



Signatory Name: Treasury Wine Estates Vintners Limited

The question numbers in this report refer to the numbers in the report template. Not all questions are displayed in this report.

Status: Complete

The content in this APC Annual Report is hereby endorsed by the Chief Executive Officer, or equivalent officer of the organisation.

Yes

5. Industry sector (please select 1 only):

- Brand Owner / Wholesaler / Retailer
- Packaging Manufacturer
- Waste Management
- Other - Commercial Organisation
- Community Group
- Industry Association
- Government
- Raw Material Supplier
- Other:

6. Industry type (please select 1 only):

- Food & Beverage
- Pharmaceutical / Personal Care / Medical
- Hardware
- Homewares
- Communications / Electronics
- Clothing / Footwear / Fashion
- Chemicals / Agriculture
- Fuel
- Large Retailer
- Tobacco
- Shipping Company
- Airline
- Other:

7. Please indicate your organisation's reporting period:

- Financial Year: 1 July 2015 – 30 June 2016
- Calendar Year: 1 January 2016 – 31 December 2016

Goal 1: Design

KPI 1: % of signatories with documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent.

9. Does your company have documented policies and procedures for evaluating and procuring packaging using the SPGs or equivalent?

Yes No

Provide details of policies and procedures

Our Environment Policy provides a commitment to ensuring the packaging of our products is as efficient is possible. As detailed in TWE's previous APC Annual Reports (Annual Reports), TWE has previously used PIQET to assess packaging, and has also adopted the British Retail Consortium (BRC) manufacturing standards. Our New Product Development (NPD) process and annual product strategy review processes provide ongoing opportunities to assess and review new and existing packaging.

10. Of the types of packaging **existing at the beginning of the reporting period**, what percentage had been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting period?

%

11. Have any new types of packaging been introduced during the reporting period?

Yes No

12. If yes, of the **new types of packaging introduced during the reporting period**, what percentage have been reviewed using the Sustainable Packaging Guidelines (SPG) by the end of the reporting

%

13. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 1

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	TWE ref 1.1 Implement SPG assessments through business processes.	Internal protocols for undertaking a TWE specific SPG assessment for new product developments was implemented in F16.
2.	TWE ref 1.2 Continue packaging review processes established within ANZ NPD process.	Process continued throughout F16 and utilised for all NPD's undertaken in ANZ. Product strategy sessions also allow for an annual review of each product, including a review of glass weighting and packaging used.
3.	TWE ref 1.3 Review star rating system and embed any changes in new NPD gate process.	Glass star rating system has been reviewed and confirmed with information added to the NPD kiosk.
4.	TWE ref 1.4 Globally roll out star rating system in the NPD kiosk.	The glass star rating system was reviewed in F16 and embedded in the ANZ NPD gate process. It will be embedded globally in F17.
5.	TWE ref 1.5 Review and assess renovations affecting glass and packaging biannually with a view to reduce environmental impact through glass light-weighting where possible.	1. Reduce environmental impact through glass light-weighting where possible. Renovations were reviewed in F16 and will be reviewed biannually in F17.
6.	TWE ref 1.6 Embed process for Marketing Leadership Team review and approval of packaging proposals outside of standard packaging configurations	Process for Marketing Leadership Team to review and approve packaging proposals outside of standard packaging configurations has been progressed and will be implemented in F17.
7.	TWE ref 1.7 Continue to identify innovative packaging with reduced environmental impacts.	As part of the Product Strategy Process outliers in glass weight/colour will be called out and we can refocus attention on the need for this specification.

8.	TWE ref 1.8 APC committee formed to review APC progress biannually, reporting on progress to the CR Council.	Sustainable supply (including procurement and packaging) is considered by the CR Council, which is chaired by the CEO, and which met four times in F16. An APC Committee will be formed in F17.
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14. Describe any constraints or opportunities that affected performance under this KPI

TWE's APC Action Plan for F16-F18 was drafted during F16, after the previous action plan was extended due to uncertainty about the future of the APC. As a result, some targets have not been met in year one of our revised Action Plan, but we expect will be implemented in year two. The new types of packaging introduced include one luxury bespoke gift box (produced in very small quantities) and one new bottle closure.

Goal 2: Recycling

KPI 3: % signatories applying on-site recovery systems for used packaging.

15. Do you have on-site recovery systems for recycling used packaging?

- Yes at all facilities/ sites
- Yes at some, but not all facilities/ sites
- No

16. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 3

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	TWE ref 3.1 Undertake waste assessment at two major office sites.	Waste Walks will be completed at the two major Australian office sites in F17. These will be replicated at major production sites, and a tool will be created to allow other sites to undertake the same activity.
2.	TWE ref 3.2 Annually review waste to landfill and waste to recycling of production sites.	Completed. This information will inform the waste walks, and will be collected annually in preparation for the Company Annual Report.
3.	TWE ref 3.3 Undertake "waste-walks" at a major Australian production sites to identify opportunities to further reduce waste.	Waste Walks will be completed at major production sites in F17, and a tool will be created to allow other sites to undertake the same activity.
4.	TWE ref 3.4 Annually report publically on solid waste generated and waste to recycling rates.	TWE reports on waste generated and waste to recycling in its Annual Reports which are released in August each year. Total solid waste generated in F16 was 59,879 Tonnes (global figure) and solid waste to recycling was 94.63%. In F16 TWE commenced work to improve its internal environmental measurement system.

17. Describe any constraints or opportunities that affected performance under this KPI

By volume, TWE's waste generated from non-production sites remains minimal. Our production sites recycle over 10 different types of wastes including organic materials, glass, plastics, cardboard, aluminium, batteries and lights. Consequently, our focus is on continuing to increase our waste to recycling rates at production facilities, covering wineries, vineyards and packaging facilities.

TWE's APC Action Plan for F16-F18 was drafted during F16, after the previous action plan was extended due to uncertainty about the future of the APC. As a result, some targets have not been met in year one of our revised Action Plan, but we expect will be implemented in year two.

KPI 4: Signatories implement formal policy of buying products made from recycled packaging.

18. Does your company have a formal policy of buying products made from recycled packaging?

- Yes No

Provide details of policies and procedures (including names of policies/ procedures)

TWE's commitment to resource efficiency and waste minimisation is outlined in the Environment Policy, which is updated annually. The fundamentals of the Environment Policy will be reviewed in F17, and a commitment to 'buy recycled' will be considered in that process.

TWE's commitment to resource efficiency is seen in its commitment to using off-coloured glass for bottles where possible. Off-coloured glass has a greater recycled content than non-recycled glass, with glass being TWE's most used packaging form by a significant margin.

19. Is this policy actively used?

- Yes No

20. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 4

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	TWE ref 4.1 Continue periodic tracking of recycled content of glass and carton board packaging.	This is an ongoing agenda item at our annual Business review meetings with Major Suppliers.
2.	TWE ref 4.2 Include a preference for buying recycled products in the F17 review of the Environment Policy.	The Environment Policy was reviewed in 2016 and approved by the Board. A more substantive review of the Policy will be undertaken in F17.
3.	TWE ref 4.3 Identify opportunities to increase recycled content of major dry goods supplies with suppliers.	TWE commenced an informal project with major suppliers to identify innovations and options for greater sustainability. This project will continue in F17.

21. Describe any constraints or opportunities that affected performance under this KPI

TWE's APC Action Plan for F16-F18 was drafted during F16, after the previous action plan was extended due to uncertainty about the future of the APC. As a result, some targets have not been met in year one of our revised Action Plan, but we expect will be implemented in year two.

Goal 3: Product Stewardship

KPI 6: % signatories with formal processes to work collaboratively on packaging design and / or recycling.

22. Does your company have formal processes in place for collaborating with other companies or organisations on improved packaging designs and/or recycling which aims to reduce or eliminate waste?

Yes No

Provide details of policies and procedures (including names of policies/ procedures)

As part of TWEs Environment Policy there is a commitment to work across our supply chain to deliver commercially sound improvements in environmental performance.

TWE has an internal Group Procure to Pay policy which states; "In the selection and dealings with suppliers TWE focuses on value for money based on analysis of the Total Cost of Ownership (TCO); such as acquisition, quality, service, maintenance, disposal, return on investment, performance, corporate responsibility and sustainability."

TWE works with suppliers to identify opportunities for lighter glass, increased use of off-colour (and therefore recycled glass), and card with additional recycled content but the same strength (i.e. which can carry our product/is fit for purpose). These options, and the innovations required to deliver these options, are the subject of regular discussions with suppliers.

TWE supports this commitment through additional policies, including:

- Code of Conduct Policy
- Environment Policy
- Occupational Health and Safety Policy
- Responsible Procurement Code
- Risk & Assurance Framework

In addition, TWE plays a leadership and collaboration role in wine industry sustainability through its membership of the Environment Committee of the Australian Wine Research Institute (AWRI) and the South Australian Wine Industry Association, and the Packaging Committee of the Winemakers' Federation of Australia.

23. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 6

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	TWE ref 6.1 Include sustainability and packaging reduction opportunities in Supplier Review Meetings (where applicable), with a view to assessing any new opportunities to increase recycled materials in packaging.	The Chief Supply Officer requires the procurement team to discuss sustainability in Supplier Review Meetings. These Meetings occur at different intervals depending on the supplier.
2.	TWE ref 6.2 Roll out Responsible Procurement Code (RPC), including commitment to manage and reduce environmental impacts, to Australian non-grape suppliers and audit suppliers for compliance.	The Responsible Procurement Code was rolled out to ANZ non-grape suppliers in F16. Some suppliers who haven't responded will be followed up in F17. Grape suppliers will be asked to commit to the RPC in F17.
3.	TWE ref 6.3 Investigate options to improve (off colour) glass usage for bottles with major supplier.	This is an ongoing action, with off-colour glass usage investigated regularly.
4.	TWE ref 6.4 Investigate and execute opportunities to reduce distribution impacts and optimise the supply chain.	This is an ongoing action, which commenced in F15. TWE has seen environmental efficiencies improve as the supply chain is optimised. Details are provided in TWE's Annual Report.

24. Describe any constraints or opportunities that affected performance under this KPI

TWE's APC Action Plan for F16-F18 was drafted during F16, after the previous action plan was extended due to uncertainty about the future of the APC. As a result, some targets have not been met in year one of our revised Action Plan, but we expect will be implemented in year two.

KPI 7: % signatories showing other Product Stewardship outcomes.

25. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 7

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	TWE ref 7.1 Undertake a review of current TWE events guidelines with respect to waste management, recycling and litter prevention.	<i>TWE manages events at a site level. A communication to all site managers will be provided in F17.</i>
2.	TWE ref 7.2 Contribute to industry sustainability and product stewardship.	TWE actively engages with the industry and governments to contribute to industry sustainability and product stewardship. TWE is a member of the Australian Wine Research Institute (AWRI) Environment Committee, the South Australian Wine Industry Association Environment Committee, and the Packaging Committee of the Winemakers' Federation of Australia. TWE plays a leadership and collaboration role within these associations and is recognised as a sustainability leader in the wine industry.
3.	TWE ref 7.3 Continue financial contributions to the Packaging Covenant Fund.	Contributions provided.
4.	TWE ref 7.4 Re-commit to the Courtauld Commitment 2025.	TWE announced commitment to the Courtauld Commitment 2025 during F16.
5.	TWE ref 7.5 Maintain 3rd party certification for ANZ vineyards and winery and packaging centres.	TWE has maintained 3rd party certification for ANZ vineyards and winery and packaging centres.
6.	TWE ref 7.6 Report publically on key environmental metrics annually, including solid waste generated and solid waste to recycling.	In the 2016 Annual Report TWE included report on Environmental metrics across the whole business. These metrics included Energy and water consumed and energy and water efficiency, total CO2 emissions, waste generated, % of solid waste to recycling.
7.	TWE ref 7.7 Annual review of Environment Policy, with Board approval.	The Environment Policy was reviewed and approved by Board in F16.
8.	TWE ref 7.8 Engage in collaborative environmental stewardship programs.	In December 2015 TWE commenced a collaborative project with AWRI, SARDI and PIRSA on waste management in the Riverland Area in South Australia. TWE has maintained an active roll collaborating and leading the Australian wine industry's sustainability program (Entwine) in F16.
9.	TWE ref 7.9 Maintain a Global CR Council.	The Global CR Council met quarterly in F16, and continues to be chaired by the CEO.
10.	TWE ref 7.10 Annually review site Environment Management Plans.	All TWE sites have an Environment Management Plan which is updated annually and kept on site.
11.	TWE ref 7.11 Include in TWE corporate volunteering opportunities to engage in stewardship initiatives.	In the 2016 Global Volunteering Week, employees volunteered at multiple environmental stewardship organisations some of which included Conservation Volunteers, Great Western Landcare and Clean-Up Australia.

26. Since the beginning of the reporting period, has your company had any other outcomes related to product stewardship?

Yes

No

If yes, please give examples of other product stewardship outcomes

- Maintained a Global CSR Council, chaired by the CEO.
- Maintained 100% 3rd party sustainable certification for all our vineyards, globally. Newly acquired vineyards are certified as soon as practicable after purchase.
- Held TWE's Global Volunteering Week, with nearly 50% of staff participating, volunteering in 10 countries. Charitable partners included a number of environment and sustainability not for profit organisations, including Clean up Australia and various Landcare groups and Conservation Volunteer networks.
- Continued to see improvements in employee safety, with reductions in Lost Time Injury Frequency Rate (LTIFR) and Recordable Case Injury Frequency Rate (RCIFR).
- Updated the Environment Policy in May 2016.
- Continued to partner with research institutions to undertake projects to deliver environmental sustainability and efficiency improvements across the industry including a partnership with the South Australian Research Development Institute to examine methods to mitigate the impact of heatwaves.
- Partnership with industry members to identify opportunities to turn waste into valuable products in the Riverland
- Commencement of a project to replace lighting at major production facilities with more efficient LED lighting.
- Improved water efficiency in its wineries, packaging centres and company-owned vineyards, to the lowest in four years.
- Continued to play a leadership role in Entwine, the Australian wine industry's national environmental assurance program, by participating in the Australian Wine Research Institutes Entwine Committee and the South Australian Wine Industry Association Environment Committee.
- Rolled out the Responsible Procurement Code (RPC), which includes environmental considerations, to all existing non-grape suppliers in ANZ.

27. Describe any constraints or opportunities that affected performance under this KPI

TWE's APC Action Plan for F16-F18 was drafted during F16, after the previous action plan was extended due to uncertainty about the future of the APC. As a result, some targets have not been met in year one of our revised Action Plan, but we expect will be implemented in year two.

KPI 8: Reductions in packaging items in the litter stream.

28. Please indicate your progress this year towards achieving your annual targets and milestones for KPI 8

	Target: According to your Action Plan, what did you set out to do?	Actual: What did you achieve?
1.	TWE ref 8.1 Maintain Mobius loop on all products.	All TWE products in ANZ include the Mobius loop.
2.	TWE ref 8.2 Include in TWE corporate volunteering opportunities litter reduction charities and clean ups.	Several employees volunteered with Clean Up Australia during the 2016 GVW.
3.	TWE ref 8.3 Engage with governments and other industry participants on environmental improvements, including on CDS proposals and effective targeting of the litter stream.	TWE actively engages with governments on environmental stewardship, including through discussions with Environment Ministers' offices, and formal submissions on the Container Deposit Scheme and other discussions held through industry associations.
4.	TWE ref 8.4 Maintain litter patrol as part of housekeeping procedures at major office locations in Australia.	The litter patrols at major Australian office sites were maintained in F16.

29. Describe any constraints or opportunities that affected performance under this KPI

All major office sites have regular litter patrols.
TWE's APC Action Plan for F16-F18 was drafted during F16, after the previous action plan was extended due to uncertainty about the future of the APC. As a result, some targets have not been met in year one of our revised Action Plan, but we expect will be implemented in year two.

Your Experiences

This section lets you share with us any achievements, good news stories and areas of difficulties in making progress against your plan and the Covenant goals and KPIs.

30. Key achievements or good news stories

- Waste and energy efficiency improvements seen in F16.
- Maintained independent third party sustainability certification of TWE owned and operated wineries and vineyards in Australia.
- Partnered with the South Australian Research Development Institute and other industry members to identify opportunities to turn waste into valuable products in the Riverland region.
- Conducted a trial project into bud fruitfulness to help determine yield according to pruning practices in F16. This will be implemented in F17 when efficiency results will be reported.
- Continued to support the community through our donations platform, Global Volunteering Week and 1124 Gift programs.
- Construction of a Marc composting pad at the Devil's Lair winery which moves 'waste activated sludge' through a composting process, which adds high nutrient levels to the compost and saves \$25,000 per year on waste removal fees.

31. Areas of difficulties in making progress against your plan, Covenant goals or KPIs

TWE's APC Action Plan for F16-F18 was drafted during F16, after the previous action plan was extended due to uncertainty about the future of the APC. As a result, some targets have not been met in year one of our revised Action Plan, but we expect will be implemented in year two.