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SUSTAINABILITY REPORT

2018



VIÑA CONCHA Y TORO  
— FAMILY OF WINERIES —

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**Viña Concha y Toro S.A.**

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SUSTAINABILITY REPORT  
**2018**

VIÑA CONCHA Y TORO  
— FAMILY OF WINERIES —





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*Overview:*  
**HIGHLIGHTS AND  
FIGURES**

Consolidated Sales  
**CL\$614,129**  
millions +0.1%

**3,166**  
Employees  
Worldwide

**↓11%**  
Total Corporate  
Carbon Footprint

**↓15%**  
Carbon Footprint  
in Chile

## HOLDING VIÑA CONCHA Y TORO

### **Dow Jones Sustainability Index Chile y DJSI MILA:**

For fourth consecutive year, Viña Concha y Toro has been selected to be part of this important international sustainability index that assesses the economic, social and environmental aspects of a business and their corporate governance.

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### **Top 10 in the Merco 2018 Ranking and 1st in the Wine Industry:**

7th among the “100 Companies with the Best Corporate Reputation in 2018” at a national level. First place in the wine industry.

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### **2nd place in the General RepTrak ranking in Chile:**

Second place in the General RepTrak ranking and first place in the category of Wineries.

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### **2nd place in the Corporate Sustainability Index of Capital Magazine (ISC).**

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## CHILE

**Concha y Toro** one of the Best 100 Wineries of the Year, by *Wine and Spirits*.

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**Cono Sur** Social responsibility certification based on the *For Life* program.

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**Cono Sur** awarded *Chilean Wine Producer of the Year*, by *IWSC*, for the second consecutive year.

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## UNITED STATES

**Fetzer** received the *Governor’s 2018 Environmental and Economic Leadership Award*- for leading in “zero waste” practices.

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**Fetzer** received the *B Corp Changemaker* distinction for being one of the world’s B Companies to make the most positive improvements in their general impact.

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## ARGENTINA

**Trivento**: received a Distinction in the category “Responsible Production and Consumption (ODS 12), conferred by the Universidad de Congreso in Mendoza.

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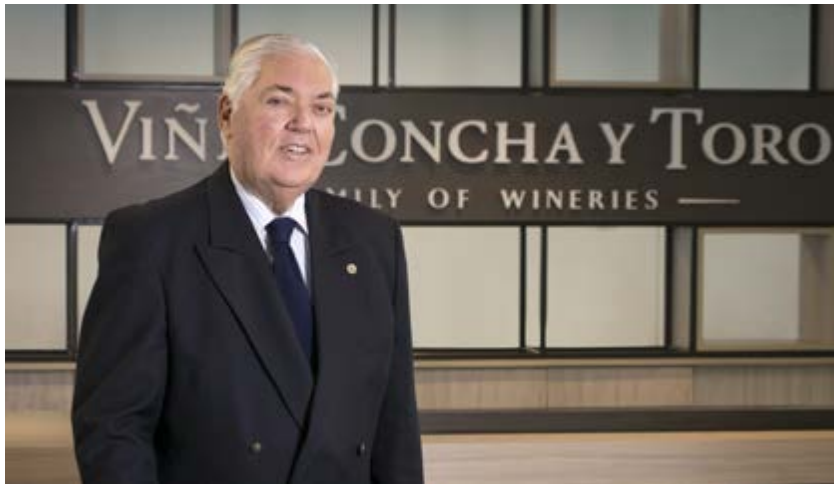
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# *Letter from* **THE CHAIRMAN**

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2018 was a year of profound changes within our company, concluding with the restructuring process of our production and commercial areas, with the aim of being essentially a more simple, agile and sustainable company. We defined our 2022 Corporate Strategic Vision, through which we will strive to grow in both business profit and in the creation of value, based upon three strategic pillars which are: excellence, sustainability and innovation.





Alfonso Larrain Santa María  
CHAIRMAN OF VIÑA CONCHA Y TORO

In this regard, our seventh Sustainability Report reflects a new beginning for Viña Concha y Toro, and it accounts for the company's performance and challenges in the social, environmental and governance aspects.

We understand that economic success goes hand in hand with the protection of the environment, the commitment to the people and to the social environment where businesses operate. We also believe that the world needs to make solid collective changes in order to face the complex challenges in our society's sustainability, such as climate change and the availability of resources.

The UN's Sustainable Development Goals (SDGs) and the Paris Agreement are helping to accelerate these changes, having a deeper commitment with governments, the civil society and enterprises worldwide. Through our Sustainability Strategy we have made progress in complying with the SDGs that we committed our efforts to, in order to manage and reduce our negative impacts and generate value for the environment. This is how we were able to achieve 85% of the goals set out in our strategy for this period, improving in the care and protection of the environment, people management, supply chain management, and community and customer relations, continuously aiming for quality and innovation in our products.

Our work and commitment in regards to sustainability has been recognized nationally and internationally. For the fourth consecutive year we are a member of the Dow Jones Sustainability Index Chile, an important international sustainability index that measures environmental, social, economic and corporate governance aspects, and we also joined DJSI MILA Pacific Alliance for a second year. In addition, we came in second place in the Corporate Sustainability Index (ISC) of Capital Magazine.

Furthermore, our subsidiary vineyards also had important advances and recognitions during 2018. Fetzter Vineyards was awarded the GEELA prize, the highest environmental recognition of the State of California; Viña Cono Sur achieved the For Life certification, which has a strong emphasis on corporate social responsibility and their leadership in energy management was celebrated by the international

forum Clean Energy Ministerial. Bodegas Trivento y Viñedos, for their part, carries out a sustainable management of human capital program, taking action in the areas of education, family, welfare and community. In 2018, Trivento created the VNP (Vine Nutrition Program), whose mission is to seek the vine's nutritional balance in order to achieve sustainable vineyards.

Regarding issues of climate change, we reached an important 15% reduction of our greenhouse gas emissions in Chile, which situates us closer to our goal of reducing them by 30%. In addition, we are committed to the Science Based-Targets initiative, that provide companies with accurate calculations for emission reduction goals, based on climate science. Thus, we can guarantee that our objectives are aligned with the level of decarbonization needed to prevent global warming by under 2°C, as set out in the Paris Agreement. We have also made progress implementing clean energy in all our operations, reaching a 66% supply of electricity from renewable sources globally.

In our supply chain, we were able to reduce the emissions of packaging materials by 22%, beating our proposed goal of 15% by the year 2020. Apart from that, we have continued to identify and assess our key suppliers in order to be informed about their social and environmental practices, and to generate tools that allow us to implement better initiatives and help them with their management.

Our Sustainability Strategy and our performance in 2018 show that, while progress has been made, there are still challenges ahead in order to reach our 2020 goals. We are aware that we need to continue innovating in our products and processes in a collaborative manner with our partners, and be prepared for the fast-tracked and everchanging world.

We trust that our ambitious objectives and our strong commitment to sustainability will position the company, wherever it may be located, with plenty of economic success, but most of all, with a deep sense of responsibility and commitment to future generations.

# About this REPORT

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At Viña Concha y Toro we are committed to the creation of value by way of a long-term strategic vision, because we believe that the creation of economic value goes hand in hand with the protection of the environment, and social and community development.

For the seventh consecutive year, our company publishes its Sustainability Report, where we manifest our commitment to transparency and our responsibility with our stakeholders.

This document was prepared in accordance with the criteria and standards of the Global Reporting Initiative (GRI) and it seeks to present the company's performance and management in regards to the economic, social and environmental dimensions of sustainability.

The information included in this report corresponds to the period between January 1 and December 31, 2018, covering the company's production operations in Chile, Argentina and the United States.

## Definition of the contents

The contents of this Sustainability Report were defined based on the principles of the GRI Standards in its latest version and in accordance with the "exhaustive" category.

To determine the final content covered in this report, the company conducted in-depth materiality analysis and prioritization surveys to establish which aspects have an impact on the sustainability of Viña Concha y Toro's business, from the perspectives of both internal as well as external stakeholders.

In general, there were no significant changes in the material issues identified, there were some changes in the prioritization, some new topics were added and "Corporate Strategy" is a new section that was also added.

## Materiality matrix

|                                |      |   |   |
|--------------------------------|------|---|---|
| Relevance for our Stakeholders | HIGH |   | Water Management<br>Energy  |
|                                |      | Suppliers Management and Evaluation<br>Contribution to SDG's<br>Community Management<br>Diversity and Equal Opportunities<br>Quality Management<br>Relations and Customer Satisfaction<br>Responsible Consumption<br>Responsible Marketing<br>Contribution to the Wine Industry | Emissions and Carbon Footprint<br>Impact of Climate Change on the Business<br>Research and Innovation<br>Working Conditions<br>Communication of Corporate and Sustainability Strat.<br>Waste Management and Recycling<br>Transparency and information to customers<br>Ethics and Anticorruption<br>Health and Safety<br>Human Rights<br>Product Innovation<br>Regulatory Compliance<br>Promoting Sustainability in the Supply Chain |
|                                | LOW  | Awards and Recognitions   | Product Quality and Safety<br>Corporate Culture<br>Remuneration, Welfare and Benefits<br>Engagement and Working Environment<br>Initiatives that promote the protection of the environment with communities and employees<br>Career Development  |
|                                |      | LOW   | HIGH  |
|                                |      | Relevance for Viña Concha y Toro  |   |

| Pillar               | Material Issue  | Relevance |                         |
|----------------------|---|-----------|-------------------------|
|                      |   | Internal  | External                |
| Corporate Strategy   | Communication of Corporate Strategy and Sustainability                                      | ✓         |                         |
|                      | Holding's Vineyards: Awards and Recognitions  | ✓         | Media                   |
|                      | Viña Concha y Toro's Contribution to the Wine Industry                                      | ✓         | Customers / Authorities |
|                      | Research and Innovation   | ✓         |                         |
|                      | Viña Concha y Toro's Sustainable Development Goals  | ✓         | Authorities / Society   |
| Economic Performance | Profitability and Economic Indicators   | ✓         | Shareholders            |
|                      | Ethics and Anti-corruption  | ✓         | Shareholders            |
|                      | Regulatory Compliance   | ✓         | Shareholders            |
|                      | Human Rights  | ✓         | Suppliers / Society     |
|                      | Information Security  | ✓         | Customers               |
| Environment          | Water Environment   | ✓         | Communities             |
|                      | Energy (efficiency and use of nonrenewable energy)  | ✓         | Civil Society           |
|                      | Emissions and Carbon Footprint  | ✓         | Authorities             |
|                      | Waste Management and Recycling  | ✓         | Civil Society           |
|                      | Vineyard Management   | ✓         | Grape Suppliers         |
|                      | Impact of Climate change on the business  | ✓         |                         |
|                      | Biodiversity  | ✓         | Communities             |
|                      | Initiatives that promote the protection of the environment in communities and for employees | ✓         | Employees               |
| Supply Chain         | Suppliers Management and Evaluation (social and environmental)                              | ✓         | Suppliers               |
|                      | Product Quality and Safety  | ✓         | Customers               |
|                      | Material Supply   | ✓         |                         |
|                      | Promoting sustainability in the Supply Chain  | ✓         | Suppliers               |
| Product              | Product Innovation  | ✓         |                         |
|                      | Quality Management  | ✓         | Customers               |
|                      | Certifications  | ✓         | Customers               |
|                      | Management of our brands  | ✓         |                         |
|                      | Responsible Marketing   | ✓         | Customers               |
|                      | Social Impact of the products (Responsible Consumption)                                     | ✓         | Civil Society           |
| Customers            | Relationship and Customer Satisfaction  | ✓         | Customers               |
|                      | Transparency and Customer Information   | ✓         | Customers               |
| People               | Corporate Culture   | ✓         |                         |
|                      | Working Conditions (temporary workers and employees)  | ✓         |                         |
|                      | Health and Safety   | ✓         |                         |
|                      | Career Development  | ✓         |                         |
|                      | Training and Knowledge Center   | ✓         |                         |
|                      | Relations and Working Environment   | ✓         |                         |
|                      | Remuneration, Wellbeing and benefits  | ✓         |                         |
|                      | Diversity and equal opportunities   | ✓         |                         |
| Society              | Community management: support for local development or "Generation of positive impacts"     | ✓         | Communities             |
|                      | Social Initiatives and Volunteer work   | ✓         | Communities             |

# Stakeholders

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The last process to update and prioritize Viña Concha y Toro's stakeholders was carried out in 2017. As a result of this process, eight categories of stakeholders were defined, broken down into 32 subgroups. These categories were classified as external and internal, according to the type of relationship they have with the company, to later be prioritized according to the matrix of influence and interest

1. More information in Sustainability Report 2017, pages 12 and 13.

Concha y Toro - Chile





## STAKEHOLDER'S PARTICIPATION AND COMMUNICATION MECHANISMS

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| Group                             | Key Topics  | Participation Mechanisms  | Organization's Response  |
|-----------------------------------|---|---|--|
| <b>EMPLOYEES</b>                  | <ul style="list-style-type: none"> <li>• Environmental Performance</li> <li>• Career Development and training</li> <li>• Health and Safety</li> <li>• Working Environment and labor relations</li> <li>• Wages and benefits</li> </ul>  | <ul style="list-style-type: none"> <li>• Complaint and Suggestion Box</li> <li>• Engagement Survey</li> <li>• Dialogue with Trade Unions</li> <li>• Performance Evaluation</li> <li>• Sustainability Report</li> <li>• Feedback Survey</li> </ul>                                       | <ul style="list-style-type: none"> <li>• Publication of 3 internal magazines "Nuestra Viña"</li> <li>• Delivery of Sustainability Report to all employees</li> <li>• Annual Health and Safety Program</li> <li>• Working Climate Survey 2018</li> <li>• Communication of benefits through informative talks, emails and bulletin boards.</li> <li>• Activities for employees</li> <li>• Website</li> </ul> |
| <b>SHAREHOLDERS AND INVESTORS</b> | <ul style="list-style-type: none"> <li>• Profitability</li> <li>• Ethics and Anticorruption</li> <li>• Regulatory Compliance</li> <li>• Product Quality Management</li> </ul>   | <ul style="list-style-type: none"> <li>• Ordinary Shareholders Meeting</li> <li>• Conferences and roadshows</li> <li>• Conference calls</li> <li>• Sustainability Report</li> <li>• Feedback Survey</li> </ul>  | <ul style="list-style-type: none"> <li>• Sustainability Report</li> <li>• Annual report</li> <li>• Website – Relationships with Investors</li> <li>• 20-F Form</li> <li>• Financial Press Releases</li> </ul>  |
| <b>SUPPLIERS</b>                  | <ul style="list-style-type: none"> <li>• Supplies and waste</li> <li>• Energy and Carbon footprint</li> <li>• Working Environment and labor relations</li> <li>• Product quality</li> <li>• Suppliers management and evaluation</li> <li>• Health and Safety</li> <li>• Promoting sustainability in the supply chain</li> </ul> | <ul style="list-style-type: none"> <li>• Complaint Channel</li> <li>• Meetings with suppliers</li> <li>• Sustainability and Carbon footprint program</li> <li>• Department of Technical Advice for grape growers</li> <li>• Sustainability Report</li> <li>• Feedback Survey</li> </ul> | <ul style="list-style-type: none"> <li>• Sustainability Report</li> <li>• Department of Technical Advice for grape growers</li> <li>• Audits and evaluations</li> <li>• Website</li> <li>• Self-assessment of Sustainability and Ethics</li> </ul>   |
| <b>COMMUNITIES</b>                | <ul style="list-style-type: none"> <li>• Water Management</li> <li>• Biodiversity</li> <li>• Community Management: contribution to local development or "Generation of positive impacts"</li> <li>• Social Initiatives and Volunteer Work</li> </ul>  | <ul style="list-style-type: none"> <li>• Specific Programs for each area of Influence</li> <li>• Complaint Channel</li> <li>• Sustainability Report</li> <li>• Feedback Survey</li> </ul>   | <ul style="list-style-type: none"> <li>• Sustainability Report</li> <li>• Community Relations Delegates</li> <li>• Website</li> </ul>  |

| Group                             | Key Topics   | Participation Mechanisms  | Organization's Response   |
|-----------------------------------|--|---|---|
| <b>CIVIL SOCIETY</b>              | <ul style="list-style-type: none"> <li>• Energy (efficiency and use of nonrenewable energy)</li> <li>• Waste management and Recycling</li> <li>• Social Impact of the products (Responsible Consumption)</li> <li>• Sustainability of the Industry</li> </ul>  | <ul style="list-style-type: none"> <li>• Meetings and work tables</li> <li>• Complaint Channel</li> <li>• Sustainability Report Feedback Survey</li> <li>• Participation in Union activities</li> </ul> | <ul style="list-style-type: none"> <li>• Sustainability Report</li> <li>• Annual report</li> <li>• Website</li> </ul>   |
| <b>GOVERNMENT AND AUTHORITIES</b> | <ul style="list-style-type: none"> <li>• Viña Concha y Toro's contributions to SDGs</li> <li>• Ethics and Anticorruption</li> <li>• Regulatory Compliance</li> <li>• Emissions and Carbon footprint</li> <li>• Viña Concha y Toro's contributions to the Wine Industry</li> </ul>                            | <ul style="list-style-type: none"> <li>• Participation in Interest groups</li> <li>• Work tables</li> <li>• Sustainability Report Feedback Survey</li> </ul>  | <ul style="list-style-type: none"> <li>• Annual report</li> <li>• Sustainability Report</li> <li>• Website</li> </ul>   |
| <b>CUSTOMERS</b>                  | <ul style="list-style-type: none"> <li>• Information Security</li> <li>• Quality and Product Safety</li> <li>• Quality Management</li> <li>• Certifications</li> <li>• Responsible Marketing</li> <li>• Customer Satisfaction and Relations</li> <li>• Transparency and information for customers</li> </ul> | <ul style="list-style-type: none"> <li>• Customer Satisfaction Survey</li> <li>• Complaint Channel</li> <li>• Sustainability Report Feedback Survey</li> </ul>  | <ul style="list-style-type: none"> <li>• Annual report</li> <li>• Sustainability Report</li> <li>• Website</li> <li>• Mailings / Newsletters</li> <li>• Social Media</li> </ul> |
| <b>MEDIA</b>                      | <ul style="list-style-type: none"> <li>• New products</li> <li>• Sustainability- related Activities</li> <li>• Awards and Recognitions</li> </ul>  | <ul style="list-style-type: none"> <li>• Complaint Channel</li> <li>• Press Conferences</li> </ul>  | <ul style="list-style-type: none"> <li>• Annual report</li> <li>• Sustainability Report</li> <li>• Website</li> </ul>   |

# Viña CONCHA Y TORO

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| CHILE                            |                                 | ARGENTINA                        |                                | UNITED STATES                  |                                |
|----------------------------------|---------------------------------|----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>10</b><br>Valleys             | <b>13</b><br>Winemaking cellars | <b>3</b><br>Valleys              | <b>3</b><br>Winemaking cellars | <b>2</b><br>Valleys            | <b>1</b><br>Winemaking cellars |
| <b>55</b><br>Vineyards           | <b>3</b><br>Bottling Plants     | <b>9</b><br>Vineyards            | <b>1</b><br>Bottling Plants    | <b>14</b><br>Vineyards         | <b>1</b><br>Bottling Plants    |
| <b>9,918</b><br>Hectares planted |                                 | <b>1,244</b><br>Hectares planted |                                | <b>462</b><br>Hectares planted |                                |





**14**  
Distribution  
subsidiaries

**130**  
Countries of  
destination

**3**  
Productive  
origins

Fetzer Vineyards - United States

# Company PROFILE

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## VISION

“Viña Concha y Toro aspires to be a leading global wine company, consumer-centric with a focus on developing premium wine brands”.

Founded in 1883, Viña Concha y Toro has become the leading wine company in Latin America, and one of the main producers of wines worldwide. With an extensive wine portfolio, it is recognized for its quality and internationally renowned brands, such as Casillero del Diablo, Ultra Premium Terrunyo and Marqués de Casa Concha, as well as iconic brands Don Melchor and Carmín de Peumo.

The company is headquartered in Santiago, Chile, and has vineyards, cellars and bottling plants in three places of origin: Chile, Argentina and the United States where certain wines contribute a great diversity to its corporate portfolio. Overall, the company possesses around 11,300 hectares in total, and employs more than 3,000 people. In addition to this, there are another 14 commercial offices and distribution centers in North and South America, Africa, Asia and Europe.

Viña Concha y Toro is incorporated as a public limited company, listed on the Santiago de Chile and Nueva York stock exchanges.

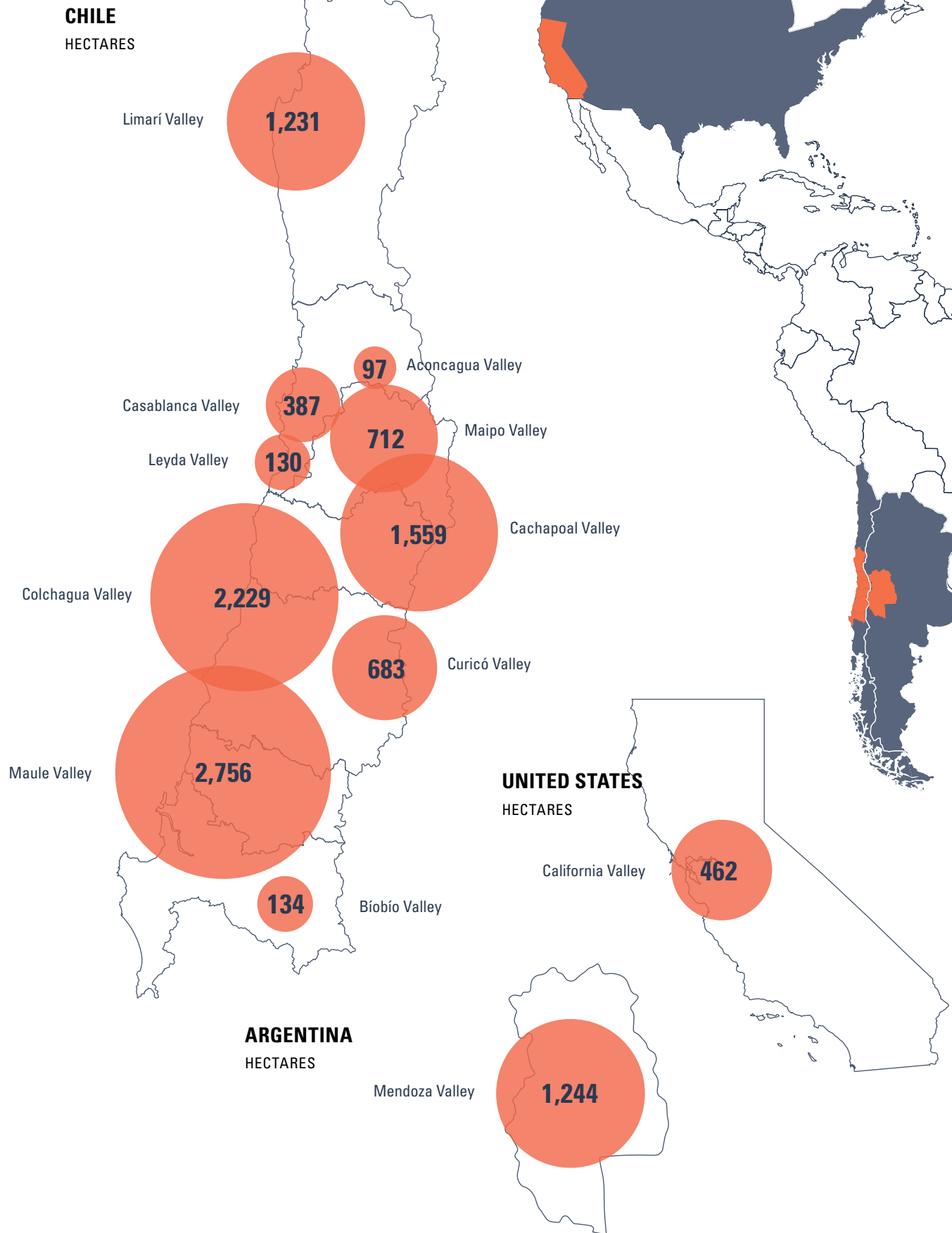
103-1  
103-2  
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## OUR BRANDS AND PRODUCTS

Our brands come from three productive origins. They are recognized for their quality and thanks to their characteristics and the work of a skilled commercial team, they are present in more than 130 countries. Each country of origin has climatic conditions and terrains that produce distinctive wines with notable qualities that contribute to the corporate portfolio.

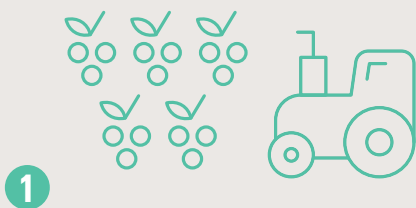
Our business model demands that the company participate actively in each of the stages of the value chain; vineyards, winemaking cellars, bottling plants and commercial offices, giving the company a vertical integration that assures the quality of each of our processes and of the final products. In 2018, the chain experienced important transformations, aiming to become more efficient in order to recover a sustained growth in value and profitability.

# Vineyard Distribution



# Stages of PRODUCTION

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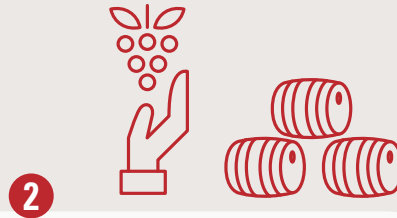
## 1 VINEYARD GROWING AND CARE

Taking care of the vineyards is essential to the preservation of their natural resources

We harvest our grapes with the upmost care for the environment. 91% of our production has sustainability certifications.

**167,140** tons of grapes produced

Suppliers of agricultural goods - **Agrochemicals**  
- **Phytosanitary**



## 2 HARVEST AND WINEMAKING

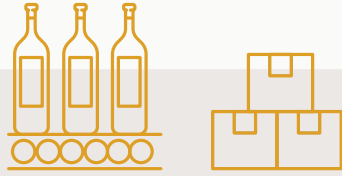
During harvest, the grapes are collected and then taken to our cellars for winemaking, which involves the controlled fermentation of the grapes and, as a result, achieve the best wines.

We are continually working to increase the efficiency and sustainability of our processes, as demonstrated by the fact that 78% of the energy supply in our cellars comes from renewable electricity.

**323,201** hectoliters produced

Grape suppliers

Suppliers of winemaking products - **Barrels**  
- **Filtering products**  
- **Clarifiers**  
- **Additives & others**



3

## BOTTLING AND PACKAGING

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

We continue in our efforts to make our packaging lighter and 68% of the energy supply in our packaging process comes from renewable electricity.

**294,779** hectoliters bottled

Service providers

- Packaging suppliers
- Bottles
  - Labels
  - Boxes
  - Caps & Corks
  - Plastics & others



4

## DISTRIBUTION

Distribution to logistic centers or export to end up reaching our consumer's glasses.

We opt for the most sustainable distribution model, in collaboration with our customers and distributors in order to decrease associated CO<sub>2</sub> emissions.

**130** countries of destination

Logistics providers



# *Corporate* **STRATEGY**

In order to respond to the new challenges that the wine producing industry faces world-wide, and maintain leadership in a dynamic and competitive environment, Viña Concha y Toro has established new objectives for 2022, and to that end has developed a roadmap, reflected in our new Strategic Plan.



Trivento - Argentina

## 2022 STRATEGIC PLAN

In 2018, the 2022 Corporate Strategic vision was defined, which aims to grow in business profit and the creation of value. The strategic pillars were established are: excellence, sustainability and innovation.

The holding's new corporate strategy refocuses its commercial strategy on prioritizing the brands and markets with the highest potential, giving them new impulse and focusing the attention on the premium wine categories which promise higher growth and profit.

### Family of Wineries

In 2018, we incorporated this new concept in order to give all the wines included in Viña Concha y Toro's Holding a unique identity. Each of our vineyards elaborate unique products that are recognized in diverse markets.








For more information, please visit:  
<https://www.vinaconchaytoro2022.com/>





To be a leading global wine company, consumer-centric with a focus on developing premium wine brands

Objective: Growth in value and profitability

|  | Production model  | Brands  | Markets   | Key enablers   |
|--|---|---|---|--|
|  <p><b>Excellence</b></p>       | <p>Guarantee, through an agricultural and oenological model of excellence, the production of quality wines.</p> | <p>Develop and strengthen premium brands (Category 1), that enhance our global growth, focusing on a deep understanding of consumers and our markets.</p>                 | <p>Maintain the competitiveness and leadership of our distribution and global reach.</p>  | <p>Promote a workplace that inspires the development of people and teams committed to new challenges, oriented to results and with a collaborative attitude.</p>               |
|  <p><b>Sustainability</b></p> | <p>Consolidate an innovative, cost-efficient supply chain that satisfies the expectations of our customers.</p> | <p>Maintain the positioning and market share of non-premium brands (Category 2) given their significant contribution in the company's turnover.</p>                       | <p>Develop and maintain strong relationships with key customers and distributors.</p> <p>Focus on the commercial strategy in the priority markets, those important in value today and those with high future potential.</p> | <p>Having world-class, integrated support areas that contribute day to day to achieve excellence management.</p>   |
|  <p><b>Innovation</b></p>     | <p>Strengthen and create value in all relationships with our strategic partners.</p>                            | <p>Simplify and unify through the Brand Matrix, a portfolio of multi-origin brands: Chile, USA and Argentina, with a clear and strategic positioning for in each one.</p> | <p>Define and execute the best RTM of our brands for each of the priority markets.</p>  | <p>Develop processes that support effective and agile decision making.</p> <p>Have information and tools that enable the strategic decision making process of the company.</p> |
| <p><b>Culture</b></p>  |  <p>Open to change</p>       |  <p>Agile</p>  |  <p>Respectful</p>   |  <p>Collaborative</p>   |



# *Sustainability* **STRATEGY**

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## VISION OF SUSTAINABILITY

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

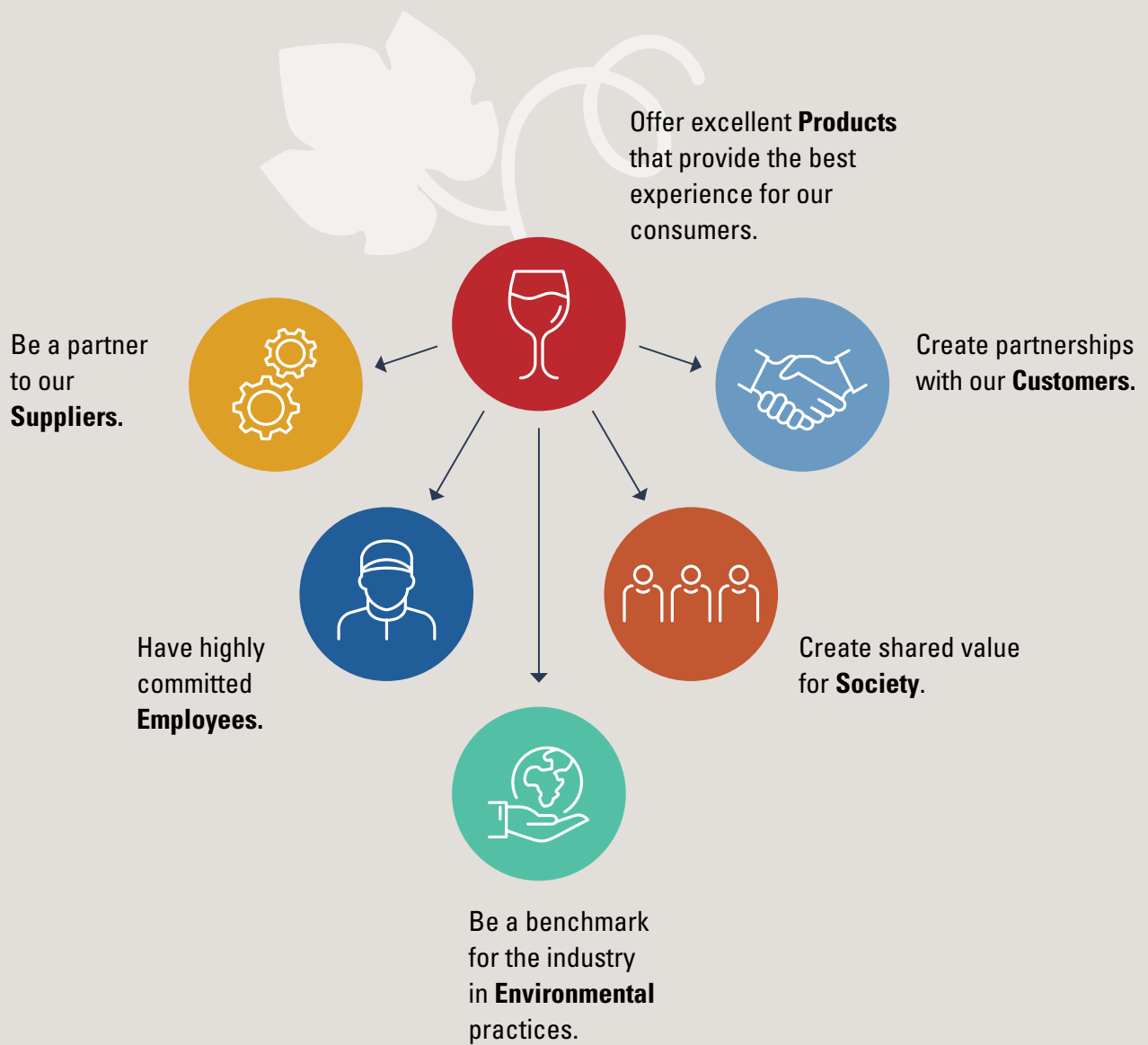
Viña Concha y Toro's vision of sustainability is based on the understanding that economic success goes hand in hand with caring for the environment, having a rational use of the natural resources, and making a commitment to the people and the social environment in which we operate. This virtuous circle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

In this regard, the company formalizes its commitment to the responsible management in economic, environmental and social terms through its Sustainability Strategy, which was developed taking into account the most important issues and the main risks that the company, the wine industry and their stakeholders might have.

This vision of sustainability in Viña Concha y Toro is present in all of the company's processes and its business strategy. In this sense, the management that is carried out to plan and develop new products, as well as the legality and safety of our processes, entails a precautionary approach that seeks to protect the environment in accordance with the United Nations' Principle 15, Rio Declaration on Environment and Development.

In addition, the company's Sustainability Strategy is aligned with the Global Compact Principles and, more recently, to the Sustainable Development Goals (SDGs) defined by the United Nations, contributing to its achievement by 2030.

These strategic guidelines translate into six pillars, each with measurable initiatives and quantifiable goals that are presented throughout this report. Thus, the vineyard formalizes its commitment to sustainability as a strategic and differentiating factor.



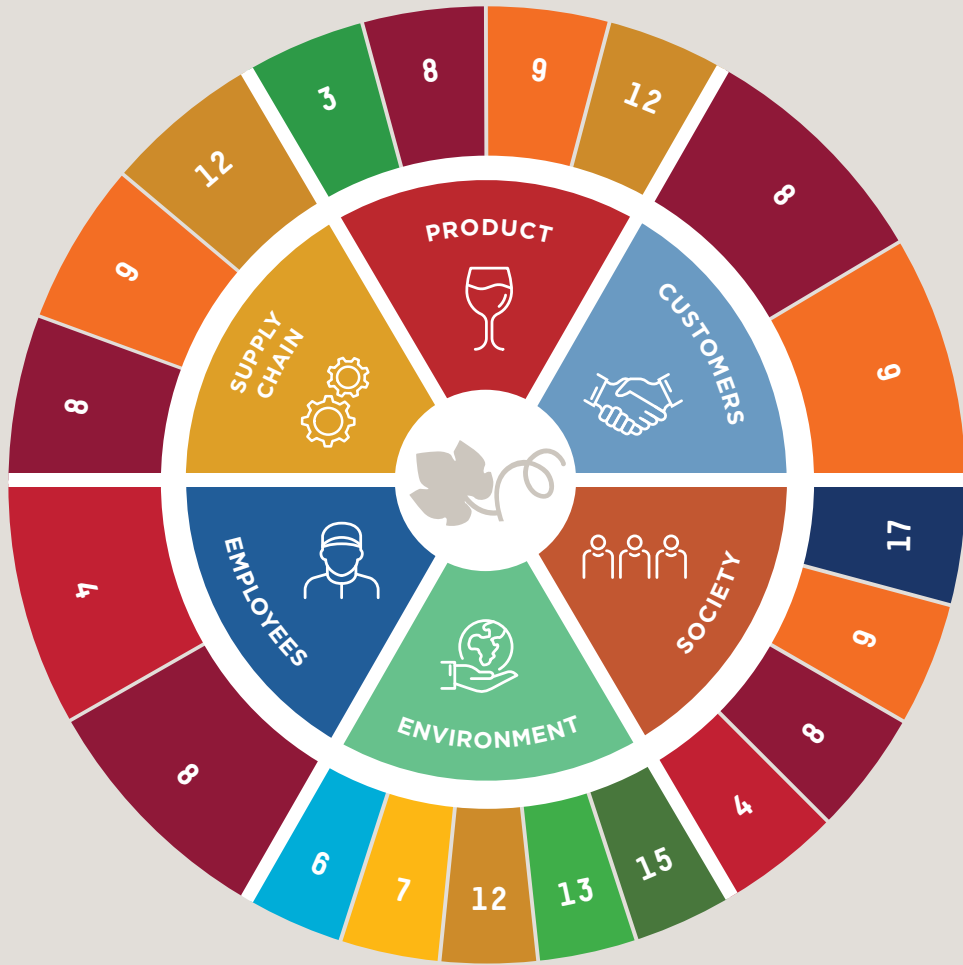


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# *Viña Concha y Toro's* **CONTRIBUTION TO SDGs**

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

Being interconnected, all goals are important, but we focus our efforts on those that are material to our business and where we can create a greater positive impact.



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# *Research and Innovation* **FOR THE INDUSTRY**

Viña Concha y Toro has defined innovation as one of the differentiating pillars, and through its Center for Research and Innovation (CRI) the company has promoted R&D initiatives, training and transfer of new knowledge for the wine industry. An important part of the work carried out in the CRI is linked to the communication and transfer of knowledge that has been generated from the research taken place in both Chile and the United States.



VCT-2

## **CENTER FOR RESEARCH AND INNOVATION (CRI)**

The CRI was inaugurated in 2014 with the mission of promoting technological development, applying research and transferring knowledge, in order to make the national wine industry a more competitive one.

### **CRI's Extension Center**

The CRI's extension activities make a positive contribution to the environment by sharing knowledge among the most relevant players in the industry, including producers, suppliers, universities and the surrounding community.



## CRI OBJECTIVES:

1.

Reinforce Viña Concha y Toro's leadership in the area of plant material production, positioning the company at the forefront of this field.

2.

Generate new knowledge and improved technologies to incorporate into grape growing and winemaking practices.

3.

Integrate, adapt and develop new technological resources, designed to enhance winemaking processes.

4.

To facilitate the exchange of knowledge and make first-class analysis readily available to the agricultural, enological, operational and commercial areas.

5.

Generate new ideas and explore emerging trends.

6.

Encourage development of industry-specific knowledge through education and research for the benefit of the industry.

7.

Expanding awareness of new advances and improved technology arising from research, development and innovation of new research lines and projects.

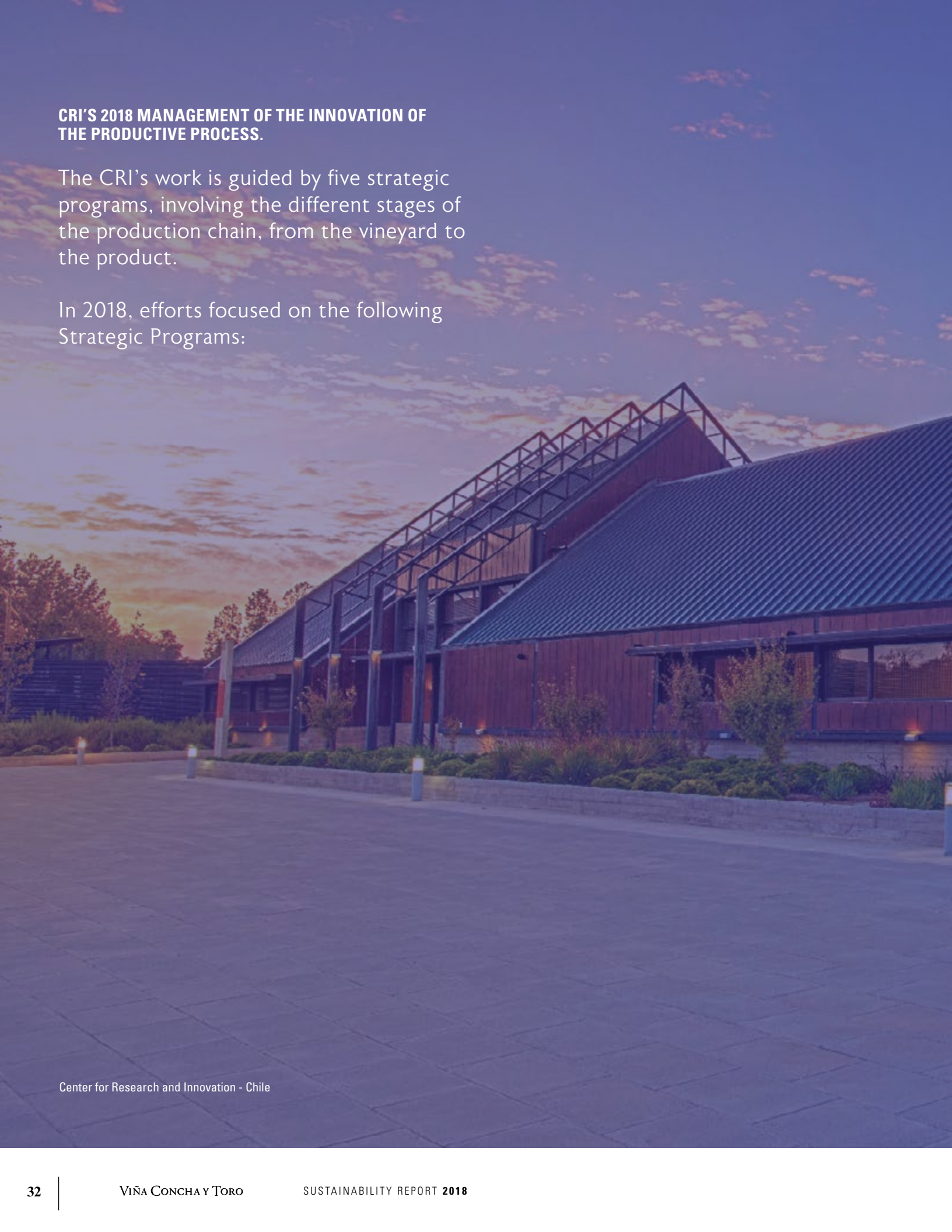
8.

Promote extension activities for the benefit of the entire wine sector.

**CRI'S 2018 MANAGEMENT OF THE INNOVATION OF THE PRODUCTIVE PROCESS.**

The CRI's work is guided by five strategic programs, involving the different stages of the production chain, from the vineyard to the product.

In 2018, efforts focused on the following Strategic Programs:



Center for Research and Innovation - Chile



**PE1: Strengthening of Plant Material**

Development of research aimed at eliminating or reducing the presence of vineyard diseases, to obtain more robust plants and, therefore, more resistant to the pathogens present in the vineyards.

**In 2018** the application of mycorrhizas and trichodermins resulted in positive advances in this matter, generating a mother block with 2.0 plants, which will then be planted in all the company's vineyards.

**1.**  
Care and cultivation of the Vines

**PE2: Water resources and Climate Change**

Development of new technologies for the proper management of resources and water scarcity.

**In 2018**, a new measurement station was incorporated, which uses the Surface Renewal method, that measures the evapotranspiration of its vineyards - the water that is lost - to replenish it more efficiently.

**2.**  
Grape Harvest

**PE3: Grape and Wine Quality**

The relationship between the composition of the grapes, the wines, and their quality allows a proper assessment in order to make better technical decisions in the vineyard and in the cellar.

**In 2018**, the spectroscopy unit was incorporated, which is used to estimate a wine's chemical composition and sensory qualities.

**3.**  
Fermentation

**PE4: Intelligent Wine industry**

Improving efficiency requires the integration, development and application of new technologies, such as sensors, controllers, remote procurement systems, data storage, and IT applications.

**In 2018**, the CRI's Experimental Winery premiered a prototype of an automated fermentation bin, with sensors and controllers that obtain specific data of the process, in order to monitor aspects that are crucial in the production of wine. There was also progress made in the project regarding harvest volume predictors, that uses multispectral cameras and drone flights.

**4.**  
Bottling and Packaging

**PE5: New Product Design**

The projects seek to take advantage of market opportunities and niches which are identified through market intelligence and new consumer research methodologies.

**In 2018** the company launched Diablo, which was co-development between the marketing area and the CRI. This wine is the result of in-depth sensory studies on the wine characteristics that are most appealing to the young public.

**5.**  
Distribution

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# *Viña Concha y Toro* **AND THE WINE INDUSTRY**

Aware of the great challenges that the global wine industry faces today, the company is committed to its development and, in each of our productive origins, Viña Concha y Toro supports and is a member of relevant organizations dedicated to the development and promotion of the wine industry:

- In Chile, the company is part of Wines of Chile A.G.
- In the United States, Fetzer is part of the California Wine Institute, an organization that brings together more than 1,000 wineries in the state of California.
- In Argentina, Trivento is a member of Bodegas de Argentina and also of Wines of Argentina.

In addition, all operations in Chile are certified by the Chilean Wine Sustainability Code and Fetzer is certified by the California Sustainable Winegrowing Alliance code.

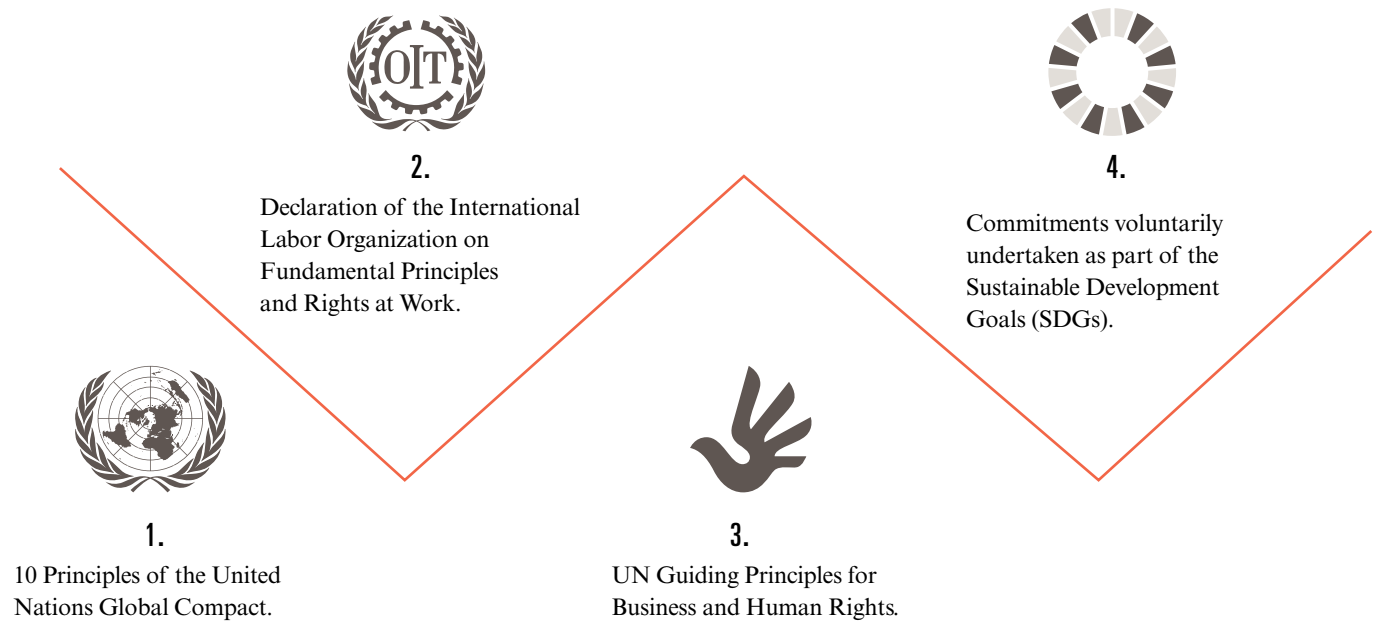


# Strategic Initiatives AND ASSOCIATIONS

102-12

102-13

Viña Concha y Toro has signed several voluntary external initiatives that establish statutes, principles and other measures of an economic, environmental and social nature that strengthen and direct the company's Sustainability Strategy. The main external initiatives that the company has subscribed to are:



## ASSOCIATIONS

The company supports the interests of its subsidiaries through affiliations that seek to enhance the development and sustainability of the sector. In this regard, it has different types of participation in global and local associations that are detailed below.

### *Holding Viña Concha y Toro*



It seeks to promote, disseminate and continue integrating the 10 principles of the Global Compact into the business sector, seeking more responsible operations. In addition, the company supports the local networks of the Global Compact in Chile and Argentina.



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



Carbon Pricing Leadership Coalition is a voluntary public-private association that agrees to advance the "Carbon Pricing" agenda. Viña Concha y Toro is a partner of the CPLC and was invited to participate in the company's Carbon Fund project.



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

Viña Concha y Toro belongs to the GOLD community of GRI since 2014, establishing a lasting relationship with the objective of promoting reportability worldwide.

### *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.



The company participates in the Sustainability Committee of the Santiago Chamber of Commerce to share, implement and promote sustainable development and ethical trade policies.



Viña Concha y Toro is part of the Sustainability Committee of AMCHAM, which aims to foster collaborative relationships between companies and communities.



Viña Concha y Toro has a joint research agreement with this university on the "UC Davis LINC - Life Sciences and Innovation Center" project, with a focus on the requirements of the agri-food sector in the country.

## United States

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



Members of the Society use risk-based approaches to prevent deaths, injuries and illnesses in the workplace.



Promotes the vitality of the industry through the exchange of information and support for research and education through dissemination platforms of basic and applied research.



CalChamber offers products and services to help businesses and human resource (HR) professionals comply with federal and state labor laws.



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



It promotes the commitment of the food and agricultural industries to a safe and sustainable workforce and food supply, providing practical education and resources.



The National Safety Council is on a mission to eliminate preventable deaths at work, in homes and communities, and on the road, through leadership, research, education and advocacy.



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

## Argentina

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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**

Viña Concha y Toro is subject to compliance with Corporate Governance regulations in each of the jurisdictions where it has registered its values, that is, in Chile and the United States. The company is aware that the process of complying with these norms is dynamic and requires a permanent effort. In this regard, it is assisted by experts in the field who analyze their practices in accordance with General Standard No. 385 of Chile.

The Board of Directors of Viña Concha y Toro has approved several documents aimed at ensuring adequate Corporate Governance. These include the following:

**Corporate  
Governance  
Practices**

**Code of Business  
Conduct and  
Ethics**

**Protocol of  
Transactions  
with Related  
Parties**

**Directors  
Induction  
Procedure**

**Board of  
Directors'  
Advisory  
Recruitment  
Policies**

**Policies of  
Nomination  
and Election of  
Directors**



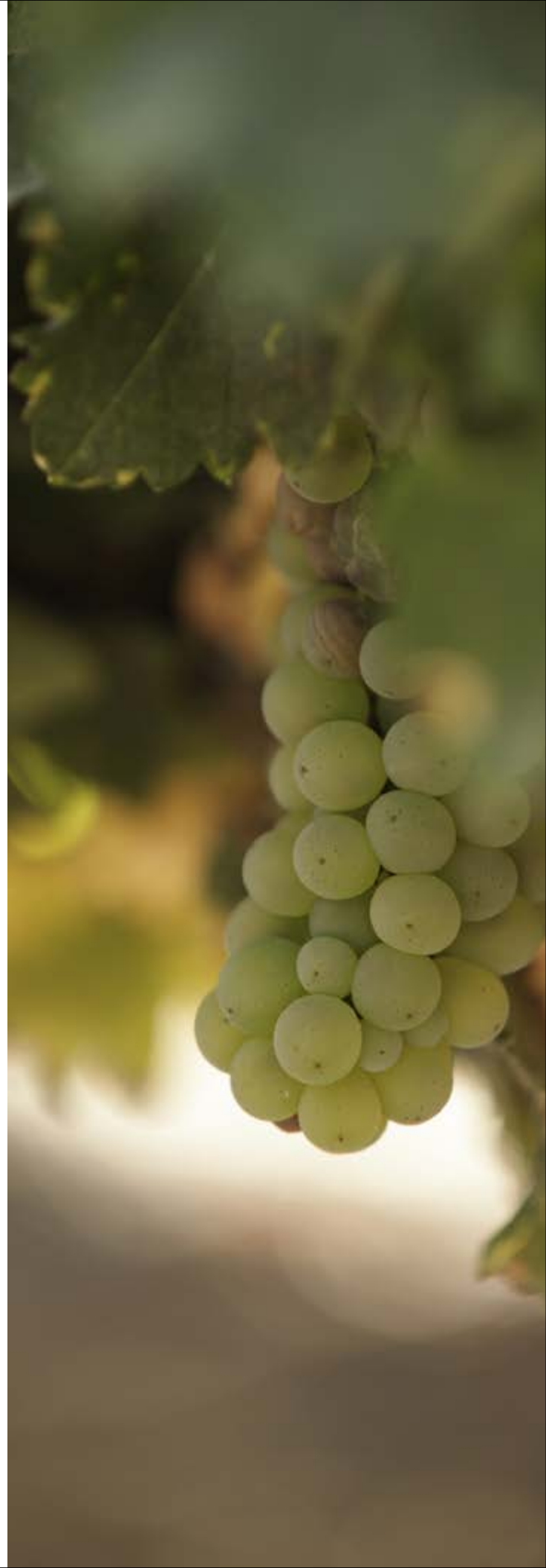
Trivento - Argentina

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# *Corporate* **GOVERNANCE STRUCTURE**

102-24  
102-23

The Board of Concha y Toro consists of seven members appointed by vote at the Ordinary Shareholders' Meeting, in consideration of their knowledge of the industry, experience and professional career. Neither the president nor any of the directors have executive positions in the organization. The Board has an Independent Director, Jorge Desormeaux Jiménez, in accordance with the provisions of article 50a on Companies.





## BOARD MEMBERS



**PRESIDENT**  
Alfonso Larrain Santa María  
Businessman  
RUT 3.632.569-0  
Director of the company since 1989,  
and before from 1969 to 1973, and  
CEO between 1973 and 1989



**VICE-PRESIDENT**  
Rafael Guilisasti Gana  
Degree in History  
RUT 6.067.826-K  
Director of the company  
since 1998



**DIRECTOR**  
Mariano Fontecilla de Santiago Concha  
Diplomat  
RUT 1.882.762-K  
Director of the company at  
different times (from 1949  
and 1995)



**DIRECTOR**  
Pablo Guilisasti Gana  
Commercial Engineer  
RUT 7.010.277-3  
Director of the company  
since 2005



**INDEPENDENT DIRECTOR**  
Jorge Desormeaux Jiménez  
Commercial Engineer  
RUT 5.921.048-3  
Director of the company  
since 2011



**DIRECTOR**  
Andrés Larrain Santa María  
Viticulturist  
RUT 4.330.116-0  
Director of the company since  
2017. Previously between 1981  
and 1989



**DIRECTOR**  
Rafael Marín Jordán  
Commercial Engineer  
RUT 8.541.800-9  
Director of the company  
since 2017

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## BOARD FUNCTIONS

The Directors set out the strategic guidelines that guide how the company is run, ensure compliance and respond to the shareholders. The strategic guidelines are communicated to senior management for their execution. Senior management is composed of corporate managers that respond to the Chief Executive Manager, also appointed by the Board of Directors. The Chief Executive Manager is in charge of rendering accounts to the Board of Directors regarding the compliance and execution of the business strategy, the supervision of risk management and compliance with corporate values and policies, as well as conveying the main critical concerns or management issues of the different management offices, executive committees and major stakeholders.

102-28

## Board Assessment

Every year, 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.



102-22

## Board Committees

The Board has three committees;

- **The Directors' Committee** is responsible for providing the Board with 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, relations with third parties and compensation plans, and executive remuneration.
- **The Audit Committee** ensures compliance with measures that promote investor confidence and market integrity.
- **The Ethics Committee** promotes and regulates a behavior of professional and personal excellence, as well as being in charge of communicating, resolving and reporting complaints of violations to the Code of Ethics.



Directors' Committee



Audit Committee



Ethics Committee

102-20  
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## SUSTAINABILITY IN CORPORATE GOVERNANCE

When elected, each Board member undergoes an induction to enhance their knowledge of the company and the economic, social and environmental matters relevant to its management. Among other topics, the induction covers the company's mission, vision, strategic objectives, principles and values, as well as sustainability policies, legal framework and risk matrix. Subsequently, the Board receives training and advice from experts in different topics, whenever it is deemed necessary.

The company's management is aware that its operation is a dynamic and high-impact process, so every year Corporate Governance is reviewed and improvements are introduced to ensure an adequate management of sustainability, compliance, respect for laws and the pursuit of excellence and transparency throughout management. The company ensures that all its employees work together and understand the importance of good corporate practices and, thus, establish a culture of compliance.

In 2018, with the participation of the different areas of the company, including the Board, the 2022 Corporate Strategy was defined, which aims to a growth in business profitability and the creation of value, and established the strategic pillars of excellence, sustainability and innovation.



102-32

## EXECUTIVE SUSTAINABILITY COMMITTEE

Sustainability is a fundamental pillar of the company's business strategy and its management is transversal across all managements. The company has an Executive Sustainability Committee responsible for managing and monitoring compliance with the Sustainability Strategy, the committee is composed of six executive leaders, plus the General Manager and two directors of the company.

In addition, the Department of Sustainable Development provides support to the Sustainability Committee. Among its main functions are: to review and approve the Sustainability Report, to determine the environmental and social performance indicators; to support planning and monitoring in the field of sustainability management; and to participate in the company's sustainability assessment process.



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# Profitability AND ECONOMIC PERFORMANCE

During 2018, as a result of the changes in Corporate Strategy, the company underwent a strong process of internal restructuring and implementation of new trade guidelines, which as a consequence, resulted in little variation in economic results compared to 2017.

## MAIN RESULTS FROM 2018:

- Consolidated sales amounted to CL\$614,129 million.
- Sales in the wine segment grew by 2.7%, seeing a rise in average price, good domestic market performance and lower volume in external markets, in line with the strategy that prioritizes brands and markets of greater potential and relevance.
- Net income for the year totaled CL\$49,111 million pesos with a decrease of 0.9% compared to 2017.
- Sales in external markets (exports from Chile and sales from distribution subsidiaries) totaled CL\$404,701 million, rising 1.6%.
- The sales volume showed a 7.1% decline that is explained by the rationalization of the portfolio, change of strategic orientation, lower focus on non-premium brands, and the impact on the American market following the merger of Fetzter Vineyards and Excelsior Wine Company in July 2018.

At the operating result level, a decrease of 3.1% was observed mainly due to a higher cost of wine, higher administration and sales costs, and lower volume of sales.

These results are consistent with the company's new business strategy and reflect the adjustments and impacts that its implementation has brought, a process that marked the year's management.

Consolidated sales  
**CL\$614,129**  
million

Increase of  
**2.7%**  
Wine segment

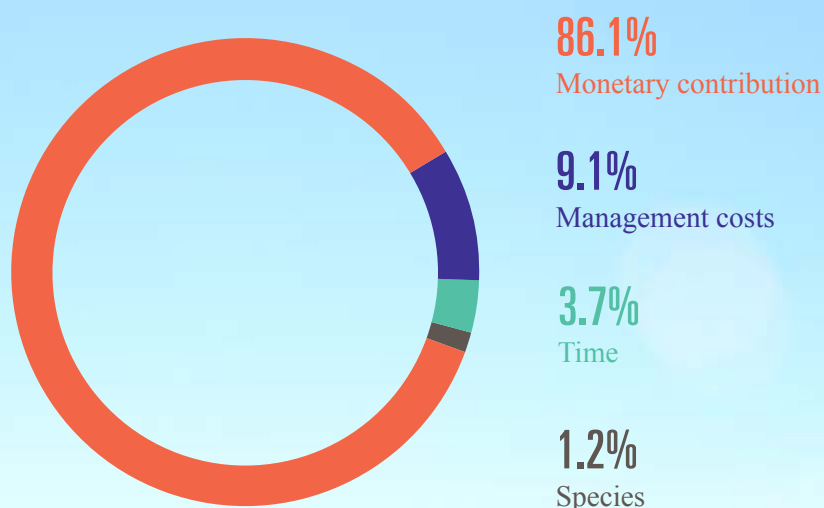
Increase of  
**1.6%**  
Export sales

Decrease of  
**0.9%**  
Net income

Decrease of  
**7.1%**  
Sales volume

Decrease of  
**3.1%**  
Operating result

## COMMUNITY INVESTMENT: BREAKDOWN BY CONTRIBUTION TYPE



102-16

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## ECONOMIC VALUE GENERATED AND DISTRIBUTED

|                                   | 2015               | 2016               | 2017               | 2018               |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
| Economic value generated          | 644,620,700        | 673,341,123        | 663,828,182        | 636,876,188        |
| Sales Revenues*                   | 636,194,074        | 653,447,621        | 613,515,357        | 614,128,905        |
| Other Revenues                    | 8,426,626          | 14,893,502         | 20,043,495         | 22,747,283         |
| <b>Economic value distributed</b> | <b>612,186,456</b> | <b>646,101,206</b> | <b>631,877,956</b> | <b>604,656,414</b> |
| Operating costs                   | 468,741,277        | 491,206,346        | 483,909,811        | 454,713,274        |
| Employees' remuneration           | 97,959,935         | 105,530,543        | 105,363,612        | 107,725,309        |
| Payments to capital providers     | 28,812,406         | 31,634,399         | 31,007,388         | 30,591,093         |
| Community investment              | 154,746            | 187,499            | 230,426            | 232,620            |
| Taxes                             | 16,518,092         | 17,542,419         | 13,719,788         | 11,394,118         |
|                                   | <b>32,434,244</b>  | <b>27,239,917</b>  | <b>29,597,157</b>  | <b>32,219,774</b>  |

\* In 2018 the accounting standard IFRS 15 was adopted. Figures for 2018 and 2017 are presented according to it. The adoption of IFRS 15, generated an impact that decreases the recognition of sales and gross profit by CL\$30.269 million in 2017 and CL\$26.630 million in 2018.

# Risk MANAGEMENT

The company participates in all stages of the value chain; production process, sales and distribution of its wines. For this reason, it is important to correctly identify risks that could jeopardize the sustainability of the business at any stage.

102-30

The directors and audit committees are responsible for managing the main risks to the sustainability of the company. They give a reasonable opinion to the Board regarding the integrity, accuracy and transparency of the financial statements, they perform the analysis and implement the comprehensive risk management system, internal control, and enforce measures that promote investor confidence and the integrity of the markets.

The most important risks identified are:

- Agricultural risks, mainly due to climatic phenomena.
- Risks associated with changes in tax laws and interpretations in Chile, Argentina, the United States, the United Kingdom and the countries in which it operates and markets its products.
- Risks associated with Government Regulations, concerning licensing requirements, product labeling, advertising, among others.
- Risks associated with reliance on external distributors, on whom approximately 31% of the company's sales depend.
- Risks associated with supplier dependence ranging from dry supplies for the packaging and bottling of wine, to grapes and independent farmers.
- Risks associated with consumption patterns in different national and international markets.
- Risks associated with the difficulty to enforce sentences handed down under the U.S. Securities Act.
- Risks associated with seasonal fluctuations.
- Risks associated to the Chilean economy.
- Risks associated with exchange rate changes.

| ESG Business risks  | Risk type  | Mitigation measures   |
|---|------------|---|
| <b>Contraction of grape supply</b>  |            |   |
| The quantity of grapes produced and/or purchased can be affected by climate change, agricultural factors and of another type, such as disease, pests, extreme weather events, water scarcity, loss of bio-diversity, among others.  | Physical   | <ul style="list-style-type: none"> <li>• Mitigation procedures for extreme weather events (ice, hail, extreme rains, etc.). Flexibility and diversification of production (productive regions and origins).</li> <li>• Phytosanitary management of the vine (procedures for the application of herbicides and phytosanitary treatments, as well as the use of graft-holder treatments for better root adaptation to the soil).</li> <li>• Research and investments in innovation through the CRI and in collaboration with research organizations, including climate change adaptations and water efficiency projects.</li> </ul> |
| <b>Quality of the grape supply</b>  |            |   |
| Extreme climate changes, such as the increase of temperatures or the increase of extreme climate events may generate changes in the quality of the grapes, affecting the company's fermentation processes.  | Physical   | <ul style="list-style-type: none"> <li>• Flexibility and diversification of production (productive regions and origins).</li> <li>• Innovation and research of new productive regions.</li> <li>• Technical support team for external grape producers.</li> </ul>   |
| <b>Change of norms, laws and regulations</b>  |            |   |
| <p>The company operates in a highly regulated industry in many of the markets where it sells its products.</p> <p>Laws and regulations are increasingly stricter regarding the company's products that may increase the risk of legal breaches if the company is found to not comply or to comply only partially.</p> | Regulatory | <ul style="list-style-type: none"> <li>• Relationship and commitment with relevant bodies (Governments, Guilds and regulatory bodies).</li> <li>• Compliance committee, compliance office and legal office.</li> </ul>  |
| <b>Reputation and brand</b>   |            |   |
| Financial losses due to fines or loss of reputation if the organization has an adverse impact on the environment and/or society.  | Regulatory | <ul style="list-style-type: none"> <li>• Teams dedicated to monitoring and managing the company's environmental and social compliance.</li> </ul>   |
| <b>Disruption of business operations</b>  |            |   |
| The company's operations are exposed to risk of interruption and/or damages or catastrophic losses as a result of environmental catastrophes and natural and/or human-caused events and hazards.  | Physical   | <ul style="list-style-type: none"> <li>• Flexibility and diversification of production (productive regions and origins).</li> <li>• Teams dedicated to the supervision and management of hygiene and safety, audit programs and training of employees.</li> </ul>   |

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# *Ethics* AND ANTICORRUPTION

Viña Concha y Toro has defined the commitment to the ethical values that govern the company and compliance with the current rules and regulations of the jurisdictions where it operates as one of its essential purposes.



For Viña Concha y Toro it is essential that any activity or decision related to the elaboration, distribution or sale of its products is carried out under the principles and values that represent the company. To do this, it has Internal Regulations and a Code of Ethics and Conduct that explicitly establish the expected behavior of directors, executives and all employees of the vineyard and its subsidiaries.

Internal Regulations



Code of Ethics and Conduct





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## CODE OF BUSINESS CONDUCT AND ETHICS OF VIÑA CONCHA Y TORO

This document regulates the relationship between the workers and the company, as well as the relationship between the company and its customers, suppliers, the environment, the use of the property and inside information. The Code of Business Conduct and Ethics, together with the Protocol for Transactions with Related Parties, regulate conflicts of interest within the company and all its subsidiaries, defining the procedures to be followed to detect, communicate and manage such conflicts. Among the fundamental principles that are promoted are integrity and transparency, commitment to quality, which distinguishes the employees of the vineyard, respect for fundamental rights, non-discrimination, the good use of the company's assets, the fair dealing with suppliers, the care of the environment, among others.

Compliance with the Code and the management of ethics in the vineyard is carried out by the Office of Compliance, under the Corporate General Audit of Internal Control, and the Ethics Committee appointed by the Board, who have the responsibility to disseminate and enforce the Company's Code and Internal Regulations. All executives, managers and employees have the responsibility to become aware and adhere to the Code of Conduct, so that the Company achieves its goal of maintaining ethical conduct and to continue to maintain its ethical standards.

The Ethics Committee of the Board is responsible for promoting and regulating a behavior of professional and personal excellence on behalf of all of Viña Concha y Toro's employees, in a way that is consistent with the principles and values of the company.

In fulfillment of this mission, the special powers of the Ethics Committee are:

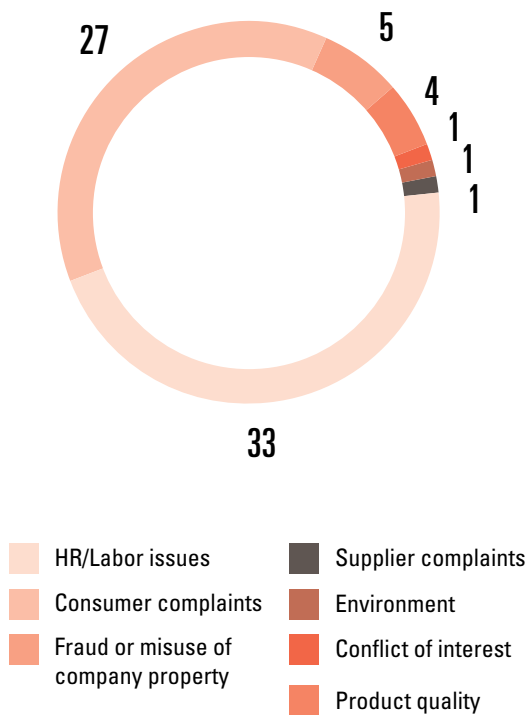
- Understand and respond to questions relating to the scope and applicability of the Code of Business Conduct and Ethics.
- Understand the anonymous complaints received by the company through the channel specially designed for this purpose.
- Give account of them to the Directors Committee.
- Analyze those complaints that are received and that are framed in the model of prevention of crime or are associated to the offenses provided for in the Law No. 20,393.
- Coordinate investigations arising from such complaints, assist the Crime Prevention officer in the investigation he carries out and request reports when the circumstances warrant it.

## ANONYMOUS COMPLAINT INVESTIGATION POLICY AND PROCEDURE

Viña Concha y Toro has implemented a simple and efficient system for submitting anonymous reports on the website.

This way, employees, suppliers, business partners, customers, shareholders or third parties can anonymously submit a complaint about questionable practices or situations that might be a violation to the Code of Business Conduct and Ethics, Internal Regulations, policies, procedures and norms, both internal and external.

COMPLAINTS RECIEVED THROUGH THIS CHANNEL DURING 2018:



## CRIME PREVENTION MODEL

In order to avoid illicit behavior such as money laundering, financing terrorism or bribery, on May 31, 2012, the Board of Directors approved the Crime Prevention Model consisting of a preventive monitoring process, which aims to examine processes or activities that are most exposed to criminal risk, or associated with the crimes provided in Law No. 20,393 on Criminal Responsibility of Legal Persons, whose objective is the prevention of money laundering, bribery of national or foreign public officials, and financing terrorism.

The Crime Prevention Model is applicable to 100% of the company's operations and is responsibility of a person appointed by the Board. The development of the model includes procedures for prevention, detection, response and monitoring of risky situations.



415-1

## RELATIONSHIP WITH PUBLIC POLICY

Viña Concha y Toro did not contribute to campaigns or political organizations during 2018. In its Corporate Donation Policy, the organization has defined that any possible political donations must be approved in the Board of Directors meeting and in accordance with applicable laws.

In addition, the company supports various associations for commercial profit and production, such as the Santiago Chamber of Commerce, California Chamber of Commerce, Vinos de Chile A.G., Wine Institute of California, Bodegas de Argentina, among others, with the aim of promoting the competitive potential of the wine industry and to create a strong network of collaboration with other organizations.

Our involvement is reflected in budgetary support and/or participation in the exchange of information, supporting the activities of these entities, offering suggestions and guidelines for the common benefit of the business sector and the consumers. In 2018, the company's contribution to various commercial profit and production organizations amounted to CL\$502 million.



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# Regulatory COMPLIANCE

Viña Concha y Toro is aware that the company's operations are a dynamic process of high impact, so every year, the Corporate Governance is reviewed and improvements are implemented to ensure proper compliance, respecting the law and supporting the pursuit of excellence and transparency throughout the management. Everyone who is part of the company works together to understand the importance of good corporate practices and thus establish a culture of compliance in our company.



## INFORMATION SECURITY

Viña Concha y Toro protects the information of its customers with strict respect for the law, which demands us to store records of personal data and prohibits us from delivering them to third parties. The company has a Corporate Information Security Policy which establishes the measures that the organization incorporates to properly ensure the confidentiality, integrity and availability of information, in order to avoid intentional and/or accidental damage, from loss or misuse of information assets (data, equipment, printed documentation, etc.), damage to the company's public image, and risks that affect business continuity in its processes and systems.

In this regard, a security plan was established, aligned with the ISO 27001's Information Security, by which a management process sets up a roadmap for the safety aspects to be implemented in the vineyard. This process is led by the IT Security Officer, and a Risk and Information Security Committee was formed to review the most relevant aspects in this area.

Today, The Company is working on establishing corporate strategies from different fields of action in order to face adverse situations that can expose the vineyard to risks that currently exist and that are a reality in the market. These strategic defenses are centralized in a process called Information Security which is a set of activities aimed at establishing protection and preparedness against a wide range of threats in cyberspace and in the daily activities executed by each of the company's employees. These strategies are achieved through the implementation of an appropriate set of policies, processes, procedures, organization, controls, hardware and software and most importantly, through the ethical behavior of those who work at Viña Concha y Toro.

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# Human RIGHTS

Viña Concha y Toro, in line with the UN's Guiding Principles on Business and Human Rights, has identified the main potential impacts on human rights caused by the company's activities and its business operations, through a review of the implications of the principles on their operations.



412-1

412-3

## DUE DILIGENCE IN HUMAN RIGHTS

In order to better understand the impacts of potential human rights violations in our operations and in our value chain, in 2016 and 2017 we developed a process of due diligence in human rights by reviewing the implications of the Guiding Principles on Business and Human Rights of the United Nations (Ruggie Framework) for 100% of our operations in Chile. The evaluation consists of an analysis and review of the principles in order to determine whether our internal policies and processes adequately manage risks in this area.

In addition, all our contracts with suppliers contain a specific clause that mandates compliance with Viña Concha y Toro's Code of Business Conduct and Ethics, to ensure that their operations respect the principles and values of our company.

In 2018, risk assessments of human rights violations were carried out through a diagnosis of compliance with Corporate Ethical Standards in all of the company's estates in Chile, which represent 76% of all the company's facilities in the country. This analysis covered the entire operation in the following aspects; management system, discrimination, forced labor, child labor, working time and health and safety conditions, among other issues.

At the same time, during 2018, work was carried out in all the wine cellars in Chile to assess deviations through external ethical audits. During 2019, work will be carried out on the ethical compliance of agricultural operations and the diagnosis of ethical compliance will be carried out in packaging plants.

In the United States, 100% of Fetzer's operations are carried out through the B Impact Assessment for its B company certification. In Argentina, no human rights impact assessments were carried out during 2018.

412-2  
205-2

## HUMAN RIGHTS AND ANTICORRUPTION TRAINING

The Code of Business Conduct and Ethics of Viña Concha y Toro S.A. and subsidiaries, summarizes those principles and values that should govern the actions of directors, executives and employees of Viña Concha y Toro and its subsidiaries, without exception, and including aspects of human rights. All new workers receive communication and training on the Code of Ethics and corporate policies upon entering the company.

Also, during 2018, Viña Concha y Toro employees underwent training sessions on ethics, anti-corruption and human rights in all the wine cellars in Chile, reaching a total of 385 employees. During 2019, these trainings are contemplated to be carried out in all the company's estates.

385

Employees trained  
on ethics and  
human rights.







# *Environment*

Be a benchmark for the industry in environmental practices.

Viña Concha y Toro has set out to maintain its leadership in the wine industry in harmony with the sustainability of its operations, with a culture of excellence that goes hand in hand with the care of the environment and the rational use of natural resources.

The environment pillar of the company's Sustainability Strategy focuses its initiatives mainly on two aspects:





Proper management of our resources, focusing on criteria of reduction, efficiency and conservation.

The management of externalities, with the aim of minimizing our waste and mitigating 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, which must be managed with a long-term vision, always in quest of their conservation in order to give future generations the same conditions of availability and quality.

303-1

## WATER

The company recognizes that the use of water and its conservation are ongoing challenges for the industry and society at large. Given the importance of water availability in both the cultivation of vines and the quality of life of the surrounding communities, we are committed to managing its use with the utmost care and efficiency.

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 the Aqueduct tool of the World Resources Institute (WRI). This tool uses a framework of twelve global indicators grouped into three risk categories and an overall score. The data includes indicators of availability, variability, quality, access and vulnerability of the ecosystem.

For our company, 97% of the water used, which comes from surface and ground sources, is associated to the irrigation of our vineyards. The remaining 3% is used in the winemaking and packaging processes of our products and comes from underground sources and municipal waters.

3%

Winemaking and bottling



97%

Irrigation of vineyards

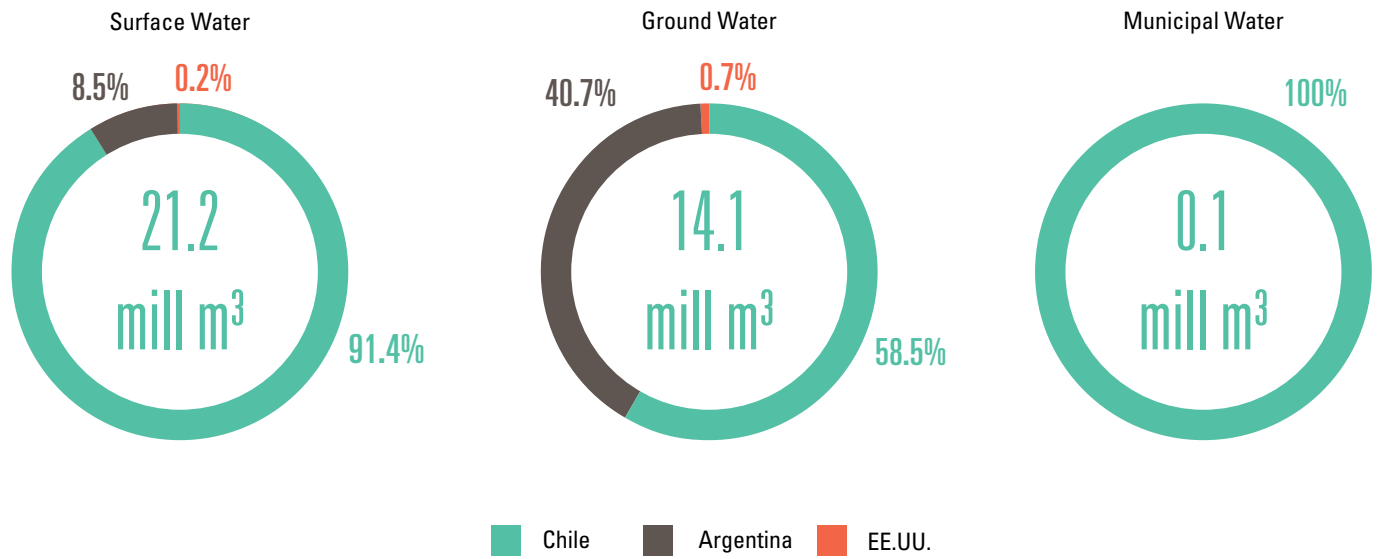
Winemaking and bottling

0.98  
million m<sup>3</sup>

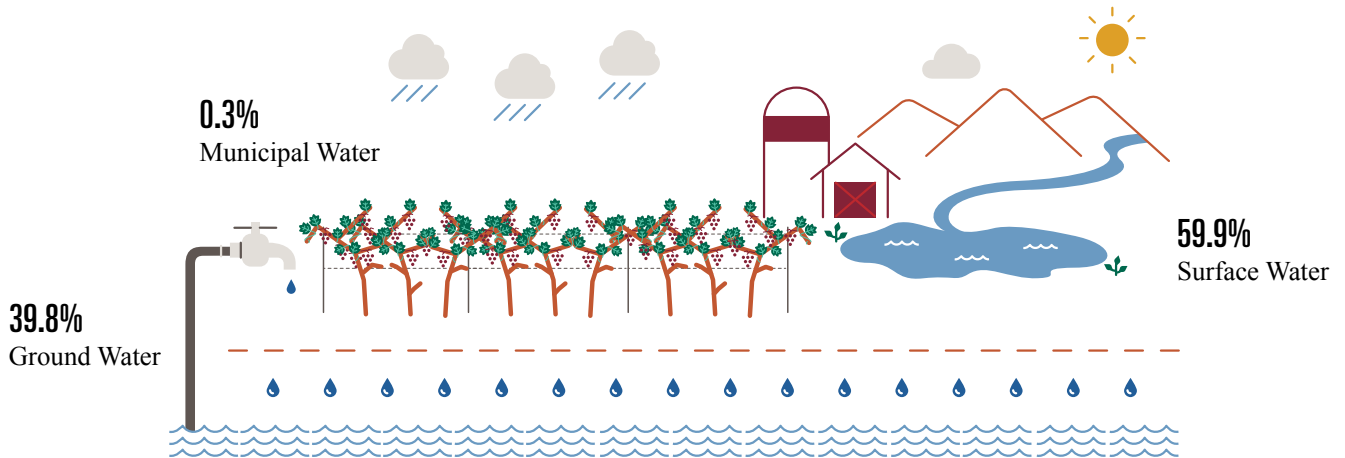
Irrigation of vineyards

34.40  
million m<sup>3</sup>

**WATER WITHDRAWAL**



**USE OF WATER IN OUR PRODUCTION PROCESS**





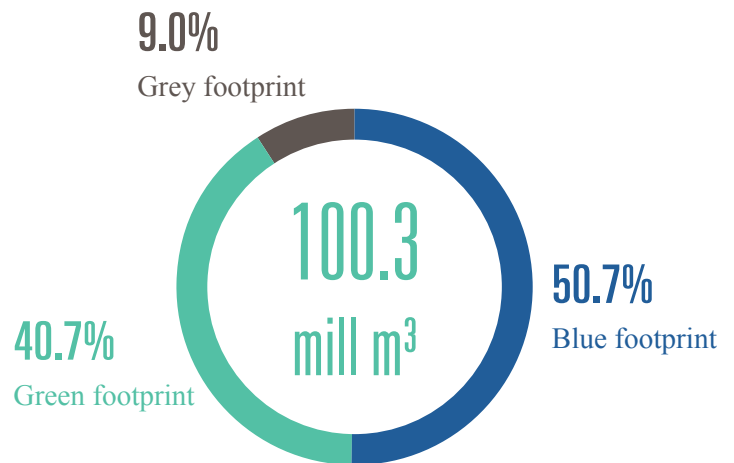
### Water Footprint

Every year since 2010, the company measures the Water Footprint of the entire operational process of Viña Concha y Toro in Chile, using the Water Footprint Network (WFn) methodology, which takes in account all the supply and distribution activities.

The latest water footprint measurement yielded a result of 48 liters per 125ml wine glass, 56% lower than the industry average of 109 liters per glass.

In this sense, the company has set itself a target of a 10% reduction in its water footprint by the year 2020 from a 2015 base-year.

### CONCHA Y TORO, WATER FOOTPRINT



| Liters of water used per wine glass 125cc |             |             |
|---|-------------|-------------|
|   | 2017        | 2018        |
| Own grapes and third-party grapes         | 57.0        | 43.5        |
| Winemaking and bottling                   | 0.6         | 0.4         |
| Supply chain supplies                     | 6.0         | 4.3         |
| <b>Total</b>                              | <b>63.6</b> | <b>48.2</b> |



Concha y Toro - Chile

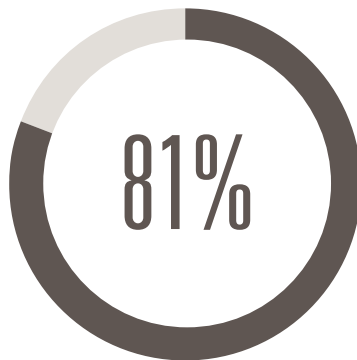
Through this measurement, the organization seeks to quantify the amount of water extracted that is effectively used and therefore no longer available to the ecosystem or local communities.

Through the CRI, the company is developing new technologies and knowledge for the proper management and optimization of water resource management, for its capacity to adapt to scenarios of shortage that could lead to huge losses for the production of high-quality wines globally.

303-5

| Extraction vs Water Usage <sup>2</sup> | mill m <sup>3</sup> |
|--|---------------------|
| Withdrawal                             | 23,780,510          |
| Consumption                            | 19,164,705          |

During 2018, the CRI worked on the calibration of vineyard cultivation coefficients according to the company's reality, in order to make more precise irrigation decisions and to calculate the Water Footprint of our crops.



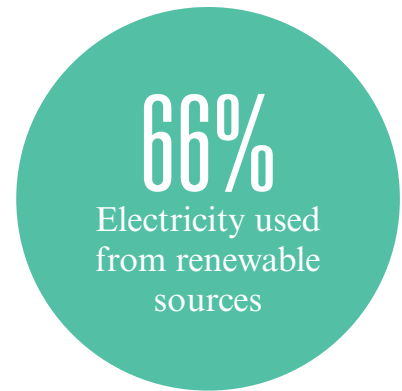
**The consumption represents 81% of the water withdrawal by Concha y Toro**

**FETZER VINEYARDS REDUCED ITS WATER USE BY 11% COMPARED TO 2017. WITH THIS PROGRESS, THE VINEYARD BEAT ITS OWN GOAL OF A 15% WATER REDUCTION BY 2020, BEGINNING IN 2015 (BASE YEAR).**

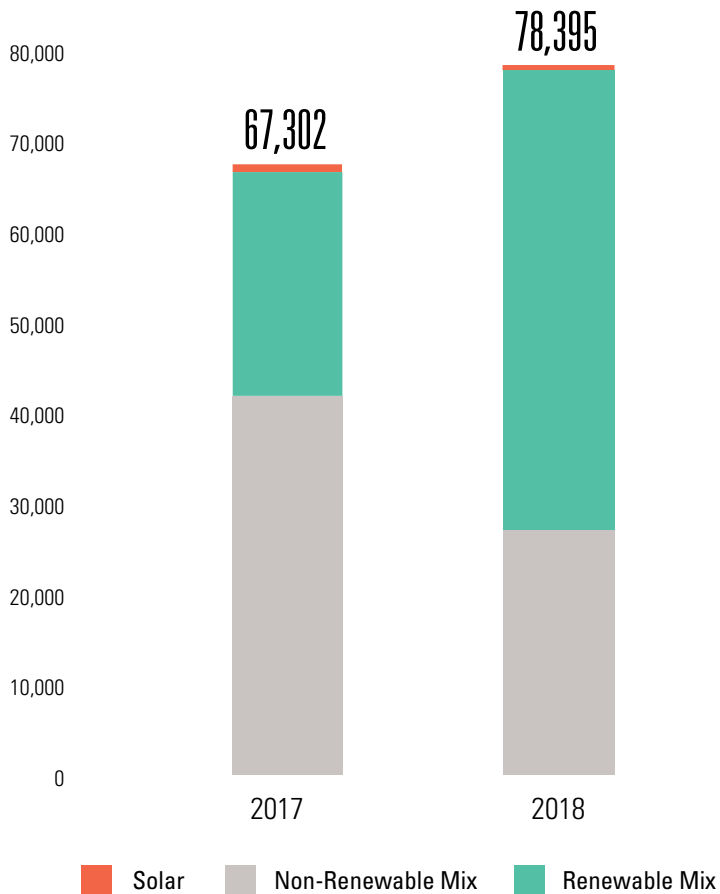
2. Considers only Concha y Toro's operations in Chile.

## ENERGY

The energy used in our production process comes mainly from renewable energies and the electricity distribution network, which contains a mix of renewable and non-renewable energies. In 2018 we significantly increased our energy consumption from renewable sources, aligned with our goal of reaching a 100% renewable supply by 2020. To this end, the construction of 9 photovoltaic power plants in Chile began during 2018, and by 2019 we hope to continue to make progress with the implementation of new plants in both Chile and Argentina.



### ELECTRICITY CONSUMPTION BY SOURCE (MWH)



302-1  
302-3

### Total energy consumption

The intensity of energy of the company's operations dropped from 0.52 kWh per liter of wine in 2017 to 0.48kWh in 2018, mainly due to a higher production and quality of the grapes registered in the last period that allows winemaking processes to be less intensive in energy use.

### ENERGY INTENSITY [kWh / Lt]



Energy  
consumption 2018

**558**  
Terajoule

Energy  
consumption 2017

**496**  
Terajoule

## BIODIVERSITY

For Viña Concha y Toro, the protection and care of the biodiversity is of great importance. Despite not having productive operations within protected areas, the company seeks to ensure the conservation of thousands of hectares of native forest adjacent to its operations, knowing it is crucial for the preservation of a healthy ecosystem that allows the production of wines with unique and sustainable characteristics.

By understanding the importance of the richness of the biodiversity for our patrimony and the benefits they provide, the company is developing collaboration agreements with international environmental conservation organizations that focus on ecological restoration at a landscape level, and on the provision of ecosystem services.

### Chile

In Chile, the company has a Native Forest Conservation Program through which it has implemented various programs and management plans to protect the more than 3,272 hectares of native forest present in our estates in Chile. In 2017, specific management plans were developed for each forest and watercourse, according to their own geographical conservation characteristics. During 2018, the work focused on the implementation of management plans for the coming years.

| Estate       | Area (ha)    |
|--------------|--------------|
| Peumo        | 476          |
| Rauco        | 458          |
| Villa Alegre | 283          |
| Idahue       | 1,515        |
| Rucahue      | 106          |
| Ucúquer      | 235          |
| Lourdes      | 77           |
| Palo Santo   | 84           |
| Santa Raquel | 37           |
| <b>Total</b> | <b>3,272</b> |

### Actions for Conservation:

In 2018, to achieve compliance with the certification requirements of the National Sustainability Codes in the Chilean Winemaking Industry, a series of initiatives were undertaken whose final focus was the conservation of biodiversity. Including:

- Identifying, with signs, the Areas with High Ecological Value (AAVE) in each of the company's estates.
- Identifying the areas that are designated to the Conservation and Protection of Native Forests.
- Illustrating the activities that cannot be carried out inside these areas (smoking, hunting, starting campfires, entering animals, etc.).

These practices were complemented with training of the employees who work on the company's estates, and who act as the first ambassadors of the conservation of biodiversity in each of the company's forests.



3,272  
hectares of native  
forest in Chile





Fetzer Vineyards - Estados Unidos

### **United States**

At Fetzer Vineyards, the protection and conservation of biodiversity focuses on the natural oak forests and the habitats surrounding their vineyards. More than 100 species of plants and protected vegetation have been identified, where that are insects that are known to be beneficial, as they create a balance in the ecosystem. The vineyards also attract native birds as a result of the conservation of the vegetation and by providing nest boxes for birds.

The vineyard works with environmental care organizations to promote their ecological assets and create mutually beneficial relationships. These initiatives include:

- Working with Sola Bee Farms to house bee populations in Bonterra Biodynamic vineyards® between pollination seasons.
- During the winter season, we teamed up with Kaos Sheep Outfit to graze nearly 2,000 sheep in our vineyards. We provide sheep with a place to roam, and in turn they feed on weeds and add beneficial fertilizers to the soil while grazing.
- Several biodynamic vineyards also house olive trees, which provide benefits for the ecosystem, including increased biodiversity and shade coverage.

### **Argentina**

Before the end of 2018, Trivento began an agrosystem study to identify the fauna and vegetation in four of their estates, two of which have native vegetation that facilitates a greater presence of biodiversity.

Also, within its newest vineyard, Trivento has allocated important areas to protect the native vegetation and, thus, promote biodiversity and the presence of fauna.

## SOIL

Viña Concha y Toro carries out permanent work in the management of agricultural soils with the aim of avoiding soil erosion, loss of nutrients and the control of pests and diseases.

The company has an Integrated Pest Management plan, which allows optimizing and protecting the vineyards without interfering in the biological cycles of the soils, preventing erosion. In our subsidiaries, fertilizers are used exclusively to safeguard the optimal development of the vines and ensure the quality of the grapes, according to the oenological requirements. Pesticides are applied exclusively for the management and control of pests or diseases, always taking into consideration the health and safety of those responsible for the application of agrochemicals.

In addition, in our subsidiaries we have examples of good practices in this area:

- Viña Cono Sur continues to increase the organically managed area by reducing the use of agrochemicals and incorporating an eco-friendlier management. Currently, the vineyard has 27% of its area handled under this method.
- Trivento in 2018 created the VNP (Vine Nutrition Program), whose mission is to seek the nutritional balance of the vine and achieve sustainable vineyards that are capable of producing sustainably, in volume and quality, for up to thirty years.
- Fetzer follows regenerative agricultural practices in aims of taking care of soil health, rebalancing the water cycle and promoting biodiversity and ecosystem resilience. It includes practices such as: establishing cover crops, regime of reduced tillage, applying compost, introducing vegetation that promotes biodiversity and grazing with sheep. On the other hand, Fetzer vineyards are certified by Fish Friendly Farming and California Certified Organic Farmers (CCOF).



Cono Sur  
**27%**  
Organic land  
area

Fetzer  
**100%**  
Organic land  
area

# *Externalities* MANAGEMENT



At Viña Concha y Toro we are aware that our activities generate positive and negative externalities, and we have internalized that sustainable management starts by recognizing and evaluating our impacts on the environment, so that we can take charge and mitigate them. That's why we make important efforts in the management of environmental, waste and emissions indicators.



306-1  
303-2

## EFFLUENTS

Viña Concha y Toro is committed to the efficient use of water in all its operations, as well as to reducing the environmental burden associated with the use or generation of wastewater.

Water management does not only include efficiency in its use, but also in what conditions we return it to the ecosystem and the potential impacts it could have on the environment. In this regard, all of Viña Concha y Toro's facilities meet the requirements for water withdrawal, as established by the legal regulations on emissions or quality standards in each country. Always considering the conditions of the receiving body, mainly in its flow characteristics.

The company has wastewater treatment systems specially designed for operations in all our facilities where this type of waste is generated, being responsible for monitoring and controlling the treatment processes of industrial liquid waste (ILW), optimizing systems and controlling the use of chemical inputs in the treatments.

Viña Concha y Toro has 13 treatment systems in Chile and 2 in Argentina, which subsequently discharge the effluents onto surface sources, in sprinkle irrigation or they are sent to external health companies for treatment and final disposal.

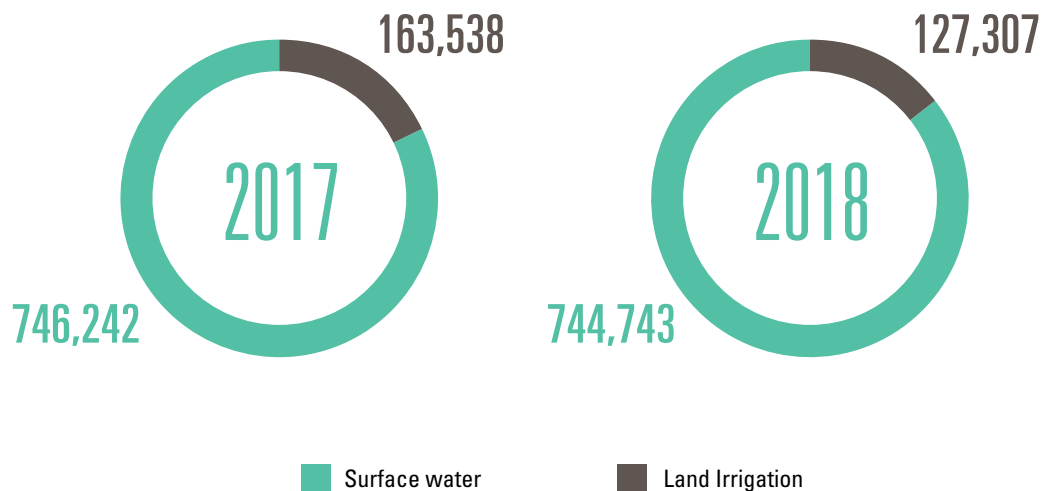
In the case of Fetzer, the vineyard has the BIOFilter BIDA® system for the treatment of liquid residues, using red worms and microbes to treat water in specially designed ponds. This system avoids spending electricity and allows the production of over 570 m<sup>3</sup> of soil per year, enriched with organic material, which can be used as fertilizer.

2017  
**3.4**  
 lts ILW / lt wine

2018  
**2.7**  
 lts ILW / lt wine

303-4

TOTAL WATER DISCHARGE BY DESTINATION (m3)





Our aim is to reduce to zero the waste sent to landfills by 2020.



306-2

## WASTE AND RECYCLING

Viña Concha y Toro manages its waste responsibly and is committed to reducing its generation and maximizing its recycling and/or reuse rates, reducing our negative impacts on the environment.

The company recognizes the importance of managing your waste in a sustainable, safe and responsible way. Through a combination of actions, we are working to reduce our waste generation and prevent it from being sent to landfills.

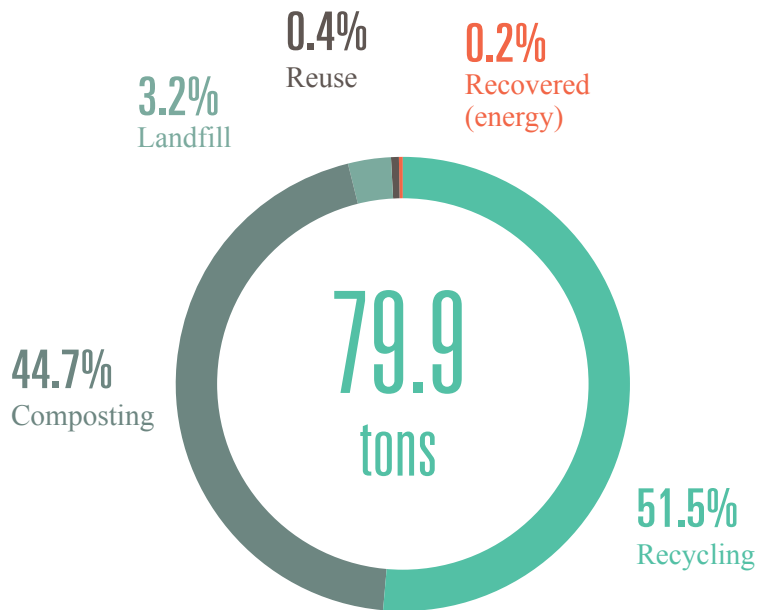
During 2018, 97% of our waste was reused and/or recycled. Our aim is to reduce to zero the waste sent to landfills.



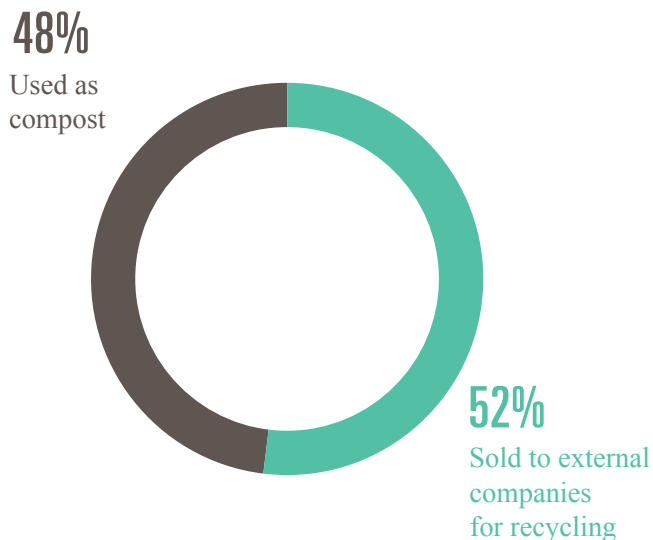
Concha y Toro - Chile

306-2

**WASTE BY TYPE OF DISPOSAL**



**ORGANIC WASTE**



48% of the organic waste deriving from the grapes is collected, stabilized and subsequently used as compost to improve the soil of our vineyards and the remaining 52% is sold to external companies that use it as material for their processes. Glass, cartons, plastics and metals are carefully separated in our facilities to ensure that they are all entirely recycled.

**Hazardous Waste**

In the case of hazardous waste (HAZMAT), the company has certified procedures and warehouses in all its facilities for proper handling. This material is transported and treated by external companies duly authorized in accordance with the current regulations of each country. During 2018, the company generated 34.7 tons of hazardous waste.

# Climate CHANGE

Viña Concha y Toro recognizes the risks and challenges posed by climate change for the wine industry and for society in general and is aware that it requires a transition towards a low-carbon economy where companies play a key role.

## IMPACTS OF CLIMATE CHANGE ON THE BUSINESS

Viña Concha y Toro has identified three major risks related to climate change and has established different prevention and mitigation measures:

- Risk of water shortage: Decreased water availability can affect the quality and reliability of wines. To mitigate this risk, Viña Concha y Toro has implemented drip irrigation in 100% of its vineyards and ensures supply through deep wells and water accumulation tanks.
- Risk of increased frequency of extreme climatic events: These types of incidents cause declines in the quality of the grapes harvested. The company has developed technology to reduce the impact of frost, hail and other climatic events, applying agro-chemical protectors and shortening harvest times.
- Risk of increase in forest fires: higher temperature and periods of drought increase the risk of fire, a phenomenon that causes significant losses due to smoke, ignition or radiation in the vineyards. To mitigate this, the CRI developed the Viticulture Information and Intelligence System, optimizing alert processes and developing technology to make use of grapes that have been exposed to smoke.







Concha y Toro - Chile

## CARBON FOOTPRINT

The company annually measures its Carbon Footprint under the Corporate Accounting and Reporting Standard (GHG Protocol), under an operational control approach, including direct emissions, that come mainly from the use of fuels, refrigerant gases and soil, as well as indirect ones, resulting from productive activities that are not directly controlled by the company, such as the transportation of supplies, the distributing of products and business travels.

GHG emissions were reduced by 7% per liter and 11% in comparison to 2017.

305-1

305-2

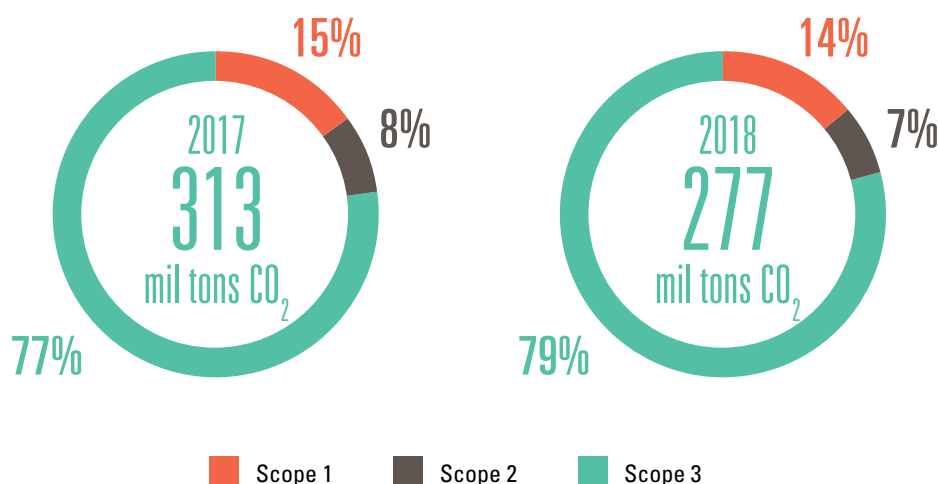
305-3

### Distribution of GHG emissions by Scope (tonCO<sub>2</sub>)

|                      | 2017           | 2018           | Variación   |
|----------------------|----------------|----------------|-------------|
| Scope 1              | 45,468         | 39,693         | -13%        |
| Scope 2              | 26,418         | 18,696         | -29%        |
| Scope 3 <sup>3</sup> | 240,998        | 219,055        | -9%         |
|                      | <b>312,884</b> | <b>277,390</b> | <b>-11%</b> |

3. It includes only 88% of the company's operations because the subsidiaries Fetzer and Trivento do not perform a complete measurement of scope 3.

### DISTRIBUTION OF GHG EMISSIONS BY SCOPE

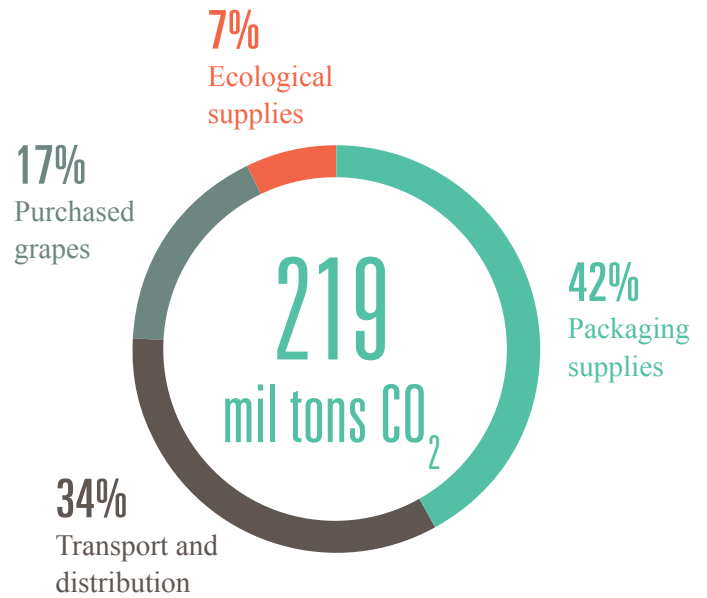


Scope 1    Scope 2    Scope 3

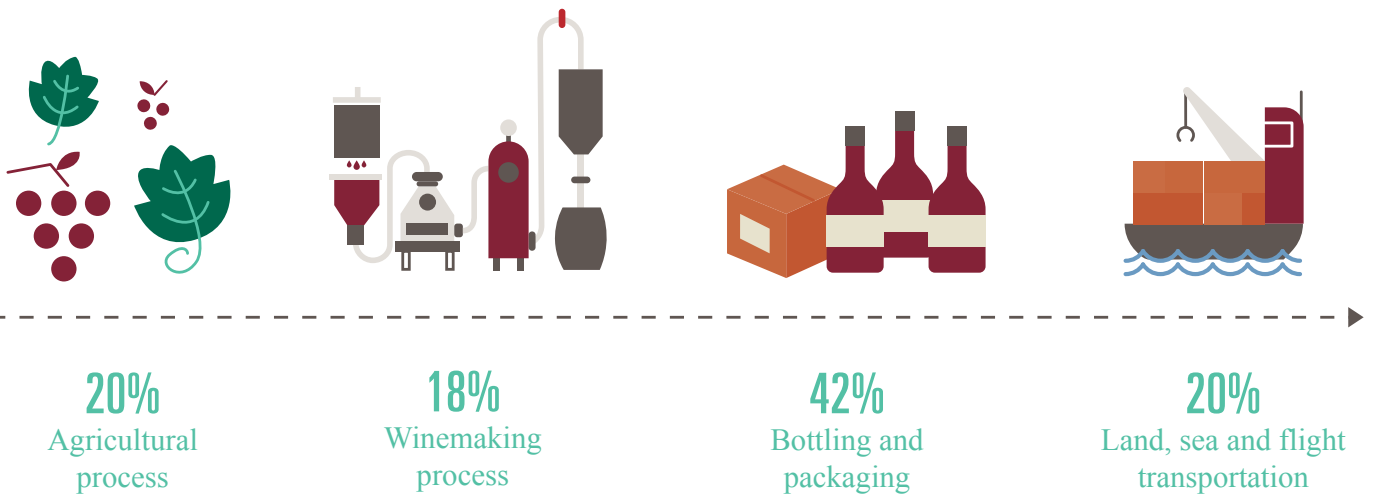


FETZER VINEYARDS WAS THE FIRST U.S. VINEYARD CERTIFIED AS CARBONNEUTRAL® BY NEUTRALIZING ALL OF ITS EMISSIONS OF SCOPE 1 AND 2.

### SCOPE 3 DISTRIBUTION OF EMISSIONS



### CO<sub>2</sub> EMISSIONS OF OUR PRODUCTION PROCESS



Science Based Targets (SBTi) is an international initiative that has the goal of compelling companies to reduce their own emissions and avoid the increase of global temperature in 2°C. During 2018, Viña Concha y Toro was the first Latin American company to evaluate its reduction objectives using this methodology.

305-5

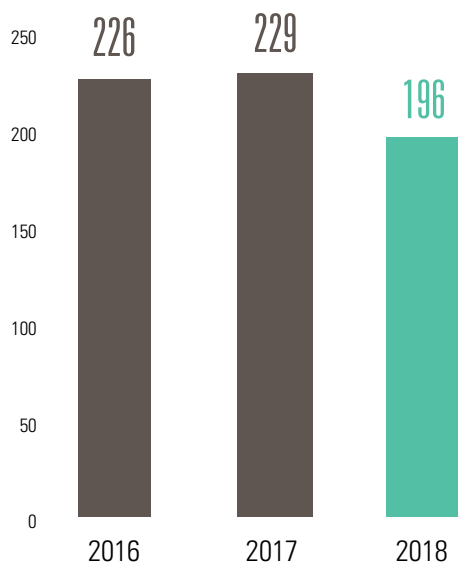
The goal of the company is to reduce 30% of its Greenhouse gas emissions (GHG) by 2020, compared to 2014. In 2018, the holding made a commitment to the Science Based-Targets initiative to set new emission reduction goals, based on climate science, and thus, guarantee that they are aligned with the level of decarbonization needed to prevent global warming by under 2°C.

Science Based Targets (SBTi) is a joint initiative with COP, the Global Compact of the United Nations, the World Resources Institute (WRI) and WWF, which invites businesses to commit to establishing corporate objectives for the reduction of greenhouse gases based on science.

In line with meeting this target, in 2018 the use of renewable energy reached 66% in our operations in Chile, which meant an emission reduction of 14,612 tons of CO<sub>2</sub> for 2018.

305-4

**EMISSION INTENSITY OF SCOPE 1 AND 2 [grsCO<sub>2</sub>e/lt]**









**14,612**  
tons of CO<sub>2</sub> reduced



## Progress Towards SDG

### ENVIRONMENT PILLAR

|                |  | Sustainability Strategy<br>Viña Concha y Toro |                      | 2030 Agenda  |  |
|----------------|--|---|----------------------|--|--|
|                | Goal 2020  | Progress 2018                                 | Accumulated progress | SDG  | Specific Objective   |
| Water          | 10%<br>Reduction in<br>Water Footprint                     | <b>2%</b>                                     | <b>11%</b>           |  | <b>6.4</b> Ensure sustainability in the extraction of water. |
| Energy         | 100%<br>Renewable Supply                                   | <b>28%</b>                                    | <b>66%</b>           |  | <b>7.2</b> Promote the NCRE ratio.                           |
| Biodiversity   | 100%<br>Native Forest<br>with conservation<br>alternatives | <b>25%</b>                                    | <b>50%</b>           |  | <b>15.1</b> Ensure the conservation of ecosystems.           |
| Waste          | 100%<br>Waste with recovery<br>alternatives                | <b>1%</b>                                     | <b>97%</b>           |  | <b>6.3</b> Improve water quality.                            |
|                |  |   |                      |  | <b>12.5</b> Reduce the generation of waste.                  |
| Climate Change | 30%<br>Reduction in<br>Scope 1 and 2                       | <b>14%</b>                                    | <b>20%</b>           |  | <b>13.2</b> Incorporate measures relating to climate change. |

## ENVIRONMENT PILLAR SUMMARY TABLES

### Water

303-3

#### Water withdrawal

| Vineyard Irrigation                           |                      |                   |                   |           |
|---|----------------------|-------------------|-------------------|-----------|
| Source  | Unit                 | 2017              | 2018              | Variation |
| Surface Water                                 | m <sup>3</sup>       | 19,346,793        | 21,201,678        | 10%       |
| Groundwater                                   | m <sup>3</sup>       | 12,237,113        | 13,193,551        | 8%        |
| Operational Process + Human Consumption       |                      |                   |                   |           |
| Source  | Unit                 | 2017              | 2018              | Variation |
| Groundwater                                   | m <sup>3</sup>       | 866,272           | 882,234           | 2%        |
| Municipal Water                               | m <sup>3</sup>       | 87,404            | 93,731            | 7%        |
| <b>Total consumption</b>                      | <b>m<sup>3</sup></b> | <b>32,537,582</b> | <b>35,371,193</b> |           |
| Water Withdrawal from Areas with Water Stress |                      |                   |                   |           |
| Source  | Unit                 | 2017              | 2018              | Variation |
| Surface Water                                 | m <sup>3</sup>       | 9,741,618         | 11,110,595        | 14%       |
| Underground Water                             | m <sup>3</sup>       | 5,317,933         | 5,499,429         | 3%        |
| Municipal Water                               | m <sup>3</sup>       | 85,391            | 93,239            | 9%        |

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

303-5

#### Water Consumption

| Total Water Consumption                    |                      |                   |                   |           |
|--|----------------------|-------------------|-------------------|-----------|
| Source                                     | Unit                 | 2017              | 2018              | Variation |
| Surface Water                              | m <sup>3</sup>       | 12,748,689        | 14,533,152        | 14%       |
| Groundwater                                | m <sup>3</sup>       | 4,236,852         | 4,623,844         | 9%        |
| Municipal Water                            | m <sup>3</sup>       | 7,150             | 7,708             | 8%        |
| <b>Total consumption</b>                   | <b>m<sup>3</sup></b> | <b>16,992,692</b> | <b>19,164,705</b> |           |
| Water Consumption in Areas of Water Stress |                      |                   |                   |           |
| Source                                     | Unit                 | 2017              | 2018              | Variation |
| Surface Water                              | m <sup>3</sup>       | 6,746,896         | 7,845,228         | 16%       |
| Groundwater                                | m <sup>3</sup>       | 2,757,563         | 3,030,289         | 10%       |
| Municipal Water                            | m <sup>3</sup>       | 6,428             | 7,063             | 10%       |

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

## Biodiversity

304-4

### IUCN Red List species and national conservation list species with habitats in areas affected by operations

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

#### Threatened plant species in natural forests

| Estate       | Type of Species |    |    |    |    | Threatened Species                                |
|--------------|-----------------|----|----|----|----|---|
|              | Total SP        | N  | E  | I  | SI |   |
| 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),<br>Persea lingue (VU). |
| Lourdes      | 149             | 52 | 14 | 81 | 2  | /   |
| Santa Raquel | 98              | 24 | 21 | 49 | 4  | Alstromeria diluta spp<br>diluta (EN)             |
| Palo Santo   | 91              | 23 | 29 | 36 | 3  | /   |

Type of Species: N= native, E= endemic, I= introduced, SI= No Information  
Conservation Categories Classification: EN = Endangered, VU = Vulnerable

#### Threatened species of fauna in natural forests

| Estate       | Type of Species |    |   |   |    | Threatened Species   |
|--------------|-----------------|----|---|---|----|--|
|              | Total SP        | N  | E | I | SI |  |
| Peumo        | 58              | 46 | 7 | 5 | -  | /  |
| 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 - Güiña (VU)      |
| Rucahue      | 46              | 33 | 5 | 8 | -  | Leopardus guigna - Güiña (VU)  |
| Ucúquer      | 62              | 53 | 5 | 4 | -  | Leopardus guigna - Güiña (VU)/<br>Calyptocephalella gayi - rana chilena (VU) |
| Lourdes      | 63              | 53 | 4 | 6 | -  | Rhinella arunco - Sapo de rulo (VU) /<br>Leopardus guigna - Güiña (VU)       |
| Santa Raquel | 51              | 43 | 3 | 5 | -  | Leopardus guigna - Güiña (VU)  |
| Palo Santo   | 53              | 42 | 5 | 6 | -  | Leopardus guigna - Güiña (VU)  |

Type of Species: N= native, E= endemic, I= introduced, SI= No Information  
Conservation Categories Classification: EN = Endangered, VU = Vulnerable

## Effluents and Waste

303-3  
303-4

### Water discharges by quality and destination

| Total water discharge by destination |                |         |         |           |
|--------------------------------------|----------------|---------|---------|-----------|
| Destination                          | Unit           | 2017    | 2018    | Variation |
| Surface Water (freshwater)           | m <sup>3</sup> | 746,242 | 744,743 | -0.2%     |
| Groundwater (freshwater)             | m <sup>3</sup> | -       | -       | 0.0%      |
| Land Irrigation                      | m <sup>3</sup> | 163,538 | 127,307 | -22.2%    |

| Total water discharge in water stress zones |                |         |         |           |
|---|----------------|---------|---------|-----------|
| Destination                                 | Unit           | 2017    | 2018    | Variation |
| Surface Water (freshwater)                  | m <sup>3</sup> | 401,988 | 341,236 | -15.1%    |
| Ground Water (freshwater)                   | m <sup>3</sup> | -       | -       | 0.0%      |
| Land Irrigation                             | m <sup>3</sup> | 19,478  | 28,885  | 48.3%     |

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

| Water discharge by quality |      |       |       |           |
|----------------------------|------|-------|-------|-----------|
|                            | Unit | 2017  | 2018  | Variation |
| BOD (Total Cargo)          | ton  | 1,527 | 1,036 | -32%      |
| COD (Total Cargo)          | ton  | 2,545 | 1,727 | -32%      |

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

306-2

### Waste by type and disposal method

| Non-Hazardous Waste |            |               |               |  |
|---------------------|------------|---------------|---------------|--|
| Type of Disposal    | Unit       | 2017          | 2018          | Description  |
| Reutilized          | ton        | 229           | 325           | Barrels  |
| Recycled            | ton        | 32,228        | 41,145        | Glass, plastics, cardboard and organic waste sold. |
| Composted           | ton        | 28,777        | 35,717        | Pomace, Stems and other compostable residue.       |
| Recovered (energy)  | ton        | -             | 156           | Organic residue, mud                               |
| Landfill            | ton        | 2,257         | 2,574         | Mixed residue                                      |
| <b>Total</b>        | <b>ton</b> | <b>63,490</b> | <b>79,916</b> |  |

| Hazardous Waste                    |      |      |      |
|------------------------------------|------|------|------|
| Type of Disposal                   | Unit | 2017 | 2018 |
| Disposal with an authorized entity | ton  | 36.0 | 34.7 |



## Energy

302-1

### Energy consumption within the organization

| Fuel Consumption from Non-Renewable Sources |            |               |               |           |
|---|------------|---------------|---------------|-----------|
|   | Unit       | 2017          | 2018          | Variation |
| Gasoline                                    | MWh        | 8,249         | 7,853         | -5%       |
| Diesel                                      | MWh        | 30,684        | 34,319        | 12%       |
| GLP   | MWh        | 26,201        | 28,338        | 8%        |
| Natural Gas                                 | MWh        | 5,297         | 6,056         | 14%       |
| <b>Total</b>                                | <b>MWh</b> | <b>70,431</b> | <b>76,566</b> | <b>9%</b> |

| Consumption of electricity from renewable Sources |            |               |               |             |
|---|------------|---------------|---------------|-------------|
|   | Unit       | 2017          | 2018          | Variation   |
| Solar   | MWh        | 867           | 757           | -13%        |
| Renewable Mix                                     | MWh        | 24,673        | 50,679        | 105%        |
| <b>Total</b>                                      | <b>MWh</b> | <b>22,540</b> | <b>51,436</b> | <b>101%</b> |

| Electricity Consumption from Non-Renewable Sources |      |        |        |           |
|--|------|--------|--------|-----------|
|  | Unit | 2017   | 2018   | Variation |
| Non-renewable mix                                  | MWh  | 41,762 | 26,959 | -35%      |

| Electricity Consumption from Non-Renewable Sources |      |         |         |           |
|--|------|---------|---------|-----------|
|  | Unit | 2017    | 2018    | Variation |
| Total energy consumption                           | MWh  | 137,732 | 154,962 | 13%       |

302-3

### Energy Intensity

| Energy Consumption by liter produced |          |             |             |           |
|--------------------------------------|----------|-------------|-------------|-----------|
|                                      | Unit     | 2017        | 2018        | Variation |
| Total energy consumption             | MWh      | 137,732     | 154,962     | 13%       |
| Liters of wine produced              | Lt       | 262,502,942 | 323,201,580 | 23%       |
| Energy Intensity                     | kWh / Lt | 0.52        | 0.48        | -8%       |

## Carbon Footprint

305-1  
305-2  
305-3

### GHG Emissions of Scope 1, 2 and 3

| Emission of Scope 1 and 2 |                      |        |        |        |           |
|---------------------------|----------------------|--------|--------|--------|-----------|
| Scope                     | Unit                 | 2016   | 2017   | 2018   | Variation |
| Scope 1                   | tonCO <sub>2</sub> e | 32,239 | 45,468 | 39,639 | -13%      |
| Scope 2                   | tonCO <sub>2</sub> e | 19,721 | 26,418 | 18,696 | -29%      |
| Location Based            | tonCO <sub>2</sub> e | 19,721 | 26,408 | 18,687 | -29%      |
| Market Based              | tonCO <sub>2</sub> e | -      | 10     | 9      | -13%      |
| % Operations Included     |                      | 71%    | 100%   | 100%   |           |

| Emissions of Scope 3  |                      |         |         |         |           |
|-----------------------|----------------------|---------|---------|---------|-----------|
| Scope                 | Unidad               | 2016    | 2017    | 2018    | Variación |
| Scope 3               | tonCO <sub>2</sub> e | 223,078 | 240,998 | 219,055 | -9%       |
| % Operations Included |                      | 71%     | 86%     | 88%     |           |

Emissions of all the greenhouse gases are included.

Global Warming Potentials: Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) over a 100-year period

Emission Factors Scope 1 and 3:

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

Emissions Factors Scope 2:

- Chile: Emission factor of the National Electric System (SEN), Ministry of Energy.
- Argentina: Emission factor Red Eléctrica Argentina, average years 2014-2017, Energy Secretariat.
- U.S.A.: Emission factor of the electric network of the California Air Resources Board.

305-4

### GHG Emissions Intensity

|  | Unit                     | 2016 | 2017 | 2018 | Variation |
|--|--------------------------|------|------|------|-----------|
| Intensity of GHG emissions Scope 1 and 2 | kgCO <sub>2</sub> e / Lt | 0.23 | 0.23 | 0.20 | -13%      |
| % Operations Included                    |                          | 71%  | 100% | 100% |           |

|                                    | Unit                     | 2016 | 2017 | 2018 | Variation |
|------------------------------------|--------------------------|------|------|------|-----------|
| Intensity of GHG emissions Scope 3 | kgCO <sub>2</sub> e / Lt | 0.97 | 0.89 | 0.84 | -6%       |
| % Operations Included              |                          | 71%  | 86%  | 88%  |           |

## Other Emissions

305-6

### Emission of Ozone-Depleting substances (ODS)

| Emissions of ozone - depleting substances (ODS) |               |             |             |             |             |
|---|---------------|-------------|-------------|-------------|-------------|
| Type of Gas Used                                | Unit          | 2016        | 2017        | 2018        | ODP*        |
| HCFC-22   | kg            | 2,705       | 4,950       | 1,918       | 0.055       |
| HCFC-141b                                       | kg            | 109         | 68          | 27          | 0.11        |
|   | <b>Unit</b>   | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>ODP*</b> |
| Emissions of ODS                                | kg<br>CFC-11e | 160.8       | 279.7       | 108.5       | -61%        |

\*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

305-7

### Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions

| Otras emisiones significativas al aire |      |       |       |           |
|--|------|-------|-------|-----------|
| Emission                               | Unit | 2017  | 2018  | Variation |
| SO x                                   | ton  | 3,261 | 3,473 | 7%        |
| NO x                                   | ton  | 8,238 | 8,238 | 0%        |
| MP 10                                  | ton  | 345   | 430   | 25%       |
| CO                                     | ton  | 1,697 | 2,153 | 27%       |

Includes only emissions from operations in Chile and missions from fixed sources.

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 D.C. USA.



# *Supply Chain*

Be a partner to  
our Suppliers.



103-1  
103-2  
103-3

Viña Concha y Toro's strategic objective regarding its supply chain is to build a relationship of trust and transparency with each of its suppliers. The Company is aware of its responsibility and influence and intends to extend its good practices along the value chain, in aims of improving the standards of its suppliers and business partners.

The Supply Chain Pillar of the Company's Sustainability Strategy focuses its actions mainly on three aspects:

**Relationship with  
and evaluation of  
suppliers**

**Management  
of supplies**

**Promoting  
sustainability**

# Responsible SUPPLY



Responsible Supply is a fundamental principle in the company’s strategy, which seeks to ensure the sustainability of the supply chain in the long term, through ambitious goals aimed at creating a virtuous circle of continuous improvement with its Suppliers.

The company extends its practices and policies to all its suppliers and contractors regarding: transparency, regulatory compliance, anti-corruption, freedom of association, non-discrimination, rejection of child and forced labor, among others.

The vineyard encourages its suppliers to carry out their commercial activities in accordance with our Code of Business Conduct and Ethics. In addition, any supplier of the company must accept and adhere to the Code of Conduct for Suppliers, which states that they must carry out their operations in accordance with the current laws and regulations, clearly communicated by the standards of conduct that the company expects regarding labor rights, health and safety, the environment and business ethics. The code applies to all suppliers and contractors, as well as their respective employees, agents and subcontractors.

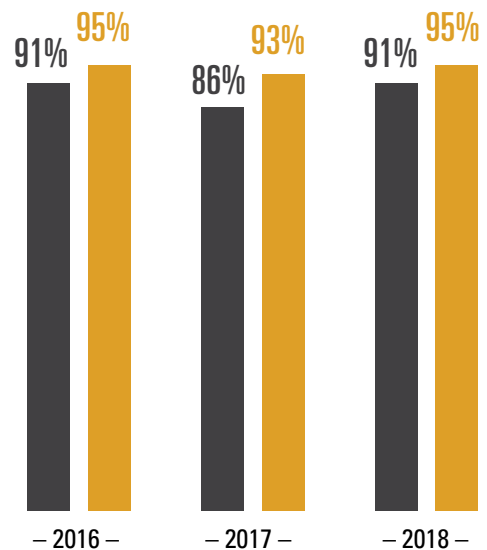
To improve the laboral conditions en the supply chain, we have developed training workshops of the Business Social Compliance Initiative (BSCI) and individuals trainings to grape suppliers. And to continues walking in this way, in 2019 will be elaborated & spread between suppliers the Responsible Supply Guide.

204-1

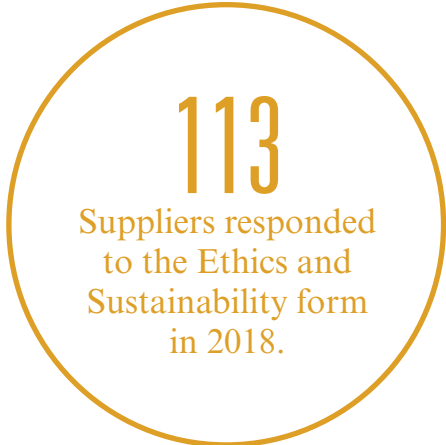
## PREFERENCE FOR LOCAL SUPPLIERS

The company promotes local development, privileging products and services from local (national) suppliers in each of the locations where the company has productive activities, thus contributing to the creation of local jobs, adding value to raw materials in each locality and also minimizing the transport-related carbon footprint.

## SUPPLIES FROM LOCAL SUPPLIERS



● % of the Total Number of Suppliers  
● % of the Total Amount of Purchases



**SUPPLIER ASSESSMENT**

To promote sustainability practices among its suppliers, the company has a sustainability risk assessment process. Since 2017, the company identifies its critical suppliers according to their share in the total expenditure of its category and subsequently categorizes them according to the potential risk of adverse impact on people, environment and development company's economics.

In 2018, the company identified a total of 559 critical suppliers, which were categorized as follows (see table).

Subsequently, all critical suppliers are asked to self-assess by responding to Viña Concha y Toro's Ethics and Sustainability Form. In 2018, 113 suppliers responded and none of them identified significant environmental impacts.

This is how the company assesses the critical environmental, social and governance risks associated with managing its suppliers, determining measures to mitigate these risks, monitoring how they manage sustainability and supporting those who have poor performance.

- 308-2
- 414-2
- 407-1
- 408-1
- 409-1

**Human Rights Evaluation of Suppliers**

The company has identified the main potential impacts on human rights caused by the company's activities and supply chain, through a review of the implications of the Guiding Principles on Business and Rights (Ruggie Framework) for its operations in Chile, with the aim of ensuring that its activities and relations do not violate human rights.

Among the potential impacts identified in the supply chain is the risk of forced labor, child labor and infringement of the right to freedom of association in grape suppliers and contracting companies. These potential impacts are addressed through our Ethical Management System, with the aim of improving the company's management of these aspects and more comprehensively safeguarding the detection and prevention of practices that could have negative impacts on the human rights of those who participate in our value chain, with particular emphasis on migrant and temporary workers.

This is how, in 2018, the company worked on identifying and minimizing these risks through internal audits of all wine cellars in Chile and through verification visits to suppliers, within our compliance plan with the Code of Conduct BSCI and the Code of Sustainability of Chilean Wines, which in 2018 included verification visits to 23 grape suppliers for which action plans were developed to solve the deviations raised and which will be monitored during 2019.

In 2019, the company will update and deepen its study in order to review the implications of the Ruggie Framework, including its operations in Argentina and the United States.

| LEVEL    | RISK   | DEFINITION  | % OF SUPPLIERS |
|----------|--------|---|----------------|
| <b>A</b> | High   | Risk of potential negative impact on people, environment and/or society.<br>Interruption of commercial activities and/or impact on reputation.    | <b>25%</b>     |
| <b>B</b> | Medium | Risk of potential negative impact on people, environment and/or society.<br>No interruption of commercial activities and/or impact on reputation. | <b>34%</b>     |
| <b>C</b> | Low    | Low risk of potential negative impact on people, environment and society  | <b>40%</b>     |

# Supply MANAGEMENT

SDG  
12

The Company uses carefully selected raw materials and inputs that meet the high standards of internal quality, safety and security and that allow to satisfy the consumer expectations.

## QUALITY AND SAFETY OF THE PRODUCT

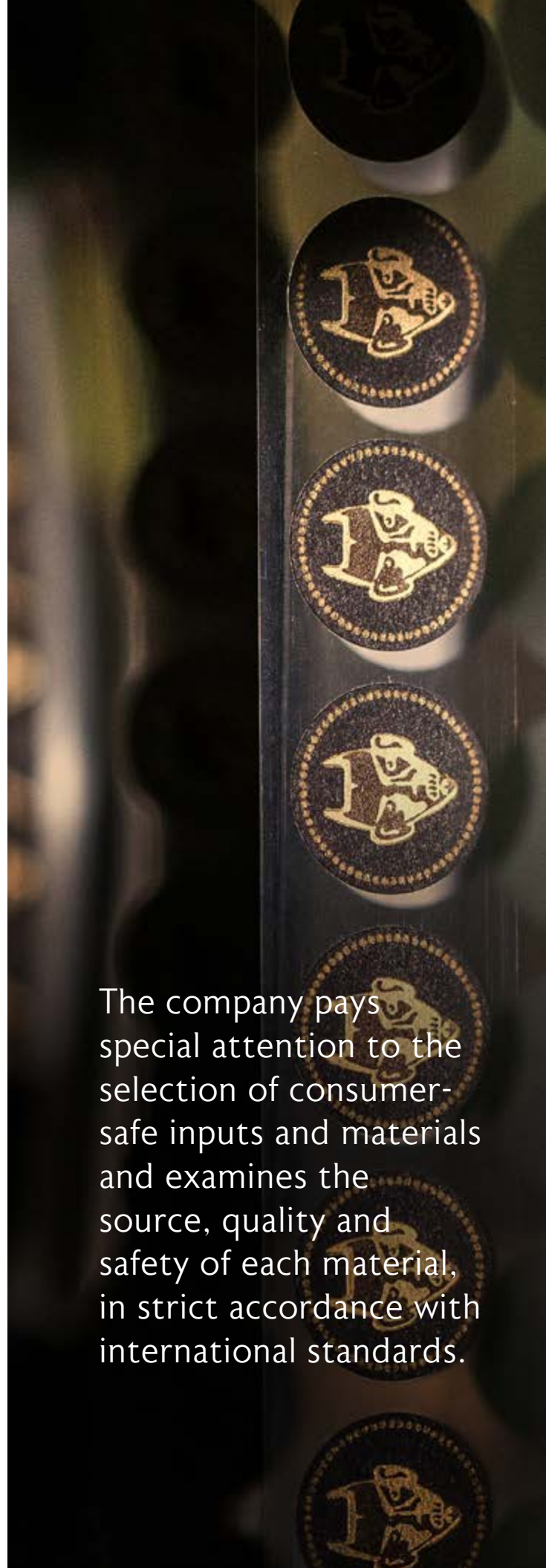
Viña Concha y Toro is committed to delivering safe and high-quality products. Aware of the strategic role of the supply chain in the quality of our products, we take all the necessary measures to meet the expectations of quality from our consumers.

The company pays special attention to the selection of consumer-safe inputs and materials and examines the source, quality and safety of each material, in strict accordance with international standards.

For packaging supplies, the company has a Supplier Development Plan (PDP), which allows its business partners to implement good practices in matters of safety, quality, legality and fraud. The process encourages the implementation and certification of its production or service practices under the international standards of the IFS PAC Secure and the Packaging and Materials of the BRC.

Furthermore, the company has defined a policy that prohibits the use of any oenological and/or agricultural inputs containing Genetically Modified Organisms (GMOs), either tendered or directly purchased. In addition, Viña Concha y Toro requires suppliers to deliver a certificate that guarantees the absence of GMOs.

The company pays special attention to the selection of consumer-safe inputs and materials and examines the source, quality and safety of each material, in strict accordance with international standards.





301-1

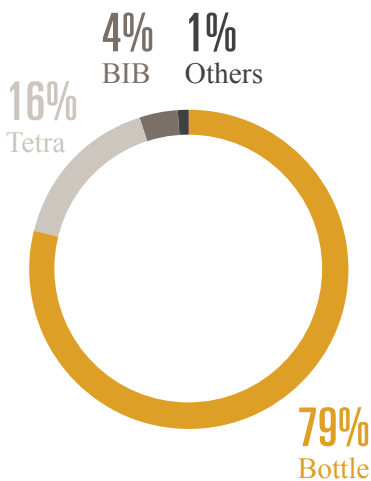
## SUSTAINABLE AGRICULTURE

The main raw material for wine production is the grape, which is either supplied to our wine cellars from our own vineyards or purchased from external producers. The company promotes sustainable agriculture and, to ensure the quality and safety standards of the grapes purchased from external suppliers, it has established a "List of prohibited and restricted agrochemicals". In addition, it has a specialized technical support team for grape producers that prioritizes considering the environmental impacts of agriculture, including pesticide control, water consumption efficiency and biodiversity conservation.

In Chile, during 2018 the company worked with 18 grape suppliers in compliance with the checklist of the Chilean Wine Sustainability Code which includes requirements for integrated pest management, soil management, water and energy efficiency, health and safety, among others.

In the case of Fetzer, the vineyard aims to supply 90% of organic or certified grapes under a sustainable certification program. During 2019 it will develop its strategy to engage its producing partners in order to meet this goal by 2020.

## MIX OF PACKAGING PRODUCTS

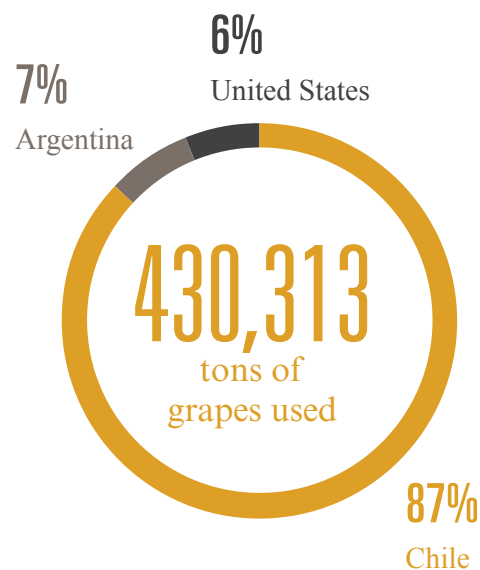


**115,303**  
Non-Renewable  
Materials

**10,243**  
Renewable  
Materials

FETZER AIMS TO SUPPLY +90% OF ORGANIC CERTIFIED GRAPES UNDER A SUSTAINABLE CERTIFICATION BY 2020.

## MAIN SUPPLIES - RAW MATERIALS



301-2

## SUPPLIES AND MATERIALS

Viña Concha y Toro is aware of the environmental impact that its supplies and packaging materials could produce and for years has been working on the management and mitigation of them, which account for 37% of the company's total CO<sub>2</sub> emissions.

To date, 98% of the bottles used by the company have had weight reductions. Since a lighter packaging involves fewer associated emissions and less environmental impact, our goal is to continue working on minimizing the weight of the packaging. On the other hand, the glass bottles used by the company in Chile have on average 27% recycled material.

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# *Promotion of* **SUSTAINABILITY IN THE SUPPLY CHAIN**

SDG  
9

Viña Concha y Toro is aware of the environmental impact that can produce the packaging of their products and for this reason is working on with suppliers to mitigate them.

## **MEASURING THE CARBON FOOTPRINT**




82% of the company's total emissions are beyond its operational control. Working together with suppliers is therefore crucial to reducing the impact of our value chain.

Since 2011 the company has had the program "Suppliers, Sustainability and Carbon Footprint" in which its main packaging suppliers participate. This program seeks to encourage the reduction of GHG emissions and to adopt good environmental and social practices in suppliers. Thanks to this program, the company has managed to reduce 22% of CO<sub>2</sub> emissions related to the packaging of its products from 2011 to 2018.



## Progress Towards SDG

### SUPPLY CHAIN PILLAR

| Sustainability Strategy<br>Viña Concha y Toro |  |               |                      | 2030 Agenda   |  |
|---|--|---------------|----------------------|---|--|
|   | Goal 2020  | Progress 2018 | Accumulated progress | SDG   | Specific Objective   |
| Responsible Supply Chain                      | 100%<br>Key suppliers in compliance with the Corporate Ethics Standard | <b>25%</b>    | <b>50%</b>           |    | <b>8.8</b> Protect labor rights and safe work environment. |
| Sustainability Index                          | 100%<br>Suppliers with sustainability assessment                       | <b>25%</b>    | <b>25%</b>           |    | <b>12.2</b> Efficient use of natural resources.            |
| Sustainable Packaging                         | 100%<br>Premium portfolio with weight reduction per bottle             | <b>0%</b>     | <b>6%</b>            |   | <b>12.2</b> Efficient use of natural resources.            |
| Packaging Carbon Footprint                    | 15%<br>Reduction per bottle  | <b>10%</b>    | <b>22%</b>           |  | <b>9.4</b> Promote the adoption of clean technologies.     |

## SUPPLY CHAIN PILLAR SUMMARY TABLES

### Raw Materials and Supplies

301-1

| <b>Main Supplies - Raw Materials[ton]</b> |              |                |                |                |
|---|--------------|----------------|----------------|----------------|
|   |              | <b>2016</b>    | <b>2017</b>    | <b>2018</b>    |
| Own Grapes                                | <b>TOTAL</b> | <b>118,840</b> | <b>125,927</b> | <b>167,140</b> |
|   | Chile        | 100,188        | 107,098        | 144,116        |
|   | Argentina    | 14,365         | 17,069         | 17,975         |
|   | USA          | 4,287          | 3,536          | 5,049          |
| Purchased Grapes                          | <b>TOTAL</b> | <b>225,491</b> | <b>224,389</b> | <b>263,173</b> |
|   | Chile        | 191,108        | 193,913        | 231,782        |
|   | Argentina    | 9,861          | 9,640          | 11,317         |
|   | USA          | 24,522         | 19,028         | 20,074         |

| <b>Main Materials - Non-Renewable Materials [ton]</b> |                 |                |                |                |
|---|-----------------|----------------|----------------|----------------|
| <b>Material</b>                                       | <b>Supply</b>   | <b>2016</b>    | <b>2017</b>    | <b>2018</b>    |
| Glass   | Packaging       | 107,083        | 110,614        | 112,757        |
| Adhesive Paper  | Labeling        | 214            | 221            | 275            |
| Aluminum  | Lids, Caps      | 710            | 645            | 774            |
| Plastic   | Caps, Packaging | 109            | 137            | 264            |
| Tetra Pak   | Packaging       | 1,294          | 1,077          | 1,177          |
| Synthetic stopper                                     | Stopper         | 33             | 47             | 56             |
| <b>TOTAL</b>  |                 | <b>109,444</b> | <b>112,741</b> | <b>115,303</b> |

| <b>Main Supplies – Renewable Material Supplies [ton]</b> |                   |              |               |               |
|--|-------------------|--------------|---------------|---------------|
| <b>Material</b>  |                   | <b>2016</b>  | <b>2017</b>   | <b>2018</b>   |
| Cardboard  | Boxes, separators | 8,820        | 10,027        | 9,629         |
| Cork   | Stopper           | 224          | 262           | 471           |
| Paper  | Labeling          | 68           | 142           | 143           |
| <b>TOTAL</b>   |                   | <b>9,111</b> | <b>10,431</b> | <b>10,243</b> |
| <b>% Operations Included</b>                             |                   | <b>85%</b>   | <b>94%</b>    | <b>100%</b>   |

## Lightweight Bottles

| Bottles Used by Type            |                |              |              |              |
|---------------------------------|----------------|--------------|--------------|--------------|
| Type                            | Unit           | 2016         | 2017         | 2018         |
| Regular Bottles                 | million        | 8.8          | 6.4          | 4.2          |
| Lightweight Bottles             | million        | 229.0        | 219.0        | 202.4        |
| <b>Total</b>                    | <b>million</b> | <b>237.9</b> | <b>225.4</b> | <b>206.6</b> |
| <b>% of Lightweight Bottles</b> |                | <b>96%</b>   | <b>97%</b>   | <b>98%</b>   |

| Glass Usage Reduction |      |        |        |        |
|-----------------------|------|--------|--------|--------|
| Type                  | Unit | 2016   | 2017   | 2018   |
| Glass                 | ton  | 13,401 | 14,449 | 13,577 |

| GHG Emissions Reduction |                           |               |               |               |
|-------------------------|---------------------------|---------------|---------------|---------------|
| Type                    | Unit                      | 2016          | 2017          | 2018          |
| Transport               | tonCO <sub>2</sub> e      | 2,921         | 2,468         | 2,659         |
| Glass use               | tonCO <sub>2</sub> e      | 11,550        | 11,992        | 11,468        |
| <b>Total</b>            | <b>tonCO<sub>2</sub>e</b> | <b>14,471</b> | <b>14,460</b> | <b>14,127</b> |



## *Product*

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





The satisfaction of our consumers depends fundamentally on our product offer, manufactured according to rigorous quality standards and adapted to the main consumer trends. In this sense, the holding has a portfolio of brands and wines that have been developed to respond to different consumer segments, which always include messages for the responsible consumption of our products.

To achieve this objective Viña Concha y Toro focuses its strategic product pillar mainly on the following aspects:



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# *Innovation in* **PRODUCT DEVELOPMENT**

SDG  
8

Viña Concha y Toro is aware of the importance of research and the development of new products that allow an increase of its commercial proposal and respond to the demands of its consumers.

Research and development help us to improve the efficiency and quality of the production and services we offer our customers, allowing us to deliver a better response to both business changes and changes in business behavior Consumers.

Innovation in our products is addressed through the multidisciplinary work and collaboration between the CRI, the Marketing Management and the Technical area, in order to expand the product categories offered by the company, guaranteeing quality at all times. Projects are aimed at taking advantage of the opportunities and market niches which are identified by market intelligence and new consumer research methodologies.

In 2018 Diablo wine was launched, a co-development between the marketing area and the CRI. This wine is the result of in-depth research on the sensory characteristics of wine that are most attractive to the young public.







# Quality CONTROL

SDG  
9

In Viña Concha y Toro, ensuring that each product rigorously complies with the strictest standards of quality and food safety, throughout its entire production process, from the cultivation of the grapes to finally reaching the consumer's glass, quality control is a fundamental pillar of the Business.

416-1

The company has Corporate Quality Policies that provide guidelines to the System of Quality Management, entailing a series of protocols, a documentary system based on HACCP standards, internal and external controls and verification systems, all of which are validated by the international certifications and standards of the British Retail Consortium (BRC) in Chile and in Argentina, as well as the International Food Standard (IFS) for the packaging plants in Chile.

Viña Cono Sur has Organic credentials from the Organic Agricultural Products National Certification System granted by the Agricultural and Livestock Service of Chile (SAG), and certification ISO 9001:2015 regarding Quality Management Systems.

Fetzer, for their part, is certified by the GFSI Global Food Safety Initiative, which ensures the safety of its products, with a CCOF's organic certification and a Demeter certification for biodynamic products.

Furthermore, the company pays special attention to selecting consumer-safe supplies and materials, checking their source, quality and safety in great detail and in strict accordance with international standards.

This is how the company ensures quality and safety throughout its value chain, meeting the expectations of its customers and the strictest international standards.

## CERTIFICATIONS

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

### Chile - Concha y Toro



### Chile - Viña Cono Sur



### USA - Fetzer



### Argentina – Trivento



*Como*  
*Sun*  
BICICLETTA  
RESERVA



# Marketing and RESPONSIBLE CONSUMPTION

SDG 3  
SDG 12

Viña Concha y Toro is thoroughly convinced that the promotion of Responsible Consumption is an essential and necessary value in order to consolidate its leadership globally.

Responsible Consumption is and will always be an essential element and a desirable value in society, which is why it is one of the fundamental values of this company, not only to consolidate its leadership at a global level but also for the consolidation of the company's commitment to society. To this end, Viña Concha y Toro carried out a marketing campaign to transmit to the public the Principles of Responsible Consumption established by the organization.

In addition, the company ensures that none of its marketing communications go against these principles, including all of its digital, social media, and traditional marketing platforms.

In 2017, corporate principles of Responsible Consumption were officially established, in which the company expressed its conviction and intention to inspire society to establish new and better ways of relating with the consumption of wine.

During 2018, the company made progress in spreading these principles to its external stakeholders. <https://conchaytoro.com/holding/consumo-responsable/>. Viña Concha y Toro recognizes that the expected cultural change regarding responsible consumption is only possible if this commitment is embraced by all the stakeholders, working together to carry out actions that promote the responsible marketing of our products as well as an effective self-regulation before society.



404-2

Among the actions carried out in this regard are the following:

- Establishing partnerships with public and private organizations.
- Communicating and announcing its activities through materials, educational programs and digital platforms.
- Fabricating and dealing a standard-size glass, and representing it as the consumption style of a moderate and responsible intake of the products.
- Including symbols or words on the labels that reject alcohol consumption by drivers, minors and pregnant women.
- Delivering clear information about the innovation of our products and the risks of excessive drinking of alcoholic beverages.



**1.** Supports, promotes and prioritizes moderate consumption of wine and alcoholic beverages, in line with international standards proposed by the World Health Organization (WHO).

**2.** Rejects and condemns the consumption of wine and alcoholic beverages among high-risk groups, such as minors, pregnant women and drivers.

**3.** Considers and communicates the responsible consumption and sale of wine and alcoholic beverages as a key component of its corporate and marketing codes.

**4.** Promotes wine consumption as part of a healthy lifestyle.

## RESPONSIBLE MARKETING

In regards to our product's labels, packaging and advertising activities, the company makes sure to use appropriate labels and expressions that customers trust. First of all, this ensures compliance to associated laws and regulations in each of the countries that sells the company's products, with special attention to the aspect of alcohol consumption.

Within the company, there is a legal department specifically responsible for reviewing and assessing the labels and the expressions used for sales promotion of 100% of the products and advertising materials. This way, the company is able to adapt to the legal requirements in its different target markets and ensure their compliance, for example, informing about the content of sulphites, recycling of bottles or packaging and using expressions, or quotes that promote the responsible consumption of alcohol.



## "SUSTAINABILITY COMMUNICATION TOOLKIT"

This toolkit has the objective of reinforcing, among the marketing and commercial areas, the correct way of communicating the sustainability attributes of the company's products to the consumer, to avoid falling into bad communication practices or "greenwashing". The "Sustainability Communication Toolkit" was developed in 2018 and disseminated throughout the company. This document is an internal support manual, so that the communication of Viña Concha y Toro's sustainability attributes is in line with national and international best practices and is, therefore, a way of educating consumer's decision-making, and avoiding any reputational risks.



## Progress Towards SDG

### PRODUCT PILLAR

|                        | Sustainability Strategy<br>Viña Concha y Toro                    |               |                      | 2030 Agenda   |   |
|------------------------|--|---------------|----------------------|---|---|
|                        | Goal 2020  | Progress 2018 | Accumulated progress | SDG   | Specific Objective  |
| Innovation             | 3 New product categories   | <b>33%</b>    | <b>66%</b>           |  8 DECENT WORK AND ECONOMIC GROWTH         | <b>8.2</b> Improve productivity through innovation.                                       |
| Quality                | 100% Unified Quality Strategy Implementation                     | <b>33%</b>    | <b>33%</b>           |  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | <b>9.4</b> Promote the adoption of clean technologies.                                    |
| Sustainable Attributes | 100% Brands with identified attributes and implemented campaigns | <b>25%</b>    | <b>50%</b>           |  12 RESPONSIBLE CONSUMPTION AND PRODUCTION | <b>12.8</b> Promote the access to information on sustainability.                          |
| Responsible Drinking   | 100% Campaign implemented in 4 phases                            | <b>25%</b>    | <b>75%</b>           |  3 GOOD HEALTH AND WELL-BEING              | <b>3.5</b> Strengthen the prevention of harmful alcohol consumption.                      |
|                        |  |               |                      |  12 RESPONSIBLE CONSUMPTION AND PRODUCTION | <b>12.6</b> Adopt sustainable practices and incorporate information about sustainability. |



# *Customers*

Build strategic relationships with our customers.

Viña Concha y Toro is aware of the importance of establishing close ties of cooperation with its customers, which are mainly retail chains and large distributors, to ensure that its products, and the message it seeks to convey, reach the consumers with the highest standards of quality and transparency. In this sense, the company's strategic objective is to generate strategic relationships with its customers that will enhance the value offer for the final consumer, focusing its actions mainly on two aspects:





**Strengthening  
relationships with  
integral customers**

**Promoting  
sustainability through  
the efficiency of our  
distribution chain**

# Strategic Relationships WITH OUR CUSTOMERS



The company seeks to build strong, successful and lasting business relationships with customers, through transparent communications with its business and social environments, which allow us to take part in dialogues at the global level related to the work that we do and the issues we're interested in. This way, the organization monitors the responsible use of information, respecting the protection measures established by the Company, in order to ensure consistency and transparency in all of Viña Concha y Toro's communications.

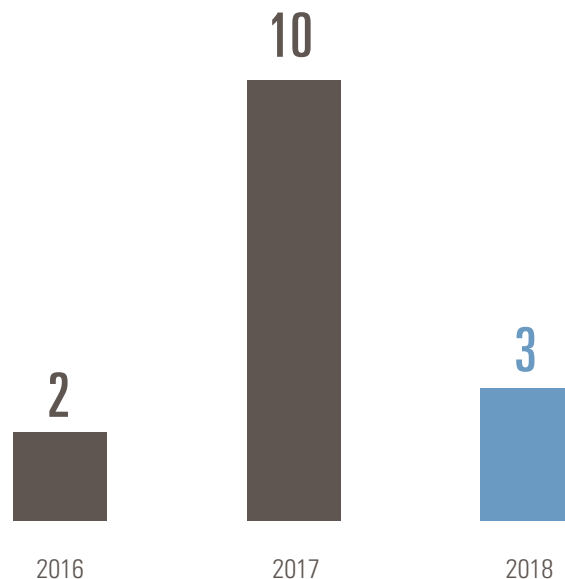
## CUSTOMER AUDITS

The external audits requested by our customers are instances that allow us to deepen our commitment and generate relationships of trust and transparency. The external audits are divided into two large groups:

The first one corresponds to the review processes requested by customers, with the aim of ensuring that the company meets the required ethical, environmental, quality and safety standards. The second group corresponds to the certification on international standards such as BRC (British Retail Consortium), IFS (International Featured Standard) and Organic (NOP, Chile, CE, Korea, JAP, EU).

In 2018 in Chile, our bottling and packaging plants received two customer-requested technical audits and two ethical audits under Walmart and Smeta standards. For its part Trivento received 1 technical customers-requested audit.

## CUSTOMERS AUDITS SUMMARY





## CORPORATE COMMUNICATIONS POLICY

The company has established a Corporate Communications Policy, which sets out the general guidelines for Viña Concha y Toro S.A. and National and Foreign Affiliates to disseminate their communications effectively, in a timely, truthful, transparent way, and according to Corporate Values.

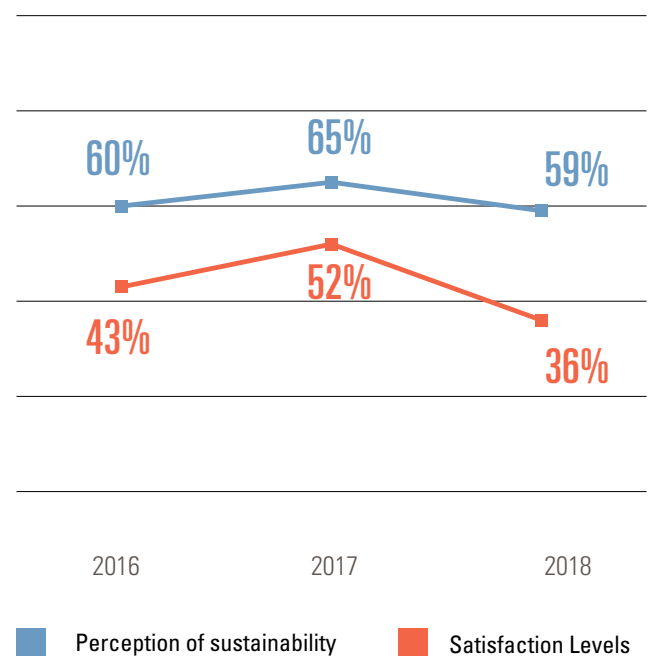
For Viña Concha y Toro it is imperative to respect and protect the privacy of consumers and the confidentiality of customer information. Strictly complying with the legal and ethical terms and conditions, respecting the rights, trademarks, advertising uses and any other advertising material, is standard practice in all the holding's activities. In addition, the company seeks to recognize and respect the dignity of the people, their right to be listened to, to be treated well and for their concerns to be answered.

## CUSTOMER SATISFACTION

With the objective of improving the relationship with customers and maintain a channel of direct communication with them, there is a complaint procedure managed online. In addition, to identify the opportunities for improvement and to enhance the positive aspects of the management, every year the holding invites all customers who have made more than one purchase during the previous period to respond to a survey that states their level of satisfaction with the product and the degree of loyalty toward the company. This study allows us to know their perception and have a model to identify the main factors that influence these variables.

The 2018 survey involved 134 customers and an overall satisfaction level of 36% was obtained, decreasing by 16% compared to the previous period.

## CUSTOMER SATISFACTION LEVELS AND PERCEPTION OF SUSTAINABILITY



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# *Promoting* **SUSTAINABILITY WITH STRATEGIC CUSTOMER**



Viña Concha y Toro extends its guidelines and ethical standards and social standards (Code of Business Conduct and Ethics) to its customers, looking to promote the environmentally friendly and responsible practices both with the environment and with the people involved in the different stages of the value chain.

The company seeks to ensure the commitment of its customers and the distributors compliance through clauses in contracts that commit customers to the compliance with the standards of the company and specifically with our Code of Business Conduct and Ethics.

During 2018, for the second consecutive year, we invited all distributors with sales over 5,000 C9L (nine liters cases) per year to respond a voluntary self-assessment survey regarding the ethical, social and environmental standards, which was answered by 26 strategic customers. In 2019, best-practices manuals with recommendations will be generated, with the objective of helping to improve in aspects identified as weak.

## **EFFICIENCY IN GHG EMISSIONS**

For Viña Concha y Toro, the proper and efficient functioning of the logistic chain is of the utmost importance for ensuring that the products arrive to over 130 countries of destination on time and with the expected quality standards. In this sense, the company promotes efficiency in the processes of transport and distribution as an aspect to substantiate its sustainability strategy.

GHG emissions arising at the final distribution of our products represent over 20% of the company's total carbon footprint. Given its importance, our goal is to reduce terrestrial transportation emissions deriving from production and distribution operations by 15% by the year 2020, in comparison to the base year 2014. Between 2014-2018 the company has achieved a reduction of 9%, representing a progress of 60% of the target set for 2020.






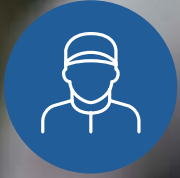


BETWEEN 2014-2018 THE COMPANY HAS ACHIEVED A REDUCTION OF 9%, REPRESENTING A PROGRESS OF 60% OF THE TARGET SET FOR 2020.

## Progress Towards SDG

### CUSTOMERS PILLAR

| Sustainability Strategy<br>Viña Concha y Toro |   |               |                      | 2030 Agenda  |  |
|---|---|---------------|----------------------|--|--|
|   | Goal 2020   | Progress 2018 | Accumulated progress | SDG  | Specific Objective                                     |
| Efficiency in logistics costs                 | 19,5 \$/liter   | <b>2%</b>     | <b>102%</b>          |  <b>8</b> DECENT WORK AND ECONOMIC GROWTH         | <b>8.2</b> Improve productivity through innovation.    |
| Efficiency of CO <sub>2</sub> Emissions       | 15% Reduction in emissions per bottle                           | <b>-3%</b>    | <b>9%</b>            |  <b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE | <b>9.4</b> Promote the adoption of clean technologies. |
| Integral Customers                            | 100% of customers complying with the Corporate Ethical Standard | <b>25%</b>    | <b>50%</b>           |  <b>8</b> DECENT WORK AND ECONOMIC GROWTH         | <b>8.8</b> Protect labor rights and safe environment.  |



# People

Have employees highly committed to the company.

103-1  
103-2  
103-3

Viña Concha y Toro's strategic objective in regards to the people pillar is to generate long-term connections with its employees through actions and programs that generate mutual commitment and identification with the company.

One of the company's objectives is to support the professional development of its employees through training -within the organization-, seeking to enhance their skills and knowledge. This is also achieved by safeguarding employees' health and safety, fostering their physical, mental and social wellbeing, and continuously improving labor relations, which results in an increased level of satisfaction and commitment.

In this regard, the company focuses its efforts on the management of people in three fundamental aspects:



**Talent  
and Career  
Development**

**Engagement**

**Strengthening  
Skills**

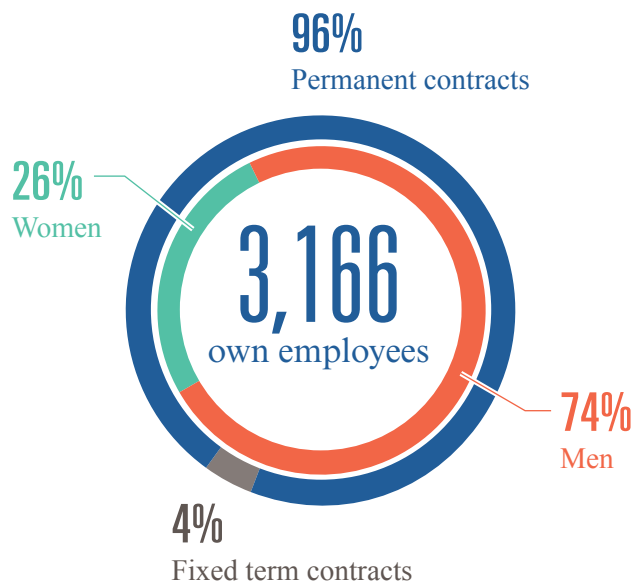
# Working RELATIONS

SDG  
8

102-8

## WORKFORCE

The company's entire workforce is comprised of 3,166 employees, located in the various offices of the three countries where it operates. Of this total, 96% have indefinite contracts; 74% men and 26% women.



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







## TEMPORARY WORKERS

Temporary employees are a central axis of our production process, mainly in agricultural work and in wine cellars during the harvest period. The company is responsible for providing them with favorable working conditions, including healthy and safe conditions, which must be in line with the standards that govern the company, as well as providing them with benefits that provide well-being and recognition of their important work.

Benefits for Temporary Workers:

- Performance Bonuses
- Monthly gift cards for personal use.
- Transport to the workplace
- Food Services

In addition, every year the company conducts internal audits of compliance with its Corporate Ethics Standards in order to verify and ensure the compliance with internal policies and procedures and external social and environmental requirements that the company must comply. Through this exercise the company warrants that there are no human rights violations of any of its employees, either permanent and temporary.

**1,674**  
Average  
temporary  
workers<sup>4</sup>

4. Temporary workers perform seasonal tasks - such as harvesting - since they consider a limited period of the productive cycle.

The company  
has 10 active  
trade unions

**9** in  
Chile

**1** in  
Argentina

102-41

403-4

## TRADE UNIONS

Viña Concha y Toro seeks to maintain permanent and fluid relations with trade union organizations, based on dialogue, mutual collaboration and trust. To this end, it recognizes, respects and safeguards the right of its employees to associate, form trade unions and bargain collectively. In addition, it promotes collaborative work and harmonious relationships with all its employees and their representative bodies, both within the company and along its supply chain.

The company has 10 active trade unions, 9 in Chile and 1 in Argentina. Fetzer Vineyards, for its part, does not have with trade unions or collective agreements or contracts.

In 2018, there was a collective bargaining process with one of the trade unions in Chile (Union Planta Lontué) and the negotiation was carried out successfully.

It is worth mentioning that these collective agreements cover all aspects of occupational health and safety regarding employees, indicating the obligation of the company to take all appropriate measures to maintain the adequate hygiene, and report any unsafe events in and/or around the company's facilities, facilitating personal protection equipment, needed to prevent occupational accidents and diseases and to foster a culture of adequate working practices in direct cooperation with trade unions and joint committees.

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# *Career and* **TALENT DEVELOPMENT**

SDG  
8

Viña Concha y Toro is committed to delivering an excellent work environment to its employees, offering opportunities for professional and personal development, supporting diversity and rejecting any type of discrimination.

We are aware of the importance of having the best professionals to support our long-term growth and that the ability to attract and retain talent is essential for this. Through the management of people and work teams, we achieve committed, high-performance workers, aligned to the strategy and culture of the company.

In 2018, we began working with the design of the company's model and career development policy. The objective of this process is to facilitate and enhance effective talent management within the organization. For 2019, the goal is to create the career route map for the commercial and trading areas, with the construction of 100% of the profiles of the critical positions of these areas.





Fetzer Vineyards - United States

## INTERNAL MOBILITY

Career development management within the company is mainly done through internal mobility processes, through open or closed publications aimed at employees. For those who meet the application requirements, a potential assessment is carried out, a process that consists in identifying the gaps in the applicant's development with respect to the competencies required for a position, whose objective is to support the taking of effective decisions on identifying training and/or development needs.



404-3

## PERFORMANCE MANAGEMENT SYSTEM

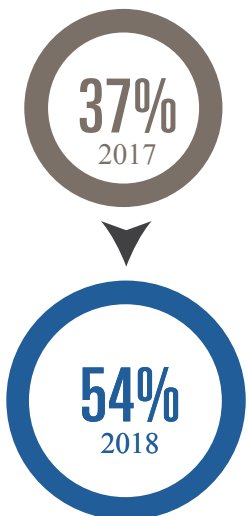
The company seeks to boost employee performance by aligning individual expectations and goals with corporate ones. For this purpose, performance evaluations are carried out annually, as established according to formal criteria.

During 2018 the new Platform of Performance Management was launched. This tool is 100% online -a cloud tool that allows one to plan, follow, evaluate and feed the performance of other people in an agile and focused way, facilitating their development and the achievement of the company's objectives with the expected levels of excellence.

Through the platform, headquarters can enter performance objectives and technical competencies, assess objectives, behavioral competencies and technical competencies, as well as build action plans for those competencies that have a gap from the expected level.

In the 2018 process we achieved a significant advance in the response rate of performance evaluations, reaching 54% of evaluated employees. Our goal is to keep moving forward and reach 100% of employees evaluated annually.

### PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND PROFESSIONAL DEVELOPMENT ASSESSMENTS.



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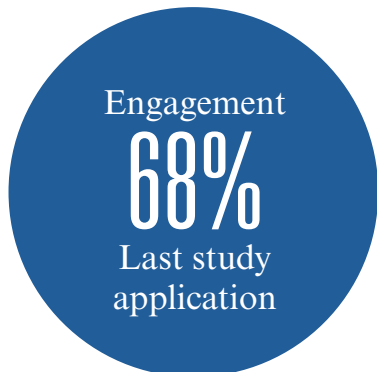
# Engagement



Viña Concha y Toro tracks the evolution of the work environment within the organization on a bi annual basis through the application of its engagement survey, implementing improvements according to the results obtained.

Human Resources Department presents the results to each area to disseminate good practices and generate a plan to work on the weakest points that are affecting the work environment.

The last application of this study was at the end of 2016, with 78% total participation reaching a 68% commitment, increasing 9 points from the previous evaluation. In 2018 the study was not conducted because the company went through a process of major restructuring and culture change, postponing its application to 2019.



## WELFARE AND BENEFITS

In line with the objective of improving the quality of life and the level of commitment in its employees, the company has various benefits and opportunities both in the professional and personal areas. These corporate benefits apply mainly to the holding's permanent workers; therefore, it does not include temporary or fixed-term workers, however, temporary workers have another set of benefits.

401-2

### Common Benefits

The main benefits of our workers are:

- Bonuses for: vacations, schooling, birth, marriage, child care and death.
- Complementary health insurance co-financed by the company.
- Agreements with Isapre.
- Agreement with the Arturo López Pérez Foundation for cancer treatment at that institution.
- Drug and Alcohol abuse prevention program.
- Insurance with the La Esperanza Foundation so that workers can access free outpatient treatment at the la Esperanza foundation.
- PAE (Employee Support Program): 3 free face-to-face psychological care sessions and telephonic attention for legal and financial advice.
- Agreements with Gyms.
- Insolvency funds: The Vineyard co-finances projects to sports, recreational, artistic or cultural workers.
- Sports Championships: A football championship and a bowling championship are held.
- Health promoting activity: self-care fairs with providers in the field, medical camps for workers

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IN 2018, VIÑA CONO SUR ACHIEVED THE CERTIFICATION UNDER THE **FOR LIFE PROGRAM**, REAFFIRMING ITS COMMITMENT WITH SAFE AND FAIR LABOR CONDITIONS FOR WORKERS AND THE PROMOTION OF SUSTAINABLE DEVELOPMENT AT LOCAL LEVEL AND THROUGHOUT THE SUPPLY CHAIN.



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IN 2019, OUR GOAL IS TO POSITION FETZER VINEYARDS AS THE BEST PLACE TO WORK IN CALIFORNIA AND THE UNITED STATES, CONDUCTING COMPENSATION ANALYSIS, DEFINING CAREER PLANS FOR KEY POSITIONS, AND DEVELOPING TRAINING PLANS FOR AREAS, IN ADDITION TO CONTINUING EMPLOYEE INITIATIVES.



Concha y Toro - Chile



The Company rejects any type of discrimination either by gender, sexual orientation, racial or ethnic origin, religious beliefs, age or others.

## REMUNERATION

The remuneration to our employees is calculated under the criteria of equality, placing value on merits and capacities, and granting equal opportunities to all people. In this sense, the company rejects any type of discrimination, whether due to gender, sexual orientation, ethnic origin, religious beliefs, age or others.

The Holding makes no difference between men and women as concerns wages for the same position. The differences observed in wages by gender (see table in annex of this chapter) are explained by two motives. First: for the internal diversity of each job category, where employees with different responsibilities and occupational characteristics and training are included; and secondly: by the relative weight of women in each of the categories.

## CULTURE – “TOGETHER WE BUILD A BETTER FUTURE”

In 2017 and 2018, we made important changes in our corporate strategy and business model. This transformation brought with it a necessary cultural change and a new way of doing things. Viña Concha y Toro's new Culture is based on the motto "**Together we build a better future**" and it translates into four components: Respect, Collaboration, Openness to change and Agility.

# Training and DEVELOPMENT

Training our employees has been a fundamental pillar in the company's human resource management area, which has the objective of promoting labor and personal growth through training and development programs.

The objectives of this area are focused on developing continuing education programs, in partnership with prestigious universities, such as the Diploma in "Tools for Oenology and Winemaking Industry Management", for Enologists, and the Diploma in "Laboratory Tools" and "Tools for Laboratory Leadership", for Analysts, Senior Analysts and Laboratory Chiefs". In addition, the implementation of courses for the different divisions based on a curriculum established in accordance with the standards in our Knowledge Center (CDC).

404-2

## TRAINING AND EDUCATION PROGRAMS

Viña Concha y Toro's training programs are channeled through the Knowledge Center (CDC), that establishes continuing education programs with quality standards and topics that provide high performance, committed workers, who are on board with the strategy and culture of the company, allowing us to reach the objectives of the Divisions and the Company.

That is why our programs are offered on site or through e-learning. Broadly speaking, the training programs can be classified as follows:

- **Technical Courses:** related to all programs having to do with the different business sections.
- **Induction:** related to the corporate induction process.
- **Computer Labs:** programs related to different computer tools such as, word, excel, etc.
- **Development:** oriented to improving the worker's professional abilities, scholarships and Quality of Life.

SDG  
4



The following continuing education programs taking place at the Universidad de Chile during 2018 deserve mention:

- Diploma in "Tools for Oenology and Winemaking Industry Management", for Enologists.
- Diploma in "Laboratory Tools" and "Laboratory Leadership Tools", for Junior and Senior Analysts and Laboratory chiefs.

### Continuous Employability Programs

We also have programs that facilitate continued employability, management of the end of a professional career for reasons of retirement or firing.

An Out-placement and Work Reinsertion Program with the Plutón Project was implemented in 2018. The program came about as part of the company's restructuring process, and was directed at workers who lost their jobs. The objective was to give them tools and speed up the reinsertion process, provide novel work searching tools and emotional support. The program consisted in three courses with the objective of promoting better employment opportunities. (Use of Microsoft Office, Word, Excel and Power Point, Plumbing and Sanitary Installations and Wine cellar Management Techniques, Operation and Maintenance or Forklift (Class D License).

404-1

### AVERAGE TRAINING HOURS PER EMPLOYEE





# Health and SAFETY

The health and safety of the workers is a central priority for the company that is committed to protecting their welfare, anticipating potential risks of the operations in order to provide a safe work place.

The company is committed to assuring that each of the process meet the health standards, occupational and work environment safety, as stipulated by law, in order to guarantee that everyone who work in the installations can enjoy safe and healthy conditions, meeting their needs and maintaining an open dialogue with their representatives.

The Risk Prevention Department is in charge of implementing initiatives to that end, monitoring the advances and implementing corrective measures when defects are discovered.

403-1

## JOINT COMMITTEES

In order to detect and evaluate the risks of accidents and work-related illnesses that workers might suffer, the company has Joint Committees in all of its installations as stipulated by law, which also operate in all levels of the organization.

- In Chile there are 42 joint committees that represent 92% of the workers. The percentage that is not represented works in facilities where the minimum number of people to form a Committee is not met.
- Fetzer Vineyards has three committees representing 100% of the workers.
- There are no committees at the Bodega Trivento. The committee's concerns are represented by the area managers at monthly meetings.



Fetzer Vineyards - United States

403-2

403-3

## HEALTH AND SAFETY RISKS

To maintain the health and occupational security of our employees and contractors, it is essential to identify the principal risks and take action to mitigate them.

In Chile, we have the active participation of the ACHS Administrative Organization, that provides risk prevention support from experts at the national level in the areas of: identification of danger and evaluation of risks, qualitative and quantitative evaluations of industrial hygiene, occupational health and medical vigilance programs at the work place, follow-up of action plans and training programs.

Additionally, in order to manage the safety and occupational health of the company, there is a group of six risk prevention specialists and six paramedics for operations in Chile, one prevention specialist at Trivento and three area managers at Fetzter.

The activities of greater incidence or elevated risk of illness within the company are found principally in the bottling process, among these are: noise pollution, contact with chemical products and Work-Related Upper Extremities Musculoskeletal Disorder (WRUMD).

The most common work accidents, both with contractors as well as full time employees are: bumps, falls, sprains, cuts and entrapment of an extremity.

There were no work-related occupational illnesses registered in the company in 2018. However, one fatal accident was reported in our installations that affected an external worker who provided harvest services.



Concha y Toro - Chile



19.8

Injury  
Frequency Rate

8.7

Contractors Injury  
Frequency Rate

387.6





Lost Day Rate

0.3

Occupational  
Illness Frequency  
Rate

## Progress Towards SDG

### PEOPLE PILLAR

|                       | Sustainability Strategy<br>Viña Concha y Toro                  |                  |                         | 2030 Agenda  |  |
|-----------------------|--|------------------|-------------------------|--|--|
|                       | Goal 2020  | Progress<br>2018 | Accumulated<br>progress | SDG  | Specific Objective   |
| Career<br>Development | 100%<br>Departments with<br>career plans                       | <b>25%</b>       | <b>25%</b>              |  | <b>8.3</b> Promote training policies.                        |
| Engagement            | +70%<br>Level of<br>engagement                                 | <b>0%</b>        | <b>68%</b>              |  | <b>8.2</b> Improve productivity through<br>innovation.       |
| Knowledge<br>Center   | 35<br>Men-hours<br>of training per<br>person per year          | <b>3%</b>        | <b>77%</b>              |  | <b>4.3</b> Ensure access to formal<br>education.             |
| Ethical<br>Management | 100%<br>Installations under<br>ethics certification<br>systems | <b>30%</b>       | <b>66%</b>              |  | <b>8.8</b> Protect labor rights and safe<br>work enviroment. |

## PEOPLE PILLAR SUMMARY TABLES

### Employees

102-8

The total amount of employees with a work contract

| Employees by type of contract |              |       |              |       |
|-------------------------------|--------------|-------|--------------|-------|
|                               | 2017         |       | 2018         |       |
|                               | Women        | Men   | Women        | Men   |
| Permanent                     | 807          | 2,257 | 803          | 2,231 |
| Fixed term                    | 31           | 74    | 34           | 98    |
| <b>Total</b>                  | <b>3,169</b> |       | <b>3,166</b> |       |

| Employees by type of contract and location |              |            |
|--|--------------|------------|
|  | 2018         |            |
|  | Permanent    | Fixed term |
| Casa Matriz (Chile)                        | 1682         | 96         |
| Viña Cono Sur (Chile)                      | 82           | 2          |
| Fetzer Vineyards (USA)                     | 323          | -          |
| Bodega Trivento (Argentina)                | 297          | -          |
| VCT  | 406          | 31         |
| Others                                     | 244          | 3          |
| <b>Total</b>                               | <b>3,166</b> |            |

| Employees by gender and location |              |       |
|----------------------------------|--------------|-------|
|                                  | 2018         |       |
|                                  | Women        | Men   |
| Casa Matriz (Chile)              | 439          | 1,339 |
| Viña Cono Sur (Chile)            | 21           | 63    |
| Fetzer Vineyards (USA)           | 116          | 207   |
| Bodega Trivento (Argentina)      | 76           | 221   |
| VCT                              | 90           | 347   |
| Otros                            | 95           | 152   |
| <b>Total</b>                     | <b>3,166</b> |       |

## Diversity in the governance body and employees

| Employees by job category and gender            |              |       |              |       |
|---|--------------|-------|--------------|-------|
|   | 2017         |       | 2018         |       |
|   | Women        | Men   | Women        | Men   |
| Managers, Assistant Managers and Executives     | 49           | 134   | 53           | 141   |
| Professionals and Technicians                   | 325          | 652   | 341          | 666   |
| Operators, Salespeople and Administrative Staff | 464          | 1,545 | 443          | 1,522 |
| <b>Total</b>                                    | <b>3,169</b> |       | <b>3,166</b> |       |

| Employees by job category and age               |                           |                             |                   |                           |                             |                   |
|---|---------------------------|-----------------------------|-------------------|---------------------------|-----------------------------|-------------------|
|   | 2017                      |                             |                   | 2018                      |                             |                   |
|   | Younger than 30 years old | Between 30 and 50 years old | Over 50 years old | younger than 30 years old | Between 30 and 50 years old | Over 50 years old |
| Managers, Assistant Managers and Executives     | 2                         | 117                         | 64                | 3                         | 137                         | 54                |
| Professionals and Technicians                   | 158                       | 709                         | 110               | 218                       | 649                         | 140               |
| Operators, Salespeople and Administrative Staff | 422                       | 1,201                       | 386               | 416                       | 1,152                       | 397               |
| <b>Total</b>                                    | <b>3,169</b>              |                             |                   | <b>3,166</b>              |                             |                   |

## Workforce

401-1

### New hirings and staff turnover

| New contracts and Staff Turnover by Age |                           |                             |                   |                           |                             |                   |
|---|---------------------------|-----------------------------|-------------------|---------------------------|-----------------------------|-------------------|
|   | 2017                      |                             |                   | 2018                      |                             |                   |
|   | Younger than 30 years old | Between 30 and 50 years old | Over 50 years old | younger than 30 years old | Between 30 and 50 years old | Over 50 years old |
| Voluntary Job Termination               | 109                       | 179                         | 42                | 126                       | 229                         | 69                |
| Involuntary Job Termination             | 163                       | 139                         | 16                | 150                       | 101                         | 15                |
| New contracts                           | 262                       | 188                         | 16                | 259                       | 241                         | 26                |
| <b>Total Employees*</b>                 | <b>454</b>                | <b>1.581</b>                | <b>437</b>        | <b>483</b>                | <b>1.399</b>                | <b>439</b>        |
| <b>Voluntary Turnover Rates</b>         | <b>24%</b>                | <b>11%</b>                  | <b>10%</b>        | <b>26%</b>                | <b>16%</b>                  | <b>16%</b>        |
| <b>Total Turnover Rate</b>              | <b>60%</b>                | <b>20%</b>                  | <b>13%</b>        | <b>57%</b>                | <b>24%</b>                  | <b>19%</b>        |
| <b>New Contracting Rate</b>             | <b>58%</b>                | <b>12%</b>                  | <b>4%</b>         | <b>54%</b>                | <b>17%</b>                  | <b>6%</b>         |

| New contracts and Staff Turnover by Gender |            |              |            |              |
|--|------------|--------------|------------|--------------|
|  | 2017       |              | 2018       |              |
|  | Women      | Men          | Women      | Men          |
| Voluntary Job Termination                  | 107        | 223          | 122        | 302          |
| Involuntary Job Termination                | 66         | 252          | 61         | 205          |
| New contracts                              | 111        | 355          | 136        | 390          |
| <b>Total Employees*</b>                    | <b>569</b> | <b>1.903</b> | <b>550</b> | <b>1.771</b> |
| <b>Voluntary Turnover Rates</b>            | <b>19%</b> | <b>12%</b>   | <b>22%</b> | <b>17%</b>   |
| <b>Total Turnover Rate</b>                 | <b>30%</b> | <b>25%</b>   | <b>33%</b> | <b>29%</b>   |
| <b>New Contracting Rate</b>                | <b>20%</b> | <b>19%</b>   | <b>25%</b> | <b>22%</b>   |

\*This Data corresponds to the entire workforce of the company in Chile, which represents 73% of all the company's employees. Information about the Holding will be published in the next report.

Turnover Rate: Annual Expenditure / Workforce by December 31, 2018.

New Contracting Rate: Annual Income / Workforce by December 31, 2018.

## Performance Evaluations

404-3

### Performance Evaluations

| Number of employees who have been subject to periodic performance evaluations by gender and job category |            |            |            |              |            |            |
|--|------------|------------|------------|--------------|------------|------------|
|  | 2017       |            | 2018       |              | Variation  |            |
|  | Women      | Men        | Women      | Men          | Women      | Men        |
| Managers, Assistant Managers and Executives  | 18         | 35         | 21         | 60           | 17%        | 71%        |
| Professionals and Technicians  | 127        | 182        | 178        | 321          | 40%        | 76%        |
| Operators, Salespeople and Administrative Staff  | 172        | 363        | 213        | 919          | 24%        | 44%        |
| <b>Total</b>   | <b>317</b> | <b>853</b> | <b>412</b> | <b>1,300</b> | <b>30%</b> | <b>52%</b> |

| Percentage of employees who have been subject to periodic performance evaluations by gender and job category |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2017         |              | 2018         |              | Variación    |              |
|  | Women        | Men          | Women        | Men          | Women        | Men          |
| Managers, Assistant Managers and Executives  | 36.7%        | 26.1%        | 39.6%        | 42.6%        | 2.9%         | 16.4%        |
| Professionals and Technicians  | 39.1%        | 27.9%        | 52.2%        | 48.2%        | 13.1%        | 20.3%        |
| Operators, Salespeople and Administrative Staff  | 37.1%        | 41.2%        | 48.1%        | 60.4%        | 11.0%        | 19.2%        |
| <b>Total</b>   | <b>37.8%</b> | <b>36.6%</b> | <b>49.2%</b> | <b>55.8%</b> | <b>11.4%</b> | <b>19.2%</b> |

## Remunerations

202-1

### Ratio of the standard entry level salary by gender compared to local minimum wage

|           |         |     | Country's minimum wage (\$) |         | Viña Concha y Toro's Entry Level Salary (\$) |           | Ratio Viña Concha y Toro vs. Country |             |
|-----------|---------|-----|-----------------------------|---------|--|-----------|--------------------------------------|-------------|
|           |         |     | 2017                        | 2018    | 2017   | 2018      | 2017                                 | 2018        |
| Chile     | Women   | CLP | 270,000                     | 288,000 | 375,000                                      | 375,000   | <b>139%</b>                          | <b>130%</b> |
|           | Men     |     |                             |         | 375,000                                      | 375,000   | <b>139%</b>                          | <b>130%</b> |
| USA*      | Women   | US  | 10.50                       | 11.00   | 12.20  | 13.00     | <b>116%</b>                          | <b>118%</b> |
|           | Men     |     |                             |         | 12.20  | 13.00     | <b>116%</b>                          | <b>118%</b> |
| Argentina | Women   | ARS | 8,860                       | 11,300  | 17,694.00                                    | 22,578.00 | <b>200%</b>                          | <b>200%</b> |
|           | Men     |     |                             |         | 17,694.00                                    | 22,578.00 | <b>200%</b>                          | <b>200%</b> |
|           | Women** | ARS | 8,860                       | 11,300  | 15,007.00                                    | 18,709.00 | <b>169%</b>                          | <b>166%</b> |
|           | Men**   |     |                             |         | 15,007.00                                    | 18,709.00 | <b>169%</b>                          | <b>166%</b> |

Country's Minimum Wage: Minimum Wage as of December 31, 2018.

Viña Concha y Toro's Entry Level Salary: Entry level salary of a worker who in beginning to work in the company, without training or higher education.

\* In the case of Fetzer, the minimum wage is of the State of California is considered on an hourly basis, while the country's minimum wage is 7.5 dollars per hour.

\*\* Employees within the agreement: The following concepts are considered: Base Salary, Secondary Title, Assistance, Punctuality, Trivento Incentive.

405-2

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

| Percentage ratio of women's wages to men's wages |           |               |           |               |
|--|-----------|---------------|-----------|---------------|
|  | 2017      |               | 2018      |               |
| Job Category                                     | Base Wage | Median Wage * | Base Wage | Median Wage * |
| Managers, Assistant Managers and Executives      | 86%       | 86%           | 92%       | 84%           |
| Professionals and Technicians                    | 107%      | 107%          | 106%      | 95%           |
| Operators, Salespeople and Administrative Staff  | 109%      | 109%          | 96%       | 73%           |

\* The Median wage is the year's average ( base wage + variable) of all the employees by category.

This data corresponds to the company's employees in Chile, which represents 73% of the company's total employees. The Holding's complete information will be published in the next report.



## Training

404-1

### Average hours in training per employee each year

| Average hours in training per employee each year |           |           |
|--|-----------|-----------|
| 2018   |           |           |
|  | Women     | Men       |
| Managers, Assistant Managers and Executives      | 20.6      | 12.1      |
| Professionals and Technicians                    | 28.7      | 29.5      |
| Operators, Salespeople and Administrative Staff  | 20.2      | 28.9      |
| <b>Total</b>                                     | <b>24</b> | <b>28</b> |

| Number of employees trained |   |                               |   |              |
|-----------------------------|---|-------------------------------|---|--------------|
| 2018                        |   |                               |   |              |
|                             | Managers, Assistant Managers and Executives | Professionals and Technicians | Operators, Salespeople and Administrative Staff | Total        |
| Mujeres                     | 37  | 364                           | 312   | <b>713</b>   |
| Hombres                     | 59  | 523                           | 1,489   | <b>2,071</b> |

## Collective Bargaining Agreements

102-41

### Collective Bargaining Agreements

| Collective Bargaining Agreements                               |              |              |            |
|--|--------------|--------------|------------|
|  | 2017         | 2018         | Variación  |
| <b>Unionized Employees</b>                                     | <b>1,096</b> | <b>1,117</b> | <b>2%</b>  |
| Total employees covered by Collective Bargaining Agreements    | 1,692        | 1,657        | -2%        |
| <b>% Employees covered by Collective Bargaining Agreements</b> | <b>53%</b>   | <b>52%</b>   | <b>-1%</b> |
| <b>Number of unions</b>  | <b>10</b>    | <b>10</b>    |            |

## Health and Safety

403-2

Rates of injury, occupational diseases, lost days, absenteeism and number of deaths due to occupational accident or illness

| Lost Time Injury Frequency Rate (LTIFR) |             |             |
|---|-------------|-------------|
| Company                                 | 2017        | 2018        |
| Viña Concha y Toro                      | 21.4        | 21.6        |
| Viña Cono Sur                           | 21.1        | 22.4        |
| Fetzer                                  | 11.6        | 16.9        |
| Trivento                                | 40.1        | 22.9        |
| Transportes Viconto                     | 47.8        | -           |
| VCT Chile                               | 6.0         | 8.6         |
| <b>Total</b>                            | <b>20.4</b> | <b>19.8</b> |

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

| Occupational Illness Frequency Rate (OIFR) |            |            |
|--|------------|------------|
| Company                                    | 2017       | 2018       |
| Viña Concha y Toro                         | -          | 0.1        |
| Viña Cono Sur                              | -          | -          |
| Fetzer                                     | -          | -          |
| Trivento                                   | -          | -          |
| Transportes Viconto                        | -          | -          |
| VCT Chile                                  | 1.7        | 1.7        |
| <b>Total</b>                               | <b>0.2</b> | <b>0.3</b> |

OIFR: ((Number of occupational illness) / (Number of hours worked)) \* 1,000,000 hours

| <b>Lost day rate (LDR)</b> |              |              |
|----------------------------|--------------|--------------|
| <b>Company</b>             | <b>2017</b>  | <b>2018</b>  |
| Viña Concha y Toro         | 379.2        | 379.2        |
| Viña Cono Sur              | 102.6        | 363.2        |
| Fetzer                     | 76.3         | 96.5         |
| Trivento                   | 1.224.8      | 1.130.2      |
| Transportes Viconto        | 931.3        | -            |
| VCT Chile                  | 71.9         | 169.5        |
| <b>Total</b>               | <b>365.4</b> | <b>387.6</b> |

Lost Day Rate: ((Number of lost days) / (Number of hours worked)) \* 1,000,000 hours

| <b>Contractors Lost Time Injury Frequency Rate (LTIFR)</b> |             |             |
|--|-------------|-------------|
| <b>Company</b>   | <b>2017</b> | <b>2018</b> |
| Viña Concha y Toro   | 10.3        | 8.7         |

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



# *Society*

Be a company that creates value for society and the environment in which it operates.

103-1

103-2

103-3

The strategic objective of Viña Concha y Toro's Society Pillar Sustainability Strategy is to share knowledge and capabilities contributing to improve productive practices and the conditions of the environment. In this sense, it focuses its actions on two main stakeholder groups: producers and the community.

- With producers, Viña Concha y Toro seeks to improve its skills in management and the management of the property, through productive alliances, training and extension in order to increase knowledge transfer and innovation in the industry.
- With the community and environment, the goal is to improve the quality of life through investment in infrastructure, social programs, the delivery of educational scholarships and the generation of partnerships to boost entrepreneurship.



**Local grape growers**

**Community and environment**

Trivento - Argentina

# Grape GROWERS



The company is committed to supporting the development of its local producers, seeking to strengthen its skills and capacities and boosting its development, which allows the generation of better conditions of long term social well-being in communities. To this end, it has developed various initiatives that aim at the generation and transfer of skills and knowledge, demonstrating its commitment to the industry and social and productive environments.

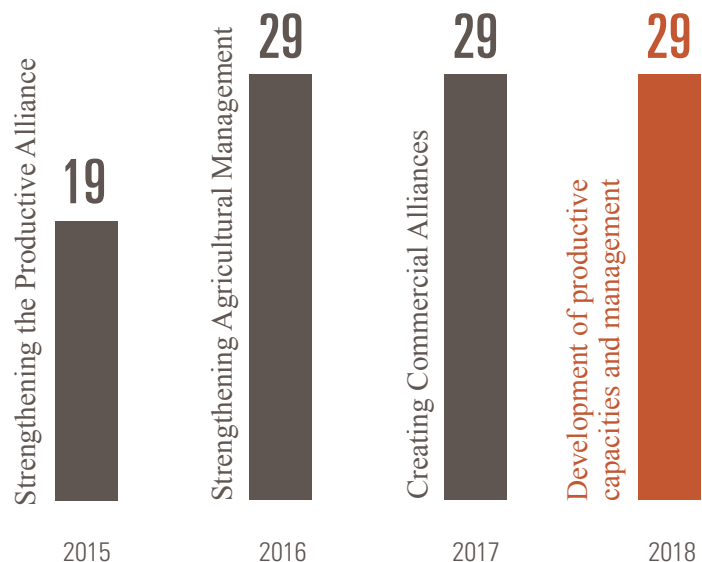
## PRODUCTIVE ALLIANCES


Viña Concha y Toro and the National Institute of Agricultural Development (INDAP) have developed the Productive Alliances Program, which, since 2014, aims to improve and strengthen the management and management skills of local producers by means of technical, commercial and agricultural management advice.

In 2018, the program's activities focused on the development of productive and management capacities in participating producers.

On the other hand, the Cometas program, which started in 2016, seeks to form trust-based working networks with premium grape producers. In 2018, 34 producers participated, who were given technical assistance to match their standards with those of the company and achieve common goals.

NUMBER OF PARTICIPANTS OF PRODUCTIVE ALLIANCES





The Company has developed different initiatives which have as a goal the generation and transfer of capabilities and knowledge, showing his commitment to the industry and the social-productive environment.

# Community Management: SUPPORT FOR LOCAL DEVELOPMENT

SDG  
4

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8

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9

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17

The Company maintains a commitment to responsible management of its impacts on society, promoting local employability; collaborating with clients and community; enhancing the participation of their workers in corporate volunteering and working in conjunction with institutions with which they share common interests and objectives.



Corinto - Maule Region (Chile)

Viña Concha y Toro has productive operations in 3 countries and dozens of localities, and in all of them the company seeks to create value for the society and its operating environment, prioritizing the construction of close relationships, mutually beneficial and based on dialogue.

Viña Concha y Toro evaluates the impact caused by its operations in all the communities where it operates, carrying out qualitative and quantitative studies in order to better understand the needs and expectations of the community. These bodies allow plans of action and work to be developed to build a mutually beneficial relationship.

The company does not have operations that generate significant negative impacts on local communities. However, it is concerned with communicating its projects to authorities and neighbors in a clear and timely manner, indicating the deadlines, potential negative impacts and positive externalities arising from the construction and/or modification of its \*facilities or any changes to your operations.

All the company's facilities have a Community Relations Officer, who has the responsibility to receive and channel the applications submitted by the inhabitants of the area of influence of the company's productive operations, and must deliver a formal response to the requirements within five business days.



## VOLUNTEERING AND SOCIAL INITIATIVES

### Chile

#### A new meeting place for Idahue

As a step that reinforces the commitment to the towns neighboring its wine cellars and vineyards, in April Viña Concha y Toro presented a new space for the community, adjacent to the Fundo Idahue, located in the VI Region, where the company has been present for 14 years. For some time, the community wanted to turn this land into a meeting point, it finally became a reality with the construction of an open square, tables, marquees and an image of Christ that invites reflection.



#### Together for the Children

35 of Viña Concha y Toro's employees, with the support of the Fundación Ilumina, participated by volunteering to improve the green areas of La Palmerita Children's Garden in Puente Alto, thus benefiting 106 preschool children.

The activity aimed to build five outdoor educational spaces, each connected with the five senses. This way, children are expected to learn about patience in the greenhouse, about taste in the garden and perseverance in organic recycling, among others.



#### Working with the Municipality of Chimbarongo

Viña Cono Sur received the recognition of the Municipality of Chimbarongo for its willingness to join the work of the city. The company worked with the Chimbarongo hospital, delivering health screenings to its employees, as part of its life-quality policy; with the inclusion office and with the municipal office of labor for general recruitment and recruitment for the harvest period. In addition, it has opened its facilities for children's visits and municipal school-trips and as the location for recordings videos for the city's media platforms.



#### Educational Visits to the CRI

In 2018, 10 academic institutions and 227 students visited the CRI (Center for Research and Innovation) with the aim of sharing the knowledge generated and transmitting our passion for science and research. This center has positioned itself as a mandatory stop for schools, technical high schools and universities that seek to deepen student's learning.



## VOLUNTEERING AND SOCIAL INITIATIVES

### United States

#### Force for Good Day

In May 2018, Fetzer Vineyards organized a volunteering campaign called Force for Good Day for the entire company. 133 employees volunteered and worked in six organizations in Mendocino and Sonoma counties. The goal of the activity was to improve community gardens, prepare and serve meals, fix trails, collect trash, assist in ecological research and clean the Russian River. The initiative reflects Fetzer Vineyards' focus on improving the environment, the well-being of the community and workers, a multifaceted approach to business inspired by the B Corp movement and aligned with the Corporate Sustainability Strategy.



#### Donations

Fetzer supports numerous local organizations through monetary donations and of other goods. In particular, the scholarship programs of the Mendocino Wine Families, the Ukiah Future Farmers of America, the Hopland Fire Department, and the American Vineyard Foundation. During the holiday season, it supports Tapestry Family Services and the Mendocino Youth Project through employee-led holiday charities.



# Argentina

## Ties by Footprints

With the aim of generating ties with the community, Trivento develops education-related actions with community institutions linked to solidarity campaigns and carried out for the donation of tools, milk, warm clothing, slippers, books, toys and non-perishable food to deliver to schools in the area.

In addition, the company collaborates with product donations, barrels and computer equipment.



---

## Social Work

The objective of this initiative is to involve all the employees in activities that transcend the boundaries of the company and generate a positive impact on the community.

During 2018, the Social Action project had as its main focus on being able to multiply the impact. The employees shared in a day that featured the participation of an orchestra with people with disabilities, where there was a percussion activity that allowed the participants to connect with themselves and those around them in an exciting performance.

For this initiative, in 2018, Trivento received a distinction for its creative, inclusive and innovative practices in the field of Human Capital. It was awarded by PwC Argentina and companies from all over the country participated.



## ENTREPRENEURSHIP







During 2018, Viña Concha y Toro generated an alliance with Start-Up Chile, an incubator of entrepreneurships with the endorsement of the CORFO. This alliance seeks to attract and incorporate innovation into the company in an open way. To this end, the company created the initiative "Concha y Toro Factory", which will be an articulating instance between entrepreneurs and the various areas of the vineyard.

Through a Committee composed of executives from various managements, whose mission is to evaluate and recommend internally according to the potential of each venture, it is meant to support the development of innovative ventures, with high potential for escalation and improve internal management and/or meet the needs of an area of the company.



## Progress Towards SDG

### SOCIETY PILLAR

|                       | Sustainability Strategy<br>Viña Concha y Toro              |               |                      | 2030 Agenda   |  |
|-----------------------|--|---------------|----------------------|---|--|
|                       | Goal 2020  | Progress 2018 | Accumulated progress | SDG   | Specific Objective   |
| Productive Alliances  | 100%<br>Of growers with an increase in productivity        | <b>10%</b>    | <b>60%</b>           |   | <b>8.2</b> Improve productivity through innovation.            |
| Extension for Growers | 100%<br>of participants with positive impacts on knowledge | <b>25%</b>    | <b>50%</b>           |  | <b>8.3</b> Promote training policies.                          |
| Communities           | 4<br>Social programs                                       | <b>25%</b>    | <b>50%</b>           |  | <b>9.1</b> Develop infrastructure for people's wellbeing.      |
| Education             | 100%<br>Of graduates in labor market                       | <b>100%</b>   | <b>100%</b>          |  | <b>4.3</b> Ensure access to formal education.                  |
| Entrepreneurship      | Business Accelerator operating in the company              | <b>33%</b>    | <b>33%</b>           |  | <b>8.2</b> Improve productivity through innovation.            |
|                       |  |               |                      |  | <b>17.17</b> Promote the establishment of effective alliances. |

---

*Letter from*  
**THE VERIFIER**

102-56



Cono Sur - Chile

# AENOR

## VERIFICACIÓN DE LA MEMORIA DE SOSTENIBILIDAD

VMS-2019/0025

AENOR ha verificado la Memoria de la organización

### VIÑA CONCHA Y TORO S.A.

**TITULADA:** Reporte de Sustentabilidad 2018

Conforme con: GRI Standards

Opción GRI aplicada: Exhaustiva

Proceso de Verificación: Para conceder este Documento de Verificación, AENOR ha comprobado la adecuación de la memoria a lo requerido por GRI y ha trazado los datos e información contenidos en dicha memoria.

Fecha de emisión: 2019-06-21



Rafael GARCÍA MEIRO  
Director General

# *GRI* INDEX

102-55





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| 103-1,103-2<br>103-3       | 14                 | Product Innovation                                       | Product Pillar       | 96      |     |     |
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| 103-1,103-2<br>103-3       | 28                 | Vineyards Management  | Environmental Pillar   | 67      |     |     |
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| 103-1,103-2<br>103-3       | 37                 | Brands Management   | Company Profile        | 18-19   |     |     |
| 103-1,103-2<br>103-3       | 38                 | Social Initiatives and Volunteering   | Society Pillar         | 137-139 |     |     |
| 103-1,103-2<br>103-3       | 39                 | Materials and Supplies  | Suppy Chain Pilar      | 88-89   |     |     |
| 103-1,103-2<br>103-3       | 40                 | Awards and Recognitions   | Highlights and Figures | 7       |     |     |

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| <b>Economic Performance</b>          |  |                      |            |          |            |
| 201-1                                | Direct economic value generated and distributed  | Corporate Governance | 45         | 2        | 8          |
| 201-2                                | Financial implications and other risks and opportunities due to climate change   | Corporate Governance | 46-47      | 7        | 13         |
| 201-3                                | Defined benefit plan obligations and other retirement plans<br>Benefits and retirement plans are not in charge of the Company  |                      |            | 6, 7 y 8 | 8          |
| 201-4                                | Financial assistance received from government<br>See notes on the Consolidated Financial Statements of Viña Concha y Toro S.A., pg. 180 , Government Subsidies.                |                      |            | 10       | 16         |
| <b>Market Presence</b>               |  |                      |            |          |            |
| 202-1                                | Ratios of standard entry level wage by gender compared to local minimum wage   | People Pillar        | 128        | 1, 2 y 6 | 8          |
| 202-2                                | Proportion of senior management hired from the local community<br>All senior executives of the company are Chilean. See Viña Concha y Toro's Annual Report 2018, pg 17.        |                      |            | 1, 2 y 6 | 8          |
| <b>Procurement Practices</b>         |  |                      |            |          |            |
| 204-1                                | Proportion of spending on local suppliers  | Supply Chain Pillar  | 86         |          | 12         |
| <b>Anti-corruption</b>               |  |                      |            |          |            |
| 205-1                                | Operations assessed for risks related to corruption  | Corporate Governance | 50         | 10       | 16         |
| 205-2                                | Communication and training about anti-corruption policies and procedures   | Corporate Governance | 49, 54     | 10       | 16         |
| 205-3                                | Operations assessed for risks related to corruption<br>Communication and training about anti-corruption policies and procedures  |                      |            | 10       | 16         |
| <b>Materials</b>                     |  |                      |            |          |            |
| 301-1                                | Materials used by weight or volume   | Supply Chain Pillar  | 89, 92     | 7 y 8    | 8 y 9      |
| 301-2                                | Recycled input materials used<br>It is not possible to calculate the percentage of recycled inputs used. The company will work to publish this information in the next report. |                      | 89         |          | 8 y 12     |
| 301-3                                | Reclaimed products and their packaging materials<br>The company does not recover postconsumer products or packaging materials  |                      |            | 7, 8 y 9 | 8 y 12     |
| <b>Energy</b>                        |  |                      |            |          |            |
| 302-1                                | Energy consumption within the organization   | Environmental Pillar | 63, 81     | 7, 8 y 9 | 7, 12 y 13 |
| 302-2                                | Energy consumption outside of the organization<br>It is not possible to calculate the energy consumption outside of the organization due to lack of information                |                      |            | 8 y 9    | 7, 12 y 13 |
| 302-3                                | Energy intensity   | Environmental Pillar | 63, 81     | 8        | 7, 12 y 13 |
| 302-4                                | Reduction of energy consumption<br>The company did not record reductions of energy consumption as a result of efficiency initiatives during the reporting period               |                      |            | 8 y 9    | 7, 12 y 13 |
| 302-5                                | Reductions in energy requirements of products and services<br>The products offered by the company do not have energy requirements for their use / consumption                  |                      |            | 8 y 9    | 7, 12 y 13 |
| <b>Water and Effluents (2018)</b>    |  |                      |            |          |            |
| 303-1                                | Interactions with water as a shared resource   | Environmental Pillar | 58         | 8        | 6 y 15     |
| 303-2                                | Management of water discharge related impacts  | Environmental Pillar | 68         | 8        | 6 y 15     |
| 303-3                                | Water withdrawal   | Environmental Pillar | 59, 78, 80 | 8        | 6 y 12     |
| 303-4                                | Water discharge  | Environmental Pillar | 69, 80     | 8        | 6 y 15     |
| 303-5                                | Water consumption  | Environmental Pillar | 61, 78     |          | 6 y 15     |

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| <b>Specific Standard Disclosures</b>     |  |                      |              |          |                |
| <b>Biodiversity</b>                      |  |                      |              |          |                |
| 304-1                                    | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas  | Environmental Pillar | 64           | 7 y 8    | 6, 12, 13 y 15 |
| 304-2                                    | Significant impacts of activities, products, and services on biodiversity<br>Viña Concha y Toro does not have activities, products and / or services with significant negative impacts on biodiversity.                                    |                      |              | 8        | 6, 12, 13 y 15 |
| 304-3                                    | Habitats protected or restored   | Environmental Pillar | 84           | 7 y 8    | 6, 12, 13 y 15 |
| 304-4                                    | IUCN Red List species and national conservation list species with habitats in areas affected by operations   | Environmental Pillar | 79           | 7 y 8    | 6, 12, 13 y 15 |
| <b>Emissions</b>                         |  |                      |              |          |                |
| 305-1                                    | Direct (Scope 1) GHG emissions   | Environmental Pillar | 74, 82       | 7, 8 y 9 | 12, 13 y 15    |
| 305-2                                    | Energy indirect (Scope 2) GHG emissions  | Environmental Pillar | 74, 82       | 7, 8 y 9 | 12, 13 y 15    |
| 305-3                                    | Other indirect (Scope 3) GHG emissions   | Environmental Pillar | 74, 82       | 7, 8 y 9 | 12, 13 y 15    |
| 305-4                                    | GHG emissions intensity  | Environmental Pillar | 76, 82       | 7, 8 y 9 | 14 y 15        |
| 305-5                                    | Reduction of GHG emissions   | Environmental Pillar | 76           | 8 y 9    | 12, 13 y 15    |
| 305-6                                    | Emissions of ozone-depleting substances (ODS)  | Environmental Pillar | 83           | 7, 8 y 9 | 12             |
| 305-7                                    | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions  | Environmental Pillar | 83           | 7, 8 y 9 | 12, 13 y 15    |
| <b>Effluents and Waste</b>               |  |                      |              |          |                |
| 306-1                                    | Water discharge by quality and destination   | Environmental Pillar | 68           | 7, 8 y 9 | 6 y 12         |
| 306-2                                    | Waste by type and disposal method  | Environmental Pillar | 70-71, 80    | 7, 8 y 9 | 6 y 12         |
| 306-3                                    | Significant spills. There were no significant spills of oils, fuels, liquid waste, chemicals or other products during the reporting period   |                      |              | 8        | 6, 12 y 15     |
| 306-4                                    | Transport of hazardous waste<br>The company does not import or export hazardous waste  |                      |              | 8        | 6 y 12         |
| 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.   |                      |              | 8        | 6 y 15         |
| <b>Environmental Compliance</b>          |  |                      |              |          |                |
| 307-1                                    | Non-compliance with environmental laws and regulations<br>There were no significant fines or sanctions for noncompliance in environmental matters during the reporting period.   |                      |              | 8        | 12             |
| <b>Supplier Environmental Assessment</b> |  |                      |              |          |                |
| 308-1                                    | New suppliers that were screened using environmental criteria<br>The company does not screen new suppliers according to environmental criteria   |                      |              | 7 y 9    | 17             |
| 308-2                                    | Negative environmental impacts in the supply chain and actions taken   | Supply Chain Pillar  | 87           | 8        |                |
| <b>Employment</b>                        |  |                      |              |          |                |
| 401-1                                    | New employee hires and employee turnover   | Pilar Personas       | 126          | 6        | 4 y 8          |
| 401-2                                    | Benefits provided to full-time employees that are not provided to temporary or part-time employees   | Pilar Personas       | 117, 137-139 | 6        | 8              |
| 401-3                                    | Parental leave<br>The company does not have this information for the reporting period and will work to report it in the next period  |                      |              | 6        | 4 y 8          |
| <b>Labor/Management Relations</b>        |  |                      |              |          |                |
| 402-1                                    | Minimum notice periods regarding operational changes<br>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 |                      |              | 3        | 8              |

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| <b>Specific Standard Disclosures</b>                    |   |                      |          |                  |              |
| <b>Occupational Health and Safety (2016)</b>            |   |                      |          |                  |              |
| 403-1   | Workers representation in formal joint management–worker health and safety committees   | People Pillar        | 121      |                  | 8            |
| 403-2   | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | People Pillar        | 122, 130 | 1                | 4 y 8        |
| 403-3   | Workers with high incidence or high risk of diseases related to their occupation  | People Pillar        | 122      |                  | 4 y 8        |
| 403-4   | Health and safety topics covered in formal agreements with trade unions   | People Pillar        | 113      |                  | 8            |
| <b>Training and Education</b>                           |   |                      |          |                  |              |
| 404-1   | Average hours of training per year per employee   | People Pillar        | 120, 129 | 6                | 4 y 8        |
| 404-2   | Programs for upgrading employee skills and transition assistance programs   | People Pillar        | 100, 120 | 6                | 4 y 8        |
| 404-3   | Percentage of employees receiving regular performance and career development reviews  | People Pillar        | 100, 127 | 6                | 4 y 8        |
| <b>Diversity and Equal Opportunity</b>                  |   |                      |          |                  |              |
| 405-1   | Diversity of governance bodies and employees  | People Pillar        | 44, 125  | 4 y 6            | 4 y 8        |
| 405-2   | Ratio of basic salary and remuneration of women to men  | People Pillar        | 128      | 4 y 6            | 4 y 8        |
| <b>Non-discrimination</b>                               |   |                      |          |                  |              |
| 406-1   | Incidents of discrimination and corrective actions taken  | People Pillar        |          | 6                | 4 y 8        |
| <b>Freedom of Association and Collective Bargaining</b> |   |                      |          |                  |              |
| 407-1   | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk                | Supply Chain Pillar  | 87       | 1,2 y 3          | 8            |
| <b>Child Labor</b>                                      |   |                      |          |                  |              |
| 408-1   | Operations and suppliers at significant risk for incidents of child labor   | Supply Chain Pillar  | 87       | 1 y 5            | 8            |
| <b>Forced or Compulsory Labor</b>                       |   |                      |          |                  |              |
| 409-1   | Operations and suppliers at significant risk for incidents of forced or compulsory labor                                      | Supply Chain Pillar  | 87       | 1 y 4            | 8 y 9        |
| <b>Human Rights Assessment</b>                          |   |                      |          |                  |              |
| 412-1   | Operations that have been subject to human rights reviews or impact assessments   | Gobierno Corporativo | 53       | 1, 2, 3, 4, 5, 6 |              |
| 412-2   | Employee training on human rights policies or procedures  | Gobierno Corporativo | 54       | 1 y 6            |              |
| 412-3   | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening    | Gobierno Corporativo | 53       | 1, 2             | 5, 8 y 16    |
| <b>Local Communities</b>                                |   |                      |          |                  |              |
| 413-1   | Operations with local community engagement, impact assessments, and development programs                                      | Society Pillar       | 136      |                  | 4, 8, 9 y 17 |
| 413-2   | Operations with significant actual and potential negative impacts on local communities  | Society Pillar       | 136      |                  | 4, 8, 9 y 17 |
| <b>Supplier Social Assessment</b>                       |   |                      |          |                  |              |
| 414-1   | New suppliers that were screened using social criteria<br>The company does not screen new suppliers using social criteria     |                      |          | 1, 2, 3, 4, 5, 6 | 12 y 16      |
| 414-2   | Negative social impacts in the supply chain and actions taken   | Supply Chain Pillar  | 87       | 1, 2, 3, 4, 5, 6 | 8, 9 y 12    |
| <b>Public Policy</b>                                    |   |                      |          |                  |              |
| 415-1   | Political contributions   |                      | 51       | 10               | 16           |

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| <b>Specific Standard Disclosures</b> |  |                   |      |       |     |
| <b>Customer Health and Safety</b>    |  |                   |      |       |     |
| 416-1                                | Assessment of the health and safety impacts of product and service categories  | Product Pillar    | 98   | 1     | 3   |
| 416-2                                | Incidents of non-compliance concerning the health and safety impacts of products and services<br>There were no non-compliance of regulations / voluntary codes or sanctions related to the health and safety of products during the reporting period | Product Pillar    |      |       | 12  |
| <b>Marketing and Labeling</b>        |  |                   |      |       |     |
| 417-1                                | Requirements for product and service information and labeling  | Product Pillar    | 102  | 8 y 9 | 12  |
| 417-2                                | Incidents of non-compliance concerning product and service information and labeling<br>There were no non-compliance of regulations / voluntary codes related to the information and labeling of products during the reporting period                 |                   |      |       | 16  |
| 417-3                                | Incidents of non-compliance concerning marketing communications<br>There were no non-compliance of regulations / voluntary codes related to marketing communications during the reporting period   |                   |      |       | 16  |
| <b>Customer Privacy</b>              |  |                   |      |       |     |
| 418-1                                | Substantiated complaints concerning breaches of customer privacy and losses of customer data<br>No formal incidents or complaints were reported related to breaches of customer privacy or losses of customer data during the reporting period       |                   |      | 10    | 16  |
| <b>Socioeconomic Compliance</b>      |  |                   |      |       |     |
| 419-1                                | Non-compliance with laws and regulations in the social and economic area<br>The company did not receive fines or significant sanctions due to non-compliance in the social and economic area during the reporting period                             |                   |      |       | 16  |





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