



SHEPHERD FILTERS

“PROTECTING YOUR HOOD”

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SUSTAINABILITY REPORT



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1. Sustainability at Shepherd Filters

1.1 Letter from the Managing Director

Shepherd Filters offer an effective kitchen exhaust grease management system that reduces the need for filter and kitchen duct cleaning.

As opposed to the cleaning of honeycomb and baffle alternatives, our disposable kitchen grease filters are made of 100% wool that can be discarded in the regular waste bin. Being bio-degradable, these wool filters provide commercial kitchens an environmentally friendly solution when it comes to maintaining their kitchen exhaust extraction systems.

Wool is an all-natural, renewable fibre, grown on sheep. It is a planet-friendly fibre for many reasons:

- Sheep are part of the natural carbon cycle, consuming the organic carbon stored in plants and converting it to wool. Fifty per cent of the weight of wool is pure organic carbon
- Wool products have long lifespans, meaning they are used longer than other fibre products
- Wool is one of the most recycled fibres. With a market share of 1,3% of all textile fibres, wool claims 5% within the recycled fibres market share identifying wool as a suitable fibre for recycling; and
- At the very end of its lifespan, wool biodegrades readily.

It all adds up to a highly sustainable fibre and in today's world we all need to do our part to help the environment. Shepherd Filters help businesses save thousands of litres of water a year as well as reduce the need for harsh chemicals. Chemical cleaners used to keep kitchen exhaust systems clean, fully functioning and to code are not only expensive but toxic to humans and animals. Cleaning products that are flushed down the drain can have a serious impact on the environment.

Hotels, Restaurants, Clubs, Cafes, Fast Food Chains and Sporting Venues are all seeing benefits of our innovative solution for grease management. Aside from our continued growth in Australia, we are now proudly distributing our product around the world in countries including (but not limited to) the UK, Europe, Asia, South Africa and of course New Zealand.

As Managing Director of Shepherd Filters, it is continuously my top priority and commitment to ensure that we do our part to help commercial businesses function more safely, efficiently and responsibly the world over.



Jeremy Kronk
Managing Director

1.2 Our Approach to Sustainability

Environmentally-friendly, eco-friendly, nature-friendly and 'green' are all marketing terms referring to goods and services, laws, guidelines and policies that inflict reduced, minimal, or no harm upon ecosystems or the environment. Conventional kitchen grease filter cleaning poses the following threats to the environment:



The amount of water used to clean kitchen grease filters daily/weekly/monthly can mount up quickly. The Australian Bureau of Statistics says since 2002, there is increasing evidence of the adverse effects of increased water use on river health and it is changing the way we regard water. It is now widely recognised that taking too much water out of Australia's rivers and groundwater systems can have detrimental economic and environmental consequences.



Chemicals can enter the air, water, and soil when they are produced, used or disposed of. Their impact on the environment is determined by the amount of the chemical that is released, the type and concentration of the chemical, and where it is found. Some chemicals can be harmful if released to the environment even when there is not an immediate, visible impact. Some chemicals are of concern as they can work their way into the food chain and accumulate and/or persist in the environment for many years.

So how can we be more environmentally friendly when it comes to cleaning a kitchen exhaust system? Shepherd Filters are made from 100% wool - a renewable material source. The filter media is carbon-neutral and will breakdown in landfill. We thus encourage and assist businesses in becoming more environmentally responsible.



Wool is a short-term store of natural, renewable carbon. Pure organic carbon makes up 50% of the weight of wool, higher than cotton (40%) or wood pulp-derived regenerated cellulosic such as viscose (24%). Where does this carbon come from? From the plants that wool sheep eat. Wool is produced in extensive pasture systems, where the sheep eat grasses and herbs. These plants convert the carbon from the atmosphere (photosynthesis) into organic compounds that the sheep then use to grow wool. This is a natural, renewable, ongoing process through which carbon is sequestered from the atmosphere.

Because wool naturally degrades, it is the obvious choice for anyone concerned about the health of our planet. Once a Shepherd Filter has reached its saturation point, it is quickly and easily removed and disposed of in the regular waste bin.

Wool grows naturally on sheep and is made of a protein called keratin (the same protein found in human hair). When exposed to moisture for prolonged periods, wool fibres will readily decompose. The warmer and wetter the conditions, the faster the breakdown. Bacteria and fungi break down the wool. The fungi first destroy the ends of the wool fibre, and bacteria then digest the weakened fibre by secreting enzymes.

Wool also contains a high percentage of nitrogen. This high nitrogen content is the reason wool biodegrades so well. Products that are biodegradable are part of a natural cycle. They come from nature and go back to nature, enriching the soil and nourishing new life. Wool is therefore a good "slow-release" fertiliser.

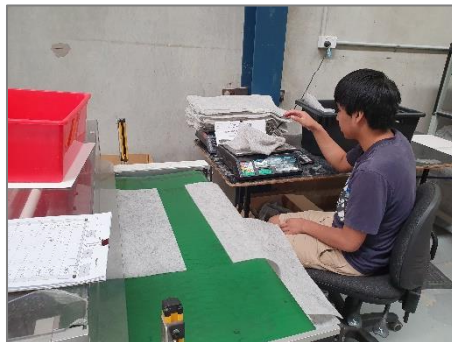
1.3 Stakeholder Engagement

Shepherd Filters is involved with communities in several states, especially NSW (see Achieve) and QLD, where the Managing Director regularly volunteers in the burns unit at Royal Brisbane Hospital.

Of the suppliers that Shepherd Filters engages, the one we are most proud to be affiliated with is [Achieve Australia](#). This for-purpose community organisation has provided services and support for people with disability in New South Wales since 1952. Achieve provides the following services to Shepherd Filters:



Cutting the rolls of wool to size



Weighing each wool filter media



Package/store ready for shipment



The team ensures that each filter media meets Shepherd Filters' strict specifications.

The processing of customer orders on computer is also undertaken by this amazing team of individuals.

Achieve Australia recently acknowledged our partnership by way of a certificate of appreciation:



Our employees are often rewarded through company-funded flights to tour the facility and meet/assist the team with anything they may need.

Shepherd Filters seeks to promote and incentivise environmental awareness within its entire supply chain by encouraging decisions that can reduce the environmental impact of our goods. Using cardboard boxes for shipment of our wool filters is one such example.

2. Company Profile

2.1 Corporate Overview

Shepherd Filters disposable kitchen grease filters capture up to 98% of airborne grease before it enters a commercial kitchen exhaust system.

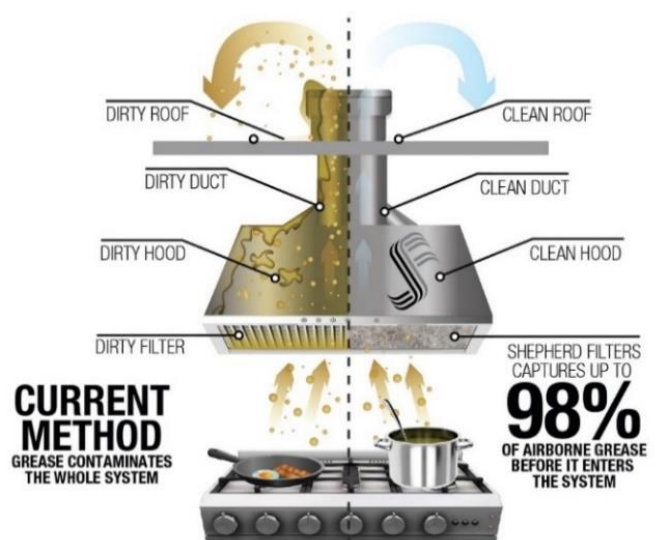
This not only saves customers money and reduces their fire risk, it is also helping to save the environment.

Unlike what is found with most baffle and honeycomb grease our filters, the Shepherd Filters solution ensures significantly less grease build-up on and within a kitchen exhaust system.

This dramatically reduces the negative environmental impacts associated with cleaning and maintaining such systems.

2.2 Employees

Using Achieve as one example shows that diversity is key in our business. It is also central to innovation and not only brings forth new and better ways of doing things, it helps to harness the benefits of technology and improve the efficiency and quality of our goods. We acknowledge the skills and perspectives that people can bring to the workplace by gender, race, ethnicity, disability etc. Our commitment is demonstrated through the suppliers, employees and dealers that we work with countries including (but not limited to) China, Singapore, Malaysia, Belgium, Romania, Turkey, the UK, Switzerland and the United Arab Emirates.



Inclusion is the key to unlocking unlimited potential. When we value workplace diversity and inclusion we see benefits such as higher employee engagement, improved performance, greater innovation, retention of talent, improved employee well-being and lower levels of unlawful behaviour such as harassment and discrimination.

At Shepherd Filters, we also try and go one step further when it comes to ensuring our employees have a work/life balance through the provision of alternative work arrangements such as flexitime, telecommuting, part-time positions for parents and job sharing. We also proudly hold a perfect track record when it comes to workplace health and safety, with zero accidents or claims to our name. When it comes to our customers, kitchen exhaust cleaning with hot water and chemicals can create an unsafe work environment for their employees. Using our filters helps in the prevention of potential workplace health and safety claims that come with cleaning kitchen exhaust systems.

2.3 Approvals, Memberships, Awards and Recognition

Shepherd Filters ensures all customers benefit from the peace of mind that our product holds all relevant approvals and meets standards world-wide. These include (but are not limited to):



HACCP Food Safety Approved

AUSTRALIA

AS1668.2 E6 Kitchen Exhaust Hoods Incorporating Grease Removal Devices.



WORLDWIDE / USA

UL1046 Flame Test.

USA

NFPA 96 Standard for Ventilation Control & Fire Protection of Commercial Cooking Operation.



UNITED KINGDOM

DW172 Standard for B&ES Specification for Kitchen Ventilation Systems.

JAPAN

JFE



Shepherd Filters are also proud members of the International Kitchen Exhaust Cleaning Association (IKECA).

Our efforts to date have attracted much interest and resulted in some of the following awards:



"PRODUCT OF THE YEAR" 2019 by AIRAH, an industry-led organisation that represents the entire HVAC&R value chain, from tradespeople onsite through to professional engineers and business leaders. It was very humbling to be amongst more than 300 hard-working individuals from Australia's HVAC&R industry, a record turn-out.



"BEST NEW HOSPITALITY EQUIPMENT PRODUCT" by the Australian Hospitality Directory & FCSI at the 2017 Fine Food Australia trade show. Proudly accepting such a significant award, the team enjoyed showcasing our excellent product at the trade show.



"SERVICE AND MAINTENANCE INITIATIVE OF THE YEAR" was won at the 2018 Heating and Ventilation news awards by Shepherd Filters' UK division. Presented to a company seen to have taken significant steps to improve standards in after sales service, judges would have looked for evidence of a strategic approach that has helped to lengthen the life of installed equipment by setting up planned maintenance strategies, as well as improving environmental performance by fine tuning or upgrading installations to the long-term benefit of clients.

3. Governance, Ethics and Compliance

3.1 Corporate Governance

A documented system ensures that our business runs smoothly long into the future. We therefore regularly review and update the company's business strategy, mission and vision statements as well as policies, procedures and processes. This enables us to ensure that we can adequately train new employees and dealer representatives, giving everyone a clear sense of how they fit into the business and ensures that the business does not solely depend on the Managing Director, among other things.

3.2 Ethics and Compliance

Ensuring our product complies with all relevant industry standards and is farmed using 100% ethical principles is paramount to our business. We have therefore engaged Wool Products Australia, among others to ensure that the wool we procure can be traced back to the Australian farm which it came from, guaranteeing authenticity and trust:

TRACEABILITY



Wool Sheet made in Australia from 100% Australian wool can be traced back to the farm which it came from, thus ensuring authenticity and trust amongst consumers.

Australia has the world's most advanced wool industry. No other country has such an efficient, transparent and highly developed wool marketing system. Australia's advanced systems can also trace wool right back to the land where it was produced, providing consumers with confidence in the origin and quality of the wool used in the products they buy.

This Farm2Shelf characteristic is one of the most important characteristics of the Wool Products Australia, and in fact the wool can be traced back to the very farm it came from – one of farm is 'Springwaters' tucked away in a small pocket of regional New South Wales is the town of Boorowa – the backyard of the Rowley family.

Dennis, his wife Jo-Anne and their son Dane, own and run 'Springwaters' Poll Dorset Stud. Established in 1979, their enterprise is now split across three properties, totalling about 2300 acres of land.

Wool is 100% natural, biodegradable and renewable. It is made from the simple combination of a sheep, sunlight, water and grass. The fibre is extremely resilient with an active life of many years. When disposed of, it is biodegradable. It is also a planet-friendly renewable fibre. Grown on sheep, it can be shorn annually. For today's consumers, increasingly sensitive to the environmental properties of a product, wool is the essence of responsible consumption.

We are very proud to work with farmers who are giving their full-time attention to the sheep and doing the best job with them, and are passionate about producing highest quality wool fibre while embracing good environment process.



Wool is sourced from ethical environmental-sensitive farming and takes into account high standards of animal welfare, sustainable farming for the benefit of our future generations, responsible use of land and water resources. As part of their commitment to the environment the wool is processed in compliance with OEKO-TEX standard 100, a global standard for textile goods. The wool is also cleaned and processed free from any harmful chemicals and the wool sheet is manufactured from the wool in accordance with only the best environmental processes.

Groups and individuals interested in sustainability and ethical behaviour naturally want to understand how wool affects the world around us and to make informed choices accordingly. The wool industry is dedicated to making wool's environmental qualities more understandable. For more information, please visit: <https://iwto.org/resources/fact-sheets/>