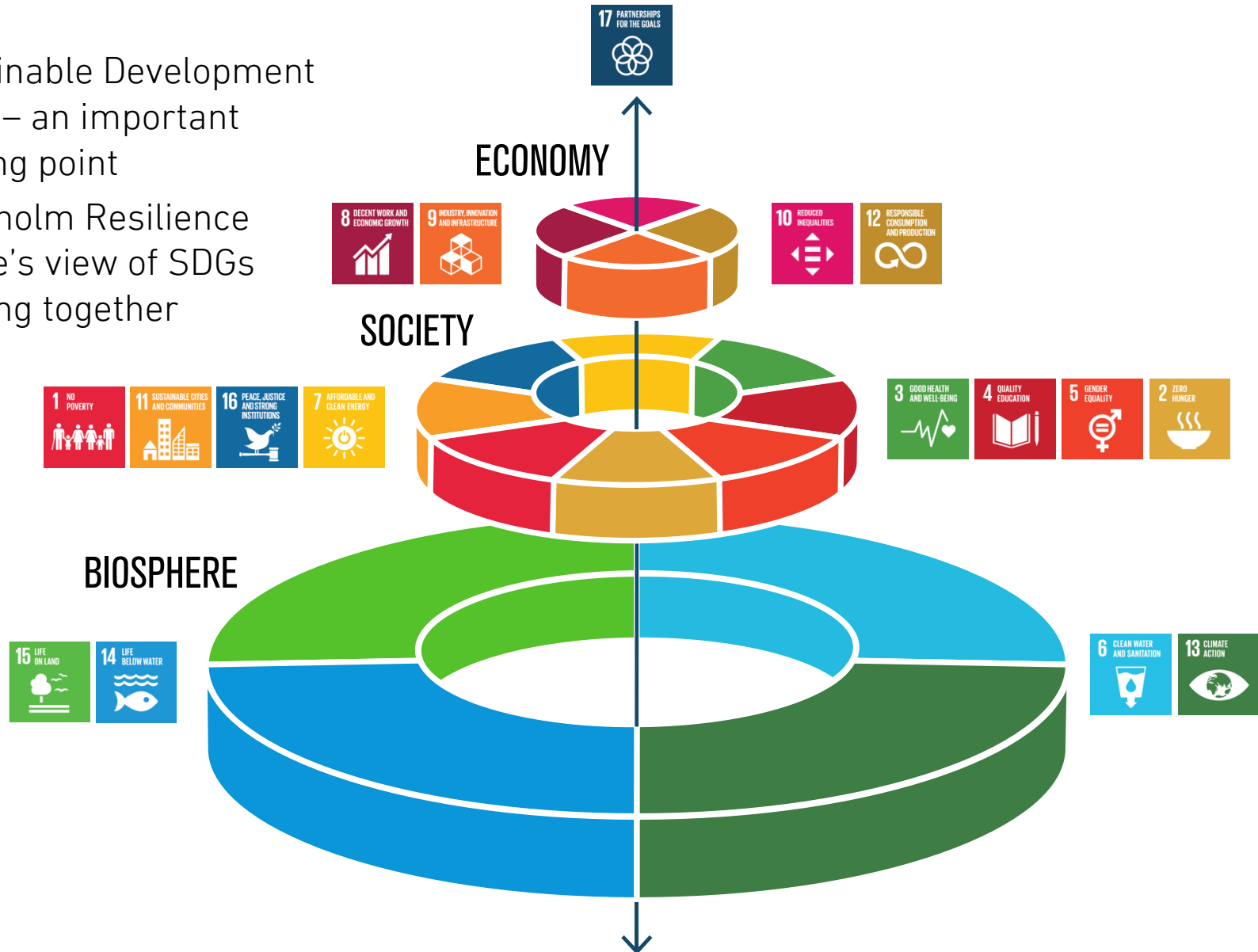


# The evolution of thinking



# The wedding cake of SDGs

- Sustainable Development Goals – an important starting point
- Stockholm Resilience Centre's view of SDGs working together



# A sea of International standards and disclosure guidelines

This remains a dynamic and evolving field



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## What do we see?

Greater **convergence** of guidelines

Gradual move taking place from voluntary to mandatory reporting

Significant rise in importance of **double materiality**  
( **financial + impact** )



SCIENCE  
BASED  
TARGETS

Aligned with: GRI , OECD , SDGs , UNGC , TCFD , IFRS , IIRC , CDP , SASB , SFDR , GHG Protocol and many other standards and frameworks.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



# The SA context

How do we navigate all of this on SA soil?



Financial materiality



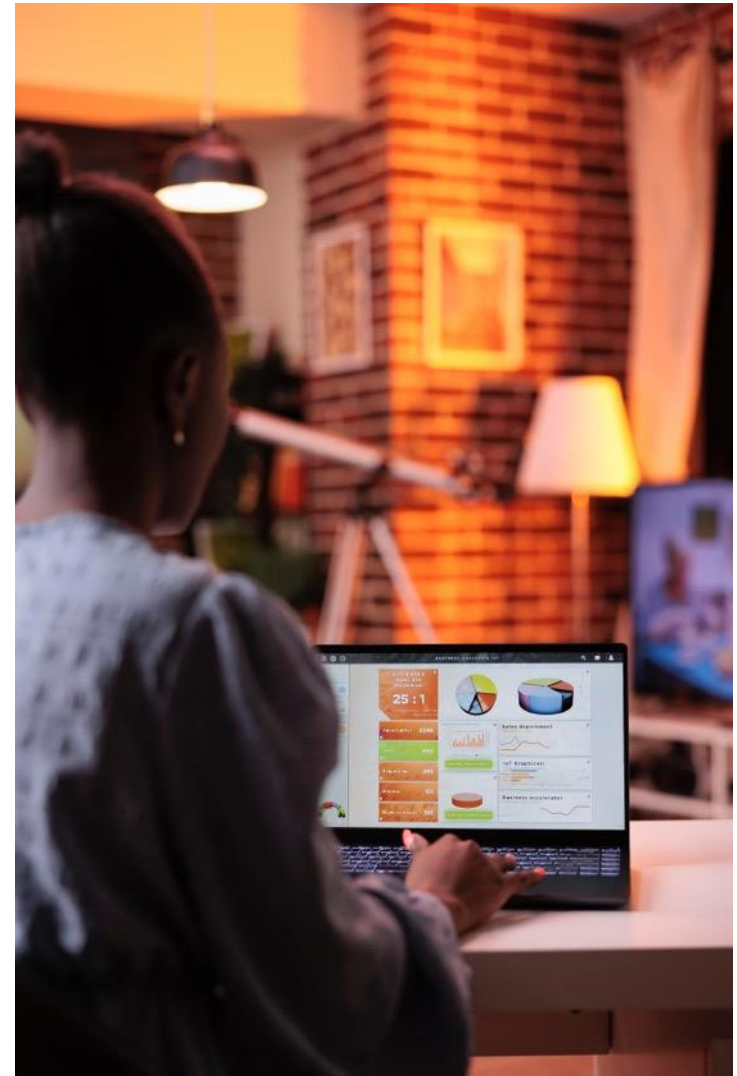
Double materiality



Impact materiality

# Trends in 2024

- Rise in automated data collection
- Augmented scrutiny of scope 3 emissions, bringing need for heightened transparency and decisive actions. Also, greater pressure on private, unlisted companies.
- More of a focus on sustainable supply chains – great impact on down- and upstream agri value chain.
- Increased use of AI for sustainability reporting, as well as the governance thereof...
- No tolerance for “greenwashing”
- Ongoing momentum for net zero and energy transition
- Greater focus on sustainable finance
- Rising of Generation Z

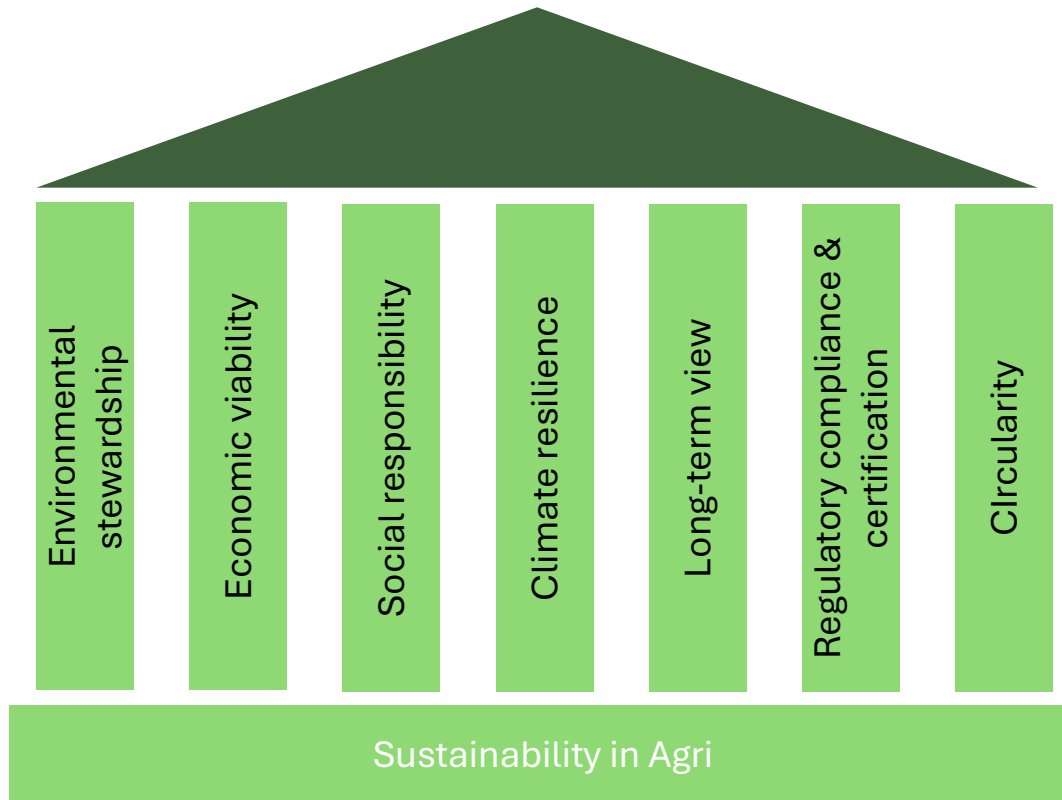


# Learnings from other Industry Bodies



# How should we define SUSTAINABILITY?

Defining this term can be complex, but it is important:



## Sustainability

“The ability to meet the needs to the present without compromising the ability of future generations to meet their own needs.”

-Brundtland Report  
1987

# Proposed role of Industry Bodies

- Advocacy and policy influence
- Capacity building and education
- Guidance and support
- Facilitation of collaboration
- Promotion of responsible practices
- Stakeholder engagement and communication
- Monitoring and reporting



# The positive story – key themes



# Obstacles



# Selecting elements/goals



Typical generic and widely used ESG elements

## Prosperity

- Inclusive prosperity
- Decent work
- Community development

## Environmental

- Climate change
- Carbon & energy
- Water
- Waste
- Pollution
- Biodiversity

## Social

- Human rights
- Safety & Health
- Employee wellness
- DEI
- Labour

## Governance

- Ethics & culture
- Good corporate governance principles in place
- Executive remuneration
- Tax transparency
- Anti-bribery & corruption
- Non-listed environment



# Gen Z tsunami



# How do we engage Gen Z?

Dion Chang: "The Future: 80 Key Trends for South Africa" [age group 9 – 24]

Gen Z, often referred to as the "born free" generation in South Africa, has grown up in a democratic society. However, despite their potential and desire to make significant changes, many in this generation exhibit a notable disinterest in traditional democratic processes, such as voting. This apathy contrasts with their strong inclination towards activism and social justice, indicating that while they may not engage in formal political systems, they are deeply invested in shaping society through other means.

Key message:

- Communication
- Technology
- Non-linear career path
- Strong Social-Justice Conscience

# How do we engage Gen Z?

For South African wine producers, the most important considerations in their marketing and sales campaigns should focus on the following key areas:

## 1. Emphasising Sustainability and Ethical Practices:

**Sustainability as a Selling Point:** With increasing consumer awareness about environmental impact, wine producers should highlight their efforts in sustainable farming practices.

## 2. Targeting Health-Conscious Consumers:

**Nutritional Benefits:** Marketing campaigns should emphasize the nutritional benefits of wine, given the global shift towards health and wellness.

**Antimicrobial Stewardship:** Global concerns about antibiotic resistance, producers should communicate their commitment to responsible antimicrobial use. This can reassure consumers that South African wine is safe, healthy, and produced with care.

# How do we engage Gen Z?

## 3. Leveraging Local and Heritage Appeal:

**Proudly South African:** Emphasizing the local origin of the wine can appeal to national pride and support for local producers.

**Cultural Connection:** Promoting wine and food pairing and festivals that celebrate the role of wine in the South African culture.

## 4. Adapting to Digital Marketing Trends:

**Engaging Content for Digital Natives:** As digital engagement becomes increasingly important, especially for Gen Z, wine producers should invest in creating engaging online content (TikTok, Instagram).

**Transparency Through Technology:** By allowing consumers to trace the journey of their wine from farm to table, producers can build trust and differentiate their products in the market.

## 5. Understanding and Responding to Economic Pressures:

**Value for Money:** Highlighting cost-effective cuts of wine or promoting bulk purchasing options.

**Resilience in Tough Times:** Marketing messages that communicate the resilience of the wine industry, despite economic and environmental challenges, can reassure consumers about the stability and reliability of South African wine.

# Gen Z and social media

Time Spent on Social Media Platforms:

TikTok sees the highest daily engagement among Gen Z.

On average = 95 minutes per day

Australia = 30 hours per month on TikTok

South Korea = 20 hours per month.

About 20% of Gen Z spends over 5 hours daily on TikTok (DataReportal – Global Digital Insights)(GreenBook).

YouTube: YouTube is also a dominant platform among Gen Z.

Globally = users spend 23 hours per month

South Koreans = 40 hours per month

Germany = 11 hours per month. (DataReportal – Global Digital Insights)(GreenBook).

Instagram: While Gen Z still spends significant time on Instagram.

TikTok has been pulling ahead in terms of engagement. Instagram is most popular among the older Gen Z demographic (18-20) = 58 minutes per day on the platform (GreenBook)(Social

Media Dashboard).

# Gen Z and social media

## Marketing Recommendations for SA Wine:

- Leverage TikTok and Instagram: Focus on short, engaging videos, such as recipe tutorials or behind-the-scenes farming content, that align with Gen Z's values of transparency and sustainability.
- YouTube for Longer Content: For educational content or deeper storytelling.

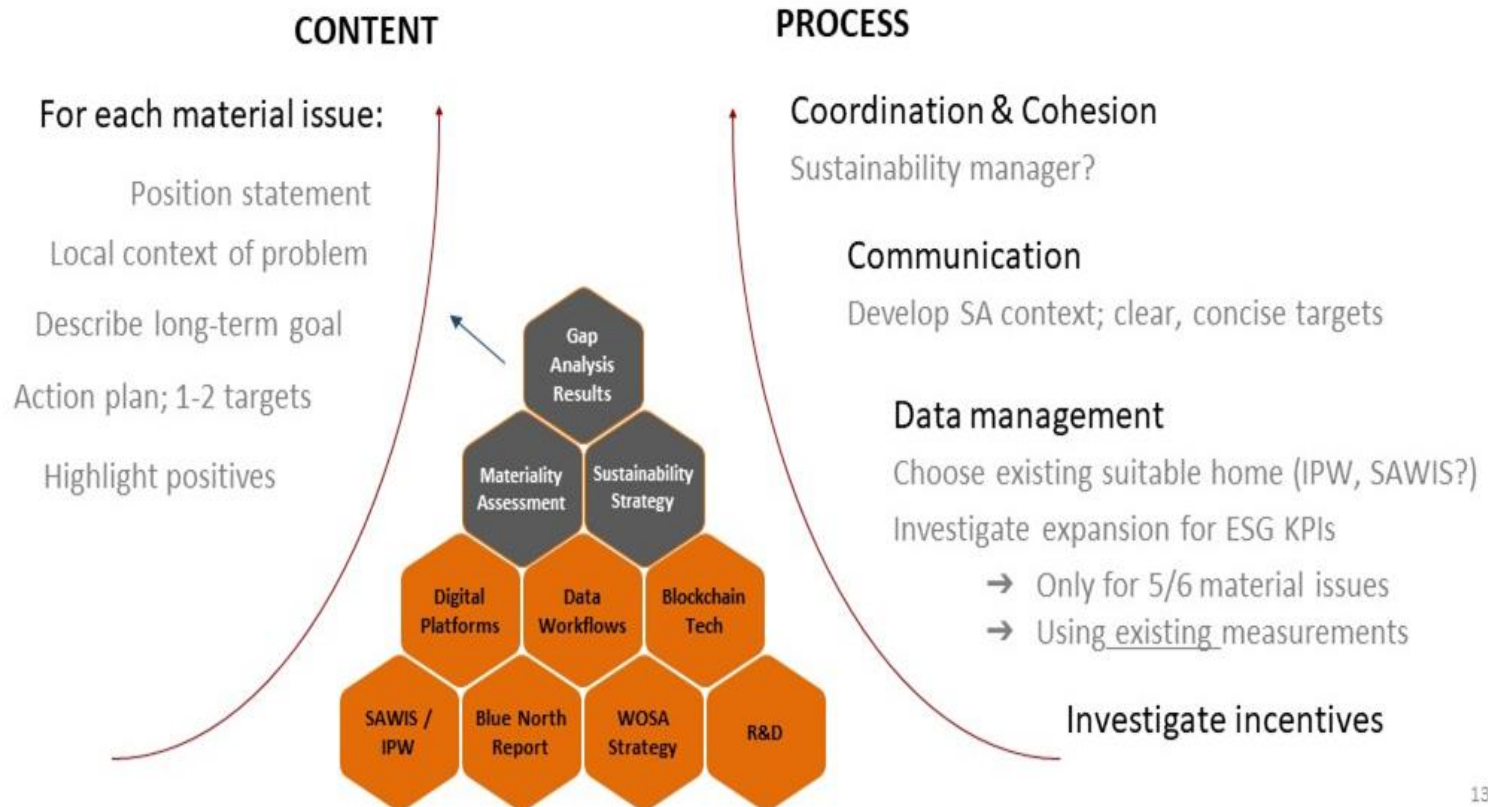
# SA Wine ESG



# SA Wine ESG Roadmap

## ESG position paper: 2024

Qualitative, only 5/6 material issues, gap action plan





# ESG Roadmap – areas of improvement

1. Benchmarking with **Global Standards**: Compare the current sustainability data collected on our data with global standards and best practices in the wine industry. This could include:

- Sustainability metrics used by leading wine producers globally (GRI, SASB, TNFD).
- Case studies or examples of successful ESG reporting in the wine industry worldwide.
- Technological innovations and tools used globally that could enhance our data.

2. Improve the **quality and scope of the data** collected. This could involve:

- Incorporating more detailed environmental impact data (like water-, carbon -, plastic footprint).
- Adding social impact metrics (community engagement, employee welfare).
- Exploring partnerships with global sustainability platforms for data exchange and learning.

3. **Grassroots Empowerment**: Provide actionable steps that members can take to enhance their sustainability practices, such as:

- Adopting precision farming techniques to reduce waste and optimize resources.
- Implementing renewable energy solutions on farms.
- Training and educating farm workers on sustainable practices.

4. Highlight **Success Stories**: Share success stories from local or international producers who have made significant strides in sustainability at the grassroots level.

## Other considerations – SA Wine 2.0

Determine the following baselines for the Industry:

- Carbon Footprint
- Water Footprint
- Plastic Footprint

Actively engage on the SET targets for SA Agriculture

Involve Gen Z in strategic decisions making

Improve Board and Senior Management diversity

# Take home message



# Conclusion

ESG reporting is essential for sustainable business practices and accessing key markets.

- Definition of Sustainability
- Demystify Gen Z / new consumer
- Data management and Key performance indicators
- Advocacy role

Members of the SA Wine are encouraged to prioritise ESG compliance. This will ensure the long-term sustainability and success of the industry. Resources and support are available to assist in this endeavor.

A high-angle photograph of a person's feet wearing brown leather boat shoes, standing on a large yellow arrow painted on a dark asphalt surface. The arrow points towards the bottom right of the frame. In the upper right corner, there is a dark green rounded rectangle containing white text.

Closing off and questions