

CURRENT SITUATION ANALYSIS ESG RATINGS 2022

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Sustainability Management
VIÑA CONCHA Y TORO
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1. ESG Criteria (ASG)

Environmental – Social – Governance

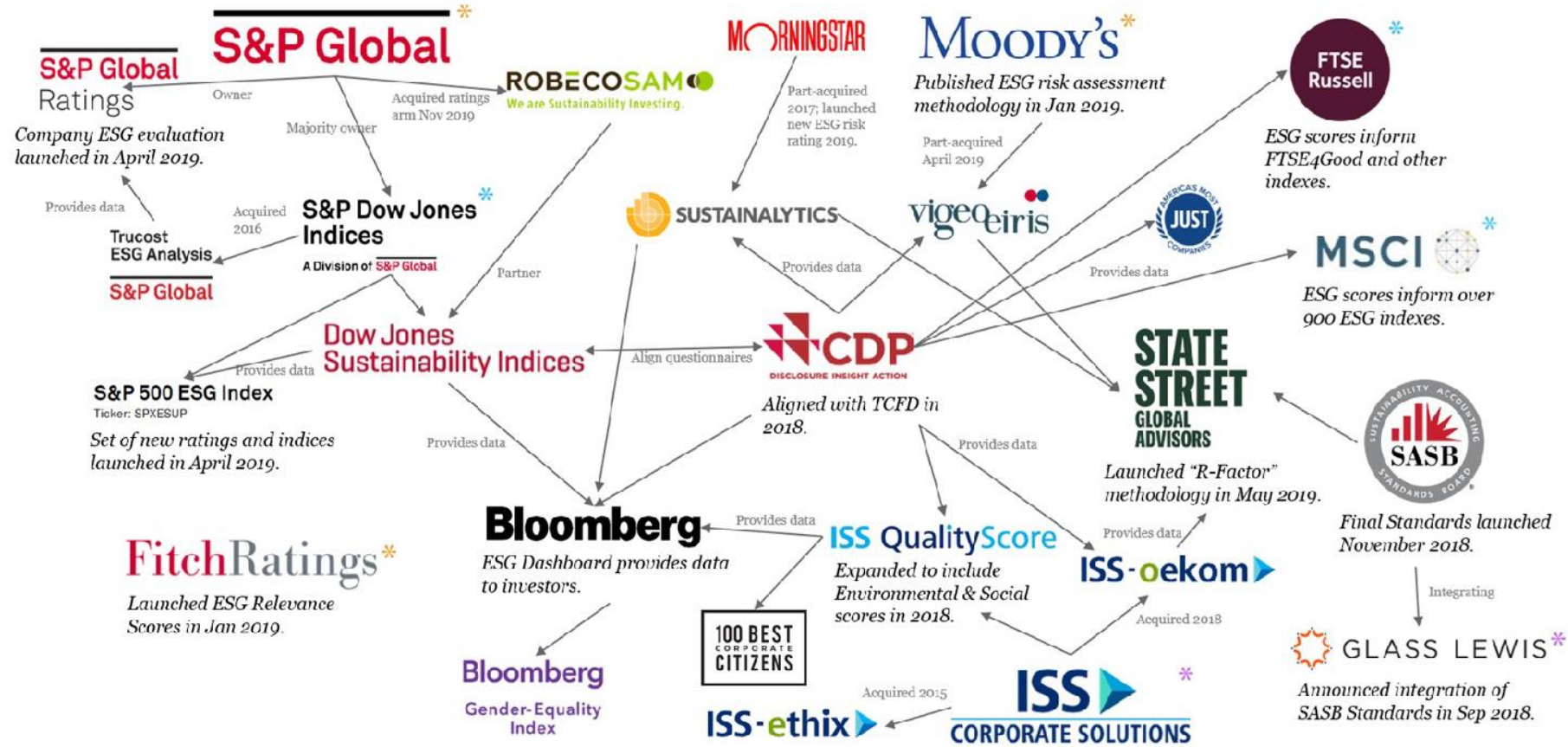
- ESG criteria evaluate the extent to which a company is capable of acting sustainably against these three factors: Environmental, Social and Corporate Governance. In addition, they reflect how prepared it is to respond to emerging opportunities and risks.
- They are mainly used to inform and guide investors, allowing them to quantify the impact of their investments. It is inferred that good ESG performance allows the risk of investments to be reduced.
- With this report, the company seeks to identify its current situation with respect to the main ESG Ratings, identifying the best evaluated aspects and the gaps that arise for the company.



The ESG data industry has been growing as more companies are being evaluated. In relative terms, it is a new industry that is still atomized. However, in recent years there has been a growing trend towards consolidation, which is expected to facilitate future analyses.

Given the multiplicity of actors, it is necessary to identify those most influential for the company, and thus focus on the actions that the company needs to take to improve its performance.

It is a dynamic industry which must be monitored, since they issue information regarding the company to institutional investors.



Fuente: Corporate Citizenship, Febrero 2022

2. Measuring ESG Performance

Main Industry Actors for Viña Concha y Toro

Within the universe of companies that evaluate **ESG performance**, Viña Concha y Toro has decided to monitor these 5 actors that currently evaluate the company with publicly available information:

Dow Jones Sustainability Indexes, MSCI Inc. (ex-Morgan Stanley Capital International), Moody's ESG & Climate Risk, Sustainalytics and Refinitiv. These indices are updated annually, capturing global ESG trends and incorporating the concerns of institutional investors.

Dow Jones Sustainability Indexes is the most prestigious global sustainability index, which, in addition to having the most robust methodology, offers the evaluated company the possibility of actively participating in the process, unlike other evaluators.



a. DOW JONES SUSTAINABILITY INDEXES

Family of Indices that evaluate the sustainability of thousands of companies listed on the main world stock exchanges, Viña Concha y Toro integrates 2 of its indices (DJSI MILA Pacific Alliance - DJSI Chile).

Controller: Standard & Poor’s. USA.

Focus: Publicly traded companies that represent the top 40% of the IGPA.

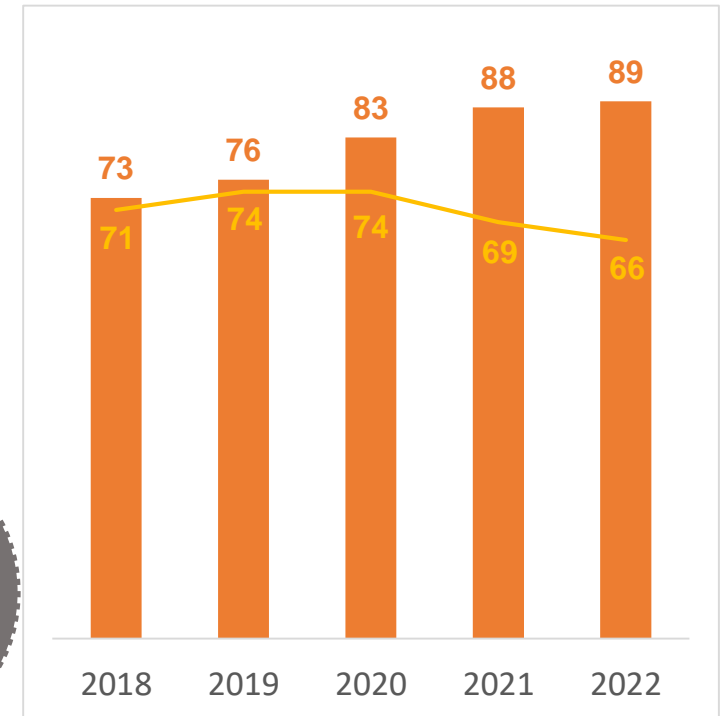
Dimensions and Weightings: Based on ESG criteria, the weighting of each of these aspects depends on the industry to which the evaluated person belongs. In the case of Viña Concha y Toro, which is part of the “Food & Beverage” industry, the weighting is as follows:

Governance and Economic” (36%), “Environmental” (30%) and “Social” (34%).

Data Source: Direct reportability of the evaluated, based on public information (factor that weighs more each year in the score)

Score Range: 1 – 100 points.

EVOLUTION OF SCORES AND PERCENTILE
2018-2022



2018	2019	2020	2021
71 Points	74 Points	74 Points	69 Points
73th Percentile	76th Percentile	83th Percentile	88th Percentile

2022
66 Points
89th Percentile

2022 Results

During 2022, the company was evaluated for the 8th consecutive year. In 2022, it once again managed to enter the ranking of the best companies, integrating the Chile Index and the MILA Index.

The Dow Jones questionnaires vary from year to year as they capture changing sustainability contexts. Their demands become increasingly greater as new topics are introduced. Therefore, the recommendation is to observe the score always taking into account the position in the industry percentile.

It offers the possibility for the evaluated company to provide information for the evaluation, but it is only considered for scoring purposes if it is publicly available.

Viña Concha y Toro's score in 2022 decreased by 3 points compared to 2021, mainly due to the lack of public information.

	Score 2022	Y-o-Y
S&P Global ESG Score	66	-3
Governance & Economic Dimension	65	+1
Environmental Dimension	73	-5
Social Dimension	61	-8

Fuente: CSA - Company Benchmarking Scorecard 2022

	Score 2022	Y-o-Y
S&P Global ESG Score	66	-3
Governance & Economic Dimension	65	+1
Corporate Governance	37	0
Materiality	77	0
Risk & Crisis Management	70	+7
Business Ethics	84	+2
Policy Influence	74	0
Supply Chain Management	79	-5
Tax Strategy	20	+4
Information Security/ Cybersecurity & System Availability	54	+13
Innovation Management	98	+3
Strategy for Emerging Markets	46	0
Environmental Dimension	73	-5
Environmental Reporting	94	-6
Environmental Policy & Management Systems	56	-23
Operational Eco-Efficiency	97	+9
Biodiversity	13	-7
Climate Strategy	94	+4
Food Loss & Waste	39	0
Genetically Modified Organisms	100	0
Packaging	31	-19
Sustainable Agricultural Practices	74	-11
Water Related Risks	90	0
Social Dimension	61	-8
Social Reporting	0	-100
Labor Practice Indicators	72	+9
Human Rights	68	-9
Human Capital Development	78	-10
Talent Attraction & Retention	60	+17
Corporate Citizenship & Philanthropy	83	-11
Occupational Health & Safety	53	+22
Health & Nutrition	Not applicable	N/A
Customer Relationship Management	59	+24
Sustainable Marketing & Brand Perception	60	-31

b. MSCI Inc.

The MSCI ESG indices are designed to provide institutional investors with effective and transparent tools to integrate ESG or climate considerations into their investment processes and portfolios.

Controller: MSCI Inc, ex Morgan Stanley Capital International, USA.

Focus: Evaluation for institutional investors.

Dimensions and Weightings: Varies by industry, for Beverages the Environmental aspect considers “Water Stress” (20%), “Packaging” (10%) and “Carbon Footprint” (10%). The Social aspect considers “Product Quality and Safety” (15%) and Health and Safety (10%). Finally, “Corporate Governance” is evaluated (35%).

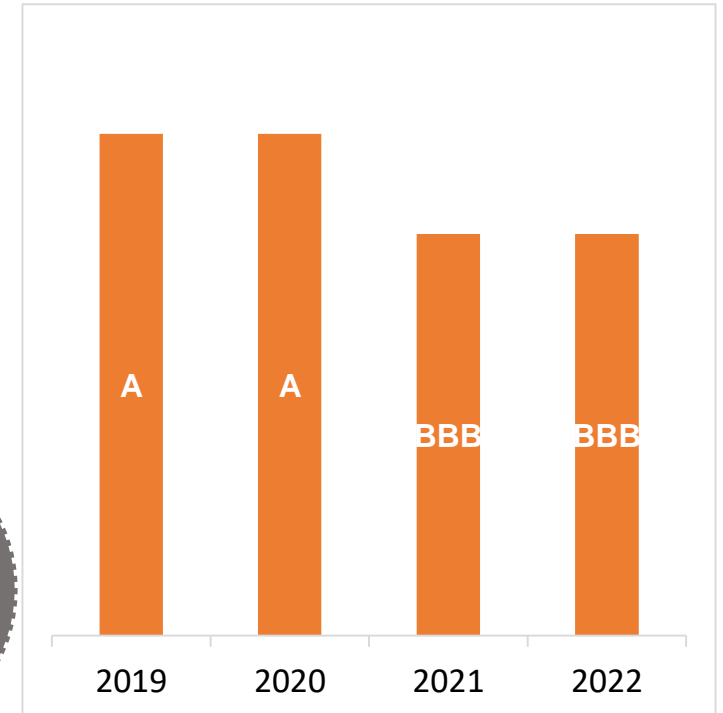
Data Source: Public information gathering (Annual Report, Website).

Score Range: CCC – B – BB – BBB – A – AA – AAA

2018	2019	2020	2021
No Evaluation	A	A	BBB



EVOLUTION OF ESG RATING
2019-2022



2022 Results

MSCI carries out evaluations of companies only with public information. Hence the relevance of having available and updated information for the company's sustainability metrics.

Despite having a BBB rating, the company shows a performance above the average of the Beverages industry in which it participates. It should be noted that the companies evaluated are not necessarily publicly traded companies, so the evaluation universe is more diverse.

On a sustained basis, the company stands out for its high performance in the Carbon Footprint of Products. However, the worst evaluated dimension is Corporate Governance, which coincides with Dow Jones, where this dimension also appears with low scores. This is mainly explained by issues such as the deployment of information on executives and the structure of the Board of Directors.

Key Topics	Weighting	Industry Average	Score (0-10)	Y-o-Y
> ENVIRONMENT	40%	5.3	5.7	▲1.1
Water Stress	20%	4.9	3.1	▲2.3
Packaging Material & Waste	10%	5.4	7.2	▲0.2
Product Carbon Footprint	10%	5.8	9.3	
> SOCIAL	25%	4.8	4.9	▼1.4
Product Safety & Quality	15%	4.2	4.9	▼2.2
Health & Safety	10%	5.8	4.9	▲0.1
> GOVERNANCE	35%	4.9	3.6	▲0.5
Corporate Governance		5.5	3.0	▲0.3
Corporate Behavior		6.0	7.6	▲0.7

Fuente: MSCI ESG Research – Viña Concha y Toro

c. MOODY'S

Risk rating agency that provides tools to companies, banks, insurers and asset managers to help them identify and manage ESG risks and opportunities and reinforce sustainability action plans.

Controller: Moody's Investors Service, New York, USA.

Focus: Environmental, social and governance evaluation of companies with the purpose of informing global institutional investors.

Dimensions and Weightings: Environmental, Social and Corporate Governance. The classifier does not directly publish the weighting percentages. They vary by industry. Each dimension has an opening to specific themes.

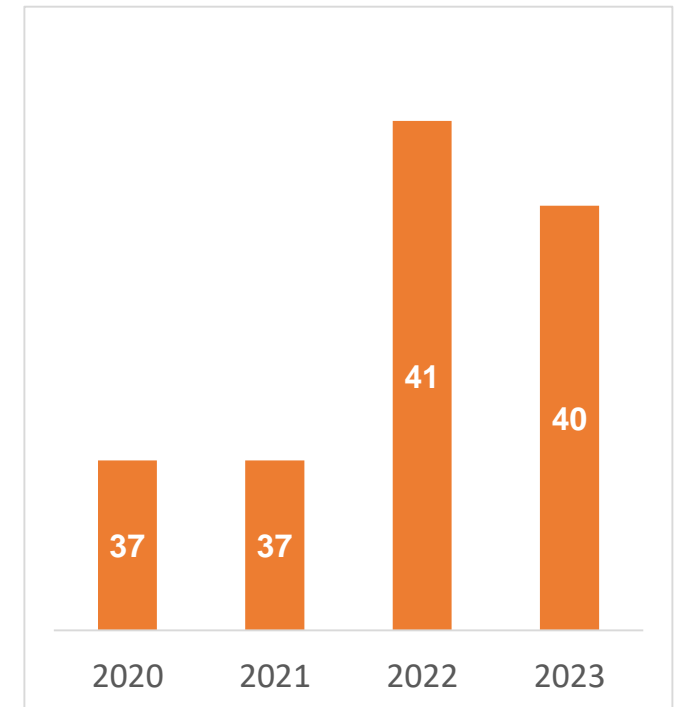
Data Source: Public information gathering (Annual report, website)

Score Range: 1 – 100 pts

2019	2020	2021	2022
No Evaluation	37 Points	37 Points	41 Points



EVOLUTION OF ESG RATING
2020-2022



2023 Results

ESG OVERALL SCORE



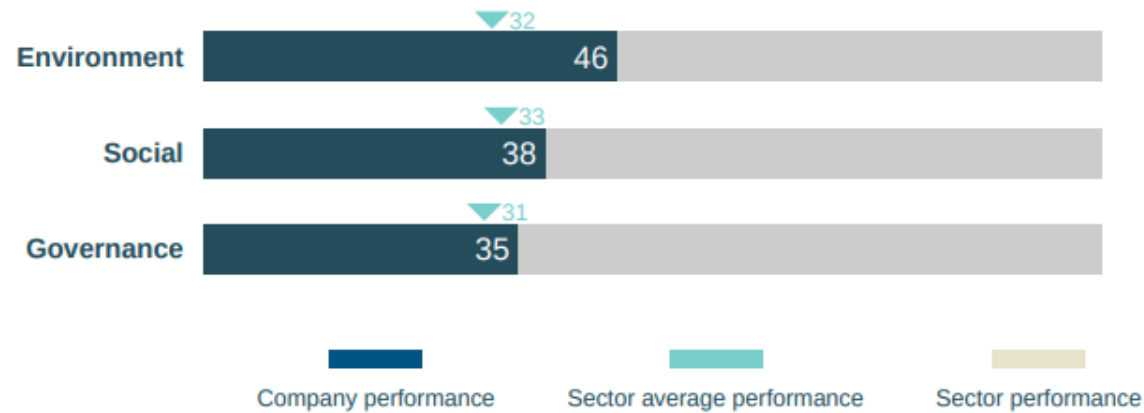
Moody's classifies Viña Concha y Toro as the fourth best performing company in the Beverages industry with respect to a total of 20 companies evaluated in 2022. In the 3 categories evaluated, the company has a better performance than the average for its industry.

In the dimension of carbon footprint and emissions, the company is classified as having moderate emissions, but in energy management is considered to be still "limited". The Sustainability Strategy and the Biodiversity elements stand out as advanced strengths.

RELATIVE PERFORMANCE

Rank in Sector	4/20
Rank in Region	206/838
Rank in Universe	1619/4814
Company Reporting Rate	81%
Sector Average Reporting Rate	68%
High severity controversies	No

ESG PERFORMANCE (/100)



Fuente: ESG Profile – Viña Concha y Toro

ISSUER PROFILE SCORES

Environmental IPS

- Carbon transition
- Physical climate risks
- Water management
- Waste and pollution
- Natural capital

Social IPS

- Customer relations
- Human capital
- Demographic and societal trends
- Health and safety
- Responsible production

Governance IPS

- Financial strategy and risk management
- Management credibility and track record
- Organizational structure
- Compliance and reporting
- Board structure and policies

d. REFINITIV

Global provider of financial markets data and infrastructure. Within their data services they have a “Scoring” type risk assessment of ESG aspects, which can be analyzed in depth thanks to their data and reporting platform.

Controller: Refinitiv es una unidad de negocios de LSEG (London Stock Exchange Group)

Focus: Generate information, to feed critical investment, negotiation and risk decisions with confidence. ESG performance evaluators.

Dimensions and Weightings: Calculated as the sum of the weighted individual pillar scores. The Environmental, Social and Governance pillars have a weighting of 29.71%, 45.53% and 24.76%, respectively for the Beverages industry.

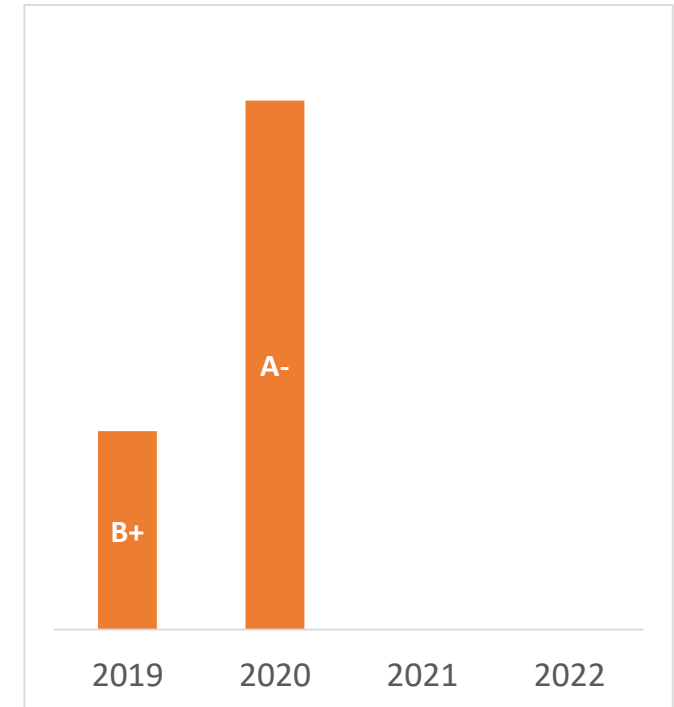
Data Source: Public information gathering (Annual Report, Sustainability Report until 2020, Website).

Score Range: D- to A+

2018	2019	2020	2021
B+	B+	A-	No Evaluation

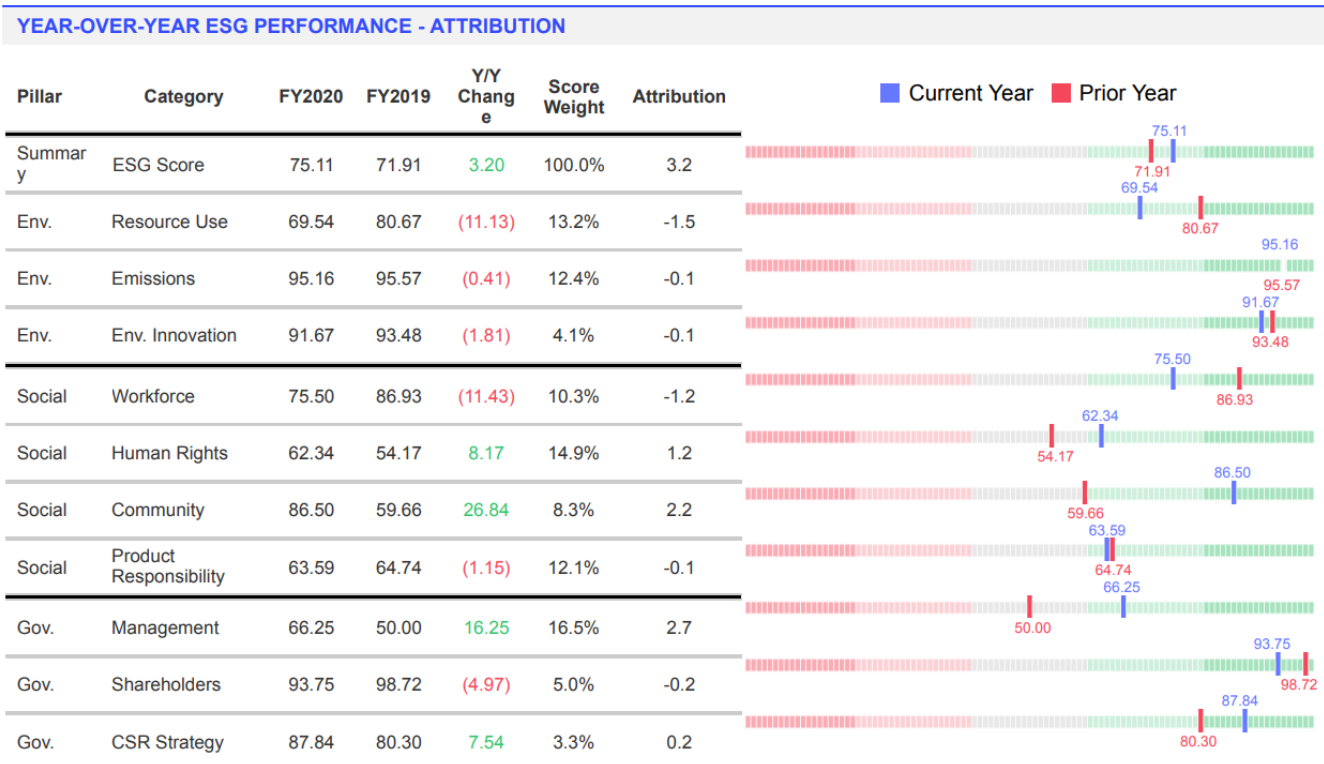


EVOLUTION OF ESG RATING
2019-2022



2020 Results

(Last evaluation performed)



The companies are evaluated through 10 topics of the environmental, social and governance dimensions.

The latest evaluation corresponds to 2020 data, as it is based on ESG information that was published in the Sustainability Report, which will no longer be issued as of 2021.

The ESG score changed from 71.91 in the previous year to 75.11, improving marginally, driven by changes in 10 of the 10 ESG categories. Relative improvements in the community, management and human rights categories were partially offset by relative deteriorations in the workforce, resource use and shareholder categories.

Fuente: Refinitiv ESG Company Report – Viña Concha y Toro

e. SUSTAINALYTICS

Sustainalytics works with asset managers and pension funds that incorporate ESG and corporate governance information and assessments into their investment processes. It also works with companies and their financial intermediaries to help them consider sustainability in their policies, practices and capital projects.

Controller: Morningstar Company, Amsterdam, Netherlands.

Focus: Independent ESG and corporate governance research, rating and analysis firm supporting investors around the world with the development and implementation of responsible investment strategies.

Dimensions and Weightings: Environmental, Social and Corporate Governance. The classifier does not directly publish the weighting percentages. Each dimension has an opening to more specific topics.

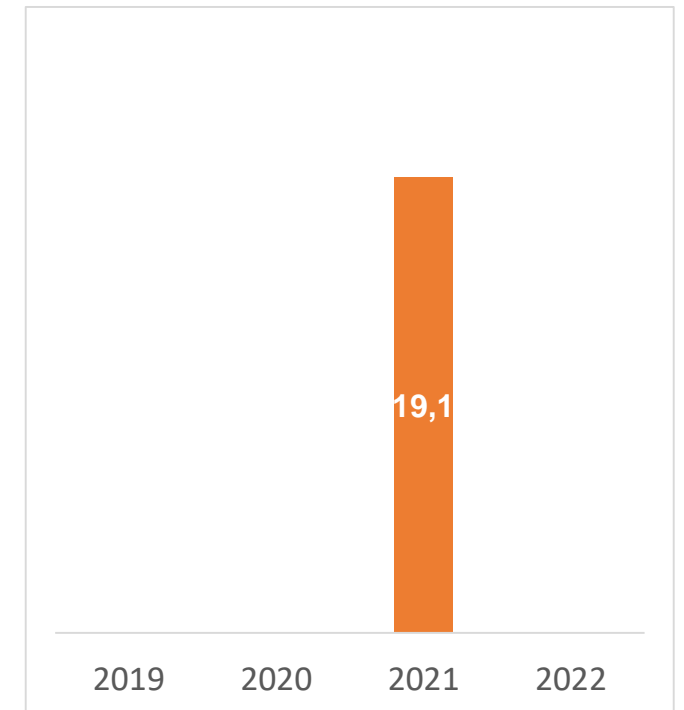
Data Source: Public information gathering (Annual Report, Sustainability Report until 2020, Website).

Score Range: 0 – 40+ (the lower the score, the lower the ESG risk)

2018	2019	2020	2021
No Evaluation	No Evaluation	No Evaluation	19,1 Points



EVOLUTION OF ESG RATING
2019-2022



2021 Results

(Last evaluation performed)

ESG Risk Rating CORE ?

19.1 Low Risk

Ranking

Industry Group (1st = lowest risk)
Food Products 15 out of 599
 Universe
Global Universe 3362 out of 15061



Industry Comparison

Company	ESG Risk Rating	Industry Rank
Viña Concha y Toro SA	19.1 Low	15 out of 599
C&C Group Plc	27.2 Medium	95 out of 599
Takara Holdings, Inc.	30.5 High	170 out of 599
HITEJINRO Co., Ltd.	36.7 High	325 out of 599

For Sustainalytics, the focus is towards measuring ESG risk. The lower the risk, the better the company's performance.

For this classifier, the company is part of the “Food Products” Sector, which is made up of 599 companies evaluated in 2021, occupying place No. 15.

In addition, the company was classified as having exposure risk in the “Medium” category and with “Robust” ESG Management.

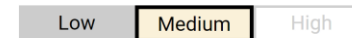
Our Approach to Calculating ESG Risk

The ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks.

Exposure

Exposure refers to the extent to which a company is exposed to different material ESG issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

Viña Concha y Toro SA's Exposure is **Medium**



Management

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices and policies.

Viña Concha y Toro SA's Management of ESG Material Risk is **Strong**



Fuente: Sustainalytics ESG Company Report – Viña Concha y Toro

3. Divergence between ESG ratings

Aggregate Confusion: The Divergence of ESG Ratings (Berg et al., 2019)
 Massachusetts Institute of Technology

- ESG classifications differ substantially from each other in several aspects; the aforementioned study attempted to explain the reason why, despite evaluating the same topics, performance varies so much between classifications.
- Study considered the 6 main ESG rating agencies
 - S&P Global – Moody’s – MSCI - Sustainalytics – Refinitiv – KLD
 - Set of 709 indicators (64 categories)
- 3 sources of divergence were identified:
 - Scope (depth of analysis by topic)
 - Measurement (specific indicator that is considered)
 - Weight (Weighting of each topic)
- As seen in the Panel A table, measurement divergence is the main cause of differences between ESG ratings. Example: Water Management (Table 3)
- In addition to the above, an “Evaluator Effect” was identified, which describes a bias (performance in one category influences perceived performance in other categories). It implies that when a company's judgment is positive for a particular indicator, it is also likely to be positive for another indicator.

Panel A: Rater Pairs				
		Scope	Measurement	Weight
KLD	Sustainalytics	18%	69%	13%
KLD	Moody’s ESG	31%	59%	10%
KLD	S&P Global	20%	68%	11%
KLD	Refinitiv	22%	63%	15%
KLD	MSCI	81%	17%	3%
Sustainalytics	Moody’s ESG	20%	64%	16%
Sustainalytics	S&P Global	22%	70%	8%
Sustainalytics	Refinitiv	12%	66%	22%
Sustainalytics	MSCI	68%	30%	2%
Moody’s ESG	S&P Global	41%	56%	3%
Moody’s ESG	Refinitiv	19%	79%	2%
Moody’s ESG	MSCI	66%	41%	-6%
S&P Global	Refinitiv	23%	74%	3%
S&P Global	MSCI	59%	52%	-10%
Refinitiv	MSCI	68%	38%	-7%
Average		38%	56%	6%

Table 3
 Example of Indicator Assignment

This table shows the indicators from different rating agencies assigned to the category Water.

Rater	Indicator Name	Category
Refinitiv	Emission Reduction/Discharge into Water System	Water
Refinitiv	Resource Reduction/Water Recycling	Water
Refinitiv	Resource Reduction/Water Use	Water
KLD	ENV.CON.Water Management	Water
KLD	ENV.STR.Water Stress	Water
MSCI	Water Stress Mgmt	Water
S&P Global	Water Operations	Water
S&P Global	Water Related Risks	Water
Sustainalytics	Water Intensity-Raw Score	Water
Sustainalytics	Water Management Programmes-Raw Score	Water
Moody’s ESG	Water	Water

4. Conclusions

- Viña Concha y Toro has seen significant progress in ESG matters, reflected in better performance for the different evaluations, but this improvement has not been transversal, which requires constant monitoring and greater understanding of the different current standards.
- ESG Assessments and Ratings differ from each other, from the regularity with which they carry out their evaluations, to the depth and relevance they consider for each topic. This disparity requires maintaining a deep understanding of the trends in this industry and understanding the nature of the divergences of the main evaluators.
- This does not mean that the company must comply with all information requirements or public display of information, but rather know the requirements and be able to decide which ones the company will respond to or display publicly.



5. Suggestions

- Most evaluators carry out this process unilaterally, using publicly available information. Therefore, the quantity and quality of the information that the company displays regarding its performance is increasingly relevant.
- Through the Sustainability Management, an annual monitoring and summary of these ratings will be carried out, in order to capture possibilities for improvement and decide if these are adopted.
- The need to have public information mechanisms is ratified to mitigate the risk of losing the positioning achieved in environmental, social and corporate governance matters.





VIÑA CONCHA Y TORO
— FAMILY OF WINERIES —



CURRENT SITUATION ANALYSIS
ESG RATINGS 2022