

PILLAR OUR PLANET

# ZERO WATER WASTE PROGRAM



2022



VIÑA CONCHA Y TORO  
— FAMILY OF NEW WORLD WINERIES —

The following report presents the 2022 progress of the **Zero Water Waste** Program, which seeks to generate a positive impact on our approach through the reduction of Viña Concha y Toro's water consumption. This program is implemented jointly with our subsidiaries and the dedication of the agricultural, winemaking and bottling plant teams.

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DRAFTED BY:

**Sustainability Management**  
**Viña Concha y Toro**

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# INTRODUCTION

01

# S U S T A I N A B L E P A T H

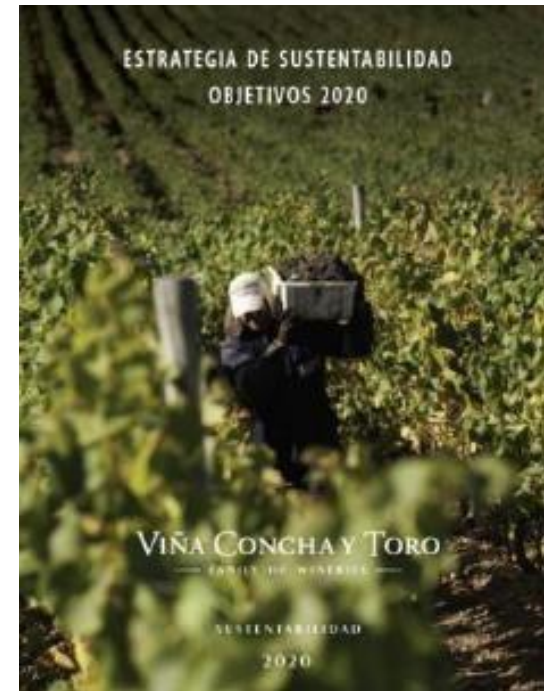
## 3 STAGES



[ 2012-2015 ]

### FIRST CYCLE THE BEGINNING

During 2011, the development of the Sustainability Strategy began, which was launched in 2012. 93% of the goals defined for 2015 were achieved.



[ 2016- 2020 ]

### SECOND CYCLE CONTRIBUTION TO GLOBAL SUSTAINABILITY

In 2015, a new stage began with more ambitious goals for 2020 and incorporating the alignment with the United Nations **Sustainable Development Goals**. 95% of the goals set for 2015 were achieved.



[ 2021- 2025 ]

### THIRD CYCLE UNCORK A BETTER FUTURE

With a view to 2025, we are incorporating the focus on generating positive impacts that certification as a **B Company** provides us with and the strategy generates the "Uncork a Better Future".

For more than 10 years, Viña Concha y Toro has considered a strategic approach to sustainability management, guided by a vision of mobilization and impact.

Initially, **giving back in each bottle, what the land has given us**, thanking for the generosity of the fruits of the earth and our people, for allowing us to prosper. With each step we took, we looked for ways to give back.

Today, we want to go further and incorporate to this premise our commitment to **generate net positive impacts**. To leave a legacy in our journey and thus be able to contribute to an inclusive, equitable and regenerative future.

We want to contribute to building a better future for people and the planet. Therefore, we would like to invite you to join us in our Corporate Sustainability Strategy 2025 "**Uncork a Better Future**".

Because the future is forged today, with our daily efforts, with small steps towards greatness, with small efforts that will lead us to be a better company for the world.

# FUNDAMENTAL DECLARATIONS

The company seeks to consolidate its position as an international benchmark in sustainability, beyond the limits of our industry.

To this end, we must make progress on both environmental and social issues, generating virtuous alliances with our stakeholders, and

standing out for our practices to combat climate change and contribute to the regeneration of our planet.

We hope to leave a legacy of net positive impact in every area of our relationship with our environment and to meet this challenge, the following elements of sustainable management have been defined.



## CORPORATE SUSTAINABILITY MISSION

Generate net positive impact for our stakeholders and be a global reference in the regeneration of our planet.



*Uncork a Better Future is the name of our Corporate Sustainability Strategy 2025.*



# STRATEGIC MODEL SUMMARY

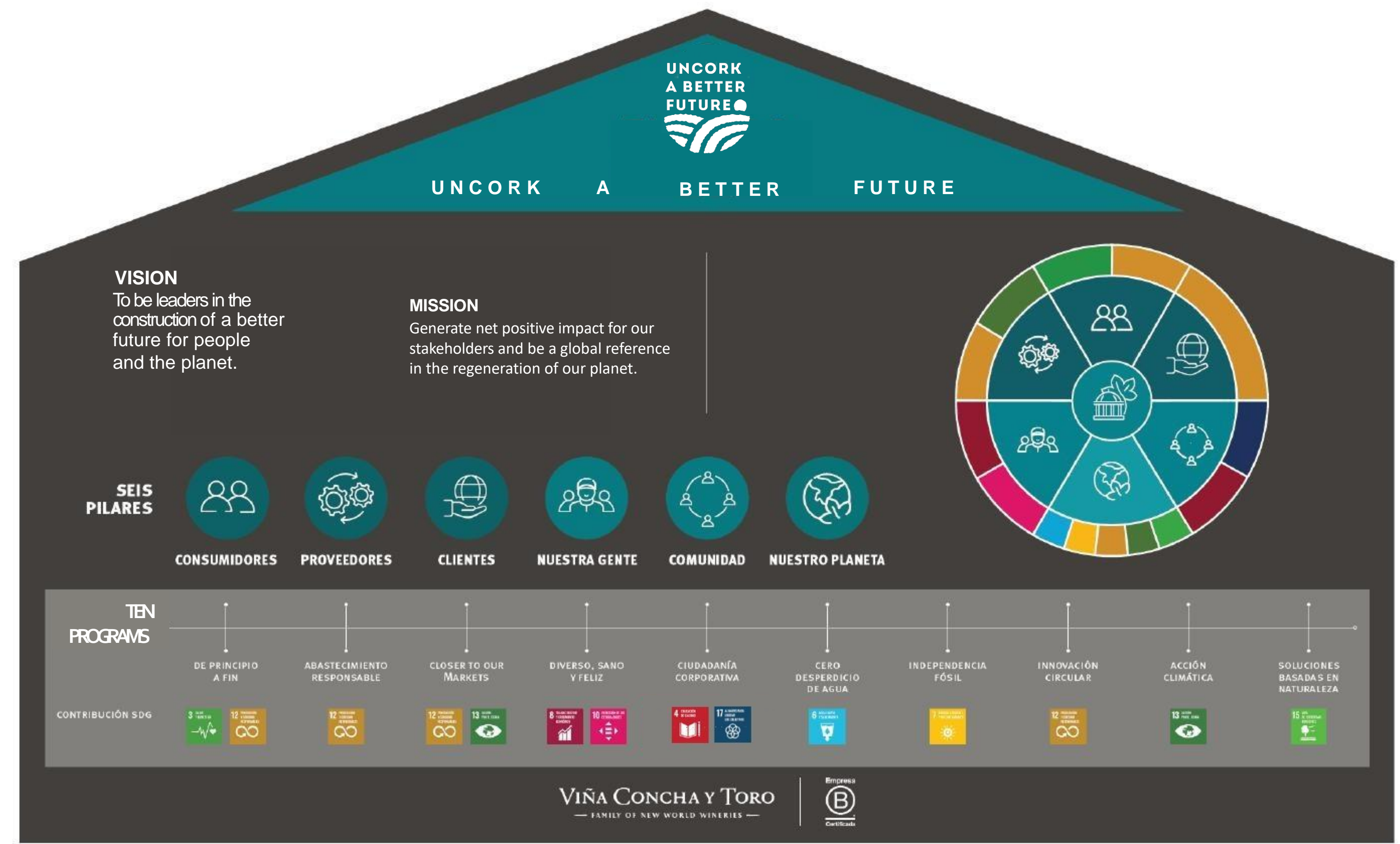
The way to put the sustainability vision and mission into practice is to focus on generating positive impacts on the main stakeholder groups, which is why the strategy is based on the company's main sustainability stakeholders.

## 6 pillars

They represent the company's main stakeholders, whom we seek to positively impact through objectives defined for 2025.

## 10 programs

Programs in which efforts are focused to generate a positive impact, with goals established for the long term.



**PILLAR  
OUR PLANET**

**02**





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As part of the B Corporations movement, which encourages us to be a better company every day, we have moved towards a regenerative philosophy to relate to our planet, always seeking to deliver more of what we have received from it.

This is materialized through 5 programs that seek to generate a positive impact for the planet and that focus on material issues for the company.

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## 01 Zero Water Waste

02 Fossil Independence

03 Circular Innovation

04 Climate Action

05 Nature-Based Solutions



**ZERO  
WATER  
WASTE  
PROGRAM**

**03**

# PROGRAM ZERO WATER WASTE



The **Zero Water Waste Program** is one of the pillar initiatives focused on generating positive impacts on our planet.

Water is one of the main resources used by the company to ensure the growth of quality grapes and to enable the production of excellent wines.

Company recognizes that water use and conservation are challenges

continuous for the industry and society in general. Given the importance of water availability both in the cultivation of vines, winemaking, bottling and packaging, and in the production of wine.

We are committed to manage its use with the utmost care and efficiency, promoting initiatives aimed at reducing its use through the concept of efficiency.

## CORPORATIVE OBJECTIVE

Efficient use of water, using only the amount that our processes require and avoiding any type of waste in our operations.



## 2025 TARGET

10% reduction in water consumption for each bottle of wine from the vineyard to the final destination.

Base Year 2020:  
103.9 Lt water / 750cc bottle  
(Holding)

Target 2025:  
**93,5**  
Lt water / Bottle  
(Consumption holding)



# EXPECTED IMPACTS



## ZERO WATER WASTE

Through the "Zero Water Waste", we will seek to make visible the need to generate efficiencies in our irrigation systems, our winemaking and industrial packaging processes in order to make rational use of water.

Water efficiency will generate savings in water extraction, which will be available for other uses in the basin.



## CLEAN WATER AND SANITATION TARGET 6.4

By 2030, significantly increase the efficient use of water resources in all sectors and ensure the sustainability of freshwater abstraction and supply to address water scarcity and significantly reduce the number of people suffering from water scarcity.

**IMPACT 2025**  
**4.3 million m<sup>3</sup>**  
 water savings in watersheds by 2025

**IMPACT 2025**  
**100%**  
 facilities operating under the concept of "Zero Waste".

# BASE METRICS AND GOALS

## CONSOLIDATED HOLDING WATER

Base Year 2020 v/s Goals 2025

**TOTAL HOLDING 2020 CONSUMPTION**  
**43.4 million m<sup>3</sup>**  
 Lt water / Bottle 750cc

2020  
**32.2 million m<sup>3</sup>**  
 Total Water Consumption (CHILE)

**UNIT CONSUMPTION HOLDING 2020**  
**103,9**  
 Lt water / Bottle 750cc

2020  
**99,3**  
 Lt water /bottle 750cc (CHILE)

**TARGET HOLDING 2025**  
**93,5**  
 Lt water / 750cc bottle (Holding)

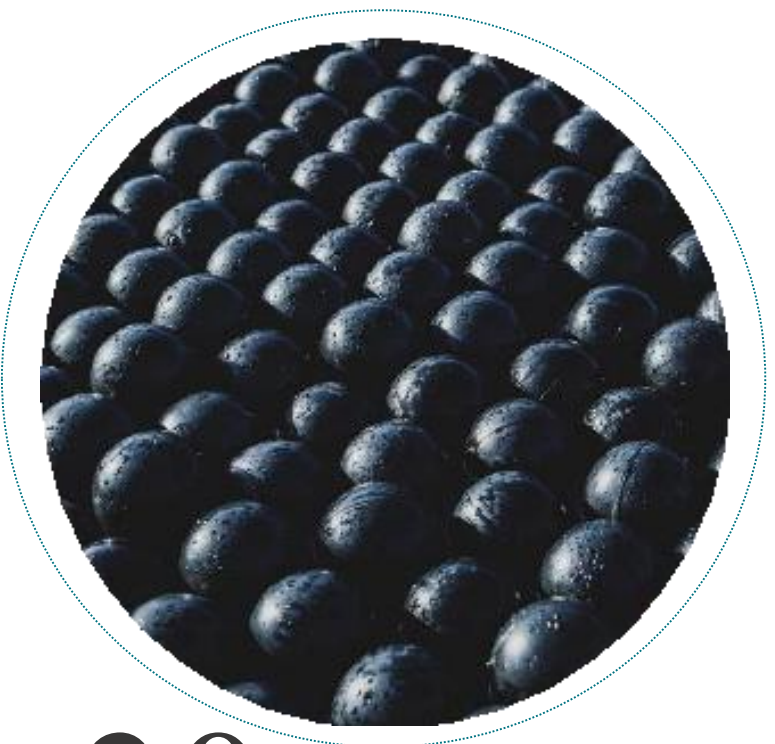
Target 2025  
**89,4**  
 Lt water /bottle 750cc (CHILE)

# ROAD MAP 2021-2025



20  
21

Water footprint measurement, water consumption measurement and reduction of at least 2% of total consumption per bottle by 2020.



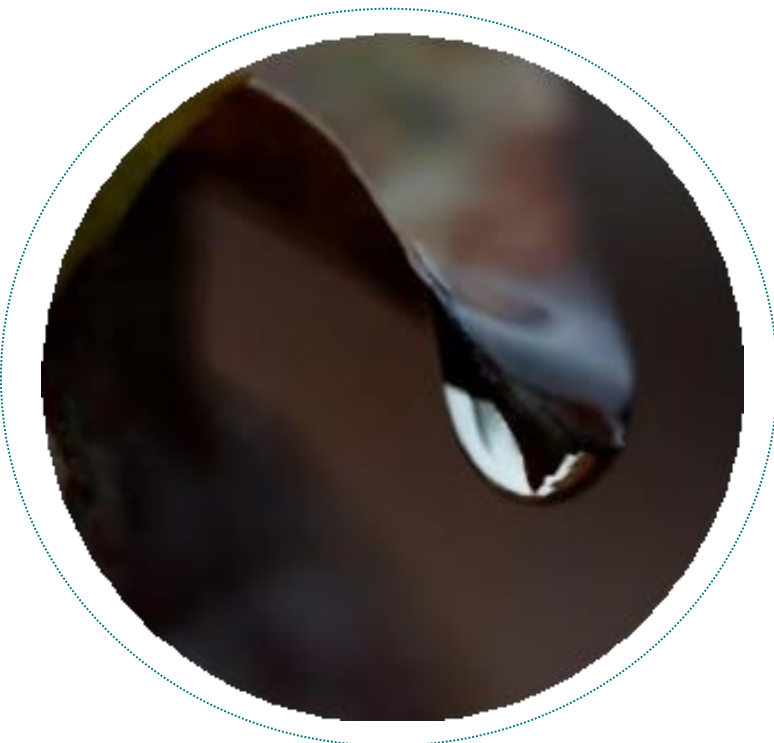
20  
23

Measurement of water footprint, measurement of water consumption and reduction of at least 6% per bottle. Strengthen water governance and awareness.



20  
25

Measurement of water footprint, measurement of water consumption and reduction of at least 10% of total consumption per bottle by 2020.



20  
22

Water footprint measurement, water consumption measurement and reduction of at least at least 4% per bottle. Generate advances in the vineyard area.



20  
24

Water footprint measurement, water consumption measurement and reduction of at least at least 8% of total consumption per bottle bottle by 2020. Progress in wineries and plants.



## Target 2025

**10% reduction in water consumption per bottle of wine from the vineyard to the final destination.**

Base Year 2020:  
103.9 Lt water / 750cc bottle  
Holding Level

# ZERO WATER WASTE ANNUAL GOALS

	ACTIONS	GOAL	KPI	Expected progress	Actual Progress	% Annual Progress
2021	Establishment of the baseline for the five-year reduction, incorporating vineyards, wineries and plants. Analysis of opportunities in the different production processes. Correction of water footprint using the Climate Effect Index (CEI)	2% reduction in water consumption per bottle (compared to 2020)	Lt water / bottle (750cc)	101,9 (-2%)	88,6 (-15%)	113%
2022	Measurement of water footprint, measurement and consolidation of consumption for the holding. Survey of projects and actions to be implemented in vineyards, warehouses and plants. Implementation of Barrier Ball in irrigation dams. Advances DREAM project in the agricultural sector.	4% reduction in water consumption per bottle (compared to 2020)	Lt water / bottle (750cc)	99,8 (-4%)	130,4 (+25%)	69%
2023	Implementation of reduction projects in vineyards, improvement of moisture measurement systems. Implementation of a multidisciplinary Water Leading Group among operational areas. Awareness campaign "Zero Water Waste" in holding facilities.	6% reduction in water consumption per bottle (compared to 2020)	Lt water / bottle (750cc)	97,7 (-6%)		
2024	Measurement of water footprint and measurement of water consumption in the company's operations. Progress on the DREAM project and expansion of the agricultural area operating with humidity sensors.	8% reduction in water consumption per bottle (compared to 2020)	Lt water / bottle (750cc)	95,6 (-8%)		
2025	Measurement of water footprint considering the Climate Effect Index, balance of water consumption by process. Improvements implemented in the vineyard irrigation system, reaching 100% of the vineyards, record of reductions achieved.	10% reduction in water consumption per bottle (compared to 2020)	Lt water / bottle (750cc)	93,5 (-10%)		



# GOVERNANCE AND WATER MANAGEMENT

3.1

# GOVERNANCE AND WATER MANAGEMENT

In order to safely manage water resources, the company must continuously describe water management risks and analyze the strategies and practices needed to mitigate them.

For the assessment of sustainability risks and opportunities associated with water management, the company uses the guidelines provided by the **Task Force on Climate Financial Disclosure** as a guide, applying the methodology to the context of water and organizing these matters into 4 main categories according to the attached figure. In these areas there are different instances of review, monitoring and calibration of matters related to water management. This, as a complement to the transversal task of the Internal Control department, which elaborates and manages the transversal risks.

## GOVERNANCE

In terms of the oversight of the company's Board of Shareholders and the Board of Directors on climate-related risks and opportunities and their potential consequences on water availability, the company has a

Directors and Audit Committee, who are responsible for monitoring the company's main risks, including sustainability risks.

## STRATEGY

The company has had a Corporate Sustainability Strategy since 2012. One of the pillars of the strategy is Our Planet, which includes a complete description of the "Zero Water Waste Program". The central themes of the long-term water strategy are water efficiency and consumption reduction.

In addition, there is a Sustainability Committee, which monitors progress and compliance with the Sustainability Strategy and, in particular, the Zero Water Waste Program.

This committee brings together the executives of the areas ad-hoc to the issues addressed by the strategy. The Sustainability Committee reviews and monitors the initiatives and goals related to water resources and proposes adjustments to the strategic framework if necessary.

## RISK MANAGEMENT

In terms of the processes for identifying and assessing climate-related risks and their consequences on the availability of water resources for the company, there is a Strategic Risk Matrix, where the main business risks are identified, including environmental risks transversally to the operations. This methodology has been applied since 2015 and includes risks associated with water availability.

With respect to the requirements of existing and emerging legislation related to water issues, laws and regulations are monitored by the Environmental Management department in conjunction with the Legal department. Also, the company's five liquid waste treatment plants are managed by the Environmental Management department, and it was found that during 2022 there were no non-compliances in the operations of these plants.

## METRICS AND GOALS

The company has quantitative sustainability metrics and targets for all topics that are incorporated in the Sustainability Strategy. Corporate 2025, called "Uncork a Better Future". These goals are defined

for the long term, from which the annual goals are derived. The annual goals allow the preparation of the annual planning, based on activities that ensure the achievement of the objective and goal set for the year.

The metrics generated are used to evaluate whether the objectives set for the year were achieved.

This document is the tool used to display annual and consolidated management information from the base year of this stage of the strategy, year 2020.



**Figure 1:**  
Management areas for water resources



## WATER LEADING GROUP

CONCHA Y TORO VINEYARD

In 2022, an internal working team was established, called the **Water Leading Group**, which is a collaborative and multidisciplinary working group designed to provide operational and cross-cutting governance for water related issues.

The group is composed of the Agricultural, Enology, Bottling, Engineering, Continuous Improvement and Sustainability departments.

This team is responsible for developing joint operating plans to achieve the corporate goal of reducing water consumption per bottle by 10%. The aim is to generate an instance of learning, support, collaboration and joint articulation.

In addition, the team seeks to promote the concept of zero water waste in the company.



## EXTERNAL AUDIT

It is important to note that since 2010 the company has been measuring its water consumption and water footprint annually based on the Water Footprint Network methodology.

The calculations are performed internally by the Sustainability department. They are also subject to external verification by an independent third party.

For the 2022 data, this process was performed by the international auditing firm Deloitte Touche Tohmatsu Limited, known in Chile as Deloitte.

## CLIMATE RISKS TO WATER RESOURCES

Viña Concha y Toro considers that climate change is the main reason for variations in water scenarios; therefore, the analysis of the risks to its future availability is carried out jointly and coupled to the four climate scenarios identified by the IPCC to analyze potential changes to 2050.

In more depth, the analysis of water risks is performed in the two most extreme scenarios, in order to evaluate the effect and implications for the company in the worst case scenario, to anticipate and generate risk mitigation measures (RCP 8.5), and the best case scenario, characterized by rapid changes to low-emission technologies and global cooperation to reduce them (RCP 2.6). These scenarios cover the spectrum of possibilities, which is why it is considered a good exercise.

The risks and opportunities identified for the different scenarios are divided into transitional and physical.

Transitional risks and opportunities relate to how the implementation of different policies and technologies affect the company, while physical risks and opportunities refer to how the physical effects of climate change will affect the organization's business.

By way of summary:

## PHYSICAL RISKS

The company has identified three risks associated with climate change and its consequences, which could have important effects on water management:

1. **SURFACE WATER AVAILABILITY:** Decrease in the availability of water from surface sources such as rain or watercourses; it can affect the productivity of the land due to the lack of rain or watercourses for vineyard irrigation.  
**MITIGATION:** Incorporation of technified irrigation systems in 100% of the vineyard area. Implementation of precision agriculture in agricultural irrigation systems to reduce consumption. Improvement of storage reservoir systems, measures to cover reservoirs to prevent evaporation, among others.
  
2. **UNDERGROUND WATER AVAILABILITY:** Decrease of the availability of water from wells, which can potentially be depleted due to the draining of groundwater, affecting the supply of water to facilities such as warehouses and plants.  
**MITIGATION:** Advances in water efficiency in wineries and bottling plants, incorporation of recirculation processes in facilities where feasible. Incorporation of water-efficient equipment.
  
3. **EXTREME OR NON-SEASONAL WEATHER EVENTS:**  
This type of incident could involve extreme rainfall or at unexpected times of the year. It would generate soil dryness/over-saturation, fruit rot due to fungi or diseases, among others.  
**MITIGATION:** Soil regeneration practices have been incorporated, such as the incorporation of crops between the rows to protect and improve soil vitality. Climate monitoring and predictive models.

## TRANSITIONAL RISKS

Transitional risks are characterized by generating an impact on the company, which could be classified as internal or external. Among the main ones are:

1. **KEY INPUT RISKS - ENERGY:**  
With less water availability, generation could become more expensive or start to come from other non-renewable sources. This would imply an increase in the cost of a key input for irrigation, field machinery, production and logistics, etc.  
**MITIGATION:** The company has contracts for the purchase of renewable energies, implementation of solar panels for self-generation, electrification of fossil fuel machinery, among others.
  
2. **NATIONAL REGULATORY RISKS:**  
Associated with water rights and their restriction to avoid overexploitation of the resource. In the event of regulatory adjustments, the availability of water resources could be reduced.  
**MITIGATION:** Permanent monitoring and updating of water rights, timely renewals, monitoring of regulations, among others.
  
3. **MARKET RISKS:**  
Associated with potential customer restrictions on the amount of water used for the production of products, especially agricultural products.  
Retail is increasingly monitoring environmental and social performance indicators, water being one of them. **MITIGATION:** Delivery of transparent information to customers in markets with high demands, scheduled meetings with major retail customers for delivery and analysis of water information among other indicators.



PILLAR OUR PLANET

# ZERO WATER WASTE PROGRAM



# 100%

of Viña Concha y Toro's vineyards are equipped with drip irrigation systems.

Thus, Viña Concha y Toro has an established and formal ambition for the year 2025, which translates into a general policy to seek water efficiency and reduce water consumption in the company, which is transversal to the subsidiaries in Chile, Argentina and the United States.

### CORPORATE OBJECTIVES 2025

As previously mentioned, our objective is to use water efficiently, using only the amount required by our processes and avoiding any type of waste in our operations.

Our 2025 goal associated with this objective is to achieve a 10% reduction in water consumption per bottle of wine from the vineyard to the final destination.

### WATER DEMAND OF THE PROCESS PRODUCTIVE

The company maintains a clear identification of the sources of water consumption, critical points of use and the associated potential environmental and economic impacts. This document provides information on water-intensive processes and the less water-intensive consuming stages of the process.

It is important to note that in the case of the wine industry, the highest water consumption is found in the agricultural stage, which for Viña Concha y Toro represents 99% of water consumption at the holding level. Therefore, for comparability and *benchmarking* purposes with the wine industry in terms of absolute water consumption or unit consumption per bottle, it is important not to leave out the vineyard irrigation stage or, failing that, to compare only the performance in wineries and plants, which is also displayed separately and represents 1% of total water consumption.

### WATER EFFICIENCY MEASURES

The company is constantly seeking to implement concrete measures to improve water use efficiency in all areas of the organization that require water for their operations.

In the agricultural area, Viña Concha y Toro has a drip irrigation system in 100% of its vineyard surface.



WATER EFFICIENCY  
**BARRIER BALL® PROJECT**  
AVOIDING EVAPORATION  
LOSSES

The company is constantly evaluating alternatives for reducing consumption and water efficiency.

This is how this initiative has been implemented to reduce water evaporation from irrigation storage reservoirs.

Barrier Ball® is a floating cover system for liquid bodies composed of 5" diameter 100% reclaimed HDPE plastic spheres filled with water.

The first pilot project was implemented at Fundo El Triángulo (Casablanca Valley) and more than 60 km of irrigation hoses from the farm were used to make the recovered plastic spheres, which were recycled to create the spheres that now cover the dam.

The second project was implemented in the Ucúquer Estate. Today, Viña Concha y Toro

has 2 dams covered with this technology, which is equivalent to about 1,000 m<sup>2</sup> of covered dam surface area, also generating benefits from the point of view of the circular economy, allowing the recovery of plastic from the irrigation system.

In each tank, the spheres cover 91% of the surface, forming a surface barrier that significantly reduces mass and heat exchange between the liquid and the environment.

This coverage generates an 80% reduction in the evaporation of water from the dam (+/- 5%).

It also generates other benefits that improve the quality of the stored water, since preventing the passage of sunlight reduces the growth of algae by reducing the photosynthesis process. It also prevents the entry of birds, since camouflages the water mirror.

But the company is not only visualizing current consumption, but also preparing the vineyards for the incorporation of new and better technologies. Through Viña Concha y Toro's Research and Innovation Center, the company is evaluating alternatives to reduce water consumption in irrigation.

An example of this is the SmartAgro project, a digital agricultural management platform that provides adjusted irrigation recommendations. The first results of this project show that it is possible to save 18% in irrigation water by applying adjusted recommendations on how much and when to irrigate. This project is currently being applied in a pilot plan in more than 1,000 hectares of vineyards and expects to increase its scope in the medium term.

In the case of warehouses and plants, consumption represents a much lower percentage, 1% of annual consumption. Even so, the company is constantly testing efficient technologies for replacement equipment, the implementation of recirculation and water reuse systems in processes where feasible, and the

reduction of losses and leaks in the equipment present in the facilities.

### MONITORING AND INDICATORS

In the Agricultural Department, there is a work unit dedicated exclusively to the measurement and generation of irrigation recommendations for each season. This department is in charge of recording water consumption and ensuring that rational use is maintained, according to the water needs of the vineyard.

The Environmental Management department is the unit in charge of recording the operational water consumption of the company's plants and warehouses and generating operational indicators.

In the 3 main stages of the production process, regular monitoring and follow-up of operational consumption values is generated.

In addition, each department has operational indicators against which consumption is monitored, which are key indicators for the overall performance of the respective areas.

Additionally, on an annual basis, the Sustainability department generates strategic indicators, consolidating the consumption of the different stages and of all the holding's subsidiaries. This information is used to generate consolidated corporate consumption measurements and the measurement of the water footprint. In addition, internal benchmarking is generated with respect to the consumption of each subsidiary and an analysis that helps to improve internal management and evaluate progress towards the objectives set for 2025.

### TRAINING AND AWARENESS

In order to generate awareness and internal habits regarding the saving and efficient use of water, the company carries out training and sensitization programs that seek to raise awareness among personnel about the importance of responsible water management .

These face-to-face talks provide practical guidelines and recommendations to encourage the adoption of sustainable behaviors not only in the workplace, but also in daily life.



### COLLABORATION AND PARTICIPATION

Viña Concha y Toro encourages collaboration with its relevant stakeholders, such as suppliers, customers and local communities to promote sustainable water management. For example, technology transfer activities are carried out with grape growers at the company's Research Center, contributing to the dissemination of results of agricultural and irrigation techniques.

We also encourage the active participation of employees in identifying efficiency opportunities. Thus, in warehouses and packaging plants, we have implemented measures to reduce water use.

Another instance of global participation is Viña Concha y Toro's membership in the international organization Water Footprint Network, which aims to disseminate the use of the water footprint concept to promote the transition to a sustainable, fair and efficient use of freshwater resources worldwide.

### RESULTS DISSEMINATION

For the company, transparency is a fundamental factor in its management.

Therefore, the company generates disclosure reports that include data and results on the reduction of water consumption in the organization (internal and external).

The Annual Report is issued annually, which follows the guidelines of General Standard No. 461 and corresponds to a requirement of the Financial Market Commission for companies that are publicly traded companies on the Santiago Stock Exchange, Chile.

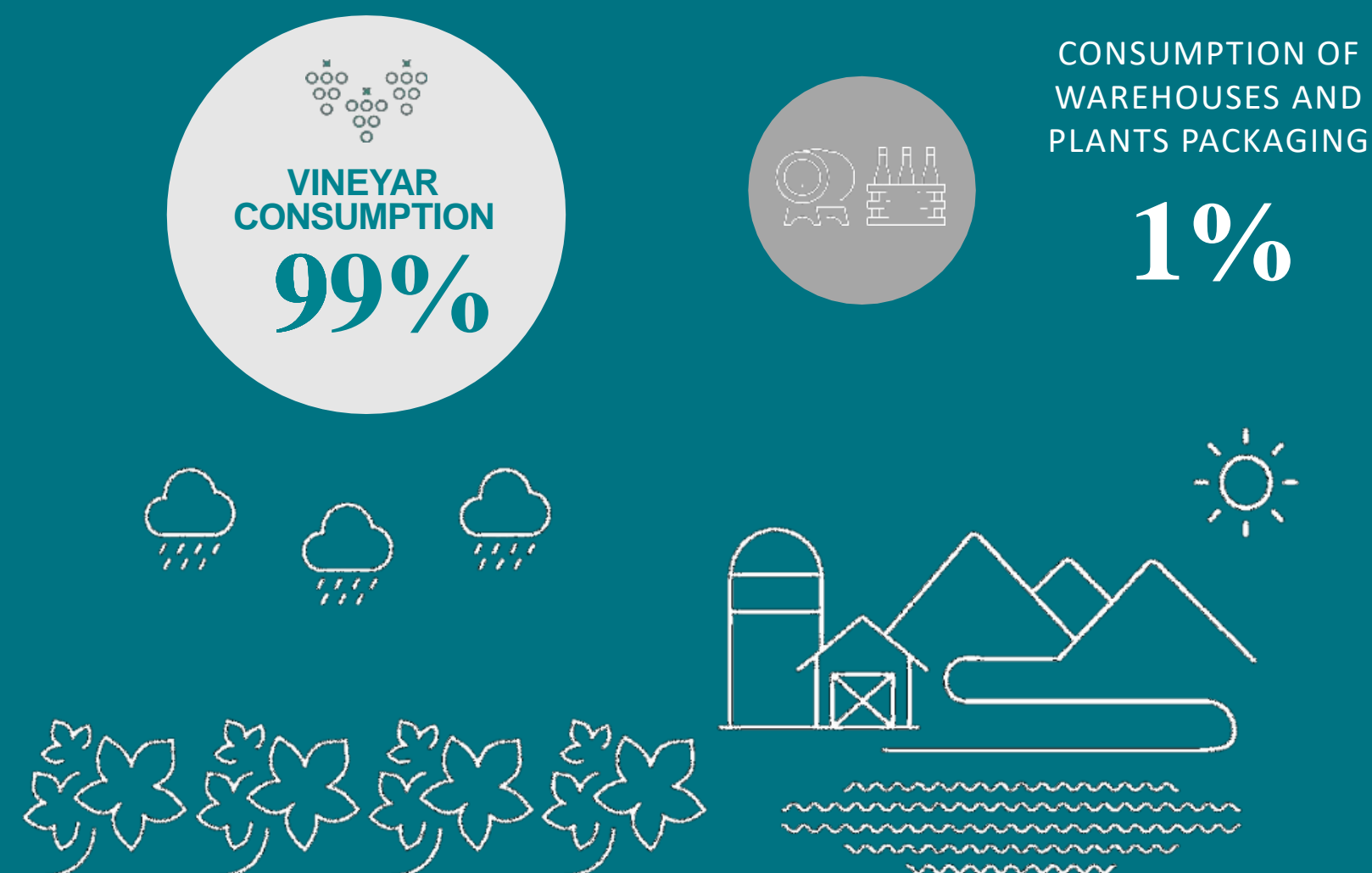
In this document, the company displays sustainability indicators, reporting the material metrics for the industrial sector to which it belongs. For such purposes, the Sustainable Industry Classification System (SICS) is used and the metrics are defined according to Sustainability Accounting Standards established by the Sustainability Accounting Standards Board (SASB).

Additionally and voluntarily, the company develops this report, presenting data on its water management in greater detail than requested in the previous standard and with series from 2020 for better comparability.

In the wine industry, the main use of water is for vineyard irrigation, so the metric should incorporate this stage of the process as it is material to the industry.

This ensures transparency in the provision of information and facilitates correct comparability in water performance.

Viña Concha y Toro's data considers all water uses. *from the vineyard to packaging.*



# WATER METRICS

## 2020 - 2022

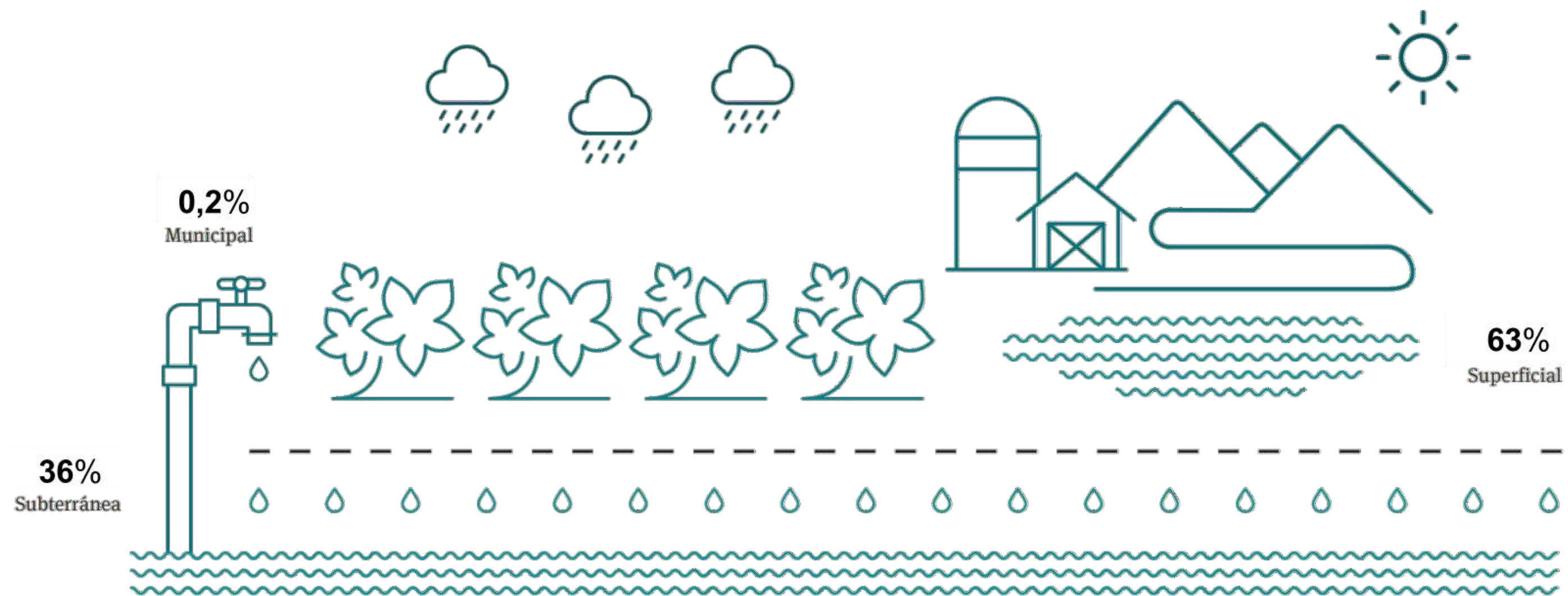
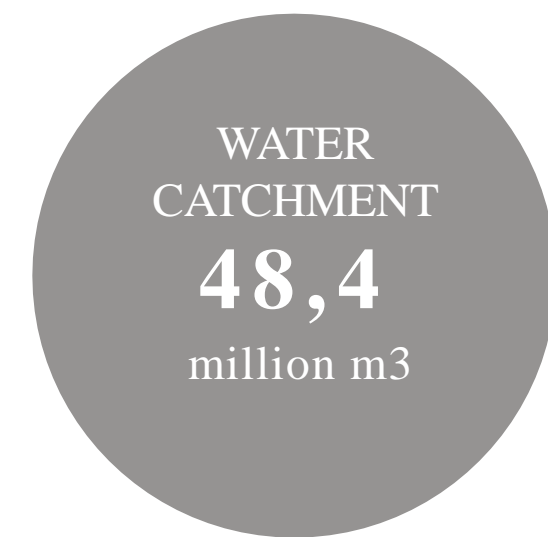


3.2

# 01. CATCHMENT

## WATER CATCHMENT 2022

TOTAL CONSOLIDATED HOLDING | BY SOURCE



The catchment corresponds to all water withdrawn for potential use during the current year. It does not reflect consumption.

During 2022, the main mechanism for obtaining water for the company were surface and subway sources.

Surface water is obtained through irrigation canals and extraction has its corresponding regulatory permits. For groundwater, the permits set extraction rates through legal mechanisms depending on the zone where the respective wells are located.

Compliance with extraction limits is monitored by the agricultural team.

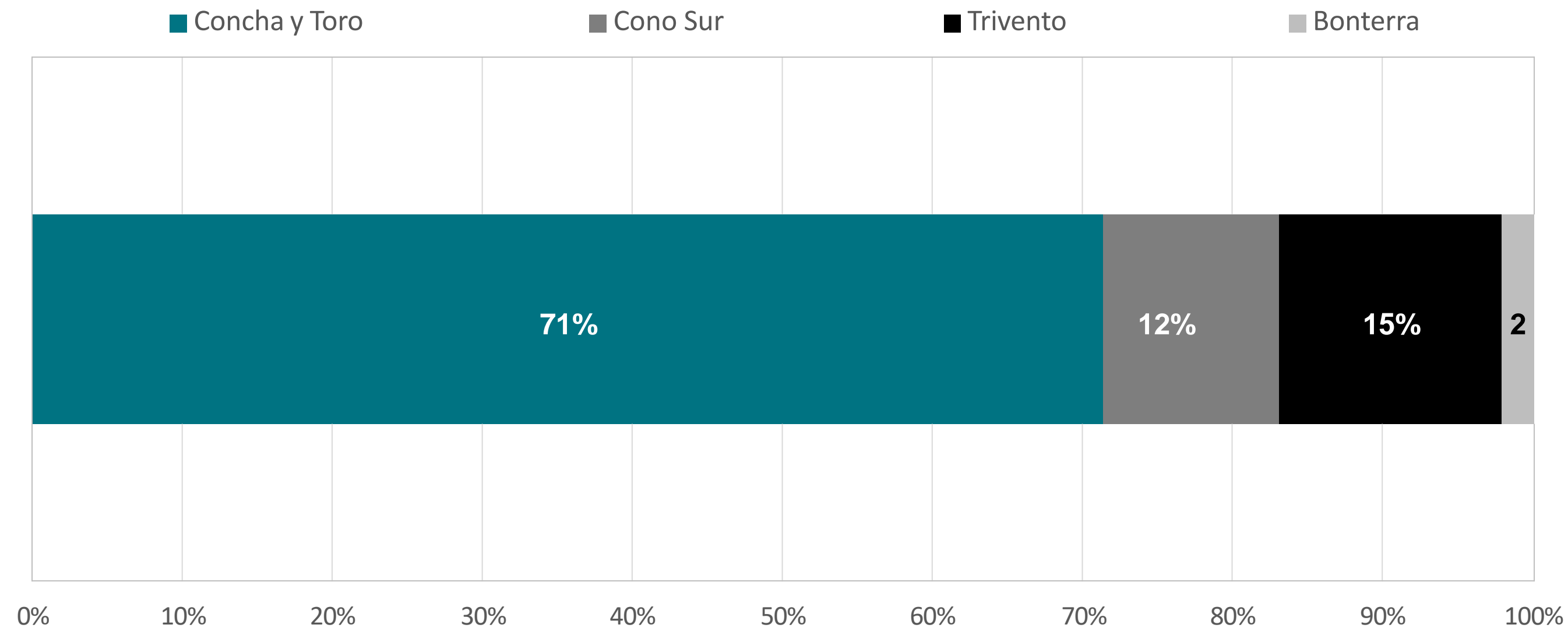
Source: Water Footprint, Viña Concha y Toro 2022.



# WATER CATCHMENT 2022

TOTAL CONSOLIDATED HOLDING COMPANY | BY SUBSIDIARY

TOTAL WATER WITHDRAWAL 2022  
48.4 Million m<sup>3</sup>



Within the 2022 period, the subsidiary Concha y Toro was the productive company that extracted the largest amount of water for its processes, with 34.6 million m<sup>3</sup>. This subsidiary accounts for 72% of the total planted hectares of the Holding Company, which is related to 71% of the extraction.

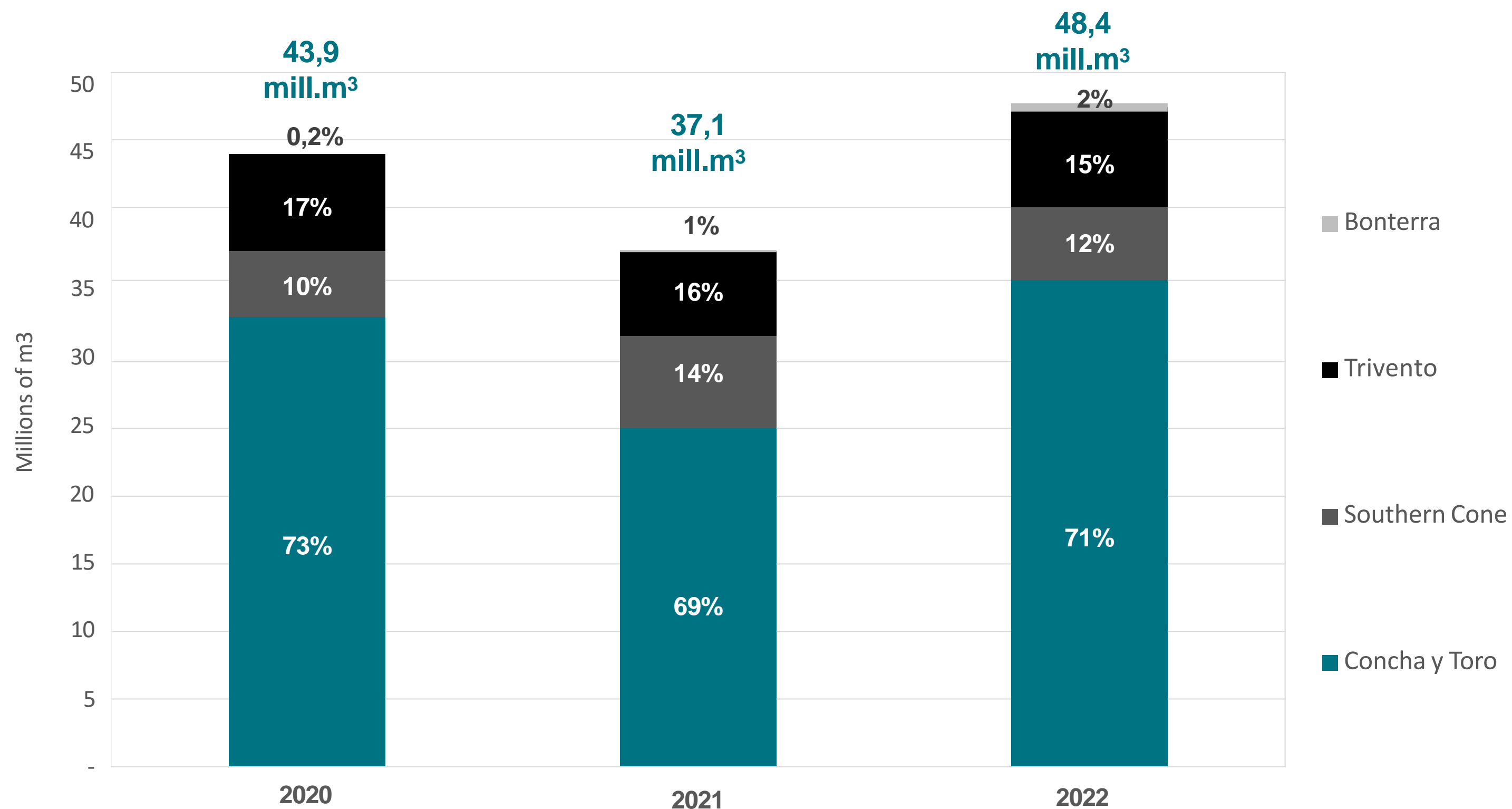
In second place is the Argentine subsidiary Trivento, which needed to capture a total of 7.2 million m<sup>3</sup> of water, accounting for 12% of the holding company's total planted hectares. With 14% of the holding company's planted area, Cono Sur used 5.6 million m<sup>3</sup>, equivalent to 12% of the total. Finally, Bonterra required a total of 0.98 million m<sup>3</sup>, a subsidiary that accounts for 3% of the hectares planted.

Source: Water Footprint, Viña Concha y Toro 2022.

# WATER CATCHMENT 2020-2022

TOTAL CONSOLIDATED HOLDING COMPANY | EVOLUTION BY SUBSIDIARY

TOTAL WATER WITHDRAWAL  
2020 - 2022



Source: Water Footprint, Viña Concha y Toro 2022.

During the last 3 years Viña Concha y Toro (holding) has captured an average of 43.1 million cubic meters.

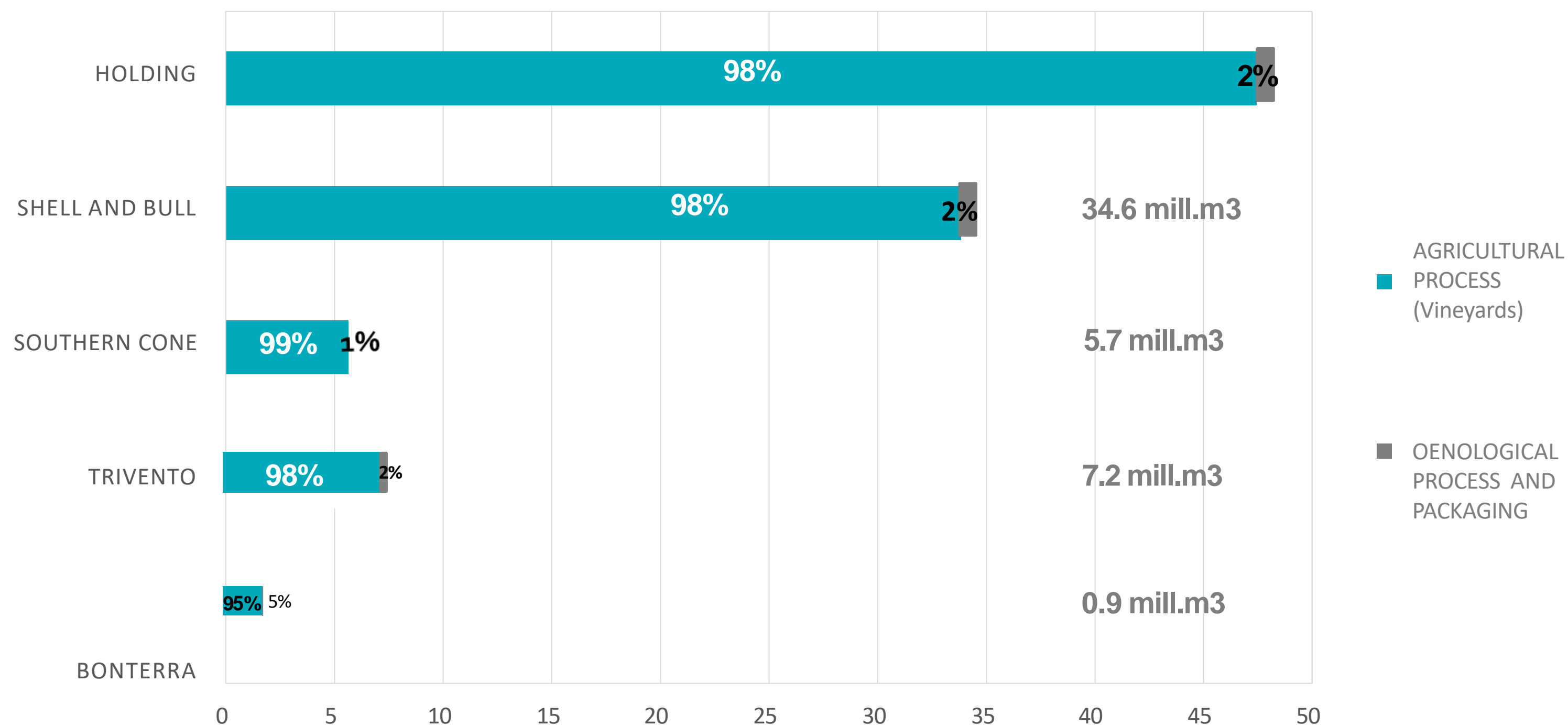
A significant decrease in consumption is observed in 2021, mainly due to rainfall conditions that occurred during the summer months (period of higher water demand of the vine) in the central zone of Chile. This is evidenced by the reduction in the relative percentage of the Concha y Toro subsidiary.

During 2022, the country's climatic conditions did not allow for rainfall during the summer season, so the irrigation system had to be used.

# WATER CATCHMENT 2022

## BY PROCESS

TOTAL WATER WITHDRAWAL 2022  
48.4 Million m<sup>3</sup>



Source: Water Footprint, Viña Concha y Toro 2022.

At the Holding level, out of the total 48.4 million cubic meters of catchment, the agricultural process concentrates the greatest intensity of water use, with 98% of the extraction destined for vineyards.

This same proportionality can be observed in each of the subsidiaries, with Cono Sur being the one that gives a comparatively higher percentage to the agricultural process, with 99% of water use.

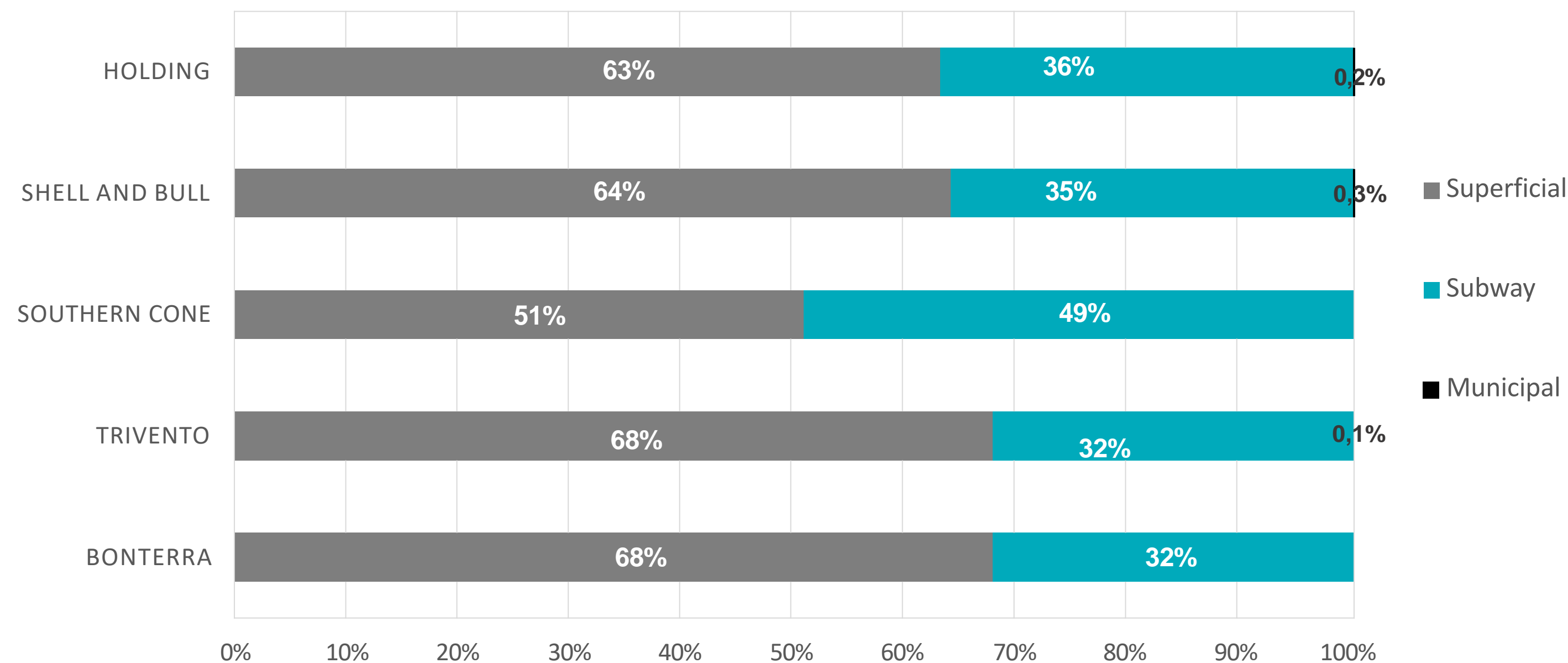
On the other hand, Bonterra Organic Estates is the subsidiary that, in percentage terms, uses the most water in its operational processes, with 5%.

In the industry, it is possible to note that the higher the proportion of grape supply from third parties, the lower the proportion of water extraction required for the organization. Therefore, it is important to have this clarity when making a comparison of both extraction and consumption.

# WATER CATCHMENT 2022

## BY SOURCE

TOTAL WATER WITHDRAWAL 2022  
48.4 Million m<sup>3</sup>



Source: Water Footprint, Viña Concha y Toro 2022.

During 2022, the main The company's water collection mechanisms were surface and groundwater sources. The most important source was surface water, accounting for 63% of the holding company's water collection, while 36% came from groundwater.

This ratio is also present in the subsidiaries in Argentina and the United States, where the ratio is approximately two thirds.

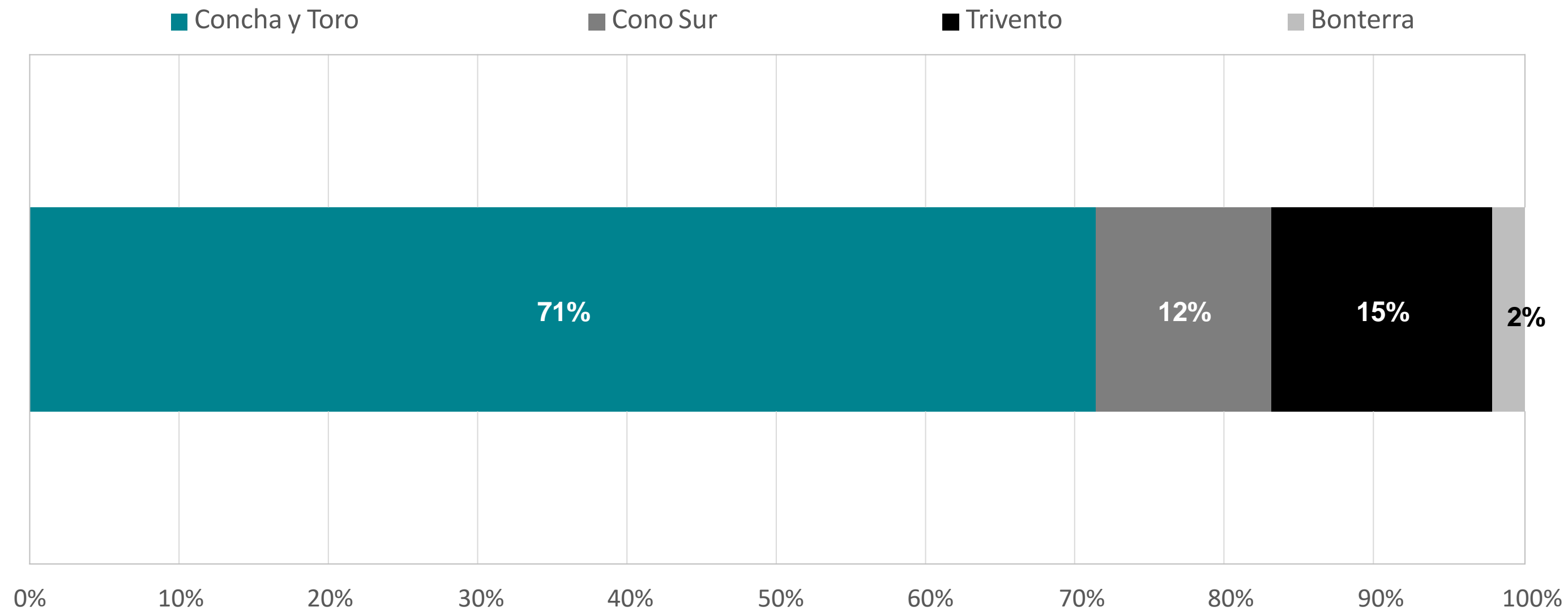
The Cono Sur subsidiary does not consider extractions for the bottling process, so the volume of surface water withdrawn is practically the same as for groundwater.

The percentage of municipal water is minimal, not reaching 1% of the total used in the processes.

# 02. CONSUMPTION

## WATER CONSUMPTION 2022 TOTAL CONSOLIDATED HOLDING | BY SUBSIDIARY

WATER CONSUMPTION  
**47,6**  
million m<sup>3</sup>



Water consumption refers to the amount of water used by productive systems that is not returned to the ecosystem due to evaporation, transpiration or incorporation into the soil.

To obtain consumption, the total water withdrawn or extracted for the process is taken, and discharges to surface water, groundwater or sewage are deducted.

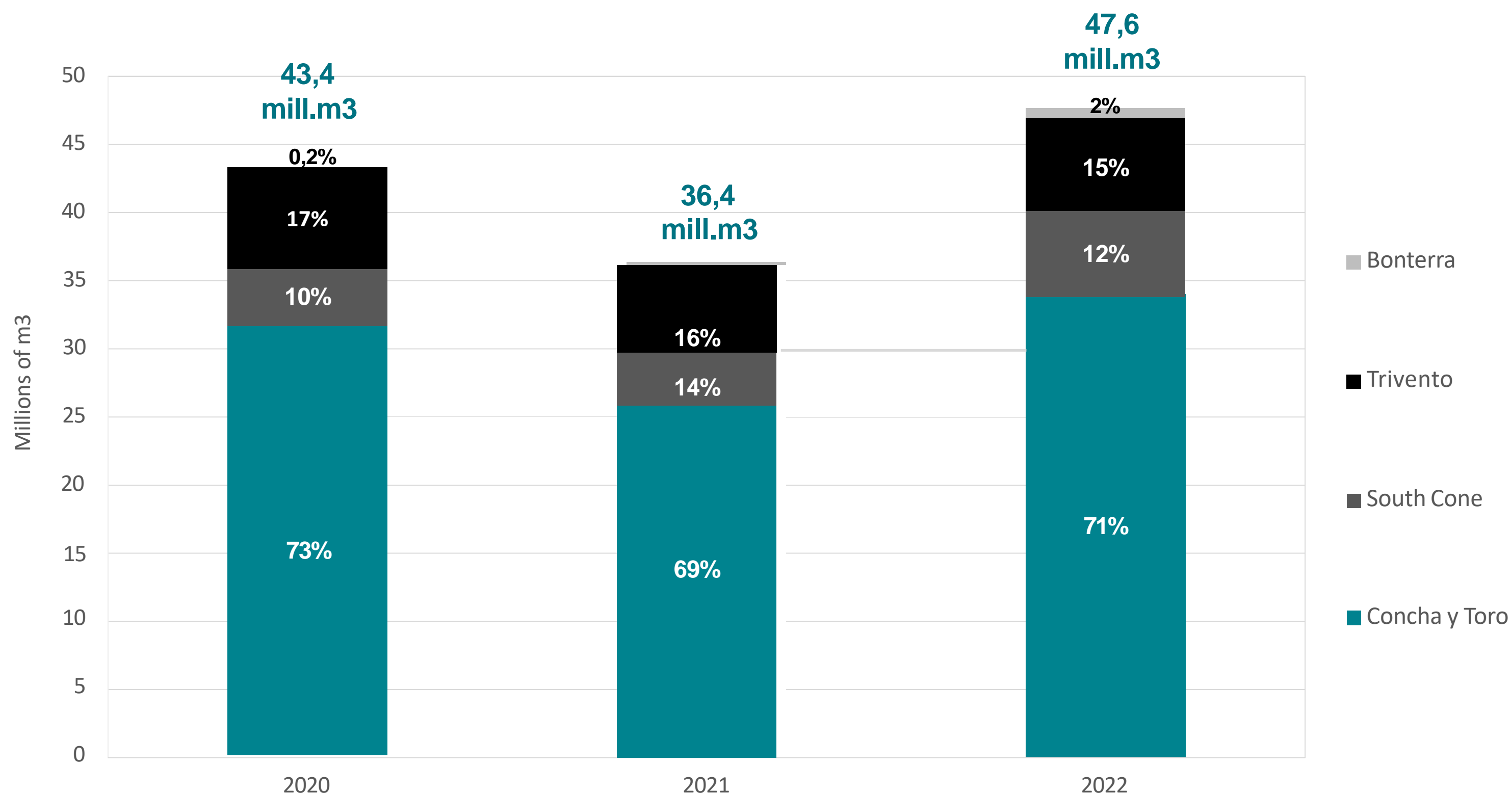
Total discharges for the period were 737 thousand m<sup>3</sup>, resulting in a net consumption of 47.6 million m<sup>3</sup>.

Source: Water Footprint, Viña Concha y Toro 2022.

# WATER CONSUMPTION 2020-2022

TOTAL CONSOLIDATED HOLDING COMPANY | EVOLUTION BY SUBSIDIARY

TOTAL WATER CONSUMPTION  
2020 - 2022



Source: Water Footprint, Viña Concha y Toro 2022.

During the last 3 years Viña Concha y Toro (holding) consumed an average of 42.5 million cubic meters.

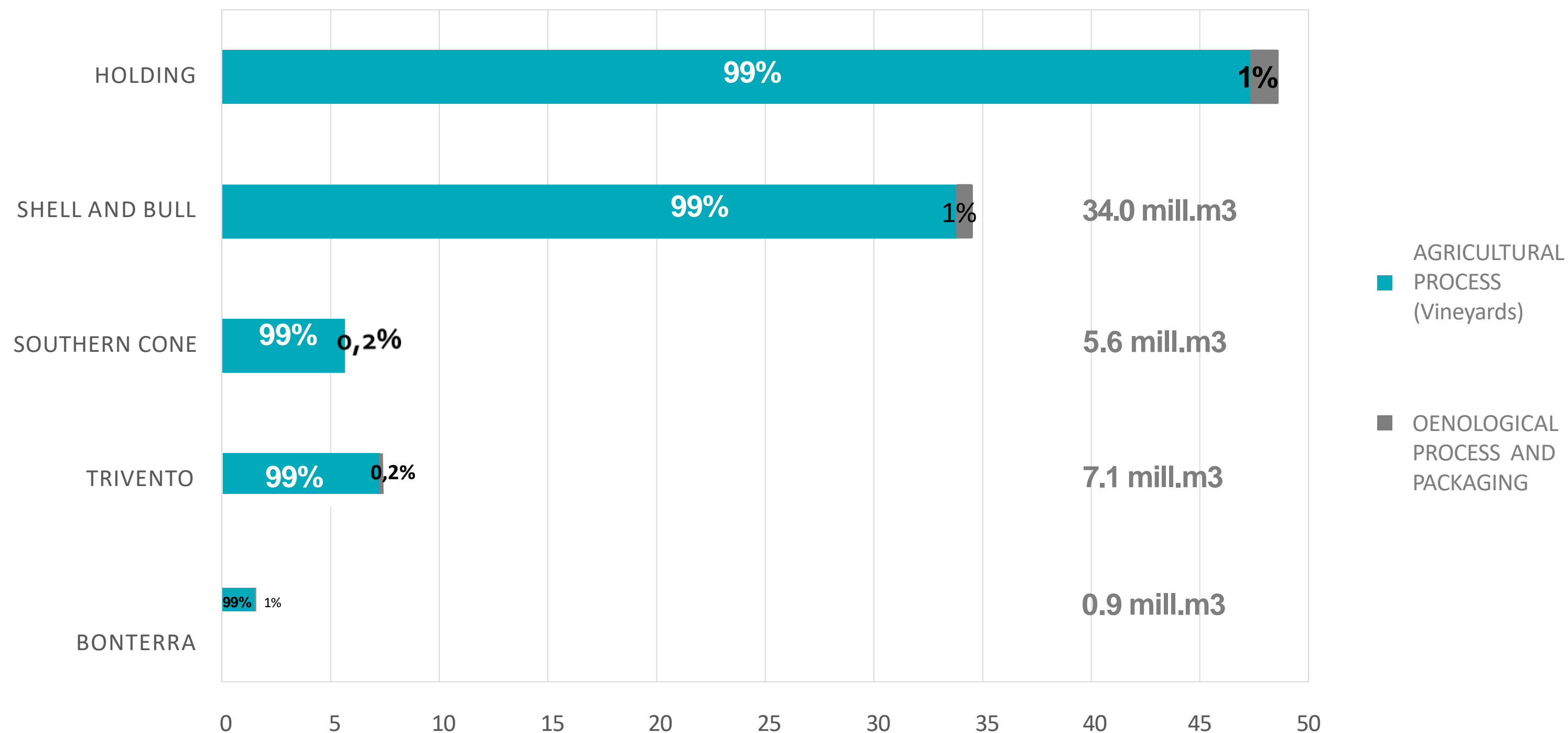
The increase in the company's water consumption observed in 2022 is due to the growth of the company's own grape production compared to grapes purchased from third parties. This expansion has generated a greater demand for water for vineyard irrigation, which has led to an increase in the total water consumption of the vineyard.

The decision to gradually incorporate more of our own grapes aims to guarantee higher quality grapes, produced under the high standards with which Concha y Toro works.

# WATER CONSUMPTION 2022

## BY PROCESS

TOTAL WATER CONSUMPTION 2022  
47.6 Million m<sup>3</sup>



Source: Water Footprint, Viña Concha y Toro 2022.

In contrast to the uptake, the water consumption is reduced from 2% to 1% for the operational process.

This change is due to the fact that wineries and bottling plants have liquid waste treatment plants, which are returned to watercourses or used to irrigate meadows once they have been restored and cleaned.

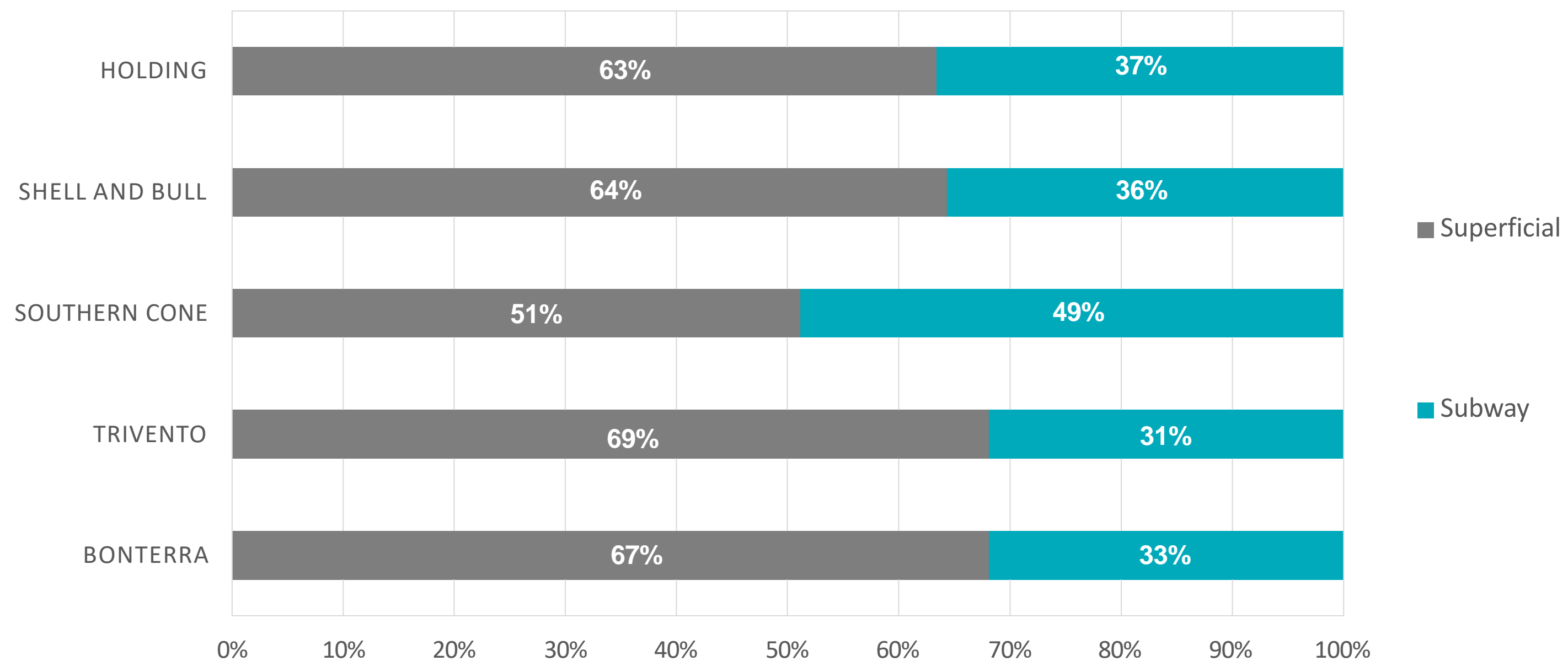
In the case of agricultural use, the entire water resource is used for irrigation, being incorporated into the soil. The company seeks to ensure that irrigation is carried out according to the water needs of the vineyard, a technique in which it is constantly innovating and improving.

Given the small fraction of discharge, the holding's water consumption is similar to the total extraction. This proportion is typical of the wine industry, except in those cases where there are outsourced processes (grapes from third parties or outsourced bottling).

# WATER CONSUMPTION 2022

## BY SOURCE

TOTAL WATER CONSUMPTION 2022  
47.6 Million m<sup>3</sup>



**99% of water consumption corresponds to the agricultural process, which is mostly obtained from surface sources.**

It is important to remember that this majority proportion of use is typical of the industry, of a company that obtains its raw materials from its own fields. In the case of purchased grapes, water consumption is not considered, since this occurs outside the of the organization. Therefore, the need to complement this indicator with other relevant indicators, such as the Water Footprint Methodology below, which does consider such consumption.

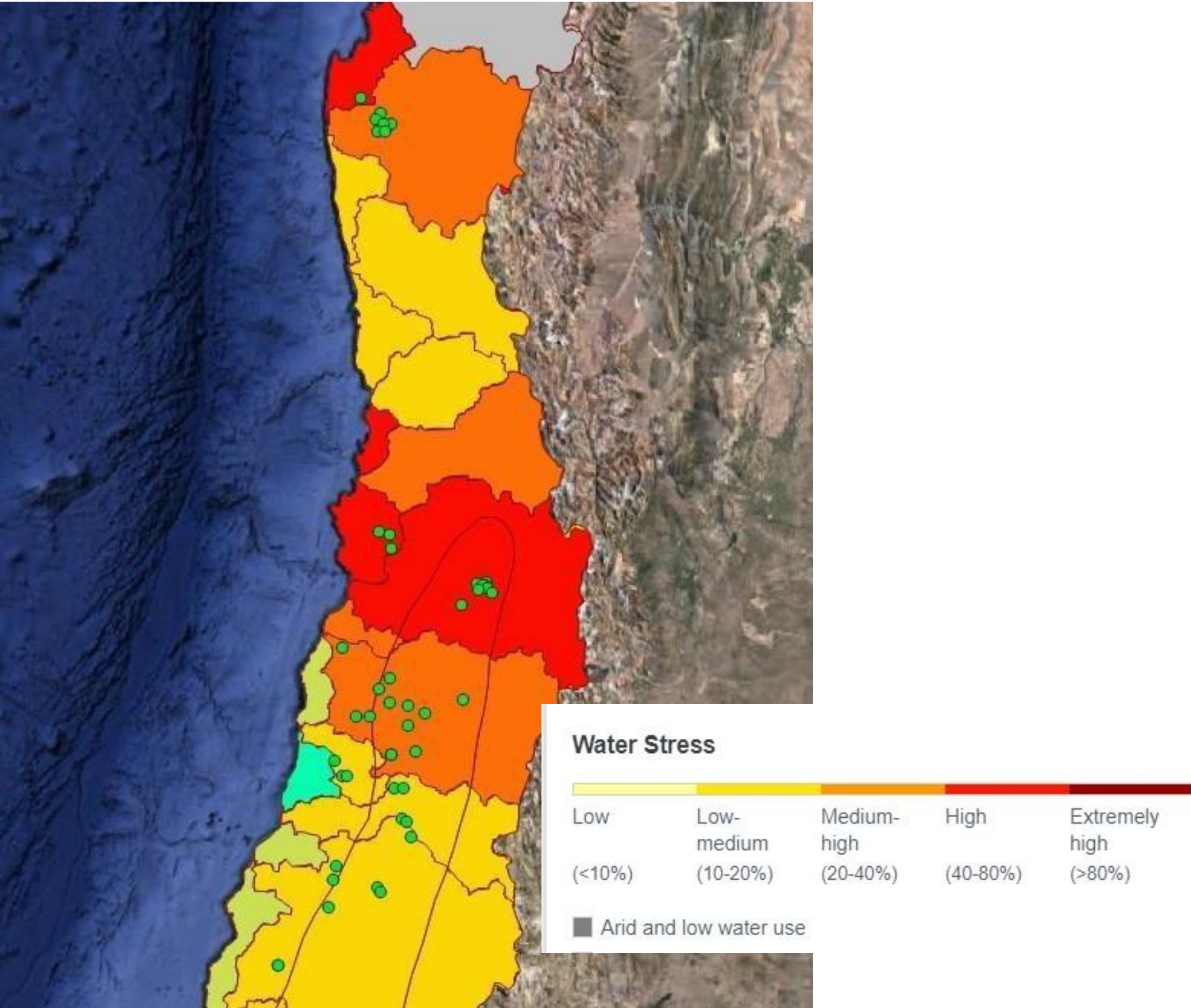
All water from municipal sources is discharged to water bodies or sewers.

Source: Water Footprint, Viña Concha y Toro 2022.



# WATER CONSUMPTION 2022

## IN WATER-STRESSED AREAS



Source: AQUEDUCT Water Risk Atlas, WRI 2022

An area is under water stress when it faces a water demand that exceeds the availability of resources in that region. In other words, the demand for water in the area exceeds the amount of water sustainably available.

In Chile, the central zone is the area with the best conditions for the wine industry, which coincides with the area of greatest water stress. Therefore, responsible and efficient water management is a highly relevant issue for the company.

Eighty-seven percent of the vineyards in Chile are located in this type of zone. In Argentina, 100% of the surface area is on land classified as high water stress.

This condition makes the company a pioneer in research, development and innovation, to which Viña Concha y Toro's Research and Innovation Center, the only one of its kind in Latin America, is dedicated exclusively.

The *Aqueduct* Water Risk platform Atlas, developed by the World Resources Institute (WRI), is a valuable tool for assessing and mapping water risks worldwide.

Its main objective is to facilitate strategic decision making in project siting, supply chain management, and water use planning by providing detailed information on scarcity, quality, flooding, and community vulnerability.

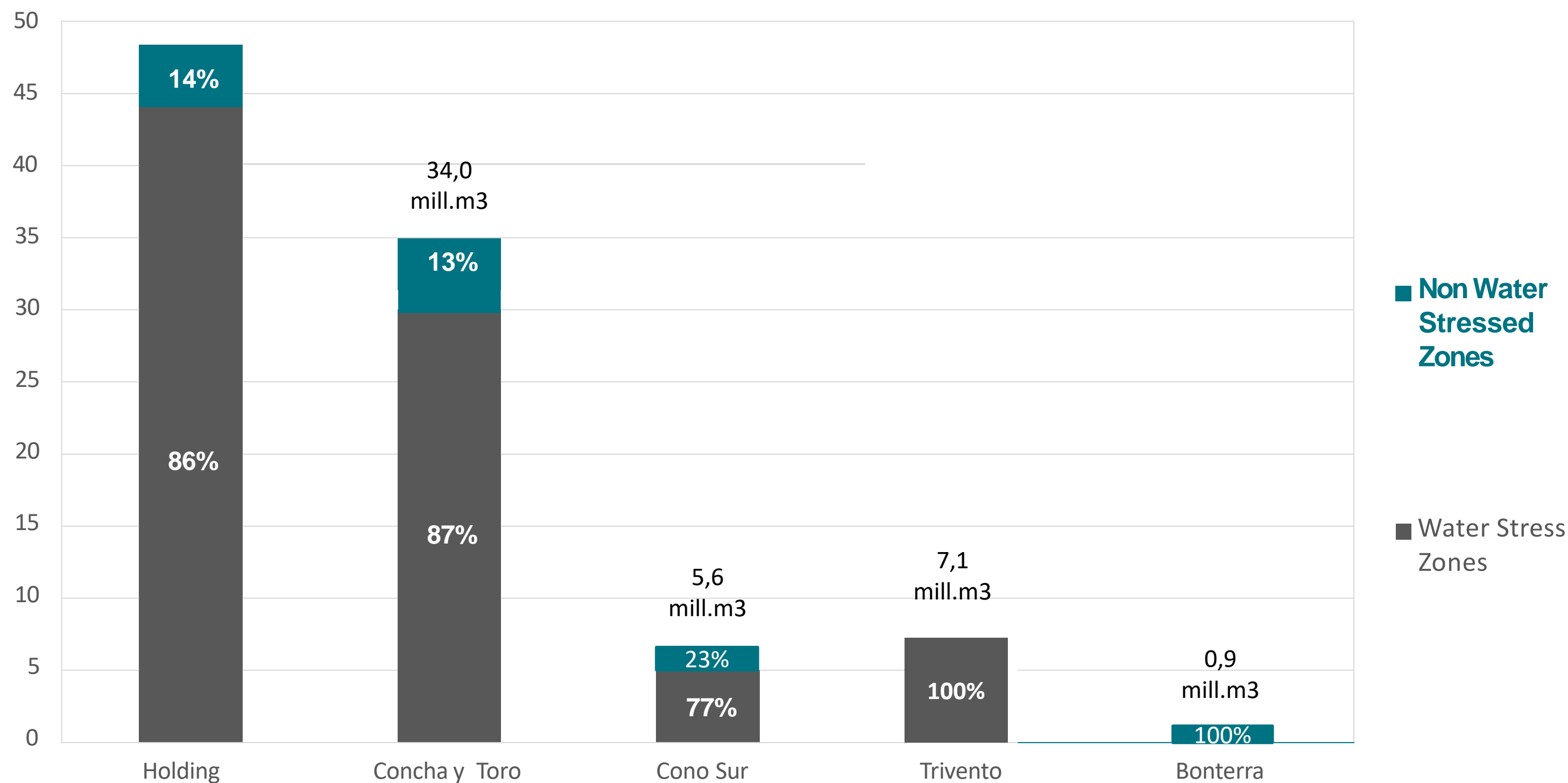
It also promotes transparency and collaboration among different stakeholders to effectively address water-related challenges.

This tool is used by Viña Concha y Toro to evaluate future water scenarios.

# WATER CONSUMPTION 2022

## IN WATER-STRESSED AREAS

TOTAL WATER CONSUMPTION 2022  
47.6 Million m<sup>3</sup>



Source: Aqueduct Water Risk Atlas, 2022

Using the tool *Aqueduct of the World Resources Institute (WRI)*, updated the facilities and amount of water used in water-stressed areas for the year 2022.

Eighty-six percent of Viña Concha y Toro's (Holding) operations are located in areas with high or very high water stress.

The Argentine subsidiary Trivento Bodegas y Viñedos has the highest percentage, reaching 100%, followed by the subsidiary Concha y Toro (the largest and the one that uses the greatest amount of water), with 87%.

Cono Sur has 77% of its operations in water-stressed areas, and Bonterra, located in California, has no operations in water-stressed areas.

The company is aware of this scenario and therefore every year it conducts climate scenario analyses and prepares the conditions of accumulation dams and irrigation systems to ensure availability during the season.

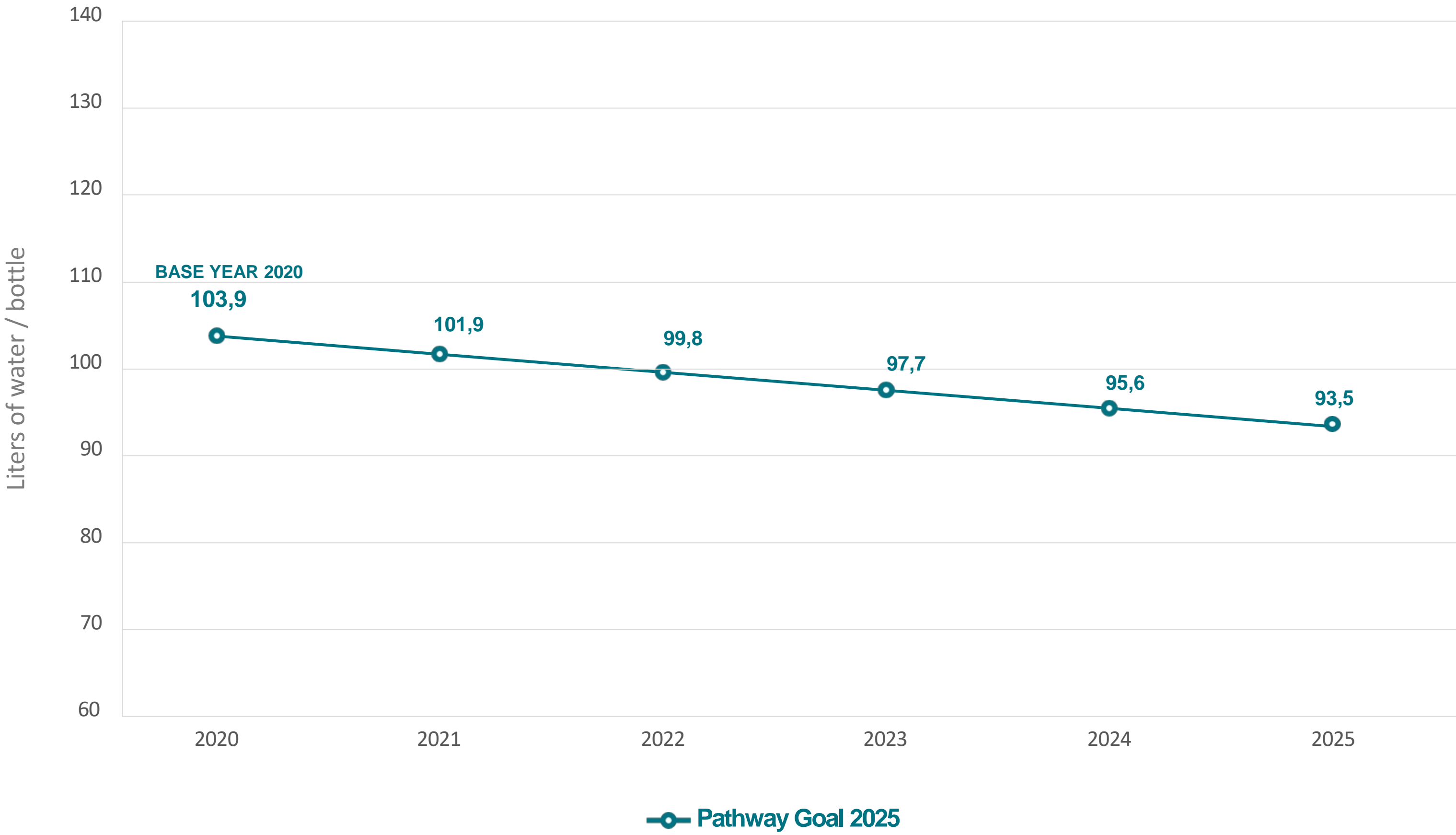


# RESULTS AND GOALS

3.3

# WATER CONSUMPTION TARGETS 2025

## REDUCTION PATH TO 2025



The corporate goal of the Program "Zero Water Waste" drives us to a **10% reduction in water consumption** per bottle of wine sold from vineyard to bottling by 2025, compared to 2020.

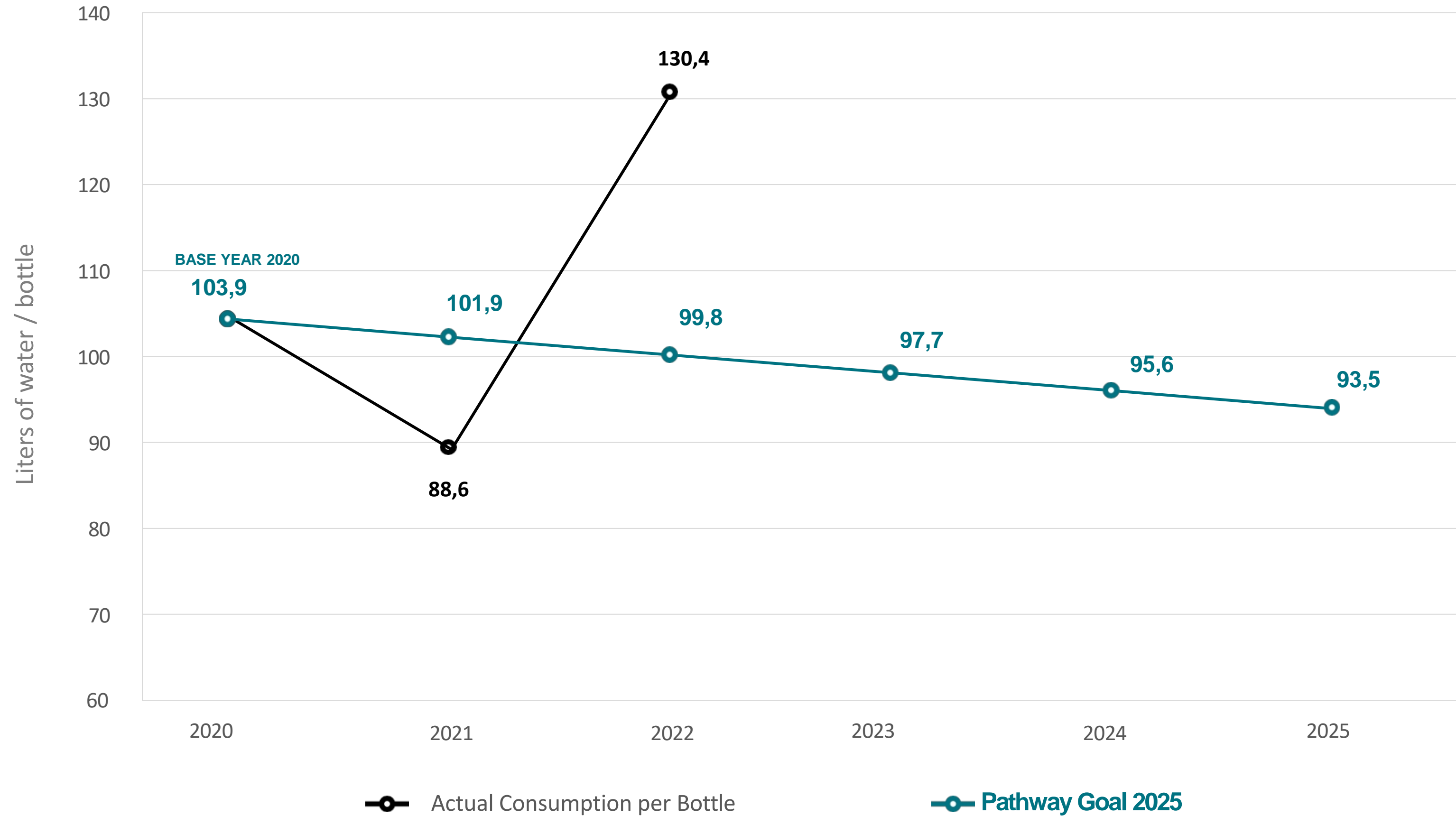
Once the base year consumption was determined, which corresponds to 103.9 liters per bottle, a linear reduction at a rate of 2% per year was proposed, as shown in the graph on the left. The goal is to achieve a consumption of 93.5 liters per bottle of wine sold by 2025.

This is an ambitious goal for Viña Concha y Toro, since most of the water consumption is for irrigation, which is highly dependent on weather conditions. In addition, the company already has a drip irrigation system in 100% of its surface area, which is considered highly efficient.

With this in mind, the company's Research and Development (R&D) efforts, through its Research Center and agricultural department, are expected to accelerate the transition to precision agriculture.

# WATER CONSUMPTION TARGETS 2025

## REDUCTION PATH TO 2025 V/S ACTUAL VALUES



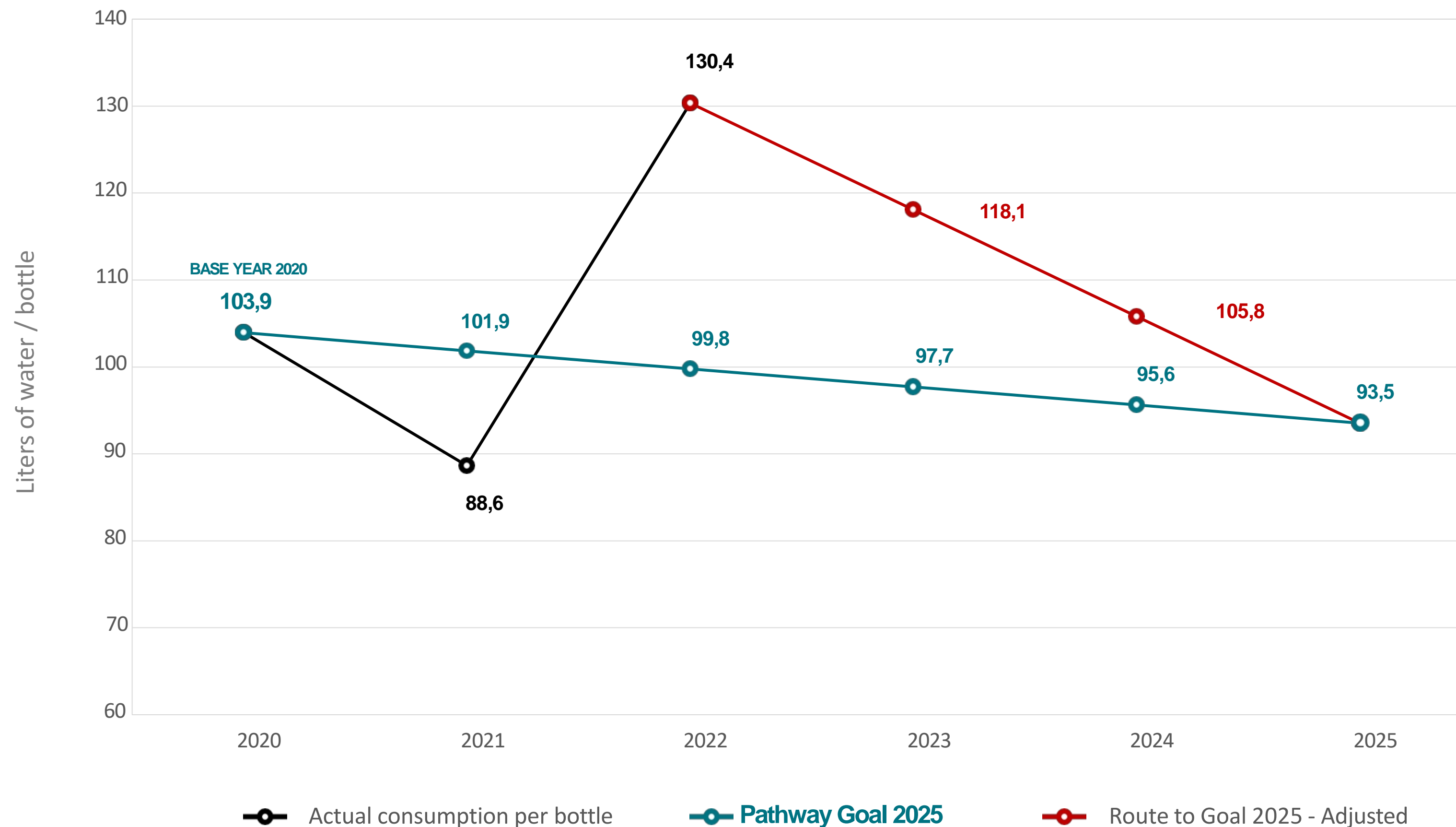
During the year 2021, there will be a consumption well below 101.9 liters of water / bottle, this was due to favorable weather conditions, as rainfall was very similar to a normal year in central Chile, a phenomenon that occurred during the irrigation season.

Consumption increased significantly in 2022. In terms of weather conditions, the year was similar to 2020, with limited rainfall, but the company significantly increased the use of its own grapes compared to previous years, which is reflected in higher overall consumption and higher consumption per bottle of wine.

In addition, during 2022 there was a significant reduction with respect to 2020 and 2021 levels (10%), so the unit value was also affected.

# WATER CONSUMPTION TARGETS 2025

## ROUTE 2025 ADJUSTED



As of the 2022 result, the replicated the linear reduction exercise, reflecting the effort that the winery will have to make in the coming years in order to reach the target set for 2025. This means achieving reductions at a rate of 12.3 liters/bottle per year.

In order to follow up and look for collaborative alternatives for water reduction, we are working in a collaborative way to reduce the amount of water used. multidisciplinary team in the "Leading Water Group". Through technological initiatives and operational improvements, we seek to implement the "Zero Water Waste" concept.

The agricultural department is making progress in the implementation of measures such as the application of irrigation systems through SmartAgro, among others.

## CONSOLIDATED HOLDING WATER

2020 - 2022

The water consumption reported for the holding Viña Concha y Toro considers all water uses **from the vineyard to bottling**. In the wine industry, the main use of water is for vineyard irrigation, so the consumption should reflect this stage of the process for the purposes of correct comparability.



VINEYAR CONSUMPTION

**99%**



CONSUMPTION IN WAREHOUSES AND PACKAGING PLANTS

**1%**

		BASE YEAR 2020	2021	2022	GOAL 2025
<b>TOTAL CONSUMPTION OF WATER</b>	million m3	<b>43,4</b>	<b>36,4</b>	<b>47,6</b>	
<b>SALE</b>	mill of bottles	417,5	410,3	365,5	
<b>UNIT CONSUMPTION PER BOTTLE</b>	Lt water / bot	103,9	88,6	130,4	
% Expected Reduction	%		- 2%	- 4%	- 10%
Expected Unit Indicator	Lt water / bot		101,9	99,8	93,5
Expected Annual Savings	million m3		0,9	0,8	-
Cumulative Expected Savings	million m3		0,9	1,7	4,3
% Real Reduction	%		- 15%	+ 25%	
Real Annual Savings	million m3		5,4	- 11,3	
<b>WATER BUDGET</b>					
Cumulative Real Savings	million m3		5,4	- 5,8	



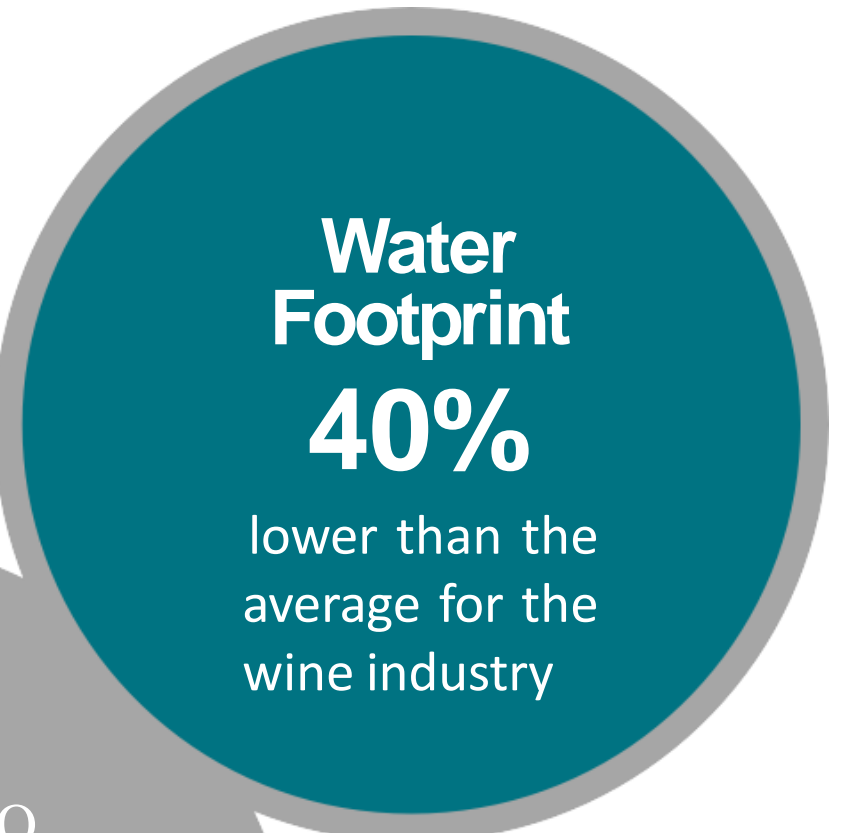
# WATER FOOTPRINT METHODOLOGY

3.4



# WATER FOOTPRINT 2022

CONCHA Y TORO 2022



The WFN methodology (Water Footprint Network) is an approach to assess and quantify water use in different human activities, such as agricultural and industrial production, and their impacts on water availability and quality, considering both direct and indirect water consumption throughout the supply chain.

The application of this methodology is based on the fact that the water required for the production of a product is not only the water needed at one stage, but also the water incorporated in the inputs needed to produce it.

From this perspective, it is an even more complete measurement than just consumption limited to organizational boundaries, as it also considers the water content of the supply chain inputs.



Source: Water Footprint Network ([waterfootprint.org/resources/interactive-tools/product-gallery/](http://waterfootprint.org/resources/interactive-tools/product-gallery/)); Water Footprint, Viña Concha y Toro 2022.

## METHODOLOGY WATER FOOTPRINT NETWORK

The water footprint is defined as the total volume of fresh water used directly and indirectly to run and sustain a business. It is composed of two major groups: the operational (direct) footprint and the supply chain (indirect) footprint.

According to the type of water use, the following are distinguished Green, Blue and Grey Footprint, which are defined as:

**BLUE FOOTPRINT:** An indicator of consumptive use of fresh, surface or groundwater. "Consumptive water use" refers to one of the following four cases:

- Evaporating water;
- The water that is incorporated in the product;
- Water that does not return to the same catchment area, for example, is returned to another catchment area or the sea;
- Water that does not return in the same period, for example, if it is withdrawn in a lean period and returned in a wet period.

**GREEN FOOTPRINT:** An indicator of human use of green water. Green water refers to precipitation that does not run off or recharge to groundwater, but is stored in the soil or temporarily remains in the upper strata of soil or vegetation.

The distinction between blue and green water footprint is important because the hydrological, environmental, and social impacts and opportunity costs of the use of surface and groundwater water are distinctive from the impacts of rainwater use.

**GREY FOOTPRINT:** The gray water footprint of a process step is an indicator of the degree of freshwater contamination associated with that process step. It is defined as the volume of freshwater required to assimilate the contaminant load based on environmental water quality standards. It is estimated that the volume of water required to dilute the contaminants to the point where the ambient water quality is maintained above the environmental water quality standards.

*Since 2010 Concha y Toro has been measuring its water footprint based on the Water Footprint Network Methodology as a complement to the measurement of consumption.*

WATER FOOTPRINT WFN 2022	BLUE FOOTP RINT	GREEN FOOTP RINT	GREY FOOT PRINT	TOTAL %	
Direct Operational Footprint	0,3	0,0	0,2	0,5	1%
Indirect Operational Footprint	59,3	32,8	9,4	101,4	99%
Own Crops	27,6	11,9	4,3	43,8	43%
Purchase of Grapes and Supplies	31,6	20,8	5,0	57,5	56%
Others	0,1	0,0	0,0	0,1	0%
<b>TOTAL</b>	<b>59,6</b>	<b>32,8</b>	<b>9,6</b>	<b>102,0</b>	
	58%	32%	9%	100%	

On average globally, the industry's water footprint is 109 liters per 125 ml glass of wine. In France, Italy and Spain, the largest wine producing countries in the world, the average water footprint of wine is 90, 90 and 195 liters per glass of wine, respectively. Concha y Toro in Chile, with a result of 65.9 liters/glass in 2022, is 40% below the industry average.

From the table of results it is possible to ratify the trend shown by consumption, since 99% comes from an indirect operational footprint linked to raw materials, i.e. grapes, both own and from third parties, and only 1% comes from operational uses (bottling plants and winemaking cellars).

It is also possible to observe that the blue footprint corresponds to 58%. This figure reflects the consumptive use of water, showing that the vines are not only capturing water from irrigation systems, but also 32% are being irrigated with rainwater and humidity from the air.

In addition, on average, the industry has a 15% gray footprint, which reflects the degree of water pollution, a figure that in the case of Concha y Toro is 9%.

By way of comparison, a 125 ml. cup of coffee has a water footprint of 132 liters of water per cup and the global average water footprint of beef is 15,400 liters/kg.

Source: Water Footprint Network (waterfootprint.org/resources/interactive-tools/product-gallery/), 2022.

**CLIMATE EFFECT INDEX (CIE)  
CONCHA Y TORO VINEYARD**

Since 2010, Viña Concha y Toro has calculated its Water Footprint, following the WFN methodology.

The analysis is carried out considering different productive aspects, ranging from water directly consumed to water virtually used. Of the total measurement, the main share is associated with crops, both our own and those of third parties.

In spite of the constant improvements in the irrigation methodologies, it has been observed a growth in the results of the water footprint (HH), which has generated the need for an in-depth analysis of its results.

It has been identified that the relationship with productivity generates a first level of deviation in the measurement results (functional unit).

Likewise, climate influence plays a fundamental role in the results, especially considering the participation of the footprint associated with crops.

To better understand the influence of climatic variables on irrigation, an analysis of different climatic and phenological parameters, such as precipitation, temperature, the dual coefficient Kc, and potential evapotranspiration (ET0), which affect the measurement of the water footprint, was carried out.

This analysis was subsequently reviewed in conjunction with the Agricultural Area and the Research Center, which led to the conclusion that although there are more representative parameters, or those with a more direct influence on the results of the water footprint, the main parameter of this study was potential evapotranspiration (ET0), given that greater degree of representativeness.

In order to be able to assign an adequate proportionality to each weather station that the vineyard works with, each one was associated to the estates it represents, valuing by multiplying the ET0 recorded for each station by the area over which it is applied.

Finally, the IEC is determined to normalize this factor with respect to the base year of comparability, which for the purposes of this period corresponds to 2017.

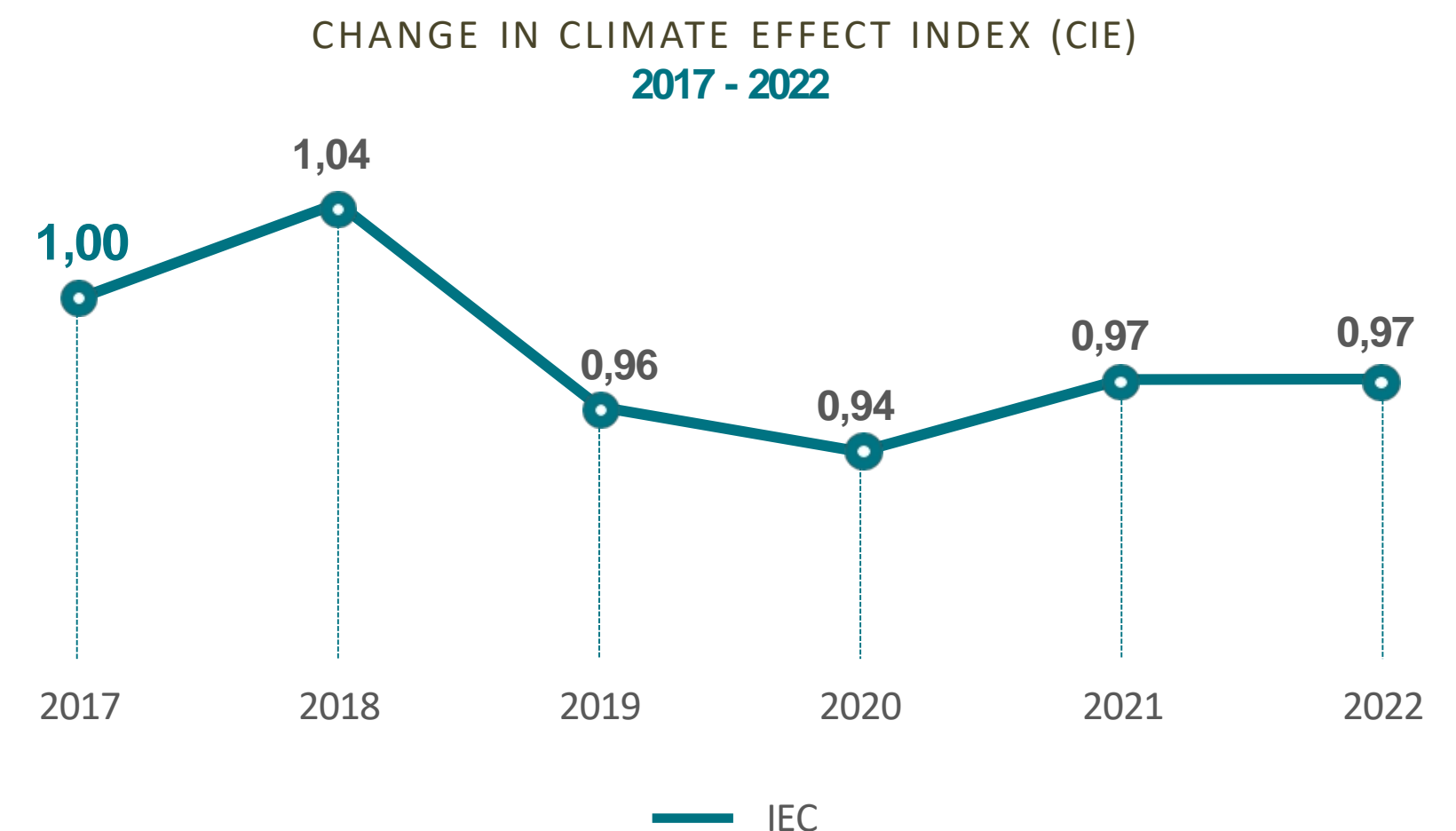
The following graph shows the evolution of the Climate Effect Index. It is possible to visualize that climate plays an important factor when comparing water management from year to year.

Using 2017 as a base year, the climate effect of the water footprint can be cleared and thus it is possible to appreciate how much of the variation corresponds to the company's internal management.

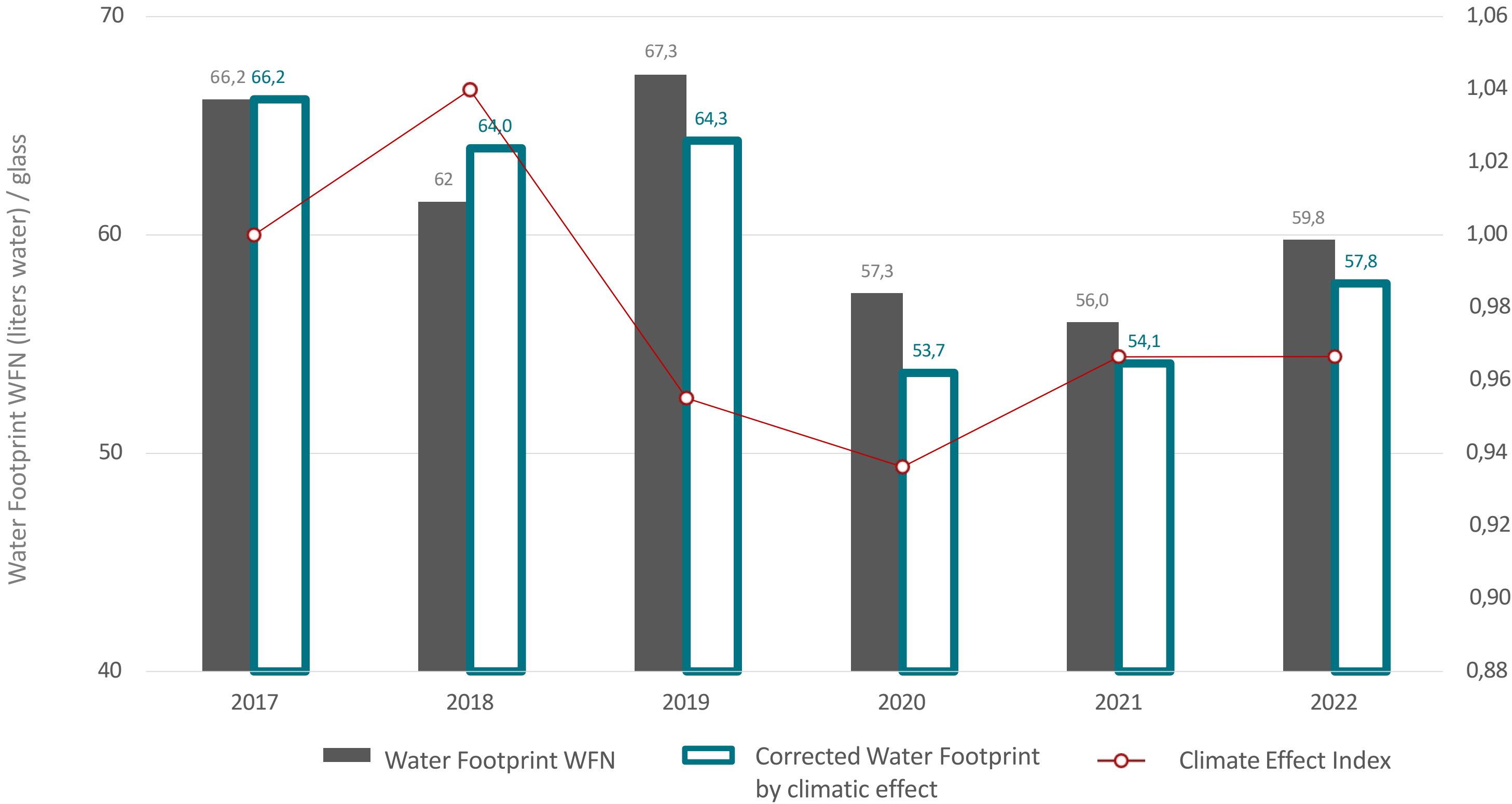
It can be seen that the only period where the correction for ET0 resulted in an IEC greater than 1, was 2018.

This indicates that weather conditions were less severe and that, had the company not implemented water-saving measures, the water footprint would have been larger. With respect to 2022, it can be seen that 3% of the increase in the water footprint was due to adverse climatic factors. The rest of the increase is due to a larger area of vineyards in production.

As the company grows, increased water use is inevitable, so the company is working hard on water risk analysis and the concept of water efficiency.



# CLIMATIC EFFECT IN THE WATER FOOTPRINT 2017 - 2022



When applying the Effect Index Climate (IEC) in the water footprint measurements, for metrics as of 2017, it is possible to observe the effect of adverse weather conditions.

The results indicate that, compared to the base year, the year 2022 was a scenario where 3% of the water footprint is explained by higher evapotranspiration factors in the vineyards, which evaporate water as a result of the temperature increases generated by climate change.

These results are of fundamental importance for understanding the impact of temperature variations on evapotranspiration and water resource management.

Thus, it is possible for the company to generate concrete short-term actions to improve this condition, for example, through the application of solarized pomace in the vineyards, which retain moisture for a longer period of time.



# ESG METRICS

3.6

Viña Concha y Toro has participated in the Dow Jones Sustainability Index since 2015, when Chile was added to the list of existing indexes. Since that date and consecutively until 2022, it is the only company in the wine industry that is part of the *Beverages* category of the Dow Jones Sustainability Index.

In addition, since 2017, the company has been transparently and voluntarily disclosing its Water Security information through CDP, a platform for responsible ESG investors ([www.cdp.net](http://www.cdp.net)).

It provides details on annual quantifications, measures adopted, risks, opportunities and indicators related to water management in greater detail. This information is publicly available for consultation and *benchmarking*.

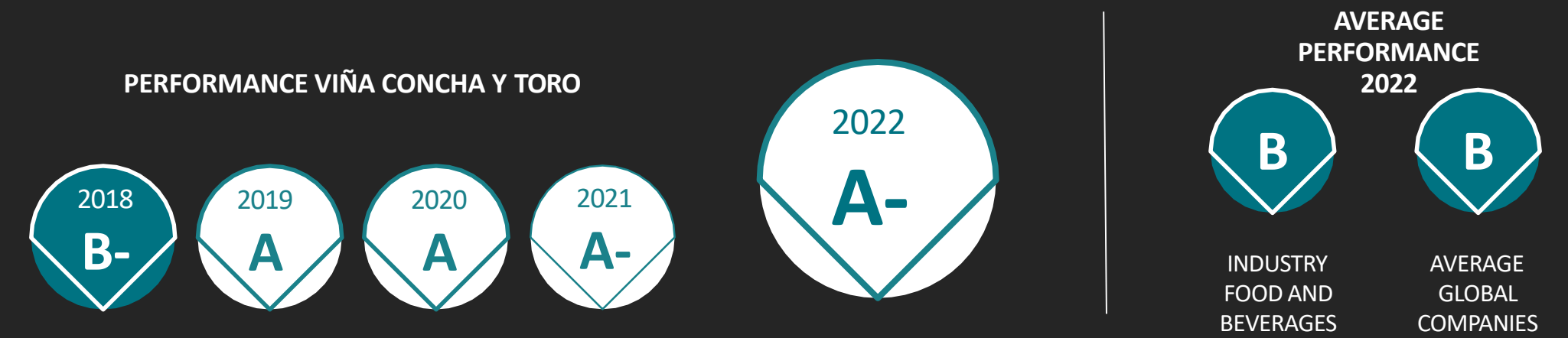
The rating of A- obtained in CDP Water

is a recognition of Viña Concha y Toro's commitment to environmental sustainability and its contribution to the protection of water resources. It is a classification in the "Leadership" category. The company continues to focus on strengthening its practices, working constantly to minimize its impact on the environment and ensure a responsible use of water in all its winemaking activities.

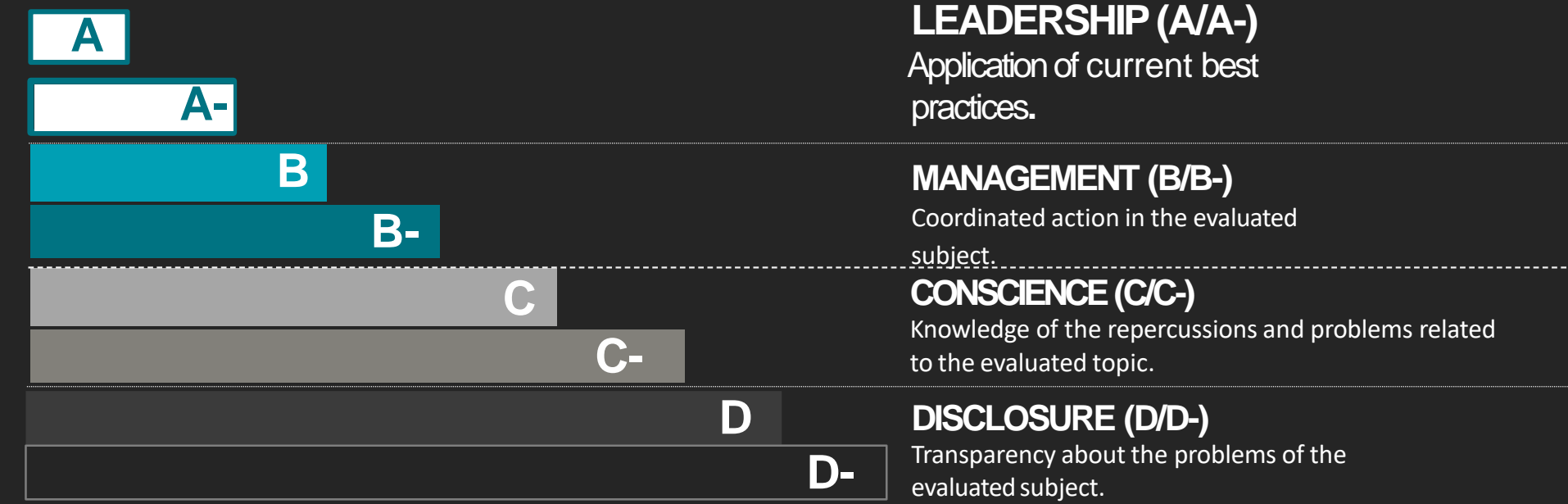
Although the company's activities are located in areas classified as water-stressed, CDP's assessment shows that the company has consistently and remarkably worked on security of supply prior to the irrigation season and ensuring rational use during irrigation.



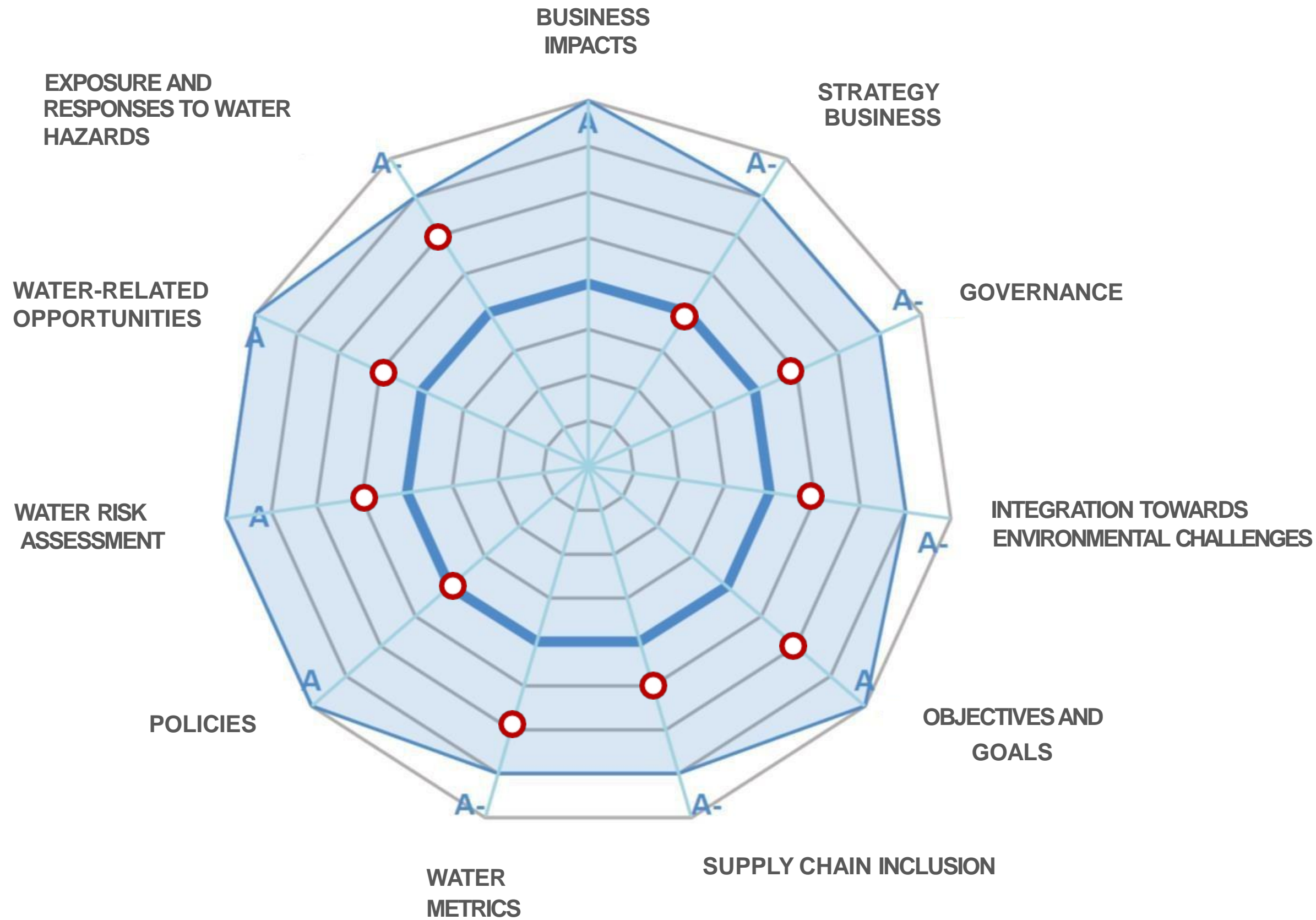
RESULTS  
**CDP SCORE - WATER SECURITY**  
 SCORES AND  
 BENCHMARKING 2018-2022



**CDP SCORE**  
 EVALUATION AND ITS  
 MEANING



# RESULTS CDP WATER SECURITY 2022



The graph represents the aspects evaluated by CDP annually. It is possible to visualize Viña Concha y Toro's results in the blue zone.

The thick line demarcated at level c indicates the minimum performance to be evaluated in the Leadership category. The red dots indicate the average score of the beverage sector in which the company is evaluated.

This evaluation highlights the company's management in terms of understanding the relevance of water to the sustainability of the business, establishing quantifiable objectives and targets, supported by a body of policies that strengthen governance. In addition, there is an evaluation of the water risk and the opportunities derived from it, such as advanced innovation, which will benefit not only the company, but also the Chilean wine industry, through the transfer to our producers.



# MANAGEMENT PROGRESSES 2022



# 2022 RESULTS



## Progress on Zero Water Waste Initiative

69%

During 2022, climatic conditions did not allow the expected value of water reductions to be achieved, mainly in agriculture.

With respect to the goal set for the current year, the holding company's water consumption indicator was 31% higher than expected, generating a deviation in annual compliance.

This was mainly due to the scarcity of water at times of the year when it was necessary to hydrate the vines to maintain their productivity and yield.

The company is taking a number of measures to ensure that future consumption savings begin to be realized.



## CONCLUSIONS

Freshwater is becoming an increasingly scarce resource. This is partly attributed to climate change, but also to the fact that the demand for water has increased considerably in society (number of industries, population and cities) and the pollution of surface and groundwater courses has left a large amount of volume unavailable.

At Viña Concha y Toro, we are aware of this reality. The company recognizes that its location in areas of high water stress challenges it to manage water resources responsibly, seeking not to waste it. In the wine industry, the largest proportion of water consumption is in the agricultural stage and comes from vineyard irrigation. However, it is important to note that vines are not highly intensive in irrigation and use on average one third of the water required, for example for irrigation of fruit trees.

It is important for the purposes of comparability of water management,

this variable is considered, otherwise 99% of the water consumption will be left out.

Another important issue to highlight is the concept of consumption. Since it is a factor that is limited by organizational boundaries, most companies do not consider the water contained in the purchases of inputs (grapes and others) and in the case of outsourced stages, they are not providing a complete quantification of the impact on water resources. These considerations can lead to distortions in the quantification of consumption and, therefore, to comparisons that do not use the same information base.

Given the above, it is possible to visualize the relevance of having not only water consumption indicators but also of complementing this information with indicators that provide a complete view of the cycle, incorporating the water used to obtain the relevant production inputs which, in the case of the wine industry, are its own and purchased grapes.

The annual measurement of the Water Footprint under the Water Footprint Network methodology allows us to complement the analysis and prioritize actions to be taken to make water use more efficient.

Through the application of the Climate Effect Index, we can also know how much of our management corresponds to measures that we can manage locally and how much is a consequence of climate change, where we depend on joint actions to generate change.

The actions taken by the vineyard are mainly on two fronts:

**1. Technological Advances:** In order to improve our efficiency, we must work on the innovation of processes and equipment that will allow us to achieve greater precision than that already achieved through drip irrigation, the most advanced technique to date. Hence the relevance of research in precision agriculture, whose recommendations we hope will enable us to reduce water consumption. The Center's first results of research in this area show

reductions of 18% in an area of 1,000 hectares.

- 2. Water Efficiency:** In the search to generate significant reductions, projects are also implemented in the agricultural, winemaking and bottling areas. Recirculation projects and covering of dams to avoid evaporation (up to 85% of evaporation avoided) are gradually being implemented in the company.
- 3. Nature-Based Solutions:** In addition to the above and as a long-term complement to the water regulation of the watersheds, the company is carrying out forestation in various company fields. During 2022, more than 12 thousand trees were planted in forest areas and riverbanks.

Although last year's results fell short of expectations, the company will continue to reinforce its short- and long-term actions to achieve its 2025 goal.





## 2023 GOALS

### ZERO WATER WASTE PROGRAM

- 01.** Reduction of water consumption of at least 6% per bottle with respect to 2020.
- 02.** Implementation of reduction projects in vineyards, wineries and plants according to the Operational Master Plans (PMO).
- 03.** Strengthening water governance and awareness, implementing initiatives of the Leading Water Group and generating an internal "Zero Water Waste" awareness campaign in facilities at the holding company level.





VIÑA CONCHA Y TORO  
— FAMILY OF NEW WORLD WINERIES —



PILLAR OUR PLANET | ZERO WATER WASTE