# Viña Concha y Toro



SUSTAINABILITY

#### 102-1 102-3

Viña Concha y Toro S.A.

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#### 102-53

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## INDEX

| LETTER FROM THE CHAIRMAN  | 04  |
|---------------------------|-----|
|                           |     |
| ABOUT THIS REPORT         | 08  |
|                           |     |
| COMPANY PROFILE           | 12  |
|                           |     |
| CORPORATE GOVERNANCE      | 32  |
|                           |     |
| ENVIRONMENTAL PILLAR      | 52  |
|                           |     |
| SUPPLY CHAIN PILLAR       | 74  |
|                           |     |
| PRODUCT PILLAR            | 86  |
|                           |     |
| CUSTOMERS PILLAR          | 94  |
|                           |     |
| PEOPLE PILLAR             | 100 |
|                           |     |
| SOCIETY PILLAR            | 122 |
|                           |     |
| EXTERNAL ASSURANCE REPORT | 131 |
|                           |     |
| GRI INDEX                 | 132 |



# LETTER FROM THE CHAIRMAN

102-14

"During 2019, we achieved 92% of the goals established for the period in our Sustainability Strategy".



#### Dear all,

I am pleased to share with you Viña Concha y Toro's eighth Sustainability Report, which contains detailed information on the company's progress, achievements and challenges in meeting the commitments made to stakeholders as part of its Sustainability Strategy. At the same time, this document presents our Communication of Progress on the Principles of the United Nations Global Compact and our contribution to the Sustainable Development Goals.

We are convinced that economic success goes hand in hand with caring for the environment as well as for our people and the social ecosystem in which we operate. We manage our business seeking not only to generate profits for our shareholders, but also to provide opportunities for the communities of which we are a part of, taking care of the environment, working together with our customers and suppliers, and strengthening a healthy working environment for our employees.

During 2019, we achieved 92% of the goals established for the period in our Sustainability Strategy, making solid progress in aspects relating to the care and protection of the environment, people management, supply chain management, links with communities and relations with our customers, while improving the quality and innovation in our products.

Once more, our work and commitment were recognized locally and abroad. For the fifth consecutive year we were part of the Dow Jones Sustainability Index Chile, an important international sustainability index that measures environmental, social, economic and corporate governance aspects, and we were also part of the DJSI MILA Pacific Alliance for third year. On the other hand, the renowned CDP sustainability index recognized the company as a leader in sustainable water management, evaluating it with the highest "A" rating - the program's top score - in the "Water Security" category.

We became the first Latin American company to commit to science-based greenhouse gas emission reduction targets through the Science Based-Targets initiative, thus ensuring that our efforts are aligned with the decarbonization objectives needed to avoid the consequences of a global temperature increase above 1.5°C, as established in the most recent report by the Intergovernmental Panel on Climate Change (IPCC). In addition, we reaffirm this commitment by adhering to the United Nations Business Ambition for 1.5°C initiative, pledging to achieve zero net greenhouse gas (GHG) emissions by 2050.

5



To date, we have achieved a significant cumulative 27% reduction in our carbon footprint, which positions us very close to achieving our 30% reduction target by 2020 compared to 2014. In addition, we continue to make steady progress in implementing clean energy in our operations, reaching 64% of electricity consumption from renewable sources by 2019 and ensuring 80% of future renewable supply through 11 new solar plants to be built in 2020.

In the area of biodiversity, during 2019 we implemented the requirements of the Forest Stewardship Council® sustainable forest management standard, becoming the first wine company in the world to have its forest certified under FSC® (FSC-C154029) for conservation purposes.

Our water footprint was 58 liters per glass in the period, 47% less than the global wine industry average, which reflects the company's responsible management of water, aware that its availability and conservation are ongoing challenges for the industry and society at large.

In our supply chain, aware of our responsibility to share and extend the company's good practices, the Code of Conduct for Suppliers was published and disseminated, with the aim of communicating in greater detail and clarity the behavioral principles and values that the company expects from its suppliers. On the other hand, we subscribed to the FSC® to become a "Key Account", with the aim of promoting and communicating the use of products derived from responsibly managed forest in our value chain.

We celebrated a "Meaningful Christmas" with our neighboring communities, holding four solidarity events in Ovalle, Puente Alto, Chimbarongo and Lontué with activities and gifts for children and their families, which were attended by a total of 2,400 people. On the other hand, we started an innovative multipurpose volunteer program called "All Hands to the Earth", in which company employees dedicate a day to reforestation with native species.

The Holding' subsidiaries also made significant progress in this period. Viña Cono Sur once again neutralized the emissions generated during the transportation of its wines to destination markets and also took part in the West India WindPower project and the Valdivian Coastal Reserve conservation project. Additionally, Cono Sur started the expansion to 300 kWp of its solar plant located in Peralillo and made progress in the implementation of solar plants in the vineyards located in Chimbarongo, San Clemente, Aconcagua and Leyda.



"To date, we have achieved a significant cumulative **27%** reduction in our carbon footprint, which positions us very close to achieving our 30% reduction target by 2020 compared to 2014".



Bodega Trivento was certified with the ISO 14001 standard on the Environmental Management System and the Sustainability Protocol for Wineries in Argentina and began construction of a solar plant at its Maipú winery. On the other hand, it renewed its pledge to the UN Global Compact, and committed to a fourth Sustainable Development Goal, being the only Argentine winery adhering to these commitments. In the social area, the launch of the innovative White Malbec in 2019 will allow Trivento to quadruple the annual scholarships awarded through Fonbec.

In the United States, Fetzer Vineyards took an active role in advocating for the country's climate policy by supporting the enactment of the carbon tax and partnered with more than 75 companies to advocate for the country's climate legislation.

Viña Concha y Toro continues to take steps that open up new opportunities to increase the productivity, efficiency and positive impacts of its operation. At the same time, we are promoting a change of internal culture towards a new way of working, more agile, simple and collaborative. We are aware that our employees are the agents of this change, and we have a great team of people committed to their work and to this new way of operating.

The year 2019 was a period of consistent achievements, which are the result of a solid corporate strategy and the true commitment of our employees, but it was also a year that left us great challenges that will continue to require the best of us.

We are aware of the social, economic and environmental volatility and complexity in which we are immersed, which reaffirms the need to continue innovating our products and processes, working together with our business partners and being prepared for an ever-changing world. We are confident that our ambitious goals and deep commitment to sustainability will allow us to maintain the leading position of our company, with the necessary economic success, but, above all, with a deep sense of responsibility and commitment to future generations.



**ALFONSO LARRAÍN SANTA MARÍA** Chairman of Viña Concha y Toro



#### ABOUT THIS REPORT

102-21 102-43 102-46 102-47 102-49 102-50 102-52 102-54

Since 2012, Viña Concha y Toro has published its Sustainability Report on a yearly basis, with the aim of communicating the most relevant aspects of its economic, social and environmental performance to its stakeholders. This is the eighth edition of the Report and presents information for the period between January 1 and December 31, 2019.

# DEFINITION OF CONTENT

The content of the Sustainability Report was prepared according to the criteria of the latest comprehensive version of the Global Reporting Initiative (GRI) Standards.

To determine the content of the report, the company carried out a materiality analysis considering the results of the previous year and the structure of its Sustainability Strategy as a basis, in order to update it adapting to the changes, trends and new challenges in the matter. This process included surveys and interviews with employees, suppliers and other stakeholders, reviewing the sustainability context in the industry and gathering internal information to learn about the company's challenges and action focuses. It also incorporated opportunities for improvement identified during the external verification of the 2018 report.

#### **MATERIALITY MATRIX**

Relevance for stakeholders

|  |  | ► Waste Management and Recycling  | ► Water Management   |
|--|--|---|--|
|  | ➤ Innovation and New Products ➤ Customer Satisfaction ➤ Marketing and Responsible Drinking | Energy (efficiency and use of renewable energy) Commitment to Sustainability Biodiversity and Soil Care Human Rights Human Capital Development Diversity and Equal Opportunities Legal Compliance Responsible Sourcing Ethics and Anti-corruption Innovation, Research and New Technologies Support for Local Development Promotion of Sustainability in the Supply Chain Health and Safety | ➤ Mitigation and Adaptation to<br>Climate Change<br>➤ Employees Well-being |
| ► Social Initiatives<br>and Volunteering | <ul> <li>Profitability and Economic Indicators +</li></ul>                                 | <ul> <li>Supply Management (grapes and materials)</li> <li>Product Quality and Safety Management</li> <li>Internal Culture</li> <li>Risk Management</li> <li>Corporate Strategy</li> <li>Excellence in Operations</li> </ul>  |  |
|  | ► Origins and Portfolio (Family of Wineries)<br>► Efficiency in Distribution               |   |  |

Relevance for Viña Concha y Toro



| Chapter             | Material Topics and Scope                       |
|---------------------|---|
| Chapter             | Profitability and Economic Indicators           |
| WWW. CONOMA W MODO  | Corporative Strategy                            |
| VIÑA CONCHA Y TORO  | Origins and Portfolio (Family of Wineries)      |
| FAMILY OF WINERIES  | Awards, Recognitions and Strategic Alliances    |
|                     | Innovation, Research and New Technologies       |
|                     | Commitment to Sustainability                    |
|                     | Compromiso con la Sustentabilidad               |
|                     | Legal Compliance                                |
| CORPORATE           | Ethics and Anti-corruption                      |
| GOVERNANCE,         | Human Rights                                    |
| RISK AND COMPLIANCE | Information Security                            |
|                     | Risk Management                                 |
|                     | Biodiversity and Soil Care                      |
|                     | Energy (efficiency and use of renewable energy) |
|                     |   |
|                     | Waste Management and Recycling                  |
| ENVIRONMENT         | Water Management                                |
|                     | Mitigation and Adaptation to Climate Change     |
|                     | Responsible Sourcing                            |
|                     | Supply Management (grapes and materials)        |
| SUPPLY CHAIN        | Promotion of Sustainability in the Supply Chain |
|                     | Employees Well-being                            |
| A                   | Internal Culture                                |
| A Company           | Human Capital Development                       |
|                     | Diversity and Equal Opportunities               |
| PEOPLE              | Health and Safety                               |
|                     | Innovation and New Products                     |
|                     | Certifications                                  |
|                     | Excellence in Operations                        |
|                     | Product Quality and Safety Management           |
| PRODUCT             | Marketing and Responsible Drinking              |
|                     | Distribution Efficiency                         |
| Tabasa              | Customer Satisfaction                           |
| CUSTOMERS           | Transparency and Customer Information           |
| المالية             | Social Initiatives and Volunteering             |
| SOCIETY             | Support for Local Development                   |



About this Report

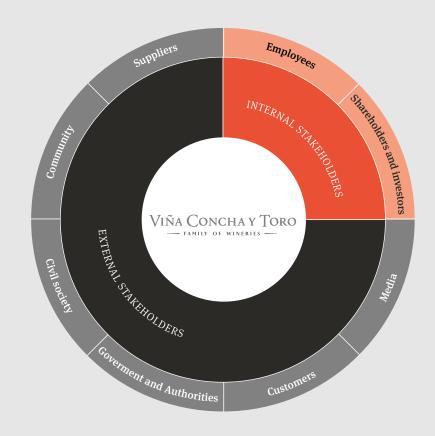


#### **OUR STAKEHOLDERS**

102-40 102-42 102-43 102-44

The identification and selection of the company's stakeholders was carried out through a survey and prioritization process in 2018. As a result of this process, eight categories of internal and external stakeholder groups were defined. Internal stakeholders are employees, shareholders and investors; external stakeholders are suppliers, communities, society, government and authorities, customers and the media.

The company seeks to encourage the engagement of all its stakeholders, with an emphasis on continuously promoting collaboration through various activities and communication channels where demands, opinions, concerns and suggestions can be expressed.



| INTERNAL STAKEHOLDERS   |  |                                       |           |
|---|--|---------------------------------------|-----------|
| Subjects of interest  | Communication mechanisms   | Engagement channels                   | Frequency |
| Employees   |  |                                       |           |
| ➤ Water Management ➤ Mitigation and Adaptation to Climate Change ➤ Employees Well-being ➤ Human Capital Development ➤ Waste Management and Recycling  | <ul> <li>► Internal Newsletter "The Week Online"</li> <li>► Breakfasts with Employees</li> <li>► Sustainability Report</li> <li>► Webpage</li> <li>► Bulletin Boards and Information Screens</li> <li>► Internal Mailings</li> </ul> | Complaints and Suggestions Mailbox    | Periodic  |
|   |  | Engagement Survey                     | Biennial  |
|   |  | Dialogue with Trade Unions            | Monthly   |
|   |  | Performance Evaluation                | Annual    |
|   |  | Survey Feedback Sustainability Report | Annual    |
| Shareholders and Investors  |  |                                       |           |
| <ul> <li>► Water Management</li> <li>► Mitigation and Adaptation to Climate Change</li> <li>► Waste Management and Recycling</li> <li>► Webpage - Investor Relations</li> <li>► Innovation and New Products</li> <li>► Ethics and Anti-corruption</li> <li>► Human Rights</li> <li>► Marketing and Responsible Drinking</li> <li>► Risk Management</li> </ul> | ′ '  | Ordinary Shareholders' Meeting        | Quarterly |
|   | <ul><li>Webpage - Investor Relations</li><li>Investor Relations</li></ul>  | Conferences and roadshows             | Periodic  |
|   | '  | Conference Calls                      | Periodic  |
|   | Survey Feedback Sustainability Report  | Annual                                |           |



| EXTERNAL STAKEHOLDERS  |  |   |           |
|--|--|---|-----------|
| Subjects of interest   | Communication mechanisms   | Engagement channels                         | Frequency |
| Suppliers  ► Customer satisfaction   | <ul> <li>Sustainability Report</li> <li>Technical Assistance for<br/>Grape Growers</li> <li>Audits and Evaluations</li> <li>Webpage</li> <li>Ethics and Sustainability Self-<br/>Assessment</li> </ul> | Whistleblower Channel                       | Periodic  |
| <ul> <li>Ethics and anti-corruption</li> <li>Health and security</li> <li>Water Management</li> <li>Human Rights</li> <li>Profitability and Economic Indicators</li> </ul>   |  | Meetings with Suppliers                     | Periodic  |
|  |  | Sustainability and Carbon Footprint Program | Periodic  |
|  |  | Technical Assistance for Grape Growers      | Periodic  |
|  |  | Survey Feedback Sustainability Report       | Annual    |
| Communities  |  |   |           |
| <ul><li>Water Management</li><li>Mitigation and Adaptation to Climate Change</li></ul>   | <ul><li>Sustainability Report</li><li>Community Relations</li></ul>  | Specific Programs by Area of Influence      | Periodic  |
| ► Waste Management and Recycling   | Delegates  • Webpage   | Whistleblower Channel                       | Periodic  |
| <ul><li>▶ Biodiversity and Soil Care</li><li>▶ Legal Compliance</li></ul>  |  | Survey Feedback Sustainability Report       | Annual    |
| ► Human Rights   |  | Meetings with Local Organizations           | Periodic  |
| Society  |  |   |           |
| <ul><li>Water Management</li><li>Mitigation and Adaptation to Climate Change</li></ul>   | <ul><li>► Sustainability Report</li><li>► Annual Report</li></ul>  | Meetings and Working Groups                 | Periodic  |
| <ul> <li>Diversity and Equal Opportunities</li> <li>Waste Management and Recycling</li> </ul>  | ► Webpage  | Whistleblower Channel                       | Periodic  |
| ► Normative compliance   |  | Survey Feedback Sustainability Report       | Annual    |
| <ul><li>Human Rights</li><li>Responsible Sourcing</li></ul>  |  | Engagement with Trade Unions                | Periodic  |
| Government and Authorities   |  |   |           |
| <ul><li>Water Management</li><li>Ethics and Anti-corruption</li></ul>  | <ul><li>Annual Report</li><li>Sustainability Report</li></ul>  | Engagement with stakeholders                | Periodic  |
| ► Legal Compliance ► Mitigation and Adaptation to Climate Change   | ► Webpage  | Working Groups                              | Periodic  |
| ► Waste Management and Recycling ► Human Rights  |  | Survey Feedback Sustainability Report       | Annual    |
| Customers  |  |   |           |
| <ul> <li>Customer Satisfaction</li> <li>Water Management</li> <li>Innovation, Research and New Technologies</li> <li>Mitigation and Adaptation to Climate Change</li> </ul>  | <ul> <li>Annual Report</li> <li>Sustainability Report</li> <li>Webpage</li> <li>Social Networks</li> </ul>   | Customer Satisfaction Survey                | Annual    |
|  |  | Whistleblower Channel                       | Periodic  |
| ► Commitment to Sustainability   |  | Survey Feedback Sustainability Report       | Annual    |
| Media  |  |   |           |
| <ul> <li>Water Management</li> <li>Mitigation and Adaptation to Climate Change</li> <li>Diversity and Equal Opportunities</li> <li>Waste Management and Recycling</li> </ul> | <ul> <li>► Annual Report</li> <li>► Sustainability Report</li> <li>► Webpage</li> <li>► Press Releases</li> </ul>  | Whistleblower Channel                       | Periodic  |
| <ul> <li>► Legal Compliance</li> <li>► Human Rights</li> <li>► Responsible Sourcing</li> </ul>   | TICSS NEIGUSES   | Press Conferences                           | Periodic  |

About this Report 11

# COMPANY PROFILE

#### **Vision**

"Viña Concha y Toro aims to be a customer-oriented leading global company focused on developing premium wine brands"



102-1 102-5

Founded in 1883, Viña Concha y Toro has become the leading wine producer in Latin America, with an outstanding position among the most important wine companies in the world and presence in more than 130 countries. The company owns more than 12 thousand hectares of vineyards in Chile, Argentina and the United States.

Viña Concha y Toro S.A. became a public limited company by public deed on December 31, 1921 when it expanded its business name to general wine production.

Viña Concha y Toro is incorporated as an open stock company and is listed on the Santiago de Chile stock exchange.

# VIÑA CONCHA Y TORO

#### 102-2

The development of Viña Concha y Toro has been driven by a visionary approach focused on the creation of subsidiaries, which have become central pillars of the company's business through outstanding growth over time. The Family of Wineries concept was created in 2018 to give a unique identity to the Holding, focusing on its three production origins (Chile, Argentina and USA). Under this distinctive identity, we seek to reinforce the value in the creation of unique products from different origins, where each one stands out in performance, ongoing expansion to new markets and recognition.

During 2019, we focused on the internal implementation of the company's new corporate identity, with a vision focused on consumers, offering the best wine brands of unique character from our diverse family of wineries.







102-3 102-4 102-7

The company's headquarters are currently in Santiago, Chile, and it has vineyards, wineries and bottling plants in Chile, Argentina and the United States, three origins of particular characteristics that bring great diversity to the corporate portfolio. In total, Viña Concha y Toro has 12,107 hectares of planted land and 3,363 employees. Added to this, the company has 17 winemaking cellars, 5 bottling plants and 13 sales and distribution offices in North America, South America, Africa, Asia and Europe. Its brands are recognized worldwide for their quality, and thanks to their unique characteristics and the work of a powerful sales team, they are present in more than 130 countries.





#### INTERNATIONAL PRESENCE

102-6







10

Valleys



56

Vineyards



10,248

Hectares planted



13

Winemaking cellars



3

Bottling plants

#### **ARGENTINA**



**3** Valleys



10

Vineyards



1,411

Hectares planted



3

Winemaking cellars



1

**Bottling plants** 

#### **UNITED STATES**



Valleys



14

Vineyards



448

Hectares planted



\_ \_\_\_\_

Winemaking cellars



1

**Bottling plants** 

#### VALUE CHAIN

102-9



# Vine growing and care

The care of the vineyards is essential for the preservation of natural resources.

158,848

tons of own grapes

We cultivate our vines with special care for the environment. 100% of our grape production has sustainability certification.

#### AGRICULTURAL SUPPLIES:

- ► Agrochemicals
- ► Phytosanitary products



# Harvest and Winemaking

2

During the harvest, the grapes are collected and transported to our winemaking cellars to continue with the controlled fermentation to obtain an optimal oenological result.

302,685

thousand liters produced

We work to continually improve process efficiency and sustainability; 80% of electricity supply in cellars comes from renewable sources.

#### **GRAPE SUPPLIERS**

#### SUPPLIERS OF OENOLOGICAL GOODS:

- ► Barrels
- ► Filters
- ► Clarifiers
- ► Additives and others



# 3

# **Bottling and Packaging**

Process of safely bottling wine in the different formats offered by the company.

266,791

thousand liters produced

We continue working on reducing the weight of our packaging. In addition, 75% of electricity supply in packaging plants comes from renewable sources.

#### SUPPLIERS OF PACKAGING MATERIALS:

- ► Bottles
- ► Labels
- ► Cases
- ► Caps and corks
- Plastics and other service providers



The success of our business model is due to the fact that the company actively participates in all stages of the value chain: vineyards, wineries, bottling plants and sales offices. In this way, we have a comprehensive vision that ensures quality in each of the processes and, finally, in the products.



#### **Distribution**

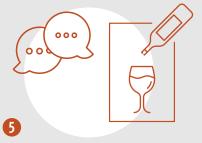
Distribution to logistics centers or export to finally reach consumers.

13

sales and distribution offices

We are committed to a more sustainable distribution model, working together with customers and distributors to reduce CO2 emissions.

LOGISTICS PROVIDERS



#### **Marketing and Sales**

We have consolidated marketing and sales teams that allow us to work together with each market in positioning our brands.

+130

destinations

We use the potential of our brands to communicate with our consumers, promoting responsible drinking.

ADVERTISING SERVICE PROVIDERS

# BUSINESS STRATEGY

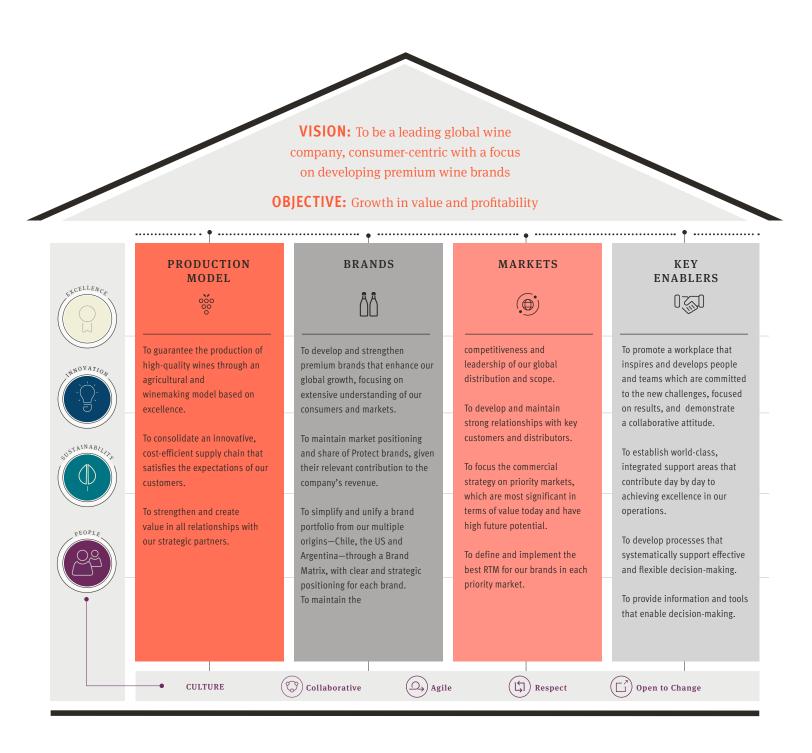
#### LET'S CULTIVATE A BETTER FUTURE TOGETHER

To respond to the new challenges of the global wine industry and maintain leadership in a dynamic and competitive environment, Viña Concha y Toro has set new goals for the year 2022, for which it has designed a roadmap that is reflected in its new Strategic Plan.



### BUSINESS STRATEGY

In 2018, the company defined its 2022 corporate strategy, aiming at growth in business profitability and the creation of value, based on the strategic pillars of excellence, sustainability and innovation. In 2019 a new strategic pillar was included: people.





#### **PILLARS**



Every day, millions of consumers around the world place their trust in the quality of Viña Concha y Toro's brands. Each of the people who work in the company seeks to achieve excellence in a continuous and collaborative process.



We promote an entrepreneurial spirit and constantly challenge ourselves. We seek to transcend with solutions that add value to our consumers. We believe in the power of research, development and systematic innovation for a sustainable future.



We understand the value of growing in harmony with our natural and social environment. Each step of our business operates incorporating sustainability and generating virtuous ties, seeking to give back in each bottle what the land has given us.



At Viña Concha y Toro we understand that our employees are strategic allies and the true protagonists of the cultural change that is taking place within the company. Our systemic and integrative vision establishes collaboration as the main value of a culture that will allow us to meet every challenge we set for ourselves.



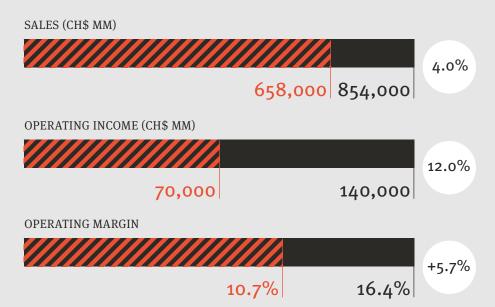
#### STRATEGIC GOALS:

Double the operating result from **\$70,000 MM** in 2016/17 to **\$140,000 MM** in 2022.

Increase the operating margin from **10.7%** in 2016 (base year) to an approximate range between **16%** and **16.5%**.

To achieve these results, since 2018 the company has been working on the following lines of action:

- Redirect the focus of the commercial strategy to the premium category, with high growth and margin.
- Focus on the Casillero del Diablo brand and its product lines towards higher price segments, and continuous brand building.
- Prioritize the premium brands of the subsidiaries that have a solid positioning and performance, such as Cono Sur Bicicleta, Trivento Reserve, Bonterra and 1,000 Stories.
- Focus on key markets, where the holding has its own distribution network and a solid market position.
- ► Increase profitability in the domestic market in Chile, the United States and Argentina.



CAGR

#### STRATEGY AND CULTURE

Goal 2020

Base 2016

Viña Concha y Toro has solid foundations to continue growing and achieve its goals. But to do that, we need a new way of working, so the main challenge of 2019 was the dissemination of the new corporate culture, seeking to incorporate new behaviors in all our employees.

We need to be **AGILE**, promoting simplicity, in line with our corporate vision, facilitating agreements and resolving obstacles for decision-making.

We have to work **COLLABORATIVELY**, promoting trust and teamwork for a better result and encouraging active participation in pursuit of a common goal.

We need to be **OPEN TO CHANGE** and flexible when facing projects and challenges, creating spaces to listen to new ideas and seeking for the best solutions through innovation.

We need to maintain those behaviors that characterizes us, always acting with **RESPECT**, putting people at the center, truly recognizing the value of different opinions and engaging constructively.



# RESEARCH AND INNOVATION FOR THE INDUSTRY

103-1 103-2 103-3

Innovation is one of Viña Concha y Toro's differentiating pillars. Through the transfer of new knowledge and technologies the company contributes to increasing the competitiveness of one of the most relevant economic sectors in Chile. Through the **Center for Research and Innovation**, it promotes various R&D initiatives and strategic alliances to achieve its objectives.

# CENTER FOR RESEARCH AND INNOVATION (CRI)

The CRI opened in 2014 to provide a place for wine growers and researchers to meet and exchane knowledge in response to the changes and challenges faced by the industry. The Center focuses on applied research that responds to the real needs of the industry and is an example of Viña Concha y Toro's commitment to the development of national viticulture, corporate social responsibility and the community.

Some of the CRI's main objectives are to enhance plant production, adapt and develop new technological tools, foster a top-level analytical capacity, and manage the company's research and innovation ecosystem and culture. Its work will have enormous implications in improving productivity, not only for Viña Concha y Toro, but also for the industry in a broader sense, allowing us to face the new competitive scenario with excellence, taking an important step in innovation.



Promote applied research, technology transfer and innovation to ensure our company's multi-origin productive excellence and the sustainability of our processes and to enhance national viticulture.





#### **CRI OBJECTIVES:**

- 1. Strengthen plant production in order to keep the company at the forefront of this field.
- 2. Perfecting the company's wine production processes through technological innovation and the development of new tools.
- Transfer knowledge in chemical, molecular and sensory analysis to both productive and commercial areas.
- 4. Strengthen the innovation management system for the design of new products.
- 5. Encourage the development of the industry by strengthening the exchange between the different actors through technology transfer and dissemination of the results of R+D+i.

#### CRI STRATEGIC PROGRAMS

The CRI's work is guided by six strategic programs, which involve the different stages of the production chain, from

the vineyard to the final product. In 2019, it focused on the following strategic programs (SP):

### SP1: STRENGTHENING OF PLANT MATERIAL IN THE NURSERY

Its objective is to conduct research aimed at eliminating or reducing the presence of diseases in the vineyard to obtain more robust plants and, therefore, more resistant to pathogens.

In its third year of development, the result of this project will soon be used by the Agricultural and Livestock Service (SAG) to import new plant material from other origins such as the United States. The materials integration standard will incorporate the techniques developed at the Center.

# SP2: WATER RESOURCES AND CLIMATE CHANGE

This project focuses on applied research in the area of water resources. It incorporates, adapts and develops innovative technology and knowledge for managing and optimizing water usage, as well as studying the physiological effects in the vineyard in terms of water availability and quality, and its impact on the adaptation and mitigation to climate change and its short and long-term effects.

Among the main milestones of the year is the measurement of the real evapotranspiration in our experimental vineyards. This technology has reduced the water usage by 25% without compromising productivity and quality.

## SP3: QUALITY OF GRAPES AND WINES

The relationship between the composition of the grapes and the quality of the wine allows the correct assessment to make better technical decisions in the vineyard and the winemaking cellars . The objective of this project is to establish a quality measurement system for grapes and wines, complementary to the current system, based on advanced sensory, chemical and spectroscopic analysis.

The main progress made during 2019 include:

- Assembly of a new (fast and economical) spectrophotometric method to predict sensory quality of grapes and wines: Horiba Aqualog.
- Learning new applied sensory evaluation methodologies (napping and sorting):
   Work and involvement of an expert sensory panel (oenologists).
- Complementation of the line with work in metabolomics at the Edmund Mach Foundation, Italy.
- Incorporation of postdoctoral researchers at the CRI.

#### **SP4: SMART WINE INDUSTRY**

The use of digital technologies such as the Internet and artificial intelligence represents an opportunity to simplify operations, reduce costs, achieve greater efficiencies and make more effective decisions. In this strategic program, we aim to promote the digital transformation of processes in Viña Concha y Toro's value chain, seeking greater efficiency, flexibility, and maximizing quality and productivity.



Progress made in 2019:

- ► Functional and scalable prototype of grapes and wines quality management platform.
- Scalable IOT infrastructure for monitoring and controlling fermentation in industrial vats.
- Implementation of a bioreactor laboratory for microfermentation.
- Prototype of a new harvest volume prediction system.

#### **SP5: NEW PRODUCT DESIGN**

The program's projects are aimed at taking advantage of opportunities and niches identified through market intelligence and new consumer research methodologies.

#### CIRCULAR VITICULTURE PROGRAM

A circular viticulture program was added at the end of 2019, aligned with the Holding's vision to promote organic viticulture and apply its knowledge in conventional winemaking in response to the market's growing demand to reduce the use of agrochemicals.

The agricultural managers of Cono Sur and Concha y Toro participate in this program on behalf of the Holding, together with Emiliana, an organic vineyard with strong ties to the company.

#### **CRI EXTENSION CENTER**

Through the Extension Center, the CRI makes a positive contribution to its surroundings by encouraging the exchange of knowledge among the most relevant actors in the industry, including winegrowers, suppliers, universities and the nearby community.

The agreements with Chilean and foreign universities allow Viña Concha y Toro to participate in pioneering research processes around the world. The Center has also established an internship program for its employees and researchers and welcomes students from technical schools or national and international universities.

#### SUSTAINABILITY STRATEGY

#### 102-2

Viña Concha y Toro's vision of sustainability is based on understanding that economic success goes hand in hand with caring for the environment, making rational use of natural resources, coupled with a commitment to people and the social sphere in which it operates. This virtuous circle is essential in the company's business model.

The company formalizes this commitment to responsible management of economic, environmental and social aspects through its Sustainability Strategy, which was developed taking into account the most relevant issues and risks that the company, the wine industry and its stakeholders may face.

This vision of sustainability is present in all the company's processes and in its business strategy. The way we plan and develop new products, as well as how we manage the legality and safety of our processes, involves a precautionary approach that seeks to protect the environment according to Principle 15 of the United Nations Rio Declaration on Environment and Development.



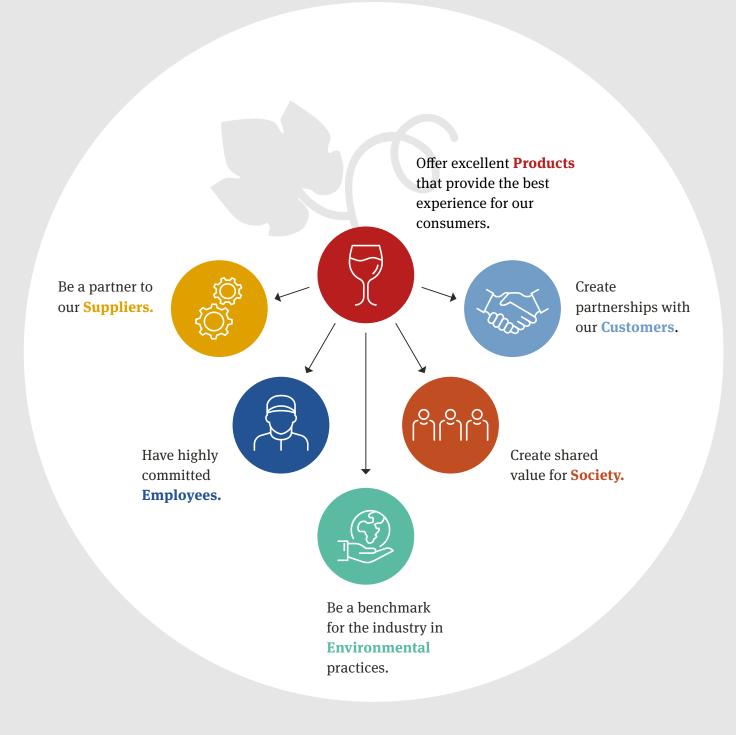
These strategic guidelines are translated into six pillars, each with measurable initiatives and quantifiable goals that are presented throughout this report, formalizing the company's commitment to sustainability as a strategic and differentiating factor.





#### SUSTAINABILITY VISION

# Give back in each bottle, what the earth has given us

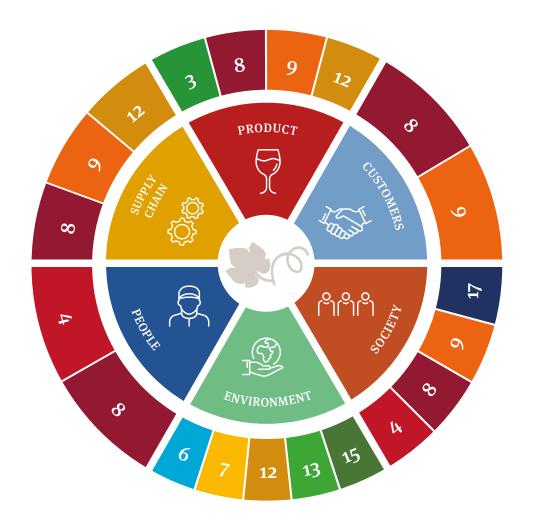


# VIÑA CONCHA Y TORO'S CONTRIBUTION TO THE SDGS

#### 103-1 103-2 103-3

The Sustainable Development Goals (SDGs) are a universal call for action to end poverty, fight inequality and tackle climate change.

All objectives are interconnected and important, but we focus our efforts on those that are critical to our business and where we can have the greatest positive impact.







































#### AFFILIATIONS AND ASSOCIATIONS

102-12 102-13

The company participates in associations that seek to promote the development and sustainability of the sector, some of these affiliations are global and applicable to the Holding as a whole and others have been subscribed by local subsidiaries in each of their countries.

#### **CHILE**



It promotes the national wine industry, focusing on responsible consumption and sustainable business practices.



A key partner in the task of raising awareness and mobilizing the responsible and sustainable management of businesses.



Chilean Packaging Center (CENEM) seeks to contribute to the creation of value in the packaging industry, integrating the entire supply chain.



It seeks to promote, disseminate and continue integrating the 10 principles of the Global Compact into the business sector, seeking more responsible operations.



Water Footprint network is an organization that focuses on promoting fair and smart use of water.

#### **UNITED STATES**



Tackles the world's greatest sustainability challenges, including climate change, water scarcity and pollution, and the defense of human rights.



It help organizations measure, verify, and report carbon in their operations so they can manage and reduce it.



Carbon Pricing Leadership Coalition is a voluntary public-private association that agrees to advance the "Carbon Pricing" agenda.



The Global Reporting Initiative (GRI) is an independent organization whose objective is to promote the development of sustainability reports in all types of organizations.



It work to create an environment where the wine community can flourish, grow and make a positive contribution to national, state and local communities.

#### **ARGENTINA**



Bodegas de Argentina is the Chamber of Commerce that brings together the main wine companies from Argentina.



An organization that seeks to promote the image and brands of Argentinian wine through communication, training and knowledge transfer.



It is a non-sectoral business organization that brings together 63 companies from different industrial sectors that are based in Argentina and united by the common commitment to sustainable development.

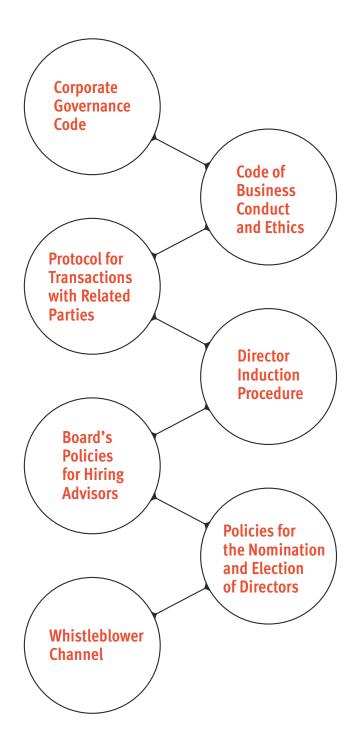




#### **CORPORATE GOVERNANCE FRAMEWORK:**

Viña Concha y Toro meets
the highest standards of
corporate governance and risk
management. The company
complies with corporate
governance regulations in each
of the countries where it operates
-Argentina, Chile and the United
States-, is subject to its bylaws,
and is also governed by the
General Corporations Law.

The Holding's corporate governance is headed by a Board of Directors whose functions are clearly determined. The Board is responsible for approving and enforcing the documents that ensure good corporate governance, and it actively participates in the definition of the business strategy and risk management.



Corporate Governance 33



# CORPORATE GOVERNANCE STRUCTURE

102-19 102-22 102-23 102-24 102-26 102-29 102-33 405-1

Viña Concha y Toro's corporate governance is headed by the Board of Directors, which is made up of seven members who are accountable to the shareholders and are responsible of establishing the strategic guidelines that guide the company's conduct.

These guidelines are implemented by the senior management, which is made up of corporate managers that report to the Chief Executive Officer chosen by the Board of Directors.

The Company's CEO reports to the Board on compliance and execution of the business strategy, oversight of risk management, and compliance with corporate values and policies. He is also responsible of communicating critical concerns or issues of the different managements, executive committees and main stakeholders.

#### BOARD SELECTION AND APPOINTMENT

The seven members of the Board of Directors are elected by vote at the General Shareholders' Meeting for a three-year term, at the end of which they all must be reappointed. They can be re-elected indefinitely.

The company has a Director Nomination Procedure, publicly available on the company's website.

Considerations in the Board's configuration:

- ► Candidates must be nominated by shareholders representing 1% or more of the company's shares.
- ► Industry knowledge, professional background and experience are considered.
- ► The Directors' experience in economic, social, environmental, industry and risk matters is also considered.
- ► The company does not have a diversity policy for the Board of Directors.
- There is no restriction on the Directors' participation in other companies' board of directors. Currently, only one of them participates in more than 4 other boards.
- ► The Board of Directors has 1 Independent Director, in accordance with the provisions of article 50 bis on Public Limited Companies
- ► The chair of the highest governance body is not an executive of the organization.

#### **BOARD STRUCTURE:**







#### **BOARD OF DIRECTORS**

There were no significant changes to the Board of Directors during 2019.

102-18





|                                | 2018 | 2019 |
|--------------------------------|------|------|
| Average time in the Board      | 13.4 | 14.4 |
| Less than 3 years              | 2    | 2    |
| Between 3 and 6 years          | 0    | 0    |
| More than 6 and under 10 years | 1    | 1    |
| Between 9 and 12 years         | 0    | 0    |
| More than 12 years             | 4    | 4    |

Effectiveness of the Board Average attendance of Directors at annual meetings

**Function** 





#### **BOARD COMMITTEES** 102-22 102-18

Viña Concha y Toro has three Board committees, whose purpose is to address key company issues in greater depth, taking advantage of specialized knowledge.

#### **BOARD'S TRAINING**

102-27

Every new member undergoes an induction process where they review relevant information, including the company's mission, vision, strategic objectives, principles and values, strategy and sustainability initiatives, the legal framework and business risks. Subsequently, they are frequently provided with updates, training and expert opinions in different economic, social and environmental matters relevant to its management.

#### **Comittee Name Directors Comittee**



It analyzes in depth the company's main financial aspects, as well as the strategic risks and measures to mitigate them.

Provides a reasonable opinion regarding the integrity, accuracy and transparency of the financial statements, the analysis and implementation of the comprehensive risk management system, internal control, operations with related parties, wages, and executive compensation plans.

#### **BOARD SELF-ASSESSMENT**

102-28

Every year, a self-assessment is carried out to evaluate the efficiency of each director's management in order to continuously improve the Board of Directors' performance. This evaluation considers the achievement of strategic goals, procedures of control and assessment of the organization's performance, regulatory compliance and the assurance that stakeholders' concerns are being considered.

#### **Audit Comittee**



It plays an essential role in building and sustaining investors' confidence in the company and its integrity in the markets.

Provides support in the compliance with legal and fiduciary obligations, especially with respect to the integrity of financial information and the internal control system.

Considering that Viña Concha y Toro completed its ADR's program in the United States, as of August 2019 the Audit Committee stopped meeting.

#### **Ethics Comitee**



It promotes and regulates the behavior of professional and personal excellence of all employees, and is in charge of acknowledging, resolving and reporting complaints relating to violations of the code of ethics.



# SUSTAINABILITY IN CORPORATE GOVERNANCE

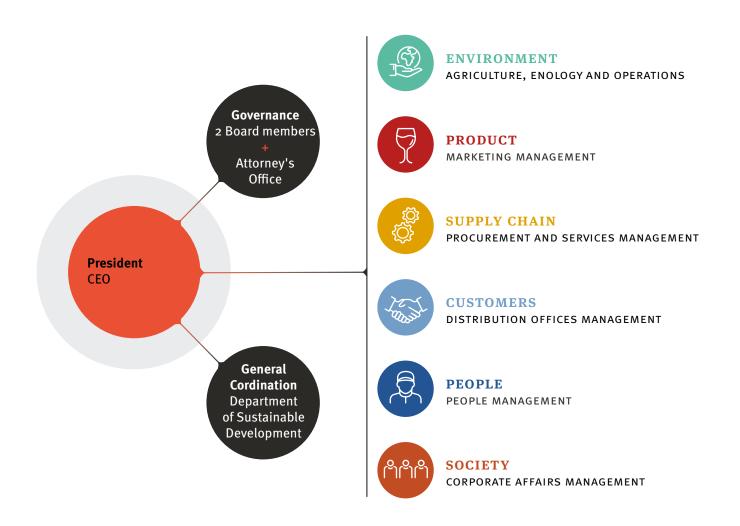
102-20 102-29 102-31 102-32

Sustainability is a fundamental pillar of the company's business strategy and a cross-cutting aspect in all management sections. The company has a Sustainability Committee responsible for managing and monitoring risks and compliance with the Sustainability Strategy.

### SUSTAINABILITY EXECUTIVE COMMITTEE

The Sustainability Executive Committee is made up of six executive leaders, the CEO and two company directors. In addition, it has the support of the Sustainable Development Department. Its main functions include:

- Review and approve the Sustainability Report
- Determine environmental and social performance indicators
- Support planning and monitoring in sustainability management
- Participate in the company's sustainability assessment process



Corporate Governance 37



### RISK MANAGEMENT

102-11 102-15 102-29 102-30 102-31

Viña Concha y Toro's business is exposed to risks because the company participates in all stages of the production process, from agricultural plantations, winemaking of grapes, production and packaging of its wines, to their distribution.

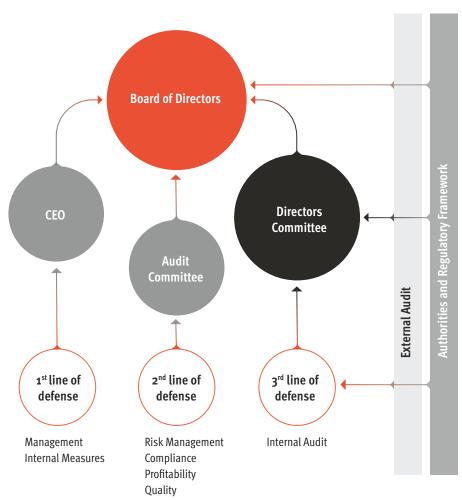
Risk management commits and involves the entire company and is considered an initiative that strengthens Corporate Governance and is key to its development, ensuring the sustainability of the business. The company reasonably ensures the mitigation of risks that threaten the business, in order to ensure its long-term sustainability.

In this way, the company has developed a Risk Management process based on ISO 31,000 and COSO 2013, considering a risk management governance based on the definition of 3 Lines of Defense.

During the year 2019, a process of updating, identifying, evaluating and mitigating risks was carried out, which is audited annually by the Corporate Internal Audit area and reported quarterly to the Directors Committee, in order to analyze and evaluate the proper functioning of the risk management process, the risk matrix used (as well as the main sources of risks and methodologies for detecting new risks and the probability and impact of those that are most relevant), and the recommendations and improvements that it would be appropriate to implement in order to better manage the company's risks.

### **DEFENSE LINES**

The company's Comprehensive Risk Management System is based on 3 lines of defense that allow adequate risk control.







In order to strengthen the Risk Management function, the company redesigned its Internal Control department, reporting to the corporate Finance Management, which provides consulting, training, methodology and monitoring of the Risk Management functions of the first line of defense, that is, each of the company's managers.

On the other hand, the company has specific policies and procedures for managing the different risks associated with its operation. In addition, the Corporate Internal Audit area has the function of proposing and implementing standards and control activities for their mitigation.

The following are the main risks factors to which the company is exposed:

### **OPERATIONAL RISKS**

- ► Agricultural risks
- ► Risks associated with dependency on suppliers
- ► Risks associated with the consumption patterns

### RISKS FROM POLITICAL AND ECONOMIC CONDITIONS

- Risks associated with changes in tax laws and interpretations
- ► Risks associated with government regulations
- ► Risks associated with the Chilean economy.

#### FINANCIAL RISKS

- ► Risks associated with variations in exchange rates
- ► Credit Risk

#### **TECHNOLOGY RISK**

► Risks associated with Cybersecurity and information security.

More detail of the risks identified on pages 74-77 of our 2019 Annual Report: https://conchaytoro.com/holding/inversionistas/memoria-anual/

Corporate Governance 39



### TCDF RECOMMENDATIONS

102-15 201-2

Viña Concha y Toro recognizes the importance of disclosing climate-related risks and opportunities in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). This will enable the market to drive efficient capital allocation and support the transition to a low-carbon economy.

Viña Concha y Toro recognizes that climate change is possibly the greatest threat facing the planet and society in general, and that it presents major challenges to our business, both for our own operations and for our supply chain.

In this context, a detailed gap analysis of our policies, practices, and disclosures has been conducted in relation to the recommendations of the TCFD. We assessed the potential risks that various climate events could have on the company, seeking to develop plans and mitigation measures in advance.

This year represents the company's first disclosure to address TCFD recommendations. In addition to the progress mentioned below, we have identified gaps to fully comply with TCFD guidelines and developed an action plan to address them. The next steps include implementing the plan, along with assessing in detail the financial impact associated with the identified risks and opportunities.

### **GOVERNANCE**

Climate change is one of the underpinnings of the Environment pillar of the company's Sustainability Strategy, and climate impacts on our supply chain are also considered under the Supply Chain pillar.

The company has a Sustainability Committee, responsible for implementing and monitoring the Sustainability Strategy. This Committee is

composed of six executive leaders, plus the CEO and two company directors. Additionally, the Department of Sustainable Development supports the Sustainability Committee, reporting quarterly on the progress of the different projects. A representative of the Sustainability Committee also meets at least twice a year with the company's Board of Directors to report and evaluate the fulfillment of the goals.

### Task Force on Climate-Related Financial Disclosure (TCFD)

The TCFD recommendations are one of the most important milestones in defining a path towards the integration of climate risks into financial decision-making. The recommendations address four key pillars: **governance**, **strategy**, **risk management**, **and metrics and targets**. The aim is to promote "consistent disclosures that will help financial market participants understand climate-related risks".

#### **STRATEGY**

Potential risks and opportunities have been identified based on two scenarios of global temperature increase for the years 2030 and 2050, developed by the Intergovernmental Panel on Climate Change (RCP 8.5 and RCP 2.6). The summary results are presented below:

### **Physical risks:** Physical risks could mainly affect the supply of raw materials and production processes.

| IDENTIFIED RISK   | ASSOCIATED CLIMATE STRESSOR           |
|---|---------------------------------------|
| Alteration of vine growth cycles  | Increased temperatures                |
| Changing sugar levels   | Increased temperatures                |
| Early start of the harvest  | Increased temperatures                |
| Decreased availability of water for irrigation, impacting the quality and quantity of grapes produced | Decreased rainfall                    |
| Damage to plants and fruit (depending on phenological stage)  | Heat waves                            |
| Increase in diseases (fungi) and pests  | Rainfall variability                  |
| Damage to fruits  | Increase in extreme<br>weather events |
| Interruption of operations  | Natural disasters                     |
| Fires causing smoke that affects the quality of the grapes  | Dry climate                           |

### **Transitional risks:** Transitional risks are mainly associated with political and legal aspects.

Increased carbon would raise the price of energy, thus increasing production costs.

Increased costs due to green taxes in countries with productive operations.

Regulatory risks associated mainly with water rights, which could be restricted.

### **Opportunities**

Increased efficiency by lowering the level of water and carbon intensity per unit produced, for example, through drought-resistant hybrids.

Reducing inputs and waste, e.g., through nutrient management practices, conservation practices, biofuels and waste reduction.

Development of new products and services that are low in emissions and water usage.

#### RISK MANAGEMENT

The identification and management of climate-related risks follows the established risk management process detailed on page 38.

#### **METRICS AND TARGETS:**

Viña Concha y Toro uses metrics related to water footprint, biodiversity, effluents and waste, energy, and carbon footprint, among others, which are reported annually in its Sustainability Report. The carbon footprint is measured on an annual basis, taking into account the three scopes of the GHG Protocol, and is verified by an independent third party. Additionally, the footprint is measured and monitored in absolute terms and in intensity.

In its Sustainability Strategy, the company has established targets for each metric, which are reviewed and updated every year. In addition, during 2019, Viña Concha y Toro committed to the Science Based Target initiative to reduce its absolute Scope 1, 2 and 3 emissions (direct and indirect) by 55% by 2030, and to achieving zero net emissions by 2050.

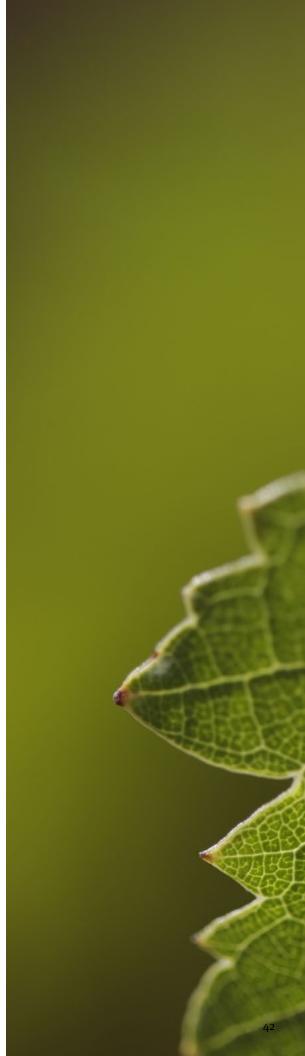
Corporate Governance 41

# COMPANY PRINCIPLES AND VALUES

The company is committed to conducting its business with fairness, integrity, and respect for the law and corporate values at all times.

102-16

For Viña Concha y Toro it is essential that any activity or decision related to the production, distribution or sale of its products is carried out under the principles and values that represent the company. To ensure compliance, it has a series of documents containing these ethical principles and corporate guidelines which govern the behavior of directors, executives, employees, suppliers and customers and their relationship with the company.





**OUR VALUES** 

Excellence Leadership Transparency Diligence Proactivity Rectitude Closeness Honesty Quality Professionalism Responsibility



### ETHICS AND ANTI-CORRUPTION

102-17 102-25 205-2

Viña Concha y Toro's Code of Business Conduct and Ethics is a legal document that establishes the minimum principles and values that should govern the professional behavior and work of all those who are part of the company and its subsidiaries. It regulates, among other matters, the relationship between employees and the company, as well as the relationship between the company and its customers and suppliers, with the environment, and the use of property and inside information. It applies to all the company's operations, and executives, managers and employees have the responsibility to be aware of and adhere to the Code of Conduct, so that the company achieves its goal of maintaining the highest ethical conduct and standards.

Each of the directors, executives and employees of Viña Concha y Toro agrees to:

- Work with maximum honesty and integrity.
- Respect and act in accordance with the dignity due to people, be they employees, contractors, subcontractors, suppliers, authorities or customers.
- ► Always comply and enforce the applicable laws, rules and regulations.
- Inform a superior or any relevant official of any breach or possible breach of the law or of Viña Concha y Toro's policies, including any violation of the Code of Ethics and Conduct.
- ► Be positive leaders.

Together with the Protocol for Transactions with Related Parties, the Code of Ethics and Conduct also regulates conflicts of interest within the company and its subsidiaries, defining the procedures to detect, communicate and manage such conflicts. The fundamental principles promoted include integrity and transparency, a commitment to quality, respect for fundamental rights, non-discrimination, proper use of the compa-

ny's assets, fair dealing with suppliers, and caring for the environment, among others.

Compliance with the Code and the management of ethics in the company are the responsibility of the Compliance Office, dependent on the Corporate General Audit of Internal Control, and the Ethics Committee appointed by the Board, who is responsible for disseminating and enforcing the company's Code and Internal Regulations.

### **Special powers** of the Ethics Committee:

- Know and answer queries regarding the scope and applicability of the Code of Ethics and Conduct.
- Know the anonymous complaints received through the channel specially designed for this purpose.
- ► Report them to the Directors Committee.
- Analyze those complaints that are framed in the Crime Prevention Model or are associated with the crimes contained in Law No. 20,393.
- ► Coordinate the investigations derived from said complaints, support the person in charge of Crime Prevention in the different control activities he/she carries out, and request reports when circumstances warrant.

### Policy and Procedure for the Investigation of Anonymous Complaints

102-17

On its website, Viña Concha y Toro has made available a platform for anonymous complaint in which employees, customers, suppliers, shareholders and the general public can report irregularities or non-compliance on issues related to accounting, fraud, safeguarding of assets, breach of the Code of Ethics and Conduct or Internal Regulations, policies, procedures and standards, both internal and external, audit matters or any other related to the internal control of the company.

All complaints are confidential and are managed following the Anonymous Complaint Procedure, protecting against any discriminatory measure resulting from the complaint.

The Audit Committee is the body in charge of investigating, resolving and preparing an Investigation Report.



### Viña Concha y Toro's Code of Business Conduct and Ethics

is a legal document that establishes the minimum principles and values that should govern the professional behavior and work of all those who are part of the company and its subsidiaries.



### WHISTLEBLOWING CHANNELS:

#### 1. Website:

https://conchaytoro.com/holding/informacion-legal/denuncias-anonimas/

**2. Traditional mail:** The complainant may make the complaint by means of a confidential letter, addressed to the secretary of the Audit Committee of Viña Concha y Toro at Avda. Nueva Tajamar 481, Torre Norte, piso 15, Las Condes. Santiago.

#### CRIME PREVENTION MODEL

205-1

Since 2012, Viña Concha y Toro has a Crime Prevention Model applicable to all of the company's operations which, through different control activities, monitors the processes or activities that are exposed to the crimes indicated in Law 20,393 on Corporate Criminal Responsibility, with the objective of preventing money laundering, bribery of national or foreign public officials, and financing of terrorism. The person in charge of the Model is appointed by the Board of Directors.

### RELATIONSHIP WITH PUBLIC POLICIES

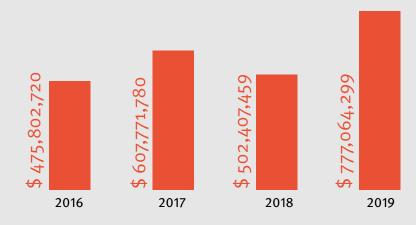
415-1

The company has a Corporate Donation Policy which establishes that all possible political donations must be approved by the Board of Directors, in session, and in compliance with current legislation. During 2019, the company did not make contributions to political campaigns or organizations. However, same as every year, it supported different commercial and trade associations, such as: the Santiago Chamber of Commerce, the California Chamber of Commerce, Vinos de Chile A.G., the Wine Institute of California, Bodegas de Argentina, among others, with the aim of promoting the competitive potential of the wine industry and creating a solid network of collaboration with other organizations.

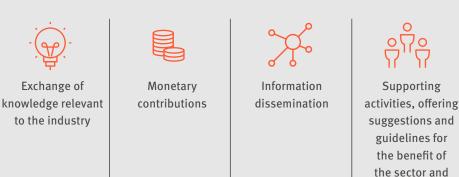
### COMPLAINTS RECEIVED THROUGH THE WHISTLEBLOWING CHANNEL DURING 2019:



# TOTAL DONATIONS AND CONTRIBUTIONS TO UNION ORGANIZATIONS, THINK TANKS AND/OR OTHER TAX-EXEMPTED ORGANIZATIONS (CL\$)



#### We contribute to different initiatives and associations through:



Corporate Governance 45

consumers



### NORMATIVE COMPLIANCE

307-1 406-1 418-1 419-1

Viña Concha y Toro is aware that regulation is a dynamic process in all the countries in which it operates. The Corporate Government reviews the introduction of improvements aimed at ensuring compliance and respecting the laws while also guaranteeing the pursuit of sustainability, excellence and transparency in all management.

All those who are part of the company work together to understand the importance of good corporate practices and to establish a culture of compliance.

Consequently, the company has had good results in this area and during 2019:

- There were no significant fines or non-monetary sanctions for non-compliance with environmental laws or regulations.
- ► There were no cases of discrimination.
- There were no significant fines or non-monetary sanctions for non-compliance with laws or regulations on social or economic matters.
- ► There were no incidents or formal complaints for violation of privacy or leak of customer information.

### TAX TRANSPARENCY

For Viña Concha y Toro, it is of utmost importance that all its activities comply with local and foreign laws regarding corporate taxes, value added taxes, alcohol taxes and any other tax obligation, providing full and complete transparency in the communication between the Holding and local tax authorities.

The taxes we pay can have a major impact on economies and societies and play a key role in the development of the regions in which we operate. We consider that paying taxes is a means to make a contribution to society.

The company adheres to the guidelines of the OECD arm's length principle on transfer pricing, which means that intercompany transactions are conducted in accordance with market prices. To this end, every year external consultants review and audit each transaction between companies, to ensure that they comply with the principles of arm's length in each jurisdiction where the Holding operates.



All those who are part of the company work together to understand the importance of good corporate practices and to establish a culture of compliance.



We have an Internal Transfer Pricing Committee with the purpose of periodically reviewing and monitoring the results in each jurisdiction in which the company operates in order to comply with transfer pricing regulations.

The Group's Corporate Finance Manager is responsible for keeping the Board of Directors informed of any relevant developments regarding the Holding's tax situation, especially if there are tax or reputational risks that may arise.

#### INFORMATION SECURITY

Viña Concha y Toro guarantees the safe-guarding of its customers' information with strict respect for the law, maintaining absolute confidentiality of all personal data and not sharing it with third parties. The company has a Corporate Information Security Policy that establishes the measures that the organization must implement to appropriately ensure the confidentiality, integrity and availability of the information, in order to avoid intentional and/or accidental loss or misuse of information assets (data, equipment, printed documentation,

etc.), damage to the company's public image, and risks that may affect business continuity in its processes and systems.

The company is working on establishing corporate strategies from different areas of action to face adverse situations that may expose the winery to risks inherent to digitalization and information. These strategies are centralized in a process called Information Security, which consists of a series of activities focused on protection and preparedness against a wide range of threats in cyberspace and the daily activities of the winery's employees. This is achieved through the implementation of a set of policies, processes, procedures, controls, hardware and software and, most importantly, the appropriate ethical behavior of the people who work in the company.

Corporate Governance 47



### ECONOMIC PERFORMANCE

The economic result of the period responds to the commercial strategy implemented by Viña Concha y Toro in 2018 and consolidated in 2019, which reoriented the business towards the brands defined as Principal and Invest. Commercial efforts and investment in brand building focused on these brands, due to their growth potential and contribution to profitability.

### PERFORMANCE BY CATEGORIES

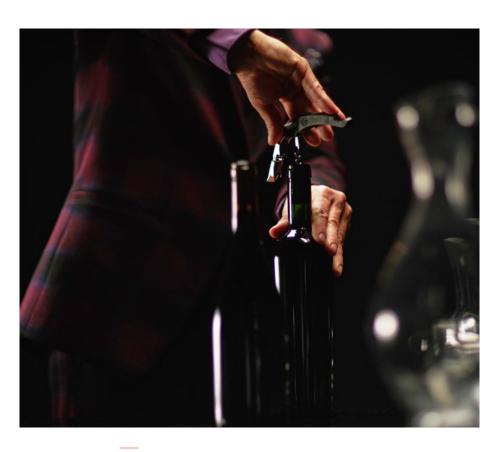
The Principal category, made up of the company's flagship brand Casillero del Diablo Reserva, grew 10% in volume. This positive result reflects the solid positioning of the brand and its high recognition and preference, which has been supported by continued investment and strengthening of its global distribution.

**The Invest category** showed an expansion of 15.4% in volume, driven by Casillero del Diablo's product lines (+8%), Cono Sur Bicicleta (+9%), Trivento Reserve (+39%), 1000 Stories (+12%) and Diablo, a brand that in its second year in the market doubled its volume, reaching 112 thousand cases.

**The Protect category** maintained its volume, while the Watch category fell 6.7%, responding to the new direction of the portfolio.

**The Other Business segment** showed a decrease of 23.3% during the year, mainly due to lower sales of new businesses, 22.7%, after the termination of the distribution contract with Diageo. For its part, the Premium beer business showed positive growth for Miller, Kross and Estrella Damm, showing a favorable consumption trend for this category.

| Category     | Value  | Volume |
|--------------|--------|--------|
| Principal    | 12.9%  | 10.0%  |
| Invest       | 21.5%  | 15.4%  |
| Protect      | 7.8%   | (0.3)% |
| Watch        | (2.9)% | (6.7)% |
| Other brands | (5.8)% | (5.9)% |





#### RESULTS BY COUNTRY

#### Chile

Wine sales in Chile amounted to \$77,187 million, down 1.6%, due to a 3.7% rise in the average price and a 5.1% drop in the volume marketed. It is important to note that the annual figures were affected by a decrease in sales during the fourth quarter of the year (-16.7%) following the social crisis experienced in the country. In spite of this complex scenario, the result in Chile was aligned with the strategic objectives of growth in the high-value categories.

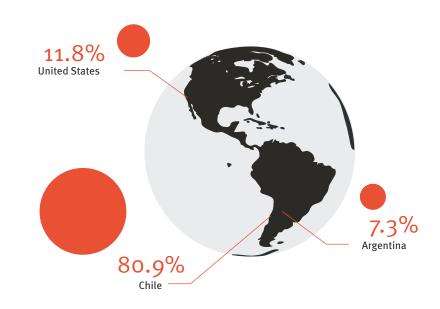
### Argentina

Sales from the Argentine operation totaled \$36,291 million in 2019, an increase of 15.4% in value and 6.2% in volume. This result accounts for a successful year for Trivento and its main Invest brands: Trivento Reserve and Golden Reserve, a category that grew 39% in volume and 44% in value. This performance reveals a greater commercial focus under the new strategy and its multi-origin approach, coupled with continued investment in brand building and far-reaching strategic alliances in the United Kingdom and the United States, its main markets.

#### **United States**

Fetzer Vineyards sales in the US totaled \$108,269 million, with an increase of 5% in Chilean pesos and a decrease of 3.7% in US dollars, as a result of a 1.6% growth in volume and lower average prices. This result is achieved in a challenging environment for the American industry, characterized by high availability of wine and increasing competition. In this context, during 2019 the company increased promotional efforts and brand investments, prioritizing the repositioning of the imported portfolio from Chile and Argentina.

#### SALES BY ORIGIN





Corporate Governance 49



### RESULTS IN FOREIGN MARKETS

In foreign markets (exports from Chile and sales of distribution subsidiaries), sales totaled \$414,654 million, an increase of 12.8%, growing 5.0% in volume

The United Kingdom stood out, with growth of 10.7% in value and 8.4% in volume, where priority brands grew in sales and market participation.

Some outstanding results at the international level include Casillero del Diablo's sustained leadership among Chilean brands, positioning itself as one of the five best-selling wine brands in the English market, with the highest average selling price. Trivento continues to lead the Argentine category and enters the top 15 best-selling brands for the first time with outstanding growth in sales and

distribution. While the subsidiary Concha y Toro UK consolidated its position as the second largest provider of brand wines in the United Kingdom.

Brazil showed growth of 27.5% in value and 18.6% in volume, while the company's participation in the Mexican market grew 19% and 8.9% in value and volume, respectively.

Other markets that stood out during 2019 in terms of volumes were Poland (+52.1%), Denmark (+20.1%) and the Netherlands (+21.7%). Meanwhile, in the Asian region, South Korea grew by 28.9% in value and 4.4% in volume, while Japan grew by 13.3% in value and maintained its volume. China showed an increase of 21.6% in value without changes in volume, reflecting a better sales

mix with an outstanding performance in the Principal (+29.3%) and Invest (+44.5%) categories, in line with the company's new strategic focus.

Direct exports from the US increased 7.4% in volume, led by 1000 Stories, Bonterra and the Fetzer brand (+53.2%, +8.0% and +17.7%, respectively), with a strong performance in European markets such as Russia, Denmark, Switzerland, and Germany.

This result mainly reflects a better sales mix driven by the Premium brands that the company has defined as priorities, growth in foreign markets and the positive effect of the depreciation of the peso against the main sales currencies.

#### **MAIN RESULTS IN 2019:**

Consolidated sales reached **Ch\$656,980** million, increasing by 7% in value and 0.7% in volume.

The non-operating result recorded a loss of **Ch\$6,595** million, mainly explained by the exchange rate differences.

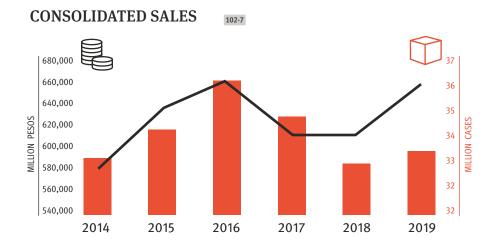
Net income reached **Ch\$52,500** million, with an increase of 6.9% compared to 2018.

Sales in the wine segment grew **9.2%** in value, and 1.8% in volume, totaling 33.5 million cases.

The net financial costs of financial income and readjustment units totaled **Ch\$12,511** million with an increase of 6.6%.

In foreign markets, valued sales totaled **\$414,654** million, an increase of 12.8%, growing 5% in volume.

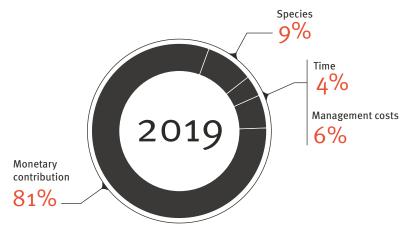




### DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED 201-1

|                               | 2015        | 2016        | 2017        | 2018        | 2019        |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| Generated economic value      | 644,620,700 | 673,341,123 | 663,828,182 | 636,876,188 | 665,359,548 |
| Sales revenues*               | 636,194,074 | 658,447,621 | 613,515,357 | 614,128,905 | 656,980,447 |
| Other revenues                | 8,426,626   | 14,893,502  | 20,043,495  | 22,747,283  | 8,379,101   |
| Distributed economic value    | 612,186,456 | 646,101,206 | 631,877,956 | 604,656,414 | 631,094,469 |
| Operational costs             | 468,741,277 | 491,206,346 | 483,909,811 | 454,713,274 | 469,905,531 |
| Employees wages               | 97,959,935  | 105,530,543 | 105,363,612 | 107,725,309 | 111,528,455 |
| Payments to capital providers | 28,812,406  | 31,634,399  | 31,007,388  | 30,591,093  | 32,243,640  |
| Community investment          | 154,746     | 187,499     | 230,426     | 232,620     | 345,299     |
| Taxes                         | 16,518,092  | 17,542,419  | 13,719,788  | 11,394,118  | 17,071,544  |
| Retained economic value       | 32,434,244  | 27,239,917  | 29,597,157  | 32,219,774  | 34,265,079  |

### COMMUNITY INVESTMENT: Breakdown by type of contributic<sub>203-1</sub>



# ENVIRONMENT











### Be a benchmark for the industry in environmental practices



Viña Concha y Toro's leadership in the wine industry goes hand in hand with the commitment to carry out its business in harmony with the environment, making efficient use of natural resources, under a culture of excellence in all its operations.

The company seeks to be a benchmark in environmental practices for the industry through the efficient use of energy and water, the management of greenhouse gas (GHG) emissions, and the preservation of biodiversity, adapting to climatic conditions by analyzing risks and opportunities.

Consequently, the Environment pillar of the company's sustainability strategy focuses on:

ADEQUATE MANAGEMENT OF
NATURAL RESOURCES, FOCUSING
ON REDUCTION, EFFICIENCY AND
CONSERVATION

EXTERNALITIES MANAGEMENT,
AIMING TO MINIMIZE OUR WASTE
AND MITIGATE OUR IMPACT ON
CLIMATE CHANGE

### RESOURCE MANAGEMENT

Viña Concha y Toro is aware that the sustainability of its business depends on the availability of natural resources, so it is committed to managing them with a long-term vision, seeking their preservation in order to provide future generations with the same conditions of availability and quality.

### **WATER**

303-1

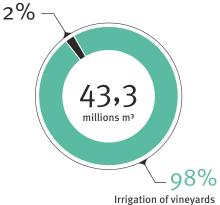
The company recognizes that the availability and preservation of water are ongoing challenges for the industry and for society in general. We are aware that water scarcity has become a critical problem at a global level, and that its availability is vital both for the sustainability of our business and for the quality of life of communities.

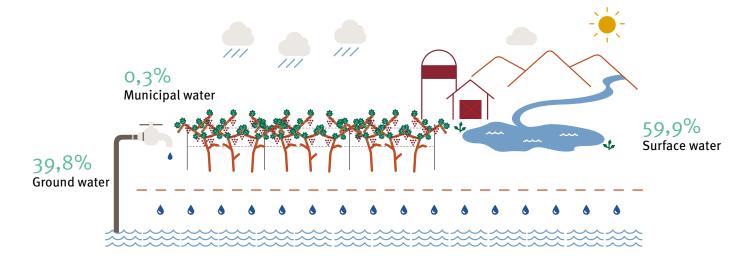
We are deeply committed to managing water use with the utmost care and efficiency, taking all necessary measures to minimize any potential negative impact that may arise from its use in our operations.

The company uses water from various sources, depending on availability, location and local regulations. These sources include surface water, ground water, municipal water and recycled water from our processes.

### **WATER USAGE**





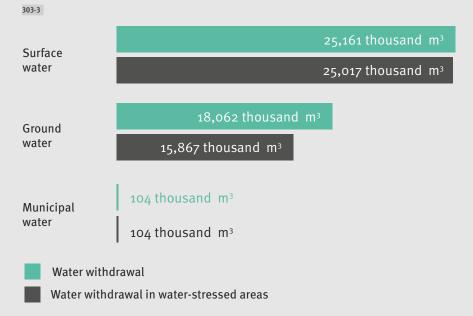




WATER WITHDRAWAL

### Water Risk Assessment

In order to understand where and how water-related risks and opportunities are emerging, we annually assess the exposure to water risks of our operations and our external grape supply using Aqueduct from the World Resources Institute (WRI). This tool uses a framework of 12 global indicators grouped into three risk categories and an overall score. Our assessment includes indicators on availability, variability, quality, access and vulnerability of the ecosystem.



### INTENSITY OF WATER USAGE

|                      | Unit      | 2017 | 2018 | 2019 |
|----------------------|-----------|------|------|------|
| Withdrawal intensity | m3/CAJ 9L | 0.93 | 1.05 | 1.29 |

### A LIST 2019 WATER

The recognized sustainability index CDP, highlighted the company as a leader in sustainable water management, scoring it with the maximum grade "A" - maximum grade of the program - in the "Water Security" category.

### NUMBER OF FACILITIES IN WATER STRESS AREAS



Environment

55





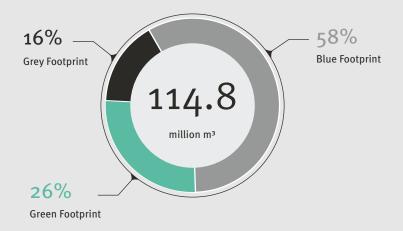
### **Water Footprint**

Since 2010 we have measured the water footprint of Concha y Toro's operations in Chile using the Water Footprint Network (WFN) methodology. This measurement considers the entire operation and includes all the activities of the supply and distribution chains.

The most recent measurement of the water footprint was 58.7 liters per 125ml glass of wine, 46% less than the industry average of 109 liters per glass<sup>1</sup>.

<sup>1</sup> Industry average provided by the Water Footprint Network, product gallery.

### WATER FOOTPRINT PER COMPONENT



### LITERS OF WATER USED PER 125CC GLASS OF WINE

| Own and third-party grapes | 53.7 |
|----------------------------|------|
| Winemaking and bottling    | 0.4  |
| Supply chain               | 4.6  |
| Total                      | 58.7 |

### WATER CONSUMPTION

Through the "Water Withdrawal vs. Consumption" measurement, we seek to assess the amount of withdrawn water that is effectively used and therefore is no longer available to the ecosystem or local communities.

| Water Withdrawal vs Consumption | millions m³ |
|---------------------------------|-------------|
| Withdrawal                      | 31,229      |
| Consumption                     | 25,779      |



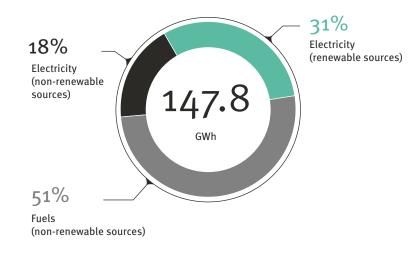
#### **ENERGY**

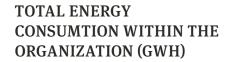
302-1 302-4

Energy is one of the main resources used in our production process. It comes mainly from fossil fuels, the electricity distribution network, which includes direct purchase agreements with renewable energy companies, and our solar photovoltaic plants.

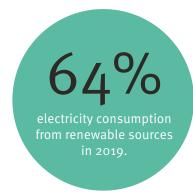
In 2019, we continued to significantly increase our electricity supply from renewable sources, aligned with our goal of achieving 100% renewability by 2020. During 2019 we completed the construction of 9 photovoltaic solar plants in Chile and closed contracts for the construction of 11 new plants during 2020. Trivento also began building a solar plant at its Maipú winery that will begin operating in 2020. In this way, during 2019 we ensured 81% of supply from renewable sources.

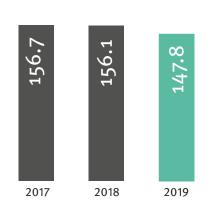
### TOTAL ENERGY CONSUMPTION (GWH)

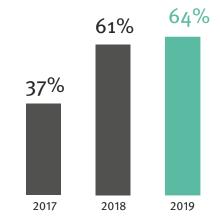




# % OF ELECTRICITY CONSUMPTION FROM RENEWABLE SOURCES







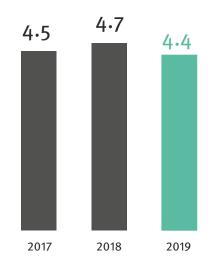


### **Energy Intensity**

302-3

In 2019, the energy intensity of our operations decreased by 7% compared to 2018 thanks to a general effort to boost energy efficiency of our production facilities, focusing on making winemaking processes less intensive in terms of energy use.

### ENERGY INTENSITY (KWH/9 LITERS CASES)





### BIODIVERSITY AND SOIL CARE

304-1 304-2 304-3

Viña Concha y Toro is aware of the vital importance of the ecosystems that coexist with its vineyards, so the protection of biodiversity and the improvement of wildlife is a priority.

None of our production operations are within protected areas, and the presence of different species of flora and fauna in our vineyards are proof of the excellent state of conservation of the natural heritage in our estates.

| Vineyard     | Surface (ha) |
|--------------|--------------|
| Peumo        | 452          |
| Rauco        | 852          |
| Villa Alegre | 304          |
| Idahue       | 1,633        |
| Rucahue      | 114          |
| Ucuquer      | 487          |
| Lourdes      | 149          |
| Palo Santo   | 189          |
| Santa Raquel | 93           |
| Total        | 4,272        |

### **Native Forest Conservation Program**

The company has an extensive natural heritage of native forest at its facilities in Chile, which coexists with the production of quality wines. Our Native Forest Conservation Program seeks to preserve, protect and maintain the native forest within our vineyards in Chile, along with its flora and fauna. This program began in 2011 with the registration with the National Forestry Corporation (CONAF) of a total of 3,272 hectares of native sclerophyllous forest distributed in nine vineyards, which increased to 4,272 hectares in 2019, considering the scope of the FSC® certificate which incorporates surface that is not necessarily classified as preferably for forestry by current forest legislation.

Since the registration of its forest heritage, Viña Concha y Toro has carried out biodiversity inventories and conservation plans in all declared estates, identifying the presence of numerous endemic species and others in various conservation categories.

In order to maintain and improve forest structure, FSC® certification involves carrying out a series of actions, such as implementing a forest fire prevention plan, the eradication of invasive species, enrichment in degrated sectors and periodic monitoring of biodiversity.

#### Soils

Aware that the wine business depends on the land and its environment, we work to improve biodiversity and manage our soils respecting the existing ecosystems.

We are constantly working on the management of agricultural soils with the aim of avoiding soil erosion and loss of nutrients as well as controlling pests and diseases. The company seeks to optimize and protect vineyards without interfering in the biological cycles of the soil, thereby preventing erosion. In all its operations, fertilizers are used exclusively to protect the optimal development of the vines and guarantee the quality of the grapes, according to enological requirements, and all phytosanitary treatments are preventive, using environmentally friendly products.



In 2019, Viña Concha y
Toro became the **first wine company in the world to achieve FSC certification** for
conservation purposes
(FSC-C154029).
This certification
strengthens the
conservation work
carried out by the
company during the
last decade.



### SOIL CONSERVATION INITIATIVES

#### **Fetzer**

Fetzer practices regenerative agriculture on the 388 hectares of vineyards it grows for Bonterra Organic Vineyards in Mendocino County. This regenerative approach includes beneficial agricultural practices such us planting cover crops, reducing tillage practices, applying compost, planting for biodiversity, and using planned grazing.

Regenerative agricultural practices reinforce soil vitality, help increased water retention, and enhance the vineyard ecosystem. Simultaneously, this approach promotes the natural power of the earth to hold carbon in the soil, helping to rebalance the carbon cycle, a key element in the effort to curb climate change.

Together, the benefits of this approach to agriculture are manifold: increased soil fertility, resistance to drought and levels of biodiversity, and support for the soil's natural ability to reintegrate carbon from the atmosphere.

#### **Trivento**

During 2019 Trivento continued working under its Vine Nutritional Program (VNP), whose objective is to provide each plant with the exact nutrients required according to its variety, rootstock, soil, climate, destination, etc. Each of these factors makes each parcel unique and therefore their nutritional needs are also unique.

The work consists of seeking the optimal nutritional balance to grow sustainable vineyards that are capable of producing grapes in a sustained manner, in volume and quality, for up to 30 years. The application of organic nutrients in the soil helps improve its conditions and support microorganisms, which in turn help to improve the vine's ability to absorb inorganic nutrients, creating a virtuous circle whose objective is to ensure that the vines have a longer useful life and we are not over-exploiting the soils.

#### Cono Sur

Viña Cono Sur has more than 300 hectares organically managed and certified by the German company BCS Oeko Garantie GMBH. Organic practices allow us to reduce the use of agrochemicals and incorporate more environmentally friendly management.

In order to maintain a healthy environment to grow vineyards, Cono Sur promotes biodiversity in the fields by creating biological corridors or planting native species, in addition to having natural pest control. The winery also uses animals to control the populations of insects that are potentially harmful for the vines.

Along the same lines, the vineyards are fertilized with natural compost, which is incorporated into the water reservoir and applied to the plant through the irrigation system.

### EXTERNALITIES MANAGEMENT

Sustainable management starts by recognizing and evaluating our impact on the environment, so that we can mitigate it. This is why we make significant efforts in the management of environmental, effluent, waste and emissions indicators.

### **EFFLUENTS**

306-1 303-2 303-4

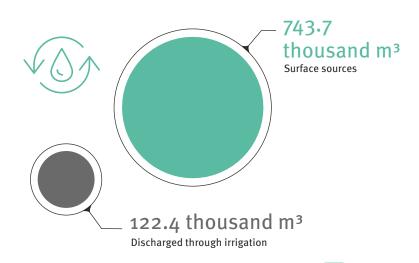
Viña Concha y Toro is committed to reducing the environmental burden associated with the generation of wastewater. Water management not only considers efficiency in its use, but also under what conditions we return it to the ecosystem and the impact it could have on the environment. Along these lines, we comply with the legal requirements established for the emission or discharge in Chile, Argentina and the United States, as applicable, always considering the conditions of the receiving waterbody or surface.

#### **Wastewater Treatment**

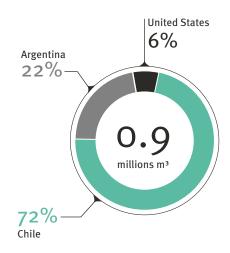
The company has 13 wastewater treatment systems in Chile and 2 in Argentina, specially designed to respond to the needs of the facilities that generate this type of waste. These systems monitor the LIW treatment processes, optimizing the systems and controlling the consumption of chemicals used for treatment. Subsequently the effluents are discharged to surface sources, used in irrigation by aspersion or they are sent to external sanitary companies for their treatment and final disposal.

In the case of Fetzer, the winery has the *BioFiltro* BIDA® system for treating liquid waste, using red worms and microbes to treat water in ponds specially designed for it. This system avoids the expense in electrical energy and allows to produce more than 570 m<sub>3</sub> of soil enriched with organic material per year, which can be used as fertilizer.

### WATER DISCHARGE



### WATER DISCHARGE PER OPERATION





### WASTE AND RECYCLING

306-2

At Viña Concha y Toro, our goal is to reduce the generation of waste as much as possible, maximizing our recycling and reuse rates, seeking to eliminate the negative impact on the environment caused by transportation to landfills.

During 2019, 97% of our waste was reused and/or recycled. Our goal is to eliminate 100% of our landfill disposal by 2020.

#### Non-hazardous Waste

Our non-hazardous waste is mainly organic waste derived from grapes, which is reused in its entirety, either as compost to improve the soil characteristics of our vineyards or sold to external companies that use them in the manufacture of other products.

Furthermore, glass, cardboard, plastics and metals are carefully separated at our facilities to ensure that they are 100% recycled.

In 2019 we recorded a 24% reduction in the total of non-hazardous waste generated, mainly due to a decrease in the amount of grapes processed. In addition, the amount of waste sent to landfills was reduced by 19.8%.

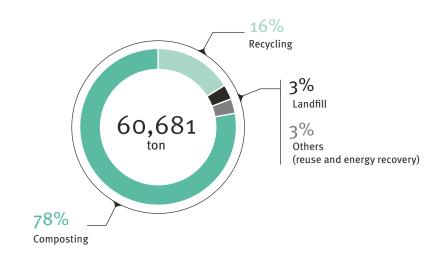
### **Hazardous Waste**

306-2

In the case of hazardous waste, the company has authorized procedures and warehouses in all its facilities for its proper handling. This waste is managed by external companies duly authorized in accordance with the regulations in force in each country. In 2019, the generation of hazardous waste increased by 0.3%.

|                        | Unit | 2017   | 2018   | 2019   | Variation |
|------------------------|------|--------|--------|--------|-----------|
| Non-hazardous waste    | ton  | 63,490 | 79,916 | 60,681 | -24.1%    |
|                        |      |        |        |        |           |
|                        | Unit | 2017   | 2018   | 2019   | Variation |
| Waste sent to landfill | ton  | 2,257  | 2,574  | 2,064  | -19.8%    |
|                        |      |        |        |        |           |
|                        | Unit | 2017   | 2018   | 2019   | Variation |
| Hazardous Waste        | ton  | 36.0   | 34.7   | 34.8   | 0.3%      |

### WASTE BY TYPE OF DISPOSAL





Our goal is to **eliminate 100%** of our landfill disposal by 2020.



### CLIMATE CHANGE

Viña Concha y Toro is aware of the risks and challenges posed by climate change for the wine industry and society in general, which is why it understands that a transition to a low-carbon economy is of upmost importance and companies should have a leading role in the matter.

Minimizing the environmental impact of its operations has been a priority for Viña Concha y Toro. We have reduced our global GHG emissions through a variety of initiatives, including energy efficiency, the use of renewable energy, improvements in wastewater treatment, and reusing and recycling more than 97% of our waste.

In 2019 Viña Concha y Toro became the first Latin American company to set reduction targets aligned with the global goal of keeping global warming below 1.5°C approved by the Science Based Targets Initiative (SBTi). This way, we are committed to reducing our total emmissions from Scope 1,2 and 3 by 55% by 2030 compared to 2017.

We also adhere to the Business Ambition for 1.5°C initiative, led by the United Nations and which seeks to generate a high level of commitment from the business world to accelerate the achievement of the climate objectives established in the Paris agreement. With this commitment, the company ratifies its pioneering spirit in sustainable practices, helping to reduce the risks posed by climate change and strengthening its leadership in this matter. In addition, we seek to show that it is possible for companies to work towards this ambitious goal while continuing to grow.

Regarding our current goal of reducing our direct emissions by 30% by 2020 compared to 2014, during the 2014-2019 period we achieved a reduction of 27%.



First Latin American company to set reduction targets aligned to the global goal of keeping global warming below 1.5°C.

### BUSINESS 1.5°C





The Business Ambition for 1.5 ° C campaign, led by the United Nations, UN Global Compact, Science Based Targets initiative (SBTi) and We Mean Business Coalition, seeks the commitment of companies to establish sciencebased targets that are aligned with limiting global temperature rise to 1.5 ° C above pre-industrial levels and achieving zero net emissions by 2050.



Our commitment is to reduce our emissions by 55% by 2030 compared to 2017.



#### **CARBON FOOTPRINT**

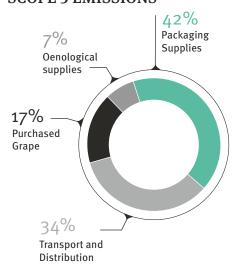
305-1 305-2 305-3 305-4 305-5

We measure our carbon footprint with the GHG Protocol Corporate Accounting and Reporting Standard under an operational control approach that includes direct and indirect emissions, covering all three scopes. Our direct emissions come mainly from the use of fuels, land use and refrigerant gases, and indirect emissions are the result of activities not directly controlled by the company, such as transportation of supplies, distribution of products and business trips.

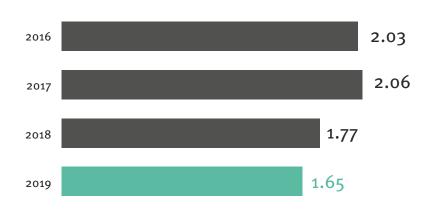
| ton CO2  | 2018    | 2019    | Reduction |
|----------|---------|---------|-----------|
| Scope 1  | 39,639  | 41,196  | 4%        |
| Scope 2  | 18,696  | 14,135  | -24%      |
| Scope 3* | 219,055 | 226,603 | 3%        |
| Total    | 277,390 | 281,934 | 2%        |

<sup>\*</sup> Considers only 87% of the company's operations because subsidiaries Fetzer and Trivento do not carry out a full measurement of Scope 3.

### DISTRIBUTION OF SCOPE 3 EMISSIONS



### INTENSITY OF SCOPE 1 AND 2 EMISSIONS [KGCO2E / CAJ9L]



### **CARBON NEUTRALIZATION INITIATIVES**

- ► Since 2016, Fetzer has been CarbonNeutral certified, mitigating scope 1,2 and 3 emissions from waste and business travel through pioneering offset projects worldwide verified by third parties.
- ► In Chile, Viña Cono Sur annually neutralizes its emissions derived from the transport of products to all its destination markets through the CarbonNeutral Delivery certification. In 2019 Cono Sur celebrated 12 consecutive years obtaining this certification, being recognized by Natural Capital Partners.



### ENVIRONMENTAL PRINCIPLES

The Viña Concha y Toro's environmental principles reflect the commitment to optimize the use of natural resources, continually seeking ways to reduce and mitigate its impact on the environment and the communities in which it operates.

- ► Comply with the environmental laws and regulations of each country and region.
- Continuously improve our environmental standards.
- Use energy sources in the most efficient way possible, promoting the use of renewable energy.
- ► Reduce our greenhouse gas emissions according to scientific evidence.
- Use water efficiently, ensuring that the wastewater from our activities is treated in accordance with legal requirements.

- Eliminate or minimize the generation of waste in order to preserve resources and avoid contamination of soil, water and air.
- Collaborate with our business partners to reduce the use of packaging materials and promote their reuse and recycling, in order to minimize their environmental impact.
- Promote and encourage environmentally sustainable practices among our employees, ensuring that they contribute to reducing their environmental impact and that of the company.
- Minimize environmental impacts when evaluating new activities and projects, before completing an operation, and as part of our procurement due diligence process.
- Use our influence at every stage of our supply chain to encourage suppliers and other business partners to adopt standards similar to ours.
- ► Take all reasonable steps to guarantee that the environmental information disclosed by the organization is truthful and consistent with international reporting standards.

### ENVIRONMENTAL MANAGEMENT

Through various internal audits and inspections at our operations and suppliers, as well as external audits by customers and certification bodies, the company takes a preventive approach and undertakes continuous improvements.

Our environmental management system is based on the sustainability standards required for the wine industry in each country where we operate: Chile's Wine Sustainability Code, the Sustainability Protocol for Wineries in Argentina and the California Sustainable Winegrowing Alliance.

In addition, our subsidiaries Cono Sur and Trivento are certified under ISO 14001: 2015 (Environmental Management), and in addition, Cono Sur has ISO 50001 (Energy Management) certification.









### PROGRESS TOWARDS SDG

|                     | Sustainability Strategy<br>Viña Concha y Toro              |                    |                     | 2030 Agenda |   |      |   |
|---------------------|--|--------------------|---------------------|-------------|---|------|---|
|                     | Goal 2020  | % Progress<br>2019 | % Total<br>Progress |             | SDG Specific Objective                    |      |   |
| Water               | -10%<br>Water Footprint                                    | 17%                | 100%                |             | 6 CLEAN WATER AND SANTATION               | 6.4  | Substantially increase water-use efficiency                     |
| Energy              | 100%<br>Renewable Supply                                   | 14%                | 80%                 |             | 7 AFFORDALE AND CLEAN ENERGY              | 7.2  | Increase the share of renewable energy in the global energy mix |
| Biodiversity        | 100%<br>Native Forest with<br>conservation<br>alternatives | 25%                | 75%                 |             | 15 LIFE ON LAND                           | 15.1 | Ensure the conservation of ecosystems                           |
| Circular<br>Economy | 100%<br>Waste avoiding<br>landfills                        | 1%                 | 97%                 |             | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 12.5 | Reduce the generation of waste                                  |
| Climate<br>Change   | 30%<br>Reduction in scope<br>1 & 2                         | 23%                | 90%                 |             | 13 CLIMATE                                | 13.2 | Incorporate measures relating to climate change                 |



# ANNEX TABLES ENVIRONMENTAL PILLAR

### **WATER**

303-3 303-5

### ► Water Withdrawal

| Irrigation of vineyards |             |        |        |        |           |  |  |  |
|-------------------------|-------------|--------|--------|--------|-----------|--|--|--|
| Source                  | Unit        | 2017   | 2018   | 2019   | Variation |  |  |  |
| Surface water           | thousand m³ | 19,346 | 21,058 | 25,161 | 19%       |  |  |  |
| Ground water            | thousand m³ | 12,237 | 12,750 | 17,220 | 35%       |  |  |  |
| Operations + Human Co   | nsumption   |        |        |        |           |  |  |  |
| Ground water            | thousand m³ | 866    | 872    | 842    | -3%       |  |  |  |
| Municipal water         | thousand m³ | 87     | 94     | 74     | 11%       |  |  |  |
| Total Consumption       | thousand m³ | 32,538 | 34,774 | 43,426 |           |  |  |  |

### ► Water withdrawal in water-stressed areas

| Source          | Unit        | 2017   | 2018   | 2019   | Variation |
|-----------------|-------------|--------|--------|--------|-----------|
| Surface water   | thousand m³ | 11,480 | 12,903 | 25,017 | 94%       |
| Ground water    | thousand m³ | 8,817  | 9,107  | 15,867 | 74%       |
| Municipal water | thousand m³ | 85     | 93     | 104    | 11%       |

It considers areas with high and very high baseline water stress, according to WRI Aqueduct, 2019.

### **▶** Water Consumption

| Source            | Unit        | 2017   | 2018   | 2019   | Variation |
|-------------------|-------------|--------|--------|--------|-----------|
| Surface water     | thousand m³ | 12,749 | 14,533 | 19,359 | 33%       |
| Ground water      | thousand m³ | 4,237  | 4,624  | 6,409  | 39%       |
| Municipal water   | thousand m³ | 7      | 8      | 11     | 44%       |
| Total Consumption | thousand m³ | 16,993 | 19,165 | 25,779 |           |

### ► Water consumption in water-stressed areas

| Source            | Unit        | 2017  | 2018   | 2019   | Variation |
|-------------------|-------------|-------|--------|--------|-----------|
| Surface water     | thousand m³ | 6,747 | 7,598  | 19,359 | 155%      |
| Ground water      | thousand m³ | 2,758 | 3,021  | 6,409  | 112%      |
| Municipal water   | thousand m³ | 6     | 7      | 11     | 57%       |
| Total Consumption | Mega Lts    | 9,511 | 10,627 | 25,779 |           |

Water-stressed areas are those with high and very high baseline water stress according to WRI Aqueduct.

<sup>\*</sup> Argentina's facilities were included as water-stressed areas, so the 2017 and 2018 data changed.

<sup>\*</sup>Consumption considers the consumptive use of the operations in Chile, based on the results of the Water Footprint.



### **BIODIVERSITY**

304-3 304-4

Fauna - Threatened species in natural forests

|              |                          | Ту | /pe of specie | es                 |   |  |
|--------------|--------------------------|----|---------------|--------------------|---|--|
| Estate       | Estate Total SP N E I SI |    | SI            | Endangered species |   |  |
| Peumo        | 58                       | 46 | 7             | 5                  | - | 1  |
| Rauco        | 43                       | 37 | 3             | 3                  |   | Rhinella arunco - Sapo de rulo (VU)  |
| Villa Alegre | 33                       | 28 | 3             | 2                  | - |  |
| Idahue       | 58                       | 46 | 7             | 5                  | - | Calyptocephalella gayi - Rana Chilena (VU) / Leopardus guigna - Guiña (VU) |
| Rucahue      | 46                       | 33 | 5             | 8                  |   | Leopardus guigna - Guiña (VU)  |
| Ucúquer      | 62                       | 53 | 5             | 4                  | - | Leopardus guigna - Guiña (VU) / Calyptocephalella gayi - rana chilena (VU) |
| Lourdes      | 63                       | 53 | 4             | 6                  | - | Rhinella arunco - Sapo de rulo (VU) / Leopardus guigna - Guiña (VU)        |
| Santa Raquel | 51                       | 43 | 3             | 5                  | - | Leopardus guigna - Guiña (VU)  |
| Palo Santo   | 53                       | 42 | 5             | 6                  | - | Leopardus guigna - Guiña (VU)  |

Species Type: N = native, E = endemic, I = introduced, SI = no information Conservation Category Classification: EN = Endangered, VU = Vulnerable

### ► Flora - Threatened species in natural forests

|              |          | Ţ  | ype of specio | es |    |   |
|--------------|----------|----|---------------|----|----|---|
| Estate       | Total SP | N  | E             | 1  | SI | Endangered species                            |
| Peumo        | 112      | 32 | 45            | 26 | 9  | Myrceugenia colchaguensis (EN)                |
| Rauco        | 99       | 29 | 37            | 25 | 8  | /   |
| Villa Alegre | 90       | 28 | 27            | 25 | 10 | /   |
| Idahue       | 117      | 39 | 46            | 29 | 3  | Myrceugenia colchaguensis (EN)                |
| Rucahue      | 103      | 27 | 39            | 28 | 9  | /   |
| Ucúquer      | 157      | 50 | 54            | 47 | 6  | Calydorea xiphioides (VU), Persea lingue (VU) |
| Lourdes      | 149      | 52 | 14            | 81 | 2  | /   |
| Santa Raquel | 98       | 24 | 21            | 49 | 4  | Alstromeria diluta spp diluta (EN)            |
| Palo Santo   | 91       | 23 | 29            | 36 | 3  | /   |

Species Type: N = native, E = endemic, I = introduced, SI = no information Conservation Category Classification: EN = Endangered, VU = Vulnerable

In Chile, the official source of information on the classification of species according to conservation status is the "Wild Species Classification Regulation", prepared by the Ministry of the Environment.



### **EFFLUENTS AND WASTE**

303-4 306-1 306-2 306-4

### ► Water discharge by quality

| Quality          | Unit | 2017  | 2018  | 2019 | Variation |
|------------------|------|-------|-------|------|-----------|
| BOD (Total load) | ton  | 853   | 641   | 614  | -4.2%     |
| COD (Total load) | ton  | 1,422 | 1,068 | 417  | -60.9     |

The relation is considered to be: BOD/COD=0,6

### ► Water discharge by destination

| Source                        | Unit        | 2017  | 2018  | 2019  | Variation |
|-------------------------------|-------------|-------|-------|-------|-----------|
| Surface water                 | thousand m³ | 746,2 | 744,7 | 743,7 | -0.1%     |
| Discharged through irrigation | thousand m³ | 163,5 | 127,3 | 122,4 | -3.9%     |
| Total                         | thousand m³ | 909,8 | 872,1 | 866,1 | -0.7%     |

### ► Water discharge in areas with water stress by destination

| Source                        | Unit        | 2017  | 2018  | 2019  | Variation |
|-------------------------------|-------------|-------|-------|-------|-----------|
| Surface water                 | thousand m³ | 402,0 | 341,2 | 573,5 | 68.1%     |
| Discharged through irrigation | thousand m³ | 141,8 | 94,4  | 74,3  | -21.3%    |
| Total                         | thousand m³ | 543,8 | 435,7 | 647,8 | 48.7%     |

Water stress zones are considered those with "high" and "extremely high" baseline water stress according to the WRI Aqueduct Tool.

### ► Waste by type and disposal method

| Non-Hazardous Waste                |      |        |        |        |  |
|------------------------------------|------|--------|--------|--------|--|
| Disposal method                    | Unit | 2017   | 2018   | 2019   | Description  |
| Reuse                              | ton  | 229    | 325    | 184    | Barrels  |
| Recycling                          | ton  | 10,412 | 13,403 | 9,907  | Glass, plastics, cardboard and organic waste sold. |
| Composting                         | ton  | 50,593 | 63,458 | 47,221 | Pomace, Stems and other compostable.               |
| Energy recovery                    | ton  | -      | 156    | 1,304  | Organic waste - sludge                             |
| Incineration                       | ton  | -      |        | 1      |  |
| Landfill                           | ton  | 2,257  | 2,574  | 2,064  | Waste mix  |
| Total                              | ton  | 63,490 | 79,916 | 60,682 |  |
| Hazardous Waste                    |      |        |        |        |  |
| Disposal method                    | Unit | 2017   | 2018   | 2019   |  |
| Disposal with an authorized entity | ton  | 36,0   | 34,7   | 34,8   |  |



### **ENERGY**

302-1 302-3

### **►** Fuel consumption

|             | Unit | 2017   | 2018   | 2019   | Variation |
|-------------|------|--------|--------|--------|-----------|
| Gasoline    | MWh  | 8,249  | 8,144  | 7,304  | -10.3%    |
| Diesel      | MWh  | 30,684 | 34,972 | 32,695 | -6.5%     |
| LPG         | MWh  | 26,201 | 28,860 | 30,344 | 5.1%      |
| Natural Gas | MWh  | 5,297  | 6,056  | 4,565  | -24.6%    |
| Total       | MWh  | 70,431 | 78,032 | 74,908 | -4.0%     |
|             | TJ   | 254    | 281    | 270    | -4.0%     |

### ► Electricity consumption from renewable sources

|               | Unit | 2017   | 2018   | 2019   | Variation |
|---------------|------|--------|--------|--------|-----------|
| Solar         | MWh  | 867    | 662    | 759    | 14.6%     |
| Renewable Mix | MWh  | 24,673 | 45,750 | 45,621 | -0.3%     |
| Total         | MWh  | 25,540 | 46,412 | 46,380 | -0.1%     |

### ► Electricity consumption from non-renewable sources

|                   | Unit | 2017   | 2018   | 2019   | Variation |
|-------------------|------|--------|--------|--------|-----------|
| Non-renewable Mix | MWh  | 41,762 | 31,636 | 26,529 | -16.1%    |

### ► Total energy consumption

|                              | Unit | 2017    | 2018    | 2019    | Variation |
|------------------------------|------|---------|---------|---------|-----------|
| Total an arms as a sum of an | MWh  | 156,732 | 156,080 | 147,817 | -5.3%     |
| Total energy consumption     | TJ   | 564     | 562     | 532     | -5.3%     |

### ► Energy intensity

|                        | Unit               | 2017 | 2018 | 2019 |
|------------------------|--------------------|------|------|------|
| Total energy intensity | kWh/9 liters cases | 4,50 | 4,73 | 4,41 |
| Fuels                  | kWh/9 liters cases | 2,02 | 2,36 | 2,24 |
| Electricity            | kWh/9 liters cases | 2,48 | 2,36 | 2,18 |

### **CARBON FOOTPRINT**

305-1 305-2 305-3 305-4

### ► Direct GHG Emissions (Scope 1)

| Scope 1 | Unit    | 2017   | 2018   | 2019   | Variation |
|---------|---------|--------|--------|--------|-----------|
|         | tonCO2e | 45,468 | 39,639 | 41,196 | 3.9%      |

### ► Energy indirect GHG emissions (Scope 2)

| Scope 2        | Unit    | 2017   | 2018   | 2019   | Variation |
|----------------|---------|--------|--------|--------|-----------|
| Location Based | tonCO2e | 26,408 | 18,687 | 14,126 | -24.4%    |
| Market Based   | tonCO2e | 10.1   | 8.8    | 8.5    | -3.4%     |
| Total          | tonCO2e | 26,418 | 18,696 | 14,135 | -24.4%    |

### ► Other indirect GHG emissions (Scope 3)

| Scope 3               | Unit    | 2017    | 2018    | 2019    |
|-----------------------|---------|---------|---------|---------|
|                       | tonCO2e | 240,998 | 219,055 | 226,603 |
| % operations included | tonCO2e | 86%     | 88%     | 87%     |

Emissions of all greenhouse gases are included. Global Warming Potentials: Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) over a 100-year period

Scope 1 and 3 emission factors:

- IPCC, 2006 Guidelines for National Greenhouse Gas Inventories.
- Government conversion factors for Company Reporting. DEFRA DECC, 2018.

Scope 2 emission factors:

- Chile: Emission factor of the National Electric System (SEN, *Sistema Eléctrico Nacional*), Ministry of Energy.
- Argentina: Emission factor of the Electric Network of Argentina (*Red Eléctrica Argentina*), Ministry of Energy.
- USA: Emission factor of the California Electricity Network, Air Resources Board.

### **► GHG Emissions Intensity**

|  | Unit           | 2017 | 2018 | 2019 | Variation |
|--|----------------|------|------|------|-----------|
| Intensity of GHG emissions Scope 1 and 2 | kgCO2e / CAJ9L | 2,06 | 1,77 | 1,65 | -6%       |
| Intensity of GHG emissions Scope 3       | kgCO2e / CAJ9L | 8,04 | 7,58 | 7,79 | 3%        |
| % Operations Included                    |                | 86%  | 88%  | 88%  |           |



# OTHER EMISSIONS

305-6 305-7

# ► Emissions of ozone-depleting substances (ODS)

| Gas Used      | Unit       | 2017  | 2018  | 2019  | ODP*  |
|---------------|------------|-------|-------|-------|-------|
| HCFC-22       | kg         | 4,950 | 1,918 | 1,863 | 0.055 |
| HCFC-141b     | kg         | 68    | 27    | 14    | 0.11  |
| ODS Emissions | kg CFC-11e | 279.7 | 108.5 | 104.0 |       |

<sup>\*</sup>ODP: Ozone Depletion Potential

Source: Handbook for the Montreal Protocol on Substances that Deplete the Ozone Layer Seventh edition (2006), Ozone Secretariat, "Annex C, Controlled Substances". GWP values

# ► Other significant air emissions (NOx, SOx, MP 10 and CO)

|       | Unit | 2017  | 2018  | 2019   | Variation |
|-------|------|-------|-------|--------|-----------|
| S0 x  | kg   | 3,261 | 3,473 | 3,737  | 7.6%      |
| NO x  | kg   | 8,238 | 8,238 | 10,667 | 29.5%     |
| MP 10 | kg   | 345   | 430   | 434    | 1.1%      |
| CO    | kg   | 1,697 | 2,153 | 2,004  | -6.9%     |

<sup>\*</sup>Includes only emissions from operations in Chile and emissions from fixed sources.

Environment 73

<sup>\*\*</sup> EPA emission factors are used - ENVIRONMENT PROTECTION AGENCY OF UNITED STATES OF AMERICA, 2009. AP 42, Compilation of Air Pollutant Emission Factors, Volume 1: Stationary Point and Area Sources, Fifth Edition October 14, 2009, Washington DC, USA.

# SUPPLY CHAIN

SUSTAINABILITY REPORT 2019







# Be a strategic partner to our suppliers

103-1 103-2 103-3



Viña Concha y Toro is committed to building relationships of trust and transparency with its suppliers. Aware of its responsibility and influence, the company extends its good practices throughout the value chain, promoting the highest quality and sustainability standards in suppliers and business partners.

The Supply Chain pillar of the sustainability strategy focuses on:

THE RELATIONSHIP
WITH AND
ASSESSMENT OF
SUPPLIERS

SUPPLY MANAGEMENT PROMOTING
SUSTAINABILITY AND
REDUCING THE CARBON
FOOTPRINT

75

Supply Chain



# RESPONSIBLE SOURCING

In order to guarantee a sustainable supply chain in the long term, the company applies the concept of responsible sourcing by extending its practices and policies on transparency, regulatory compliance, anti-corruption, freedom of association, non-discrimination, prohibition of child and forced labor, among others, to all suppliers and contractors, creating a virtuous circle of continuous improvement among the different actors in the chain.

# NUMBER OF SUPPLIERS



The company has three main lines of action with its suppliers:

- Conveying Viña Concha y Toro's way of working to suppliers and supporting them with guidelines of good ethical and environmental practices.
- Supplies management, focusing on collaborative work that makes the company's operational and logistics processes more efficient.
- ► The transfer of sustainability throughout the chain.

The company asks all its suppliers to carry out their activities in accordance with its Code of Ethics and Conduct. The acceptance and signing of Viña Concha y Toro's Code of Conduct for Suppliers establishes the parameters which should guide their behavior, in accordance with current legislation and regulations. This Code expresses the company's expectations regarding labor rights, occupational health and safety, environmental practices and business ethics, and applies to all suppliers and contractors, as well as their employees, agents and subcontractors.

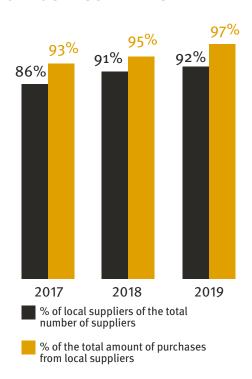
In 2019, the **Guidelines for Ethical Behavior** were published and disseminated, with the aim of communicating in greater detail and clarity the behavioral principles and values that the company expects from its suppliers, seeking to reduce possible impacts on production, the environment, society and business.

# PREFERENCE FOR LOCAL SUPPLIERS

204-1

In each of the countries in which we operate, we prioritize the procurement of local products and services as a way to contribute to local development and job creation, adding value in each locality and also minimizing the carbon footprint related to transport.

# PROCUREMENT OF LOCAL SUPPLIERS





# SUPPLIER ASSESSMENT

308-2 408-1 408-2 409-1 414-2

To promote sustainability practices among its suppliers, the company carries out a sustainability risk assessment process in the supply chain, which considers corporate governance, environmental and social risk factors. This includes evaluating supplier performance, monitoring results and continual development, to improve efficiency in the supply chain and support sustainable business growth.

As of 2017, the company identifies its key suppliers according to their share of total spending in their category and subsequently categorizes them according to the potential risk of negative impacts on people, the environment and the company's economic performance.

In 2019, the company identified **632 key suppliers**, which were categorized as follows.

Subsequently, all critical suppliers are asked to self-assess by completing Viña Concha y Toro's Ethics and Sustainability Form.

During 2019, a total of 234 suppliers were assessed, none of which showed significant environmental impacts. On the other hand, 19 suppliers were identified as potentially at risk of social impacts in the area of human rights, mainly relating to forced labor, child labor and precarious working conditions. We worked with them on the development and implementation of improvement plans to reduce the identified risks, which will be monitored during 2020. No commercial relations with suppliers were terminated as a result of these assessments.

# NUMBER OF SUPPLIERS

|  | 2018  | 2019  |
|--|-------|-------|
| Key suppliers  | 559   | 632   |
| % of key suppliers<br>(from total number of suppliers) | 10.3% | 11.5% |
| Total Suppliers TIER 1                                 | 5,437 | 5,482 |

| LEVEL | RISK   | DEFINITION  | % SUPPLIERS |
|-------|--------|---|-------------|
| A     | High   | Risk of potential negative impact on people, the environment and/or society. Interruption of operations and/or reputational impact.         | 24%         |
| В     | Medium | Risk of potential negative impact on people, the environment and/or society. Without interruption of operations and/or reputational impact. | 27%         |
| C     | Low    | Low risk of potential negative impact on people, the environment and/or society.  | 49%         |

Supply Chain 77

# Requirements for new suppliers

308-1 412-3 414-1

With respect to new suppliers, no specific environmental or social assessments are made to start a business relationship. However, all new suppliers must accept and adhere to Viña Concha y Toro's Code of Conduct for Suppliers, which establishes that they must conduct their operations in accordance with current environmental legislation and regulations, and, to the extent possible, minimize the environmental impacts resulting from their activities. The Code applies to all suppliers and contractors, as well as their respective employees, agents and subcontractors. In addition, to ensure proper compliance, the contracts include clauses to allow the company to terminate business relationships in cases of non-compliance.

Our suppliers must meet the following requirements:

- ► Business integrity
- Compliance with applicable laws and regulations
- ► Ethical and social management system
- ► Nondiscrimination
- ► Prohibition of child labor
- ► Prohibition of forced labor
- ► Fair wage
- ► Respect for working hours
- Respect for freedom of association and collective bargaining
- ► Healthy and safe working conditions
- ► Environmental protection

# Supplier Assessment in Human Rights

Together with expert advisors, the company conducted its final human rights due diligence process in 2017 through a review of the implications of the United Nations Guiding Principles on Business and Human Rights, in order to better understand the potential impact of human rights violations on our own operations and our value chain.

The company identified a relevant potential impact within its own operations: the violation of the right to enjoy fair and satisfactory working conditions.

Potential impacts identified in the supply chain included the risk of forced labor, child labor and violation of the right to freedom of association in grape suppliers and contractors.

Since 2017, the company has worked on the prevention and mitigation of potential adverse impacts, monitoring the implementation and effectiveness of the measures adopted.



The company conducts assessments of its suppliers to identify potential critical environmental, social and governance risks associated with their practices.





# SUSTAINABLE AGRICULTURE

301-1

The company promotes sustainable agriculture in its grape suppliers, with the aim of ensuring that its main raw material meets strict sustainability, quality and safety standards.

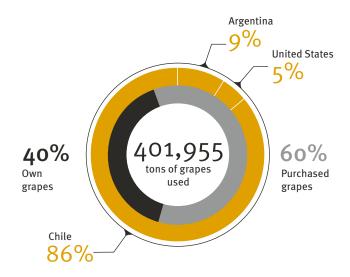
Grape suppliers are of vital importance in our supply chain and fundamental to meeting our goal of offering products from responsible sources. Our objective is to develop their capabilities, while promoting respect for the environment and human rights.

In each country, Viña Concha y Toro relies on industry sustainability standards, which set out the principles and practices of sustainable agriculture that the company expects its suppliers to adopt. These principles include ethical labor practices and reducing negative environmental impacts while protecting natural resources and local supply.

In addition, the company has a specialized technical support team for grape growers, which prioritizes consideration of the environmental

impact of agriculture, including pesticide control, water consumption efficiency, and biodiversity conservation by establishing a list of banned and restricted agrochemicals.

# RAW MATERIALS BY COUNTRY AND ORIGIN





Supply Chain 79



# QUALITY SUPPLIES MANAGEMENT

Viña Concha y Toro is committed to delivering safe, high-quality products, rigorously complying with the strictest international food quality and safety standards throughout all stages of production. To this end, the selection of supplies and materials that are safe for consumers is vital to guarantee the quality of the products.

For packaging supplies, the company has a Supplier Development Plan (PDP), which allows its business partners to implement good practices in terms of safety, quality, legality and fraud based on the international standards of the IFS PAC Secure and the BRC Packaging and Materials.

On the other hand, the company has a policy prohibiting the use of any oenological and/or agricultural supply containing Genetically Modified Organisms (GMOs), whether tendered or purchased directly. Viña Concha y Toro requires its suppliers to provide a certificate attesting to the absence of GMOs in their production materials, thus ensuring compliance with its policy on the non-use of GMOs.







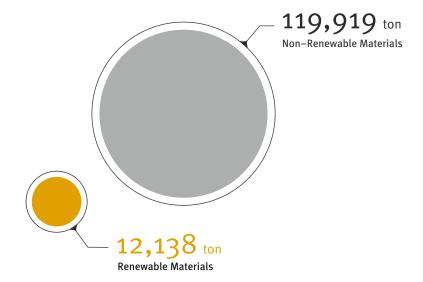
99%

of our containers and packaging are recyclable

27%

of our supplies come from recycled material







# **SUPPLIES AND MATERIALS**

103-1 103-2 103-3 301-2

Viña Concha y Toro is aware of the environmental impact of its packaging materials and supplies, and for years it has been working on their management and mitigation, as they represent 34% of the company's total CO2 emissions.

To achieve the maximum efficient use of resources, the company has continuously worked on reducing the weight of glass bottles and cardboard boxes, saving more than 13 thousand tons of glass and 300 tons of cardboard annually.

Currently, 98% of the bottles used by the company are lighter in weight. Given that a lighter bottle implies fewer associated emissions and a lower environmental impact, our objective is to continue working to minimize their weight.

On the other hand, despite the fact that we do not use returnable bottles for our products, it is important to note that the glass bottles used have an average of 30% recycled material.

# RESPONSIBLE FOREST MANAGEMENT

In 2019, the company subscribed to the FSC® Trademark License for promotional purposes, with the aim of promoting and communicating the use of FSC® certified products in its value chain, reaffirming its commitment to responsible forest management.

The products from forests that the company uses play a fundamental role, mainly in our packaging and distribution. By adhering to this license, we aim to encourage our suppliers to implement these practices and use products from sustainable forests.

Supply Chain 81



# PROMOTING SUSTAINABILITY

Viña Concha y Toro considers that the quantification of the carbon footprint is vital for the proper management and reduction of the impact of productive activities on climate change, which is why we encourage our suppliers to measure and manage their emissions.

As part of the Suppliers, Sustainability and Carbon Footprint Program, Viña Concha y Toro works together with its main packaging suppliers to reduce the environmental impact of their products through training, emission reduction techniques, and annual assessments of environmental and social practices.

Our goal of a 15% reduction in GHG emissions associated with packaging established for 2020 was met early, in 2018, reaching a reduction of 22%. Because of this, during 2019 the program focused on the standardization of carbon footprint measurements for the different types of packaging used by the company. To this end, we are working on a platform that allows suppliers to measure and report their results directly and under the same parameters, reducing work times and the cost associated with this type of study. The company expects to launch the new platform for managing the GHG emissions of its packaging suppliers during 2020.

In addition, in 2019 the carbon footprint was included in the overall process of classification, evaluation and monitoring of the performance of our dry goods suppliers, in order to have an effective system of approval and monitoring of suppliers, to ensure that all risks affecting them are known and assesed.

22%
reduction in GHG
emissions from packaging supplies





# PROGRESS TOWARDS SDG

|                                  | Sustainability Strategy<br>Viña Concha y Toro                    |                    |                  |  | 2030 Agenda                               |      |  |
|----------------------------------|--|--------------------|------------------|--|---|------|--|
|                                  | Goal 2020  | % Progress<br>2019 | % Total progress |  | SDG                                       |      | Specific Objective                             |
| Responsible sourcing             | Key suppliers meet-<br>ing the Corporate<br>Ethics Standard      | 25%                | 75%              |  | 8 DECENT WORK AND ECONOMIC GROWTH         | 8.8  | Protect labor rights and safe work environment |
| Sustainability index             | 100%<br>Suppliers with<br>sustainability<br>assessment           | 25%                | 50%              |  | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 12.2 | Decrease raw material / product                |
| Sustainable packaging            | 100%<br>Of premium portfo-<br>lio using light-<br>weight bottles | 80%                | 86%              |  | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 12.2 | Decrease raw material / product                |
| Packaging<br>carbon<br>footprint | 15%<br>Reduction<br>per bottle                                   | 0%                 | 146%             |  | 9 INNOVATION AND INFRASTRUCTURE           | 9.4  | Decrease CO2 emissions per unit of value added |

Supply Chain 83



# ANNEX TABLES SUPPLY CHAIN PILLAR

# RAW MATERIALS AND SUPPLIES

301-1 301-2

# ► Raw materials by weight [ton]

|                 | 2016    | 2017    | 2018    | 2019    |
|-----------------|---------|---------|---------|---------|
| Own Grape       | 118,840 | 127,703 | 167,140 | 158,848 |
| Chile           | 100,188 | 107,098 | 144,116 | 133,213 |
| Argentina       | 14,365  | 17,069  | 17,975  | 21,820  |
| USA             | 4,287   | 3,536   | 5,049   | 3,816   |
| Purchased Grape | 225,491 | 222,581 | 263,173 | 243,107 |
| Chile           | 191,108 | 193,913 | 231,782 | 216,042 |
| Argentina       | 9,861   | 9,640   | 11,317  | 12,462  |
| USA             | 24,522  | 19,028  | 20,074  | 14,603  |

# ► Main supplies by weight - Non Renewable Materials [ton]

| Material          | Supply           | 2016    | 2017    | 2018    | 2019    |
|-------------------|------------------|---------|---------|---------|---------|
| Glass             | Bottles          | 107,083 | 110,614 | 112,757 | 117,522 |
| Aluminium         | Screw cap, caps  | 710     | 645     | 774     | 860     |
| Plastic           | Caps, containers | 109     | 137     | 264     | 481     |
| Tetra Pak         | Containers       | 1,294   | 1,077   | 1,177   | 1,020   |
| Synthetic stopper | Stoppers         | 33      | 47      | 56      | 36      |
|                   |                  | 109,229 | 112,520 | 115,028 | 119,929 |

# ► Main supplies by weight - Renewable Materials [ton]

| Material          | Supply          | 2016  | 2017   | 2018   | 2019   |
|-------------------|-----------------|-------|--------|--------|--------|
| Cardboard         | Boxes, dividers | 8,820 | 10,027 | 9,629  | 11,264 |
| Cork              | Stopper         | 224   | 262    | 471    | 434    |
| Paper             | Labels          | 282   | 363    | 418    | 439    |
|                   |                 | 9,326 | 10,652 | 10,518 | 12,138 |
| % Operations Incl | uded            | 85%   | 94%    | 100%   | 100%   |



# ► Recycled Supplies

|                                    | 2019    |
|------------------------------------|---------|
| Total recycled supplies used [ton] | 35,135  |
| Total supplies used [ton]          | 132,058 |
| % of recycled supplies             | 27%     |

# ► Renewable and Recyclable Supplies

|                                       | 2016 | 2017 | 2018 | 2019 |
|---------------------------------------|------|------|------|------|
| % of materials from renewable sources | 8.2% | 8.6% | 8.4% | 9.2% |
| % of recyclable materials             | 99%  | 99%  | 99%  | 99%  |

Supply Chain 85











# Offer excellent products that provide the best experience for our consumers.



Viña Concha y Toro has developed a wide portfolio of world-recognized brands which participate in all market segments. Through this broad range of products, the company invites its consumers around the globe to live new and pleasant experiences.

Over time, the company has continuously invested in brand building and innovation in new product development to satisfy consumers, in compliance with strict quality and safety standards, which is reflected in the excellence of our wines.

To meet its goals, the company focus the initiatives of the Product strategic pillar on the following aspects:

INNOVATION IN THE DEVELOPMENT OF NEW PRODUCTS

**QUALITY** 

RESPONSIBLE MARKETING

87

Product



# INNOVATION IN PRODUCT DEVELOPMENT

# Innovation has been key to the company's success in the long term and has also allowed it to maintain its leadership in sustainability.

In a global context of high uncertainty and competition, where consumer behavior changes rapidly, innovation and the development of new products allows us to diversify our commercial proposal and respond to the demands of our consumers, offering them more and better options.

The research and development of new products is done by the multidisciplinary and collaborative work of our Marketing and Winemaking departments. These projects are aimed at improving the efficiency and quality of the products we offer to our customers and consumers, taking advantage of the opportunities identified in the market and delivering a quick response to changes in the industry and in consumer behavior.

During 2019, our New Business department was consolidated, focusing on the development of new products and business lines. Additionally, we strengthen our Market Intelligence and Analytics area with new technological tools to support and consolidate global information on consumers, brands and markets in one place.









# **NEW PRODUCTS**

# PISCO DIABLO

At the end of 2019, the company launched Diablo, entering the distilled alcohol market with this innovative product that will bring pisco to its origin and essence.

The product stands out both for its quality and for its elegant and exclusive presentation, highlighting the iconic image of the devil, which takes center stage in the communication of the brand.

Pisco has gained worldwide recognition and in recent years its fame has stimulated demand for higher quality products and more options in the premium segment, opening an opportunity for the company to compete with an innovative proposal of excellent quality and at an affordable price.

# O'JOS, WINE SPRITZER

In May 2019 the company launched its first canned wine in the UK market. This product was developed following an identified need in our consumers, who are at the center of all our innovations. O'jos is a wine spritzer that comes in a 250 ml can in two varieties: Chardonnay and Rosé. Recently, the product was the winner in the Wine Spritzer category at the UK's renowned innovation awards "Product of the Year".

# BONTERRA CANNED ORGANIC WINE

Bonterra launched a new 25occ can format, more personal, portable and recyclable in the Young Red, Sauvignon Blanc and Rosé varieties.

The launch of this 100% recyclable canned organic wine seeks to respond to the preferences of a public that is more aware of the importance of caring for the environment and good sustainable practices.

Product 89



# QUALITY AND SAFETY MANAGEMENT OF OUR PRODUCTS

Viña Concha y Toro is committed to delivering safe, high-quality products to its consumers, in compliance with the strictest quality and food safety standards throughout all of its production stages, from vine growing to the final product.

The company's management is guided by international best practices and its quality management system is audited throughout the production process, guaranteeing that final products meet the high standards of quality, consistency and reliability.

Ensuring the safety and quality of products is an ongoing commitment and the most important responsibility with consumers around the world. This includes complying with local sanitary regulations in the countries where the company operates, guaranteeing the constant monitoring of food safety regulations, and using safe packaging materials.

In addition, the company conducts risk analysis and evaluation of physical, chemical and biological risks that could affect the health of its consumers. The company also makes infrastructure improvements to increase the level of security in the reception and processing of raw materials and the storage of the finished product.



Ensuring the safety and quality of our products is our ongoing commitment and the most important responsibility we have to consumers around the world.





# **QUALITY CERTIFICATIONS**

416-1

The company has a Corporate Quality Policy that provides the guidelines for the Quality Management System, made up of a series of protocols and a documentary system based on the HACCP standard and internal and external controls and verification systems, which are validated by the certifications and international standards of the British Retail Consortium (BRC) in Chile and Argentina and the International Food Standard (IFS) for its bottling plants in Chile.

To maintain quality and safety standards, the company has the following certifications:

# Chile - Concha y Toro





# Chile - Viña Cono Sur





# **United States . - Fetzer**







# Argentina - Trivento





# RESPONSIBLE MARKETING AND CONSUMPTION

Responsible Drinking is an essential and desirable value in present and future society, which is why it is a fundamental aspect in the consolidation of the company's commitment to society and its leadership at the global level.

The company's corporate principles of Responsible Drinking express its conviction and intention to inspire society to establish new and better ways of engaging with the consumption of wines and spirits.

The winery recognizes that the expected cultural change around responsible drinking is only possible by expanding the commitment to all interest groups, working together and taking actions that enhance the responsible marketing of products and effective self-regulation in society.

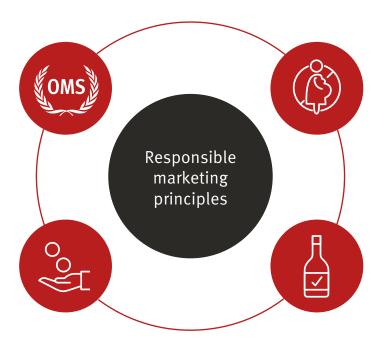
In addition, the company makes sure that all of its marketing communications do not violate these principles, both on digital and social media as well as on traditional marketing platforms.

# RESPONSIBLE MARKETING

417-1

Viña Concha y Toro ensures compliance with the laws and regulations associated with the labeling and packaging of its products in each of the countries in which it is present.

The company has a legal department in charge of reviewing and assessing the labeling and language used in sales promotion materials for all products as well as advertising materials. This way, the company adapts to and complies with the legal information requirements of its different destination markets, reporting for example on the content of sulphites, recyclability of packaging and quotes that promote responsible alcohol consumption, among others.



Review our commitment to responsible consumption in: <a href="https://conchaytoro.com/en/holding/responsibleconsumption/">https://conchaytoro.com/en/holding/responsibleconsumption/</a>



# PROGRESS TOWARDS SDG

|                           | Sustainability Strategy<br>Viña Concha y Toro                             |                    |                    |   | 2030 Agenda                               |  |  |  |
|---------------------------|---|--------------------|--------------------|---|---|--|--|--|
|                           | Goal 2020   | % Progress<br>2019 | %Total<br>progress |   | SDG                                       | OG Specific Objective  |  |  |
| Innovation                | 3<br>New product<br>categories  | 33%                | 100%               |   | 8 DECENT VORK AND ECONOMIC GROWTH         | 8.2  | Improve productivity through innovation                  |  |
| Quality                   | 100%<br>Unified Quality<br>Strategy<br>Implementation                     | 33%                | 66%                |   | 9 INNOVATION AND INFRASTRUCTURE           | 9.4  | Promote the adoption of clean technologies               |  |
| Sustainable<br>Attributes | 100%<br>Brands with identified attributes<br>and implemented<br>campaigns | 25%                | 75%                |   | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 12.8   | Promote the access to information on sustainability      |  |
| Responsible               | 100%<br>Campaign  | 250                | 750/               |   | 3 6000<br>—//                             | 3.5  | Strengthen the prevention of harmful alcohol consumption |  |
| Drinking                  | implemented in 4 phases   | 75%                |                    | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 12.6                                      | Adopt sustainable practices and incorporate information about sustainability |  |  |

Product 93

# CUSTOMERS





# Create partnerships with our customers



Customers are key partners in achieving business goals, and are a cornerstone of the sustainability strategy. The company focus on efficiently working together with them to ensure that its products and the message that seek to convey reach consumers with the highest standards of quality and transparency.

The company's core objective is to build strategic relationships that enhance the value offer for the final consumer, focusing mainly on two aspects:

STRENGTHENING
RELATIONSHIPS WITH
COMPREHENSIVE CUSTOMERS

PROMOTING SUSTAINABILITY
THROUGH EFFICIENCY IN OUR
DISTRIBUTION CHAIN

95

# STRATEGIC RELATIONSHIPS WITH OUR CUSTOMERS

The company seeks to build strong, successful and longlasting business relationships with its customers through transparent commercial/social communication, allowing us to take part in global dialogues related to the work we do and the issues that interests us.

The company's business model allows it to act quickly and implement its strategy in the 130 markets where it is present in order to meet the diverse needs of customers and consumers. Through deep consumer insight and strong customer relationships, combined with the strength and range of its portfolio, the company can take advantage of favorable long-term growth trends and offer sustainable performance, creating value for its shareholders.

The company's products are mainly marketed through traditional channels, that is, through distributors in each destination market, either its 13 sales and distribution offices or directly through local distributions. In addition, the company has a distribution subsidiary in Chile that markets all products in the national market.

On the other hand, technology and electronic commerce are changing the market, our relations with customers, and the way we interact with our consumers. Through technology and innovation, we constantly assess our approach in each market to deliver multi-channel customer strategies.

In the continuous process of building and strengthening relationships of trust and dialogue with our customers, the company carries out different activities, including ethical and/or technical audits at Viña Concha y Toro's facilities, as well as instances for customer participation, for example, Satisfaction Surveys.



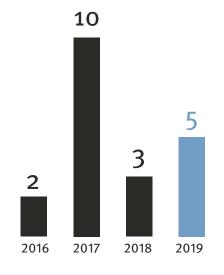


# **CUSTOMER AUDITS**

Every year, the company is subject to different external audits requested by customers, who seek to ensure the company's compliance with the required performance standards regarding ethical, environmental, quality and safety aspects. These audits allow to validate and deepen the company's commitment, building relationships of trust and transparency with its customers.

During 2019, the company went through 5 external audits on safety and ethical aspects requested by customers in bottling plants.

# NUMBER OF CUSTOMER AUDITS



#### **CUSTOMER SATISFACTION**

With the objective of identifying opportunities for improvement and enhancing the positive aspects of our management, every year the company invites all customers who made more than one purchase during the previous period to participate on an online survey to identify their level of satisfaction with the product and their degree of loyalty to the company.

The assessment of customer satisfaction focuses on product preparation and condition, the ability to fully complete the desired orders, and the service provided by our teams. A total of 119 customers participated in the 2019 survey, showing an overall satisfaction level of 42%, 6% more than the previous period.

Although there has been a significant increase, since 2018 our satisfaction index has been strongly affected by adjustments in the company's production model which have had an impact on customers.

Viña Concha y Toro is aware of the importance of our customers' opinions as an asset to improve its management. The company

6%
Increase in satisfaction level compared to 2018

continually works on the development and improvement of its products and services, seeking to understand all of its customers' problems through active dialogue with each one of them, hoping to continually improve their level of satisfaction.

#### **Complaints**

An indirect indicator of customer satisfaction are complaints. While our customer satisfaction rate is improving, there are many issues that need to be addressed to provide better customer service, and we are aware that this is an area that requires greater effort. So, in addition to the findings from the customer survey, we take into consideration customer comments for the continuous improvement of products and services.

Customers 97

# PROMOTION OF SUSTAINABILITY IN STRATEGIC CUSTOMERS

Viña Concha y Toro extends its sustainability practices, including ethical and social guidelines and standards, to its strategic customers, seeking to promote respectful and responsible practices, both with the environment and with the people involved in the different stages of its value chain.

To ensure the commitment and compliance of customers and distributors, commercial contracts include clauses that oblige customers to comply with the company's standards, specifically with the Code of Ethics and Conduct.

During 2019, for the third consecutive year, all distributors with purchases over 5,000 9-liter cases per year were invited to participate in a voluntary self-assessment on ethical, social and environmental aspects. The tool was answered by 42 customers and raised no significant risks of environmental, ethical and/or social impacts.

On the other hand, in 2019 the company developed the Guide of Good Ethical Practices for customers, a tool aimed at guiding our business partners in the remediation of weak performance, which will be distributed during 2020.

#### CO<sub>2</sub> EMISSION EFFICIENCY

For Viña Concha y Toro, the correct and efficient operation of the logistics chain is of utmost importance to ensure that its products reach more than 130 destination markets on time and with the expected quality standards. The company promotes efficiency in transport and distribution as a fundamental aspect of its sustainability strategy.

GHG emissions from final product distribution represent more than 20% of the company's total carbon footprint. The objective is to reduce by 15% land transport emissions from production and distribution operations by 2020 compared to the base year 2014. In the 2014-2019 period, the company has reduced emissions by 13%, which represents an advance of 87% with respect to the goal established for 2020.





# PROGRESS TOWARDS SDG

|  | Sustainability Strategy<br>Viña Concha y Toro                               |                    |                  |   | 2030 Agenda                       |     |  |
|--|---|--------------------|------------------|---|-----------------------------------|-----|--|
|  | Goal 2020   | % Progress<br>2019 | % Total progress |   | SDG                               |     | Specific Objective                           |
| Efficiency in logistics costs              | 19,5 \$/litre   | 0%                 | 102%             |   | 8 DECENT WORK AND ECONOMIC GROWTH | 8.2 | Improve productivity<br>through innovation   |
| Efficiency of CO <sub>2</sub><br>Emissions | 15%<br>Reduction<br>per bottle  | 20%                | 87%              |   | 9 INNOVATION AND INFRASTRUCTURE   | 9.4 | Promote the adoption of clean technologies   |
| Integral<br>Customers                      | 100%<br>Of customers<br>complying with the<br>Corporate Ethical<br>Standard | 25%                | 75%              | 0 | 8 DECENT WORK AND ECONOMIC GROWTH | 8.8 | Protect labor rights<br>and safe environment |

Customers 99

# PEOPLE 100 SUSTAINABILITY REPORT 2019





# Having highly committed employees



Viña Concha y Toro seeks to create long-term bonds with each of the individuals who make its business possible. The company wants everyone to feel identified with and committed to its values.

The company believes that strengthening employees' competencies through training and knowledge is key to their professional performance and their commitment to the company. In addition, if fosters their physical and mental wellbeing, seeking to provide an excellent work environment and safeguard the health and safety of all who are part of the company.

To this end, the company focuses its people management initiatives on the following aspects:

EMPLOYEES
DEVELOPMENT
AND WELLBEING

COMPETENCIES
BUILDING AND
STRENGTHENING

HEALTH AND SECURITY ETHICS

MANAGEMENT

AND RESPECT FOR

HUMAN RIGHTS

People



# OUR EMPLOYEES

The success and sustainability of our business is based on the work and commitment of our employees. They are strategic allies and the true protagonists of the cultural change that is taking place within the company, so we seek to build relationships of trust and forge long-term bonds with them in order to meet every challenge we set for ourselves.

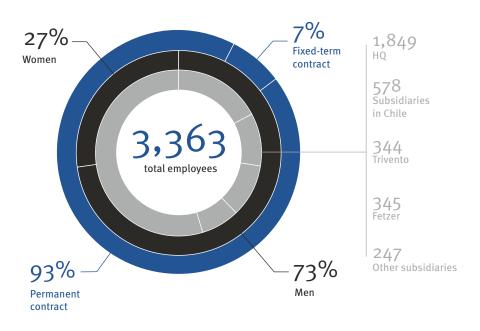
100%

of the harvest workers are trained in Hygiene, Health and Safety issues before starting their work

The company has two main workforces, its own employees, either with a permanent or fixed-term contract, and temporary workers, who mainly carry out agricultural work during the harvest season in winemaking cellars, for specific periods or tasks.

# **OWN EMPLOYEES**

102-8



# TEMPORARY WORKERS

Temporary workers are a central part of our production process. The company is in charge of providing favorable working conditions for temporary workers, offering healthy and safe working conditions, in line with the standards that govern the company, as well as benefits for their wellbeing and in recognition for their important work.

In addition, every year the company conducts internal audits of compliance with its Corporate Ethical Standard in order to verify and ensure compliance with internal policies and procedures and external social and environmental requirements that we must comply with. Through this exercise, the company ensures that there are no violations to the human rights of its workforce, both permanent and temporary.



# WELLBEING AND BENEFITS

The company has policies, rules and procedures in place to guarantee that the human rights, health, safety and wellbeing of its temporary workers and permament employees are respected, and this is also extended to contractor companies.

#### LABOR RELATIONS

407-1 102-41 403-4 402-1

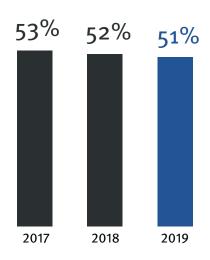
Viña Concha y Toro seeks to maintain permanent and fluent relationships with union organizations, based on dialogue, mutual collaboration and trust.

To this end, it recognizes, respects and safeguards its employees' right of association, unionization and collective bargain. Furthermore, it promotes collaborative work and harmonious relationships with all employees and their representative bodies, both within the company and throughout its supply chain.

The company has ten active unions, nine in Chile and one in Argentina. In the United States, Fetzer Vineyards does not have unions or collective agreements or contracts.

Collective agreements and contracts cover all aspects of occupational health and safety, indicating the company's obligation to adopt all pertinent measures to maintain adequate hygiene conditions, to report any unsafe event in and around its facilities, deliver the personal protection equipment necessary for the prevention of occupational accidents and diseases, and promote a culture of adequate work practices in direct cooperation with unions and joint committees.

PERCENTAGE OF EMPLOYEES REPRESENTED BY AN INDEPENDENT UNION OR COVERED BY COLLECTIVE AGREEMENTS



Constant communication with our employees is essential to strengthen their commitment to the daily work and their prospects in the company. Therefore, when operational changes are made that may have a substantial impact on employees, the company takes appropriate measures, including establishing a suitable period for prior notification, striving to deepen mutual understanding and directly discussing action plans.



Viña Concha y Toro promotes a culture of respect, agility, openness to change and collaboration among its workforce



#### **BENEFITS**

Viña Concha y Toro hopes that working in the company will improve the quality of life of its workers and employees, so it offers various benefits and opportunities both for professional and personal development.

The corporate benefits apply mainly to the permanent personnel, therefore, it does not include temporary workers; however, they have other benefits. Fixed-term employees are entitled to all the benefits, including health insurance, but those who consider a payroll discount are excluded.

#### **Usual benefits**

401-2

The following are the main benefits for our employees:

- Bonuses for: vacations, schooling, birth, marriage, nursery and death.
- Complementary health insurance co-financed by the company.
- Leave: to care for a sick family member, for the death of a family member, paternity or maternity.
- Alcohol and drug abuse prevention program.
- ► Employee Support Program (*PAE Programa de Apoyo al Empleado*): 3 sessions of face-to-face psychological care at no cost, and telephone assistance for legal and financial advice.
- Agreements with gyms and other institutions to provide healthy living alternatives.
- Competitive funds: The company co-finances employees' sports, recreational, artistic or cultural projects.

#### Benefits for temporary workers:

- ► Performance bonuses
- ► Monthly gift card for personal shopping
- ► Commuter shuttles
- Food services

#### WAGES

102-35 102-36 405-2

Viña Concha y Toro values its employees' merit, experience and capabilities, and it determine remuneration based on that criteria, granting equal opportunities to all people.

The company has a Compensation Policy that provides guidelines on equity and wage competitiveness to establish employees' remuneration. In order to know market salary ranges, studies are carried out periodically through specialized agencies.

Remuneration structures are defined based on an assessment of the responsibilities and tasks of each position, which determines the contribution or value of that position for the organization, obtaining internal salary bands that are built based on market surveys.

Additionally, all employees receive an annual bonus for the distribution of 4.5% of the net profit for the year. Managers, assistant managers and chief executives receive a single annual bonus that is assigned based on the degree of fulfillment of individual and corporate goals and considering the results of the year.

Within the holding company there are no differences between men and women in terms of remuneration for the same position. There are two reasons for the differences observed in the wage ratio indicators between men and women (see table in annexes to this chapter). Firstly, the internal diversity of each job category, which includes employees with different responsibilities and occupational and training characteristics; and secondly, because the relative weight of women in each of the categories.

# Company entry-level salary versus local minimum wage

|           |     | Minimum<br>wage | Viña Concha y Toro<br>entry-level salary | Ratio company<br>vs country |
|-----------|-----|-----------------|--|-----------------------------|
| Chile     | CLP | 301,000         | 500,000                                  | 166%                        |
| USA       | USD | 12              | 13                                       | 108%                        |
| Argentina | ARS | 47.075          | 33,870                                   | 201%                        |
|           |     | 16,875          | 26,415*                                  | 157%                        |

Country minimum wage: Minimum wage as of December 31, 2019.

Viña Concha y Toro entry-level salary: Initial salary of a newly incorporated employee, without training or higher education. Chilean salary considers basic salary plus gratification. In U.S.A., we consider the minimum wage in the State of California.

\* Personnel within an agreement.

People 105

# PEOPLE DEVELOPMENT

In order to reaffirm Viña Concha y Toro's commitment to people, placing them at the center of its management, in 2019 the Department of Human Resources redirected its approach, recognizing people are the company's main mobilizer and focusing on the development of each individual according to their talents, abilities and wellbeing. In accordance with this, it also changed its name to People Management.

The company is committed to providing an excellent work environment, offering opportunities for professional and personal development, supporting diversity and rejecting any type of discrimination.

In 2019, we launched the People Management System, a portal with a large amount of information and procedures related to people management which is available to the entire company. Through this system, employees can manage their vacations, learn about their benefits, access the company's directory and carry out their annual performance evaluation.

# PERFORMANCE MANAGEMENT

404-3

The company seeks to enhance employee performance by aligning individual expectations and objectives with corporate ones. To this effect, it carries out annual performance evaluations, according to formal criteria. In the evaluation carried out in 2019, the goal was to increase the number of evaluations in Chile to 70% of employees, achieving 80%. At the corporate level, a 10% increase in the evaluation rate was achieved, reaching 64%. Through the evaluation platform, managers can enter performance objectives and technical

competencies, assess objectives, behavioral and technical competencies, as well as build action plans for those competencies where there is a gap with respect to the expected level. Within the 2019 evaluation process, a new "Development Dialogue" section was incorporated, consisting of a conversation between boss and employee that allows knowing and aligning the employee's career expectations, jointly establishing development actions to fulfill these expectations. In this dialogue, the boss provides feedback on the employee's career projection and collects his/her aspirations, preferences and restrictions for developing his/her career in the company.

#### **Next steps**

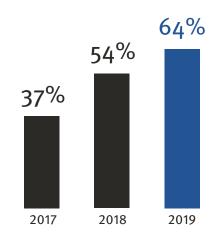
The company's goal is to continue making progress and evaluate 100% of employees annually.

In addition, during 2020 the company expects to implement a 360° performance evaluation at the executive level (Managers and Assistant Managers) with the support of an external consultant. Those assessed will receive feedback and coaching.



PERCENTAGE OF EMPLOYEES RECEIVING PERFORMANCE AND CAREER DEVELOPMENT EVALUATIONS

404-3





# CAREER DEVELOPMENT

In 2019 we created the Viña Concha y Toro Institutional Career Development Model, Policy and Procedure to guide and promote the professional development of our employees, according to their aspirations and the opportunities offered by the company, making career maps visible based on the valuation of the positions and the requirements contained in the success profile of each position. Additionally, another objective of the year was to build two career maps for the Operations and Commercial departments and to survey the success profiles associated with each positions.

#### **Internal mobility**

Career development management within the company is carried out mainly through internal mobility processes. There are two types of application processes: open to the entire company or closed aimed at specific employees suggested by the requesting leadership.

In the case of closed applications, once the candidates who meet the prerequisites have been chosen, the process consists of an assessment that allows identifying the applicant's development gaps with respect to the competencies required for the position and training and/or development needs.

#### **ENGAGEMENT**

Viña Concha y Toro monitors the evolution of the working environment within the organization on a biennial basis through its engagement survey, implementing improvements according to the results obtained.

The People Management presents the results to each area to disseminate good practices and develop a work plan focused on the weakest points that are affecting the working environment.

The 2019 engagement survey had 83% of participation, reaching a 66% overall commitment level, a decrease of 2 points compared to the previous evaluation. Following this, the company created work plans focused on the weakest points and areas affecting the work climate in the company.

In addition, immediate measures were implemented to improve the working environment, including: New internal recreation programs (sports and recreational agreements, yoga workshops); Family programs (Family Day, Christmas Party and "Getting to know mom and dad's work"); Teamwork workshops; Recognition for years of service; People Management System Platform (with a module on productivity, directory, vacations and benefits); Safety Culture Project with ACHS (Chilean Safety Association); Casual Fridays and conversations with managers.



People 107



# COMPETENCIES BUILDING

With the aim of promoting employees' professional and personal growth, in 2019 Viña Concha y Toro focused the work of its Training Department on developing and strengthening specific knowledge, skills and behaviors, creating training plans for each management that are aligned with the strategy, directly contributing to the reduction of knowledge gaps and the achievement of objectives at a company-level.

Concha y Toro's training programs are framed within the highest quality standards of the Knowledge Center (CDC), focusing on themes that allow having high-performance, committed employees, aligned to the company's strategy and culture, aiming to achieve the company and the specific managements' objectives.

# TRAINING AND EDUCATIONAL PROGRAMS

404-2 404-1

The training programs to help improve our employees' skills are classified as:

- ► Technical courses: related to all the programs of the different business units.
- ► Induction courses: related to the corporate induction process.
- Office IT: programs in different computer tools, Word, Excel, etc.
- Development: aimed at enhancing employees' relational skills, Study Grants and Quality of Life.

Some outstanding education and training programs carried out during 2019 were:

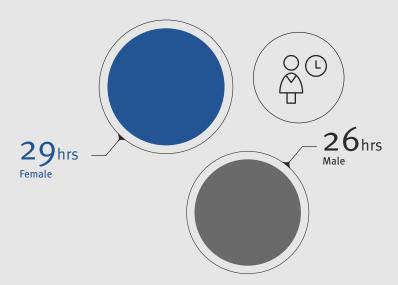
- ► New Corporate E-Learning Induction Course
- It seeks to provide our new employees with in-depth information about the company, highlighting those characteristics that differentiate, add value and position it as the main winery in the country.
- ► Pre-harvest Training Program
- Trains seasonal workers in the correct use of winemaking machinery, under a training model that provides them with specific tools, always taking into consideration safety and quality standards.
- Agents of Organizational Change Program
- ► It seeks to provide our Agents of Change with key tools to promote, from their role, the cultural transformation that we are experiencing. These include: Kotter's 8-step model for managing change, managing paradigms, and leading with emotional intelligence.
- WSET Level 2 Level 2 Qualification in Wines and Spirits
- A widely recognized certification in the world of wine that provides in-depth knowledge of wines and spirits. It qualifies our commercial team as experts, capable of advising our clients with technical mastery of the subject.

Despite the variety of programs we offer, there is no regular and formal program focused on labor reinsertation or transition to dismissal or retirement. However, such programs are offered for specific company processes or specific cases where it is required.

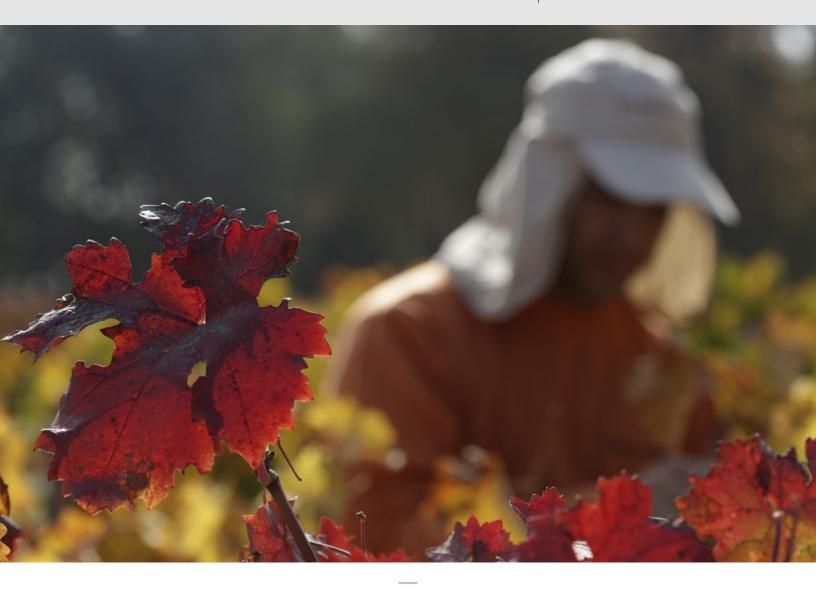
By 2020, the training section seeks to expand its offer, providing employees with high-quality courses, allowing them to develop skills and acquire tools and knowledge related to their field of work, and promoting agility as well as innovation within the different areas of the company.



#### Average hours of training by gender



89,384
hours of training





#### HEALTH AND SAFETY

Viña Concha y Toro has made it a priority responsibility to protect the health, safety and wellbeing of its employees and to manage the potential risks of its operations.

Each business unit has a risk prevention section responsible for monitoring and managing the health and safety of our employees. These are in charge of identifying and mitigating risks and also identifying elements for improvement in each task and work environment.

## HEALTH AND SAFETY COMMITTEES

403-1

To detect and assess the risk of accidents and occupational diseases, the company has joint or health and safety committees in all facilities, as established by law, which operate at all levels of the organization.

Employees actively participate in Joint Hygiene and Safety Committees, emergency brigades, workshops and training on machinery, equipment and tools, as well as dangers and risks specific to the company's operations. They also participate in the design and review of the Internal Regulations for Order, Hygiene and Safety. They participate in focus groups and interviews, in Ethical Conduct Audits of Viña Concha y Toro's internal standard, as well as in Customers Audits of Ethical Conduct.

- ► In Chile there are 42 joint committees representing 93% of employees. The remaining percentage is not represented due to the fact that it works in facilities that do not meet the minimum number of people to form a committee.
- ► At Fetzer Vineyards there are three committees representing 100% of employees.
- Bodega Trivento there are no such committees and related topics are represented by managers in a monthly committee meeting.

#### **HEALTH AND SAFETY RISKS**

403-

It is essential to identify which are the main risks and take actions to mitigate them in order to guarantee the occupational health and safety of our employees and contractors.

In Chile, we have the support of ACHS experts who are key actors in hazard identification and risk assessment, qualitative and quantitative assessments of industrial hygiene, occupational health and medical surveillance programs at work, monitoring of action plans and training programs.

In addition, we have a team of six risk prevention experts and six paramedics for our operations in Chile, one risk prevention expert in Trivento, and three area managers in Fetzer who are responsible for managing occupational health and safety in the subsidiaries.

The activities with the highest incidence or risk of occupational diseases are mainly in the area of operations (bottling), for example, exposure to noise, contact with chemical products, and work-related UEMSDs (Upper Extremities Musculoskeletal Disorder).



#### PROMOTING HEALTH

#### Trails to walk

Fetzer Vineyards encourages its personnel to lead healthy lifestyles and stay active, so it implemented seven walking trails around the Hopland winery that are open to employees throughout the year. The roads vary in distance and difficulty; they take between six and thirty minutes to complete. The trails are an excellent way for employees to be outdoors, exercise and get fresh air, while enjoying the vineyards from different viewpoints.



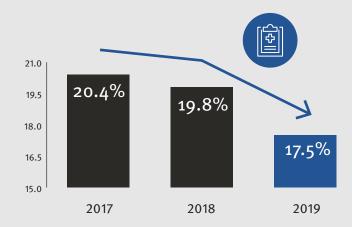
The most common accidents registered within the organization, both involving contractor workers and our own employees, are blows, falls, twists, cuts and limb entrapment.

In 2019, there were no deaths due to an accident and only one occupational disease was recorded within the company's employees. On the other hand, we regret to report 1 fatal accident inside the company's facilities that affected an external worker who provided grape harvesting services.



|             | 2017  | 2018  | 2019  |
|-------------|-------|-------|-------|
| # Accidents | 205   | 199   | 167   |
| Lost days   | 3,671 | 3,889 | 3,108 |
| # Diseases  | 2     | 3     | 1     |

#### LOST-TIME INJURIES FREQUENCY RATE (LTIFR)



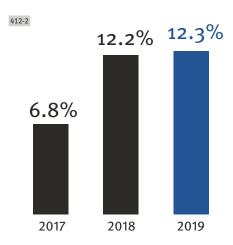


# ETHICAL MANAGEMENT AND RESPECT FOR HUMAN RIGHTS

412-1 407-1 408-1 409-1 406-1

The company is committed to ensuring that people are treated with dignity and respect, taking the necessary measures to identify, prevent and mitigate any adverse impact on human rights that arise or are caused by its activities or occur as a consequence of the mitigation and due diligence processes of human rights.

# PERCENTAGE OF EMPLOYEES TRAINED IN HUMAN RIGHTS PROCEDURES



The company's principles are guided by the international human rights principles included in the Universal Declaration of Human Rights, the Declaration of the International Labor Organization regarding Fundamental Principles and Rights at Work, the United Nations Global Compact and the United Nations Guiding Principles on Human Rights and Business.

To monitor that the human rights of our employees and all people related to the company are not violated, we periodically carry out internal audits of our Corporate Ethical Standard in all the company's departments and facilities, raising any risk of violation of rights and implementing the corresponding mitigation measures. During 2019, the internal audits focused on the company's bottling plants, completing the audits for 100% of our facilities in the period 2017-2019.

Our internal review confirmed that that no operations pose a risk of violation of rights

such as freedom of association, child labor or forced labor. On the other hand, we identified potential risks of violation of the right of workers to enjoy healthy and safe working conditions, mainly in our agricultural activities. To mitigate this, we have strengthened our risk prevention procedures and programs and, in 2019, we began the implementation of intensive training campaigns on Health and Safety for workers in all our vineyards.

During 2019 there were no incidents or complaints relating to discrimination within the company.

#### FOR LIFE CERTIFICATION

Since 2018, Viña Cono Sur is certified under the For Life program. This certification reinforces the winery's commitment to safe and fair working conditions for its workers and the promotion of sustainability at the local level and in its supply chain.





## PROGRESS TOWARDS SDG

|                       |   | Sustainability<br>Viña Concha |                  |   | 2030 Agenda                       |                        |   |  |
|-----------------------|---|-------------------------------|------------------|---|-----------------------------------|------------------------|---|--|
|                       | Goal 2020   | % Progress<br>2019            | % Total progress |   | SDG                               | SDG Specific Objective |   |  |
| Career<br>Development | 100%<br>Deparments with<br>career plans                     | 25%                           | 50%              |   | 8 DECENT WORK AND ECONOMIC GROWTH | 8.3                    | Promote training policies                     |  |
| Engagement            | + 70%<br>Level of<br>engagement                             | 0%                            | 94%              |   | 8 DECENT WORK AND ECONOMIC GROWTH | 8.2                    | Improve productivity through innovation       |  |
| Training              | 35 HH<br>hours of training<br>per employee per<br>year      | 6%                            | 80%              | 0 | 4 QUALITY EDUCATION               | 4.3                    | Ensure access to formal education             |  |
| Ethical Management    | 100%<br>Facilities under<br>ethics certification<br>systems | 33%                           | 90%              |   | 8 DECENT WORK AND ECONOMIC GROWTH | 8.8                    | Protect labor rights and safe work enviroment |  |



# ANNEX TABLES PEOPLE PILLAR

#### **PERSONNEL**

102-8 405-1

#### ► Number of employees by gender and type of contract

|              |        |       |          | 2018  | 20:      | 19    |
|--------------|--------|-------|----------|-------|----------|-------|
|              |        |       | Quantity | %     | Quantity | %     |
|              | Female |       | 803      | 25.4% | 852      | 25.3% |
| Permanent    | Male   |       | 2,231    | 70.5% | 2,286    | 68.0% |
|              |        | Total | 3,034    | 95.8% | 3,128    | 93.3% |
|              | Female |       | 34       | 1.1%  | 51       | 1.5%  |
| Fixed Term   | Male   |       | 98       | 3.1%  | 174      | 5.2%  |
|              |        | Total | 132      | 4.2%  | 225      | 6.7%  |
|              | Female |       | 837      | 26.4% | 903      | 26.9% |
| Consolidated | Male   |       | 2,329    | 73.6% | 2,460    | 73.1% |
|              |        | Total | 3,166    | 100%  | 3,363    | 100%  |

#### ► Number of employees by business unit and type of contract

|                             |           | 2018       |       |           | 2019       |       |  |  |
|-----------------------------|-----------|------------|-------|-----------|------------|-------|--|--|
|                             | Permanent | Fixed Term | Total | Permanent | Fixed Term | Total |  |  |
| Headquarters (Chile)        | 1.,682    | 96         | 1,778 | 1,687     | 163        | 1,850 |  |  |
| Viña Cono Sur (Chile)       | 82        | 2          | 84    | 96        | 13         | 109   |  |  |
| Fetzer Vineyards (USA)      | 323       | -          | 323   | 345       | -          | 345   |  |  |
| Bodega Trivento (Argentina) | 297       | -          | 297   | 344       | -          | 344   |  |  |
| VCT Chile                   | 406       | 31         | 437   | 401       | 47         | 448   |  |  |
| Others                      | 244       | 3          | 247   | 265       | 2          | 267   |  |  |
| Total                       | 3,034     | 132        | 3,166 | 3,138     | 225        | 3,363 |  |  |



#### ► Number of employees by gender and location

|                             |        | 2018  |       |        | 2019  |       |  |  |
|-----------------------------|--------|-------|-------|--------|-------|-------|--|--|
|                             | Female | Male  | Total | Female | Male  | Total |  |  |
| Headquartes (Chile)         | 439    | 1,339 | 1,778 | 473    | 1,377 | 1,850 |  |  |
| Viña Cono Sur (Chile)       | 21     | 63    | 84    | 25     | 84    | 109   |  |  |
| Fetzer Vineyards (USA)      | 116    | 207   | 323   | 131    | 214   | 345   |  |  |
| Bodega Trivento (Argentina) | 76     | 221   | 297   | 84     | 260   | 344   |  |  |
| VCT                         | 90     | 347   | 437   | 84     | 364   | 448   |  |  |
| Other offices               | 95     | 152   | 247   | 106    | 161   | 267   |  |  |
| Total                       | 837    | 2,329 | 3,166 | 903    | 2,460 | 3,363 |  |  |

#### ► Diversity of governance bodies and employees

|           | 2018   |                       |                      |                      |       |                       | 2019                 |                      |       |  |
|-----------|--------|-----------------------|----------------------|----------------------|-------|-----------------------|----------------------|----------------------|-------|--|
|           |        | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total |  |
|           | Female | 0                     | 0                    | 0                    | 0     | 0                     | 0                    | 0                    | 0     |  |
| Directors | Male   | 0                     | 1                    | 6                    | 7     | 0                     | 1                    | 6                    | 7     |  |
|           | Total  | 0                     | 1                    | 6                    | 7     | 0                     | 1                    | 6                    | 7     |  |

|                         |        |                       | 20:                  | 18                   |       | 2019                  |                      |                      |       |
|-------------------------|--------|-----------------------|----------------------|----------------------|-------|-----------------------|----------------------|----------------------|-------|
|                         |        | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total |
| Managers, Assistant     | Female | 2                     | 38                   | 13                   | 53    | 0                     | 43                   | 7                    | 50    |
| Managers and Executives | Male   | 1                     | 99                   | 41                   | 141   | 0                     | 113                  | 31                   | 144   |
| Professionals and       | Female | 87                    | 231                  | 23                   | 341   | 62                    | 221                  | 161                  | 444   |
| Technicians             | Male   | 131                   | 418                  | 117                  | 666   | 96                    | 396                  | 213                  | 705   |
| Operators, Sales and    | Female | 116                   | 272                  | 55                   | 443   | 63                    | 245                  | 101                  | 409   |
| Administrative Staff    | Male   | 300                   | 880                  | 342                  | 1,522 | 247                   | 928                  | 436                  | 1,611 |
|                         | Total  | 637                   | 1,938                | 591                  | 3,166 | 468                   | 1,946                | 949                  | 3,363 |



#### NEW EMPLOYEE HIRES AND TURNOVER

401-1

#### ► New hires by gender and age

|        |                       | 2018                 |                      |       | 2019                  |                      |                      |       |
|--------|-----------------------|----------------------|----------------------|-------|-----------------------|----------------------|----------------------|-------|
|        | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total |
| Female | 48                    | 58                   | 7                    | 113   | 72                    | 47                   | 7                    | 126   |
| Male   | 112                   | 146                  | 22                   | 280   | 179                   | 169                  | 34                   | 382   |
| Total  | 160                   | 204                  | 29                   | 393   | 251                   | 216                  | 41                   | 508   |

#### ► Recruitment rate by gender and age

|        |                       | 2018                 |                      |       | 2019                  |                      |                      |       |
|--------|-----------------------|----------------------|----------------------|-------|-----------------------|----------------------|----------------------|-------|
|        | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total |
| Female | 38.3%                 | 15.2%                | 6.0%                 | 18.1% | 79.1%                 | 25.5%                | 1.9%                 | 19.3% |
| Male   | 32.8%                 | 14.0%                | 6.9%                 | 16.5% | 72.5%                 | 33.7%                | 3.3%                 | 21.5% |
| Total  | 34.3%                 | 14.4%                | 6.7%                 | 16.9% | 74.3%                 | 31.5%                | 2.9%                 | 20.9% |

Recruitment rate: New employee hires/total employees

#### ► Resignations by gender and age

|        | 2018                  |                      |                      |       |                       | 2019                 |                      |       |  |  |
|--------|-----------------------|----------------------|----------------------|-------|-----------------------|----------------------|----------------------|-------|--|--|
|        | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total |  |  |
| Female | 24                    | 32                   | 1                    | 57    | 16                    | 29                   | -                    | 45    |  |  |
| Male   | 51                    | 76                   | 8                    | 135   | 37                    | 53                   | 24                   | 114   |  |  |
| Total  | 75                    | 108                  | 9                    | 192   | 53                    | 82                   | 24                   | 159   |  |  |



#### ► Voluntary turnover rate

|        |                       | 2018                 |                      |       | 2019                  |                      |                      |       |
|--------|-----------------------|----------------------|----------------------|-------|-----------------------|----------------------|----------------------|-------|
|        | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total |
| Female | 19.1%                 | 8.4%                 | 0.9%                 | 9.1%  | 17.6%                 | 15.8%                | 0.0%                 | 6.9%  |
| Male   | 14.9%                 | 7.3%                 | 2.5%                 | 8.0%  | 15.0%                 | 10.6%                | 2.3%                 | 6.4%  |
| Total  | 16.1%                 | 7.6%                 | 2.1%                 | 8.3%  | 15.7%                 | 12.0%                | 1.7%                 | 6.6%  |

Voluntary turnover rate: Voluntary employee leaves/total employees

#### ► Dismissal by gender and age

|        |                       | 2018                 | 3                    |       | 2019                  |                      |                      |       |
|--------|-----------------------|----------------------|----------------------|-------|-----------------------|----------------------|----------------------|-------|
|        | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total |
| Female | 16                    | 49                   | 13                   | 78    | 10                    | 30                   | 1                    | 41    |
| Male   | 59                    | 132                  | 63                   | 254   | 50                    | 116                  | 48                   | 214   |
| Total  | 75                    | 181                  | 76                   | 332   | 60                    | 146                  | 49                   | 255   |

Dismissal rate: Dismissals/total employees

#### ► Total turnover rate

| 2018   |                       |                      |                      |       |                       | 2019                 |                      |       |  |
|--------|-----------------------|----------------------|----------------------|-------|-----------------------|----------------------|----------------------|-------|--|
|        | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total | Under 30<br>years old | 30 - 50<br>years old | Over 50<br>years old | Total |  |
| Female | 31.9%                 | 21.2%                | 12.0%                | 21.7% | 28.6%                 | 32.1%                | 0.3%                 | 13.2% |  |
| Male   | 32.2%                 | 20.0%                | 22.4%                | 22.9% | 35.2%                 | 33.7%                | 7.0%                 | 18.5% |  |
| Total  | 32.1%                 | 20.3%                | 19.6%                | 22.6% | 33.4%                 | 33.3%                | 5.2%                 | 17.1% |  |

Total turnover rate: Total employee leaves/total employees



#### PERFORMANCE EVALUATION

404-3

#### ► Number and percentage of performance evaluations by gender and job category

|   |        | 20:       | 2018  |           | 19    |
|---|--------|-----------|-------|-----------|-------|
| Category                                  |        | Evaluated | %     | Evaluated | %     |
| Managers, Assistant Managers              | Female | 49        | 92.5% | 45        | 88.2% |
| and Executives                            | Male   | 139       | 98.6% | 127       | 87.6% |
| Professionals and Technicians             | Female | 150       | 44.0% | 247       | 55.6% |
| Professionals and Technicians             | Male   | 242       | 36.3% | 481       | 68.3% |
| Oneveters Cales and Administrative Staff  | Female | 213       | 48.1% | 255       | 62.5% |
| Operators, Sales and Administrative Staff | Male   | 919       | 60.4% | 1.005     | 62.4% |
| Tatal                                     | Female | 412       | 49.2% | 547       | 60.6% |
| Total                                     | Male   | 1.300     | 55.8% | 1.613     | 65.6% |

#### **WAGES**

202-1 405-2

#### ► Standard entry level salary ratios by gender compared to local minimum wage

|           |          |                | Country's minimum<br>wage (\$) |           | •       | Company's<br>Entry Level Salary (\$) |      | ny vs. Country |
|-----------|----------|----------------|--------------------------------|-----------|---------|--------------------------------------|------|----------------|
|           |          |                | 2018                           | 2019      | 2018    | 2019                                 | 2018 | 2019           |
| Chile     | Female   | - CLD          | 200 000                        | 201.000 - | 375,000 | 500,000                              | 130% | 166%           |
| Cilite    | Male CLP | 288,000 301,00 | 301,000 -                      | 375,000   | 500,000 | 130%                                 | 166% |                |
|           | Female   | – US           | 11,00                          | 12,00     | 13,0    | 13,0                                 | 118% | 108%           |
| USA*      | Male     | - 05           |                                |           | 13,0    | 13,0                                 | 118% | 108%           |
|           | Female   | – ARS          | 11 200                         | 16 075 -  | 22,578  | 33,870                               | 200% | 201%           |
| Argentina | Male     | – ARS          | 11,300                         | 16,875 -  | 22,578  | 33,870                               | 200% | 201%           |
|           | Female** | ADC            | 11 200                         | 1/ 075    | 18,709  | 26,415                               | 166% | 157%           |
|           | Male**   | – ARS          | 11,300                         | 16,875 —  | 18,709  | 26,415                               | 166% | 157%           |

Country minimum wage: Minimum wage as of December 31, 2019.

Viña Concha y Toro entry-level salary: Initial salary of a newly incorporated employee, without training or higher education.

Chilean salary considers basic salary plus gratification.

In U.S.A., we consider the minimum wage in the State of California.

<sup>\*\*</sup> Personnel within an agreement.



#### ► Percentage ratio of women's wages to men's wages

|   | 20          | )18            | 20          | 19             |
|---|-------------|----------------|-------------|----------------|
| Category                                    | Base Salary | Average Salary | Base Salary | Average Salary |
| Managers, Assistant Managers and Executives | 85%         | 74%            | 83%         | 79%            |
| Professionals and Technicians               | 104%        | 101%           | 92%         | 91%            |
| Administrative staff                        | 86%         | 79%            | 92%         | 90%            |
| Salespeople                                 | 95%         | 96%            | 102%        | 103%           |
| Operators                                   | 72%         | 81%            | 90%         | 87%            |

Average salary: it considers the average of the year (base salary + variable) of the whole workforce by category.

#### **TRAINING**

404-1

#### ► Average hours of training per year per employee

|   | 20    | 19   | 2018  |      |  |
|---|-------|------|-------|------|--|
| Category                                    | Women | Men  | Women | Men  |  |
| Managers, Assistant Managers and Executives | 20.6  | 12.1 | 35.7  | 20.2 |  |
| Professionals and Technicians               | 28.7  | 29.5 | 26.6  | 31.1 |  |
| Operators, Sales and Administrative Staff   | 20.2  | 28.9 | 30.9  | 23.8 |  |
| Total                                       | 24.0  | 28.0 | 29.0  | 25.7 |  |



#### **COLLECTIVE BARGAINING AGREEMENTS**

102-41

#### ► Percentage of employees covered by collective agreements

| Collective Bargaining Agreements                      |       |       |  |  |  |  |  |
|---|-------|-------|--|--|--|--|--|
|   | 2018  | 2019  |  |  |  |  |  |
| Unionized Workers                                     | 1,117 | 1,203 |  |  |  |  |  |
| Workers covered by collective bargaining agreements   | 1,657 | 1,708 |  |  |  |  |  |
| % Workers covered by collective bargaining agreements | 52%   | 51%   |  |  |  |  |  |

 $<sup>^{\</sup>star}$  Unionized workers and covered by collective bargaining agreements as of 12/31/2019.

#### **HEALTH AND SAFETY**

403-2

#### ► Lost-time injuries frequency rate (LTIFR)

| Company             | 2017 | 2018 | 2019 |
|---------------------|------|------|------|
| Viña Concha y Toro  | 21.4 | 21.6 | 18.7 |
| Viña Cono Sur       | 21.1 | 22.4 | 18.6 |
| Fetzer              | 11.6 | 16.9 | 16.7 |
| Trivento            | 40.1 | 22.9 | 24.4 |
| Transportes Viconto | 47.8 | -    | 46.3 |
| VCT Chile           | 6.0  | 8.6  | 3.1  |
| Total               | 20.4 | 19.8 | 17.5 |

LTIFR: ((Number of lost-time injuries) / (Total hours worked)) \* 1,000,000 hours.

#### ► Occupational Illness Frequency Rate (OIFR)

| Company             | 2017 | 2018 | 2019 |
|---------------------|------|------|------|
| Viña Concha y Toro  |      | 0.15 | 0.15 |
| Viña Cono Sur       |      |      |      |
| Fetzer              |      |      |      |
| Trivento            |      |      |      |
| Transportes Viconto |      |      |      |
| VCT Chile           | 1.71 | 1.71 |      |
| Total               | 0.20 | 0.30 | 0.10 |

OIFR: ((No. of cases with occupational diseases) / (Total hours worked)) \* 1,000,000 hours.



#### ► Lost Days Rate by Business Unit

| Company             | 2017     | 2018     | 2019   |
|---------------------|----------|----------|--------|
| Viña Concha y Toro  | 379.22   | 379.22   | 342.45 |
| Viña Cono Sur       | 102.64   | 363.19   | 396.37 |
| Fetzer              | 76.27    | 96.49    | 41.68  |
| Trivento            | 1,224.77 | 1,130.22 | 757.78 |
| Transportes Viconto | 931.32   |          | 231.52 |
| VCT Chile           | 71.89    | 169.45   | 37.20  |
| Total               | 365.43   | 387.60   | 326.10 |

Lost Days Rate: ((No. of days lost) / (Total hours worked)) \* 1,000,000 hours.

#### ► Lost-time injuries frequency rate (LTIFR) - Contractors

| Company            | 2017  | 2018 | 2019 |
|--------------------|-------|------|------|
| Viña Concha y Toro | 10.31 | 8.72 | 9.16 |

LTIFR: ((Number of lost-time injuries) / (Total hours worked)) \* 1,000,000 hours











# Being a company that creates value for society and the environment where it operates



Viña Concha y Toro is convinced that its business must grow together with the surrounding communities and with society in general.

The company seeks to improve the quality of life and create employment opportunities for local communities, promoting initiatives that meet their needs.

The objective of the Society pillar is to share knowledge and capacities, contributing to improve productive practices and environmental conditions. In this sense, we focus our actions on:

IMPROVING PRODUCERS'
LAND MANAGEMENT SKILLS,
THROUGH PRODUCTIVE
ALLIANCES AND TRAINING AND
EXTENSION

POSITIVELY IMPACT
THE QUALITY OF LIFE
OF SURROUNDING
COMMUNITIES

123



# SUPPORT FOR LOCAL DEVELOPMENT

203-2 413-1

The company is committed to creating value for the environment in which operates and society in general. This is a long-term commitment, which aims to have a positive impact and create the conditions for the sustainable development of the industry.



The most important contribution of the company comes from its core business, providing jobs and promoting the quality of life in communities. In addition, the company support entrepreneurship, invest in education and community initiatives, and contribute through donations and employee volunteering.

#### PRODUCTIVE ALLIANCES

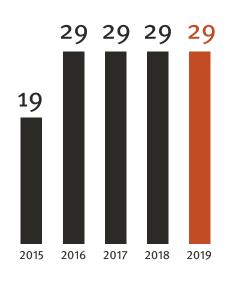
203-1

Viña Concha y Toro has committed to support the development of local producers, seeking to strengthen their skills and capacities, and promoting their development, which in the long term allows for better social conditions in the communities.

Since 2014, Viña Concha y Toro and the National Institute of Agricultural Development (INDAP, Instituto de Desarrollo Agropecuario) have developed the Productive Alliances Program. The program seeks to build and strengthen the capacities of local grape suppliers through technical/practical consultancies linked to productive aspects, so they can improve the volume and quality of

grapes produced, their safety, traceability and efficiency. The consultancies consider on-site visits to their properties, tours, technical talks and the transfer of market information. It should be noted that, in order to respect the business of each producer and develop adequate strategies, we carry out an initial assessment that allows us to customize the consultancy provided in accordance with the reality and characteristics of each producer's business.

#### NUMBER OF PARTICIPANTS



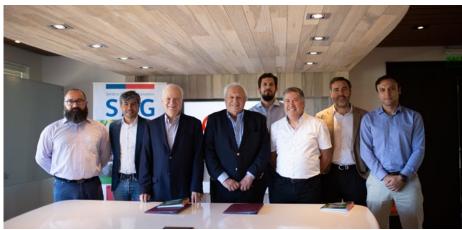


# COLLABORATION AGREEMENT WITH LIVESTOCK AND AGRICULTURAL SERVICE

Strengthening our commitment to promoting applied research, technology transfer and innovation in national viticulture, the company's Center for Research and Innovation (CRI) and the Livestock and Agricultural Service (SAG, Servicio Agrícola y Ganadero) signed an agreement in 2019 to strengthen technical cooperation and information exchange.

The objective of the agreement is to allow the transfer of information and methodologies relating to plant health and ecosystem protection that will contribute to the entire industry. We are convinced that the transfer of scientific knowledge and applied research from our Center for Research and Innovation is essential to contribute to a modern agricultural and wine industry, with sustainable production and quality products.





Society 125



# SOCIAL INITIATIVES AND VOLUNTEERING

203-1 413-1 413-2

Viña Concha y Toro is fully committed to the responsible management of its impact on society, promoting local employability, collaborating with customers and the community, promoting the participation of our employees in corporate volunteering, and working together with institutions with which we share common interests and objectives.

The company has productive operations in 3 countries and dozens of locations, in all of which the company seeks to create value for society and its operational environment, building mutually beneficial relationships based on dialogue.

Currently the company does not have impact assessment programs and/or community development programs in place, but all our facilities are linked to the local community to some extent, and we have different initiatives developed based on the survey of local needs in our three production origins.

Furthermore, none of the company's operations have significant negative impacts on local communities. We are concerned with clearly communicating projects to authorities and neighboring communities in a timely manner, indicating the deadlines, potential negative impacts and positive externalities arising from the construction and/or modification processes of the facilities or any change in their operations.

In order to better understand the needs and expectations of the community, all company facilities have a Community Relations Delegate responsible for receiving and channeling requests from the community and delivering a formal response to requirements within five business days.





#### INITIATIVES IN CHILE

#### JUNTOS POR LOS NIÑOS (TOGETHER FOR THE CHILDREN)

In support of *Fundación Ilumina*, we carried out volunteer work to improve the outdoor spaces of the San Pedro y San Pablo nursery in the Puente Alto. The activity aimed to build outdoor educational spaces to contribute to the learning experience and quality of life of the 49 children in the nursery.

## NAVIDAD CON SENTIDO (CHRISTMAS WITH A PURPOSE)

In order to strengthen the meaning of this celebration and encourage people to spend time with their family, the company invited the communities neighboring its facilities in Chile to four entertaining events throughout the country.

The goal was to invite children of the neighboring communities to Christmas parties with meaning, full of games, music and magic. Four parties were held in Ovalle, Puente Alto, Chimbarongo and Lontué, with about 800 children in total. Each party featured magicians, clowns, zumba, inflatable games, and face painting, plus tasty hot dogs and bags of candy for the kids. It should be noted that the activity had the participation of company volunteers, who helped during the events, achieving a unique moment of union and peace for each family.



## MANOS A LA TIERRA (ALL HANDS ON EARTH)

In 2019 the company launched this volunteer program that invites all employees to participate in reforestation days, starting with forest areas burned by fires from previous years. In this first activity, 300 native trees were planted in the Quinta Maipo estate, located in the Metropolitan Region.

## EDUCATIONAL VISITS TO THE CRI

In 2019, the Center for Research and Innovation continued to carry out academic visits from schools from the nearby communities, with the objective of inviting children and adolescents to soak up science so they see that it is neither distant nor unattainable. Throughout the year, students from the Pencahue Educational Complex and the Nuevo Horizonte School visited the CRI.

In this way, the Center has positioned itself as a mandatory visit for schools, technical schools and universities seeking to deepen their students' learning experience.





Society 127

## INITIATIVES IN ARGENTINA



#### LAZOS POR HUELLAS

This program is developed together with community institutions linked to education and is the axis of the social investment policy of our subsidiary in Argentina, Trivento. For 10 years we have carried out solidarity campaigns for supplies, milk, warm clothes, sports shoes, books, toys and non-perishable food to deliver to schools in the communities surrounding the Argentine subsidiary's facilities. In addition, the company collaborates with donations of products, barrels and computer equipment to schools.

## ACCIÓN SOCIAL (SOCIAL ACTION)

Innovative and pioneering program in the province of Mendoza. In 2018, a creative activity was developed with the objective of developing a new product which reflects the attributes of Trivento's identity and aims to contribute to the education of children and young people. In 2019, 300 employees participated in the creation of White Malbec, an outstanding wine. The sales of this new wine will allow quadrupling the annual scholarships awarded, benefiting Trivento employees, employees' children and children from the Mendoza community, thanks to an alliance with the Scholarship Fund for Students of Argentina (Fondo de Becas para Estudiantes de Argentina - FonBec), which enables a transparent selection process for applicants and academic monitoring.

# INITIATIVES IN THE UNITED STATES

#### SUPPORT FOR LOCAL AGRICULTURE

Fetzer annually supports the Mendocino Agricultural Families' Scholarship Fund, a program that seeks to create educational opportunities by offering people effective ways to promote the well-being of local communities.

# CANCER RESOURCE CENTERS OF MENDOCINO COUNTY'S PATIENT NAVIGATION

Fetzer Vineyards is a direct sponsor of Pure Mendocino, the annual fundraising campaign of the Cancer Resource Centers (CRC).

This program provides diagnostic and treatment support to cancer patients, cancer survivors, and their family and friends to overcome financial and logistical obstacles and maintain a professional and family life while receiving cancer treatment. As one of only two independent centers between Marin County and the California-Oregon border, CRC services are a vital resource for the residents of Mendocino County.

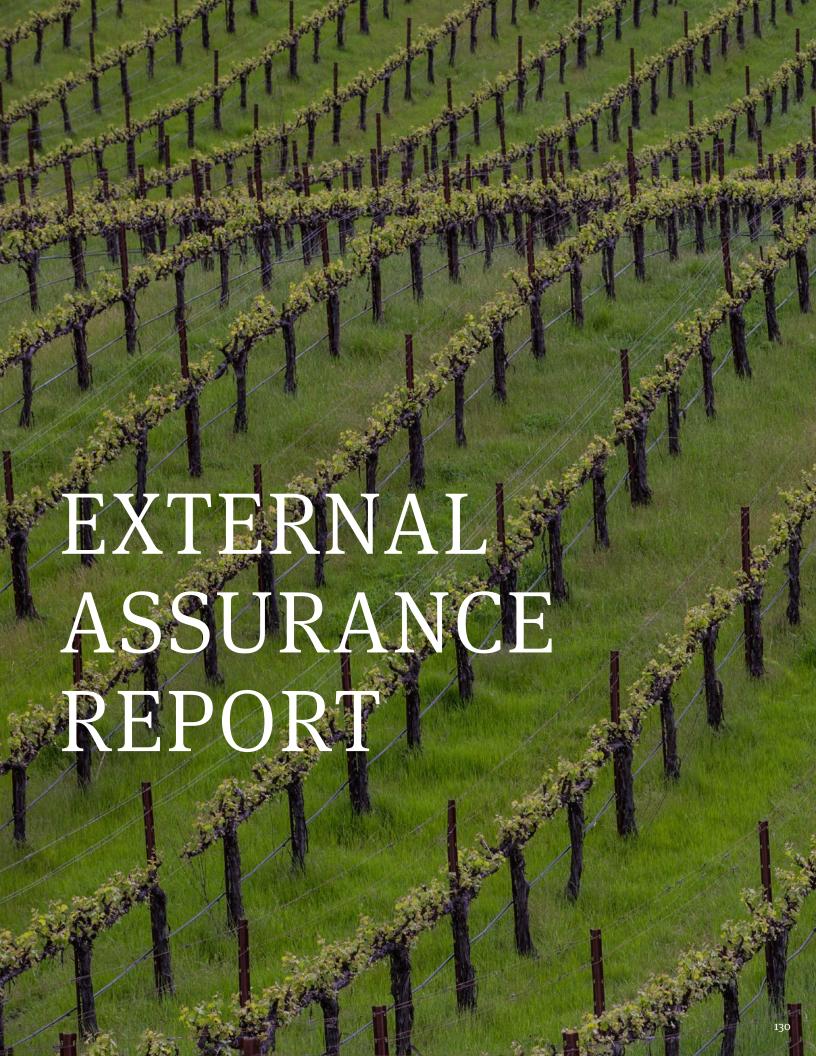




## PROGRESS TOWARDS SDG

|                          | Sustainability Strategy<br>Viña Concha y Toro                    |                    |                              |    | 2030 Agenda                                      |   |   |
|--------------------------|--|--------------------|------------------------------|----|--|---|---|
|                          | Goal 2020  | % Progress<br>2019 | % Total progress             |    | SDG  |   | Specific Objective                                |
| Productive<br>Alliances  | 100%<br>Of growers with<br>an increase in<br>productivity        | 20%                | 80%                          |    | 8 DECENT VORK AND ECONOMIC GROWTH                | 8 | Improve productivity through innovation           |
| Extension<br>for Growers | 100%<br>Of participants with<br>positive impacts on<br>knowledge | 25%                | 75%                          |    | 8 DESENT MORK AND ECONOMIC GROWTH                | 8 | Promote training policies                         |
| Communities              | 4<br>Social programs   | 25%                | 75%                          |    | 9 IMMOVATION AND IMPRASTRUCTURE                  | 9 | Develop infraestructure<br>for people's wellbeing |
| Education                | 100%<br>Of graduates in<br>labor market                          | 100%               | 100%                         |    | 4 QUALITY EDUCATION                              | 4 | Ensure access to formal education                 |
| Entrepreneurship         | Business Accelerator operating in the company                    |                    |                              |    | 8 DECENT VORK AND ECONOMIC GROWTH                | 8 | Improve productivity<br>through innovation        |
| Entrepreneursinp         |  | 66%                | 17 PARTMERSHIP FOR THE GOALS | 17 | Promote the establishment of effective alliances |   |   |

Society 129





### AENOR

#### INDEPENDENT REVISION REPORT

#### VMS-2020/0023

AENOR has verified the report of

#### VIÑA CONCHA Y TORO S.A.

#### **TITTLE: SUSTAINABILITY REPORT 2019**

In accordance with: GRI Standards Reporting option: Comprehensive

Date: 2020-06-18

Viña Concha y Toro has commissioned AENOR to carry out a verification under a limited assurance level of the Sustainability Report 2019 carried out in accordance with the Sustainability Reporting Standards (GRI Standards) in the option declared in this certificate.

As a result of the verification, AENOR issues this certificate. The certificate is only valid for the intended purpose and reflects only the situation at the time it is issued.

The objective of the verification is to provide interested parties with a professional and independent judgment regarding the information and data contained in the organization's Sustainability Report, prepared in accordance with GRI Standards.

Responsibility of the organization: The organization was willing to report its performance in the area of social responsibility, in accordance with the GRI Standards. The preparation and approval of the Sustainability Report, as well as the content thereof, is the responsibility of the organization. This responsibility also includes the design, implementation and maintenance of the internal control deemed necessary to allow the Sustainability Report to be free from material misstatement, due to fraud or error, as well as the management systems from which the information necessary for its preparation. The organization has informed AENOR that, from the closing date of the financial year reported in the sustainability report to the date of verification, there have been no events that could lead to the need to make corrections to the report.

#### Verification according to ISO / IEC 17029: 2019.

AENOR has carried out this verification as an independent provider of verification services. Verification has been developed under the principles of "evidence-based approach, fair

presentation, impartiality, technical competence, confidentiality, and responsibility" required by the international standard ISO / IEC 17029: 2019 "Evaluation of conformity - General principles and requirements for the validation and verification bodies". Additionally, the criteria and information that have been taken into account as a reference to carry out the verification have been the criteria established by the global sustainability reporting initiative in the GRI Standards.

AENOR expressly disclaims any responsibility for decisions, investment or otherwise, based on this certificate.

During the verification process, under a limited level of assurance, AENOR conducted interviews with the personnel in charge of compiling and preparing the Sustainability Report and reviewed evidence related to:

- Activities, products and services provided by the organization.
- Consistency and traceability of the information provided, including the process followed for its collection, sampling information on the information reported.
- Completion and content of the Sustainability Report in order to ensure the integrity, accuracy and veracity of its content.

The conclusions are therefore based on the results of this sample-based process, and do not exempt the Organization from its responsibility for compliance with the applicable legislation.

The personnel involved in the verification process, the revision of conclusions and the decision in the issuance of this certificate, have the knowledge, skills, experience, training, support infrastructures and the necessary capacity to carry out these activities effectively.

Rafael GARCÍA MEIRO Director General



## GRI CONTENT INDEX

| Disclosure   | Contents / Reference   | Chapter / Section                      | Page     | Comments   |
|--------------|--|--|----------|--|
| General Dis  | closures   |  |          |  |
| Organizatio  |  |  |          |  |
| 102-1        | Name of the organization   | Back cover                             |          |  |
| 102-2        | Activities, brands, products, and services                                   | Company Profile                        | 14       |  |
| 102-3        | Location of headquarters   | Back cover                             |          |  |
| 102-4        | Location of operations   | Company Profile                        | 16       |  |
| 102-5        | Ownership and legal form   | Company Profile                        | 13       |  |
| 102-6        | Markets served   | Company Profile / Customers Pillar     | 17       |  |
| 102-7        | Scale of the organization  | Company Profile / Economic Performance | 16, 51   | Total capitalization broken down in terms of debt and capital can be seen in the 2019 Annual Report, Financial Summary, page 10. |
| 102-8        | Information on employees and other workers                                   | People Pillar                          | 102, 114 |  |
| 102-9        | Supply chain   | Company Profile                        | 18       |  |
| 102-10       | Significant changes to the organization and its supply chain                 | Company Profile                        |          | There were no significant changes during the period in the organization's size, structure, ownership, or supply chain.           |
| 102-11       | Precautionary Principle or approach  | Company Profile                        | 38       |  |
| 102-12       | External initiatives   | Corporate Governance                   | 31       |  |
| 102-13       | Membership of associations   | Corporate Governance                   | 31       |  |
| Strategy     |  |  |          |  |
| 102-14       | Statement from senior decision-maker   | Letter from the Chairman               | 4        |  |
| 102-15       | Key impacts, risks, and opportunities  | Corporate Governance                   | 38, 40   |  |
| Ethics and i | ntegrity   |  |          |  |
| 102-16       | Values, principles, standards, and norms of behavior                         | Corporate Governance                   | 42       |  |
| 102-17       | Mechanisms for advice and concerns about ethics                              | Corporate Governance                   | 44       |  |
| Governance   |  |  |          |  |
| 102-18       | Governance structure   | Corporate Governance                   | 35, 36   |  |
| 102-19       | Delegating authority   | Corporate Governance                   | 34       |  |
| 102-20       | Executive-level responsibility for economic, environmental and social topics | Corporate Governance                   | 37       |  |
| 102-21       | Consulting stakeholders on economic, environmental and social topics         | About this Report                      | 8        |  |
| 102-22       | Composition of the highest governance body and its committees                | Corporate Governance                   | 34, 36   |  |



| _          |   |                      |               |  |
|------------|---|----------------------|---------------|--|
| Disclosure | Contents / Reference  | Chapter / Section    | Page          | Comments   |
| 102-23     | Chair of the highest governance body                                    | Corporate Governance | 34            |  |
| 102-24     | Nominating and selecting the highest governance body                    | Corporate Governance | 34            |  |
| 102-25     | Conflicts of interest   | Corporate Governance | 44            |  |
| 102-26     | Role of highest governance body in setting purpose, values and strategy | Corporate Governance | 34            |  |
| 102-27     | Collective knowledge of highest governance body                         | Corporate Governance | 36            |  |
| 102-28     | Evaluating the highest governance body's performance                    | Corporate Governance | 37            |  |
| 102-29     | Identifying and managing economic, environmental and social impacts     | Corporate Governance | 34, 37,<br>38 | Stakeholder consultation is not used to assist the highest governance body in identifying and managing economic, environmental and social issues and their impacts, risks and opportunities.   |
| 102-30     | Effectiveness of risk management processes                              | Corporate Governance | 38            |  |
| 102-31     | Review of economic, environmental, and social topics                    | Corporate Governance | 37, 38        |  |
| 102-32     | Highest governance body's role in sustainability reporting              | Corporate Governance | 37            |  |
| 102-33     | Communicating critical concerns   | Corporate Governance | 34            |  |
| 102-34     | Nature and total number of critical concerns                            |                      |               | See 2019 Annual Report, p. 62-63   |
| 102-35     | Remuneration policies   | People Pillar        | 105           | Board Remuneration - See 2019 Annual Report, p. 62. The amount of directors 'compensation is established each year at the company's annual shareholders' meeting. Directors' remuneration is a fixed amount that does not depend on the results of the company, but rather reflects the time spent and the responsibilities of the position. |
| 102-36     | Process for determining remuneration                                    | People Pillar        | 105           |  |
| 102-37     | Stakeholders' involvement in remuneration                               |                      |               | The executive and employees compensation system is reviewed and approved by the Directors' Committee. Other stakeholders are not considered in determining remunerations.  |
| 102-38     | Annual total compensation ratio   |                      |               | By definition of the company, this information is confidential to safeguard the personal security and confidentiality of collaborators and the top management of the organization.   |
| 102-39     | Percentage increase in annual total compensation ratio                  |                      |               | By definition of the company, this information is confidential to safeguard the personal security and confidentiality of collaborators and the top management of the organization.   |

GRI Content Index 133



| Disclosure  | Contents / Reference                                       | Chapter / Section            | Page     | Comments  |
|-------------|--|------------------------------|----------|---|
| Stakeholder | engagement   |                              |          |   |
| 102-40      | List of stakeholder groups                                 | About this Report            | 10       |   |
| 102-41      | Collective bargaining agreements                           | People Pillar                | 104, 120 |   |
| 102-42      | Identifying and selecting stakeholders                     | About this Report            | 10       |   |
| 102-43      | Approach to stakeholder engagement                         | About this Report            | 8        |   |
| Reporting p | ractice  |                              |          |   |
| 102-44      | Key topics and concerns raised                             | About this Report            | 10       |   |
| 102-45      | Entities included in the consolidated financial statements |                              |          | See 2019 Annual Report, p. 82   |
| 102-46      | Defining report content and topic Boundaries               | About this Report            | 8        |   |
| 102-47      | List of material topics                                    | About this Report            | 8        |   |
| 102-48      | Restatements of information                                | Economic Performance         |          |   |
| 102-49      | Changes in reporting                                       | About this Report            | 8        | There were no significant changes in scope and coverage compared to previous reports. |
| 102-50      | Reporting period   | About this Report            | 8        |   |
| 102-51      | Date of most recent report                                 |                              |          | Period of the most recent report: 2018<br>Sustainability Report                       |
| 102-52      | Reporting cycle  | About this Report            | 8        |   |
| 102-53      | Contact point for questions regarding the report           | Back cover                   |          |   |
| 102-54      | Claims of reporting in accordance with the GRI Standards   | About this Report            | 8        |   |
| 102-55      | GRI content index  | GRI Content Index            | 130      |   |
| 102-56      | External assurance   | External Assurance<br>Report | 132      |   |



| Disclosure            | Contents / Reference   | Chapter / Section                        | Page            | Comments   |  |
|-----------------------|--|--|-----------------|--|--|
| Specific Sta          | ndard Disclosures  |  |                 |  |  |
| CATEGORY:             | Economic performance   |  |                 |  |  |
| Economic Pe           | erformance   |  |                 |  |  |
| 201-1                 | Direct economic value generated and distributed                                | Economic Performance                     | 51              |  |  |
| 201-2                 | Financial implications and other risks and opportunities due to climate change | Corporate Governance                     | 40              |  |  |
| 201-3                 | Defined benefit plan obligations and other retirement plans                    |  |                 | Pension plans are not direct responsibility of the Company, which is governed by the labol laws of each country regarding retirement plans. The amount destined to pay the obligations of social laws can be found in 2019 Annual Report, Benefits and Expenses per employee, page 207.  |  |
| 201-4                 | Financial assistance received from government                                  |  |                 | The company received grants for ThCh \$ 45,136 in Chile during 2019.   |  |
| Market Pres           | ence   |  |                 |  |  |
| 202-1                 | Ratios of standard entry level wage by gender compared to local minimum wage   | People Pillar                            | 105, 118        |  |  |
| 202-2                 | Proportion of senior management hired from the local community                 |  |                 | The company's senior executives are the corporate managers of the parent. All of them are Chilean. See Annual Report 2019, page 34.  |  |
| Impactos Ec           | onómicos Indirectos  |  |                 |  |  |
| 203-1                 | Infrastructure investments and services supported                              | Corporate Governance /<br>Society Pillar | 51, 124,<br>126 | No negative impacts on local communities and economies have been identified from the company's social initiatives.   |  |
| 203-2                 | Significant indirect economic impacts  | Society Pillar                           | 124             | The company's activities as an employer, consumer of local products and services and as a taxpayer in the respective regions or countries support local economic development, especially in emerging economies such as Chile and Argentina. In this way, it raises the standard of living of the population, both directly and indirectly, creating added value. |  |
| Procurement Practices |  |  |                 |  |  |
| 204-1                 | Proportion of spending on local suppliers                                      | Supply Chain Pillar                      | 76              |  |  |
| Anti-corrupt          | ion  |  |                 |  |  |
| 205-1                 | Operations assessed for risks related to corruption                            | Corporate Governance                     | 45              |  |  |
| 205-2                 | Communication and training about anti-corruption policies and procedures       | Corporate Governance                     | 44              |  |  |
| 205-3                 | Confirmed incidents of corruption and actions taken                            |  |                 | There were no cases of corruption during the reporting period.   |  |

GRI Content Index 135



| Disclosure   | Contents / Reference  | Chapter / Section   | Page   | Comments   |
|--------------|---|---------------------|--------|--|
| Anti-compe   | titive behavior   |                     |        |  |
| 206-1        | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices   |                     |        | There were no legal actions related to anti-competitive behavior, anti-trust and monopoly practices during the period.   |
| CATEGORY:    | Environmental performance   |                     |        |  |
| Materials    |   |                     |        |  |
| 301-1        | Materials used by weight or volume  | Supply Chain Pillar | 79,84  |  |
| 301-2        | Recycled input materials used   | Supply Chain Pillar | 81, 84 |  |
| 301-3        | Reclaimed products and their packaging materials  |                     |        | The company does not reuse packaging products or materials.  The company's business model, the distribution of products to more than 130 countries and the characteristics of the products sold mean that recovering post-consumer packaging and packaging materials for reuse is neither economically nor environmentally viable. |
| Energy       |   |                     |        |  |
| 302-1        | Energy consumption within the organization  | Environment Pillar  | 58,71  |  |
| 302-2        | Energy consumption outside of the organization  | Environment Pillar  | 58     |  |
| 302-3        | Energy intensity  | Environment Pillar  | 59,71  |  |
| 302-4        | Reduction of energy consumption   |                     |        | The company did not record reductions of energy consumption as a result of efficiency initiatives during the reporting period  |
| 302-5        | Reductions in energy requirements of products and services  |                     |        | The products offered by the company do not have energy requirements for their use / consumption  |
| Water and E  | ffluents (2018)   |                     |        |  |
| 303-1        | Interactions with water as a shared resource  | Environment Pillar  | 54     |  |
| 303-2        | Management of water discharge related impacts   | Environment Pillar  | 62     |  |
| 303-3        | Water withdrawal  | Environment Pillar  | 55,68  |  |
| 303-4        | Water discharge   | Environment Pillar  | 62,70  |  |
| 303-5        | Water consumption   | Environment Pillar  | 57,68  |  |
| Biodiversity |   |                     |        |  |
| 304-1        | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Environment Pillar  | 60     |  |
| 304-2        | Significant impacts of activities, products, and services on biodiversity   | Environment Pillar  | 60     |  |

136



| Disclosure   | Contents / Reference   | Chapter / Section   | Page  | Comments  |
|--------------|--|---------------------|-------|---|
| 304-3        | Habitats protected or restored   | Environment Pillar  | 60    | The company has not created partnerships with third parties to protect or restore habitat areas that are not owned by the organization. |
| 304-4        | IUCN Red List species and national conservation list species with habitats in areas affected by operations | Environment Pillar  | 69    |   |
| Emissions    |  |                     |       |   |
| 305-1        | Direct (Scope 1) GHG emissions   | Environment Pillar  | 65,72 |   |
| 305-2        | Energy indirect (Scope 2) GHG emissions  | Environment Pillar  | 65,72 |   |
| 305-3        | Other indirect (Scope 3) GHG emissions   | Environment Pillar  | 65,72 |   |
| 305-4        | GHG emissions intensity  | Environment Pillar  | 65,72 |   |
| 305-5        | Reduction of GHG emissions   | Environment Pillar  | 65    |   |
| 305-6        | Emissions of ozone-depleting substances (ODS)  | Environment Pillar  | 73    |   |
| 305-7        | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions                            | Environment Pillar  | 73    |   |
| Effluents an | d Waste  |                     |       |   |
| 306-1        | Water discharge by quality and destination   | Environment Pillar  | 62,70 | The company's discharges are not reused by another organization.  |
| 306-2        | Waste by type and disposal method  | Environment Pillar  | 61,70 |   |
| 306-3        | Significant spills   |                     |       | There were no significant spills of oils, fuels, liquid waste, chemicals or other products during the reporting period                  |
| 306-4        | Transport of hazardous waste   |                     |       | The company does not import or export hazardous waste   |
| 306-5        | Water bodies affected by water discharges and/or runoff  |                     |       | No bodies of water and/or related habitats were affected due to water discharges or runoff from the company's operations.               |
| Environmen   | tal Compliance   |                     |       |   |
| 307-1        | Non-compliance with environmental laws and regulations   |                     |       | There were no significant fines or sanctions for noncompliance in environmental matters during the reporting period.                    |
| Supplier En  | vironmental Assessment   |                     |       |   |
| 308-1        | New suppliers that were screened using environmental criteria  | Supply Chain Pillar | 78    |   |
| 308-2        | Negative environmental impacts in the supply chain and actions taken                                       | Supply Chain Pillar | 77    |   |

GRI Content Index 137



| Disclosure                                       | Contents / Reference  | Chapter / Section                      | Page     | Comments  |  |
|--|---|--|----------|---|--|
|  | Social performance  | Chapter / Detiron                      | . 450    |   |  |
| Employment                                       |   |  |          |   |  |
| 401-1  | New employee hires and employee turnover  | People Pillar                          | 116      |   |  |
| 401-2  | Benefits provided to full-time employees that are not provided to temporary or part-time employees                            | People Pillar                          | 105      |   |  |
| 401-3  | Parental leave  | People Pillar                          |          |   |  |
| Labor/Mana                                       | gement Relations  |  |          |   |  |
| 402-1  | Minimum notice periods regarding operational changes  |  |          | The company does not have policies related to the minimum notice period regarding operational changes and complies with the legislation of each country where it has own employees. |  |
| Occupationa                                      | al Health and Safety (2016)   |  |          |   |  |
| 403-1  | Workers representation in formal joint management—worker health and safety committees   | People Pillar                          | 110      |   |  |
| 403-2  | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | People Pillar                          | 111, 120 |   |  |
| 403-3  | Workers with high incidence or high risk of diseases related to their occupation  | People Pillar                          | 110      |   |  |
| 403-4  | Health and safety topics covered in formal agreements with trade unions   | People Pillar                          | 104      |   |  |
| Training and                                     | l Education   |  |          |   |  |
| 404-1  | Average hours of training per year per employee   | People Pillar                          | 108, 119 |   |  |
| 404-2  | Programs for upgrading employee skills and transition assistance programs   | People Pillar                          | 108      |   |  |
| 404-3  | Percentage of employees receiving regular performance and career development reviews  | People Pillar                          | 106, 118 |   |  |
| Diversity an                                     | d Equal Opportunity   |  |          |   |  |
| 405-1  | Diversity of governance bodies and employees  | People Pillar                          | 34, 114  |   |  |
| 405-2  | Ratio of basic salary and remuneration of women to men  | People Pillar                          | 105, 118 |   |  |
| Non-discrimination                               |   |  |          |   |  |
| 406-1  | Incidents of discrimination and corrective actions taken  | People Pillar                          | 46, 112  |   |  |
| Freedom of Association and Collective Bargaining |   |  |          |   |  |
| 407-1  | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk                | People Pillar / Supply<br>Chain Pillar | 104, 112 |   |  |

138



|               |  | _   | _        |   |  |  |
|---------------|--|---|----------|---|--|--|
| Disclosure    | Contents / Reference   | Chapter / Section                         | Page     | Comments  |  |  |
| Child Labor   |  |   |          |   |  |  |
| 408-1         | Operations and suppliers at significant risk for incidents of child labor  | Supply Chain Pillar                       | 77, 112  |   |  |  |
| Forced or Co  | mpulsory Labor   |   |          |   |  |  |
| 409-1         | Operations and suppliers at significant risk for incidents of forced or compulsory labor                                   | Supply Chain Pillar                       | 77, 112  |   |  |  |
| Human Righ    | ts Assessment  |   |          |   |  |  |
| 412-1         | Operations that have been subject to human rights reviews or impact assessments  | People Pillar                             | 112      |   |  |  |
| 412-2         | Employee training on human rights policies or procedures   | People Pillar                             | 112      |   |  |  |
| 412-3         | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | Supply Chain Pillar /<br>Customers Pillar | 78       |   |  |  |
| Local Comm    | unities  |   |          |   |  |  |
| 413-1         | Operations with local community engagement, impact assessments, and development programs                                   | Society Pillar                            | 124, 126 |   |  |  |
| 413-2         | Operations with significant actual and potential negative impacts on local communities                                     | Society Pillar                            | 126      |   |  |  |
| Supplier So   | cial Assessment  |   |          |   |  |  |
| 414-1         | New suppliers that were screened using social criteria   | Supply Chain Pillar                       | 78       |   |  |  |
| 414-2         | Negative social impacts in the supply chain and actions taken  | Supply Chain Pillar                       | 77       |   |  |  |
| Public Policy | ı  |   |          |   |  |  |
| 415-1         | Political contributions  | Corporate Governance                      | 45       |   |  |  |
| Marketing a   | nd Labeling  |   |          |   |  |  |
| 417-1         | Requirements for product and service information and labeling  | Product Pillar                            | 92       |   |  |  |
| 417-2         | Incidents of non-compliance concerning product and service information and labeling  |   |          | There were no non-compliance of regulations / voluntary codes related to the information and labeling of products during the reporting period |  |  |
| 417-3         | Incidents of non-compliance concerning marketing communications  |   |          | There were no non-compliance of regulations / voluntary codes related to marketing communications during the reporting period                 |  |  |
| Socioecono    | Socioeconomic Compliance   |   |          |   |  |  |
| 419-1         | Non-compliance with laws and regulations in the social and economic area   |   |          | The company did not receive fines or significant sanctions due to non-compliance in the social and economic area during the reporting period  |  |  |

GRI Content Index 139

