

Shaw + Smith are committed to making the best possible wines, and sustainable farming and business practices are central to achieving that. This means a sustainable approach to vineyard and land management, exploring technologies for water and energy conservation, working with suppliers to innovate packaging, and adopting a closed loop approach to recycling.

Our vineyard at Balhannah is NASAA certified organic, with sections of our Lenswood Vineyard either certified or 'in transition'. We are members of Sustainable Wine Growing Australia since 2016, and the Australian Packaging Covenant Organisation. In 2023, we were listed as a finalist in the Food and Beverage category, for 'Beyond Best Practice' packaging standards. In 2024, we won the Sustainability Award at IWC in London, for our 2021 Single Vineyard Balhannah Shiraz.

Our goal is to minimise our impact on the environment wherever possible - achieving meaningful emissions reductions across all business streams, and to set ourselves up for the long term as a self-sufficient, circular economy. We are the final development stages an emissions roadmap for 2030, with a series of aggressive targets to achieve meaningful reductions.

Specifically, we aim to -

- Build on our organic certification to achieve best in class viticultural practice, while continuing to reduce our water through mulching and mid row biodiversity.
- Develop regenerative projects to sequester atmospheric carbon.
- Recycle 100% of water generated through winery processes for use in the vineyards.
- Achieve 100% reuse, recycle, or repurpose of all vintage outputs.
- Reduce our reliance on purchased energy, working towards off grid winery operations.
- Develop circular economies with suppliers, to minimise freight related emissions.
- Continue working with suppliers for innovations in lightweight glass, increased percentage of recycled content in packaging, and reduction in plastic usage.
- Build a workplace where diversity and inclusion thrive, and support our community through continued education opportunities.
- Establish and build a volunteer program that supports employee volunteer participation.

Take a look at our detailed initiatives below.

VITICULTURE AND BIODIVERSITY

Growing the best possible grapes requires sustainable viticultural management, where vine and soil health are valued equally.

This is achieved through -

- Organic practices, utilising state of the art equipment and mechanical weed control to eliminate herbicides and systematic fungicides from our vineyards.
- Use of organically certified products for pest and disease control, reducing reliance on copper to avoid build-up of copper toxicity in soils.
- Organically certified composts and kelp products, forming the basis of fertiliser inputs.
- Vermiculture; onsite worm farm and composting initiatives, for nutrient rich, organic vineyard biological fertiliser.
- Permanent swards within vine rows, eliminating soil erosion and supporting beneficial insect populations.
- Promotion of biodiversity within the vineyard, increasing soil carbon levels and natural water holding capacity, to reduce irrigation requirements.
- Minimised machinery movements to reduce soil compaction.
- Use of continuous logging soil moisture probes to monitor and optimise irrigation inputs.

- A beehive, encouraging cultivation of new plant and flower species through cross pollination. This helps in the natural replenishment of soil nutrients, building a full and healthy ecosystem.
- Introduction of chickens for natural pest control and generation of manure, as an alternative to nitrogen fertiliser.
- Winter grazing - Merino ewes for under vine mowing and natural fertilisation. High density, rotational grazing to stimulate plant and root growth.
- Exploring opportunities for regenerative agriculture projects, such as native wetlands.

RESPONSIBLE WINEMAKING

Increased reliance on renewable energy and responsible water usage are central to our sustainable production ambitions.

Here are some specifics -

- Extensive 2023 solar upgrade, increasing capacity by ~300% to 378kW. This eliminates peak electricity demands and has already reduced our reliance on purchased energy by near 20%.
- Major 2020 wastewater upgrade, resulting in the ability to divert 100% of water used onsite to vineyard and lawn irrigation.
- 100% LED lighting throughout winery, warehouse, bottling and office buildings, dramatically lowering power usage.
- Efficient winery design layout, resulting in lower water use.
- Winery operations run entirely off rainwater.
- Winery technology, including:
 - High speed barrel washing, reducing water usage.
 - Cross flow filtration (where required, for white wines), minimising losses, and eliminating the use of diatomaceous earth. Red wines are bottled unfiltered.
- Heat recovery technology on refrigeration, generating heated water for barrel cleaning.
- Sustainable Winegrowing Australia membership, providing benchmarking tools and resources for planning, evaluation and control.

PACKAGING AND RECYCLING

We are committed to working closely with suppliers to explore sustainable innovations in packaging as they come available, and opportunities for circular economies.

More specifically, we are -

- Shifting to lighter weight glass for our largest product, Sauvignon Blanc. Bottles are 50g lighter than previous vintages, resulting in over 64 tonnes of glass saved, along with significant freight related emissions. We have also moved to ultra lightweight bottles for our second range, The Other Wine Co. These are 360g in weight - 34% lighter than previous vintages.
 - Moving to 100% aludium eco 'green' caps across all products, reducing emissions related to aluminium closures by 50%.
 - Exploring opportunities for our antique green glass to comprise 80% recycled glass material. This currently comprises 55% recycled material, with our flint glass at 33%.
 - Procuring all packaging (glass, cartons and closures) from Adelaide based, domestic suppliers, dramatically reducing freight related emissions.
 - Reducing use of carton inserts from our standard packaging.
 - Developing a circular economy with our transportation requirements - e.g., backloading dry goods deliveries with finished good dispatches, significantly minimising trips.
 - Developing closed loop relationships with suppliers to ensure the responsible reuse or recycling of 100% of cardboard, glass, paper and plastic waste produced on site.
- Further to this, we:

- Utilise 100% recyclable products and recycled products where available.
- Source all dry goods within the Sustainable Packaging Guidelines (SPG's).
- Comply with Australasian Recycling Labelling Program (ARL) packaging recommendations.
- Collect glassine wrapping from label backings for tissue paper, diverting 1500kg from waste.
- Collect plastic wrap cardboard roles and usable cardboard for donation to local schools, for use in craft projects.
- Members of the Australian Packaging Covenant Organisation (APCO) and are nominated as a finalist in the Food and Beverage Category for FY 22/23, for 'Beyond Best Practice' activities.
- Investing in technology to increase packaging efficiencies (e.g., pallet wrapping technology, reducing required wraps by 50%).
- Promoting a culture of recycling and upcycling within our business – e.g., our office building is fit out with multiple sets of five bins, for various recycling streams.
- Going paperless where possible and employing biodegradable paper alternatives for increasing portions of our marketing material (e.g., extract paper, made from recycled coffee cups).

SOCIAL RESPONSIBILITY

With a historic focus on the environmental component of the ESG piece, we are now turning attention to the governance and social elements.

Some of our current initiatives are per below.

- Improving gender diversity across all departments, with female employees currently comprising 40% of our workforce, and 30% of senior leadership positions.
- Education opportunities and support available for all full-time staff, with 18% of our team members currently undertaking further studies.
- Paid parental leave available for all employees, irrespective of gender.
- Upmost prioritisation of workplace health and safety, with the establishment of a dedicated committee and offsite training for all participants.
- 20 years of support and gold level sponsorship for the Len Evans Tutorial, a highly acclaimed program supporting upcoming winemakers and sommeliers in furthering their wine acumen. Through this we continue our investment in the future of the wine industry.
- Volunteer activities for an annual, staff nominated charity, currently The Cancer Council.
- Active volunteer participation in the Adelaide Hills Wine Region, with representation on the Executive Committee and a series of working groups, ensuring ongoing promotion of our local region.

APCO Performance Summary

Company Name: **Shaw and Smith Pty Ltd**

Trading As: **Shaw and Smith**

ABN: **88008265816**

About the APCO Annual Report & Performance

The score above and chart below indicate your organisation's overall performance in the 2024 APCO Annual Report. With your chosen reporting period of **January, 2023 - December, 2023** you have achieved a **Beyond Best Practice** overall performance level.

1 Getting Started 2 Good Progress 3 Advanced 4 Leading 5 Beyond Best Practice

Understanding APCO Annual Reporting performance levels:

- 1 Getting Started:** You are at the start of your packaging sustainability journey.
- 2 Good Progress:** You have made some first steps on your packaging sustainability journey.
- 3 Advanced:** You have taken tangible action on your packaging sustainability journey.
- 4 Leading:** You have made significant progress on your packaging sustainability journey.
- 5 Beyond Best Practice:** You have received the highest performance level and have made significant progress on your packaging sustainability journey.

Packaging Sustainability Framework criteria

Criteria 1: **Governance & Strategy** This criteria considers actions to integrate packaging sustainability into business strategies.

Criteria 2: **Design & Procurement** This criteria considers actions taken to ensure that sustainability principles are considered in the design or procurement of both new and existing packaging through use of the Sustainable Packaging Guidelines (SPGs).

Criteria 3: **Recycled Content** This criteria considers actions taken to increase or optimise the amount of recycled material used by your organisation.

Contact

A: Suite 1102, Level 11, 55 Clarence Street, Sydney, NSW, 2000
E: apco@apco.org.au

Criteria 4:

Recoverability

This criteria considers actions taken to improve the recovery of packaging at end-of-life and increase use of reusable packaging.

Criteria 5:

Disposal Labelling

This criteria considers the extent to which packaging has been labelled to help consumers determine what to do with packaging at end-of-life.

Criteria 6:

On-site Waste

This criteria considers progress in increasing the amount of on-site solid waste being diverted from landfill.

Criteria 7:

Problematic Materials

This criteria considers the extent to which organisations are actively phasing out problematic and unnecessary single-use plastic packaging and preventing/reducing litter.

APCO Annual Report Criteria Performance & Responses

Provided below are your organisation's responses to the questions within the APCO Annual Report.

Criteria 1

Governance & Strategy

Does your organisation have a strategy that includes goals for packaging sustainability that addresses the Sustainable Packaging Guidelines (SPGs) or equivalent?

 Yes No

Supporting Evidence

Shaw + Smith recently undertook a second carbon audit, conducted by Pangolin and Associates, with the view of formalising a net zero transition plan.

A huge component of this reduction strategy is around packaging. At present, our targets are in line with the 2025 APCO National Packaging Guidelines.

Criteria 2

Design & Procurement

Do you use the SPGs to review your packaging?

 Yes No

Are you keeping records of the outcomes of your reviews using the SPGs?

 Yes No

Please provide an example of a positive outcome you have achieved.

Notably for this reporting period, we have transitioned two of our largest products to lightweight glass. One of these - a substantial reduction of 34% - included in pack commentary around the ethos, and our commitment to reducing our footprint. This was printed on extract paper - 100% biodegradable, and made of recycled coffee cups.

All of our glass is now locally produced in Adelaide (previously interstate and overseas). This has
Your full response can be found towards the end of this document.

How many reviews did you conduct during the reporting period?

22

Supporting Evidence

We are exploring options to move all of our products to lighter glass.

We are also investigating options to significantly lower the carbon footprint of our aluminium caps (Aludium Eco has less than half the footprint of European competitors) and to dramatically increase the recycled content of our labels (rSabel - 100% recycled front label, 90% back). We hope to have these in circulation next year.

Criteria 3

Recycled Content

Do you have a policy or procedure to buy products and/or packaging made from recycled materials?

Yes No

Does any of your packaging contain recycled materials?

Primary

Yes No

Secondary

Yes No

Tertiary

Yes No

Supporting Evidence

- Per the 'Statement of Recycled Content for Glass Containers', Visy Glass's Antique Green 31706 glass, produced in Adelaide, (used for Red Caps & Single Vineyards) contains 55% recycled content. Their flint glass, also produced in Adelaide and used for our largest product (approx. 1.4M units) contains 33%.

- Visy Glass's Flint 30571 glass (used for our third largest SKU, approx. 0.12M units) - is part of their Re+ scheme targeted 90% recycled content. The scheme commenced 1st Oct 2023.

Your full response can be found towards the end of this document.

Criteria 4

Recoverability

Have you investigated the recoverability of your packaging to look for opportunities for greater reuse or recycling?

Yes No

Supporting Evidence

We work with suppliers to consider closed loop initiatives. 100% of our packaged goods are recycled - cardboard boxes, glass, aluminium capsules (which are collected for recovery by the supplier, Orora), and glassine label backing. The glassine label recycling program is part of a special initiative by Avery Denison

Due to the nature of our product, we cannot reuse any of our packaging components at this stage.

Criteria 5

Disposal Labelling

Do you provide disposal information for your packaging on-pack?

Yes No

Supporting Evidence

The Mobius loop is included on the label of our largest SKU by volume. The ARL logo is included on all of our carton packaging, except older vintage SKUs (released as part of our maturation program).

Criteria 6

On-site Waste

Do you have a system to collect and recycle used packaging generated at your facilities (e.g. office, warehouse etc.)

Yes No

Supporting Evidence

We recently renovated our office building. As part of this, we introduced additional recycling bins to all communal areas, encouraging the separation of soft plastics, rigid plastics and cans / bottles, as well as composting.

Your full response can be found towards the end of this document.

Criteria 7

Problematic Materials

Which of the following activities do you undertake to help reduce the impact of litter?

- Conduct regular clean-ups on-site
- Participate in Business Clean-Up Day
- Redesign packaging to eliminate components that may have the propensity to become litter
- Other (please specify)

Please specify

- None of the above

Supporting Evidence

Per previous, we encourage the separation of office and personal waste in a series of onsite bins (soft plastics, rigid plastics, compost, recycling, waste). During the reporting period, we also offered a textile recycling service, via Upparel, where employees were able to drop off clothing and other items.

Additional Information

- No additional information

Please tell us about any innovative packaging sustainability initiatives you have implemented during your chosen 12 month reporting period.

Most notably, we have reviewed glass weights. Our largest SKU (comprising 1.4M units) transitioned to glass which was 50g lighter.

Another, comprising 0.12M units, moved to an ultra lightweight glass which was 140g lighter. All SKUs within this brand will transition to this ultra lightweight bottle over the coming year.

Your full response can be found towards the end of this document.

Please tell us of any constraints you may have had during your chosen 12 month reporting period that has impacted on your packaging sustainability initiatives and Covenant obligations.

As always, our greatest constraints as a premium brand are around customer expectations. In an ideal world we would transition all of our wines to ultra lightweight glass, however many consumers still associate premium products with a heavier bottle. For the more high end wines in particular, this will be a process of customer and trade education, alongside a gradual lightening of bottle weights.

Other constraints around labels in particular are durability. We have sampled a number of products

Your full response can be found towards the end of this document.

Full Open Responses

Criteria 2 - Please provide an example of a positive outcome you have achieved.

Notably for this reporting period, we have transitioned two of our largest products to lightweight glass. One of these - a substantial reduction of 34% - included in pack commentary around the ethos, and our commitment to reducing our footprint. This was printed on extract paper - 100% biodegradable, and made of recycled coffee cups.

All of our glass is now locally produced in Adelaide (previously interstate and overseas). This has significantly reduced our carbon footprint associated with transport.

Criteria 3 - Supporting Evidence

- Per the 'Statement of Recycled Content for Glass Containers', Visy Glass's Antique Green 31706 glass, produced in Adelaide, (used for Red Caps & Single Vineyards) contains 55% recycled content. Their flint glass, also produced in Adelaide and used for our largest product (approx. 1.4M units) contains 33%.
- Visy Glass's Flint 30571 glass (used for our third largest SKU, approx. 0.12M units) - is part of their Re+ scheme, targeted 80% recycled content. The scheme commenced 1.01.2024.
- The Aluminium caps provided by Orora, and used across all products, contain between 30-40% recycled material, per the sustainability statement provided by the company.
- The cardboard dividers used in all packaged goods comprise 100% recycled materials, per the 'Statement of Recycled Content for Cardboard Containers', provided by Visy.
- Though our labels do not currently contain recycled materials, we are investigating a new product called rSabel, which contains 100% recycled content for the front face, and 90% for the backing.

Criteria 6 - Supporting Evidence

We recently renovated our office building. As part of this, we introduced additional recycling bins to all communal areas, encouraging the separation of soft plastics, rigid plastics and cans / bottles, as well as composting.

In the warehouse and bottling line, all packaging components are separated for collection for recycling. Soft plastics (commercial and collected from employees homes) are balled and collected by YHA recycling. Aluminium caps are returned to the supplier, Orora, and glass is collected by Adelaide Hills recycling.

Additional Information - Please tell us about any innovative packaging sustainability initiatives you have implemented during your chosen 12 month reporting period.

Most notably, we have reviewed glass weights. Our largest SKU (comprising 1.4M units) transitioned to glass which was 50g lighter.

Another, comprising 0.12M units, moved to an ultra lightweight glass which was 140g lighter. All SKUs within this brand will transition to this ultra lightweight bottle over the coming year.

We have consolidated our glass sourcing to a single supplier - Visy. They are based locally, in Adelaide, reducing transport related emissions.

For the brand which is transitioning entirely to ultra lightweight glass, the associated brand collateral has moved to extract paper - 100% biodegradable, and produced entirely from recycled coffee cups. The cartons have also transitioned from blue to kraft.

Additional Information - Please tell us of any constraints you may have had during your chosen 12 month reporting period that has impacted on your packaging sustainability initiatives and Covenant obligations.

As always, our greatest constraints as a premium brand are around customer expectations. In an ideal world we would transition all of our wines to ultra lightweight glass, however many consumers still associate premium products with a heavier bottle. For the more high end wines in particular, this will be a process of customer and trade education, alongside a gradual lightening of bottle weights.

Other constraints around labels in particular are durability. We have sampled a number of products comprising recycled materials, but they often peel back in an ice bucket or fridge. That said, new innovations come online regularly, and we are working with suppliers to keep abreast of any new offerings.