

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 (results due November).

We have made an internal commitment to achieve net zero certification by 2025. 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.

Specifically, we aim to -

- Build on our organic certification to achieve best in class viticultural practice.
- Develop regenerative projects to sequester atmospheric carbon.
- Recycle 100% of water generated through winery processes for use in the vineyards.
- 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.

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 inter-vine and 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.
- 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 significant glass and freight related emissions savings.
- Exploring opportunities for alternative aluminium caps, with the potential to reduce related emissions by 50%.
- Procuring all packaging (glass, cartons and closures) from Adelaide based, domestic suppliers.
- 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).

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 2023 APCO Annual Report. With your chosen reporting period of **January, 2022 - December, 2022** 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.

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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

Our strategy is one of continual improvement, in line with the APCO 2025 National Packaging Targets. Within three years, we are committed to achieving –

- 100% reusable, recyclable or compostable packaging
- 70% of plastic packaging being recycled or composted
- 50% of packaging comprising of recycled content
- The phase out of problematic and unnecessary single-use plastic packaging

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.

We have recently changed the flint and antique green glass used to bottle our products to a lighter weight version produced locally.

- A 50g lighter weight flint glass option has been introduced during the 2022 Shaw + Smith Sauvignon Blanc packaging. The 1.3M units used per annum are now produced at the Visy Glass Adelaide plant, previously procured from Visy Glass plants located along the east coast of Australia and transported to Adelaide via

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

How many reviews did you conduct during the reporting period?

3

Supporting Evidence

We have been working closely with Visy to meet sustainability targets, following their release in March 2022, 'Helping you achieve your sustainability targets' Re+ Glass. This has helped us in achieving lighter weight glass, in turn reducing emissions derived by materials and transport.

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

1) Orora Closures Recycled Content Declaration states the recycled content used in the manufacture of Orora Closure Systems we purchase.

Raw Material Recycled Content

Aluminium: Grade 8011 30% - 40%

Closure Liner (Food Contact) 0%

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

- 1) Glassine wrapping from label backings collected for tissue paper production: diverting 1500kg from waste.
- 2) Glass bottles donated to an Earthship program in the Inman Valley, used to build walls for housing.

Criteria 5

Disposal Labelling

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

Yes No

Supporting Evidence

All labels and cardboard packaging provided contains the recycling symbol, to inform the consumer packaging is fully recyclable. This is taken into account when we review our design and packaging.

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

All plastics are bailed on-site and picked up alongside all used cardboard, using YCA Recycling. This volume totalled 12.534 Tonnes for the calendar year.

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

Developing closed loop relationships with suppliers and local businesses, ensuring responsible reuse or recycling of 100% of cardboard, glass, paper and plastic waste produced on site, as per our sustainability Policy.

Additional Information

- No additional information

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

GLASS

- A 50g lighter weight flint glass option has been introduced during the 2022 Shaw + Smith Sauvignon Blanc packaging. The 1.3M units used per annum are now produced at the Visy Glass Adelaide plant, previously sourced from Visy Glass plants located along the east coast of Australia and transported to Adelaide via

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.

Our major constraint remains the need to maintain a premium product, and our inability to compromise on quality in the pursuit of sustainable alternatives.

That said, this is becoming increasing more achievable year on year, as we work with our suppliers to achieve mutually beneficially outcomes. With more companies driven to achieve sustainability targets, we see options continuing to open up moving forward.

Full Open Responses

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

We have recently changed the flint and antique green glass used to bottle our products to a lighter weight version produced locally.

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- Visy Glass has introduced a domestically produced 31.5mm BVS antique green bottle for 2022 vintage Single Vineyard wines, M3 Chardonnay, Pinot Noir, Shiraz, and Riesling. The 0.4M units required per annum are now produced at the Visy Glass Adelaide plant, previously procured from Saverglass plants located in France and UAE.

Criteria 3 - Supporting Evidence

1) Orora Closures Recycled Content Declaration states the recycled content used in the manufacture of Orora Closure Systems we purchase.

Raw Material Recycled Content

Aluminium: Grade 8011 30% - 40%

Closure Liner (Food Contact) 0%

Internal Lacquer (Food Contact) 0%

Decorative Inks (External) 0%

2) We have been working closely with Visy to meet sustainability targets as per our Sustainability policy which is reviewed annually. This is evident in our purchase of a new glass we have recently containing the following recycled content.

Visy provide the following approximation of the average recycled content in glass containers they manufactured during the 2022, as per their STATEMENT OF RECYCLED CONTENT FOR GLASS CONTAINERS. Antique Green 61%.

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

GLASS

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CLOSURES

- Orora Closures has invested in 31.5mm embossed screwcap manufacturing at their Adelaide production facility for Single Vineyard wines, M3 Chardonnay, Pinot Noir and Shiraz. These came into effect from the 2022 vintage. The 0.4M units required per annum by Shaw + Smith were previously procured from the Orora Closure plant located in France

This has dramatically reduced emissions derived from materials and transport.