

HILL-SMITH
FAMILY ESTATES



2024
Hill-Smith Family Estates
Sustainability Report



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About This Document

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

This report provides an overview of our environmental, social and governance performance.

Our annual Sustainability Report will be released after each calendar 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

Our story began in 1847 when Samuel Smith arrived in South Australia by boat from the small town of Wareham in Dorset, UK, in search of a new life and adventure. Upon reaching Angaston, he settled on land that had been cared for by the Peramangk people for millennia.

As a person with a deep respect for the land, Samuel named his family farm Yalumba—a word believed to be from the Peramangk language, meaning “all the country around”. While we don’t have records detailing how he came across this beautiful word, we now understand that this land was, and always will be, Peramangk land.

We acknowledge the Traditional Owners and Custodians of the land on which we work, and that their stories began long before ours in 1849.

We acknowledge the Ngadjuri, Peramangk, Kurna, Ngarrindjeri, Bindjali, Pyemmairrener and Paredarerme people as the traditional owners of the land on which we stand today, and we extend our respect to their Elders past and present.

About Hill-Smith Family Estates

For 175 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, Coonawarra, 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.



Knowledge Lead Don't Follow

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



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.



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 others' backs and treat our team, our customers, and our 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 proud to present the latest Sustainability Report for Hill-Smith Family Estates, reflecting on our progress and reaffirming our commitment to a resilient and sustainable future. Over the past year, the urgency of climate action has only intensified, reinforcing the need for the wine industry to take bold steps to reduce emissions, adapt to environmental challenges, and foster long-term resilience in our vineyards and communities.

Our commitment remains vital: sustainability is not just an aspiration - it is a necessity. Guided by our Emissions Reduction Roadmap and aligned with global initiatives including International Wineries for Climate Action, Sustainable Winegrowing Australia, and the United Nations' Race to Zero, we continue to take meaningful strides towards our 2030 and 2050 targets.

This past year, we have deepened our investment in regenerative viticulture, water conservation, and biodiversity initiatives to protect the health of our vineyards and land that surrounds us. We have strengthened partnerships across our supply chain to drive emissions reductions and explored innovations in packaging, energy efficiency and waste reduction. Importantly, we have worked to empower our people and communities - because a thriving industry must be built on a foundation of shared prosperity and inclusivity.

We recognise that the journey is far from over. Sustainability is an evolving challenge that demands continuous improvement, collaboration, and leadership. The road ahead requires us to push further, challenge convention, and embrace new ways of thinking to ensure that wine has a future for generations to come.

As we share our progress in this report, we do so with optimism and determination. Together, with our industry partners, customers, and communities, we will continue to drive change - preserving the integrity of our land, our wines, and our legacy.

Thank you for being part of this journey.



Karl Martin
Chief Executive Officer



A Note From Our Head of Sustainability

2024 was a milestone year for The Hill-Smith Family, celebrating 175 years of family ownership and looking forward. Nothing talks to sustainability more than a family wine business six generations strong, recognised for its industry leadership in the modern world.

In 2024, we celebrated the 2021 Signatory – Chris Gerhardy, still working for the Hill-Smith family after 52 years, following his father Colin (1988 Signatory) who ‘only’ worked for the family for 49 years, and his grandfather Herb who clocked up 33 years. Since 1962, each release of The Signature has been named to honour an individual who has made a significant contribution to the culture and traditions of Yalumba. When Robert Hill-Smith announces the Signatory at the Christmas party on the side lawn at Yalumba each year there is great excitement. 300+ people gathering to celebrate; there are tears, stories and a few glasses of wine. This is sustainability in action.

In a year that was the hottest on record for the globe, and the second hottest on record in Australia, it has been a busy year in other ways too. We continue to decarbonise, helped by our membership of International Wineries for Climate action (IWCA), which now has 51 members in 13 countries, covering 3.5% of the world's wine production. I was proud to be elected to the IWCA board in 2024, and in the same year we qualified for Gold Member status – our goal since joining IWCA in 2021.

2024 was the first year that we have included insetting in our GHG Emissions inventory. We began planting back in 2007 at our Oxford Landing vineyard, but we had not measured the carbon sequestration from our conservation areas until this year. Now, it's great to see how much of an impact this has on our environment nearly two decades later.

At Hill-Smith Family Estates, we believe in using our platform to create meaningful change. Our goals for this year, to 2050 and beyond reflect our commitment to a future where business success is measured not just in economic terms, but in the positive impact we leave on our industry, our communities, and our planet.

Louisa Rose

Louisa Rose
Head of Sustainability



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 175 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



Achieved IWCA Gold Member Status



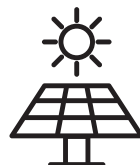
All Hill-Smith Family Estates Wineries and Vineyards are SWA or SWNZ certified



Reduced our total GHG emissions by 38% from our baseline year



Exceeded our regenerative land promise, with more estate land planted to native vegetation than to vines



Self-generated 2,679 MWh of renewable energy, meaning 21% of our required operating energy is supplied by our own solar installations



WSET
APPROVED
PROGRAMME PROVIDER

Upskilled the Australian wine industry with 191 employees and 470 of our industry partners completing wine education programs, including Wine & Spirit Education Trust (WSET) qualifications, with our Wine Educators

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

We aspire to strike the right balance between financial imperatives and maintaining a wine-focused business with family values. We will act honestly and transparently and ensure quality and ethical outcomes at all stages of our value chain.

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
2024 1.03:1
- ✓ Maintain a minimum of 60% of our vines on drought resistant rootstock
2024 61%
- ✓ Achieve SWA certification for every hectare of owned vineyards
2024 100%
- ✗ Achieve SWA certification for every hectare of growers' vineyards
2024 99.95%

Viable Planet

- ✓ Target minimum 20% powered by onsite renewable energy generation
F24 21%
- ✓ Complete a baseline and yearly third-party verified GHG inventory for a standardized set of emissions categories across Scopes 1-3
F24 Complete
- Achieve 50% reduction in emissions by 2030 and 100% by 2050 from a baseline inventory year 2011 across Scopes 1-3
F24 38% On Track
- In line with the Australian Packaging Covenant, we will target 100% of recyclable and reusable packaging to be reused, recycled or composted by 2025
F24 97% On Track

Prosperous Community

- ✓ Maintain or increase employee volunteer support
2024 Achieved
- ✓ Maintain investment in community and culture
2024 Achieved
- ✓ Share our research and knowledge with the broader wine and tourism industries by maintaining representation across major industry forums
2024 Achieved

Thriving Workforce

- ✗ Achieve a lower than industry Lost Time Injury Frequency Rate in operations
F24 8.06 vs benchmark 7.27
- ✗ Achieve top quartile benchmark in employee engagement
2024 73% vs benchmark 74%
- ✓ For every employee who participates in our wine education programs, we will train one consumer or employee of the hospitality industry
2024 2.46:1
- ✓ Exceed 50% Positive Safety Reporting, where suggestions for improvement and hazard identification outweigh our injury and incident reports
F24 57%

Responsible Governance

- ✓ Meet all targets to achieve Gold Membership of IWCA
2024 Achieved
- ✗ Onboard 100% of our suppliers with our sustainability objectives and ethical behaviours
2024 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
- 

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

61%
- 

Achieve SWA certification for all owned vineyards

100%
- 

Achieve SWA certification for all growers' vineyards

99.95%

The goals we have measured against for the last five years have been comfortably achieved and maintained. They have set us and our growing partners up for the future well. These goals will continue to be monitored by us in the future but will no longer be our focus as we move onto the next stage of our commitment to improving balance and biodiversity of our vineyards and land.

Over the last twelve months at our two biggest preservation sites, Oxford Landing and Heggies Vineyards, we have been working with land care and biodiversity experts to map our success so far and to work out the next steps as these areas mature.

The Oxford Landing area of 564.6 hectares, the majority of which was planted by the employees of Hill-Smith Family Estates in 2007 – 2013, was planted with 215,000 indigenous trees, shrubs and ground covers initially. Today it is thriving with ample trees and shrubs.

This year’s surveillance has shown there is still work to be done at the ground level to improve cover, and the area still lacks the dead trees and hollows needed for some of the native wildlife such as echidnas and bats to return (though the kangaroos do enjoy the site). At Heggies, the 153.1ha set aside between the Kaiser Stuhl conservation park and the vineyard, was also surveyed. Minimal plantings have been undertaken in these areas though there is evidence that the native trees and grasses are trying to return to this area. Unfortunately, they are subject to a large kangaroo population that enjoys feasting on the small saplings thus making establishment harder for the young trees. The potential for this site is endless and there is a great opportunity here to be part of a larger wildlife corridor to connect the Adelaide Hills to the Barossa and beyond. In the Eden Valley, we are working with Landscapes SA in the design of a pilot Environmental and Cultural Flows project.

Resilient
Terroir

<p>In line with our old vine charter developed in 2007, we aim to preserve our old vines in the Barossa. In 2024, HSFE 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	77.77

Our Old Vine Charter has seen an increase from 42ha to 77ha of vines that are now considered Old Vine since our last audit. In addition, as of vintage 2025, we will have another 0.64ha reach the Ancestor Vine stage.

Our Goals For 2025

Our goals for the next year include adding to our existing native vegetation areas in South Australia and Tasmania and continuing to grow our percentage of native vegetation area to vines planted. This includes a new area at our Nursery site in the Riverland.

Another goal is to continue the work of understanding the requirements for improved biodiversity at our established Oxford Landing native vegetation area and improve our biodiversity score.

We also aim to help our Heggies conservation area to regrow and match the biodiversity and growth seen in the neighbouring Kaiser Stuhl area and in time, use this area as the benchmark for future conservation on the land set aside at Heggies and Pewsey Vale.

We will continue our partnership with Greenfleet, specifically with our *one to one* by Oxford Landing wines. Every six bottles of *one to one* enjoyed sees another square metre of native bushland planted in the ‘One to One Bushland’, which we increase to one square metre per bottle during Earth Month every year. To date, we have planted 27,541m² together, protecting our climate by restoring forests, rebuilding habitats, regenerating ecosystems and enriching native biodiversity.

Viabile 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

21%



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

Complete



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

38% On Track



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

97% On Track

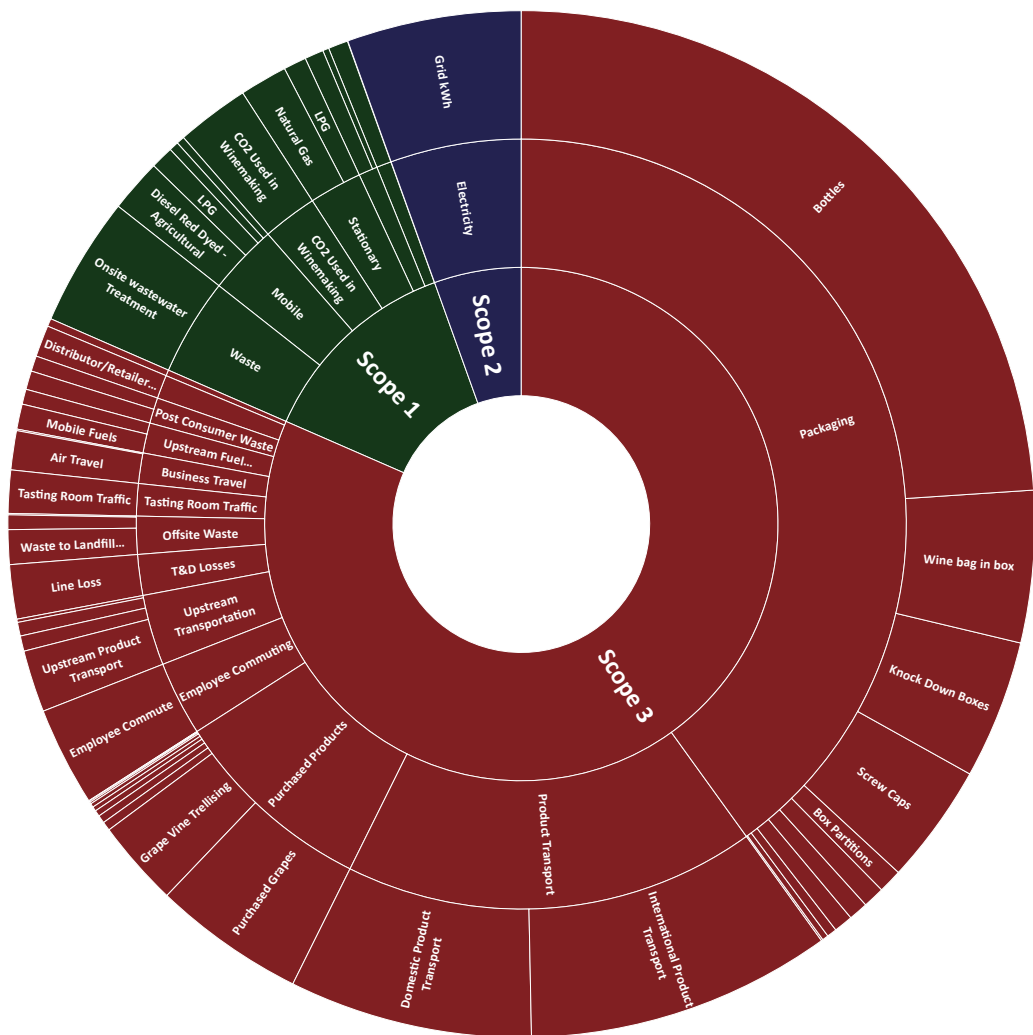
Solar Production F24

Total: 2,679.096 MWh





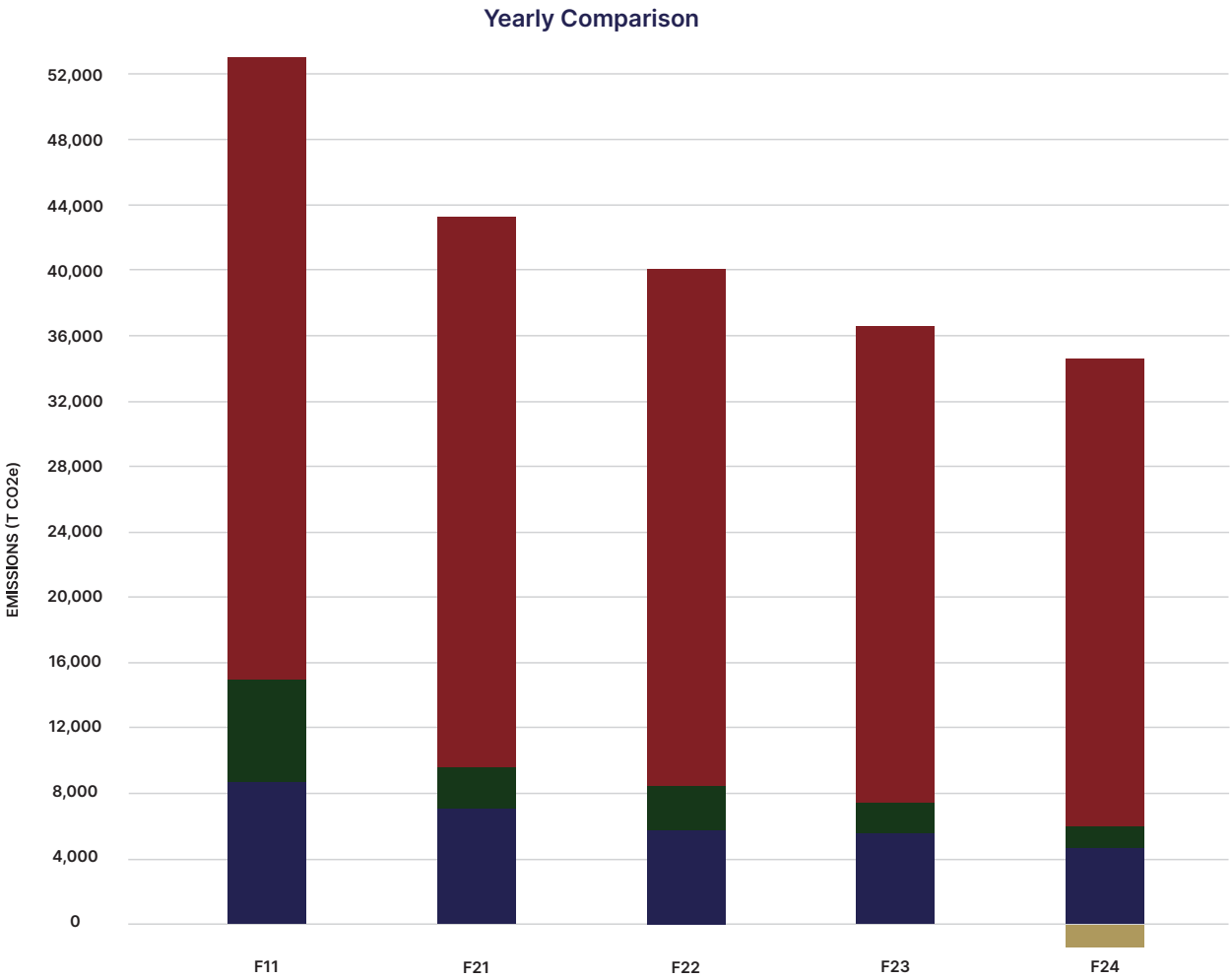
F24 CO2 Emissions & Major Contributors



SCOPE 1 MAJOR CONTRIBUTORS	%
Winery wastewater	31
CO2 gas use (wine management)	18
Boiler fuels (hot water)	17
Vineyard diesel	13
LPG - Forklifts	6

SCOPE 3 MAJOR CONTRIBUTORS	%
Bottles	29
International product transport	12
Domestic product transport	9
Purchased grapes	6
Wine casks	6

Viabile Planet



EMISSIONS (T CO2e)	F11	F21	F22	F23	F24
SCOPE 1	8,635	7,443	5,628	5,582	4,498
SCOPE 2	6,533	2,655	2,764	1,910	1,904
SCOPE 3	38,134	33,591	31,758	29,074	28,292
INSETTING	-	-	-	-	1,710
TOTAL	53,303	43,689	40,150	36,566	32,985

Observations

SCOPE 1

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

F24 purchased bottle emissions increased due to replacement of tirage bottles.
Grape vine trellising was included for the first time in F24 due to the development of Orielson Vineyard.

INSETTING

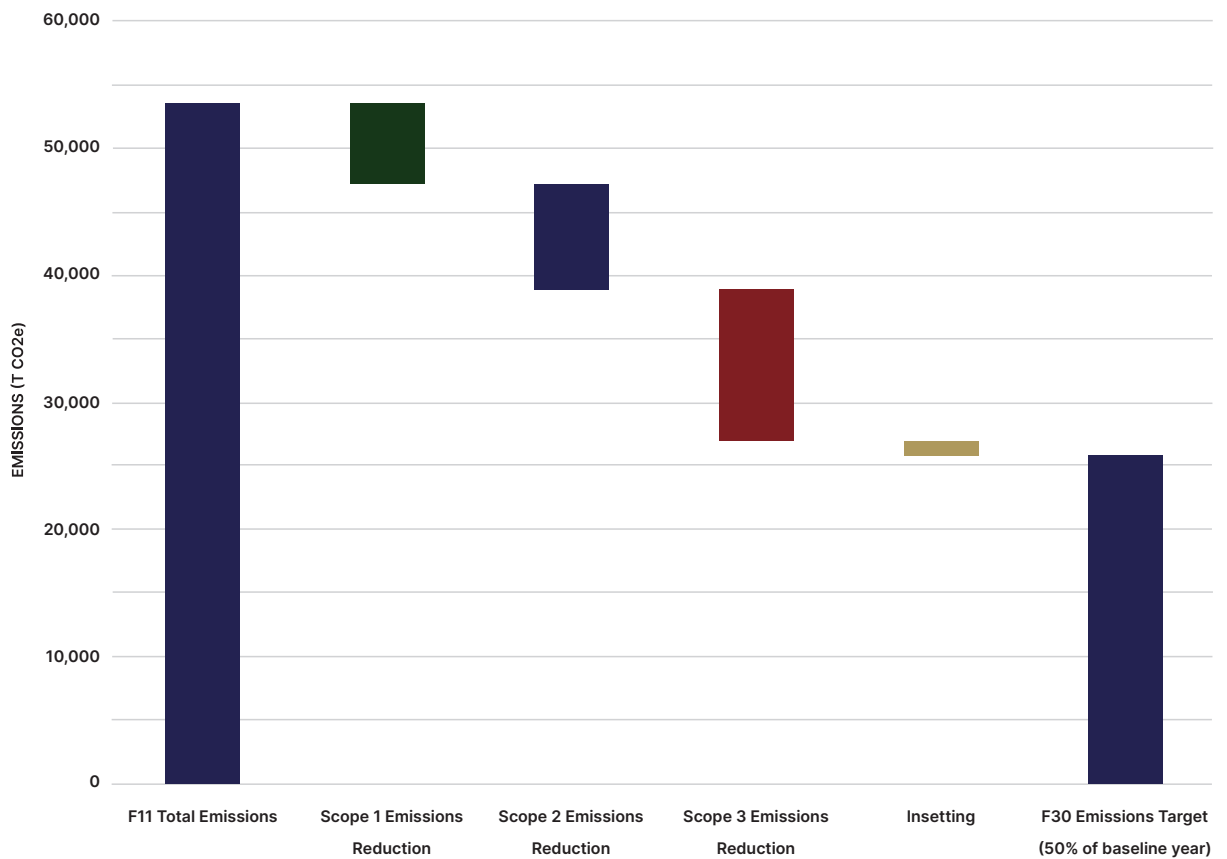
F24 was the first year to include insetting from our native vegetation project at Oxford Landing.

Viable Planet



Emissions Reduction Roadmap – Overview

Waterfall chart shows timing and impact of numerous projects to achieve a 50% reduction by 2030 and carbon neutrality by 2050 compared to our baseline year 2011.



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 (eg. reduced emissions transport and shipping).

Viable Planet



Our Goals for 2025

Decarbonisation remains a priority, and in 2025 we look to integrate our New Zealand site, Nautilus Estate, into our company-wide greenhouse gas emissions inventory. We will continue advancing packaging sustainability, aiming to achieve our 2025 goal of making 100% of packaging recyclable or reusable.

Future Projects for Emissions Reductions

Eliminate vine burning	Grid decarbonisation (external)
Winemaking CO2 reduction	Insetting for 50% emissions reduction
Refrigeration leak reduction	Sparkling bottle weight reduction
Winery pigging	Still bottle weight reduction
Electric forklifts	Employee and Wine Room EV charging
Electric domestic hot water	Organic waste – anerobic digestion
Electric or hybrid vehicles	Reduced business travel
CO2 capture	Reduced emissions road transport and shipping
Vineyard diesel and petrol reduction	Sustainable packaging – cardboard and screwcaps
Boilers – alternative fuels	
Sustainable vineyard management	

Prosperous Community



We Are Committed To:

Driving economic benefit in the regions in which we operate

Supporting our economy through local procurement

Enriching our community culture by supporting local arts and sporting organisations

Giving back to our community through donation and volunteer work

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

Our Progress:



Maintain or increase employee volunteer support
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

At Hill-Smith Family Estates, we recognise that the strength of our business is intrinsically linked to the prosperity of our people, industry, and the communities we serve. Over the past year, we have deepened our commitment to fostering a vibrant wine and agriculture sector, enriching arts and culture, and supporting social initiatives that create meaningful impact.

Wine & Agriculture

We continue to take an active role in shaping the future of Australian wine by sharing our expertise, research, and resources with the industry. Through our collaborations with organisations such as Wine Australia, the South Australian Wine Industry Association, the Australian Wine Research Institute, Sustainable Winegrowing Australia, and International

Wineries for Climate Action, we are advancing knowledge, sustainability, and innovation. We remain steadfast in our belief that collective progress is the only way forward - our industry cannot thrive in isolation.

Arts & Culture

Creativity and storytelling are at the heart of winemaking, which is why we remain passionate supporters of the arts. This year, we proudly extended our long-standing partnership with the Art Gallery of South Australia and continued our support of Sydney Contemporary Art Fair. Through these collaborations, we celebrate artistic expression and strengthen cultural connections within our communities.

Prosperous Community



Community & Social Impact

Our dedication to social responsibility has grown stronger as we seek to drive lasting change. This year, we continued our partnership with Forage Built through the sales of our Yalumba Homefullness Shiraz, directly supporting the construction of transportable housing pods for people experiencing homelessness. We remain committed to ongoing contributions in this space, ensuring we are not only providing short-term relief but also fostering long-term solutions.

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 the Hutt St Centre as the wine partner of their major annual fundraising event, which in 2024 raised over \$300,000.

Our commitment to responsible consumption continues, with standard drink measurement resources available across our Wine Rooms, empowering approximately 25,000 annual visitors to make informed choices.

In line with our commitment to education and inclusion, we have continued our partnership with Foundation Barossa, donating 31 second-hand computers to support disadvantaged students.

We supported our employees with paid time volunteering for community organisations and causes that matter to them. In November 2024, more than 200 people within our HSFE team volunteered to revegetate the land surrounding the site with 400 native trees and shrubs. Giving back is deeply embedded in our values, and we are dedicated to ensuring that our workforce plays an active role in supporting the regions in which we live and work.

Our Goals for 2025

As we continue to strengthen our commitment to social responsibility, our goals for the coming year focus on expanding our impact across the wine industry, arts and culture, and community support. Our goals for 2025 include:

- Further collaboration with industry partners to drive sustainability and knowledge-sharing, ensuring the resilience of Australian wine.

- Increase engagement in climate action initiatives, advocating for stronger policies and practices across the supply chain.

- Enhance our internal sustainability education programs to empower our teams with the latest insights and innovations in viticulture.

- Continue our long-standing partnerships with the Art Gallery of South Australia, Sydney Contemporary, and SALA (South Australian Living Artists festival) to foster artistic expression and cultural enrichment.

- Expand our role in supporting emerging artists, particularly those from Indigenous and underrepresented backgrounds.

Thriving Workforce



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
8.06 vs benchmark 7.27



Achieve best employer benchmark in employee engagement
73% vs benchmark 74%



For every employee who participates in our wine education programs, we promise to train one consumer or employee of the hospitality industry
2.46:1



Exceed 50% Positive Safety Reporting, where suggestions for improvement and hazard identification outweigh our injury and incident reports
57%

After achieving our desired benchmark for employee engagement in F23, we raised the bar and sought to achieve a top quartile result for F24. Our result of 73% engagement is something to be proud of despite falling slightly short of our benchmark target.

Our Lost Time Injury Frequency Rate (LTIFR) result dipped below our FY23 performance with our result also behind the industry rate. Despite this our Positive Safety Reporting lead indicator has seen growth on our FY23 result which is pleasing.

Work continues to improve safety focus across the business with a working group appointed to formulate and execute our 2025 Safety Plan with key initiatives focusing on Safety Leadership, Safety Engagement and Wellbeing.

Our wine education programs continue their success with an increase in the number of trained consumers and industry friends in F24. The pilot of the WSET Level 3 program was a success with further programs due to be delivered.

Our Reward & Recognition program comprises both peer-nominated awards and awards from the Hill-Smith family. Anyone can nominate their workmates, and in 2024 we acknowledged more than 300 individuals for a ‘job well done’.

Thriving Workforce



Our Goals for 2025

Our focus for 2025 is the implementation of safety initiatives identified from our Safety Climate Survey in late 2023.

2025 will also see the launch of our first Diversity and Inclusion survey that will be used to inform a Diversity and Inclusion Strategy for our workforce, further strengthening our employee value proposition with a focus on making life at HSFE more inclusive for everyone.

We will continue to provide wine education to our employees and trade partners through our delivery of WSET courses in Wine Levels 1, 2 and 3 - our commitment to the next generation of wine people.

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:



Meet all targets to achieve Gold Membership of IWCA
Achieved



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

Following our 2024 GHG audit, Hill-Smith Family Estates achieved Gold Member status with International Wineries for Climate Action (IWCA), a significant milestone in our sustainability journey. The IWCA Inventory Review Committee has officially recognised our commitment to reducing greenhouse gas (GHG) emissions and meeting the rigorous requirements of IWCA membership.

This status grants us participation in the United Nations Race to Zero campaign, reinforcing our pledge to achieve absolute net zero emissions by 2050. This affiliation requires us to publicly report our Scope 1-3 emissions data in IWCA's annual report, further demonstrating our commitment to transparency and accountability in our sustainability efforts. Gold Membership also signifies HSFE's pledge to drive a consistent reduction of emissions, aligning with IWCA's scientifically backed targets to achieve carbon neutrality through measurable and verifiable progress. These initiatives mark an important step forward in our governance and sustainability journey.

By embedding ethical practices in our operations and supply chain while striving for environmental excellence, HSFE continues to lead the way in responsible business practices.

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

Responsible Governance



Our Goals for 2025

Over the next 12 months, HSFE is committed to strengthening its governance framework through targeted initiatives that reinforce our dedication to ethical and sustainable business practices. Our governance commitments - upholding international standards, ensuring transparency, and driving ethical outcomes across our value chain - serve as the foundation for our objectives in 2025.

A key focus for the year ahead is enhancing employee education on modern slavery and anti-bribery. We remain dedicated to making relevant information and formalised processes accessible to all staff, reinforcing a culture of integrity across the organisation.

Our commitment extends beyond our internal operations to our supplier relationships. By 30 June 2025, we aim to onboard our top 100 suppliers (ranked by annual spend) with our sustainability objectives and ethical behavior expectations. This onboarding process will set clear standards and foster stronger partnerships built on shared values. Subsequently, before the end of 2025, we will survey these suppliers to assess their modern slavery and anti-bribery practices, targeting a minimum response from our top 50 suppliers. These efforts will provide valuable insights and help drive continuous improvements in our supply chain.

Case Study:

Cultivating a Nature-Positive Legacy

Located in South Australia - one of the driest regions in the world – HSFE has led the way in carbon sequestration through regenerative farming, advanced carbon modelling, and large-scale renewable energy integration.

For us, sustainability starts in the soil. We go beyond minimising environmental harm to actively regenerating the land. Cover crops enrich the soil, chemical inputs are reduced, and microbial life is fostered beneath the vines, where healthy roots sequester atmospheric carbon and improve vineyard resilience.

As an IWCA member, we take a science-based approach to emissions reductions, prioritising carbon insetting over purchased offsets. In 2024, we conducted our first quantification of carbon absorbed by our native vegetation areas, improving emissions reporting and strengthening our carbon reduction strategy.

Since the early 2000's, we have restored native vegetation with a promise today to regenerate and protect more estate land than our total estate land under vine. Across the Barossa, Riverland, Coonawarra, Wrattonbully and Tasmania, over 400 hectares have been planted with native trees and shrubs. We have always done this as part of our responsibility to future generations, but now with FULLCAM - a CSIRO-developed carbon modelling tool based on decades of forestry data - we can measure its impact. FULLCAM forecasts carbon sequestration for the next 30 years, enabling precise, data-driven land management at a block-by-block level.

With carbon valued close to \$50 per tonne, projected to rise to \$100 per tonne by 2030, carbon sequestration is not just an environmental imperative - it is a strategic investment.

By integrating renewable energy, CO₂ capture in fermentation, and electrification, HSFE is aligning sequestration with emissions reductions to drive real climate impact. Through science-backed modelling and regenerative land use, we are embedding carbon capture into the fabric of our winemaking - securing a more sustainable future for the land, the industry, and the planet.



Case Study: Planting for the Future

On Sunday, November 17, we marked a milestone - Yalumba's 175th birthday. More than just a celebration, this was a moment to reflect on our legacy, our land, and the future we are shaping.

As part of the occasion, more than 200 members of our winery team gathered at the Signature Vineyard in Light Pass - not just to raise a glass, but to put their hands in the soil, continuing a tradition of stewardship that has defined the Hill-Smith family for generations. Together, we planted 400 native trees and shrubs, chosen carefully to attract native birds, insects, and pollinators. By restoring biodiversity to the land, we strengthen the natural balance of the vineyard, reducing the need for intervention and fostering healthier vines in harmony with the ecosystem.

With the vista of the Barossa Valley as our backdrop, this wasn't just about planting trees - it was about giving back to the land that has given us so much.

Our Signature Vineyard, still relatively young, is planted with Cabernet Sauvignon and Shiraz, destined to become part of one of Yalumba's most cherished wines - The Signature. This vineyard is more than a source of exceptional fruit; it is a symbol of our commitment to sustainability, ensuring that every bottle we produce is rooted in a thriving, balanced environment.

At Yalumba, we believe in cultivating not just vines, but ecosystems. Native vegetation is an integral part of our vineyard philosophy, offering natural pest control, improving soil health, and reinforcing resilience against climate change. The Signature Vineyard will play a pivotal role in this approach, embodying the values that have sustained us for 175 years: respect for the land, innovation, and a responsibility to future generations.

With each tree planted, we reaffirmed our promise to the land: to protect, to restore, and to pass it on, healthier than we found it. As we look ahead, this vineyard will not only produce the wines that define Yalumba but will stand as a living testament to our enduring connection to place and purpose, ensuring that our next 175 years are as rich and rewarding as the last.



Case Study:

Reducing Emissions with Hybrids

In 2024, we analysed the impact of our previous decision to transition our petrol vehicle fleet to hybrid, including our entire sales fleet.

This shift was not just about cutting fuel costs; it was about aligning our operations with our sustainability values and taking meaningful action toward a low-carbon future.

As a business rooted in agriculture and deeply connected to the land, we understand that sustainability is about more than what happens in the vineyard - it extends to every part of our supply chain and operations. Our sales fleet, covering thousands of kilometres each year, represented a clear opportunity for change. By replacing petrol-powered vehicles with hybrid models, we immediately reduced fuel consumption by 40%, translating to lower emissions, reduced reliance on fossil fuels, and long-term cost savings.

Switching to hybrid vehicles meant that our sales team could travel more efficiently, using significantly less fuel while maintaining the same level of mobility and performance. The impact was immediate:

- 40% reduction in fuel consumption across the fleet.
- Lower emissions per kilometre, contributing directly to our carbon reduction targets.
- Cost savings reinvested into further sustainability initiatives.

The move to hybrid vehicles is just one step in our broader strategy to decarbonise our operations. Looking ahead, we are already exploring the integration of fully electric vehicles as infrastructure and technology continue to evolve.

At HSFE, we believe that every action matters. By making thoughtful, science-backed choices in how we operate, we are ensuring that our impact on the environment is one of stewardship, not depletion. The road to sustainability is long, but with each kilometre travelled on lower emissions and higher efficiency, we are proving that progress is entirely possible.

The Next 12 Months

Over the next 12 months, Hill-Smith Family Estates will continue to build on its strong sustainability foundations, advancing key environmental, social, and governance initiatives.

On the environmental front, we will expand our native vegetation areas in South Australia and Tasmania, including new conservation efforts at the Yalumba Nursery's Riverland site. We will also focus on improving biodiversity at Oxford Landing and restoring the Heggies conservation area to match the benchmark set by the neighbouring Kaiser Stuhl conservation park. We plan to undertake a bird study at our Pewsey Vale estate to monitor the impacts of the improved regeneration and biodiversity of both our Eden Valley sites according to this benchmark.

Decarbonisation remains a priority, with our New Zealand site, Nautilus Estate, set to be integrated into the company-wide greenhouse gas emissions inventory. We will continue advancing packaging sustainability, aiming to achieve our 2025 goal of making 100% of packaging recyclable or reusable.

In terms of social responsibility and community engagement, we are committed to strengthening collaboration with industry partners to enhance sustainability practices and climate action initiatives. We will expand internal sustainability education programs to better equip employees with the latest industry knowledge, while also increasing participation in volunteer initiatives. We will also continue our long-standing support for arts and culture, maintaining partnerships with the Art Gallery of South Australia, Sydney Contemporary, and SALA (South Australian Living Artists Festival).

Workplace safety and inclusion will also be central to our efforts in the coming year. We will implement new safety initiatives identified from the 2023 Safety Climate Survey, while also launching the first Diversity and Inclusion survey to help shape a long-term strategy for a more inclusive workforce. We aim to exceed industry benchmarks in employee engagement and safety reporting.

From a governance perspective, we will strengthen employee education on modern slavery and anti-bribery. We will also enhance transparency and accountability across our supply chain by onboarding our top 100 suppliers with our sustainability objectives and ethical behaviour standards. To ensure compliance, we will survey our top 50 suppliers before the end of 2025 to assess their commitment to these standards.

With a continued focus on sustainability, biodiversity, and responsible business practices, HSFE is set to make significant strides in its long-term commitment to environmental stewardship and social impact.

HILL-SMITH
FAMILY ESTATES

HSE