



TREASURY WINE ESTATES

30 September 2021

ASX ANNOUNCEMENT

TWE 2021 Sustainability Report

Treasury Wine Estates Ltd (ASX:TWE) is pleased to present its Sustainability Report for the year ended 30 June 2021.

For the purposes of ASX Listing Rule 15.5, TWE confirms that this document has been authorised for release to the market by the Board.

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TREASURY
WINE ESTATES

Cultivating a brighter future

Sustainability Report 2021

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IMPORTANT INFORMATION

This 2021 Sustainability Report (Report) has been prepared to provide a general overview of TWE's performance with respect to environmental, social and governance (ESG) topics. It should be read in conjunction with TWE's 2021 Annual Report, which provides a detailed overview of TWE's financial and operating performance for F21.

The Report contains certain forward-looking statements, which may be identified by the use of terminology including 'expects', 'believes', 'targets', 'likely', 'should', 'could', 'intends', 'aims' or similar expressions. These forward looking statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of TWE, and which may cause actual results to differ materially from those expressed or implied in such statements. Readers are cautioned not to place undue reliance on forward looking statements.

Whilst TWE has, where appropriate, verified the source and accuracy of the information contained in the Report, no independent assurance has been obtained in relation to it.

Information in the Report is current as at 30 June 2021 unless otherwise stated. References to 'TWE', 'Company', 'we', 'us' and 'our' are to Treasury Wine Estates Limited and/or, except where the context otherwise requires, its subsidiaries. References to 'F20' and 'F21' are to the time periods 1 July 2019 to 30 June 2020 and 1 July 2020 to 30 June 2021 respectively. All currency referred to in the Report is in Australian dollars, unless otherwise stated.

TWE takes the health, wellbeing and safety of its team, customers, consumers and its communities seriously. Given the COVID-19 global pandemic and the restrictions in place, TWE chose to largely use imagery, particularly those showing more than two people, photographed prior to the start of the pandemic. As a result some photos may not show social distancing and other social health practices that remain in place in markets in which we operate and sell wine.

About Treasury Wine Estates

OUR AMBITION

To be the world's most admired premium wine company



2,600

Team members

We pride ourselves on employing world-class talent across Australia, New Zealand, Asia, America, the United Kingdom, the Middle East, Africa and Europe.

70+

Countries

Our iconic wines are loved by consumers around the world and are available in major retailers, premium wine stores, restaurants, bars, and online.

3

Key divisions

A brand portfolio-led operating model with three key divisions – Penfolds, Treasury Premium Brands and Treasury Americas – supported by centralised business, supply, and corporate functions.

12,700

Hectares

Our global multi-regional sourcing model is at the heart of our business and includes vineyards and production assets in some of the world's best wine regions.

Message from Chairman and CEO

TOWARDS SUSTAINABILITY LEADERSHIP

We are delighted to present our 2021 Sustainability Report which sets out our enhanced strategy, goals and an expanded suite of targets and commitments.

Our ambition to be the world's most admired premium wine company saw us take a much bolder step towards sustainability leadership in F21 with the release of our enhanced sustainability strategy. The strategy reflects our ambition to *cultivate a brighter future* for everyone who touches our business and our products.

We recognise that this is a bold ambition, but we believe it needs to be.

Growing awareness of the threats to our environment and the importance of sustainability are increasingly shaping the expectations of our consumers, customers, and partners around the world.

As the custodian of some of the world's most iconic wine brands and with a large agricultural footprint as well as global sourcing, production, and distribution capabilities, we believe that embedding sustainability into our business is fundamental to our longevity.

This is not only due to our exposure to the physical and transitional risks of climate, but our ability to respond to a range of global and regional social, economic and consumer trends – all of which require new ways of thinking, innovation, and partnerships to adapt.

Access to markets is critical to our long-term, sustainable success and we believe that our ability to innovate, build meaningful partnerships and the responsible production of our products will ensure we can grow and attract new consumers, and gain access to new, growing markets.

"We believe that embedding sustainability into our business is fundamental to our longevity."



As a result, sustainability is embedded into our TWE 2025 strategic blueprint and is increasingly influencing our decision making across our value chain – from the way we source a range of fruit varieties and produce our wine through to how it's packaged, transported and sold. It also requires us to listen and think deeply about what matters to our communities, partners, and our consumers across all markets.

Our plans and initiatives are focused on delivering against three newly established goals – building a resilient business; fostering healthy and inclusive communities; and producing sustainable wine.

Alongside the updated ambition and goals, in F21 we announced a number of new targets and commitments focused on enhanced water stewardship and working towards net zero emissions including a 100% renewable electricity target across our global operations by 2024. These are in addition to our existing priorities in regard to health, safety and wellbeing through initiatives such as our Destination Zero Harm program and inclusion and diversity targets as well as our sustainable packaging targets.

In this Report, we reflect on the progress we have made in F21 whilst setting out our strategy, contextualising our material topics and disclosing further commitments to consumer health and responsible drinking, sustainable growing and production, and responsible supply chain management.

We're leading by example with our targets and commitments and building trust through transparent reporting of our progress, reflecting the important steps in our sustainability journey.



Whilst we have made good progress on our sustainability agenda, we recognise there is much work ahead of us and that success will come through partnership with our team and other stakeholders. We continued to support the United Nations Sustainable Development Goals (UNSDGs) and are a signatory to the United Nations Global Compact. We remain committed to supporting its principles – on human rights, labour rights, environment, and anti-corruption – wherever we operate.

During the next 12 months we'll continue to mature our sustainability roadmap with clear priorities and commitments in the areas that we believe we can make the most impact, and also improve our approach to governance and reporting. This includes implementing a Taskforce on Climate-related Financial Disclosures (TCFD) reporting roadmap that is aligned with our approach and targets and embedded into our business strategy.

We look forward to sharing more about our sustainability journey and more importantly working with a range of stakeholders to drive change and make an impact so that together we can cultivate a brighter future.

Kind regards,

Paul Rayner
Chairman

Tim Ford
Chief Executive Officer

F21 sustainability highlights

EBITS of

\$510.3 million

ROCE improving

0.6ppts
to 10.8%**68%**favourable in our inaugural
engagement and inclusion surveyRefreshed our
Code of ConductLaunched our values
– TWE DNA – which
underpin how we
think and act, and
what we valueCommitted to rapid
decarbonisation
of our operationsAchieved
carbon neutrality
for Lindeman's
in Europe**33%**decrease in
Serious Incident
Frequency Rate**45.1%**of senior leaders
are femaleExpanded low
and no alcohol
product range

Achieved a

96.7%

recycling rate

Assessed

855suppliers for their
ethical, social and
environmental
performanceRefreshed our
Responsible
Procurement
Code

Our approach to sustainability

This year we have taken a considerable step forward, launching a new sustainability strategy and an ambitious suite of targets.

Our approach to sustainability is embedded in our [Ambition and Game Plan](#), and is driven by our TWE DNA. It reflects a clear commitment to innovation, partnership and taking a sustainability leadership role not just across the global wine sector but looking to leading the beverages sector more broadly.

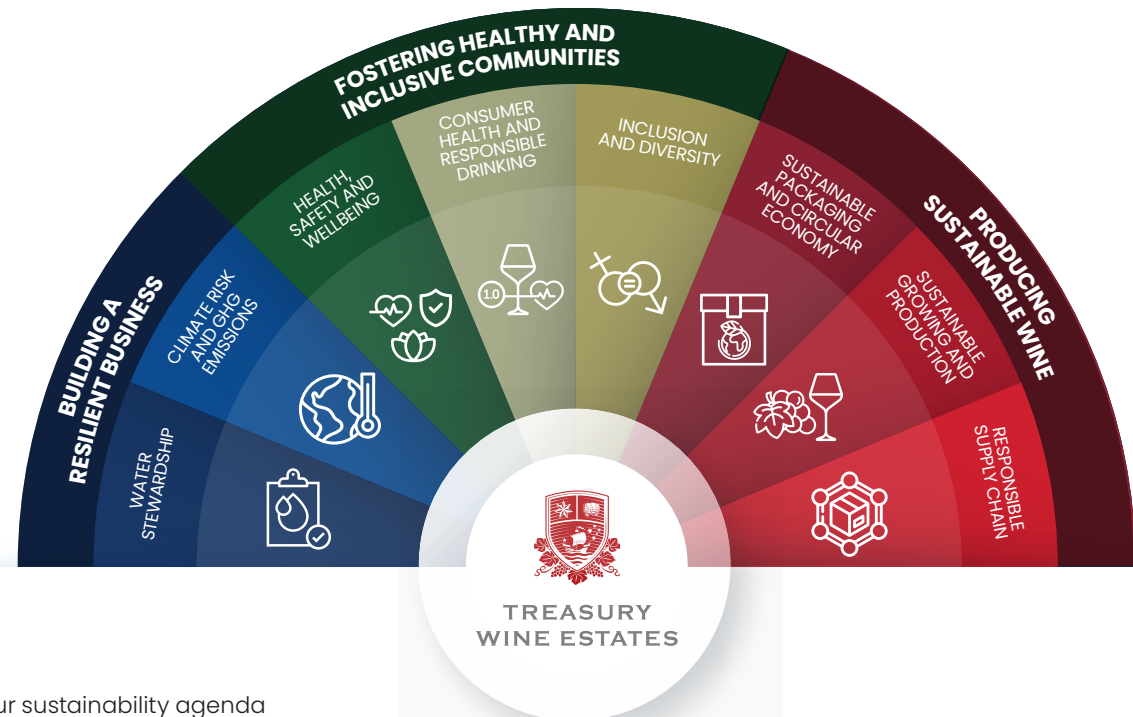
We know our ambition is bold, but we recognise that we need to take a more integrated approach to sustainability. We need to focus on long-term value creation and on innovation, as well as committing to leadership and collective action if we are to effectively manage risks and make the most of new and emerging opportunities. We are also investing to ensure our data and systems support this ambition.

This strategy responds to our material topics and reflects the areas in which we are able to make the greatest impact for our company, industry and in response to pressing global issues, including those identified by the Sustainable Development Goals (SDG).

Sustainability governance

Our Sustainability Leadership Group is a cross-functional governing body that has oversight of our sustainability approach and performance. The group comprises members from the Executive Leadership Team (ELT) and senior representatives from regional and functional areas of the business. Our ELT and Board receive regular updates and routinely review and approve initiatives and targets. As we implement our strategy and embed deeper consideration of social and environmental issues into our business we will further refine our governance of sustainability.

Cultivating a brighter future



Our sustainability agenda has three focus areas:

BUILDING A RESILIENT BUSINESS

We want to ensure our business is resilient in the face of increasing uncertainty, complexity, and change. For more detail refer to page 17 of this Report.

FOSTERING HEALTHY AND INCLUSIVE COMMUNITIES

We want to foster safe, sociable, and connected communities where our brands are promoted, and our wine consumed safely and responsibly. For more detail refer to page 23 of this Report.

PRODUCING SUSTAINABLE WINE

We want every consumer to experience wine that is sustainably grown, made, and packaged. For more detail refer to page 30 of this Report.

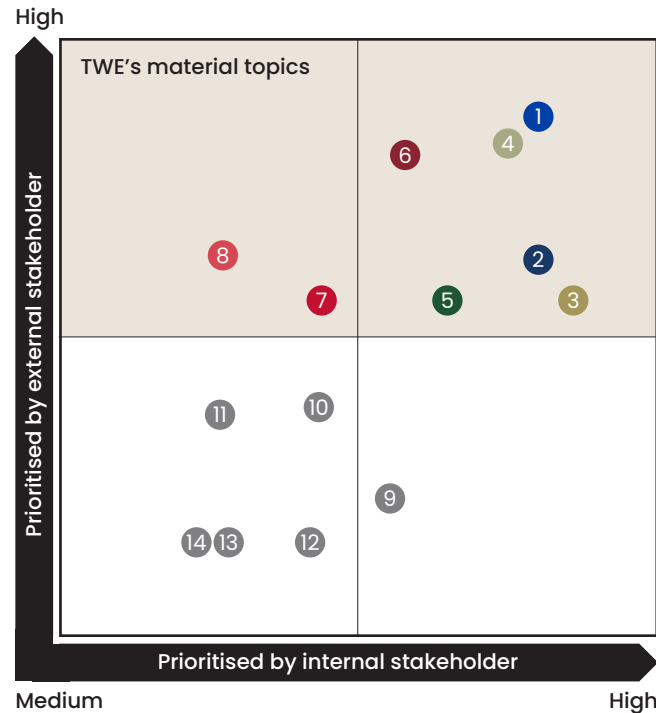
Material topics

This year, we conducted an extensive assessment of the environmental, social and governance (ESG) issues, risks and opportunities of greatest significance to our stakeholders and our company. Our approach was guided by the GRI Standard and the AA1000 Accountability Principles.

Our materiality assessment consisted of:

- A desktop review of key documents including consumer research, investor insights, global mega-trends, industry analysis and sustainability reporting practices to identify an initial list of material topics
- Stakeholder engagement including interviews and focus groups with internal stakeholders such as members of the ELT to prioritise these topics
- Development of an initial materiality matrix with prioritised topics plotted according to their relative importance to our business and its stakeholders
- A workshop with cross-functional representatives to validate the material topics and their priority.

We identified eight high priority topics through our assessment. These, and their relative importance are detailed in the matrix on this page. It should be noted that while there were a number of topics, such as Corporate governance and Product quality and safety, that our stakeholders did not identify as material to our sustainability strategy, they continue to be critical to our long term success and remain a priority for the business. More specific information on these topics, their relevance and our performance can be found throughout this Report.



BUILDING A RESILIENT BUSINESS

- 1 CLIMATE RISK AND GHG EMISSIONS
- 2 WATER STEWARDSHIP

FOSTERING HEALTHY AND INCLUSIVE COMMUNITIES

- 3 INCLUSION AND DIVERSITY
- 4 CONSUMER HEALTH AND RESPONSIBLE DRINKING
- 5 HEALTH, SAFETY AND WELLBEING

PRODUCING SUSTAINABLE WINE

- 6 SUSTAINABLE PACKAGING AND CIRCULAR ECONOMY
- 7 SUSTAINABLE GROWING AND PRODUCTION
- 8 RESPONSIBLE SUPPLY CHAIN

- 9 Developing talent
- 10 Community engagement
- 11 Ethical corporate conduct and transparency
- 12 Product quality and safety
- 13 Authenticity and provenance
- 14 Corporate governance

TARGETS

To hold ourselves to account and ensure we focus our efforts on where we can make the most impact we have set a range of targets, aligned to each of our material topics. They are also aligned with the United Nations Sustainable Development Goals, and help to bring our ambition, path to deeper integration and value-creation to life.

BUILDING A RESILIENT BUSINESS



TARGET

100% renewable electricity by 2024
Net zero by 2030 (scope 1 and 2)



TARGET

Comprehensive review of our water usage and footprint at a catchment level in F22

FOSTERING HEALTHY AND INCLUSIVE COMMUNITIES



TARGET

10% reduction in Serious Safety Incident Frequency Rate



TARGET

50% women in senior leadership by 2025
42% female representation overall by 2025
30% female representation on Board



TARGET

Establish an advocacy strategy that emphasises consumer health outcomes

PRODUCING SUSTAINABLE WINE



TARGET

Develop a plan for expanding sustainability certification through our grower and bulk wine network in F22



TARGET

In F22, develop TWE's Supplier Governance Framework and commence implementation to strengthen controls through our supply chain



TARGET

100% of product packaging to be recyclable, reusable, or compostable by 2022
100% of product packaging to comprise 50% average recycled content by 2025
Collaborate with glass and carton partners on a closed loop packaging solution by 2025

Value chain

We are part of the global economy, meaning our value chain is connected to people, communities, ecosystems and other businesses around the world. This also means our economic, social and environmental impacts extend beyond our own operations and our direct control. We believe in deep long-term partnerships and networks that use the size and scale of our business to leverage change – from the producers and manufacturers that supply us all the way to our customers and consumers.

The diagram below identifies the key stages of our value chain. To learn more about the material topics and relevant SDGs for each stage please refer to our website [here](#).



Stakeholder engagement

We consider our stakeholders to be any group or individual who influences or is impacted by our business.

We aim to build stakeholder trust by being transparent, responsive, and accountable. Our engagement can take many forms, be it direct through face-to-face interactions, surveys and market research. We are also active in industry groups and participate in industry networks, forums and as part of the broader business community. The following table includes a list of our key stakeholder groups and the key topics in F21.

Stakeholder	Key topics in F21 include:
Consumers We have millions of consumers around the globe and want them to enjoy our brands responsibly.	<ul style="list-style-type: none"> Responsible drinking including shifting consumer preferences towards moderation (including low or no alcohol) Sustainability performance and credentials, especially for luxury wine consumers Demand for sustainably produced wine
Customers We market, sell and distribute our branded wine to a range of customers in more than 70 countries around the world.	<ul style="list-style-type: none"> Responsible drinking Sustainability performance and credentials On-going response to COVID-19
Employees As a global business we have a diverse and talented workforce with 2,600 employees.	<ul style="list-style-type: none"> Health, safety and well-being New operating model Inclusion and diversity On-going response to COVID-19 Employee value proposition including development, capability and benefits
Communities We actively engage with communities including non-profit organisations, community groups and individuals in all operating locations.	<ul style="list-style-type: none"> Responsible drinking Sustainability performance and credentials On-going response to COVID-19 Support of local community groups and organisations through fundraising and in-kind support
Governments We routinely engage with departments, minister and staff from all levels of government.	<ul style="list-style-type: none"> Engagement with ministers, departments and key agencies in various jurisdictions on a range of topics of importance to our business and the broader industry
Regulators We work with regulators in all markets towards safe and legal consumption of our products.	<ul style="list-style-type: none"> Ongoing engagement with alcohol advertising bodies to ensure the marketing and promotion of our products are compliant with the relevant codes and guidelines Ongoing engagement to ensure our products are produced and sold in compliance with relevant legislation Supporting regulatory investigations

Stakeholder	Key topics in F21 include:
Investment community Our investor community comprises institutional investors, analysts, proxy advisors, lenders and around 85,000 domestic shareholders in Australia.	<ul style="list-style-type: none"> Implementation of duty rates on Australian wine imports into China and China business model enhancements, including plans to drive incremental growth for Penfolds COVID-19 impacts on business performance US business performance including commercial portfolio reduction and restructuring New operating model for TWE
Industry bodies We are active members of many industry associations throughout the world and play a leadership role through regular engagement in our key operating regions.	<ul style="list-style-type: none"> Supporting comprehensive community education initiatives on safe and responsible alcohol consumption Developing new trade opportunities, removing barriers for Australian wine exports and advocating for favourable outcomes through trade negotiations Modernisation of tax and excise duties
Suppliers During F21 we engaged with around 6,000 suppliers.	<ul style="list-style-type: none"> Conducted a supplier summit to inform supplier partners of our sustainability aspirations Implemented joint business planning processes into new contractual arrangements to drive a co-investment into product quality, sustainability, innovation Implemented mandatory sustainability practices and improvement targets into new contractual arrangements

Treasury Wine Estates is a signatory to, participant in, or supportive of, the following voluntary sustainability initiatives:

- Australian Packaging Covenant
- Global Reporting Initiative
- Porto Protocol
- RE100
- Swedish Beverage Industry's Climate Initiative
- Sustainable Development Goals (SDGs)
- Sustainable Wine Roundtable
- Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations Global Compact (UNGC).

Our sustainability certifications are covered in detail on page 31.

Corporate governance

APPROACH

TWE believes that transparent and robust governance practices are critical to delivering value to shareholders; promoting investor confidence; and meeting our ambition of being the world's most admired premium wine company.

PROGRESS

During F21 we refreshed our ambition and strategic blueprint with the launch of TWE 2025. The ambition is underpinned by a commitment to being bold in our decision making and the way we innovate so we can drive change in the world of wine. Supporting this is our 'DNA' – our cultural code that defines who we are and how we behave so that we create a positive experience for everyone who touches our business.

See the diagram to the right for further information.

The TWE 2025 strategic blueprint, including our DNA, led to the adoption of a new Code of Conduct, with new training modules established and now being rolled out across the entire organisation. The Code of Conduct, the TWE ambition, Game Plan and DNA focus on doing business *the right way* and TWE's responsibility to operate sustainably and with each of our stakeholders and communities in mind. This thinking has been woven into our performance appraisal, goal setting and development goals across the organisation.

In late F21, TWE adopted a new Compliance Management Framework. The Framework will be led by a newly appointed Compliance Manager with support and input from the business. More detail on this framework will be included in the 2022 Sustainability Report following its first year of operation.



GOVERNANCE OF SUSTAINABILITY

The Sustainability Leadership Group (formerly known as the Global CR Council) is the program's governing body with oversight of our sustainability approach and performance. The cross-functional group comprises members from the ELT and senior representatives from regional and functional areas of the business. The governance structure of sustainability at TWE is represented in the diagram below.

TWE's governance structure ensures that the Board oversees TWE's approach and management of ESG matters and receives updates on sustainability and the status of key priorities. In May 2021, the Board approved TWE's new sustainability targets outlined in the material topics on page 7. The Board also has oversight of the Company's key ESG disclosures, including this Sustainability Report, the UN Global Compact Communication on Progress, and the Statement on Human Rights and Modern Slavery.

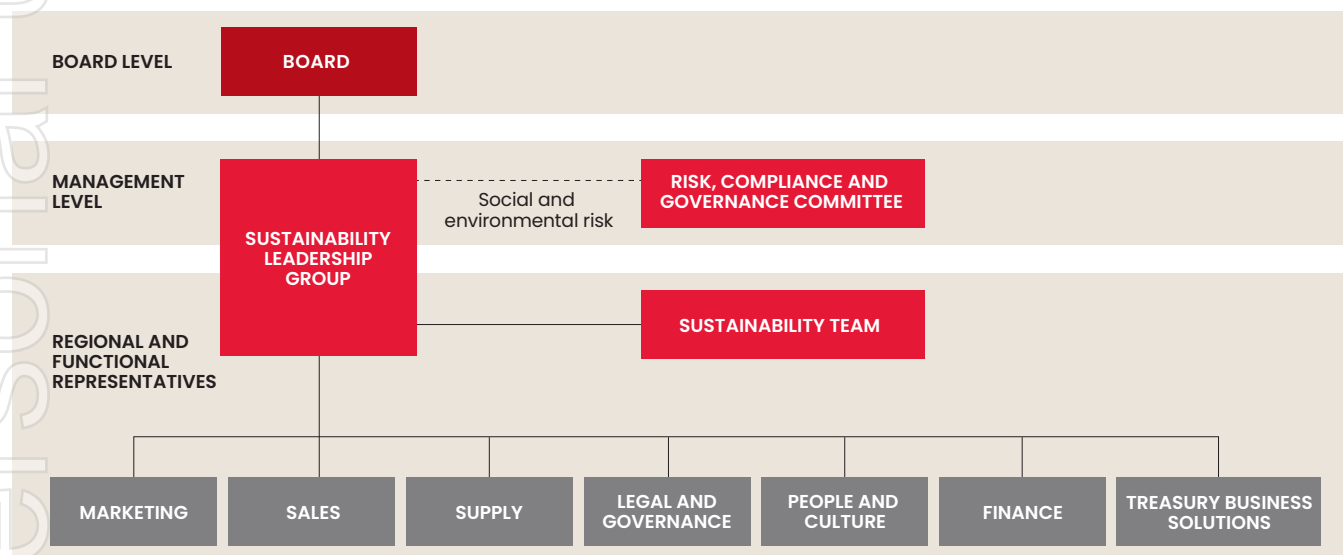
TWE's governance practices provide for continuous monitoring and reporting of non-financial risks across the organisation. Regular reporting is conducted on a range of topics including inclusion and diversity, Code of Conduct breaches, whistleblower reports, litigation and compliance, anti-bribery and corruption matters, HSE performance and compliance, internal audit outcomes and private sessions with internal and external audit. These reports extend beyond management level and are submitted to the Board.



F21 Corporate Governance Statement

A comprehensive summary of TWE's corporate governance practices for the year ended 30 June 2021 can be found in our Corporate Governance Statement available [here](#).

Sustainability governance



Current as at 30 June 2021



WhaT'We Think

The results of our global engagement and inclusion survey¹ – WhaT'WE Think – reinforce the importance and value of our Ambition, Game Plan and our DNA. The results show that these ideas have become part of who we are and a reason people want to work at TWE. Despite the survey being conducted during our transition to the new global operating model, WhaT'WE Think reported an engagement score of 68% favourable. Additionally, we heard:

- TWE demonstrates genuine care and support for people's wellbeing – 82%
- Our people feel valued, connected and appropriately involved in our business – 81%
- Our people feel connected and confident with their immediate manager – 80%
- Our people demonstrate our TWE DNA – 74%.

We continue to strive to improve our employee experience by building on our strengths, further embedding our DNA into everything that we do, and building the capability of our leaders. We are also addressing the opportunities raised through the survey, including improving communication capability and making learning and development opportunities more accessible to everyone.



¹ Employee engagement measures the extent to which our people feel connected to, motivated by and committed to TWE. We use Culture Amp's 5-item engagement scale. The score represents the average of the percentage of survey respondents who agreed or strongly agreed with each item.

Risk management

APPROACH

Our continued growth and success depends on our ability to understand and respond to the challenges of the environments in which we operate. By understanding and managing risk, we provide greater certainty and confidence for all our stakeholders that we will achieve our growth strategy in a sustainable way.

PROGRESS

TWE has implemented a strategic and consistent enterprise-wide approach to risk management, underpinned by a risk-aware culture. Our Risk Management Framework (Framework) defines the approach and standards for risk assessment including periodic identification, analysis and evaluation of financial and non-financial risks at group level and in each major function or region. The Framework includes both financial and non-financial risks such as environmental and social risks.

TWE's material business risks and how they are managed are set out in the F21 Operating and Financial Review (OFR) of the [Annual Report](#).

Over the last 12 months, we reviewed TWE's environmental and social risk assessments including material risks such as the impacts of climate-related change. We continue to build our understanding and disclosure of the risks and opportunities that climate change presents. Further detail is available in the climate risk and GHG (Greenhouse Gas) section.

Tax transparency

APPROACH

We place significant importance on transparency and maintaining high standards of tax governance and compliance. Our Tax Governance Policy includes the following core guiding principles:

- Comply with all tax laws in the countries in which TWE operates
- Maintain effective relationships with revenue authorities in countries in which TWE operates
- Adhere to the Board approved Tax Risk Management Framework.

PROGRESS

TWE paid approximately \$173.6¹ million in federal taxes within Australia in respect of its operations in the 2021 income tax year which is made up of a number of different costs relating to employee benefits, Wine Equalisation Tax (WET), excise tax and producer rebates, research and development and company income tax.



Tax Transparency Report

TWE produces an annual Tax Transparency Report which meets the voluntary tax transparency code principles and outlines:

- tax governance & strategy
- income tax reconciliation
- Australian federal tax contribution
- international related party dealings.

View TWE's most recent Tax Transparency Report [here](#).



¹ Note this amount includes an estimate of the final income tax payment due in relation to the 2021 income year and is based on the current income tax liability disclosed in TWE's 2021 Annual Report. This number will be finalised after the completion of the Australian income tax return in December 2021.

Managing human rights

APPROACH

At Treasury Wine Estates, we believe that human rights recognise the inherent value of each person and encompass the basic freedoms and protections that belong to every single one of us. In doing business, we are committed to respecting human rights and seek to support and uphold the principles within the United Nations (UN) Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the ILO 1998 Declaration on Fundamental Principles and Rights at Work as well as specific legislation in the markets in which we operate. Our business and people can only thrive when human rights are safeguarded.

PROGRESS

In F20, the business completed a Human Rights Impact Assessment (HRIA) across TWE operations to better understand our human rights risks, and how the business can improve its policies, procedures and processes. In response, we created a roadmap to strengthen and progress our commitment to protecting human rights.

In F21, TWE progressed the roadmap against three key priorities:

- Policies
- Education and awareness
- Supply chain responsibility.

POLICIES

In F21, we launched TWE's Human Rights Charter (Charter) which sets out our commitment to upholding human rights and the prevention of modern slavery. The Charter, translated into the main languages of the markets in which we operate, sets out the expectations across our business from our Board to our brands and the role they each need to play in upholding human rights. The Charter is underpinned by global policies and programs, including risk assessment processes that are designed to identify potential impacts and adopt preventative measures.

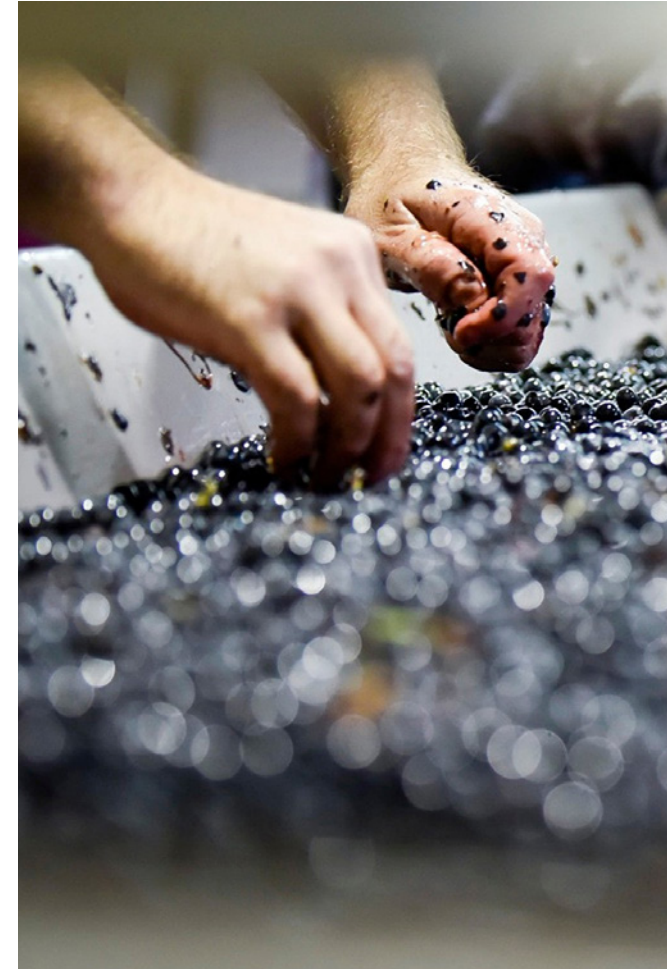
The Charter sets out three core commitments:

- **We protect human rights** – we believe in acting fairly and making decisions based on merit
- **We respect human rights** – we believe respect for human rights is the cornerstone of a culture in which everyone can make a contribution and feel included so we strive to conduct business in a way that respects the rights and dignity of people and avoids complicity in human rights abuses
- **We remedy human rights** – we encourage all stakeholders to report and express concerns relating to suspected violations of our policies, including the Charter.

To further strengthen TWE's commitment to upholding human rights, we aligned our Global Diversity and Inclusion strategy and policy to our human rights agenda, with respect for human rights forming the foundation of our approach. Our ELT are expected to actively uphold TWE's human rights commitments and this is reinforced through a key performance objective tied to remuneration outcomes.

We also completed a comprehensive review of TWE's policies to ensure all core policies explicitly reflect our commitment to upholding human rights, including the Code of Conduct, Diversity and Inclusion Policy, Recruitment and Selection Policy, and Responsible Procurement Code. Our core policies were translated into several business languages to ensure they are easily accessible and understood.

TWE also introduced paid leave to victims of family and domestic violence in addition to confidential support in Australia and New Zealand.



EDUCATION AND AWARENESS

Throughout F21, TWE focused on improving employee education and awareness of human rights matters through a series of targeted campaigns and events including a Human Rights campaign providing information and resources relating to Human Rights Day, World Aids Day and eliminating gender-based violence. This included Chief People Officer, Katie Hodgson, hosting a global panel event to recognise Human Rights Day on 10 December, with panelists including TWE CEO Tim Ford, and a speaker from the UN Global Compact Network Australia. Approximately 300 employees from across TWE participated in a courageous conversation about human rights, why they're important and how we can all tackle bias and discrimination in the workplace.

In support of the Diversity Council Australia's #ISStandForRespect campaign, our CEO Tim Ford signed a pledge to stand against gendered harassment and violence in all its forms and to taking steps to address sexual and sex-based harassment.

SUPPLY CHAIN RESPONSIBILITY

In F20, TWE rolled out a comprehensive supplier onboarding platform to enable us to identify supplier risks, which was further embedded into business operations in F21. Please refer to the Responsible Supply Chain section of this Report for further information.

MODERN SLAVERY

Building on the HRIA, TWE undertook further risk assessment work in F21 to progress our understanding of modern slavery risk. This identified forced labour, child labour, human trafficking, and forced marriage as the most salient modern slavery risks in our global operations and supply chains. In addition to this we identified the following areas to be at highest risk of modern slavery:

- Temporary or contracted labour in our vineyards and wineries
- National and international logistics of our dry good supplies, bulk wine and finished goods
- Low-skilled labour and migrant labour used by our varied service providers including cleaning and maintenance.

Based on this work – which looked at a combination of risk factors such as geography, industry and spend – we consider that the vast majority of our suppliers and spend do not present a high risk of modern slavery. We acknowledge that we have more work to do in a number of areas including improving our systems and processes as well as ensuring supplier compliance with our policy and expectations.

We will also seek to further improve our understanding of modern slavery and how it manifests in these industries as well as more targeted engagement with suppliers from these sectors.



TWE's statement on Human Rights and Modern Slavery (Statement) sets out the actions taken by TWE and our reporting entities to understand, mitigate, and address human rights and modern slavery risks. It is available [here](#).



Australian temporary or contracted labour

Due to the seasonal nature of vineyard work, we use a combination of labour hire and subcontracted labour to support us during peak periods such as pruning and harvest. While not employed directly, TWE takes very seriously our obligations and responsibilities to workplace entitlements for, and working rights requirements of, all workers.

During F21, additional work was undertaken in Australia with all our labour providers for TWE-managed vineyards to reinforce the importance of robust processes and controls to ensure workers hold appropriate rights to work and receive all their entitlements. Through written questionnaires, conversations and inspection of documentation we identified areas for improvement, and a small number of instances where remediation was required.

We also partnered with a third-party technology solution that enables our subcontractors to simplify their process of ensuring their employees hold appropriate working rights. Work in this area is expected to be completed for our ANZ business in F22 and learnings will be shared across our global operations.



About this Report

OUR REPORTING

TWE's 2021 disclosures comprise this Sustainability Report, the 2021 Annual Report, and our 2021 Corporate Governance Statement. They should be read in conjunction with each other and where possible we have drawn links between the documents. They are all available for download on our [website](#), as are a number of policies and documents referred to throughout this Report.

THIS REPORT

This Report provides an overview of our approach, progress and performance in relation to TWE's most material topics and is structured according to our Sustainability strategy. Our material topics have been identified through a materiality assessment and reflect topics that are important to our company and our stakeholders. This Report discloses performance information for the financial year 1 July 2020 to 30 June 2021 (F21) unless otherwise stated.

ALIGNMENT WITH REPORTING STANDARDS

This Report has been prepared with consideration to relevant reporting standards including the Taskforce on Climate Related Financial Disclosures (TCFD), the Global Reporting Initiative Standard (GRI) and the United Nations Global Compact (UNGC). We intend to increase our alignment with relevant reporting standards over time.

VERIFICATION

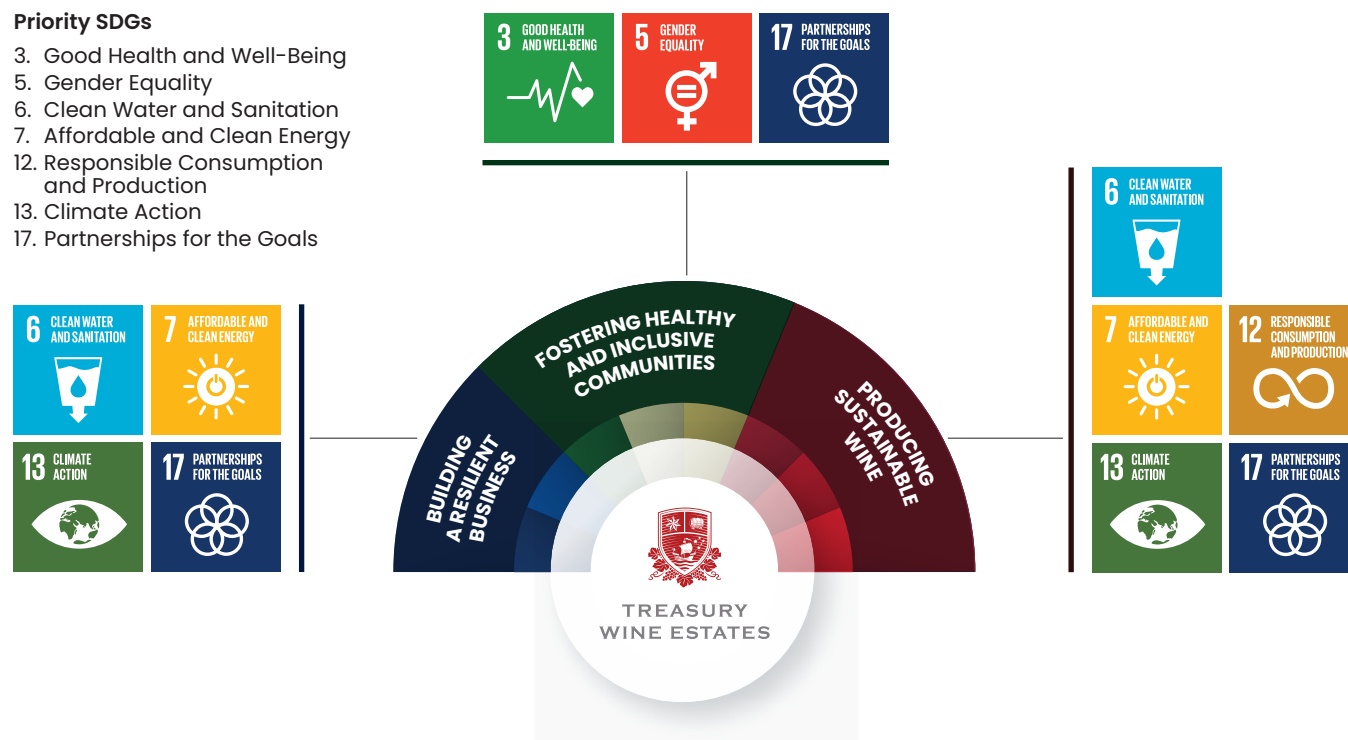
We utilise a range of internal verification processes and controls to help ensure the completeness and accuracy of information within this Report. These internal processes and controls relate to data collection, recording, collation and presentation for reporting purposes. There are a series of reviews and verification steps conducted, with a particular focus that any significant variances or discrepancies are accurate and readily explainable. We intend to seek independent limited assurance for future Sustainability Reports.

SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals provide a blueprint to achieve a better and more sustainable future by 2030. TWE has reviewed and aligned its Sustainability strategy to seven priority SDG's that are highlighted below and our work to drive action towards these goals is highlighted throughout this Report.

Priority SDGs

- 3. Good Health and Well-Being
- 5. Gender Equality
- 6. Clean Water and Sanitation
- 7. Affordable and Clean Energy
- 12. Responsible Consumption and Production
- 13. Climate Action
- 17. Partnerships for the Goals



The F21 UNGC Communication on Progress is published in conjunction with this Report and is available [here](#).

WE SUPPORT



Key performance indicators

METRIC	MEASURE	F19	F20	F21
BUILDING A RESILIENT BUSINESS				
Total water consumed ¹	Gigalitre (GL)	28.8	24.9	25.3
Water efficiency ²	L/9LE	26.9	28.6	23.8
Total energy consumed ¹	GJ x 10 ³	468.6	423.3	465.6
Renewable electricity ³	GJ x 10 ³	–	12.4	15.3
Renewable electricity ³	%	–	2.6	3.3
Energy efficiency ²	MJ/9LE	9.9	9.6	8.4
Scope 1 greenhouse gas (GHG) emissions ^{4,5}	Kilotonnes CO ₂ e	–	14.8	14.0
Scope 2 GHG emissions ^{4,6}	Kilotonnes CO ₂ e	–	34.1	33.3
GHG emissions ⁷	Kilotonnes CO ₂ e	47.2	48.9 ⁸	47.3
GHG emission intensity ratio ⁷	Kg CO ₂ -e/9LE	1.07	1.03	0.93
Environmental incidents	# of non-compliance with environmental regulations	0	0	0
FOSTERING HEALTHY AND INCLUSIVE COMMUNITIES				
Employee engagement ⁹	Score in annual survey	–	–	68
Lost time injury frequency rate ¹⁰	Lost time injuries per million hours worked	5.2	5.3	5.3
Serious incident frequency rate ¹⁰	Serious incidents per million hours worked	1.7	1.8	1.2
Safety Conversation frequency rate ¹⁰	Safety conversations per million hours worked	229	441	697
Female representation in senior leadership roles ¹¹	%	39.0	41.2	45.1
Overall female representation	%	39.6	39.1	40.2
Female representation on TWE's Board	%	37.5	44.4	44.4
Alcohol Policy training	% compliant employees	96.3	98.0	95.9
Non-compliance findings with marketing regulation or voluntary codes	# of findings	–	1	1
Non-compliance findings with labelling codes or regulations	# of findings	–	–	–
PRODUCING SUSTAINABLE WINE				
Total solid waste generated	Kilotonnes	65.9	59.7	52.4
Solid waste diverted from landfill (recycling) ¹	%	96.8	96.2	96.7

- 1 Absolute figures include all wineries, packaging centres, company-owned or leased vineyards, cellar doors as well as offices with more than 20 employees. Cellar doors and offices excluded prior to F21. This change in scope reflects more complete capture of our operational impacts. We will continue to improve our data capture in F22 and beyond.
- 2 Water and energy efficiency for TWE's wineries and packaging centres include non-TWE volumes packaged at our facilities under contract. TWE uses a unit of nine litre equivalent (9LE) to represent volume. Efficiency is based on production and what is bottled. It does not include water or energy used at Company-owned or leased vineyards, offices, cellar doors or 3rd party packaging facilities. Production of wine is a multi-year process (i.e. grapes crushed may not be bottled in the same year) meaning efficiency may not be reflective of what is bottled that year. Water and energy consumed on vineyards, offices and cellar doors is captured in absolute figures.
- 3 Renewable electricity generated on our owned/leased sites or bought via Power Purchase Agreement (PPA).
- 4 Includes all wineries, cellar doors, packaging centres and Company-owned or leased vineyards and offices.
- 5 Scope 1 refers to the emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level.
- 6 Scope 2 refers to emissions released to the atmosphere from the indirect consumption of an energy commodity.
- 7 Includes all wineries, cellar doors, packaging centres and Company-owned or leased vineyards and offices. Does not include Scope 3 emissions.
- 8 Total CO₂e emissions for F20 have been restated to align with F21 carbon emissions reporting boundary, refer to note 1 for more detail. We have not updated other metrics (e.g. efficiency).
- 9 Employee engagement measures the extent to which our people feel connected to, motivated by and committed to TWE. We use Culture Amp's 5-item engagement scale. The score represents the average of the percentage of survey respondents who agreed or strongly agreed with each item.
- 10 Global frequency rate calculations incorporate all TWE regions, all employees and casual workers. Contract workers not under the direct supervision of TWE are not included in the calculations.
- 11 TWE defines senior leadership roles as senior leaders, professionals and specialists, including general, department and functional management.

Building a resilient business

Our ability to deliver over the long-term relies on the health of our planet and the people around us. To thrive, our business needs to be resilient in the face of increasing uncertainty, complexity, and change. Being able to adapt to the trends impacting our business such as climate change, requires new ways of thinking, innovation, and new partnerships.



TARGETS

- 100% renewable electricity by 2024
- Net zero emissions by 2030 (scope 1 and 2)
- Comprehensive review of TWEs water strategy, footprint and usage at a catchment level in F22

F21 HIGHLIGHTS

Committed to rapid decarbonisation of our operations

Achieved carbon neutrality for Lindeman's in Europe



Climate risk and GHG emissions



APPROACH

TWE is a global viticultural business and is exposed to both physical and transitional climate risks. Accordingly, we have a responsibility to minimise and mitigate the negative impacts of our operations and to build resilience to climate change. We have implemented management strategies to deal with the challenges of short-term cycles

and long-term climate change. This includes the ability to manage the impact of heatwaves, drought, increased fire risk, and salinity to mitigate their effect on grapevine physiology, and grape and wine quality.

TWE supports the ambitious aim of the Paris Agreement, to limit global temperature rise to 1.5°C above preindustrial levels and intends to reach net zero emissions (scopes 1 and 2) by 2030 to do our part to ensure we can avoid the worst impacts of climate change.

PROGRESS

The science is clear and the evidence is overwhelming. Globally we are experiencing rising average temperatures as well as an increase in frequency and severity of storms, fires and other disasters. We're tackling our contribution to climate change by accepting the science and responding in a number of ways:

- Measuring, disclosing and reducing our emissions
- Setting ambitious targets
- Investing in renewable electricity
- Managing the risks
- Seeking opportunity through innovation
- Working with our suppliers and business partners to understand their impacts and approach to sustainability.

HOLDING OURSELVES TO ACCOUNT

We have a responsibility to be part of the journey towards a low carbon economy whilst managing the impacts and opportunities that climate change presents to our business. This year we set ourselves two ambitious targets, aimed at eliminating emissions from our own operations.

1. 100% renewable electricity across our global operations by 2024

TWE has invested in renewable electricity for a number of years and we are committed to doing more. We are currently planning our approach which will include the use of behind the meter solar and Power Purchase Agreements (PPA). As part of this commitment, we have also joined RE100, a global initiative bringing together the world's most influential businesses who are committed to 100% renewable electricity. This reflects our commitment

to show leadership, work with other organisations to drive real market change as well as push economies towards a low carbon future.

2. Net zero emissions by 2030 (scope 1 and 2)

By 2030, we are aiming to eliminate carbon emissions from our own activities and from energy we purchase and use. Electricity accounts for 70.4% of our scope 1 and 2 emissions, so achieving 100% renewable electricity is the quickest path to decarbonisation. The source of our scope 1 emissions are varied – from lawnmowers and generators to gas fired boilers. We will reduce our consumption of energy, focusing on efficiency, switching technologies and to alternative fuel sources where possible, ultimately sequestering remaining limited hard-to-decarbonise emissions.

Taskforce on Climate Related Financial Disclosures

We have begun to align our reporting with the recommendations of the TCFD and will continue to evaluate and enhance our climate-related disclosures to reflect our maturing approach to managing the impacts of climate change. These disclosures can be found at the following locations:

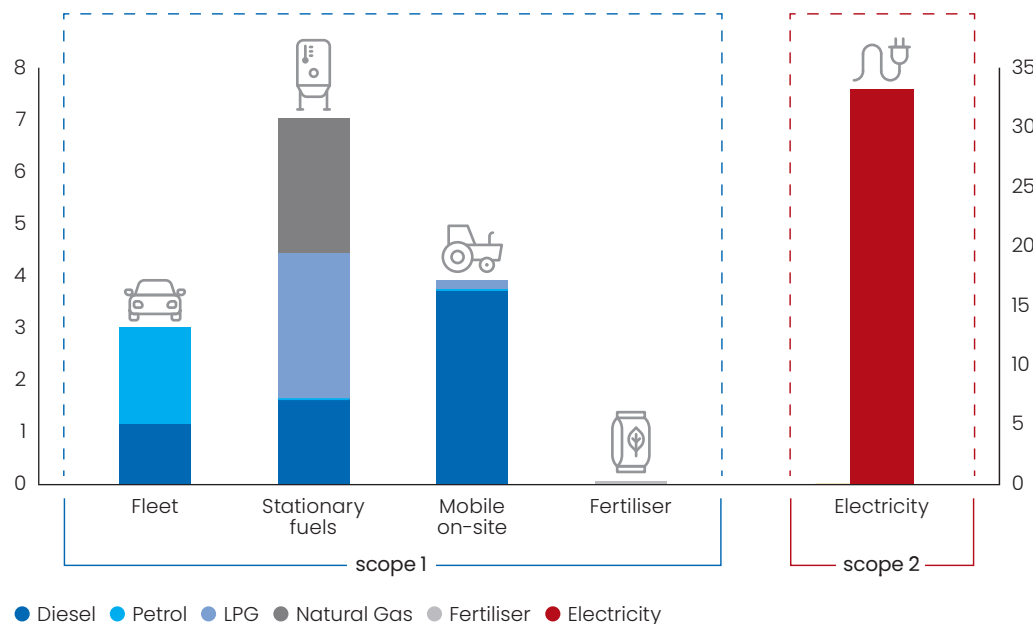
TCFD RECOMMENDATIONS	LOCATION
Governance: Disclose the organisation's governance around climate-related risks and opportunities	<ul style="list-style-type: none"> • Corporate Governance Statement: Section 2: Role and responsibilities of the Board • Sustainability Report: Sustainability governance
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	<ul style="list-style-type: none"> • Sustainability Report: Material topics; Climate risk and GHG emissions
Risk Management: Disclose how the organisation identifies, assesses, and manages climate-related risks	<ul style="list-style-type: none"> • Corporate Governance Statement: Section 2: Role and responsibilities of the board; Section 3: Risk management and internal controls • Annual Report: Material business risks • Sustainability Report: Managing our risks; Climate-related risks and opportunities
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	<ul style="list-style-type: none"> • Sustainability Report: Material topics; Key performance indicators

ENERGY AND EMISSIONS PERFORMANCE

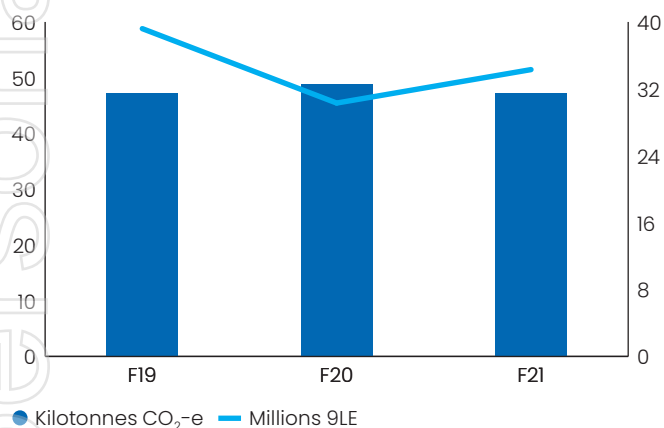
TWE relies on a mix of energy sources and types to power its operations. The breakdown of our greenhouse gas emissions profile is shown in the chart to the right. We currently track, monitor and report scope 1 and 2 emissions. These emissions are reported annually under the Australian Government's National Greenhouse and Energy Reporting Scheme (NGERS) program. Our emissions profile has remained relatively constant over time, with modest decreases in total emissions over F21 despite an expansion of our reporting scope (see note 1 to Key performance indicators).

We seek to maximise efficiency and invest in upgrades to infrastructure and process across our network of vineyards, wineries and packaging centres. Refrigeration represents a large component of energy used within TWE's wineries, accounting for up to 70% of a winery's electricity consumption. We have implemented a series of process changes such as shutting down systems when not in use, utilisation of variable speed drives, night cooling and brine efficiencies to reduce energy use associated with refrigeration. We also continue to roll-out pulse cooling across our operations. Pulse cooling allows the site to close off refrigeration valves for 50% of the time compared to conventional cooling methods.

GHG emission by source (kilotonnes CO₂e)



GHG emissions vs production



CLIMATE-RELATED RISKS AND OPPORTUNITIES

Our products reflect the unique set of circumstances where they are grown. As this changes, our ability to grow, make and market quality wines will be affected by physical risk factors such as:

- Changing temperatures affecting yield and quality of vineyards, meaning that grape varieties or root stocks may need to be adjusted in certain regions. Additionally, harvest times may be compressed or bought forward.
- More frequent extreme weather events that can affect yield and quality of vineyards (e.g. via smoke taint from bushfires).
- Water insecurity due to changes in supply and availability resulting in an escalation of purchasing price.

TWE's business strategy is climate-adaptive, allowing us to consider the impacts and leverage the opportunities posed by climate change. Central to this is a multi-regional sourcing program that has been in place since the business' inception, as well as an increasingly agile and efficient production and processing footprint. This approach is designed to increase resilience in the event of significant weather or climate change impacts.

Underpinning our strategy is a range of measures including improving our data and weather forecasting abilities, optimised irrigation and changing practices on the vineyard such as the use of mulch and innovative agronomic practices such as delayed pruning, improve canopy and vine architecture. We are also collaborating with a range of partners, such as universities and industry experts, to accelerate our transition to a low carbon future.

Transition risks are those arising from policy, legal, technology, market and reputation changes associated with the transition (or lack of) to a low-carbon economy.

We continue to monitor and understand emerging trends, policy developments and changing customer and consumer preferences. We believe there is opportunity and a need to be bold in responding to climate change and its impacts and the companies that move quickly will be well placed to manage transition risks. During F21 TWE continued to invest in technology that captures key vineyard data points which will enable the business to understand climate impacts in greater detail, improve decision making and our efficiency. We also actively participate in industry forums to help inform our thinking on the emerging policy and regulatory landscape.



Vintage compression

The expansion of the TWE Barossa Winery was designed to manage increased fermentation capacity for compressed vintages – which are becoming more frequent as the climate warms. Grape varieties that have historically been harvested at separate times, are now coinciding and regions which were once delivered at different times now overlap. The production facility has been designed and engineered to accommodate such compressed vintages where we have capacity to protect our highest value luxury fruit; ensuring they can be afforded the appropriate cycle time to make the best wine possible. Predictive software helps identify the ripening patterns of our fruit which provides critical insights as to how to optimally schedule the vintage process into the winery – not only for efficiency but to maximise the quality of wine produced.



CLIMATE SCENARIOS

In line with the recommendations of the TCFD, in F20 we began a two-year Climate Scenario Analysis¹ to help us understand what future trends, opportunities and risks may emerge as a result of climate change and their potential financial and operational impacts on our business and its strategy.

For each of our key growing regions² we used a high (RCP 8.5³) and low scenario (RCP 2.6) and identified a series of hypotheses related to water availability, long term temperature and climate extremes that were modelled over various time horizons (2030, 2050, and 2070). The TCFD guides companies to consider at least a 2°C scenario as this helps to articulate what the minimum potential changes to the climate might be as well as the corresponding effort required to meet the Paris Agreement goal of limiting global warming to well below 2°C. Additional scenarios were considered for decarbonisation of our business and consumer preferences.

With the work nearing completion we have recently begun to examine what these scenarios mean for our business at some specific sites in order to better understand our resilience and vulnerabilities and assist in guiding the range of our opportunity, risk mitigation and adaptation responses. This work will continue throughout F22.

This analysis is already informing adaption strategies and some of the actions needed to mitigate climate risks. Those include our technical capacity to improve weather forecasting, the genetic development of more drought-resistant grape varieties, precision viticulture practices to optimise irrigation and practices on the vineyard, such as the use of mulch to retain and control soil moisture, manage temperature as well as frost, drainage, and pests.

When complete, the findings will inform the range of potential climate impacts on our business.

SCOPE 3 EMISSIONS

We know we need to better understand and disclose our scope 3 emissions profile and we will work towards this over coming years. As these emissions occur outside of our business, they are more difficult to measure and control. We are taking steps such as encouraging key businesses in our value chain to capture, report and reduce the emissions that result from providing us goods and services. We have also achieved carbon neutrality in Europe for one of our key brands, Lindeman's (see case study).

Lindeman's Carbon Neutrality in Europe

In late 2020 Lindeman's achieved Carbon Neutrality across its core product portfolio in Europe. We worked with the Carbon Trust to certify our core Lindeman's product range as Carbon Neutral in Europe to the internationally recognised PAS 2060 standard. This certification is underpinned by a series of key measures across the supply chain to reduce the carbon footprint of Lindeman's brands. These include light weighting of bottles, optimising the recyclability of packaging and making the most of innovation in energy efficiency at winery-level.



1. Scenarios were based on data chosen based on three criteria: data sources were scientifically reputable; data was applicable globally to ensure consistency in variables across TWE's operations; a number of climate models were used as the multi-model average has been shown to outperform a single model.
2. Our key growing regions in Australia include Coonawarra, McLaren Vale, Barossa Valley, Wattonbully, Padthaway and Riverland in South Australia; Tamar Valley in Tasmania; and the Grampians in Victoria. In America our key regions are in California (Napa, Los Carneros, Central Coast, Lodi/Delta and the Southern Interior). In Europe it includes Bordeaux and Champagne (France); Tuscany and Venete (Italy); Valencia (Spain). Finally, Stellenbosch in South Africa and Marlborough in New Zealand.
3. RCPs refer to 'Representative Concentration Pathways' and are representative of possible future concentration scenarios. The numbers in each RCP refer to the amount of radiative forcing produced by greenhouse gases in 2100, with higher radiative values leading to greater changes in climate. For example, in RCP8.5 the radiative forcing is 8.5 Watts per square metre in 2100.

Water stewardship



APPROACH

Water is essential to life and it is essential to making great wine. Rising average global temperatures and shifting weather patterns are increasingly making fresh water more scarce and agricultural production more volatile. TWE relies on access to water to ensure we can grow, source, vinify and package our wines and this can be affected by

a variety of factors including climatic variability, water rights and licenses, storage capacity, groundwater reserves and changing prices/competition. Water scarcity is a risk to our company's operations, and we have defined regional strategies for how we meet our water requirements, ensuring that the business continues to balance and protect this precious resource.

PROGRESS

TWE continues to recognise water security as a significant priority due to our large global agricultural footprint. Water scarcity is a challenge that the world is currently facing and TWE acknowledges that we have a significant role to play in safeguarding water security in the regions that we operate.

We secure our water from a number of sources to support our global operations including grape growing and wine making. We monitor use of water to help us better understand our performance. Our key sources of water supply to include:

- Surface Water – River/Creek
- On-site Groundwater Bore/Well
- Municipal/Mains
- Irrigation Channel/Bore/Pipe
- Surface Water – Dam
- Incoming water from recycled Source
- Stormwater
- Trucked in or purchased water.

This year we committed to a comprehensive review of our water footprint and usage over F22. This review will build on a number of ways that we are already proactively uplifting our approach to water stewardship to safeguard water security for our future, including:

- Reducing our total water use intensity through activities such as the roll out of drought resistant root stocks and variable output irrigation systems in our vineyards.
- Ensuring that we re-use water multiple times in our production sites (wineries) and that when water leaves our site it is not contaminated/polluted. A sizeable investment in F21 involved the upgrade of our Wastewater Treatment Plant for the TWE Barossa Winery and Packaging. For more detail, refer to case study.

- Improving our planning to ensure resilience to the future impacts of climate change (leading to water infrastructure damage or lost access due to bush fires, high risk ground water levels, etc.).
- We also continue to deploy technology, such as remote sensing, IoT and AI across our operations. These help us to monitor soil moisture, make better decisions and improve water quality and efficiency. In many instances this occurs through collaboration with research institutes or via pilot projects.



Improving water re-use in the Barossa

Over F21 the winery expansion project in the Barossa provided an opportunity to review our water balance and improve our re-use. Through careful design and improved transfer capability of winery effluent and storm water, allowing for up to 360 megalitre (ML) of recycled water for irrigation and local community uses including:

- Utilisation across a network of 300 hectares of prized Penfolds Shiraz and Cabernet Sauvignon vineyards near the Barossa Winery to offset water otherwise sourced from the Murray River dependent Barossa Infrastructure scheme
- Usage on-site for a grounds and gardens irrigation program that is 100% fully recycled
- Supply to the community, including supporting the nearby Barossa Valley Golf Course.

Central to this program is a new 254ML lined dam in the center of the Kalimna vineyards in the Barossa that is the offsite winter storage hub for treated winery effluent and the irrigation hub for vineyards during the summer growing season. Incorporated into the transfer and pumping systems are inline sensors and variable valves to blend stormwater and treated winery water to ensure salt in irrigation water remains well below sustainable thresholds.



Fostering healthy and inclusive communities

A healthy and safe workplace will always be our first priority. Behind every bottle of wine is a team that is also passionate about building an inclusive and equitable culture that delivers better outcomes for all our stakeholders. We want to foster safe, sociable, and connected communities where our brands are promoted, and our wine consumed, safely and responsibly.



TARGETS

- 50% women in senior leadership by 2025
- 42% female representation overall by 2025
- Establish an advocacy strategy that emphasises consumer health outcomes
- 10% reduction in Serious Safety Incident Frequency Rate

F21 HIGHLIGHTS

33%

decrease in Serious Incident Frequency Rate

45.1%

of senior leaders are female

Expanded low and no alcohol product range



Health, safety and wellbeing



APPROACH

The health, safety and wellbeing of the TWE team and everyone who touches our business remains our highest priority. TWE recognises the importance of ensuring our people stay safe through closely managing existing risks and being proactive with emerging risks. Everyone at TWE has responsibility for health,

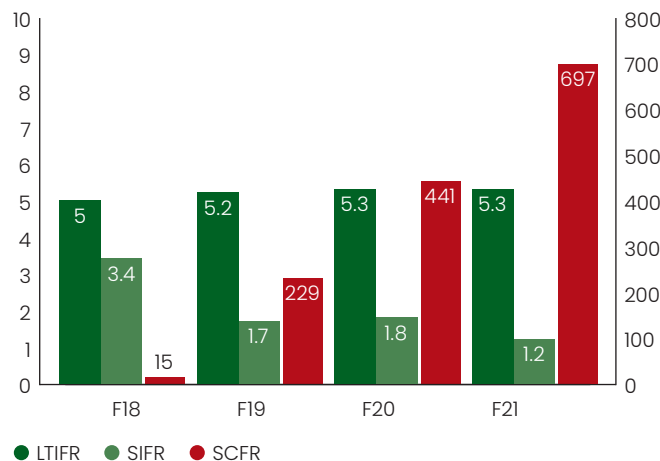
safety and wellness and our people leaders are accountable for managing the safety of their people.

PERFORMANCE

Good progress was made over F21 with the continuation of our three-year global Health, Safety and Wellbeing strategy and the introduction of a new suite of hazard and risk management tools. A global working group developed the tools which are simplified, standardised and include risk assessment, safe operating procedure, job safety analysis, permit to work and personal risk assessment tools. The new risk assessment tool will take several years to embed fully but has already been helpful in assisting TWE in identifying more hazards and required controls to make tasks safer. For example, we revisited our risk assessment of rotating drum vacuums, a mechanical filtration tool that assists in maximising recovery of juice or wine, with the updated tool resulting in several new hazards being identified, all of which are now appropriately controlled.

We also completed the first stage in our Critical Risk Control program with the development of our global minimum standards for wine barrel handling. This involved a global gap analysis against the standard and the introduction of rules related to barrel handling. The focus for this program in F22 will be on electrical and driving safety.

SAFETY METRICS



Serious Incident Frequency Rate (SIFR) gives us visibility over actual incidents as well as high potential near miss events to ensure we can conduct a detailed investigation and share those lessons across the organisation. During F21 TWE recorded a 33% decrease in SIFR, from 1.8 to 1.2.

Over the last three years TWE has embedded safety conversations as a key component of our behavioural program with an increase of 58% in the safety conversation frequency rate (SCFR) in F21. The Lost Time Injury Frequency Rate (LTIFR) has remained unchanged at 5.3 for F21. We have identified a number of improvement opportunities for F22 that should positively impact the LTIFR.

Our global engagement survey results confirmed the strength of our commitment to ensuring we have a safe and healthy workplace. 82% of respondents felt that day to day decisions demonstrate that safety is our top priority and 88% of respondents felt that TWE demonstrates genuine care and support for people's wellbeing.

COVID-19

During F21 TWE continued to monitor and manage the COVID-19 global pandemic to ensure team members were kept safe and there was minimal disruption to the business. Regions maintained COVID-19 plans and could react quickly to changing Government advice and direction. Aligned with Government advice many offices continued to be closed with team members working from home for the majority of the first half of the year. TWE continued to provide support to all team members given the mental health challenges associated with the pandemic. This builds upon a highly successful series of mental health workshops launched in F20 in NZ and Australia which extended to other global regions in F21. The workshops included topics such as understanding the mental health stigma, recognizing the triggers and warning signs, how to support team members, and the importance of seeking support early.

TWE BAROSSA HEALTH AND SAFETY

In 2019 TWE commenced the consolidation of winemaking facilities in the Barossa into one site. The consolidation of facilities is scheduled for completion in F22 in readiness for vintage. This involved 34 separate construction projects that include four new barrel halls housing 65,000 barrels, a building housing 140 fermenters, 340 new wine holding tanks, a new wastewater treatment plant, a 250 mega-litre dam and the relocation and upgrade of packaging lines.

All construction, deconstruction and relocation activities were closely managed to ensure that all health and safety requirements were met and that everyone can work safely. A strong leadership presence and dedicated safety professionals on the site monitored contractor activities and adherence to agreed safe work procedures. To date this has included managing an average of 65 contractors per day who have worked more than 200,000 hours on the project with 13,000 permits to work issued. The project recorded zero recordable injuries for F21.

Inclusion and diversity



APPROACH

At TWE, it's in our DNA to bring our whole selves to work. It's the diversity of our people that makes us unique and we strive to create a professional and safe working environment where respect for human rights is the cornerstone of our culture, and where everyone can contribute and feel included.

The diversity of our people and their contribution to the business broadens our collective knowledge and capabilities. It also gives us a competitive advantage in the marketplace by helping us understand and connect more effectively with our customers, consumers, communities and each other. It is fundamental to being the world's most admired premium wine company.

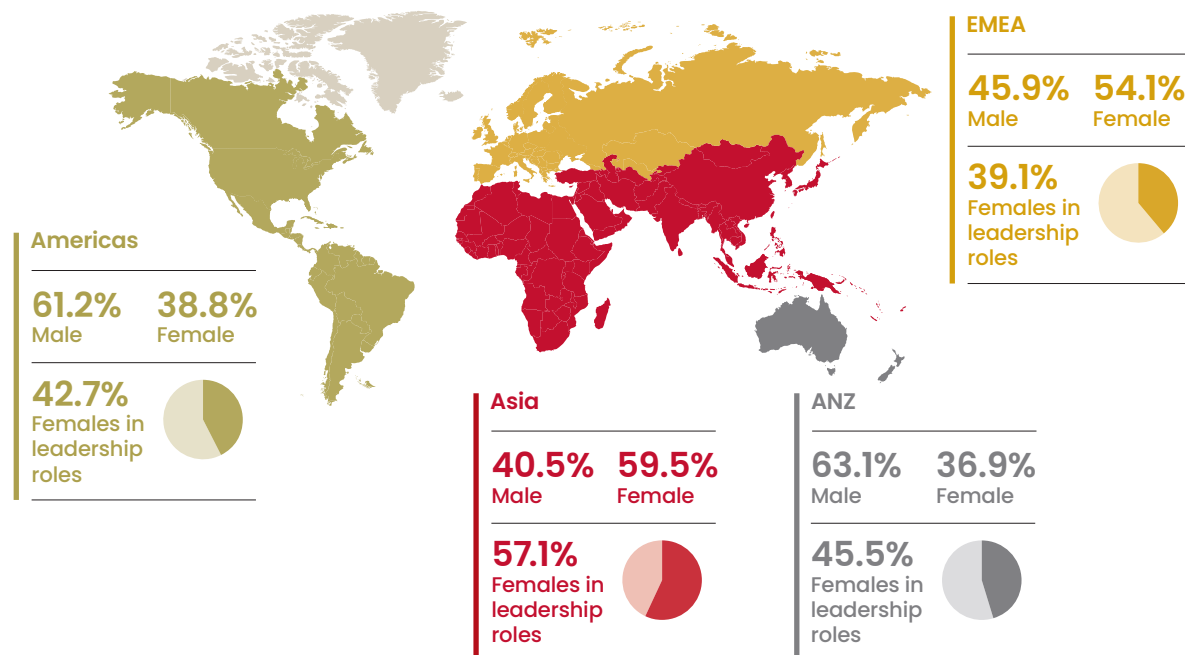
PROGRESS

As at 30 June 2021, TWE achieved 45.1% female representation in leadership roles towards its target of 50% by 2025. This is an increase of 3.9% from F20. Specific activities such as the 'Empower Me' program, internal appointment of females as part of the new operating model design and improved parental leave policies have supported the retention of females and progression into leadership roles.

GOVERNANCE

TWE's commitment to inclusion and diversity (I&D) is governed through an I&D policy and strategy, overseen by the Human Resources Committee, the Global I&D Committee and supported by Regional I&D Committees and Employee Resource Groups. I&D commitments are included in the KPOs of the ELT. The Board is also committed to ensuring that it maintains a membership of individuals with diverse experience and backgrounds, including cultural, geographic and gender aspects to ensure that TWE maintains a broad representation and support the Company's strategic objectives. We achieved 44.4% female representation on our Board. Further information on diversity can be found in our [Corporate Governance Statement](#).

A snapshot of TWE employees across the world¹



Global		Male	Female	Permanent	Temporary	Full time	Part time
		59.8%	40.2%	92.8%	7.2%	95.2%	4.8%
ANZ		Americas		EMEA		Asia	
Permanent	96.5%	Permanent	98.3%	Permanent	93.5%	Permanent	38.4%
Temporary	3.5%	Temporary	1.7%	Temporary	6.5%	Temporary	61.6% ²
Full time	94.4%	Full time	96.7%	Full time	90.6%	Full time	100%
Part time	5.6%	Part time	3.3%	Part time	9.4%	Part time	0%

¹ The information in this table is current as of 30 June 2021 and does not include contractors, which make up 4.7% of TWE's workforce.

² The Asia region has a higher proportion of employees classified as temporary due to common legal practice in China to place employees on three-year fixed term contracts. After ten years, an employee is considered permanent.

During F21, we also delivered against our I&D strategy which focuses on:

Creating a diverse workforce: Strong workforce representation so we can leverage talent as a competitive advantage, creating value for our customers and community. Key achievements this year include:

- As part of working towards global alignment and embedding our TWE DNA, we reviewed our support to employees, resulting in the development of 'Find Your Flex', Family and Domestic Violence and Gender Affirmation policies. We also made significant enhancements to the ANZ Parental Leave Policy including broadening eligibility criteria to include surrogacy and stillbirth, lengthening the period of paid leave to 24 weeks, and the application of superannuation contributions to a portion of unpaid leave.
- To ensure remuneration equity, we reviewed our gender pay gap to determine the difference between male and female earnings, irrespective of role or seniority. The F21 analysis shows that males are paid on average 8% more than females, a reduction of 3% in F20.
- To lift the capability of high potential female employees and build the female succession pipeline for leadership roles, we launched the Empower Me talent program, including an initial intake of 25 females. 30% of program participants were promoted during the course of the program.
- TWE Americas lifted racial awareness and capability by training more than 500 leaders in courageous conversations, how to be an ally and global awareness. We also partnered with external providers to increase the diversity of potential candidates.
- To provide further support to parents and carers we established a global partnership with CircleIn, a personalised employee benefits platform that helps our employees navigate the challenge of working and caring for others.

Being an inclusive workplace: A differentiated inclusive culture where diverse and resilient talent can thrive during 'moments that matter' to deliver business outcomes that matter. Key achievements this year include:

- To better understand the employee experience at TWE and identify areas for focus, we conducted our first global inclusion survey as well as an all employee survey. Our people told us they feel a strong sense of belonging and connection to TWE and understand how they contribute to our broader purpose. We also heard there is an opportunity for us to improve how we make decisions including providing context for those decisions and considering the perspectives of our diverse team in the process, as well as making sure internal career opportunities are visible and we support our employees to undertake learning and development.
- Our Employee Resource Groups (ERGs) create a greater sense of inclusion, belonging and provide overt support to employees who may be underrepresented at TWE. We were pleased to support the establishment of a number of new ERGs including:
 - TWE Enable (Global) – improving accessibility for all and raising awareness around visible and invisible disability
 - TWE Mosaic (ANZ) – celebrating and raising awareness around cultural diversity
 - The Guardians (AME) – providing support and resources to parents and caregivers
 - La Raza (AME) – supporting members of the Latinx/Hispanic community to develop further and bring their whole selves to work
 - Asian American Pacific Islanders (AAPI) (AME) – supporting members of the AAPI community to develop further and access support for their wellbeing.
- We also held companywide events to raise awareness of important I&D issues, including: International Human Rights Campaign; 16 days of Activism against Gender Based Violence; Indigenous Education sessions; International Women's Day; Taste of Harmony and Pride Month.

Being an employer of choice: Strong employer brand, Employee Value Proposition, and improved business outcomes that demonstrate return on investment in our people. Key achievements this year include:

- We were invited to speak at, host and participate in numerous industry events, including Women in Wine; The Colours of the Vine; D&I in Grocery; Out in the Vineyards and I&D Drinks Association
- We were recognised in the 2021 Australian Financial Review BOSS Best Places to Work (Manufacturing and Consumer Goods sector). The assessment showed particular strengths in Purpose, Flexibility, Wellbeing and Equality
- In support of the Diversity Council Australia's #IStandForRespect campaign, our CEO Tim Ford signed a pledge to (i) stand against gendered harassment and violence in all its forms and (ii) commit to taking steps to address sexual and sex-based harassment, to make the workplace safe for everyone.

LOOKING AHEAD

We remain committed to delivering against our targets. In F22, TWE's I&D strategy will evolve to focus on:

- Leaders who model our DNA; with a focus on building capability, inclusion and personal connection
- Engaged employees, consumers and communities; with a focus on purposeful contribution, connection and support
- Being an employer of choice; through industry leading policies and work processes to maximise inclusion and minimise bias, and optimising innovation through team contribution.

Consumer health and responsible drinking



APPROACH

TWE produces premium, quality wine for adults around the world wanting to celebrate moments of joy and connection through responsible and safe consumption of alcohol. Whilst we are proud of our long commitment to responsible drinking as well as product quality and innovation, we believe there is more we can do to build safer, healthier, and more connected communities.

PROGRESS

As one of the world's leading wine companies, we have a responsibility to move beyond responsible consumption marketing and compliance and connect with consumers in a way that gives them more choice and information to help them make better choices, every time.

We want to be an industry leader in the effective education of responsible consumption of alcohol, and leverage technology and product innovation, to play an active role in building safer, healthier, and more connected communities.

Our approach is built on the following pillars:

- Easier access to quality information about our products and responsible consumption
- More choice for every occasion including low and no alcohol beverages
- Partnering with others to support better health outcomes
- Stronger advocacy around consumer health issues related to alcohol consumption and emerging health trends.

This year we set ourselves a new commitment for consumer health and responsible drinking:

Establish an advocacy strategy that emphasises health outcomes.

Delivering on this commitment will require us to invest more time and effort in understanding what is important to our consumers, communities, and key stakeholders when it comes to supporting better choices and minimising the health and societal impacts of alcohol.

UNDERSTANDING CONSUMER CONSUMPTION TRENDS

Global wine consumption decreased slightly in 2020 (calendar year) when compared to 2019, largely driven by the COVID-19 pandemic and the impact on the hotel, restaurant, and catering industries. The impact on these industries also changed consumption patterns over that period with more consumption occasions taking place in the home.

Whilst consumption patterns vary across markets, our consumer research indicates that alcohol moderation continues to be a global trend, with adults under the age of 35 years leading the way. Consumers are looking to reduce their alcohol intake for a wide variety of reasons from wanting to improve their health through to life-stage changes such as pregnancy.

The growing conscious consumer segment is looking for more, higher quality, low and no alcohol alternatives, as well as more sustainably produced wines.

TWE intends to continue to leverage its wine making and production capabilities to drive more, and improved, quality zero and low alcohol product options, as well as organic, more natural and preservative free options.

OFFERING CONSUMERS REAL CHOICE

Increasingly consumers are making purchasing decisions that align with their own wellbeing and personal values. TWE will build on our existing portfolio of lower alcohol and non-alcoholic (Max 0.5% ABV¹), as well as those that align with social and sustainability values.

TWE wants to be a global leader in quality low and no alcohol wines and creating a breakthrough zero alcohol wine is a high priority.

We increased our portfolio of new products responding to increased demand for lower or reduced alcohol products as well as those that align with sustainability values as outlined below.



ANZ

Category	Product
Lower/Reduced Alc	T'Gallant Light & Fresh – Pinot Grigio, Rosé, Brut Cuvée & Cuvée
Sustainability/Consumer trend	Flowerpot – Shiraz (organic)

UK/Europe

Category	Product
Lower/Reduced Alc	19 Crimes Seltzers 5% ABV – Lime Bitters and Raspberry & Black Pepper
Sustainability/Consumer trend	Coastal Reserve – Sauvignon Blanc, Rosé, Merlot, Pinot Grigio

Americas

Category	Product
Lower/Reduced Alc	Matua Lighter – Sauvignon Blanc

¹ ABV refers to the alcoholic strength by volume

In line with our leadership aspirations, throughout the year we trialled new de-alcoholisation technology in Australia and the United States, along with grape quality and wine making processes, with the objective of improving the quality of non-alcoholic wine. These trials will continue in F22.

LEADING THE WAY IN NON-ALCOHOLIC WINE

In F21, TWE kicked off an extensive program to research new wine making processes to improve the quality of non-alcoholic wine in response to the growing number of consumers looking to reduce their alcohol intake. We believe that consumers should be able to enjoy non-alcoholic wine that do not compromise on flavour or aroma.

The most common approach for producing non-alcoholic wines is to strip off the ethanol by heating the wine in a vacuum. However, the elevated temperature reduces or degrades the flavour and aroma compounds of the wine.

Creating a premium non-alcoholic wine that retains its varietal character has led to TWE undertaking a series of trials with technology that supports low temperature dealcoholisation for better preservation of delicate flavour and aroma compounds.

INDUSTRY LEADERSHIP

We work with several industry groups to promote responsible consumption programs and activities within the community including:

- DrinkWise (AU/NZ)
- Drinkaware (UK)
- The Alcohol Beverages Advertising Code Scheme (ABAC)
- Alcohol Beverages Australia (ABA), who also partner with the International Alliance for Responsible Drinking (IARD)
- Community Alcohol Partnerships (UK).

Through our partnership with DrinkWise we contributed to the development of a range of comprehensive and broad-reaching community education initiatives targeting consumers during the COVID-19 global pandemic, and we participated in the DrinkWise cellar door moderation and education initiative which was launched in partnership with Australian Grape and Wine with the support of state, territory and regional wine associations.

In addition to our work through industry groups, TWE believe in making it easier for consumers to understand the importance of drinking responsibly and safely by including a range of information on product labels in line with global policies, best practice and legislation including:

- Number of standard drinks and/or alcohol content of the product
- Responsible consumption messaging
- Warning message on drinking alcohol during pregnancy.

We recognise that we need to do more to work with industry groups and other organisations to ensure we are giving consumers easy access to information about our products and responsible consumption. This will be a priority in F22.

RESPONSIBLE MARKETING

Our commitment to the responsible marketing and sale of alcohol is covered by TWE's Alcohol Policy, Alcohol Policy Guidelines, Alcohol Policy Guidelines for Winemakers, as well as our Responsible Marketing Guidelines and Responsible Sales and Marketing Handbook.

TWE's global Marketing teams complete annual training on the Alcohol Policy, Social Media Policy, Anti-Bribery and Corruption Policy, as well as the Responsible Marketing Guidelines and Responsible Sales and Marketing Handbook led by TWE's legal and governance team. A new training program specifically designed for the United States was developed in F21 and will be rolled out to the sales, direct to customer, marketing and commercial strategy teams in the US in August 2021.

Our Marketing team ensures that all marketing communications comply with the Responsible Marketing Guidelines. This is undertaken through reference to a comprehensive marketing checklist, seeking legal guidance, and escalating approvals as required. This process applies to digital and social media, as well as traditional marketing platforms.

BLOSSOM HILL PACKAGING COMPLAINT

In October 2020 we were informed that a member of the public had made a formal complaint to the Portman Group, the regulator for alcohol labelling, packaging, and promotion in the UK, about the Blossom Hill Spritz Raspberry & Blackcurrant (250ml can) product.

The complaint related to the packaging with the complainant believing it did not clearly demonstrate it was an alcoholic product, and as a result contravened the Portman Group's Code of Practice on the Naming, Packaging and Promotion of Alcoholic Drinks.

The complaint was upheld by the Code's Independent Complaints Panel. We have resolved with the Portman Group not to sell the product in its current packaging in the UK beyond October 2021.

IMPROVING SOCIAL MEDIA AGE-RESTRICTIONS CONTROLS

At the time of preparing this Report, a study into social media age-restriction controls by alcohol companies identified TWE as not having the necessary age-gating controls in place across its brand social media channels. This prompted a review of all 47 Facebook accounts of which 37 had age-gating in place, with 10 accounts non-compliant. These were immediately addressed to ensure 100 per cent compliance. Age-gating is a very important requirement and we take accountability for the failure of our processes to ensure this. We did not meet our own expectations and a review of our internal controls and processes has been undertaken to ensure improvement. To ensure it does not happen again we are taking the following steps:

- Updating our current mandatory legal training for our marketing and communications teams to include a specific module on requirements for age-gating of both in-bound (organic) and outbound (paid) advertising
- Periodic checks of all active Instagram and Facebook pages and websites to ensure appropriate age-gating controls are in place.

STARTING WITH OUR TEAM

In F21, we once again held our annual Smart Drinking Week. This internal program is designed to empower team members to make responsible choices when drinking alcohol and promotes education and awareness around responsible consumption across the business. Amongst the signature events was a live panel discussion with our General Manager Health, Safety and Wellness, Marketing Director of Global Insights and Innovation and our CEO Tim Ford to explore what smart drinking looks like in 2021.

In addition, 95.9% of our global team completed online training on our Alcohol Policy which sets out roles and responsibilities and the expectations we have regarding the safe and responsible consumption of alcohol from workplace health, safety and wellbeing, to drinking at work, drink driving and responsible marketing.

Product quality and food safety

TWE is a premium wine producer and the quality of our wine product is paramount, as is the quality of food served with it in TWE venues.

TWE has maintained our third-party quality and food safety accreditation in all regions through F21, assuring our commitment to upholding robust and effective quality management systems. This achievement demonstrates the maturity of TWE's quality management systems, as the changing COVID environment meant that onsite audits were combined with a remote QA support and auditing program.

A cross-functional team from TWE and an external partner, implemented a new and enhanced TWE specific Quality Management Reporting System – MyQI. MyQI was launched globally in May 2021 and replaced the legacy CIR system. Along with an improved governance structure, a key feature is that the system will be accessible on mobile devices, thus improving system access in production environments and ensuring continuous improvement of the quality focus at TWE.

Our commitment to achieving sustainable packaging is underpinned by an ongoing quality focus to ensure that initiatives such as light weighting of packaging dry goods do not negatively impact product quality, safety and packaging integrity.

TRACEABILITY

TWE's quality management and production systems over the entire winemaking process from raw materials to distribution. These systems are engineered to ensure traceability of all wines from grape, to bottle, to consumer. Traceability allows TWE to verify the integrity and authenticity of all wines.

TWE's product quality and food safety systems are verified via third party audits and certifications. These vary by region and include:

- Hazard Analysis Critical Control Points (HACCP)
- British Retail Consortium Global Standard for Food Safety (BRC)
- International Featured Standards (IFS)
- Food Safety System Certification 22000 (FSSC)



Producing sustainable wine

As one of the world's largest wine companies we're well positioned to lead substantive change with our supply chain and business partners. We want every consumer to experience wine that is sustainably grown, made, and packaged, and our efforts here will span from ensuring our asset base and grower network meets sustainability criteria, through to joint innovation on some of our shared challenges.



TARGETS

- Develop a plan for expanding sustainability certification through our grower and bulk wine network in F22
- In F22 develop TWE's Supplier Governance Framework and commence implementation of that Framework to strengthen controls through our supply chain
- 100% of product packaging to be recyclable, reusable, or compostable by 2022
- 100% of product packaging to comprise 50% average recycled content by 2025
- Collaborate with glass and carton partners on a closed loop packaging solution by 2025

F21 HIGHLIGHTS

Refreshed our Responsible Procurement Code

Achieved a

96.7%
recycling rate

Assessed

855
suppliers for their ethical, social and environmental performance



Sustainable growing and production



APPROACH

Agriculture can often place significant pressure on natural resources. Sustainable agricultural practices minimise resource use whilst seeking to maintain and improve soil health, biodiversity, access to water and protection of habitats.

The production of wines can be energy and water intensive. Understanding our impacts allows

us to adjust winemaking processes to reduce our footprint and increase efficiencies. Innovation and the adoption of new technologies is increasingly a major factor in helping to reduce our overall impacts.

PROGRESS

TWE is subject to various environmental laws and regulatory frameworks governing energy, water, waste and greenhouse gas reporting across our global operations. TWE's [Environment Policy](#) is the core document that sets out the company's commitment to environmental management, compliance and continuous improvement. It was updated in F21 to reflect our enhanced commitment to sustainability and recognises the direct link between effective management of our environmental impacts and business success. It is supported by a range of policies, procedures and practices to ensure that we maintain focus on resource efficiency and continuous improvement, and that environmental laws and permit conditions are complied with.

CERTIFYING OUR APPROACH

A fundamental component of our approach to growing and production is the attainment and retention of third-party independently verified sustainability certifications across TWE's owned and leased vineyards and wineries. We believe that certification programs not only foster stronger relationships between growers, wineries and their regions but provide confidence

to consumers that they are receiving a product that is produced sustainably.

In F21, TWE retained the following certifications for both owned and leased vineyards and wineries:

- Americas: Certified California Sustainable Winegrowing, Fish Friendly Farming and Napa Green
- Australia: Sustainable Winegrowing Australia
- France: Haute Valeur Environnementale (HVE)
- Italy: VIVA Sustainable Wine and ISO 14001 – Environmental Management
- New Zealand: Sustainable Winegrowing New Zealand.

RESEARCH AND DEVELOPMENT

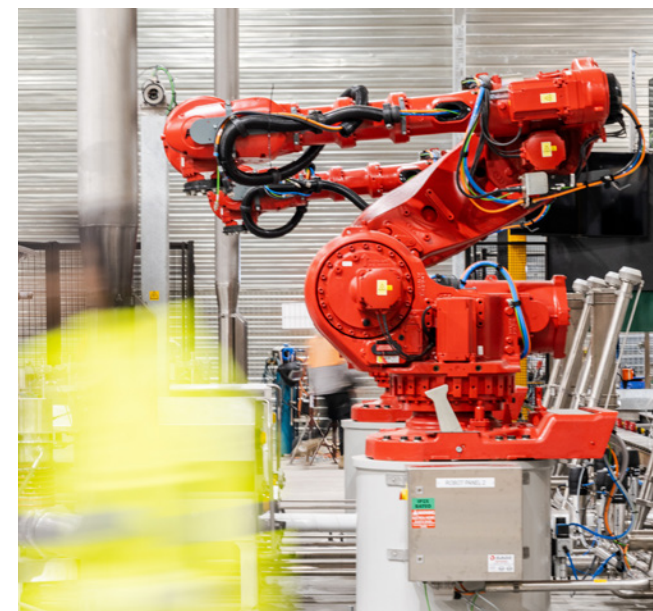
TWE is at the forefront of innovation and applied research and development in the wine industry. We engage and partner with industry experts, universities, research institutes and organisations to ensure that our approach is informed, and supported by industry-leading expertise and grounded in the latest science.

Over F21 the business continued our work to trial and understand more about the resilience of particular vines to climate impacts including drought and temperature increases as well as a range of water efficiency research, development and extension projects. We also announced an industry-leading collaboration with The Yield that brings together our viticulture and winemaking expertise with autonomous visual data capture for harvest prediction modelling as well as insights into further management opportunities to drive quality and performance. The collaboration also includes testing and developing autonomous spray robot technology, and optimise spray effectiveness by integrating weather data and spray guidelines to maximise autonomous spray efficiency.



Automating our barrel line at TWE Barossa

As part of our investment and upgrade of TWE Barossa we have implemented an automated solution for emptying, washing and filling barrels. The barrel line uses vision systems, sensing devices and robotics to improve efficiency and reduce manual handling. As a result, it is able to deliver increased capacity and efficiencies processing up to 60 barrels per hour. It is bringing further dividends by reducing our total water use, limiting the amount of wine lost and allowing us to re-use heated water in other processes.



Responsible supply chain



APPROACH

TWE has a large global supply footprint and many of our social, ethical, and environmental impacts reside as much in our supplier relationships as in our own activities. We believe that by working closely with our suppliers we can reduce our impacts, manage risk and position for growth. We take care in selecting to ensure constructive, long-term

relationships with suppliers and partners that share our commitment to socially responsible and sustainable business practices. Our approach includes:

- Clearly defined acceptable standards for suppliers via the [Responsible Procurement Code \(RPC\)](#)
- Working with key or high-risk suppliers to improve performance and to ensure key risks and opportunities are identified and managed
- Ensuring a fit for purpose risk assessment platform to address key risks in our supply chain.

PERFORMANCE

TWE sets out our expectations for suppliers via the RPC in areas of human rights, employee benefits (covering wages, conditions and working hours), health and safety, discrimination as well as environmental impacts. The RPC is provided to all suppliers, embedded into TWE contract templates, TWE Purchase Order terms and conditions, as well as being a compliance requirement for all new suppliers. Failure to meet these requirements will result in remediate actions which may include termination of the agreement between TWE and that supplier. Over F21 TWE made several enhancements to the RPC including specific reference to Modern Slavery legislative obligations, requirement of supplier participation in the supplier onboarding platform, and clearer connection to TWE's Environmental and Whistleblower policies.

SUPPLIER ASSESSMENT

In F21 TWE continued the roll-out of our supplier onboarding platform to all new suppliers. This enables us to leverage an intelligence database to determine the level of risk posed by a supplier across a number of factors including labour issues, human rights, anti-bribery and corruption. Should risks be identified, the system flags the appropriate people within the business to take action prior to onboarding a supplier. These actions include supplier adoption of RPC, education of risk mitigations and corrective steps, and contract terms adjusted to respond to the identified risk. To date, this process has raised nearly 4,000 risks, of which less than 8% are pending further action.

To support the integration of our supplier onboarding platform, training was provided to around 300 employees this year. The training was designed to assist them to better identify, understand and mitigate the range of third-party risks that may present in our supply chain. Further guidance and supporting materials were also developed and are available on the intranet for all employees.

During F21 we assessed 855 of our suppliers for their ethical, social, and environmental performance, with 550 approved and activated. Out of these activated suppliers, 90 higher risk suppliers were endorsed with the risk identified and actioned accordingly. The most common areas of risk related to anti-bribery, corruption and high-risk services types. The remaining suppliers are currently pending remediation and approval.

Please refer to the [Managing human rights section of this Report](#) for further information on how we manage human rights and modern slavery.



Sustainable packaging and circular economy



APPROACH

Taking a circular economy approach helps us to reduce the impact TWE and our supplier partners have on the environment by reducing resource use and becoming more efficient across the lifecycle of our products. It also leads to stronger, mutually beneficial partnerships with suppliers, helps reduce costs as well as many other

benefits, including the rebuilding of natural capital.

Our approach is to make our current packaging format as sustainable as possible and promote circular economy thinking. We also work with industry partners and supplier partners to ensure they are aligned with TWE's principles and support its commitments and expectations and are developing the formats of the future.

PROGRESS

TWE is committed to minimising waste generated and maximising recycling or re-use from within its operations through to the wine consumer.

In F20 TWE released its Sustainable Packaging Guidelines and associated targets. To achieve these targets we are working with suppliers and customers to innovate and re-design packaging so that it remains fit for purpose and makes the most of environmentally friendly materials. This is important as whilst glass makes up the vast majority of packaging, wine is also sold in other formats such as bag and box, aluminium cans, pouches and PET plastic.

Over F21 we conducted a global review of product packaging to identify opportunities to remove material from packaging or change the composition of packaging. The review involved a scientific review of our product packaging, think tank sessions and a global tender to ensure our supply partners were aligned to our ambition. The results of this review are being implemented by a global cross functional team and will support the achievement of our target.

Since establishing our Sustainable Packaging Guidelines and targets, we have progressed a number of initiatives with our suppliers to innovate our packaging that delivers a positive impact on the resource and energy efficiency of our partners across a range of inputs from glass to labels, screwcaps and capsules. Our first performance assessment against the targets, found that in general, the majority of our supplier partners are collecting and able to report the data required to inform our packaging performance. There are some gaps that we are working collaboratively to close. It also found that the majority of our packaging component are recyclable, reusable or compostable. However, a small number of packaging components particularly sleeves – which are used to cover bottles – and bag-in-box present some challenges to meeting our target. These particular areas are in focus over F22.

We have also held a series of supplier workshops which looked at how we jointly could reduce environmental impact through more sustainable packaging while meeting the expectations of customers and consumers. The workshops examined synergies between sustainable packaging strategies and was designed to develop a series of initiatives that deliver better outcomes.

TWE continues to be a signatory to the Australian Packaging Covenant (APC) and work with the Australian Packaging Covenant Organisation (APCO) on various working groups, most notably the Wine Industry Sustainable Packaging Alliance.

WASTE MANAGEMENT

In F21, TWE diverted 96.7% of waste from landfill. This result reflects a commitment to waste management practices that focus on avoiding waste, as well as reducing, reusing and recycling waste.

A significant proportion of the waste produced from winemaking is organic material such as marc, stalks and stems. During the year some of this was provided to local livestock owners for supplementary feed or was taken for local composting, whilst the skins and seeds (grape marc) were typically sent for further processing,

where further value can be extracted such as producing tartaric acid. In addition, wineries, packaging centres, cellar door and office sites separate cardboard, glass, plastic and organic material for appropriate disposal including reuse, recycling and composting.



Closing the loop

In the production of wine, it is inevitable that some glass bottles are either not able to be used or are broken in delivery or production.

In FY21, TWE and Orora, a key supplier in our Australian business, commenced a closed loop process that involves the collection and transportation of this 'waste' glass back to manufacturer for beneficiation and crushing to make cullet which is then melted down and re-used in the glass manufacturing process to produce new bottles. As glass is infinitely recyclable, this process can continue forever. Over F21 around 600 tonnes of glass was recycled through this program.

Whilst reducing waste, this also contributes to an increased recycled content in our glass bottles and reduced energy consumption as recycled glass is more energy efficient to use for glass bottle manufacturing.





TREASURY
WINE ESTATES



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