About TWE

Treasury Wine Estates (TWE) is one of the world’s leading wine companies, listed on the Australian Securities Exchange. As the custodian of some of the world’s most trusted premium wines from some of the great wine making regions of the world, TWE recognises the role it plays in shaping a positive future for everyone who touches the business and its products.

This means being responsible in how we source and produce our wine, and prioritising the wellbeing of our people, communities and consumers.

This reflects the commitment to creating long-term value by being sustainable in everything TWE does. TWE employs approximately 3,000 talented thinkers, makers, doers across four key regions, with wine sold in more than 70 countries around the world.

3,000 employees

70+ countries

4 regions

12,600 hectares

We employ approximately 3,000 talented people across the globe

Our iconic wines are sold in more than 70 countries across the world

We are focused on four principal regions across the world: Australia and New Zealand; the Americas; Europe, Middle East and Africa (EMEA); and Asia

We access approximately 12,600 planted hectares of vineyards in some of the world’s most sought-after winemaking regions

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Important Information

This 2020 Sustainability Report (Report) has been prepared to provide a general overview of TWE’s performance with respect to environmental, social and governance (ESG) topics. It should be read in conjunction with TWE’s 2020 Annual Report, which provides a detailed overview of TWE’s financial and operating performance for F20.

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

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

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

AUSTRALIA & NEW ZEALAND

<table>
<thead>
<tr>
<th>Location</th>
<th>Vineyards</th>
<th>Planted Hectares</th>
<th>Wineries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>71</td>
<td>8,676</td>
<td>8</td>
</tr>
<tr>
<td>New Zealand</td>
<td>9</td>
<td>498</td>
<td>1</td>
</tr>
</tbody>
</table>

AUSTRALIA
Corporate head office: Melbourne, Victoria

NEW ZEALAND
Country head office: Marlborough

ASIA
Regional head offices:
CHINA | Shanghai
SINGAPORE

AMERICAS

<table>
<thead>
<tr>
<th>Location</th>
<th>Vineyards</th>
<th>Planted Hectares</th>
<th>Wineries</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>42</td>
<td>3,213</td>
<td>7</td>
</tr>
</tbody>
</table>

US
Regional head office: Oakland, California

EMEA

<table>
<thead>
<tr>
<th>Location</th>
<th>Vineyards</th>
<th>Planted Hectares</th>
<th>Wineries</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>5</td>
<td>193</td>
<td>2</td>
</tr>
<tr>
<td>France</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

UK
Regional head office: Twickenham, Middlesex

FRANCE | Country head office: Margaux, Bordeaux

ITALY | Country head office: Gabbiano, Tuscany

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1. Locations marked on the global map represent corporate and regional head offices. TWE also maintains other major operations across all regions of its business.
2. Information current as at 30 June 2020.
MESSAGE FROM THE CHAIRMAN AND CEO

TWE is a leading global wine producer with a significant global footprint and acknowledges the leadership role it must play in sustainability.

The TWE business is delighted to present its third Sustainability Report over a year that has seen significant change and impacts to communities across the globe. TWE has continued to drive its sustainability agenda forward, with a solid focus on ensuring that the business delivers on its commitments, particularly supporting teams and local communities during this difficult time.

The start of 2020 saw many communities face significant challenges, from drought, to bushfire through to the COVID-19 pandemic.

Through a mix of volunteering, charitable donations and product donations, TWE has maintained its commitment to support those most vulnerable. Over the past few months, TWE has focussed on enhancing and rolling out support services and regular engagement programs to strengthen people’s mental health and wellbeing at this time. Across the year, TWE remained committed to ensuring that it creates a work environment that is safe for its team. During F20 the business made substantial steps to ensure that is has a simple and standard approach to keeping people safe. Safety at TWE is not just about being compliant, it is ensuring that the business has engaged the hearts and minds of the TWE team in committing to safety culture.

The business utilises relevant best practice guidance including the Global Reporting Initiative (GRI), the United Nations (UN) Global Compact, and the UN Sustainable Development Goals (SDGs) to help inform its work. During F20, TWE progressed its alignment to the Taskforce for Climate Related Financial Disclosures (TCFD) framework and commenced work to better understand climate impact through detailed Climate Scenario Analysis.

Across the year TWE continued to support the UN Global Compact and its ten principles relating to human rights, labour, the environment and anti-corruption. As is highlighted in this report, the business completed a Human Rights Impact Assessment and completed the rollout of a comprehensive supplier onboarding platform that will enable TWE to identify supplier risks.

TWE will continue to participate in the UN Global Compact Local Network as a means of engaging, sharing and learning from other Global Compact signatories.

TWE has made solid progress over the past twelve months and the business looks forward to talking more about its sustainability journey over the months and years to come.

Paul Rayner
Chairman

Tim Ford
Chief Executive Officer

16 September 2020
PRIORITIES AND 2020 PROGRESS

TRANSPARENCY, TRUST AND HOLDING TWE TO ACCOUNT

• Began a two-year Climate Scenario Analysis (CSA) to identify biggest risks and opportunities to arise from climate change.
• Maintained its United Nations Global Compact signatory commitment.
• Introduced a rigorous supplier onboarding and risk assessment platform.
• Embedded its TCFD roadmap into business strategy, financial and risk management processes.

REDUCING TWE’S IMPACT

• Introduced Global Packaging Guidelines with ambitious targets.
• Reduced water usage by 13.5% during F20. In F19 water usage increased by 17%.
• Reduced energy usage by 9.7% during F20. In F19 energy usage was reduced by 6.5%.
• Reduced Scope 1 & 2 carbon emissions by 3.1% during F20. In F19 Scope 1 & 2 emissions decreased by 12.6%.
• Maintained critical global sustainability certifications.
• Achieved a 96.2% diversion from landfill rate decreasing by 0.6% since F19.

ENHANCING THE LIVES OF PEOPLE AND COMMUNITIES

• Committed to a 50% women in leadership roles target by 2025.
• Launched global TWEforMe program focusing on mental health and physical health, life skills, and development.
• 93% increase in safety conversations from F19 and established Global Destination Zero Harm commitments.
• Enhanced TWE’s paid leave benefits in USA.
• Advanced TWE’s Human Rights Roadmap and completed a Human Rights Impact Assessment.
• Mobilised global COVID-19 support accompanied by TWE’s global workforce survey.

QUALITY WINES, MARKETED AND CONSUMED RESPONSIBLY

• Promoted Smart Drinking Week and developed a global awareness toolkit.
• Innovation strategy continued to expand and focussed upon the launch of lower alcohol options.
• Launched an organically certified wine range.
• 2019 Spring Racing Carnival partnership acknowledged by DrinkWise as a best-in-class approach.
• Began a glass weighting review to lightweight certain bottles as part of Global Packaging Guidelines.
• Continued to support and promote responsible consumption through key industry partnerships.
TWE is guided by its commitment to drive continuous improvement and positive impacts across its operations globally.

**Figure 1: TWE’s Corporate Responsibility Framework**

<table>
<thead>
<tr>
<th>AMBITION</th>
<th>To be the world’s most admired premium wine company</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUSTAINABILITY MISSION</td>
<td>Create long term value for TWE and everyone who touches our Company by being sustainable in everything we do</td>
</tr>
</tbody>
</table>

**TWE STRATEGIC IMPERATIVES**

<table>
<thead>
<tr>
<th>PARTNERS</th>
<th>MODEL</th>
<th>PEOPLE</th>
<th>BRANDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARKETS</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**CR PILLAR**

<table>
<thead>
<tr>
<th>GUIDING PRINCIPLE</th>
<th>AMBITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Be transparent and hold ourselves to account</td>
<td>Our stakeholders believe in and trust our Company to operate sustainably</td>
</tr>
<tr>
<td>Be sustainable and efficient when sourcing and producing our wine</td>
<td>Our environmental impact is sustainable and reducing over time</td>
</tr>
<tr>
<td>Respect and enhance the lives of our people and our communities</td>
<td>Our peoples’ human rights, safety and wellbeing is protected</td>
</tr>
<tr>
<td>Create quality wines that are consumed and promoted responsibly and safely</td>
<td>Our wines are produced, marketed and consumed responsibly</td>
</tr>
</tbody>
</table>

**PRIORITY UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS**

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

The United Nations Sustainable Development Goals (SDG’s) highlighted above are part of a broader set of 17 global goals designed to provide a blueprint to achieve a better and more sustainable future for all by 2030. The SDG’s provide a vital framework for collective impact, that aligns a whole business approach to ensure more resilient, robust and prosperous future for people and the planet.

TWE has reviewed and aligned its Corporate Responsibility Framework and its four key pillars to seven SDG’s that are highlighted above and our work to drive positive change against these goals is highlighted throughout this report.
## KEY PERFORMANCE INDICATORS

<table>
<thead>
<tr>
<th>METRIC</th>
<th>UNIT OF MEASURE</th>
<th>F17</th>
<th>F18</th>
<th>F19</th>
<th>F20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PLANET</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental incidents¹</td>
<td>Findings of non-compliance with environmental regulations</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total water consumed³</td>
<td>GL</td>
<td>22.3</td>
<td>24.6</td>
<td>28.8</td>
<td>24.9</td>
</tr>
<tr>
<td>Water efficiency⁶</td>
<td>L/9LE</td>
<td>23.5</td>
<td>24.0</td>
<td>26.9</td>
<td>28.6</td>
</tr>
<tr>
<td>Total energy consumed³</td>
<td>GJ x 10³</td>
<td>487.5</td>
<td>501.2</td>
<td>468.6</td>
<td>423.3</td>
</tr>
<tr>
<td>Energy efficiency⁶</td>
<td>MJ/9LE</td>
<td>9.0</td>
<td>9.1</td>
<td>9.9</td>
<td>9.6</td>
</tr>
<tr>
<td>Total CO₂-e emissions⁷</td>
<td>Kilotones CO₂-e</td>
<td>53.4</td>
<td>54.0</td>
<td>47.2</td>
<td>45.7</td>
</tr>
<tr>
<td>Carbon emission intensity ratio⁸</td>
<td>Kg CO₂-e/9LE</td>
<td>–</td>
<td>1.09</td>
<td>1.07</td>
<td>1.03</td>
</tr>
<tr>
<td>Total solid waste generated</td>
<td>Kilotonnes</td>
<td>65.4</td>
<td>56.8</td>
<td>65.9</td>
<td>59.7</td>
</tr>
<tr>
<td>% solid waste to recycling</td>
<td>%</td>
<td>96.9</td>
<td>96.0</td>
<td>96.8</td>
<td>96.2</td>
</tr>
<tr>
<td><strong>PEOPLE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lost time injury frequency rate (LTIFR)⁹</td>
<td>Lost time injuries per million hours worked</td>
<td>2.0</td>
<td>5.0</td>
<td>5.2</td>
<td>5.3</td>
</tr>
<tr>
<td>Serious incident frequency rate (SIFR)¹⁰</td>
<td>Serious incidents per million hours worked</td>
<td>5.0</td>
<td>3.4</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td>Female representation in leadership roles¹¹</td>
<td>%</td>
<td>37.3</td>
<td>37.1</td>
<td>39.0</td>
<td>41.2</td>
</tr>
<tr>
<td>Female representation on TWE’s Board</td>
<td>%</td>
<td>22.2</td>
<td>25.0</td>
<td>37.5</td>
<td>44.4</td>
</tr>
<tr>
<td>Participation in Global Volunteering Week¹²</td>
<td>Number of employees</td>
<td>1,369</td>
<td>1,412</td>
<td>1,458</td>
<td>–</td>
</tr>
<tr>
<td>Alcohol Policy training</td>
<td>% of compliant employees</td>
<td>98.0</td>
<td>97.1</td>
<td>96.3</td>
<td>98.0</td>
</tr>
<tr>
<td>Non-compliance findings with marketing regulation or voluntary codes</td>
<td>Number of findings</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>Non-compliance findings with labelling codes or regulations</td>
<td>Number of findings</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

| **PRODUCT**                   |                                     |      |      |      |      |
| **TARGETS**                   |                                     |      |      |      |      |
| **People**                    |                                     |      |      |      |      |
| 50% female representation in leadership roles by 2025. | | | | | |
| **Packaging**                 |                                     |      |      |      |      |
| 100% of packaging to be recyclable, reusable, or compostable by end of 2022. | | | | | |
| 100% of product and outer packaging to comprise 50% average recycled content by 2025. | | | | | |
| Collaborate with glass and carton partners on a closed loop packaging solution by 2025. | | | | | |

3. F19 numbers as reported in the 2019 Sustainability Report have been adjusted to reflect corrections in invoicing and data availability at the time of release of the Report as well as a change in the way TWE allocates the volumes of wine packaged in each country. Production volumes against which TWE measures now belong solely to the country where the wine was made. This has reduced previous double counting of some portion of the F18 and F20 production volumes and is a factor contributing to the change in the efficiency numbers for F19 compared with the prior published results.

4. In previous years this indicator has been referred to as ‘Environmental incidents – number of incidents reported by external body’.

5. Absolute figures include all wineries, packaging centres and Company-owned or leased vineyards. They do not include data from all offices and cellar doors.

6. Energy and water efficiency for TWE’s wineries and packaging centres include non-TWE volumes packaged at our facilities under contract. TWE uses a unit of nine litre equivalent (9LE) to represent volume. Efficiencies do not include energy and water used at Company-owned or leased vineyards, or all offices and cellar doors. TWE do not include energy and water for efficiencies on company owned or leased vineyards, all offices or cellar doors because TWE measure efficiency based on production and what is bottled per annum going to both customer and consumer. As grapes go from vineyard to bottling, this is a multi year process therefore efficiency recorded one year will not be reflective of what may be bottled that year. Water consumed on vineyards, offices and cellar doors is therefore captured in absolute figures as reported.

7. Includes all wineries, cellar doors, packaging centres and Company-owned or leased vineyards. Does not include emissions from all offices, wastewater treatment plants, refrigerants or Scope 3 emissions.

8. The carbon emission intensity ratio for TWE’s wineries, packaging centres and some cellar doors include non-TWE volumes packaged at our facilities under contract. TWE uses a unit of 9LE to represent volume. The intensity ratio does not include carbon emitted at Company-owned or leased vineyards or all offices.

9. There has been a minor adjustment to both frequency rate indicators for F18 and F19 data due to a global audit of hours worked, which are used to calculate the frequency rates.

10. There has been an adjustment to LTIFR reported for F17 in the 2019 Sustainability Report. Note this number was reported incorrectly as 2.4.

11. TWE define leadership roles as senior leaders, professionals and specialists, including general, department and functional management.

12. TWE did not conduct a Global Volunteering Week in May 2020 as planned due to COVID-19 restrictions.
TWE aligns its Corporate Responsibility Framework to the United Nations Sustainable Development Goals SDGs. The SDGs provide a best-in-class framework and demonstrates TWE’s commitment to sustainability in the global context.

TWE has identified seven key SDGs where the business believes it can have the greatest impact, these are listed in Figure 2 below.

**Figure 2: TWE’s Material ESG Themes**

<table>
<thead>
<tr>
<th>MATERIAL THEME</th>
<th>IMPORTANCE TO TWE</th>
<th>MITIGATING ACTIONS</th>
<th>ALIGNED SUSTAINABLE DEVELOPMENT GOALS</th>
</tr>
</thead>
</table>
| Health, Safety & Wellbeing | Health, Safety & Wellbeing of TWE people is of utmost importance to the business. TWE continues to focus on eliminating work related injury and illness across all operations. | • Company-wide policies, standards and procedures.  
• Specialised and experienced resources and teams.  
• Executive Leadership Team oversight.  
• SIFR metric in global reporting and ELT scorecards.  
• Destination Zero Harm (Employee Safety Program).  
• Audit programs and training.  
• Senior Leader Safety leadership skills.  
• Hazard & Near Miss Reporting. | ![SDG 3](image3.png)  
![SDG 8](image8.png) |
| Product Quality & Safety     | Core to the success of TWE is exceeding Consumer and Customer expectations for quality and product safety. | • Third party verified Quality Management Systems and company-wide policies, standards and procedures.  
• Specialised and experienced technical capability.  
• Third party supplier verification program.  
• Relationships and engagement with government, industry advocacy and regulatory bodies on product quality and safety regulatory changes and industry issues. | ![SDG 9](image9.png)  
![SDG 12](image12.png) |
| Governance, Disclosure & Integrity | Transparent and robust governance practices are critical to creating and delivering value to TWE shareholders, communities, promoting investor confidence and driving ethical behaviours. | • Company-wide policies, standards and procedures.  
• Crisis Business Continuity and Disaster Recovery Plans.  
• Specialised and experienced resources and teams.  
• Executive Leadership Team oversight via the Risk, Compliance and Governance Committee (RCGC) as well as the Board.  
• Relationships and engagement with government, industry advocacy and regulatory bodies.  
• Whistleblower Policy.  
• Risk Management and review processes.  
• Annual & Sustainability Reporting.  
• TCFD Aligned Framework and Climate Scenario Analysis Work. | ![SDG 16](image16.png)  
![SDG 17](image17.png) |
<table>
<thead>
<tr>
<th>MATERIAL THEME</th>
<th>IMPORTANCE TO TWE</th>
<th>MITIGATING ACTIONS</th>
<th>ALIGNED SUSTAINABLE DEVELOPMENT GOALS</th>
</tr>
</thead>
</table>
| Responsible Marketing & Advertising | Marketing and Advertising in a responsible way promotes responsible consumption and safety of TWE products. | • Code of Conduct, Responsible Marketing Guidelines, Responsible Consumption program, Responsible Procurement Code, Environment Policy and Standard, Media Policy and Social Media Policy and incident management procedures.  
• Corporate Responsibility Framework.  
• Alcohol Policy Training for TWE employees.  
• Smart Drinking Week.  
• Work with industry partners and organisations to promote responsible consumption (Drinkwise, Drinkaware, Wine & Spirits Trade Association (WSTA)). | |
| Climate Change & Sustainability | TWE has a responsibility to minimise and mitigate the negative impacts of climate change. TWE follows a strong climate adaptive business strategy including a global and agile supply chain. | • Innovation investment, including collaboration with research institutes on climate change adaptation and water efficiency research, development and extension projects.  
• Environment Policy and Standard, monitoring and reporting systems.  
• Strategic climate change remediation investment plan and vineyard capital investment plan.  
• Innovative agronomic practices including investment in innovative technologies that use less water in vineyard, winery and packaging, such as drought resistant root stocks, and use of technology at key vineyards to monitor soil moisture and visualise water stress.  
• Sustainable Future Program to drive best practice across all regions and gain consistent measurement of, and reduction targets for, water and energy.  
• Global Packaging Guidelines to support our ambitions on sustainable packaging and set our expectations of our suppliers.  
• Climate Scenario Analysis and risk assessment work. | |
| Diversity & Inclusion, Labour Standards & Human Rights | TWE continues to drive an inclusive, collaborative and supportive culture which builds a high performing business. | • Company-wide policies, standards and procedures.  
• Specialised and experienced resources and teams.  
• Executive Leadership Team oversight via the Diversity Council and the Corporate Responsibility Council as well as the Board via the Human Resources sub committee.  
• Supplier on-boarding and compliance system.  
• Relationships and engagement with government, industry advocacy and regulatory bodies.  
• Human Rights Impact Assessment & Roadmap. | |
| Engaging with communities | TWE recognises the role it plays in the communities in which it operates. TWE are a large regional employer with a responsibility to tread lightly. | • Corporate Responsibility Framework.  
• Strong and collaborative grower relationships.  
• Representation on local Landscape Boards (South Australia).  
• Fundraising Boost and supporting TWE team members in their fundraising efforts.  
• Corporate Donations.  
• Local volunteering and product donations. | |
As an industry leader, TWE understands the importance of strong corporate governance practices, transparency and accountability in building trust with a broad range of stakeholders and in creating long term value.

A good example of this commitment was the implementation of a new supplier onboarding and risk assessment platform this financial year, which has not only simplified the onboarding process but has strengthened TWE’s ability to identify potential risks such as human rights issues, environmental concerns and financial risks through the monitoring of new and current suppliers.

Throughout the year, TWE continued to integrate environmental, social and governance priorities across the business, as well as alignment to external financial reporting benchmarks including progressing its Taskforce on Climate Related Financial Disclosures (TCFD) reporting roadmap.

### F20 KEY ACHIEVEMENTS

<table>
<thead>
<tr>
<th>Began a two-year Climate Scenario Analysis to identify biggest risks and opportunities to arise from climate change</th>
<th>Maintained its United Nations Global Compact signatory commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduced a rigorous supplier onboarding and risk assessment platform</td>
<td>Embedded its TCFD roadmap into business strategy, financial and risk management processes</td>
</tr>
</tbody>
</table>

---

Embedded its TCFD roadmap into business strategy, financial and risk management processes
TWE is a company with a rich agricultural history and large global supply footprint. TWE is acutely aware of the impact the Company has on the many communities in which it operates and the people within these communities. TWE is committed to measuring its impact and to setting clear objectives to reduce its global climate impact.

The Corporate Responsibility Framework is embedded within TWE’s global business strategy and day-to-day operations and is designed to ensure that the business considers sustainability as a top priority.

The Global CR Council (the Council) remains the program’s governing body. The Council continues to comprise a mix of members from the Executive Leadership Team (ELT), including the Chief Executive Officer (CEO), and senior representatives from regional and functional areas of the business.

The governance structure of TWE’s CR Framework is represented in Figure 4 below.

Figure 4: Governance structure of TWE’s Corporate Responsibility Framework

United Nations Global Compact (UNGC)
TWE remains a committed signatory to the UNGC and a member of the local chapter Global Compact Network Australia. TWE continues to focus on integrating the UNGC ten principles on human rights, labour, the environment, and anti-corruption into its business and supplier base.

The F20 UNGC Communication on Progress is published in conjunction with this report and is available at www.tweglobal.com/sustainability.
COMMITMENT TO ETHICS AND ETHICAL BEHAVIOUR

TWE believes that transparent and robust governance practices are critical to delivering value to shareholders; promoting investor confidence; and underpinning effective decision making. TWE encourages a strong culture of compliance.

During the year, TWE complied with the third edition of the ASX Corporate Governance Principles and Recommendations.

As part of its corporate governance responsibilities, the Board oversees TWE’s approach and management of Environmental, Social & Governance (ESG) matters, receiving biannual updates from the CR Council on the Corporate Responsibility Framework and status of key priorities.

The Board also has oversight of the Company’s key ESG disclosures, including this Sustainability Report, the UN Global Compact Communication on Progress, and the Board approved Statement on Human Rights and Modern Slavery.

TWE’s Corporate Responsibility team reports through to the company’s Legal and Governance pillar as well as the Global Corporate Responsibility Council and works across the global business to lead and implement TWE’s sustainability efforts.

During F20, TWE reviewed and strengthened a number of its policies and training programs including:

• Personal Data Policy (to reflect changes to the Californian Privacy Laws) and associated global training program
• Legal and IP Online Training Module for ANZ Marketing and Sales teams (launched H2 2020).

With the rollout of these revised policies and education programs, relevant employees received training to promote a strong culture of compliance.

Corporate Governance Statement

A comprehensive summary of TWE’s corporate governance practices for the year ended 30 June 2020 can be found in its Corporate Governance Statement. This document includes details on the following:

• the Board of Directors, including composition, directors’ skills and experience, and director independence
• the role and responsibilities of the Board, including the division of responsibility between the Board and management
• risk management and internal controls
• TWE’s commitment to promoting ethical and responsible behaviour, including information on key governance policies
• TWE’s commitment to diversity and inclusion, including an overview of the measurable objectives and progress
• market disclosure and communications with shareholders.

TWE’s F20 Corporate Governance Statement is available at www.tweglobal.com/investors.
RISK MANAGEMENT AND ESG

TWE has implemented a strategic and consistent enterprise-wide approach to risk management, underpinned by a risk-aware culture. TWE’s Risk Management Framework defines the approach and standards for risk assessment including periodic identification, analysis and evaluation of risks at group level and in each major function or region.

Over the last twelve months, TWE has reviewed and updated both the environmental and social risk registers. This process has involved an extensive review of existing registers and updates to reflect the significance and importance of matters such as climate change and the work that the business is doing to reduce this risk.

Each material ESG theme is also considered in detail in Figure 2 of this report.

TWE’s material business risks and how they are managed are set out in the F20 Operating and Financial Review (OFR) of the Annual Report.

ECONOMIC VALUE AND TAX TRANSPARENCY

The TWE business paid approximately $145 million13 tax within Australia in respect of its operations in the 2020 income tax year which is made up of a number of different costs relating to employee wages and benefits, Wine Equalisation Tax (WET), customs duty and producer rebates, research, development and extension (RD&E), and company income tax.

For more information in relation to the global income taxes paid by TWE in F20 refer to TWE’s 2020 Annual Report.

13. Note this amount includes an estimate of the final income tax payment due in relation to the 2020 income year and is based on the current income tax liability disclosed in TWE’s 2020 Annual Report. This number will be finalised after the completion of the Australian income tax return in December 2020.
PERFORMANCE

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TWE understands that as a global viticultural business it will be exposed to both physical and transitional climate risks.

For TWE, the critical impacts of climate change are more frequent extreme weather events and the long-term risks resulting from climate pattern changes. In addition, transitional risks and opportunities arise from political, legal, technological, and market responses to the challenges posed by climate change and the transition to a lower carbon economy.

In F19 TWE developed a Taskforce on Climate Related Financial Disclosures (TCFD) roadmap that outlines how the business will meet the recommendations of the TCFD over a multi year timeframe.

During F20, TWE commenced a detailed Climate Scenario Analysis which will be completed in F21.

With respect to the four core elements of the TCFD framework, progress is outlined below.

GOVERNANCE

Governance is the responsibility of the TWE Board and one of the key objectives of the Board is to minimise risk. Climate change has been identified as a key material business risk for TWE and as such the Board has worked with the TWE Executive and other senior management to ensure that appropriate responsibilities are assigned and addressed.

During F20, TWE focused on embedding its TCFD roadmap into business strategy, and financial and risk management processes, to ensure that climate change risk mitigation is factored into strategic decisions.

Climate resilience and decarbonisation are key areas of the TWE CR Framework and business strategy.

STRATEGY

TWE’s business strategy has been tailored to consider the impacts and leverage the opportunities posed by climate change.

The Company has a solid multi-regional sourcing program that has been in place since the business’ inception, as well as a highly agile and efficient global production and processing footprint.

TWE is currently performing Climate Scenario Analysis and has made the decision to stagger this work to look at sequential regions, commencing with Australia and New Zealand, followed by the Americas, and EMEA.

This enables more in-depth focus on the nuances within these regions, including the unique terroir, and the varietals grown, produced and sold in these regions.

Within the current year, TWE has evaluated and identified the key climate-related risks and opportunities for the ANZ region, which will be explored further using scenario analysis.

Five areas of study were identified from this work, for which TWE will conduct scenario analysis to test the resilience of its longer term strategy.

The focus for this study was consistent with TWE’s long-term strategy towards premiumisation and targeting the higher quality regions within TWE’s growing portfolio. Whilst a large component of this study involves the growing and processing of grapes, the impacts of climate change across the entire value chain are considered.

Over the next year, TWE will progress its climate scenario analysis and will utilise these findings to inform the adaptation strategies and actions needed for TWE to effectively manage its climate-related risks over the long-term (out to 2070).

TWE’s CSA work will be utilised to inform the businesses future operational strategy globally.

RISK MANAGEMENT

TWE’s risk profile is assessed, prioritised and managed using the businesses Risk Management Framework which considers strategic, operational, reputational, compliance and financial risks for the business.

During F20, the business conducted a number of risk assessments to identify, analyse and evaluate key risks for TWE including environmental and social risks.

Findings of these assessments were then used to inform TWE’s material business risk profile as well as the CR Framework.

METRICS AND TARGETS

TWE monitors and reports annually against several environmental metrics, including carbon emissions and intensity, water and energy use and efficiency, and waste generated and diverted from landfill.
STAKEHOLDER ENGAGEMENT

TWE engages with stakeholders for many different reasons including gaining insights and input into its business strategy.

The business engages directly and indirectly with governments, trade and industry associations to advocate on a broad range of issues impacting the sector, its communities, customers and consumers. Throughout the year, TWE met with investors to discuss its ESG priorities and the progress outlined in the F19 Sustainability Report. Discussions with investors has helped inform TWE’s thinking around how its Corporate Responsibility Framework and agenda should progress, including delivery against its TCFD Roadmap. These discussions were in addition to Executive Leadership Team and Board presentations and meetings on a variety of performance and governance issues.

TWE, directly and through its industry associations, met with government and regulatory stakeholders on a range of matters including pregnancy health labelling, brand protection issues, trade and market access, natural resources management, drought, bushfires and the health and economic impacts of COVID-19, including the safe operation of vineyards and winery facilities during the pandemic.

TWE recognises the value of collaboration and the significance of a whole of industry engagement and collective lobbying. The business values its membership of those industry groups, the importance of the communities in which it operates and the role TWE plays in improving the operating environment and performance of the entire wine sector.

In F21, TWE will be looking to mature its approach to stakeholder engagement at a local, regional and global level to ensure it understands the interests and concerns of a broad range of stakeholders including governments, communities, customers and other partners.
TWE is committed to being sustainable and efficient in the way it sources, produces and distributes wine. Building a sustainable future means taking steps today to better understand the impact the business has on the communities in which it operates and taking the necessary steps to reduce that impact.

During the financial year, TWE kicked off detailed Climate Scenario Analysis and modelling which will be used to inform its business strategy including how the business adapts and manages risks associated with climatic changes. The work is underway for Australia and New Zealand, with plans to undertake the analysis for the Americas and EMEA next financial year.

Another significant program of work delivered in F20 was the development of Sustainable Packaging Guidelines and associated targets designed to reduce packaging usage and minimise waste along the value chain. These key programs of work lay the foundations for ongoing improvements under TWE’s Sustainable Future Program.

**F20 KEY ACHIEVEMENTS**

- **Reduced energy usage by 9.7%**
- **Achieved a 96.2% diversion from landfill rate.**
- **Reduced water usage by 13.5%**
- **Reduced Scope 1 & 2 carbon emissions by 3.1%**
- **Maintained critical global Sustainability certifications**
- **100% of product packaging to be recyclable, reusable, or compostable by the end of 2022.**
- **100% of product packaging and outer packaging materials to comprise 50% average recycled content by 2025.**
- **Collaborate with glass and carton partners on a closed loop packaging solution by 2025.**
ENVIRONMENTAL MANAGEMENT

TWE is subject to various environmental laws and regulatory frameworks governing energy, water, waste and greenhouse gas reporting for its operations globally.

At a global level TWE’s Environment Policy is the core document that sets out the company’s commitment to environmental management, compliance and improvement initiatives. The Global CR Council provides executive oversight of the Group’s strategic approach to managing environmental matters.

The business recognises the direct link between effective management of its environmental impacts and its business success. To this end, the company’s environment policies, procedures and practices are designed to ensure that it maintains focus on resource efficiency and continuous improvement, and that environmental laws and permit conditions are complied with.

Management and delivery of best practice environmental performance is a core element of the CR Framework and its Planet Pillar and is referred to within TWE as the Sustainable Future Program.

The Sustainable Future Program is TWE’s best practice environmental management program that has been established to assist the business in meeting its environmental objectives and commitments.

Fundamental to the success of the Sustainable Future Program is the attainment and retention of third-party independently verified sustainability certifications across TWE’s owned and leased vineyards and wineries.

Proudly and most recently, the business has achieved certification from Haute Valeur Environnementale (HVE). HVE is recognition of exceptional environmental and health practice on farm and helps consumers identify producers who practice high quality environmental management whilst producing a quality product.

To obtain such certification requires a business to commit to sustainable production and continuous improvement and be able to demonstrate improvement when audited. All certification programs foster stronger relationships between growers, wineries and their regions and provide confidence to consumers that they are receiving a product that is produced sustainably.

In F20, TWE retained the following certifications for both owned and leased vineyards and wineries:

<table>
<thead>
<tr>
<th>Country</th>
<th>Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>Sustainable Winegrowing Australia</td>
</tr>
<tr>
<td>New Zealand</td>
<td>Sustainable Winegrowing New Zealand</td>
</tr>
<tr>
<td>Italy</td>
<td>VIVA Sustainable Wine and ISO 14001 – Environmental Management</td>
</tr>
<tr>
<td>Americas</td>
<td>Certified California Sustainable Winegrowing and Napa Green</td>
</tr>
<tr>
<td>France</td>
<td>Haute Valeur Environnementale (HVE)</td>
</tr>
</tbody>
</table>

Both the Matua Rosé and Marlborough Pinot Noir now display on bottle the Sustainable Wine Growing New Zealand certification.

BILYARA

During early F20, TWE announced that its Bilyara packaging and winery operation, located in South Australia’s Barossa region, would be expanded to increase its luxury winemaking capacity at the site as well as improve efficiency and augment storage capacity.

During F20, work commenced on this project and the business has incorporated the consideration of solar to offset the use of energy from the grid as part of the sites operations, as well as the installation of water and energy efficient barrel washing.

Work will continue on this project into F21.

Te Puke (New Zealand) Wetland Restoration

Protecting and increasing biodiversity at TWE’s vineyards across the world is incredibly important.

One of TWE’s many native restoration projects is at Te Puke Vineyard in New Zealand. Significant time and labour have been donated to enhance and replant the native vegetation in the wetland area that crosses onto the property to improve its biodiversity and restore it to pre-development indigenous state.

In addition to this, a River Terrace public walking track with river frontage has been installed to create public access to this beautiful recreational area.
During F20, many businesses saw first-hand the impacts of severe weather events and climate impacts. For TWE, the critical impacts of climate change are more frequent, extreme weather events and the long term risks resulting from climate pattern changes, such as fire and smoke taint, water loss and temperature changes.

TWE maintains a robust and climate-adaptive business strategy that involves sourcing of grapes from different regions. This approach is designed to overcome supply issues in the event of significant weather or climate change impacts.

To better understand the impacts of weather events and climate change upon the business, TWE has commenced work on detailed Climate Scenario Analysis (CSA).

During F20, TWE commenced the first stage of its Climate Scenario Analysis work which will ultimately be used to inform the TWE business strategy, as outlined in the TCFD section of this report. This work will continue into F21 and will encompass all TWE regions globally.

During F20, the business continued its work to trial and understand more about the resilience of particular vines to climate impacts including drought and temperature increases.

As part of this work, the business continues to engage and partner with industry experts, universities, and research institutes to ensure that its work is informed and supported by industry-leading expertise.

To compliment the existing strategic work taking place to prepare and adapt the business for climate change, during F20 TWE continued to invest in technology that captures key vineyard data points which will enable the business to understand climate impacts in greater detail. TWE has also continued to invest in the installation of frost fans due to the increase in frost events.

### CARBON EMISSIONS

Mitigating the impacts of climate change commences with TWE reducing its own impact. Globally the business tracks, monitors and reports both Scope 1 and 2 emissions. The largest contributor to TWE’s Scope 1 & 2 emissions is its energy usage and more specifically electricity.

Within Australia the business reports its Scope 1 & 2 emissions annually under the Australian Government’s National Greenhouse and Energy Reporting Scheme (NGERS) program.

TWE is also a proud signatory to the Porto Protocol and with this comes the responsibility to demonstrate climate leadership and inspire change by collaborating with other signatories.

Through this forum TWE shares carbon reduction opportunities, learnings, and innovations in order to amplify action and communications on the issue of climate change and emission reduction.

Over the last twelve months TWE has reduced Scope 1 & 2 carbon emissions by 3.1%
As a business with a large agricultural footprint, TWE is acutely aware of the significance of water efficiency and management and ensuring that the business continues to balance and protect this precious resource.

Water is used right across TWE’s operations including grape growing and wine making. During F20 TWE’s vineyard, winery and packaging centre water was sourced through a mixture of:

- Recycled Water (incoming and onsite)
- Irrigation
- Municipal mains
- Surface water (rivers and dams)
- Stormwater
- Groundwater, bore or well
- Trucked in or purchased water.

TWE works to mitigate water risk and scarcity on a daily basis and the business does this by continuing to invest in technological improvements and infrastructure as well as creating water efficiency awareness programs for its employees under the Sustainable Future Program.

Padthaway vineyard, located in South Australia is deploying the use of drone technology to assess water availability and risk over time. The team are working to refine a drone usage program as part of a broader risk management strategy for water at the vineyard.

TWE’s Eden Valley vineyard team, in South Australia, are also instigating a number of water conservation initiatives which has resulted in significant water savings for the F20 period, which are highlighted on page 18 of this report.

During F20, TWE continued to invest in infrastructure and technology, all designed to replace less efficient processes and equipment. Some of these investments included:

- Installation and commissioning of a new automated robotic barrel line at Penfolds Nuriootpa, South Australia which has provided approximately 1ML of water savings.
- Trialling new software at pilot vineyards located in South Australia (Eden Valley, Coonawarra, Maclaren Vale), to predict the most efficient irrigation strategies. This significantly aids in the ability to apply the right amount of water at the right time with the aim of increasing yield and volume without an increase to water usage. This work is stepping sites closer to a fully automated irrigation system that can fluctuate to the plants needs and importantly the weather conditions.

The business is also working with and trialling variable output irrigation systems that are able to distribute differing levels of water along a row of vines depending upon the soil moisture and conditions. This facilitates the ability to distribute water on a vine by vine basis rather than apply water to a whole row or block.

Over the last twelve months TWE has reduced water usage by 13.5%
Water Conservation at Eden Valley (South Australia)

TWE’s Eden Valley vineyard instigated a number of water preservation initiatives for 2020 vintage:

• Used high levels of composted cow manure from a local farm (30 tonnes to the hectare) to inject nitrogen and other helpful minerals into the soil, and cocoon the soil with a protective layer to hold moisture in and prevent evaporation. This alone resulted in savings of approximately 3ML water across the vineyard for the year.
• Installed low flow devices into the river system to distribute water throughout the Marne Saunders river catchment system and out into smaller creeks. This resulted in keeping creeks flowing that would normally have dried out in drought conditions, and nourished a wider area of soil, native vegetation and wildlife.
• Irrigated at night to avoid significant evaporative loss during the summer months.
• Installed soil probes at 10cm increments to read moisture levels and greatly improve irrigation accuracy. These were paired with a pump control system to ensure that only the sections of soil that needed watering were irrigated.

Beringer (California, United States) Develops World-first Refrigeration Technology

Beringer Winery partnered with UC Davis Viticulture and Enology Department to pioneer a new cold stabilisation technology that will have vast implications when scaled worldwide and could lead to a significant advancement in winery refrigeration moving forward. The new technology, called Fluidised Bed Cold Stabilisation, radically reduces energy use, water consumption and chemical use in the pre-bottling phase of wine production.

The process works by pumping tank wine through a small column of crystals and then back into the top of the tank, recouping the thermal cooling against the incoming warm tank wine as it exits. This is a major step forward from the traditional method of chilling the entire wine tank, only to waste that thermal cooling energy later in the winemaking process.

In addition, this new method is estimated to recover a further 1-2% of wine product that is usually lost in the current process. The project is in prototype phase at TWE’s Beringer winery currently undergoing additional testing and scale-ability analysis for deployment in F21.
TWE relies on a mix of energy sources and types to power its operations. The business is ever conscious of maximising efficiency where it can and continually invests in upgrades to infrastructure and process across the TWE network to ensure that it continues to deliver higher efficiency.

During F20, TWE used a mix of energy sources including electricity from the grid as well as solar generated electricity and fuels (diesel, LPG, petrol, biogas, natural gas).

Over the past two years the business has increased its use of solar energy across a select number of sites, including the Gabbiano vineyard in Italy, which utilises solar to power its vineyard operations as well as its hospitality apartments and a number of TWE’s US vineyards and packaging sites such as the Sonoma Bottling Centre, are now sourcing solar energy to power operations. The project is targeting a 1400 GJ per year reduction, which in turn will reduce CO<sub>2</sub> emissions by approximately 70.2 tonnes.

During F20, TWE also continued to focus on engaging its teams on energy efficiency through the Sustainable Future Program, which is designed to drive and embed behavioural change on energy conservation. Under the Sustainable Future Program the business has continued to identify a number of projects and implement a number of process changes. Examples include:

- switching to online monitoring and systems that facilitate shut down of infrastructure when not in use
- use of Variable Speed Drives (VSDs)
- brine efficiencies
- night cooling
- review of cleaning in place (CIP) processes and optimising the usage of already heated water to flush systems.

Refrigeration is also a large part of the energy use within TWE’s wineries and can account for anywhere from 50% – 70% of a winery’s electricity consumption, so improving efficiencies and looking to new ways of working is important.

During F20, TWE’s Beringer Winery in California began testing a new cold stabilisation technology which has the potential to reduce both energy and water usage significantly as well as reducing chemical usage in the pre-bottling phase of wine production. Additional testing will take place into F21.

Real-time fermentation is also a tool that TWE have installed at both Beringer and Bilyara operations. The benefits are two-fold:

1. Assists in alleviating fermentation complications thus reduce quality loss; and
2. Produce predictable refrigeration models (energy efficiencies, effort/time, provides feedback to pump over control).

During F20, TWE continued its work on the rollout of pulse cooling across its operations. Pulse cooling facilitates the ability for the site to close off refrigeration valves for 50% of the time compared to conventional cooling methods.

TWE’s Bilyara operation, in South Australia is continuing to see energy savings since the installation of pulse cooling over a year ago.

Over the last twelve months TWE has reduced energy usage by 9.7%
TWE is committed to minimising waste generated and maximising recycling or re-use from within its operations through to the wine consumer.

Each year, TWE diverts a significant proportion of its vineyard, winery, cellar door and packaging waste from landfill.

In FY20 TWE took another significant step forward in reducing the environmental impact associated with the production, distribution and disposal of its wine and product packaging with the introduction of its Sustainable Packaging Guidelines and associated targets.

Whilst glass makes up the vast majority of packaging, wine is also sold in other formats such as bag and box, aluminium cans, pouches and PET plastic.

To reduce the impact of packaging on the environment, TWE is working with suppliers and customers to innovate and re-design packaging so that it remains fit for purpose and makes the most of environmentally friendly materials. TWE’s guiding principles include commitments to:

- **sourcing sustainably** ensuring suppliers are aligned with TWE’s principles and uphold its commitments and expectations
- **optimising production and networks** to ensure outer or protective packaging across distribution is as efficient as possible
- **communicating responsibly** and accurately information about TWE’s performance.

To support the delivery of the Sustainable Packaging Guidelines, TWE has also established underpinning targets being:

- 100% of product (primary), outer (secondary) and protective (tertiary) packaging to be recyclable, reusable, or compostable by the end of 2022.
- 100% of product packaging and outer packaging materials to comprise 50% average recycled content by 2025.
- Collaborate with glass and carton partners in each TWE operating region to implement a closed loop packaging solution by 2025.

The release of the Sustainable Packaging Guidelines and targets followed the first customer and supplier workshop held in February which looked at how the business could reduce its impact through sustainable packaging while meeting the expectations of customers and consumers. The workshop examined synergies between sustainable packaging strategies and the development of initiatives that deliver better outcomes across the value chain.

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

In establishing Sustainable Packaging Guidelines, TWE has identified and progressed a number of initiatives to ensure it delivers on its packaging targets.

Currently, the level of recycled content in sourced packaging is approximately 46% against the business’s target of 50% by 2025.

To close the gap, TWE has commenced working with its largest suppliers to develop and support initiatives that increase recycled content and reduce the use of unnecessary material in the delivery of goods. In addition, new suppliers will need to meet mandatory sustainability criteria before they can be onboarded.

Regional operations teams will now conduct annual reviews through the business management planning and waste audits to reduce waste associated with business to business packaging and transport. TWE will require all outer protective packaging to be designed for recycling, reuse or be suitable for closed loop initiatives, as well as complying with local market packaging requirements.

TWE will continue to innovate product packaging to reduce its impact.

**WASTE MANAGEMENT**

In F20, TWE diverted 96.2% of waste from landfill. This result reflects a commitment to waste management practices that focus on avoiding waste, as well as reducing, reusing and recycling waste.

A significant proportion of the waste produced from winemaking is organic material such as marc, stalks and stems.

During the year some of this was provided to local livestock owners for supplementary feed or was taken for local composting, whilst the skins and seeds (grape marc) were typically sent for further processing, where further value can be extracted such as producing tartaric acid. In addition, wineries, packaging centres, cellar door and office sites separate cardboard, glass, plastic and organic material for appropriate disposal including reuse, recycling and composting.

In F20, TWE also participated in a South Australian Circular Economy Development collaboration, funded by the State Government, which saw 76.05 tonnes of end-of-life drip tube (equivalent of 1,247km) to be diverted into agricultural product.

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**WASTE DIVERSION**

Each year, TWE diverts a significant proportion of its vineyard, winery, cellar door and packaging waste from landfill. This continued in F20 with a diversion rate of **96.2%**

**Closing The Loop on Shrink Wrap**

Shrink wrap is widely used in the wine industry to stabilise pallets and protect product from scuffing, damage, dust and moisture. There are limitations on how much of this material can be reduced within the supply chain, for safety and quality reasons therefore TWE’s Bilyara Packaging Centre are instead focusing on ways to increase recycling this material.

TWE separate the shrink wrap from the general waste stream and work with Replas who pick up the shrink wrap and transform this into slip sheets.

Slip sheets stabilise pallet loads in the distribution network and result in less damage.

The slip sheets are reusable and circulate in the distribution market until their end of life.

This has diverted approximately 275 tonnes of shrink wrap plastic from landfill during F20.
TWE has driven significant progress against its people agenda recognising that its team and the relationships held with other stakeholders, including the communities in which it operates, are integral to long-term success. Behind every bottle of wine is a team passionate about supporting each other and delivering the best outcomes for all stakeholders including consumers, customers and communities.

Throughout the year, there has been a strong focus on supporting the safety, health and wellbeing of the TWE team particularly given the health and economic impacts of the COVID-19 global pandemic, including implementing a COVID-19 risk management program globally, the introduction of additional paid leave, enhanced mental health and wellbeing programs, and increased communication. In addition, TWE undertook a global survey to better understand and be more responsive to employees’ experiences during this time.

At the same time, work progressed on TWE’s diversity and inclusion agenda to ensure people could bring their whole self to work and foster a sense of belonging where everyone feels valued, as well as completing a Human Rights Impact Assessment to further strengthen its commitment to protecting human rights.

### F20 Key Achievements

- **Committed to a 50% women in leadership roles target by 2025**
- **Launched global TWEforMe program focusing on mental health and physical health, life skills, and development**
- **93% increase in safety conversations from F19 and established Global Destination Zero Harm commitments**
- **Enhanced TWE’s paid leave benefits in USA**
- **Mobilised global COVID-19 support accompanied by TWE’s global workforce survey**
- **Advanced TWE’s Human Rights Roadmap and completed a Human Rights Impact Assessment**
The health, safety and wellbeing of the TWE team and everyone who touches the business continues to be the highest priority.

Most notably in F20, the health impacts of the COVID-19 global pandemic has had a significant impact on how people live and work, and across TWE’s global operations there has been significant effort to keep team members safe and well during this challenging time.

At the outset of the pandemic, TWE’s operations implemented enhanced hygiene, physical distancing business continuity processes and reporting to keep people safe across vineyards and production facilities.

In line with government advice, many of TWE’s office teams moved to remote and flexible working arrangements, with additional measures taken to support that transition including advice on working at home safely, mental health support and online learning, as well as increased communication and engagement activities to keep teams informed and connected.

TWE continues to monitor and respond to the COVID-19 global pandemic in line with government advice and direction.

In addition to the COVID-19 response, TWE continued to progress its three-year Global Health, Safety and Wellbeing strategy which focusses on standardising and simplifying the approach to safety leadership, risk reduction as well as behavioural and systems improvements.

During F20, the global Health and Safety Management Standards were refreshed, and TWE introduced a minimum standard control program for its highest risk activities across the business, developed and implemented a global incident investigation process and embedded lead indicator measures including hazard and near miss reporting.

To ensure that the team continue to prioritise safety TWE refreshed the Destination Zero Harm program and introduced Destination Zero Harm personal commitments to health and safety.

It was pleasing to see the number of safety conversations held across the business rise with the frequency rate (SCFR) increasing from 229 in F19 to 441 in F20 demonstrating that efforts to embed health, safety and wellbeing into business culture is progressing.

During F20, TWE recorded a slight increase in both the Serious Safety Incident Frequency Rate (SIFR) and Lost Time Injury Frequency Rate (LTIFR), despite not having an increase in incidents or injuries during the year. Both frequency rates have been impacted by a reduction in work hours during F20 and improved alignment of global incident classifications.

The business’ focus on supporting mental health remained a priority and throughout the year TWE delivered awareness training to team members and specific support training to people managers in Australia and New Zealand. The mental health awareness and support training programs will roll out in other regions in F21.

Looking to the year ahead, TWE will continue to evolve its hazard and risk management program, its critical risk control program including critical risk lifesaving rules, and commence the implementation of a safety leadership program for front line managers.

### Mental Health and TWEforME

During F20 as part of the holistic TWEforME program, TWE facilitated in-depth mental health awareness workshops for all ANZ employees and supporting mental health workshops for all people managers.

The highly successful program achieved a 93% participation rate with over 1,700 employees and managers attending.

Topics covered included understanding the mental health stigma, recognizing the triggers and warnings signs, how to support colleagues, and the importance of seeking support early.

Mental Health and Resilience toolkits were provided to complement the existing Employee Assistance Program (EAP).

In F21, TWE will focus on expanding the program to all employees and people managers across the globe and the TWEforME program will deliver further training, resources and events to support the focus on mental health.

In response to the civil unrest experienced in the US and the UK, all regional I&D Councils and employee reference groups mobilised quickly to provide additional support to employees over this time, with counselling via EAP available as well as “Black Lives Matter” toolkits and resources.
Team safety and support through COVID-19

TWE mobilised a number of global processes and policies to protect its team. COVID-19 swept across Australia during the busy vintage season therefore it was essential that extensive safety protocols were put into place to ensure TWE’s team could remain well and that there was minimal disruption to production during this critical time.

To provide added support, TWE introduced 14 days of additional paid sick leave for employees (including casuals) diagnosed with the COVID-19 virus.

TWE also offered COVID-19 specific mental health and wellbeing webinars to assist employees in navigating through the personal and work challenges posed by the pandemic.

TWE’s emphasis on communication was increased to ensure employees were kept abreast of the latest developments and government guidelines in each region.

During May, TWE launched a global COVID-19 pulse survey to better understand employees experiences during this time and to gauge the teams experiences and concerns moving forward.

As a result of the survey feedback, three clear focus areas were identified for action:

Return to Workplace – Request for a roadmap informing employees about when and how they can commence the return to the workplace when the time is right. The Roadmap has since been communicated to all employees emphasizing flexibility in how (or when) people return to office enabling employees to balance health, wellbeing and caring responsibilities for themselves and their families.

Flexible Working – In addition to supporting a flexible return to the workplace, employees want more opportunity to work flexibly as part of their regular ways of working. TWE have committed to refine and communicate its company position on flexible working by creating a working group to drive this agenda item forward.

Technology – A key enabler to flexible working and an opportunity to do things differently. As a result of the survey TWE has developed a COVID-19 Plan Ahead Agenda and assembled a Technology and Future Ways of Working team.
TWE is committed to its people and is focused on building a high performing organisation that is inclusive, supportive and collaborative.

The focus is on creating a culture where talent can thrive and an environment that celebrates a workforce that is as diverse as the consumers and customers who enjoy our products. As shown in figure 5, our 3,000 strong team is located across four key regions with the majority of our people employed on a permanent full-time basis. Our Asia and EMEA teams have achieved a strong gender balance, whilst those geographies, such as ANZ and the Americas, with a larger number of viticultural assets tend to show a higher proportion of male team members.

TWE has a range of initiatives to attract and retain female and diverse talent groups, and has set targets to drive increased female representation in leadership roles. An overview of our inclusion and diversity programs are outlined on pages 26 and 27.

Central to building an inclusive and high performance culture is our commitment to leadership, development, reward and recognition programs that build capability, capacity and support as well as celebrating success across all levels of the organisation – these programs reinforce our core values, known as our TWE DNA, including bringing our whole selves to work, being courageous and delivering together.

During F20, the Managing People at Treasury Program was launched to support the delivery of both the Leadership Framework and growth behaviours. This program is designed to build people manager capability and support higher engagement and performance across the company. Key aspects of the Managing People at Treasury Program are:

1. All managers sign the TWE People Manager Charter, committing to meet agreed people manager responsibilities.
2. A people manager goal included as a performance KPI.
3. A people manager learning platform providing a ‘one-stop shop’ for all education, resources, training and support for building capability.

TWE will continue to evolve and embed this program in F21.

Figure 5: TWE People – a snapshot of employees across the world

14 The information in this table is current as of 30 June 2020 and does not include contractors, which make up four percent of TWE’s workforce.
15 The Asia region has a higher proportion of employees listed as ‘temporary’ due to common legal practice in Asia to place employees on three-year fixed term contracts. After ten years, an employee is considered permanent.
All TWE employees participate in performance and development conversations with their people manager, set performance and development goals at the beginning of the financial year, and have these goals reviewed throughout the year. TWE’s Performance and Development program is set against its Leadership Framework and the three key growth behaviours, of which all TWE employees are measured against on an annual basis.

As part of the development of TWE team members it has introduced a partnership with LinkedIn online learning resources, which also underpins the TWEforMe Program.

During F20, the TWEforMe program was launched globally to build employee resilience and wellbeing, with activities and resources provided across 4 key pillars: 1. Mental Health. 2. Physical Health. 3. Life Skills. 4. Development.

During the year, TWE enhanced its paid leave benefits in the United States (US) to support employees and their families through different stages of life. The enhancements included:

• Paid Parental Leave for a Primary Caregiver – Up to 12 weeks of paid leave for a primary caregiver to care for a newborn, newly adopted, or newly-placed foster child.

• Paid Parental Leave for a Secondary Caregiver – Up to 6 weeks of paid leave for a secondary caregiver to care for a newborn, newly adopted, or newly-placed foster child.

• Gradual Return to Work for Primary Caregivers – Up to 4 weeks of part-time return to work for Primary Caregivers of a newborn, newly adopted, or newly-placed foster child after the completion of the Primary Caregiver Leave with additional pay benefits.

• Paid Family Caregiver Leave – Up to 6 weeks of paid leave to care for an immediate family member with a serious health condition.

• Increased Paid Vacation time for Non-Exempt (hourly) employees – Non-Exempt employees with less than 15 years’ service will accrue 8 hours of additional paid vacation time per year.

Parental Leave policy

“Treasury’s parental leave program makes me feel like the company cares for their employees and gives support to working parents. As a new mom coming to the end of my maternity leave, I didn't know how I was going to feel returning back to work. Having a gradual return to work helped ease me back into the workplace and work schedule. It made a difference for me both on an emotional and personal level. I can't have imagined having to go from being with my baby full time to working full time straight away!”

Ericka Pilecki, Benefits & Leave Analyst

“I can honestly say I am SOOOO proud to work at TWE right now!!!”

Chelsea Torres, New Product Development Manager

“My wife and I are very excited to welcome the new baby in late October. We are also excited about the new benefit structure. With benefits like these, Treasury is separating itself from other companies as being a top-notch company to work for.”

Devon Larking, Regional Director Caribbean and Central America

Top 5 Healthiest Employer

TWE was recognised as Top 5 Healthiest Employer in the San Francisco Bay Area and the 54th healthiest workplace by Healthiest Employers which is an annual program that honours the ‘best of the best’ in corporate wellness and population health.

This accolade was based on the quality and impact of its employee wellness program, looking at all aspects from culture and leadership, to communication and programming.
INCLUSION & DIVERSITY

TWE’s Inclusion & Diversity (I&D) strategy and policy focusses on three key pillars, being:
1. Diverse Workforce.
2. Inclusive Workplace.
3. Employer of Choice.

The TWE I&D Strategy is supported by a number of key KPOs in both the Executive Leadership Teams goals as well as at the Chief Executive Officers. Senior Leaders are also assessed on their inclusive leadership as part of their performance management process.

During F20, the business delivered strong outcomes under each of these key pillars:

Diverse Workforce

- TWEforShe capability and networking activities for female employees – globally approximately 1000 participants attended She Leads sessions
- TWEforSHE – TWE Tasker implemented in ANZ (34 participants) and AME (56 participants)
- ELT Sponsorship program launched with 20 high performing female participants
- Implementation of Harver: Artificial Intelligence (AI) based recruitment selection tool removing bias
- Gender pay equity review completed
- Mary Penfold Award – Roberta Palmer 2020 winner.

Inclusive Workplace

- Implemented Global TWE Pride Network and conducted global ally training sessions as well as launching an internal podcast with discussion from Global TWE Pride Network leaders and allies
- Inclusion Walk with Leadership Teams – conducted with the ANZ Leadership Team
- People manager inclusive leadership toolkits launched on Manager Learning Portal.

Employer of Choice

- Increase of informal and formal flexible work arrangements. Global policy updated and remote working sessions conducted to support COVID-19 for over 200 people
- Parental leave policy updated in the US
- TWE Influencer – social media campaign sharing actions and progress on TWE I&D
- Talent Acquisition policy updated to progress TWE I&D initiatives, including mandatory diverse candidate selection panels.

During the year, the TWE I&D Council built a Leader toolkit designed to support employees in self-learning with ways to take tangible actions to help lead change. It included:
- Key educational resources to build knowledge around racism, systemic racism, black history, and microaggression
- Ways to understand privilege and bias – including a link to a free online unconscious bias test, and then guidance on what to do with this knowledge
- Guidance on how to talk to teams (or colleagues, family, friends) about Black Lives Matter (BLM)
- A self-assessment on your ‘Leadership Shadow’ – which are your behaviours and actions that demonstrate inclusive leadership and a focus on diversity
- Actions that individuals and teams can take to be a BLM advocate and lead the change.

In support of Leading Change, a number of training sessions were held around:
- Ally training: Learn about what an ally is, why they are needed, the impact they can make, and how to become one.
- Unconscious bias training: Learning what unconscious bias is, and what can be done about it to prevent it influencing decisions and actions.
- Inclusive Leadership training: Learn what inclusive leadership is and how to demonstrate it.
- Understanding privilege: Learning about the concept of privilege, explore what ‘privilege’ is at TWE, and identify actions that can be taken to ensure everyone has equal opportunity.
- All about stereotypes: Learn why people stereotype and how to stop it.

During F20, TWE continued to focus on an increase in gender diversity in leadership. As at 30 June 2020, TWE reached 41.2% females in leadership roles against the target of 40% by 2025. This is up from 39% in F19.

Given the Company’s target to increase females in leadership roles to 40% by 2025 has been reached during 2020, the Company has set a new measurable objective to increase female representation in leadership roles to 50% by 2025 whilst continuing to foster an inclusive culture.

To achieve this, the business maintained its focus upon:
- Executive mentoring and sponsorship of female talent
- Continued support and investment in ‘TWEforShe’, TWE’s global capability program
- Celebrating outstanding female leadership through the Mary Penfold Award.

The TWE Board is also committed to ensuring that it maintains a membership of individuals with diverse experience and backgrounds, including cultural, geographic and gender aspects to ensure that TWE maintain a broad representation and support the Company’s strategic objectives.

During F20, TWE achieved a 44% female representation on its Board which exceeds its annual target of 30%.

Four Board members are not based in Australia, reflecting TWE’s global portfolio.

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16. TWE define leadership roles as senior leaders, professionals and specialists, including general, department and functional management.
**Workplace Gender Equality Leaders**

During F20 the Workplace Gender Equality Authority (WGEA) in Australia formally acknowledged TWE’s ongoing commitment to making improvements in the gender equity space by calling out TWE’s outstanding record for identifying and closing pay gaps in support of gender pay equity.

As part of this, TWE was invited to partner with the 2019 data report launch in Adelaide, where Chief People Officer Katie Hodgson presented on the executive panel. Peter Neilson MD for the ANZ region attended the event with company representatives from TWE’s South Australian sites.

TWE identified four employees in the Americas business who required a remuneration adjustment relating to gender equity. Salaries for these employees were adjusted in September 2019. Analysis in March 2020 did not identify any pay equity issues relating to gender bias.

**TWEforShe Continues to Unlock Potential**

As part of regional TWEforShe activities, TWEforShe Ambassadors were asked to celebrate the great women they work with and showcase their talents.

In particular, the Celebrating Women series has really highlighted the exceptionally talented female team working across TWE’s Asia region with a series of podcasts and inspirational interviews exploring their career journeys.

The series is designed to provide TWE’s workforce with inspiring examples of women leading the way in their fields and sharing their secrets to success as well as lessons learnt along the journey.

The Asia series highlighted Emilie Steckenborn, Head of Education Asia and TWEforShe Ambassador and North Asia Finance Director Caroline Burns, as well as Lucie Rudd, Marketing Manager South East Asia and Pamela Yeo, PR Manager, South East Asia.
TWE's Corporate Responsibility Framework together with its Human Rights and Modern Slavery Statement sets out the Company's aim to protect, respect and enhance the human rights, safety and wellbeing of both employees and communities. TWE's ambition is delivered upon by a number of programs, processes and policies and is monitored and governed by TWE's People and Capability function.

All policies are designed to protect the Human Rights of all permanent, temporary and contract employees globally. TWE is governed by a number of laws and are also guided by the United Nations (UN) Global Compact and its ten principles, six of which relate to human rights and labour.

TWE's good corporate governance and business ethics, Corporate Responsibility Framework and philosophy are founded on the principles of the United Nations Guiding Principles on Business and Human Rights (UNGP) and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and is a supporter of the United Nations Global Compact (UNGC).

TWE has been a UNGC member since 2014 and its Communication on Progress (COP) meets the UNGC Active Level criteria.

During F20, TWE completed a review of its ANZ Equal Employment Opportunity (EEO) Policies and as a result these were amended to highlight that TWE's EEO policies are driven by its commitment to the International Bill of Human Rights, the United Nation Guiding Principles on Business and Human Rights and Modern Slavery Acts, in line with best practice.

Specifically, TWE has also incorporated the Australian Modern Slavery Act (2018) into its policies and procedures and will lodge its first Annual Report against this Statement at end of 2020 as per reporting requirements. This report will also be made available at www.tweglobal.com/sustainability.

TWE’s People and Capability function reports to the Human Resources Committee of the Board on performance, risk and opportunity. The People and Capability function is also responsible for external reporting on performance and currently report performance within both its Annual and Sustainability Reports, the Workplace Gender Equity Agency (WGEA) Report as well as TWE's Human Rights and Modern Slavery Statement.

In the interest of furthering its policies concerning human rights throughout its supply chain, TWE is taking the following steps:

- establish CR measures, including human rights, in the selection requirements for suppliers
- request that suppliers comply with the Responsible Procurement Code (RPC), which establishes practices related to human rights and labour
- request that suppliers carry out self-assessment based on the RPC (correction is requested as needed) as part of human rights due diligence.

All reports and statements are available at www.tweglobal.com.

Human Rights Impact Assessment (HRIA)

In F20, TWE appointed third party experts to conduct a Human Rights Impact Assessment (HRIA) across its operations. The purpose of conducting the impact assessment was two-fold:

- Understand how TWE operations and its value chain could potentially impact the Human Rights of employees and stakeholders.
- Ensure that TWE steadily progresses its program of Human Rights protection in line with Modern Slavery legislation (both within Australia and in the UK) and the United Nations Guiding Principles on Business and Human Rights (UNGP).

As a result of this assessment TWE identified that:

- It can further strengthen its commitment to Human Rights by ensuring that core policies are made accessible, via translation to other languages.
- Continue to review the businesses Responsible Procurement Code (RPC) and ensure that it outlines TWE's commitment to Human Rights to all stakeholders.
- Provide greater access to the TWE Whistleblower hotline and other grievances mechanisms for employees, suppliers and other third parties.
- Develop training to enable employees to understand Human Rights and Modern Slavery and identify issues.
- Continue to engage with external networks to jointly advocate, mitigate and respond to Human Rights issues.

TWE has now updated its Human Rights Roadmap to address the actions identified above.
LABOUR, SUPPLIERS AND WHISTLEBLOWER POLICY

TWE’s policies and procedures are designed to protect the rights of employees.

TWE respects employees’ freedom of association in the workplace by recognising the right of employees to negotiate either individually or collectively. Where they represent employees to negotiate employment agreements, TWE engages with trade unions.

The Company’s Global Payroll Policy recognises the importance of paying employees fairly, completely and accurately, and is intended to protect employees from being bonded to the organisation by debt, having their pay withheld, or having their movement restricted due to inconsistent payment times.

On occasion TWE employs minors and this is done in accordance with local legislation. In F20, TWE employed a small number of people under 18 years of age in Australia and New Zealand, typically in apprentice, vintage or hospitality roles.

TWE’s Employing and Engaging Minors Policy ensures that these relationships are managed appropriately. The policy requires that all minors are employed or engaged lawfully, that their employment is overseen by a member of the People and Capability team, and that appropriate support systems are engaged.

TWE’s Whistleblower policy is supported by a Whistleblower service which is administered by an appropriate third party. The service offers access to a local toll-free number across all of TWE’s major operating regions and in different languages. This service provides a channel for employees and third parties to raise matters in a confidential matter.

The TWE Audit and Risk Committee of the Board receive periodic reports on whistleblower matters and all issues are resolved by way of investigation with action taken as required.

TWE takes its commitment to Human Rights and Labour Practices very seriously and therefore expects that all suppliers meet the same high standards. TWE sets out its expectations within the Company’s Responsible Procurement Code (RPC), which is provided to all suppliers and is reviewed on a regular basis. Failure to meet these requirements, will result in the termination of the agreement between TWE and that supplier.

During F20, TWE completed the implementation of a new supplier onboarding process which includes an intelligence database to determine the level of risk posed by a supplier across a number of factors – most notably human rights and labour issues.

Should risks be identified, the system flags the appropriate people within the business to take action prior to finalising a supplier. If the supplier is a pre-existing supplier to TWE, then a similar escalation process is triggered, which involves working with the supplier in the first instance to understand more about the issue raised, followed by if necessary, remediation steps or termination.

17. The definition of minor depends on the relevant country, jurisdiction, and legislation.
As one of the world’s leading wine companies, TWE is aware of its important role in communities globally, either as a local employer, a procurer of local materials for products, or through the appointment of local contractors and services.

As a business with strong agricultural roots, TWE’s footprint is particularly strong in regional communities. Throughout the year, TWE has supported its communities through a range of activities including corporate donation programs such as Fundraising Boost, direct financial donations to support crisis appeals and services, as well as product donations.

During F20 TWE and its team donated more than AU$730,000 to support several causes including the Australian bushfire response and COVID-19 relief efforts in China at the start of the global pandemic.

The team again rose to the challenge of supporting their communities when they needed it most. During the bushfires, many team members provided on-the-ground support, volunteering their time to support their communities. For example, members of the Australian winemaking team rallied behind growers in the Adelaide Hills helping to cut down and pull vines off burnt trellises, while 25,000 used vineyard posts were donated to Blaze Aid to help urgently replace and rebuild fencing.

In the United States, the team, in collaboration with Winesecrets, donated high proof alcohol, containers and labels to produce hand sanitizer that was supplied to local hospitals and first responders to help slow the spread of COVID-19. This supply equated to about 6,800 standard bottles of sanitiser produced in compliance with the FDA’s guidelines and could be used for hand cleaning as well as a surface disinfectant. In Australia, the team in the Barossa produced their own sanitiser to help ease the burden on local supplies, as well as making some available locally.

Unfortunately, TWE was unable to hold its annual Global Volunteering Week in F20 due to the COVID-19 global pandemic. As government mandated restrictions continue to ease across many countries and regions, TWE is looking at how it can continue to support local communities over coming months.

Testimonials:

“The collaboration between Treasury Wines and Wine Secrets couldn’t have come at a better time. We were so low on supplies. It is the best smelling hand sanitizer ever! Repurposing waste products from the wine industry to become lifesaving products for the medical industry is a beautiful thing!”

Andrea Clarke, MD Physician-in-Charge, Napa Kaiser Permanente.

“What an amazing thing you are doing for us! Please pass on our sincere thanks to your team, from all of us here at the hospital”.

Teri Fredrickson, PT, DPT Job Care Director, Adventist Health St. Helena.
TWE exists to produce premium quality wines for adults around the world wanting to celebrate moments of joy and connection through the responsible and safe consumption of alcohol. It has also continued to broadly promote responsible consumption messaging and partnering with industry groups to promote responsible consumption programs and activities within the community.

Through the product and innovation strategy, TWE continues to give consumers more choice in lower and no-alcohol options and explore current and emerging trends including organic, vegan and biodynamic wines as well as more sustainable packaging and design.

**F20 KEY ACHIEVEMENTS**

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<tr>
<th>Promoted Smart Drinking Week and developed a global awareness toolkit</th>
<th>Innovation strategy continued to expand and focussed upon the launch of lower alcohol options</th>
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<tr>
<td>Launched organically certified wine range</td>
<td>2019 Spring Racing Carnival partnership acknowledged by DrinkWise as a best-in-class approach</td>
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<tr>
<td>Began a glass weighting review to lightweight certain bottles as part of Global Packaging Guidelines</td>
<td>Continued to support and promote responsible consumption through key industry partnerships</td>
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As one of the world’s largest wine companies, TWE acknowledges its leadership role when it comes to the responsible consumption and marketing of its products. Risks associated with the irresponsible consumption, marketing and sale of alcohol are identified within TWE’s Risk Management Framework and include legal penalties and fines, brand and reputational damage, as well as changing laws and government regulations. These risks are mitigated through a number of policies and guidelines, including TWE’s Alcohol Policy, Alcohol Policy Guidelines, Alcohol Policy Guidelines for Winemakers, as well as TWE’s Responsible Marketing Guidelines and Responsible Sales and Marketing Handbook.

TWE’s Responsible Marketing Guidelines and Responsible Sales and Marketing Handbook outline requirements for promoting wine in their respective markets.

TWE’s global Marketing teams complete annual training on these policies, guidelines and handbooks led by TWE’s legal and governance team. In F21 this will extend to relevant global sales teams as well.

During F20, legal training for the Marketing and Sales teams included training on the Alcohol Policy, Social Media Policy, Anti-Bribery and Corruption Policy, as well as the Responsible Marketing Guidelines and Responsible Sales and Marketing Handbook.

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

All policies, guidelines and handbooks combined with training empower TWE employees to act as champions for responsible marketing and consumption.

During F20, TWE held its annual Smart Drinking Week. Smart Drinking Week is TWE’s internal program designed to empower team members to make responsible choices when drinking alcohol. Smart Drinking Week is focussed on promoting education and awareness around responsible consumption across the business.

In F20, an internal awareness toolkit was developed for use globally which included key messages, talking points and a list of resources to assist teams. TWE also adapted some of its brand marketing campaigns and materials to talk to the message of smart drinking.

98% of employees completed compliance training on TWE’s Alcohol Policy. It is anticipated that 2% of employees who have not completed the training are new-starters who are yet to complete the training within their first three months of commencing with TWE, as well as a small number of employees who may be overdue in completing refresher training.

SMART DRINKING

A Gentleman Always Consumes a Classic Pour – Never ‘Topping Up’ One’s Drink As He Goes.
INDUSTRY LEADERSHIP ON RESPONSIBLE CONSUMPTION

TWE works with a number of industry groups to promote responsible consumption programs and activities within the community, including:

• DrinkWise (AU/NZ) (Spring Racing Carnival and Laneway Music Festival)
• Drinkaware (UK)
• The Alcoholic Beverages Advertising Code Scheme (ABAC)
• Alcohol Beverages Australia (ABA), who also partner with the International Alliance for Responsible Drinking (IARD)
• Community Alcohol Partnerships (UK) (Lindemans UK Mindful Drinking Festival).

Two of TWE’s Executive Leadership Team (ELT) members retain roles on key Industry Associations focussed on promoting responsible consumption. Michelle Brampton, TWE’s Managing Director EMEA retains a position on the Wine and Spirits Trade Association (WSTA) Board, which oversees several responsible consumption campaigns in the UK. Michelle also retains a role on the Board of the Drinks Trust, which is the UK industry’s leading charity designed to provide assistance to those within the alcohol industry who have fallen on hard times.

Angus Lilley, TWE’s Chief Marketing Officer also retains a position on the DrinkWise digital media sub-committee.

In F20, there was

1 finding of non-compliance with marketing regulations or voluntary codes.

2019 Spring Racing Carnival

In F20 TWE featured DrinkWise messaging in a number of major brand campaigns, and Seppelt’s 2019 Spring Racing Carnival partnership was acknowledged by DrinkWise as a best-in-class approach.

As a Major Partner of the Melbourne Cup Carnival, Seppelt activated a campaign across September – November that comprised of:

• DrinkWise logos on all above the line marketing on-course signage and collateral, coasters etc.
• DrinkWise branded water within the Seppelt marquee.
• DrinkWise super screen advertising.
• Fully-integrated influencer campaign with DrinkWise messaging throughout via Seppelt Racing Ambassador, model Rebecca Harding.
• DrinkWise messaging on Seppelt owned social media channels.

TWE Shanghai – Breach

In F20, there was one (1) finding of non-compliance with marketing regulations or voluntary codes within China. As per China Advertising Law the image of drinking alcohol is prohibited and one of TWE’s Penfolds posts on social media highlighted a Penfolds re-corking event. TWE removed the video as soon as this was identified and cooperated fully with the investigation.

As a result, the Shanghai Administration of Market Regulation issued a 750 RMB ($155 AUD) fine to TWE for a minor breach of China Advertising Law.
The Low Alcohol Evolution

After 175 years in the industry, Lindeman’s is thrilled to be leading a new wave in winemaking by empowering consumers to have a more positive impact on themselves and the environment.

The much-loved and trusted brand has rejuvenated itself with a focus on creating wine that is lower in alcohol and better for the planet. The holistic approach has resulted in many new initiatives such as trialling new sustainable packaging solutions and moving European bag-in-box production to Denmark to reduce transportation miles.

As part of this new direction, in F20 Lindeman’s also launched a 0.5% ABV range to provide delicious low alcohol alternatives to health-conscious consumers. For the launch, TWE partnered with Club Soda, a UK organisation with a group of highly engaged members interested in alcohol-free alternatives, to sponsor a series of Mindful Drinking Festivals over the 2019 London summer that attracted thousands of people to sample the full range of Lindeman’s 0.5% Cabernet Sauvignon, Semillon Chardonnay and Chardonnay Pinot Noir Muscat.

Responsible Consumption

Consumer demand for wine in a can continues to grow as people look for new drink choices that are interesting, convenient and environmentally friendly.

In response, TWE expanded its already extensive can offering in F20 with some world-first fusions, and ensuring that all smaller formats were less than two standard drinks, including:

- Squealing Pig Ginsecco (5% ABV, Gin and Prosecco, AUS)
- T’Gallant Wine and Soda (5% ABV, AUS)
- Main and Vine Spritzers (5.5% ABV, US)
- Yellowglen minis (8% ABV, AUS)
- Blossom Hill Gin Fizz (8.5% ABV, UK).

In Australia, this was supported by a large summer advertising campaign including popping up at the Australian Open and Laneway Music Festival in 2019/20, supported by DrinkWise messaging.
Assurance of the product quality and safety of TWE’s wines is critical to its success. TWE continues to review and improve its food safety and quality systems to ensure that it delivers to both TWE’s exacting standards, as well as that of the many consumers who enjoy its products.

TWE’s product quality and food safety systems are verified via third party audits and certifications. These vary by region and include:
- Hazard Analysis Critical Control Points (HACCP)
- British Retail Consortium Global Standard for Food Safety (BRC)
- International Featured Standards (IFS)
- Food Safety System Certification 22000 (FSSC)

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

INNOVATION AND RESEARCH

TWE’s product and innovation investment strategy includes consideration of a number of factors including, but not limited to, key trends and what consumers are looking to globally (organic, vegan, biodynamic), sustainability aspects in design, and the consideration of end of life in packaging design.

TWE conducts regular meetings with packaging suppliers on sustainability and innovation and TWE’s major Australian packaging suppliers are members of the Australian Packaging Covenant (APC) and therefore share similar commitments. During F20, TWE introduced Global Packaging Guidelines which are designed to support its ambition on sustainable packaging and set out TWE’s expectations for working with its suppliers from F21 onwards.

Across F20, TWE commenced a glass weighting review of products below the $20AUD RRP, with a view to lightweight these bottles and reduce overall glass usage. Through this review:
- 34 Individual Product Lines (IPL’s) are approved to change to a lighter weight bottle, which will occur across F21.
- 99 Individual Product Lines (IPL’s) are to be reviewed over F21.

In addition, TWE’s EMEA team has refined the carry handle and dispensing spout for its bag-in-box packaging reducing plastic usage by 13,200kg across brands.

In Sweden, TWE successfully launched a Lindeman’s Riesling PET bottle supported by environmental benefits messaging in the Lindeman’s ‘Bring the Sunshine’ advertising campaign. The advertising campaign included both television and print advertisements that explained the environmental benefits of lightweighting.

TWE Launches Certified Organic Wine Range

Organic wine is rapidly increasing in popularity as more and more people opt to make sustainable consumer choices and create a positive impact through their spending power.

During F20, TWE launched the Flowerpot certified organic range in Australia that encourages consumers to take small steps to contribute to a better world.

Employing organic winemaking practices in the vineyard and winery, 100% FSC certified recycled labels and shippers and low-impact glass that meet TWE’s new global packaging guidelines.

The Australian Certified Organic red and the Bio-Gro Organic Certified white from New Zealand are available across Australia and New Zealand.
## REFERENCES

### DOCUMENTS REFERRED TO THROUGHOUT REPORT

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<td>2019 Tax Transparency Report</td>
<td>• <a href="http://www.tweglobal.com/sustainability">www.tweglobal.com/sustainability</a></td>
</tr>
<tr>
<td>2020 Annual Report</td>
<td>• <a href="http://www.tweglobal.com/investors">www.tweglobal.com/investors</a></td>
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<tr>
<td>2020 Corporate Governance Statement</td>
<td>• <a href="http://www.tweglobal.com/investors">www.tweglobal.com/investors</a></td>
</tr>
<tr>
<td>2020 UN Global Compact Communications on Progress</td>
<td>• <a href="http://www.tweglobal.com/sustainability">www.tweglobal.com/sustainability</a></td>
</tr>
<tr>
<td>2020 Workplace Gender Equality Agency Report</td>
<td>• <a href="http://www.tweglobal.com/careers/diversity-inclusion">www.tweglobal.com/careers/diversity-inclusion</a></td>
</tr>
</tbody>
</table>

19. This is not a full list of TWE policy, standards or codes. This list reflects those policies, standards and codes that are referenced in the 2020 Sustainability Report. Additional TWE policies are listed on the Company’s website at www.tweglobal.com/investors.
CONTACT

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