

HILL-SMITH FAMILY ESTATES



2022/23 Financial Year Sustainability Report



Contents

I	About This Document
2	Acknowledgement of Country
3	About Hill-Smith Family Estates
4	A Note From Our Family
5	A Note From Our CEO
6	A Note From Our Sustainability Leaders
7	Our Sustainability Philosophy
8	Highlights
9	Our Sustainability Charter
IO	Our Commitments
II	Our Progress
FY22/23 Reports	
I2-I3	Resilient Terroir
I4-I8	Viable Planet
I9-20	Prosperous Community
2I-22	Thriving Workforce
23	Responsible Governance
24	The Next 12 Months

About This Document

This is the second annual Hill-Smith Family Estates Sustainability Report.

This report provides an overview of our environmental, social and governance performance across the 12-month period from 1 July 2022 to 30 June 2023.

Our annual Sustainability Report will be released at the close of each financial year. The report is intended to provide full transparency to our stakeholders, track our progress, and hold us accountable for future targets and endeavours.

This report is authored by the Hill-Smith Family Estates Sustainability Committee and endorsed by the Executive Board of Management and Board of Directors.

This report was prepared under paperless document management and is intended to remain an e-document. We would appreciate if you would please support our efforts in reducing paper use by refraining from printing this report.

Acknowledgement of Country

We acknowledge the Traditional Owners and Custodians of the land on which we work.

We pay our respects to Elders past, present and emerging; to the Ngadjuri, Peramangk, Kurna, Ngarrindjeri, Bindjali, Pyemmairrener and Paredarerme people and to all Indigenous peoples of this continent.

We recognise their spiritual connections to the communities as well as the lands, oceans, waterways, air and sky.

We acknowledge that the land we live and work on was, and always will be, Aboriginal land.

We commit to ongoing education of our people and ourselves, and to continually listen to the voices of Indigenous people.

About Hill-Smith Family Estates

For more than 170 years, the Hill-Smith Family has been growing grapes and making wine. Each generation of pioneers and innovators has led us to where we are today; a business integrated from vine cultivation, grape growing, winemaking and distributing fine wine.

We have evolved from a single brand to a family of wine brands including Yalumba, Jansz Tasmania, Oxford Landing, Winesmiths, Pewsey Vale Vineyard, Dalrymple Vineyards, Heggies Vineyard and Nautilus Estate.

Through the guidance of our Yalumba Nursery, we have developed vineyards in some of the best winegrowing regions including Barossa, Tasmania and Marlborough.

We distribute some of the most revered family wine brands of the world, bringing these wines to the tables of wine lovers around the globe.

Our story began from humble beginnings in the Barossa back in 1849, and across six generations we have grown to the multifaceted business we are today. We pride ourselves on our family heritage and our connection to people, but above all, the desire to remain a sustainable and successful family-owned business for generations to come.

Our Vision

We are a proud wine family, bound in tradition, excited by possibility, and determined to make our own way today and for generations to come. Made of many parts, we grow, craft and sell wines that are admired and shared.

Our Values

Our values are something we stand by. They ground us and help us hold ourselves and each other to account.



Respect

Doing What's Right

We believe respect is the bond that makes us successful as a team. We embrace each other's differences as much as our similarities and value a respectful and safe working environment.



Integrity

For The Future

We uphold the values that come with Hill Smith family ownership – integrity in what we do today that must survive into the future. We celebrate long-term thinking over short-term expediency, understanding that this is a rare gift in the contemporary wine business.



Knowledge

Lead Don't Follow

Curiosity, continuous learning and challenging the status-quo in an enduring pursuit of knowledge, innovation and improvement.



Excellence

Mastery Of Craft

We work hard to exercise our talents to the best of our ability. To do what we say we'll do - and seek excellence in everything.



Friendship

Better Together

We work as a team to achieve success, adapt to challenges and support each other during hardship. We have each other's back and treat our team, our customers and valued partners with respect and friendship.

A Note From Our Family

Sustainability is at the heart of everything we do at Hill-Smith Family Estates. As winemakers, wine merchants, as members of our community, as innovators, visionaries, and as a family, we act with a responsibility to our future generations. We are, at our core, a wine family; fundamentally we must improve the land and our communities, and make viable business decisions that allow our future generations to prosper.

We are fortunate for the many passionate leaders who have walked through the gates, who have lent us their expertise and passion for sustainable innovation and introduced many of the practices that are still embedded today as undisputed routine. As a business we are forward-thinkers and as a family we challenge and empower our people to plan, act, learn and take risks with a view of long-term success. We are not weighted with the expectation of returning more than is appropriately sustainable when it stands in the way of environmental or social benefit.

In more recent years, we have taken the time to reflect and formalise our sustainability principles and align our goals with those of our industry and our governments to address the impacts of climate change cooperatively.

We are proud of our achievements in our six generations of winemaking, however our hope is that this report will propel us forward and inspire all who read it to join us in our commitment to a better future for all.



Robert Hill-Smith
Chairman & Fifth-Generation Proprietor



A Note From Our CEO

I am pleased to welcome you to the Sustainability Report of Hill-Smith Family Estates for financial year 2022/23.

This report sets out our commitments to a future of responsible governance, a thriving workforce, resilient terroir, a viable planet, and a prosperous community. We firmly believe that being a responsible, purpose-driven business is more important than ever, and our commitment to reaching ambitious targets and operating transparently remains strong.

We know that success will only come from working collaboratively with like-minded businesses to ensure that there is a place for and an environment that can support wine into the future. Strong climate action by the wine community and those throughout the supply chain is imperative to mitigate and adapt to these impacts. If the wine industry is going to exist in any shape or form in another 30 years, we must reduce our emissions, help each other on the journey and where needed, help other parts of our communities to do the same. Fundamentally, we must make sure that we look after our planet, our land, our resources, to ensure we can pass them on to future generations.

Our sustainability agenda and Emissions Reduction Roadmap, as well as our alliances with International Wineries for Climate Action, Sustainable Winegrowing Australia, and the United Nations' Race to Zero, will continue to inform our business decision making and ensure we continue to progress towards our 2030 and 2050 targets.



Karl Martin
Chief Executive Officer



A Note From Our Sustainability Leaders

Our commitment to Sustainability has seen us almost reach the goal of 100% grower certified membership to Sustainable Winegrowing Australia (SWA) a year earlier than our initial plan and sees a commitment from us and our growers to continue to grow and flourish in this space.

Our Sustainability Program supports Environmental, Social and Governance (ESG) goals and we are keeping abreast of world sentiment and developments in this rapidly evolving space. We will continue to review our progress and our goals to ensure we are meeting global challenges through best practices.

Our GHG emissions have reduced by 22% since our baseline year of 2011. We have our first draft of the transition roadmap and are on the path towards 50% reduction by 2030 and carbon neutrality by 2050.

Since our last Sustainability Report, we have undergone four greenhouse gas (GHG) audits and achieved Silver Membership of the International Wineries for Climate Action (IWCA). This is something we are excited and proud to achieve. Although we originally expected to become Gold Members, the recent changes to the program goals meant that our progress aligned with Silver rather than Gold.

This year we agreed to be the Australasian ambassador for IWCA, a role in which we represent the organisation locally and actively promote membership to others. Aligned to the targets of IWCA, in April we became partners of the United Nations Race to Zero program, which will help us to connect with likeminded organisations for a brighter future.

Louisa Rose

Louisa Rose

Heather Fraser

Heather Fraser



Our Sustainability Philosophy

We wish to thoughtfully share our love of wine with the world, in such a way that we enrich our terroir, protect the viability of our planet, support a prosperous community, foster a thriving workforce, and act ethically and responsibly in all matters of governance, to nurture and protect a future that ignites and sustains us all while paving the way and inspiring others to do the same.

We are patiently invested. The spirit of the custodian lives at the heart of all that we do. We're not flippant or distracted. We know who we are and stay the course, protecting and cherishing long-term thinking as we go - the rewards that come from restraint revealing themselves to us over time. We care for our land and craft and securing a future full of possibility for our people, brands and businesses.

We are committed to generational sustainability. Sustainability is not just a story we tell, it's inherent to who we are. Every decision is guided by the impact we're here to make through our generational sustainability - a unique intersection of people, planet and profit. We care about the wellbeing of our people and community; the environmental footprint we leave; and pursue excellence so we may all share in success.

We recognise our role to lead with responsibility to ensure our future generations will benefit from today's decisions and actions, just as the generations before us have done. As is the definition of sustainability, it is fundamental that we exist and develop without compromising the ability for our future generations to meet their own needs.

Our accountability reaches far beyond our land and our people, and encompasses our communities, our supply chain, and our shared planet. We work with our leaders, our governments, partners, and experts to leave a positive impact wherever our footprint lies and ignite the same passion in those around us.






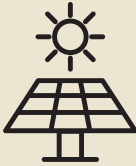


For more than 170 years, we have gone beyond government requirement and regulation, implementing measures to sustain our business for our future generations.

We believe the right approach for us to have lasting, valuable impact is to innovate and improve our efficiencies, and not simply offset bad practice with good.

We have set ambitious, science-based emissions reduction targets to lead the way to a zero-carbon economy, boost innovation and drive sustainable growth.

We recognise that we cannot work in isolation. We approach our targets with the propensity to be generous with our research and knowledge, so that we can act collectively to decarbonize the global wine industry.

Highlights

 <p>All Hill-Smith Family Estates Wineries and Vineyards are SWA or SWNZ certified</p>	 <p>Supported Sustainable Winegrowing certification across an additional 63% of grower vineyards, bringing total hectares certified to 99.95%</p>	 <p>Accepted as a Silver Member of International Wineries for Climate Action</p>	 <p>Trained 139 employees across Australia and New Zealand in WSET Levels 1 and 2, plus 220 non-employee trade partners</p>
 <p>Planted an additional 10 hectares of native vegetation on our Tasmania and Riverland vineyard properties</p>	 <p>Generated 2,489 megawatt hours (MWh) of renewable energy, meaning 24% of our required energy is self-generated through our own solar installations</p>	 <p>Donated 39 second-hand computers to disadvantaged students through Foundation Barossa</p>	 <p>Achieved Best Employer benchmark in employee engagement, including 86% of respondents agreeing HSFE cares about sustainability (18% above benchmark)</p>

Our Sustainability Charter

Hill-Smith Family Estates' Sustainability Program is our commitment to a sustainable future. Through our Charter, we have committed to embed five key pillars to drive sustainability for future generations.



Resilient Terroir

We will pass on our natural resources to future generations in better condition than when they were inherited, and leave a legacy of great wine. We take a holistic approach, creating a balanced ecosystem that makes efficient use of the natural features, water and energy.



Viable Planet

In a world with finite resources, we commit to treading lightly. We will protect the fundamental elements essential to life – land, air, water and energy – by preserving what we have, regenerating what we can, and minimizing consumption of what we cannot replenish.



Prosperous Community

Family and community has been the cornerstone of our business since our beginnings in 1849. We will support our communities through sharing our knowledge and resources in a way that allows us all to prosper.



Thriving Workforce

Our passion for wine and business success is a unified vision that drives the culture, performance and behaviours of our workforce. Our vision is to create leaders at all levels who infectiously spread their passion and knowledge for the business of wine.



Responsible Governance

Our passion for wine and business success is a unified vision that drives the culture, performance and behaviours of our workforce. Our vision is to create leaders at all levels who infectiously spread their passion and knowledge for the business of wine.

Our Sustainability Charter is aligned with the United Nations' Sustainable Development Goals (SDGs), and our memberships with International Wineries for Climate Action (IWCA) and Sustainable Winegrowing Australia (SWA). Our Charter supports the Race to Zero campaign – a United Nations-backed global campaign rallying leadership and support from businesses, cities, regions and investors for healthy, resilient, zero-carbon recovery that prevents future threats, creates decent jobs and unlocks inclusive, sustainable growth.

Our Commitments

Resilient Terroir	Viable Planet	Prosperous Community	Thriving Workforce	Responsible Governance
Improve biodiversity and natural balance	Increase our total renewable energy source	Drive economic benefit in the regions in which we operate	Provide a safe and respectful work environment	Hold our systems and processes to the highest international standards with certifications in quality, safety, environmental and regulatory compliance
Preserve our natural resources	Improve our energy efficiency	Support our economy through local procurement	Foster a diverse and equitable workforce	Act honestly and transparently in our requirements for certifications, auditing and reporting
Continually improve our sustainable vineyard and winemaking practices and endeavour to be best in class	Reduce our carbon emissions by 100%	Enrich our community culture by supporting local arts and sporting organisations	Provide opportunity for personal and professional development	Ensure quality and ethical outcomes at all stages of our value chain
	Eliminate waste across every aspect of our products' life cycle	Give back to our community through donation and volunteer work	Support the health and wellbeing of our people	
	Regenerate, reuse and recycle our procured goods and resources	Invest in research and development and share our knowledge for the benefit of others	Engage with people and organisations that can educate our people to better understand diversity, equity and inclusion	
SDGs 6, 9, 12, 13, 14, 15	SDGs 6, 7, 12, 13, 14, 15	SDGs 1, 3, 8, 11, 17	SDGs 3, 4, 5, 8, 10	SDGs 1, 3, 8, 12

Our Progress

Measurable Objective

Resilient Terroir


-  Preserve native vegetation area equal to vineyards owned
1.03:1


-  Maintain a minimum of 60% of our vines on drought resistant rootstock
61%


-  Achieve SWA certification for every hectare of owned vineyards
100%


-  Achieve SWA certification for every hectare of growers' vineyards
99.95%

Viable Planet


-  Target minimum 20% powered by onsite renewable energy generation
24%


-  Complete a baseline and yearly third-party verified GHG inventory for a standardized set of emissions categories across Scopes 1-3
Complete


-  Achieve 50% reduction in emissions by 2030 and 100% by 2050 from a baseline inventory year 2011 across Scopes 1-3
22%

-  In line with the Australian Packaging Covenant, we will target 100% of recyclable and reusable packaging to be reused, recycled or composted by 2025
88%


Prosperous Community


-  Maintain or increase employee support of our HSFE volunteer program
Not yet achieved


-  Maintain investment in community and culture
Achieved


-  Share our research and knowledge with the broader wine and tourism industries by maintaining representation across major industry forums
Achieved

Thriving Workforce


-  Achieve a lower than industry Lost Time Injury Frequency Rate in operations
6.07 vs benchmark 6.09


-  Achieve best employer benchmark in employee engagement
71% vs benchmark 70%


-  For every employee who participates in our wine education programs, we promise to train one consumer or employee of the hospitality industry
1.58:1

-  Exceed 50% Positive Safety Reporting, where suggestions for improvement and hazard identification outweigh our injury and incident reports
55%

Responsible Governance

-  Achieve positive SWA benchmarking against all 17 metrics
7 of 17

-  Meet all targets to achieve Gold Membership of IWCA
Not yet achieved

-  Onboard 100% of our suppliers with our sustainability objectives and ethical behaviours
Not yet achieved

Resilient Terroir



We Are Committed To:

Improving biodiversity and natural balance of our land and vineyards

Preserving and protecting our natural resources

Continually improve our sustainable vineyard and winemaking practices and endeavour to be best in class

Our Progress:



Preserve native vegetation area equal to vineyards owned

1.03:1

2021 1.04:1



Maintain a minimum of 60% of our vines on drought resistant rootstock

61%

2021 60%



Achieve SWA certification for all owned vineyards

100%

2021 100%



Achieve SWA certification for all growers' vineyards

99.95%

2021 37%

In 2022, we continued to work with our growers towards Sustainable Winegrowing Australia certification and achieved almost 100% certification prior to the 2023 vintage. This is a year ahead of our initial target.

Long term mulch and irrigation trials are ongoing in our vineyards, the findings of which will help to shape our future strategies for reducing water and improving yield and quality in the vineyards. We continue share this information with the wider viticultural community through our involvement with industry organisations and our representation on various committees.

The Wine Australia AgTech projects in our vineyards continued, including trialling the following systems:

- Athena – transpiration sensors as an alternate tool to measure moisture stress in the vineyard and therefore determine irrigation strategies.
- SWAN Systems for irrigation management
- Airbourne Logic for drone flyovers with infrared sensors
- Arable systems for weather data collection in vineyard.

These projects are designed to use technology to improve sustainability in the vineyards and reduce wastage.

Resilient Terroir



<p>In line with our old vine charter developed in 2007, we aim to preserve our old vines in the Barossa. In 2021, Yalumba Family Winemakers owned the following:</p>	Old Vine Charter Category	Qualification	Hectares Planted
	Ancestor Vine	Equal or greater than 125 years	1.12
	Centenarian Vine	100 to 124 years	2.84
	Survivor Vine	70 to 99 years	6.63
	Old Vine	35 to 69 years	42.9

On a global stage we are part of a Consortium of international companies (including Familia Torres from Spain, Moët & Hennessy from France, Sogrape from Portugal and Vifia Concha y Toro from Chile). Each of the members has agreed to make a financial contribution towards R&D projects in sustainability. The OIV (International Organisation of Vine and Wine) will match this funding and coordinate the process.

Our Goals For 2023/24

With new planting areas in Tasmania and at the Germplasm site in the Riverland, our focus turns to native revegetation and biodiversity to ensure these sites are set up for the future. In Tasmania, we are developing the methods to measure soil carbon and its ongoing response to the land use change.

Our wineries and vineyards will undergo auditing and recertification to the Sustainable Winegrowing Australia program as part of a three-year cycle. Our growers will be coming up for recertification over the next year or two as well, and the conversations around this will form a large part of our communications to them in a time of global oversupply of wine.

Viable Planet



We Are Committed To:

Increase our total renewable energy source

Improve our energy efficiency

Reduce our carbon emissions by 100%

Eliminate waste across every aspect of our products' life cycle

Regenerate, reuse and recycle our procured goods and resources

Our Progress:



Target minimum 20% powered by onsite renewable energy generation
24%

2021 23%



Complete a baseline and yearly third-party verified GHG inventory for a standardized set of emissions categories across Scopes 1-3

Complete

2021 Not Complete



Target 50% reduction in emissions by 2030 and 100% by 2050 from a baseline inventory year 2011 across Scopes 1-3

22%

2021 10%



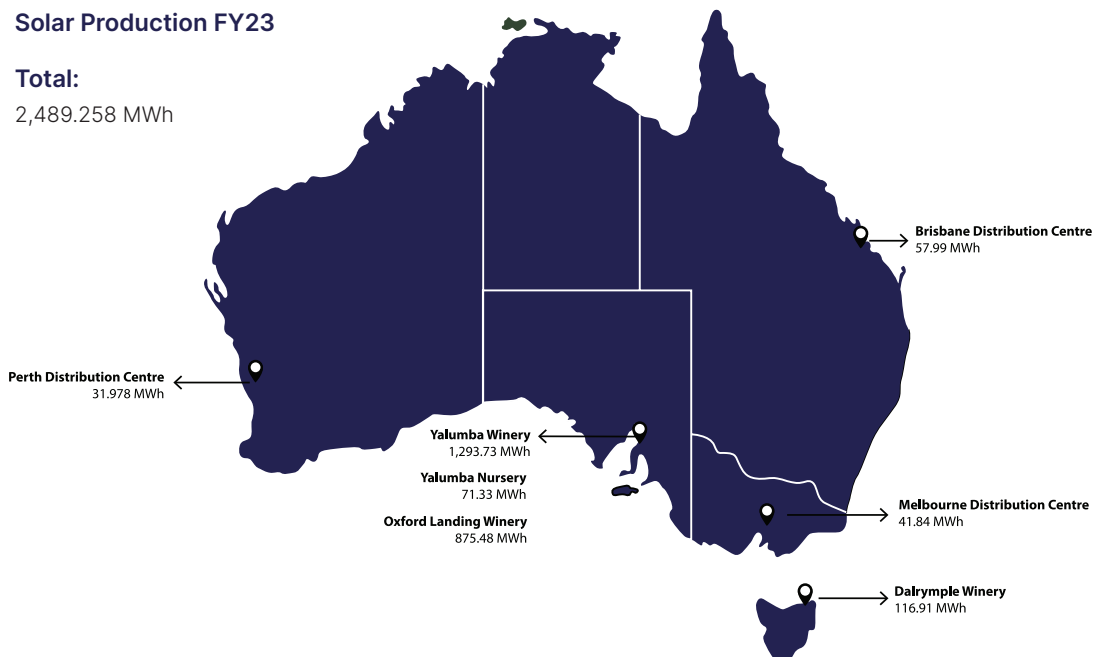
In line with the Australian Packaging Covenant, we will target 100% of recyclable and reusable packaging to be reused, recycled or composted by 2025

88%

2021 88%

Solar Production FY23

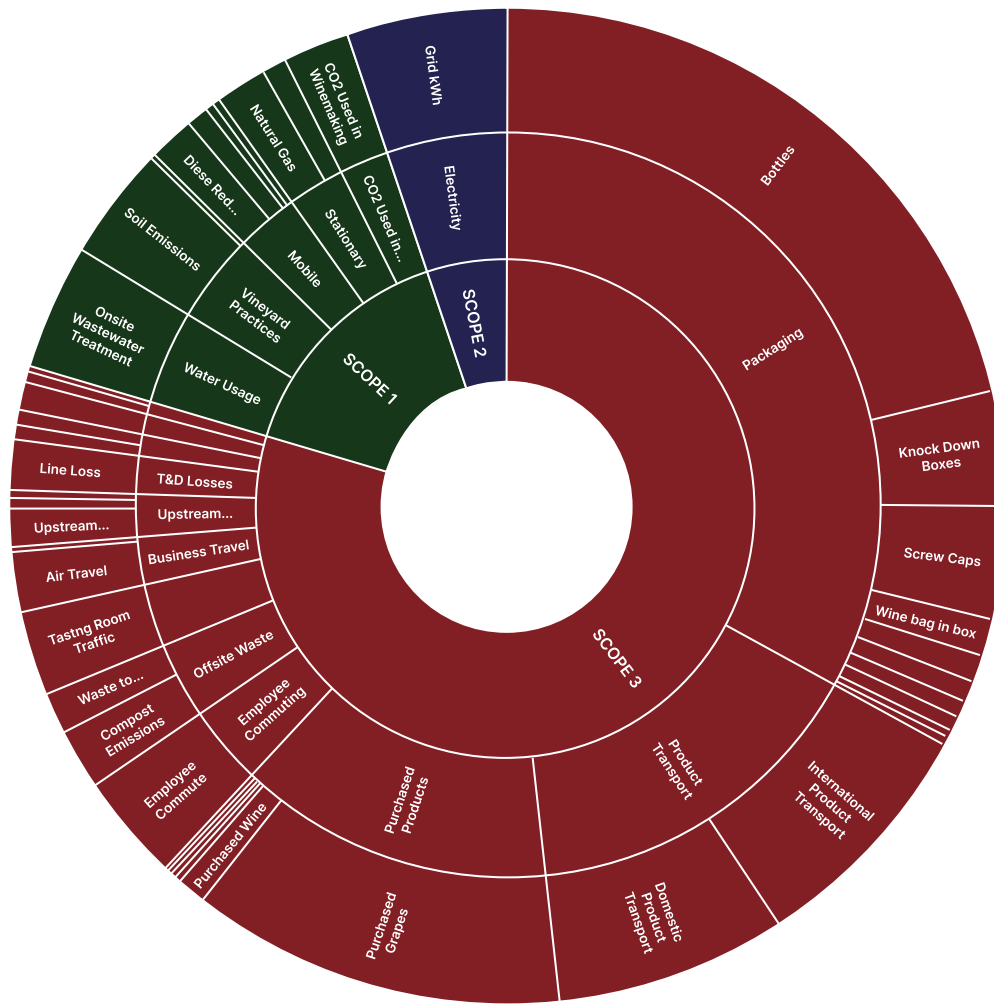
Total:
2,489.258 MWh



Viabile Planet



FY23 CO2 Emissions & Major Contributors



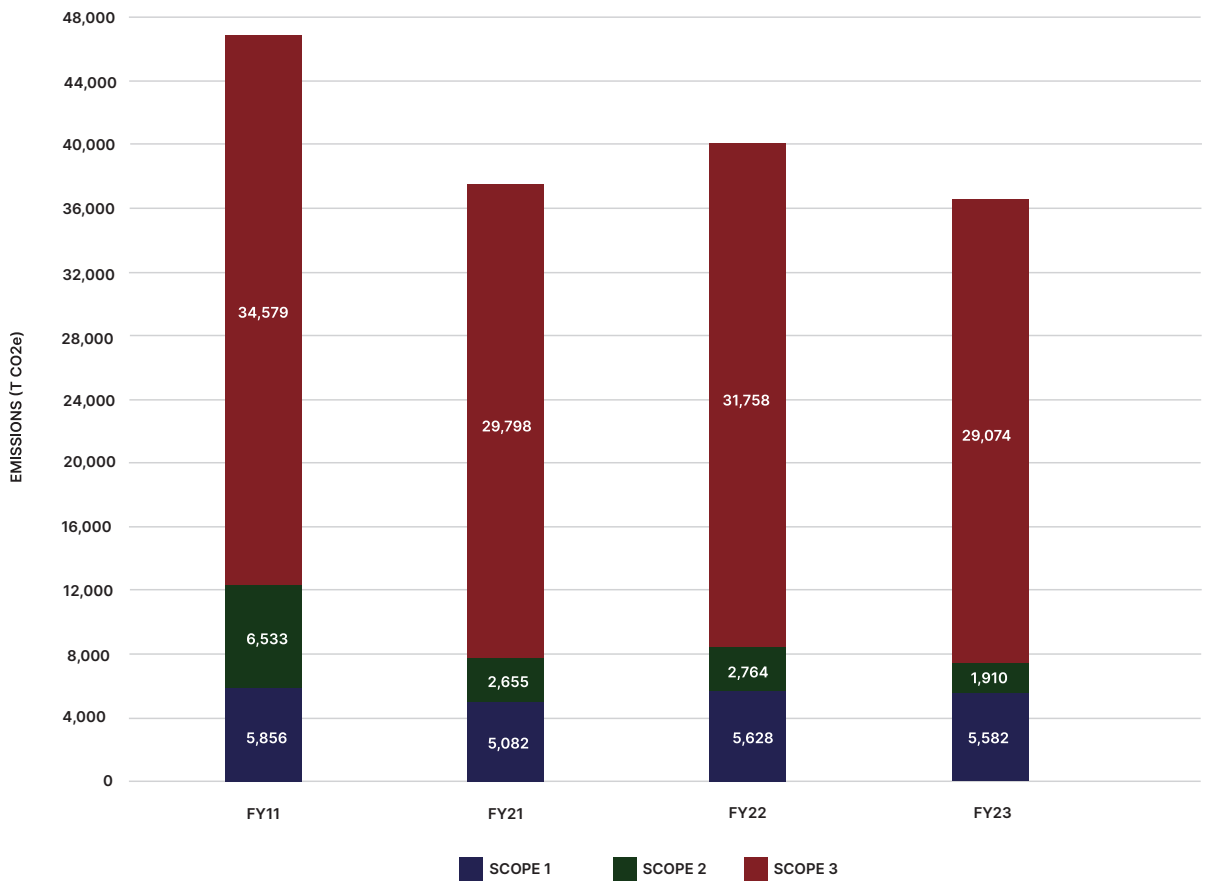
SCOPE 1 MAJOR CONTRIBUTORS	%
Winery wastewater	27
Vineyard soil emissions (microbial activity)	24
Boiler fuels (hot water)	16
CO2 gas use (wine management)	13
Vineyard diesel	10

SCOPE 3 MAJOR CONTRIBUTORS	%
Bottles	27
Finished product transport	19
Purchased grapes	15
Other packaging (cardboard, screwcaps, etc)	15
Commuting (employee, flights, wine room visitors)	10

Viable Planet



Yearly Comparison



Observations

SCOPE 1

Inclusion of Tasmanian operations for FY22 and FY23 has increased diesel and soil emissions.

Winery wastewater highly variable year to year.

SCOPE 2

Solar & efficiency projects have reduced usage.

Greening of the electricity grid has changed emission factors.

SCOPE 3

FY23 transport emissions has reduced due to declining export sales.

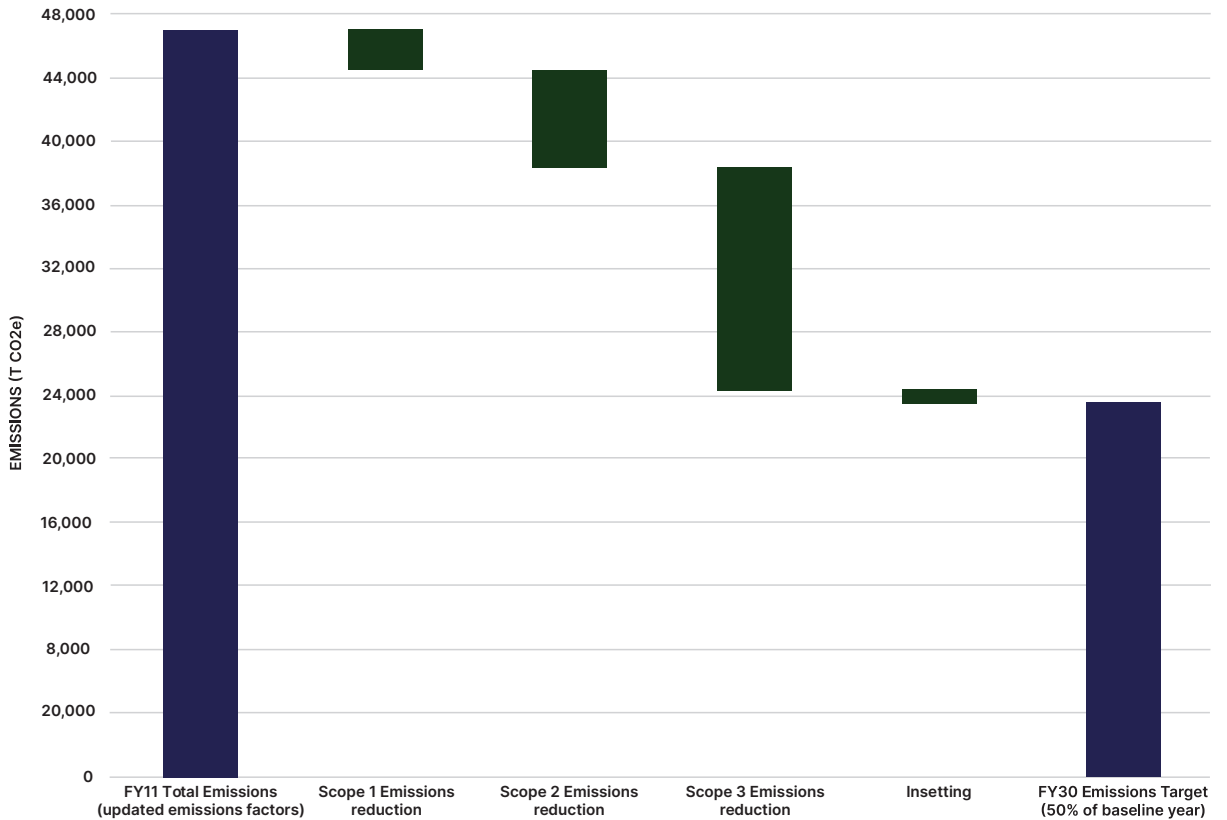
FY22 purchased packaging significantly higher than other years.

Viable Planet



Emissions Reduction Roadmap – Overview

Waterfall chart shows timing and impact of each project



Observations

Projects with solutions that are “readily available” have been grouped together and should be implemented soon.

Projects that require emerging technology have been staged for implementation later.

Electricity grid decarbonisation has a significant impact but is outside of HSFE’s control.

Several initiatives relate to packaging as this category is the largest contributor to Scope 3 emissions.

A significant proportion of potential reductions are outside of HSFE’s control (e.g reduced emissions transport and shipping).

Viabile Planet



Our Goals for 2023/24

We now have our Emissions Reduction Roadmap that specifies the timing and impact of future projects to achieve our emission reduction target by 2030.

We have plans to install additional solar panels at our Yalumba winery site to increase our own production of renewable energy. We will also model the infrastructure for electric forklifts and implement over the next three years. In collaboration with the Australian Wine Research Institute, we are developing CO2 capture and reuse solutions in our wineries.

Other reduction solutions that we will focus on in the next 12 months include alternative solutions to bio burning and transitioning more products to lighter weight glass and high recycled content packaging.

Prosperous Community



We Are Committed To:

Driving economic benefit in the regions in which we operate

Supporting our economy through local procurement

Supporting local arts and sporting organisations to enrich our community culture

Giving back to our community through donation and volunteer work

Investing in research and development and share our knowledge for the benefit of others

Engaging with people and organisations to educate our people on the history and culture of Australia's Indigenous peoples and the traditional ownership of the land

Our Progress:



Maintain or increase employee support of our HSFE volunteer program

Not yet achieved

> 2021 Not achieved



Maintain investment in community and culture

Achieved

> 2021 Achieved



Share our research and knowledge with the broader wine and tourism industries by maintaining representation across major industry forums

Achieved

> 2021 Achieved

Wine & Agriculture

Over the past 12 months, Hill-Smith Family Estates passionately supported its long-term wine industry, environmental, social, and not-for-profit partners. The Hill-Smith Family generously and proactively shares knowledge, research and expertise from its 174 years of sustainable business and winemaking for the benefit of other Australian wineries and the industry in general, and similarly we learn from the expertise of others. We have long held the belief that we will not survive in isolation, and therefore through our connections with South Australia Wine Industry Association, Australian Society of Viticulture and Oenology, the Australian Wine Research Institute, Sustainable Winegrowing Australia,

International Wineries for Climate Action, Wine Australia, and Barossa Australia, among others, we contribute to the collective viability and prosperity of Australian wine.

Arts & Culture

Yalumba and the Hill-Smith Family have proudly partnered with the Art Gallery of South Australia for more than 20 years. AGSA houses one of the largest art collections in Australia, powerfully contributing to the visual arts culture in Australia and beyond. This year, we created a limited-edition label for the Art Gallery, inspired by and in support of its major exhibition for 2023, Frida & Diego: Love & Revolution.

Prosperous Community



Continuing in the Arts sector, we partnered with Sydney Contemporary, Australasia's largest and most diverse gathering of contemporary art galleries in the region, and hosted Lise Temple's South Australian Living Artists (SALA) exhibition at the Yalumba Wine Room. Our support of our local sporting clubs continued as well as major tourism festival Tasting Australia, which drives strong social and economic activity for South Australia.

Social

Our long-term partner Hutt St Centre advocate with and empower people at risk of or experiencing homelessness, providing up to 40,000 meals each year, accommodation, connections to healthcare, legal and financial aid, and pathways to education and employment. We proudly support Hutt St Centre as the wine partner of their major annual fundraising event.

Over the financial year, we raised and donated \$60,000 to Forage Built through sales of our Homefullness Grenache. With \$30,000 still to go to reach our target, we released our second wine in our Homefullness series in June – this time a 2021 Barossa Shiraz. The \$90,000 donation will fund the build of one 16-square-metre transportable, eco-friendly “pod” - one part of Forage Built’s innovative housing village. The village provides a place for people experiencing homelessness to live, safely connect with others, and access services to eventually find their way back into work and permanent housing.

In favour of responsible consumption, our Yalumba Wine Room now has resources available for its 20,000+ guests per year to measure standard drink consumption at every visit, and we will extend this across all our Wine Rooms in the coming year.

For our local Barossa community, we donated 39 second-hand computers to Foundation Barossa. These computers are supplied to the

Foundation’s disadvantaged students, helping these young people to engage in learning and strengthen their educational outcomes.

We continued our support of our local Angaston football, netball and tennis clubs, as well as our community Christmas Parade and Angaston Show.

For the third year, in collaboration with the children’s toy store Kids Unite in Angaston, we collected and donated Christmas gifts that were distributed to Barossa families in need by Lutheran Community Care.

Our Goals for 2023/24

In the next financial year, we will continue our support of our communities spanning wine and agriculture, arts and culture, and social initiatives and organisations.

We will reach our \$90,000 target for Forage Built through our part proceeds donation from sales of Yalumba Homefullness Shiraz 2021.

We have committed our support to Foundation Barossa with the donation of our second-hand computers and additional funding donated over the next three years.

We will also work towards a formalised program for all internal people to access education and meaningful engagement with Indigenous Australia and Aotearoa New Zealand peoples. Providing a safe and inclusive workplace is our priority, and we believe education is an important step towards an environment that respects and embraces diversity and cultural responsibilities and heritage.

Giving back to our communities, either economically or culturally, has always been an important part of our sustainability philosophy, and we will therefore make it a priority in the next twelve months to increase the uptake of our employee volunteer days, through organised internal programs and promotion.

Thriving Workforce



Our passion for wine and business success is a unified vision that drives the culture, performance and behaviours of our workforce. Our vision is to create leaders at all levels who infectiously spread their passion and knowledge for the business of wine.

We Are Committed To:

Providing a safe and respectful work environment

Fostering a diverse and equitable workforce

Providing opportunity for personal and professional development

Supporting the health and wellbeing of our people

Engaging with people and organisations that can educate our people to better understand diversity, equity and inclusion

Our Progress:



Achieve a lower than industry Lost Time Injury Frequency Rate in operations

6.07 vs benchmark 6.09

2021 18.03 vs benchmark 7.81



Achieve best employer benchmark in employee engagement

71% vs benchmark 70%

2021 Did not measure



For every employee who participates in our wine education programs, we promise to train one consumer or employee of the hospitality industry

1.58:1

2021 1.8:1



Exceed 50% Positive Safety Reporting, where suggestions for improvement and hazard identification outweigh our injury and incident reports

55%

2021 45%

Our global employee engagement survey was completed in late 2022 and we exceeded our goal of achieving better than benchmark engagement levels, placing us within best employer levels. In 2022/23 teams across our business were engaged in feedback and follow-up groups to ensure we listen, understand and improve our workplace for all. We plan to survey our employees again in 2023/24, maintaining our momentum.

Our Wine Education program flourished in 2022/23 and we vastly exceeded our planned education levels across employees and industry partners. In 2023/24, we will extend our offering and pilot a

WSET Level 3 education program.

Our Leadership Development Program, in partnership with the University of Adelaide, was well received by our people leaders with our employees and business realising the benefits of the investment with over 90 leaders participating. 16 employees graduated from our Signature School program - a two-week intensive leadership and management course facilitated by the University of Adelaide - with a number of students realising opportunities for career growth since graduation.

Thriving Workforce



Our Goals for 2023/24

Our overall employee value proposition continues to be a focus with a number of planned initiatives being developed and reviewed to further enhance our workplace.

In 2023/24, we will continue to focus on achieving a Lost Time Injury Frequency rate less than industry average and we are confident we will realise this as we refine our Injury Management, Health and Wellbeing initiatives. Work continues on full implementation of our Fitness for Work Policy across all Australian and New Zealand workplaces with good progress made in 2022/23. Further focus on safety culture has commenced with detailed plans to be developed after feedback is collected from our team members in 2023.

Responsible Governance



We Are Committed To:

Holding our systems and processes to the highest international standards with certifications in quality, safety, environmental and regulatory compliance

Acting honestly and transparently in our requirements for certifications, auditing and reporting

Ensuring quality and ethical outcomes at all stages of our value chain

Our Progress:



Achieve positive SWA benchmarking against all 17 metrics
7 of 17



2021 2 of 15



Meet all targets to achieve Gold Membership of IWCA
Not yet achieved



2021 Not achieved



Onboard 100% of our suppliers with our sustainability objectives and ethical behaviours
Not yet achieved



2021 Not achieved

Since our last Sustainability Report, we have undergone four greenhouse gas (GHG) audits and achieved Silver Membership of the International Wineries for Climate Action (IWCA). Aligned to the targets of IWCA, in April we became partners of the United Nations Race to Zero program, helping us to connect with likeminded organisations around the globe. We also obtained verification of our GHG statements to ISO14064 Standard - the international standard for quantifying and reporting greenhouse gas emissions

In our commitment to responsible governance, we have maintained our existing certifications over the last 12 months:

- Sustainable Winegrowing Australia
- Australian Certified Organic
- National Organic Program (USDA)
- IFOAM - Organics International
- ISO9001 - Quality Management System
- ISO14001 - Environmental Management System
- ISO17025 - Laboratory Quality Standard
- EPA - Environmental Protection Agency
- HACCP BRC - Global Food Safety Initiative

In the next financial year, we are committed to maintaining our certifications and memberships and in doing so, completing regular audits and constantly striving for improvement.

In the next 12 months, we will complete the onboarding process of our suppliers to match our Scope 3 emissions reductions targets.

Additionally, we will ensure we are well positioned for the introduction of mandatory sustainability reporting by the Australian Federal Government from 2024-25.

The Next 12 Months

Looking toward the next 12 months, our emissions reduction roadmap to 2030 and 2050 now helps us focus our efforts. We continue to look at where we can be more energy efficient. Some projects will be easier, such as adjusting storage temperatures and replacing air conditioner units that use refrigeration gases, which have lower global warming potential. Others require more investigation, such as introducing technologies like electro dialysis for cold stabilisation. We continue to model options to compare not just financial impacts, but GHG emission benefits.

We have researched fossil fuel-reducing solutions and have mapped our transition to electric and hybrid vehicles and electric forklifts, and a priority will be to install the infrastructure to support the new technology. Glass continues to be a challenge and a major contributor to our Scope 3 emissions. We will continue to search for better options with suppliers and the industry, and invest in lighter weight glass solutions, high recycled-content glass and alternative packaging. These initiatives will also help to deliver a reduction in our product's transport emissions.

Another significant project is assessing our CO₂ use. In collaboration with the Australian Wine Research Institute, we are developing a solution to capture and reuse this CO₂.

Additionally, quantifying the carbon insetting of our native vegetation areas will provide greater accuracy in our reporting, and will help to reduce our vineyard footprint, especially the challenges related to diesel usage and soil emissions.

We are not going to save the planet or solve the issues of climate change on our own and over the next 12 months. We look to strengthen and leverage our partnerships to bring new attention to the impacts of climate change on wine within and outside the industry. Partnering with wineries and individuals who are driving and affecting real change brings us hope that if we all do our bit, we can make a difference.

HILL-SMITH
FAMILY ESTATES

H
S
E