

Sustainability Policy

At Shaw + Smith, our commitment to making the best possible wines mean that sustainability is at the centre of everything we do. This means a biological approach to farming, exploring new technologies for water and energy conservation, and adopting a closed loop approach to packaging recycling.

Our vineyards at Lenswood and Balhannah are NASSA certified organic, and we are members of Sustainable Wine Growing Australia since 2016 and the Australian Packaging Covenant Organisation.

At Shaw + Smith we are committed to reducing our environmental footprint, with a focus on projects that enhance our natural environment. Our goal is to analyse every aspect of our business practices, ensuring our actions minimise the impact of our activities on the environment.

We aim to -

- Build on our organic certification to achieve best in class viticultural practice
- Reduce water usage through viticultural practices
- Recycle 100% of water generated through winery processes for use in the vineyards
- Continue to reduce electricity usage, and increase usage of renewable energy where possible
- Continue working with suppliers for the highest amount of recycled content in all dry goods, including plastics
- Reduce waste in winery operations, and recycle waste where possible

Take a look at our specific initiatives below.

Viticulture & Biodiversity

Optimising vine and soil health means nurturing an ecosystem that promotes biodiversity. Equal resources are dedicated to the surrounding land as the vines themselves. This is achieved through -

- Organic practices, utilising state of the art equipment and mechanical weed control to eliminate herbicide 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 fertiliser
- Permanent swards within vine rows, eliminating soil erosion and supporting beneficial insect populations
- 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 merino ewes for inter-vine mowing and natural fertilisation

Responsible Winemaking

Ongoing pursuit of renewable energy and responsible wastewater treatment, achieved through -

- Major 2020 wastewater upgrade, resulting in the ability to divert 100% of water used onsite to vineyard and lawn irrigation
- Harnessing solar energy through a 99KW PV system
- 100% LED lighting, dramatically lowering power usage

S H A W + S M I T H

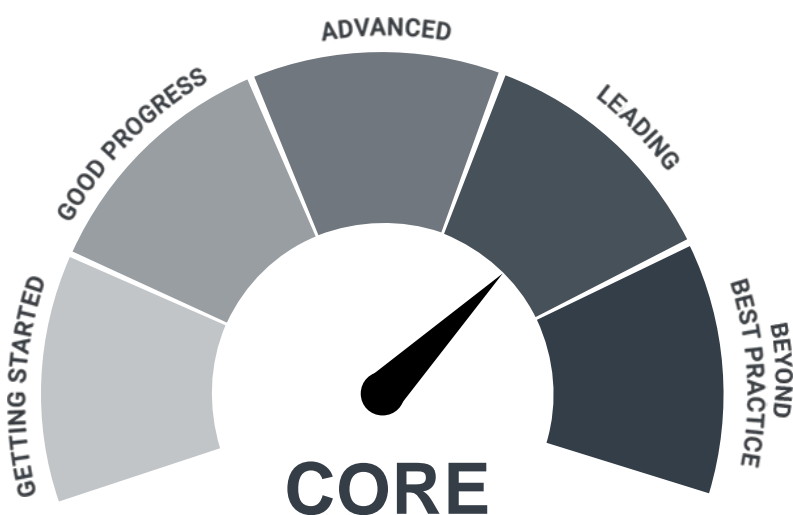
- Efficient winery design layout, resulting in lower water use
- Collection and utilisation of rainwater from expansive roof and gutter system
- Winery technology, including;
 - High speed barrel washing, reducing water usage
 - Cross flow filtration adopted for wine filtration, minimising losses and eliminating use of diatomaceous earth
- Sustainable Winegrowing Australia membership, providing benchmarking tools and resources for planning, evaluation and control

Packaging and Recycling:

Partnering with sustainable, like minded companies in the production and recycling of packaging materials. This is achieved through -

- Procurement of all dry goods (glass, cartons, dividers, caps, pallets and labels) within the Sustainable Packaging Guidelines
- 100% recyclable products to consumers and use of recycled products across packaging where available
- 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
- Monitoring of recycled waste products to measure waste diverted from landfill and on going pursuit of new recycling opportunities; e.g.
 - Glass bottles donated to an Earthship program in the Inman Valley, used to build walls for housing
 - Glassine wrapping from label backings collected for tissue paper production; diverting 1500kg from waste
- Investment in technology to increase packaging efficiencies (e.g. pallet wrapping technology, currently reducing wrap consumption by 18%, with the potential for 40%)
- Compliance with Australasian Recycling Labelling Program packaging recommendations

DASHBOARD



SUMMARY

For the 2021 APCO Annual Report, *Shaw and Smith Pty Ltd* has achieved Level 4 (Leading) for the core criteria. All seven core criteria were answered and five out of six recommended criteria were answered. In addition, *Shaw and Smith Pty Ltd* has either achieved or put in place three out of ten relevant packaging sustainability targets, and is publicly reporting progress against zero of these targets.

INDICATORS

This Annual Report shows the organisation's performance against the APCO Packaging Sustainability Framework.

CORE: All core criteria.

RECOMMENDED: All answered recommended criteria.

TOTAL: Sum of all core and answered recommended criteria.

LEADERSHIP: All criteria that defines leadership on packaging sustainability.

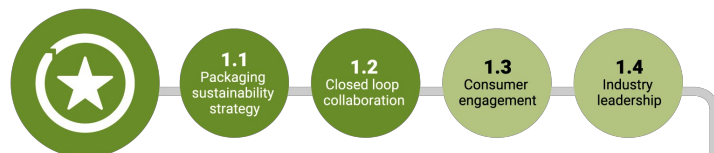
OUTCOMES: All criteria that lead to direct improvement in packaging sustainability.

OPERATIONS: All criteria related to business operations for improving packaging sustainability.

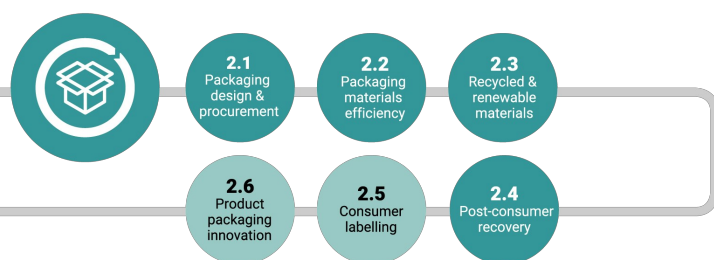
REPORTING FRAMEWORK

OVERVIEW

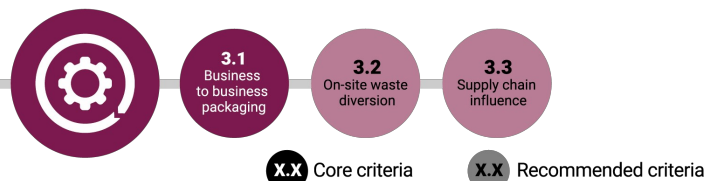
1. LEADERSHIP



2. OUTCOMES



3. OPERATIONS



X.X Core criteria

X.X Recommended criteria

LEVEL DESCRIPTION

LEVEL 0

NOT YET STARTED

The organisation does not have a plan and has not started investigating options for action under the relevant criteria.

LEVEL 1

GETTING STARTED

The organisation is developing a plan or is investigating options for action under that criteria (e.g. agreeing on goals and targets).

LEVEL 2

GOOD PROGRESS

There are documented procedures in place (e.g. to implement the Sustainable Packaging Guidelines) or some progress has been achieved, data tracking shows up to 20% of products have achieved the desired outcome.

LEVEL 3

ADVANCED

The organisation has specific, measurable targets in place, or data tracking shows that >20% of products have achieved the desired outcome.

LEVEL 4

LEADING

The organisation has more rigorous procedures in place, or an ambitious target has been met e.g. >50% of products have achieved the desired outcome.

LEVEL 5

BEYOND BEST PRACTICE

The organisation has more rigorous procedures in place, or an ambitious target has been met e.g. 100% of products have achieved the desired outcome.

ABOUT THE APCO FRAMEWORK

The APCO Packaging Sustainability Framework (the Framework) aims to provide a consistent and transparent framework for assessing and tracking packaging sustainability across organisations. The Framework consists of thirteen independent criteria that belong to three separate categories. These categories are (i) Leadership, (ii) Packaging Outcomes and (iii) Operations. The diagram above shows the different criteria included within each of these three categories.

There are two types of criteria within the Framework:

- **Core criteria** are mandatory and must be answered by all Members when completing the Annual Reporting Tool.
- **Recommended criteria** are not mandatory, but Members are encouraged to complete as many recommended criteria as possible.

Each criteria is divided into five levels of performance ranging from 'getting started' to 'beyond best practice'. The diagram above illustrates the key differences between performance levels. Please see www.packagingcovenant.org.au for more information.

ABOUT APCO

APCO is a co-regulatory, not for profit organisation that partners with government and industry to reduce the harmful impact of packaging on the Australian environment. APCO promotes sustainable design and recycling initiatives, waste to landfill reduction activities and circular economy projects. APCO Annual Reports are a key Membership obligation, providing Member organisations with a transparent method to track their packaging sustainability performance. Annual reporting also supplies APCO with valuable data and information to identify industry trends and advancements.

FREE FORM QUESTIONS

Describe initiatives, processes or practices that you have implemented during your chosen reporting period that have improved packaging sustainability.

2020 has been a triumph in what has been a tough season.

We are satisfied with the packaging optimisation in all products put to market. Notable updates include -

- Joining the Australasian Recycling Label (ARL) program; furthering our goal to develop a closed loop recycling system through educating the end consumer
- Partnering with a new cardboard supplier for our major product lines, increasing durability while reducing weight, in adherence with the sustainable packaging guidelines
- Furthering of closed loop recycling initiatives with suppliers, ensuring 100% recycling of glass, cardboard, plastic and capsules generated onsite
- Responsible recycling of all label roll backing, resulting in the diversion of 1500kg (to date) of waste from landfill
- Investment in stronger pallet plastic wrap and wrapper technology, reducing usage by 400kg overall

From a holistic perspective, we continue to build on a series of sustainable initiatives to off-set our carbon output. Our waste water plant upgrade has been success, enabling us to now divert 100% of the waste water produced onsite to vineyard and irrigation. In the winery, we continue to investigate solar battery options to complement our 99kw PV system, with the goal of generating 100% of our internal energy requirements over the coming years.

Across our company owned vineyards, we are now certified in transition to organic production. As part of this, we have developed a worm farm, fed by organic food and coffee scraps, which generates organic fertilisers for our vineyards. We have invested in chickens for soil aeration and natural pest control and experimenting with biological fertilisers to reduce our use of sulphur and copper.

Describe any opportunities or constraints that affected performance within your chosen reporting period.

As always, the most significant constraint influencing our packaging decisions is the requirement for high quality goods that align with our premium brand image and price point.

We are comfortable with what we have achieved within these constraints, though are conscious that there are always sustainability improvements to be made.

As technology in renewable materials strengthens, so too will our ability to run with a higher recyclable content without compromising quality or product safety. We are active in exploring all options as they arise, and are confident in our ability to deliver on our long term SPG's.

In the shorter term, finding new solutions to offset our impact on the recycling and general waste streams seems the most realistic and achievable objective. In line with this, we endeavour to strengthen local relationships with our peers to develop community recycling initiatives and allow us to maximise the weight of waste that can be diverted from landfill.

TARGETS

Do you have specific targets to review new products against the SPGs or equivalent?

Packaging groups and Review schedule outlines timeline

TARGETS

Do you have specific targets to review existing products against the SPGs or equivalent?

Packaging groups and Review schedule outlines timeline

Do you have specific targets to reduce (optimise) the quantity of material used in packaging?

None provided.

Do you have specific targets to improve recoverability of packaging (e.g. reuse, recycling, recoverability)?

None provided.

Do you have specific targets to use sustainable (e.g. renewable and recyclable) materials in packaging?

As per PSS 100% reusable, recyclable or compostable packaging by 2025.
Sustainable objectives within Sustainability Policy.

Do you have specific targets to include on-pack labelling for disposal or recovery?

None provided.

Do you have specific targets to reduce on-site waste sent to landfill?

None provided.

Do you have specific targets to improve packaging sustainability through procurement processes?

None provided.

Do you have specific targets to engage in closed loop collaboration(s) with stakeholders?

None provided.

Do you have specific targets to reduce (optimise) business-to-business packaging?

None provided.

COMMITMENTS

The Action Plan detailed below, is a public commitment to advancing packaging sustainability outcomes as a Member of APCO. Members are encouraged to have a comprehensive internal plan with the steps they will take to fulfill their commitments.

Criteria 1.1 PACKAGING SUSTAINABILITY STRATEGY (core)

5. Beyond best practice

Your organisation is committed to: Publicly reporting progress towards packaging sustainability.

Criteria 1.2 CLOSED-LOOP COLLABORATION (core)

1. Getting started

Your organisation is committed to: Investigating options to join or start a collaborative initiative to address barriers to the recovery of waste packaging.

Criteria 1.3 CONSUMER ENGAGEMENT (recommended)

1. Getting started

Your organisation is committed to engaging consumers about packaging sustainability by: (1) Including packaging information on your website or other publications.

Criteria 1.4 INDUSTRY LEADERSHIP (recommended)

1. Getting started

Your organisation is committed to: (1) Actively engaging with peers and/or the community to promote packaging sustainability, and sharing sustainability knowledge for non-commercial purposes.

Criteria 2.1 PACKAGING DESIGN & PROCUREMENT (core)

3. Advanced

Your organisation is committed to: Reviewing at least 20% of packaging with reference to the Sustainable Packaging Guidelines (SPG) or equivalent.

COMMITMENTS

Criteria 2.2 PACKAGING MATERIALS EFFICIENCY (core)

3. Advanced

Your organisation is committed to: Reducing packaging weight or optimising packaging material efficiency in more than 20% of products.

Criteria 2.3 RECYCLED & RENEWABLE MATERIALS (core)

5. Beyond best practice

Your organisation is committed to: Incorporating or optimising recycled and/or renewable content in all products.

Criteria 2.4 POST-CONSUMER RECOVERY (core)

4. Leading

Your organisation is committed to: Having more than 50% of primary packaging be recoverable through existing post-consumer recovery systems and achieving the highest potential environmental value.

Criteria 2.5 CONSUMER LABELLING (recommended)

3. Advanced

Your organisation is committed to: Labelling more than 20% of products with disposal or recovery information.

Criteria 2.6 PRODUCT-PACKAGING INNOVATION (recommended)

Not relevant

Your organisation has indicated that this criteria is not relevant.

Criteria 3.1 BUSINESS-TO-BUSINESS PACKAGING (core)

4. Leading

Your organisation is committed to: Reducing consumption of single use business-to-business (B2B) packaging by more than 50% or optimising more than 50% of B2B packaging for efficiency and reuse.



COMMITMENTS

Criteria 3.2 ON-SITE WASTE DIVERSION (recommended)

4. Leading

Your organisation is committed to: Investigating opportunities to divert more than 50% of solid waste generated at facilities (factories, warehouses, offices, retail stores etc.) from landfill.

Criteria 3.3 SUPPLY CHAIN INFLUENCE (recommended)

1. Getting started

Your organisation is committed to engaging its supply chain about packaging sustainability by: (1) Communicating goals and guidelines.

SIGN OFF

Grant Lovelock

CFO

Tuesday, 27 April 2021

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