

Henschke:

Navigating packaging sustainability as a small business.

Introduction

Small-to-medium businesses frequently report a desire to adopt sustainable practices, but perceive they lack the sufficient resources. For Henschke, incorporating packaging sustainability has created unforeseen benefits of cost-savings, brand strengthening and numerous opportunities derived from collaboration.

Henschke is a family-owned winery located in the Eden Valley South Australia, and is renowned for its wines, captivating vineyards, and deep commitment to environmental sustainability. The business has a history of using conservation practices to create a healthy ecosystem for its vineyards, and so the decision to align itself with the principles of APCO followed a natural progression.

Since 2010, Henschke has been a consistently high performing APCO Member and continues to demonstrate industry leadership throughout its involvement in APCO working groups and industry collectives.

This case study highlights an example of how a small business overcame barriers to packaging sustainability through branding, collaboration and corporate commitment.



“If an individual in a business is committed and driven to deliver in this area, the business will eventually see dividends in cost-savings as well as brand and sales growth”, says Tim Hackett, Quality Safety & Environment Manager.

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Collective impact

A collective impact model can provide the necessary support for small-to-medium businesses to transform their ideas into reality. As supply chains are built on an interconnected system, it can be complex to navigate through the key channels and understand the unique role packaging plays at each stage. When engaging closely with the different players from up and down stream channels, commitment and support for packaging sustainability improvements can be established and may aid in identifying where the most significant inputs and outputs are generated to increase value and opportunities.

"At Henschke we have always had a good understanding of our need to be actively involved in the industry value chain", says Tim Hackett, Quality Safety & Environment Manager. Tim had already been involved with the South Australian Wine Industry Association (SAWIA), where he first recognised the need to review recycling services in the Barossa zone. In 2018, this understanding was translated into practical application, when joining the APCO led wine industry workshop, later becoming the Wine Industry Sustainable Packaging Alliance (WISPA). WISPA is an industry collective that was established in South Australia's Barossa zone, working to implement innovative new sustainable packaging initiatives, including overcoming barriers and improving access to recycling in the Barossa and Eden Valley regions. The industry collective has since expanded and now welcome participants throughout Australia to develop solutions for such packaging and recycling challenges.

Tim explains that a huge advantage of this collaboration was "sharing each other's knowledge across the industry and having access to all the players across the supply chain: including packaging manufacturers and suppliers through to knowledge experts and thought leaders". This enabled the industry to collectively identify where the real problems lie within the supply chain, to

strengthen industry knowledge and ultimately achieve larger goals from which every player can benefit. Strengthening engagement within the supply chain can generate great value for businesses through better understanding each other's roles in the supply chain, finding innovative solutions and collaborative problem solving.

Collective industry action also helps ensure that initiatives will have real impact and generate viable outcomes. Through Henschke's involvement "we have been able to access services and knowledge we would otherwise have had no access to and this has meant we could act with more certainty on sustainability", says Tim. This has been translated into improved recoverability of the business' glassine waste from labelling production, and cost-savings from reduced production waste.



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Branding and sustainability decisions

Branding makes up a crucial sales and marketing pillar for high-end wine suppliers such as Henschke. As consumers' expectations of high-quality packaging design have traditionally aligned with those of sustainability, "the single biggest challenge for Henschke has been finding packaging that is not only sustainable, but speaks of our brand as a high-end wine supplier." For luxury products, sophisticated primary packaging serves the purpose of establishing its profile in the marketplace and is often designed to create an experience alongside the product. This can be in conflict with recyclability and other key elements of packaging sustainability, such as packaging material efficiency, consumer labelling and the use of recycled content.

When aligning with the principles of APCO, Henschke had initially perceived "the requirements of improving packaging sustainability to be an extra cost centre that we had to commit time to that didn't appear to add any value to our business." Since, Henschke has found that in reality consumers internationally perceive value in sustainability and have "recognised that including sustainable packaging builds upon a strong sustainable brand." As the demand for sustainable products continues to increase globally, Henschke has been able to leverage its sustainable packaging efforts to "increase its market share in a sustainability savvy society." Weighing up between branding and sustainability decisions for product packaging has thereby become a more integrated process.



Sustainability as a core value

At the beginning of its journey, incorporating sustainable packaging had presented some challenges for Henschke. As a small business, management shared concerns over whether they had "the necessary resources and influence to negotiate better deals with suppliers", so that sustainability would not present a significant cost-factor.

Tim's advice to businesses who share these concerns, but want to adopt more sustainable packaging practices is to "try to see past the initial commitment of time and associated costs" and to "encourage someone in your business to be the champion to this cause. If an individual in a business is committed and driven to deliver in this area, the business will eventually see dividends in cost-savings as well as brand and sales growth." He further recommends that "if you can spare a little time up front to participate in industry groups, it will pay dividends in the long run, because the time invested will translate not only into more sustainable practices that you can promote to your customers, but also potential cost savings in areas such as reducing waste in your production processes."

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Key recommendations

- Try to see past the initial commitment of time and the associated costs.
- Encourage someone in your business, or take it upon yourself to drive sustainable packaging initiatives.
- Leverage your engagement in packaging sustainability to strengthen your brand.
- Participating in industry groups does pay dividends in the long run.
- Sustainable practices can be used as a promotional tool and can save you production costs.

More information

For more information about joining the APCO community visit www.packagingcovenant.org.au

For more information on Henschke visit <https://www.henschke.com.au/our-landscape/sustainability/>

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