

2019

SUSTAINABILITY  
REPORT





# A message from our General Manager<sup>1</sup>

**In 2019** we were able to advance our sustainability efforts substantially, as this new Sustainability Report will outline. In accordance with the Essential Option<sup>2</sup> of GRI standards, I am honored to present our vineyard's main results throughout this last year. This document is free and available at [www.conosur.com](http://www.conosur.com) to all who are interested in Cono Sur's sustainability management.

**With regard to our commitments** outlined in the 2018 Sustainability Report<sup>3</sup>, we have continued our efforts to improve work conditions by renewing our certification on business social responsibility through For Life certification.

In addition, we came to a collective agreement in 2019 with our agricultural and oenological areas that included salary improvements, among other benefits. We have also

continued working on the **annual renewal of our ISO and OHSAS certifications**, managing the current risks associated with quality, the environment, energy and worker health and safety. We hope that our next report will also include our company's update of the ISO 50.001 and ISO 45.001 norms, both currently with the 2018 version.

**Regarding our agricultural area**, this year we completed the third stage of planting our Mulchén vineyard in the Bío-Bío Valley with 168 hectares planted with various cool climate varieties. We hope to complete the plantation of this estate with an additional 12 hectares by the end of 2020. We also acquired 48 new hectares to expand our La Espuela estate in San Clemente, which will be planted in 2020 with Pinot Noir and Merlot.

**Among progress made in our oenological area**, we incorporated axial charging systems in all of our pneumatic presses, which will improve efficiency and minimize waste while maintaining the quality of our wines.

It is **with great pride** that we received several important sustainability recognitions in 2019, among them a Gold Medal from the Botanical Research Institute of Texas (BRIT), for our continuous work on issues related to sustainability.

I would like to particularly highlight our **special efforts in getting closer to the community** that our winery calls home. Amid several activities in 2019, we held a very emotional Christmas party that opened our bodega to a group of vulnerable families in Chimbarongo.

**Quality, innovation and sustainability** are the three pillars upon which our company is founded, and once again in 2019, our efforts were recognized by prestigious publications, contests and critics. Numerous Cono Sur wines received more than 90 points among scores awarded by The Wine Advocate, Descorchados, Tim Atkin and James Suckling. More so, Drinks International Magazine ranked Cono

Sur #11 among the most valued brands in the world.

**The year 2019 was certainly another important period of significant progress** in all areas pertaining to sustainability, and we hope to continue strengthening our efforts in the years to come.

**Paul Konar Elder**  
General Manager



1. 102-14
2. 102-54
3. 102-51

# 1. General Background<sup>4</sup>

Since its beginnings in 1993, Cono Sur Vineyards & Winery<sup>5</sup> established a clear mission to produce premium, expressive and innovative wines. We did this by combining traditional agricultural and oenological practices with the incorporation of new technologies that allowed us to create high quality wines while protecting the environment and the health and security of our workers and collaborators. More so, our efforts contributed to Chile's sustainability development.

From the very beginning, Cono Sur has been deeply committed to developing sound environmental policies,

convinced that high-quality wine production can go hand-in-hand with eco-friendly practices while caring for our workers and the community.

## 1.1 Our legal nature and formation<sup>6</sup>

Viña Cono Sur is a subsidiary of Viña Concha y Toro, who owns 100% of the organization.

Though managed independently from Concha y Toro, they work together in financial areas, human resources purchases and supplier control.

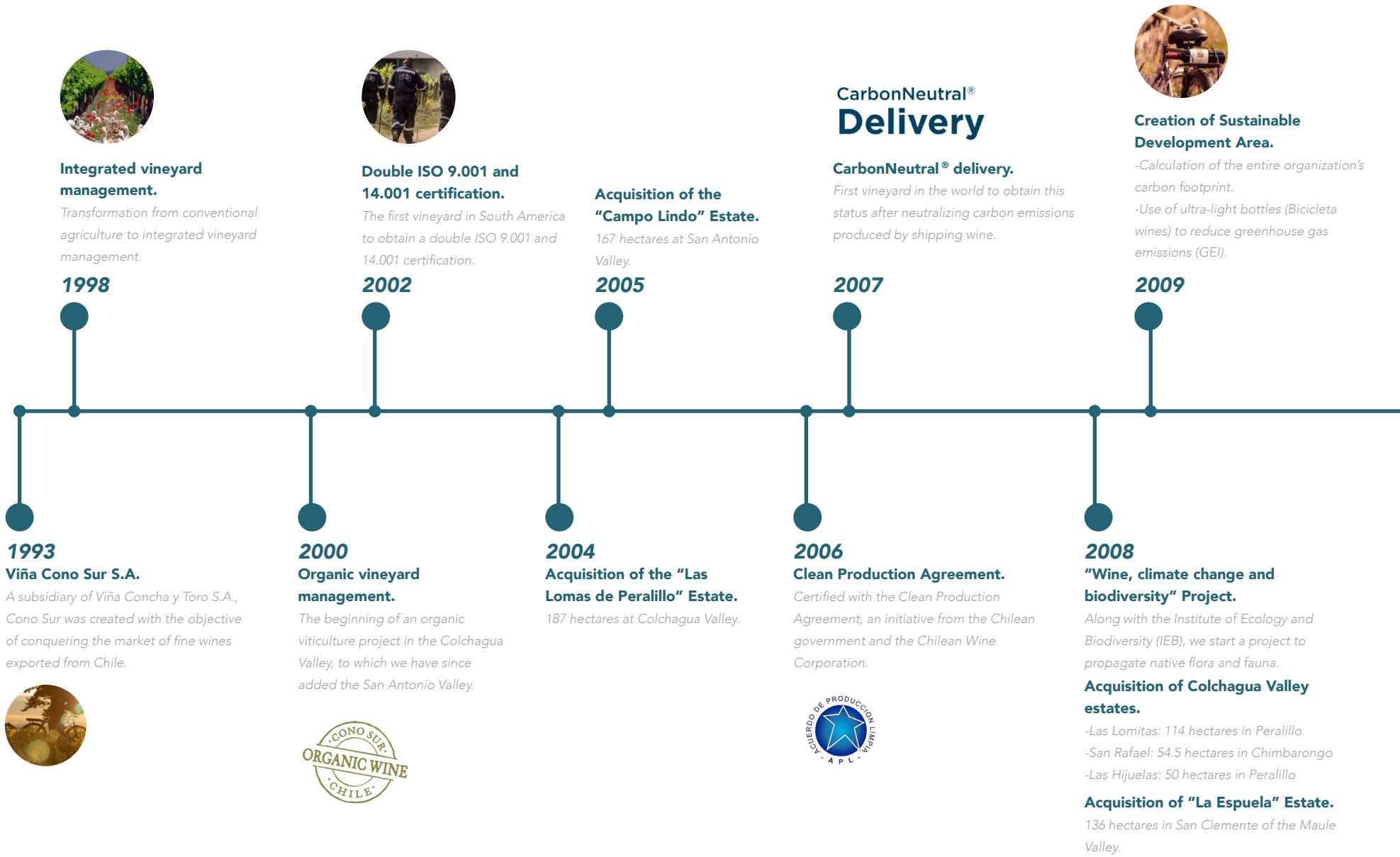


4. 102-16. Our policy can be downloaded directly from our website, <https://www.conosur.com/en/sustentabilidad/>

5. 102-1

6. 102-5

## 1.2 History of Cono Sur Winery



Check complete story at [www.conosur.com](http://www.conosur.com)



**Green Awards 2011**  
**Green Company of the Year.**

Cono Sur named Green Company of the Year by British publication *Drinks Magazine*.

**“Chilean Wine Producer of the Year”.**

Cono Sur named “Chilean Wine Producer of the Year” in the UK’s International Wine & Spirits Competition.



**National Sustainability Code.**

Cono Sur meets the three areas outlined in Chile’s National Sustainability Code: Green (vineyard), Orange (social) and Red (bodegas and bottling plants.)



**Cono Sur among the world’s 10 Most Admired Brands.** British magazine *Drinks International* names Cono Sur as number 10 in their annual ranking.



**“Engaging Consumer of the Year”.** British magazine *Harpers* awards Cono Sur “Engaging Consumer of the Year.”

**Acquisition of “Mulchén” Estate,**

212 hectares in Mulchén of the Bio-Bío Valley.

**Ocio Pinot Noir 2014 Highlighted in Wine Advocate.**

Acclaimed wine critic Luis Gutiérrez includes Ocio Pinot Noir 2014 among his 50 Best Wines of 2017 list and awards it 95 points.



**Energy efficiency Gold Seal.**

Cono Sur is one of the first vineyards to receive this award.



**Gold Medal in BRIT Contest.**

Cono Sur wins a Gold Medal from BRIT for their developed work in sustainable viticulture.

2011

2013

2015

2017

2019

**2010 Purchase of “El Encanto Estate”.**

100 hectáreas en el Valle de Aconcagua, en San Felipe.

**ISO 14.064 Certification through CEMARS®.**

Cono Sur becomes the first vineyard in America to obtain the international ISO 14.064-1 certification, positioning the company as a leader in environmental protection.



**2012 BSCI Code of Conduct.**

Cono Sur becomes the first winery in South America to meet the requirements of the BSCI Code of Conduct.

**2014 Wine Spectator Top 100.**

Cono Sur Organic Cabernet Sauvignon-Carmenere 2011 receives 91 points and is named #44 of the world’s 100 best wines.

**OHSAS 18.001 and ISO 50.001 Certifications.**

Cono Sur strengthens its commitment to managing the wellness of its workforce.

2015-2016



**Most sold Pinot Noir in the UK.** Cono Sur Bicicleta Pinot Noir becomes #1 in sales.

2017-2018



**Cono Sur awarded “Chilean Wine Producer of the Year”.** Awarded to Cono Sur by the International Wine & Spirits Competition.

**2016 Corporate Sustainability Award.**

Cono Sur selected by the Society of Industrial Growth (SOFIFA), Universidad Adolfo Ibáñez’s Centre for Business Sustainability and *Revista Capital* for the Corporate Sustainability Award.



**2018 International recognition for energy efficiency.**

The Clean Energy Ministerial (CEM) internationally recognizes Cono Sur for effective implementation of measuring energy efficiency.



**“For Life” certification by Ecocert.**

Cono Sur is certified in social responsibility, confirming that their workers enjoy fair and safe labor conditions.



## 2. Destination Markets

### Destination markets in 2019

Cono Sur currently works with 23 different grape varieties, including non-traditional varieties such as Gewürztraminer and Viognier. The winemaking team works in the cellar to create an ample portfolio ranging from reserve to ultra-premium wines.

During 2019, Cono Sur was available in more than 79 countries, having reactivated sales in Romania, Bahrain and Cuba. New markets included Argentina, Paraguay, Uganda and Montenegro. The commercial team continues to work toward expanding our reach.

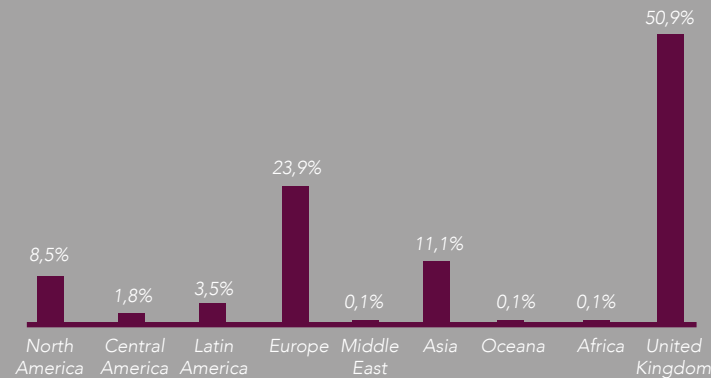
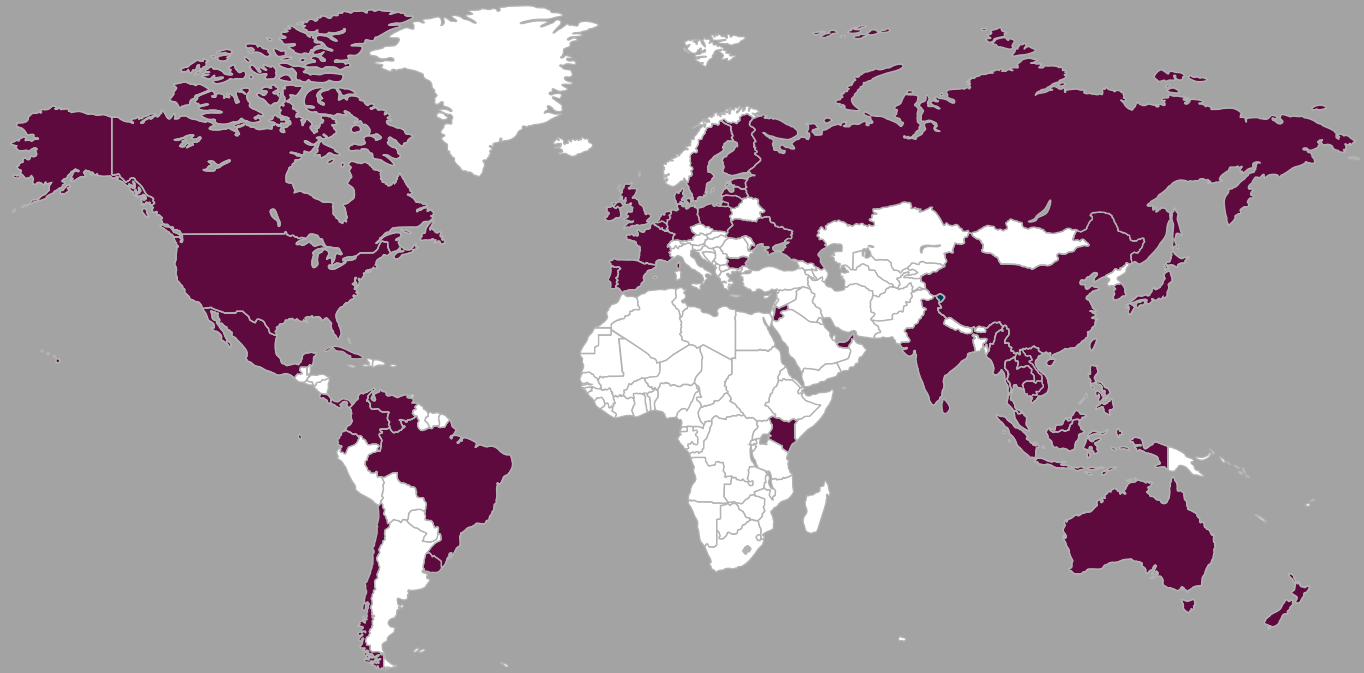


Figure 1: World distribution of Cono Sur products.



# 3. Our Wines<sup>8</sup>

8. 102-2



## SILENCIO

The highest potential of Cabernet Sauvignon from Maipo Valley.



## O C I O

Chile's first ultra premium Pinot Noir, awarded with 95 points three times by Robert Parker.



## 20 BARRELS

Limited edition wines made exclusively from each vintage's best barrels.



## SINGLE VINEYARD

Wines inspired by our rich terroirs and origins. Each variety is cultivated with unique style from one valley, one estate and specific blocks selected for precision.

# 3. Nuestros vinos



VALLEY COLLECTION  
*Selected Origins*  
**RESERVA  
ESPECIAL**

Wines of exceptional character, each bottle representing the best of its origin.



Wines made in balance with nature. Coming from organic grapes, free of chemicals and cultivated in harmony with their surroundings.



SPARKLING WINE

Wines that incorporate the cosmopolitan spirit of their consumers, those who know how to enjoy each moment.



**BICICLETA**  
RESERVA

An innovative brand that demonstrates Chile's diversity with a wide range of grape varieties. The bicycle icon represents Cono Sur's sustainable philosophy.



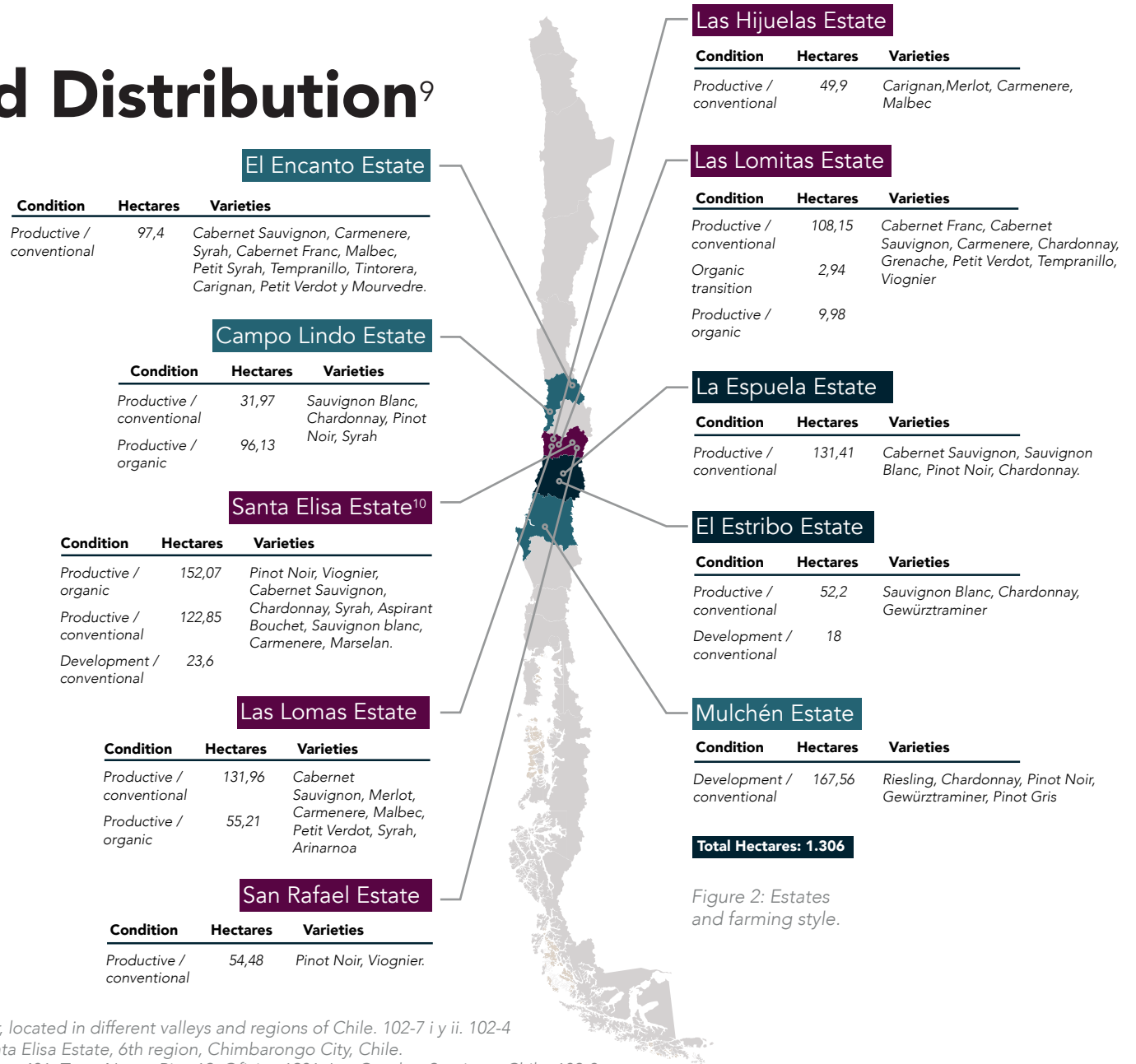
# 4. Location and Distribution<sup>9</sup>

Cono Sur's amount of vineyards planted increased to 1,306 hectares in 2017 with the incorporation of Mulchén Estate.

Plans to increase the total area under organic management are in motion, while 25% are currently under this methodology, decreasing the need for agrochemicals and incorporating more environmentally friendly practices.

The winery's cellar is located at Santa Elisa Estate in Chimbarongo, which is approximately 160km south of Santiago, Chile.

The commercial, marketing and public relations teams are at Cono Sur's central office in Santiago, Chile<sup>11</sup>.



9. Ten estates, one winery and one headquarter, located in different valleys and regions of Chile. 102-7 i y ii. 102-4  
 10. Cono Sur Estate and main wine cellar at Santa Elisa Estate, 6th region, Chimbarongo City, Chile.  
 11. Commercial offices at Avenida Nueva Tajarar, 481, Torre Norte, Piso 19, Oficina 1901, Las Condes, Santiago, Chile. 102-3

## 4.1 Growth<sup>12</sup>

The cellar's capacity went from 30 million liters to 32.1 million liters, hence the new barrels and large wooden vats purchased in 2018<sup>13</sup>. Capacity distribution can be seen in Figure 3.

On the agricultural side, the incorporation of the Mulchén Estate in 2017 added 212 hectares to Cono Sur's total vineyards planted. Of the 212, 167.6 hectares are planted with cold climate varieties. In addition, El Encanto added 56.6 hectares under organic management.

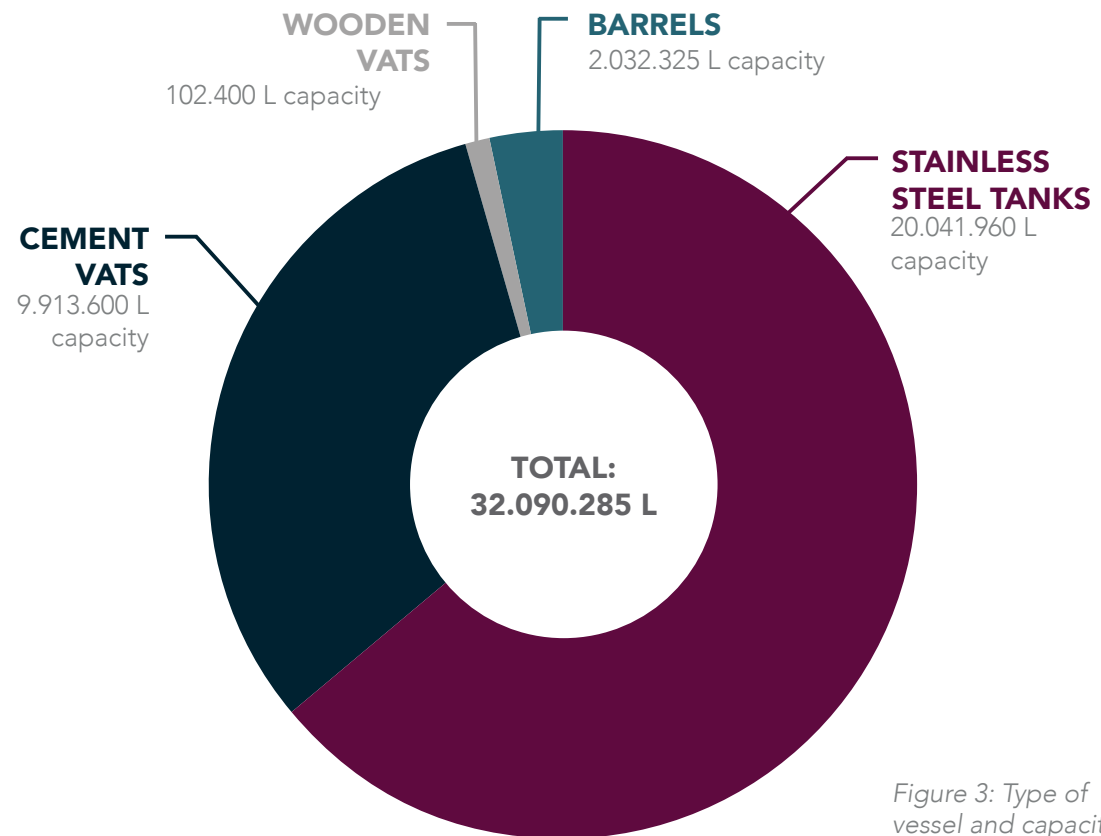


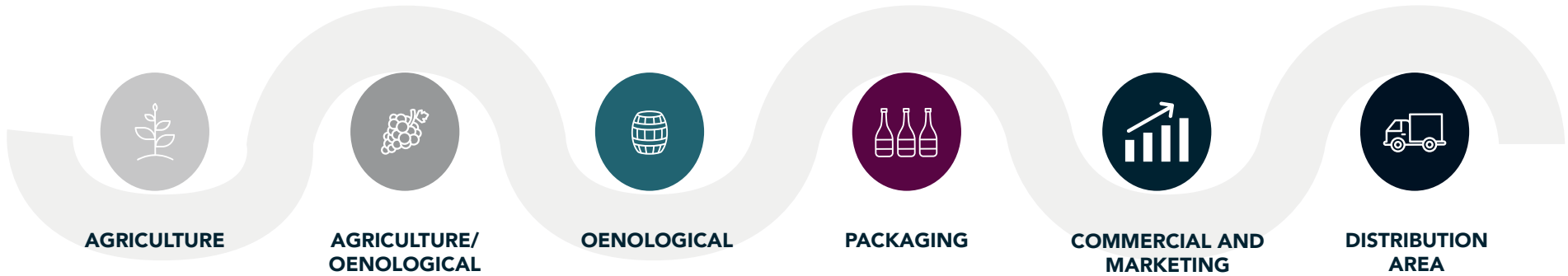
Figure 3: Type of vessel and capacity.

12. 102-10

13. 203-1



# 5. Supply Chain<sup>14</sup>



## AGRICULTURE

### ESTATE PRODUCTION

From pruning until harvest's end, the agricultural team is in charge of executing the necessary activities to produce quality grapes.

**60** input suppliers among the various estates.

- Reusing waste for organic vine production by way of stable pomace and stalks.
- Responsible use of fertilizers and agrochemicals.
- Conservative use of water and energy.



## AGRICULTURE/OENOLOGICAL

### HARVEST

Grapes begin to arrive to the cellar around the end of February, commencing the winemaking process.

**63** short and long term suppliers in 2019.

**15.235,2 ton**  
Estate-owned grapes.

**13.574,9 ton**  
Third-party grapes.

- Production estimates and monitoring of grape maturity in order to obtain an optimum base product.
- Stable relationship with long-term suppliers.



## OENOLOGICAL

### VINIFICATION

Monitoring and control of new wine fermentations to obtain the qualities stipulated by the winemaking team.

**97** suppliers

- Vinification residuals are recycled and distributed to companies that can use them as raw material within their processes. They are also used internally to obtain a stabilized product that can be incorporated into the soil.
- Rationed use of water and energy.



## PACKAGING

### BOTTLING

Critical process done through Concha y Toro, using the highest safety standards possible to obtain a high-quality final product.

**Process is done through an external company. Suppliers for packaging and bottle.**

- Using certified and traceable inputs.
- IFS and BRC Certifications.
- Eco-friendly inputs.



## COMMERCIAL AND MARKETING

Specialized teams creating advertising campaigns, label design and digital marketing. All work maintains the ethical standards outlined in each destination market. In addition, the commercial team is specialized in sales and maintaining relationships with Cono Sur distributors.

- Responsible consumption promotion.
- Advertising ethics based on the Chilean Code of Ethical Advertising.

## DISTRIBUTION AREA

Logistical centers that oversee the distribution of wines to diverse markets up until reaching the final consumer.

**National and international delivery service providers.**

- Carbon Neutral Delivery
- Responsible consumption



## TRANSVERSAL SUSTAINABLE ISSUES



**Permanent monitoring and measurement in the areas of:** Occupational Health and Safety / Quality / Environment / Energy / Sustainability Code / Organic production / Carbon footprint / Social responsibility in production and processing chain through For Life certification / Integrated Policy and Code of Conduct.

Organic waste recycling for stabilized material.



Measurement and verification of greenhouse gases



Post-consumption messages for environmental care

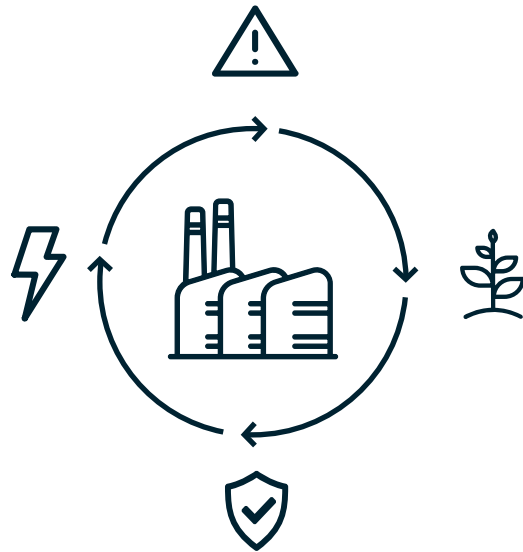
Responsible consumption

Carbon Neutral Delivery

# 6. Evaluating impacts, risks and opportunities<sup>15</sup>

Cono Sur is continuously monitoring their management system, which incorporates aspects of quality, environmental, carbon footprint, energy, social responsibility and worker health and safety.

Internal risk management at Cono Sur is done in the following way:



The quality management system is in accordance with the 2015 ISO 9001 standards. It's based upon managing risks that could affect the organization's ability to produce products that meet established requirements.



The environmental management system is in accordance with the 2015 ISO 14001, and seeks to control risks that could harm the environment and community<sup>16</sup>.



Worker health and safety standards adhere to OHSAS 18.001 standards. Cono Sur currently employs a professional that is responsible for risk prevention and ensures that standards are implemented and up to date, as well as monitoring the variables that could affect performance. They are working to align the system with the ISO 45001:2018 standards.



The energy management system is in accordance with the 2011 ISO 50001 standards. This is

centered around managing the company's significant energy use. Energy planning is a permanent fixture within the company and they are currently working to align the system with the ISO 50001:2018 standards.

Viña Cono Sur's area of sustainability is responsible for maintaining these management systems through quality control, internal audits and reviewing each area's assigned tasks. Results are reported to management in bi-monthly meetings so that action may be taken if necessary. Any disputes are also reviewed and resolved at this time<sup>17</sup>.

The vineyard adheres to the ERNC, which focuses on energy savings and climate change management. The Las Lomas Estate currently has photovoltaic facilities with a potential of 300 kW. Other facilities include Santa Elisa with 100 KW, La Espuela with 75 kW, Campo Lindo with 65.8 kW, and El Encanto with 180 kW. The latter two have floating photovoltaic facilities installed within their water storage tanks.

15. 102-11;102-15 / 16. 304-2 / 17. 102-44



# 7. Sustainability Committee<sup>18</sup>

The Sustainability Committee is comprised of a multidisciplinary team with representatives from various areas within the organization. It is led by the General Manager.

Cono Sur's upper management periodically reviews advancements within their management system's main components. Bi-monthly meetings are held among management and area

supervisors. All discussed material and commitments established in these meetings can be found in a report created by the area of sustainability and system management. The General Manager then presents results to the directory board of Viña Concha y Toro as they relate to economic, social and environmental standards<sup>19</sup>.

During the last two meetings the General Manager has

included new participants in order to better represent the entire organization, such as the deputy manager of management and administration control and Cono Sur's producer consultant. Another decision made was to permanently include estate administrators within these committee meetings.

Every four months, they also incorporate interest groups related to workers within the

oenological and agricultural teams.

As a key objective each year, the area of system management and sustainability is in charge of gathering information and presenting it to various interested parties for evaluation. After this process, results are then presented to the General Manager for analysis and modification if necessary before approval<sup>20</sup>.

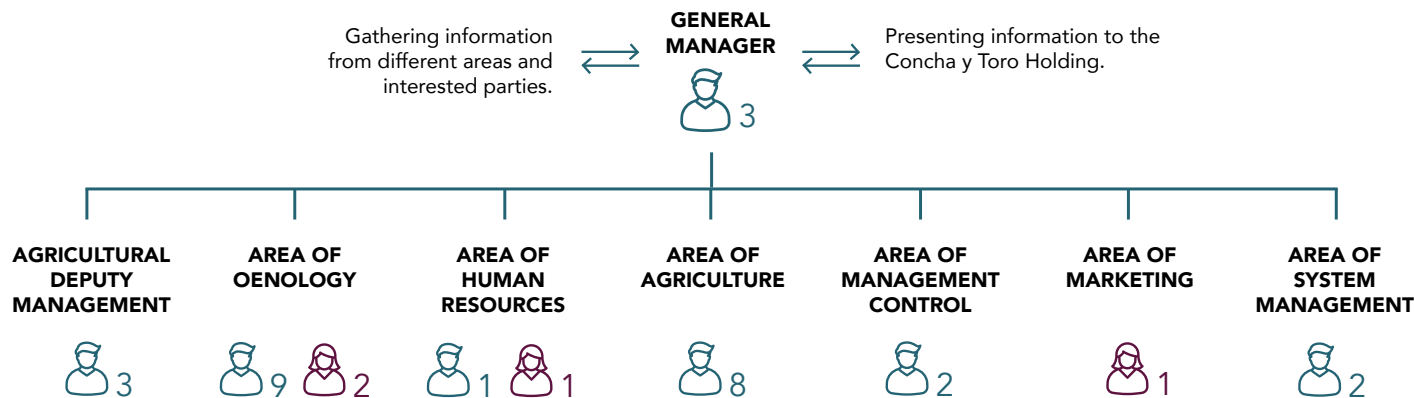


Figure 4: The 2019 Sustainability Committee configuration.

Total participation  
 28 4

18. 102-18; 102-22;102-23;102-24;102-26;102-27

19. 102-19;102-20;102-29;102-30; 102-31;

20. 102-32

# 8.

## Report Scope

This report's objective is to show a summary of 2019's results within matters of sustainability.

The analysis incorporates the entirety of all estates and offices within Chile that pertain to or are managed by Cono Sur. All information can be verified, however, this document has not been submitted for third-party verification<sup>21</sup>.

If more information or clarifications are needed, please consult with any Cono Sur team member or contact the winery area of sustainability.

21. 102-56  
22. 102-53

For questions regarding this report, please contact<sup>22</sup>:

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# 9.

## Report Contents<sup>23</sup>

The contents of this report are in accordance with the voluntary requirements outlined by the Global Reporting Initiative's 2016 standards and updates.

The information gathering process includes reviewing the documents and events that occurred in 2019. The company performs an internal review via primary and secondary sources, as well as consulting with the interested parties identified throughout the reported period. All information was gathered, selected and unified within the matrix shown in point 10.2.

As a part of upper management's commitment to sustainability, this report is published annually. Part of the information pertains to the calendar year (January - December), while other aspects refer to the agricultural year (May-June)<sup>24</sup>.

23. 102-46  
24. 102-50; 102-52





# 10.

## Evaluating Material Issues<sup>25</sup>

During 2019, the decision was made to consult with internal and external stakeholders with regard to various material issues. The analyst consisted of the following:

### Primary Analysis:

Surveys on various topics related to environmental, social and economic issues. Participants included stakeholders from all areas of the organization, as well as external parties such as authorities and clients. In the case of internal personnel, this report includes everyone from entry-level employees to the General Manager.

From the information obtained on the above topics, a **secondary analysis** is carried out, which consists of:

Gathering information from different voluntary norms adhered to by Cono Sur, as well as information pertaining to economic, social and

environmental practices within the wine industry. We also gather information from our suppliers and market players with the objective of establishing material issues.

### 10.1 Revision and Validation

The information gathered is organized, distributed and submitted to analysis by Cono Sur's area of sustainability, highlighting the issues of greater importance. Material issues are then presented to and approved by upper management, and reviewed each time a sustainability report is issued.

The material issues published in the 2018 report are once again evaluated by the winery and stakeholders. Some points have been modified in value and new points are identified after applying survey results<sup>26</sup>.

25. 102-43;102-44

26. 102-48



## 10.2 Cono Sur's Materiality Matrix

After reviewing and verifying the most discussed material issues, the corresponding identification and evaluation is generated to update the materiality matrix for the 2019 period, as highlighted in Figure 5.

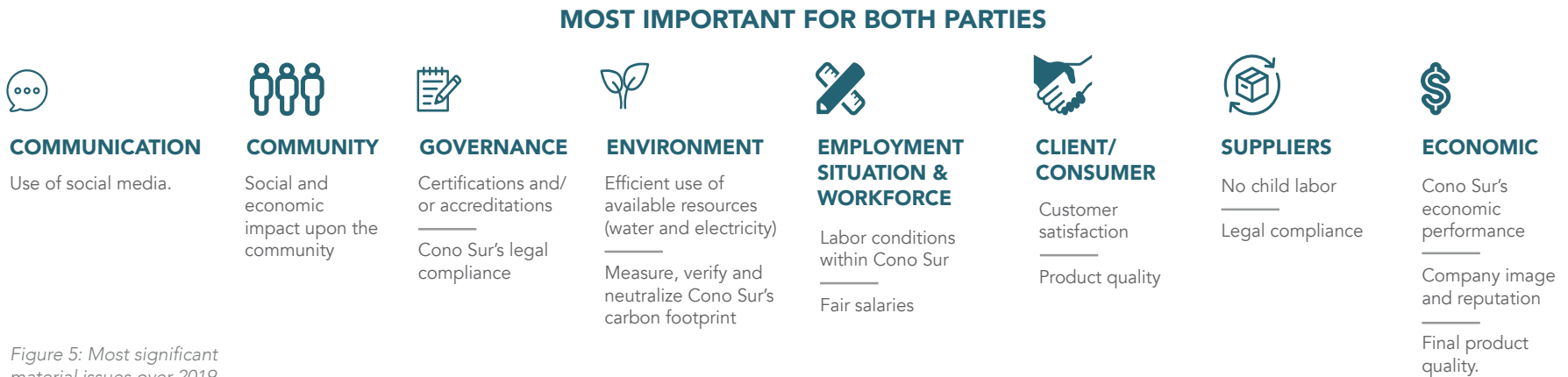


Figure 5: Most significant material issues over 2019 year period.

The above material issues are those that are most valued among internal and external stakeholders, highlighting each area's main themes. This is the base for writing the report and establishing new actions.

As a result of the surveys, the following new issues were identified<sup>27</sup>:

<sup>27</sup>: 102-49, 102-47

- 1 Modifying communications for social media impact.
- 2 Labor conditions within Cono Sur facilities
- 3 Company image and reputation

# 11. Certifications and/or Accreditations<sup>28</sup>



All of Cono Sur's current certifications are managed by the area of system management and sustainability. This area is responsible for ensuring compliance with the various norms to which the company voluntarily subscribes.

Though some of the certifications mainly concentrate on vineyards and wine cellar, all management systems apply to other facets of the organization.

## Current certifications:



Quality Management ISO 9.001, TÜV Rheinland  
Santa Elisa Estate and Cellar



Occupational Health & Safety Management OHSAS 18.001<sup>29</sup>  
Santa Elisa Estate and Cellar



CarbonNeutral.com  
Neutralization Certification  
Carbon Neutral Delivery  
Wine transportation



Responsabilidad Social Empresarial  
Company Social Responsibility For Life Certification  
Ecocert S.A.  
Entire organization



Environmental Management ISO 14.001, TÜV Rheinland  
Santa Elisa Estate and Cellar



kiwa  
OKO-GARANTIE  
BCS  
Organic Grape Production Certification, Kiwa-BSC  
Santa Elisa, Campo Lindo, Las Lomas and Las Lomitas Estates



Measurement and Verification of Carbon Footprint Certification  
Carbon Footprint Assessment  
Entire organization



Energy Management ISO 50.001, TÜV Rheinland  
Santa Elisa Estate and Cellar



Organic Vinification and Commercialization Certification, Ecocert S.A.  
Wine Cellar



Wines of Chile Code of Sustainability  
Ecocert S.A.  
Entire organization

28: 102-12  
29: 403-1



The area of sustainability is currently adapting its management system in order to comply with the standards set in the ISO 50.001:2018 and ISO 45.001:2018. The latter will replace the OHSAS 18.001:2017, Occupational Safety and Health Management System. During 2019, Cono Sur also worked to expand their organic certification to comply with the standards of Mexico. In addition, they are working tirelessly on the vegan product certification for the Organic wine range, as well as completing the System B Certification, which should be finalized in 2020.



# 12. Economic Performance<sup>30</sup>

SDG Compliance



*“Define our objectives and plan our activities to become an efficient and profitable company”.*

The following information contains the economic results for the 2019 calendar year<sup>31</sup>.

## ECONOMIC RESULTS

	2019
<b>DIRECT ECONOMIC REVENUE GENERATED</b>	<b>\$80,596,134</b>
Sales income	\$80,200,247
Other incomes	\$38,164
Exchange rate differences	\$331,982
Unit adjustment results	\$25,741
<b>DISTRIBUTED ECONOMIC REVENUE</b>	<b>\$-71,258,013</b>
Financier incomes	\$-583,459
Financier expenses	\$-4,293
Sales expenses	\$-57,127,341
Administration and distribution expenses	\$-10,260,812
Taxes	\$-3,180,437
Other expenses	\$-101,671
<b>RETAINED ECONOMIC REVENUE</b>	<b>\$9,338,121</b>

\*Values in thousands of Chilean Pesos

*Table 1: Direct economic revenue generated and distributed by Cono Sur in the 2019 period.*

30: 102- 7 iii, iv y v.

31:102-45, Consolidated financial state of Viña Concha y Toro S.A. and subsidiaries.

32: 201-1



In the case of sales, there was an increase in cases compared to the previous season, which is directly related to Cono Sur's new sales strategy:

	2017	2018	2019	VARIATION
<b>TOTAL 9L CASES</b>	5,170,750	4,927,107	5,371,368	9%

*Table 2: Amount of 9L cases exported during distinct periods.*





The year 2019 was very positive for Cono Sur. After a period of adjustments in pricing, inventory and portfolio in 2018, the company has begun to grow once more. A 9.9% increase in volume led to more than 5.3 million cases sold, with a 9% expansion.

This growth was led by the Invest brands: Cono Sur Bicicleta and Organic, which increased 9% in volume and 16% in value, right on track with the company's commercial strategy.

The majority of momentum was in the EMEA zones (Europe, the Middle East and Africa) and Latin America, with volume expansions of 28% and 25%, respectively. The countries with

the most growth were Poland, Holland, Ireland, Russia, Mexico and Colombia. Chile and Brazil experienced setbacks, however.

Asia increased in volume by 2.2%, mainly with private label sales in China. Revenue sales increased by 13.7% in the region, due to a better mix and a 9% expansion in priority brands endorsed by Cono Sur. The three main countries in the

region, Japan, China and Korea saw a double-digit expansion in products endorsed by Cono Sur.

Sales/invoicing directly impact the organization, due to being the base of yearly budget planning, from the vineyards to the final product.

### CONO SUR EQUITY

2017	2018	2019	VARIATION
\$42,933,373	\$48,629,386	\$55,217,737	14%

Table 3: Cono Sur equity in the reported period.



# 13.

## Cono Sur Legal Compliance



Legal compliance is one of Cono Sur's fundamental pillars, regularly verified by the department of risk prevention, the area of sustainability and human resources. The winery contracts a legal consultant who maintains that all legislation is updated and annually verifies compliance with main regulatory bodies.

Suppliers are divided into services and the sourcing of material and supplies, as well as grape suppliers. With regard to the former, legal compliance is evaluated through internal

controls and supplier evaluations carried about by various internal areas, mainly validating that the supplier complies with occupational health and safety. In addition, the labor documentation associated with contracts is controlled by the PRONEXO platform.

In the case of grape suppliers, legal compliance is evaluated via the delivered documentation for grape movement.

During 2019, there were six fines that corresponded to a total payment of 256 monthly tax

units<sup>33</sup>. These focused on legal labor issues, contract annexes and attendance control at Las Lomas Estate in Peralillo. Due to these fines, human resources made various administrative changes to address the contract annexes, as well as implemented a biometric system for labor attendance within all estates<sup>34</sup>.

There was no legal noncompliance during 2019 within the environmental realm<sup>35</sup>.

33: Equivalent to \$12,703,488 Chilean Pesos or \$16,704 USD as of December 2019.

34: 419-1

35: 307-1

# 14. Communications

The communication medium used with various stakeholders depends upon origin and destination. Available mediums are: email, the company website: [www.conosur.com](http://www.conosur.com), sustainability reports, press releases and phone calls, among others.

Limitations, depending on the material issue, can vary from information accessibility, communication medium used and connectivity.

## 14.1. Main stakeholders

Permanent communication and maintaining stable relationships overtime with all Cono Sur stakeholders has been key to success between both partners, allowing ongoing long-term relationships. The objective is to always communicate any topics related to occupational health and safety, environment and/or energy, and quality in order to align all parties to the standards implemented by Cono Sur<sup>36</sup>.

Internal	External
<ul style="list-style-type: none"> <li>Workers</li> <li>Partners and shareholders Concha y Toro</li> </ul>	<ul style="list-style-type: none"> <li>Clients                             <ul style="list-style-type: none"> <li>Final consumer</li> <li>Distributors</li> <li>Monopolies</li> </ul> </li> <li>Authorities                             <ul style="list-style-type: none"> <li>Ministry of the Environment</li> <li>Ministry of Health</li> <li>Agriculture and Livestock Service</li> <li>Ministry of Energy</li> <li>Labor Directory, National Forestry Corporation (CONAF)</li> <li>Customs, Superintendent of Electricity and Combustion (SEC)</li> <li>General Directory of Water</li> </ul> </li> <li>Community                             <ul style="list-style-type: none"> <li>Neighbors of the winery</li> <li>Municipality</li> </ul> </li> <li>Educational Centers</li> <li>Suppliers                             <ul style="list-style-type: none"> <li>Supply</li> <li>Dangerous substances</li> <li>Basic services</li> <li>Other services</li> <li>Wine and grape transportation</li> <li>Wine</li> <li>Grapes</li> <li>Construction</li> <li>Certifications</li> </ul> </li> <li>Unions and associations</li> <li>Energy companies</li> <li>Equipment suppliers and energy services</li> <li>Mutual association</li> <li>Personal protection suppliers</li> </ul>

36: 102-42

Table 4: Cono Sur's interested parties.

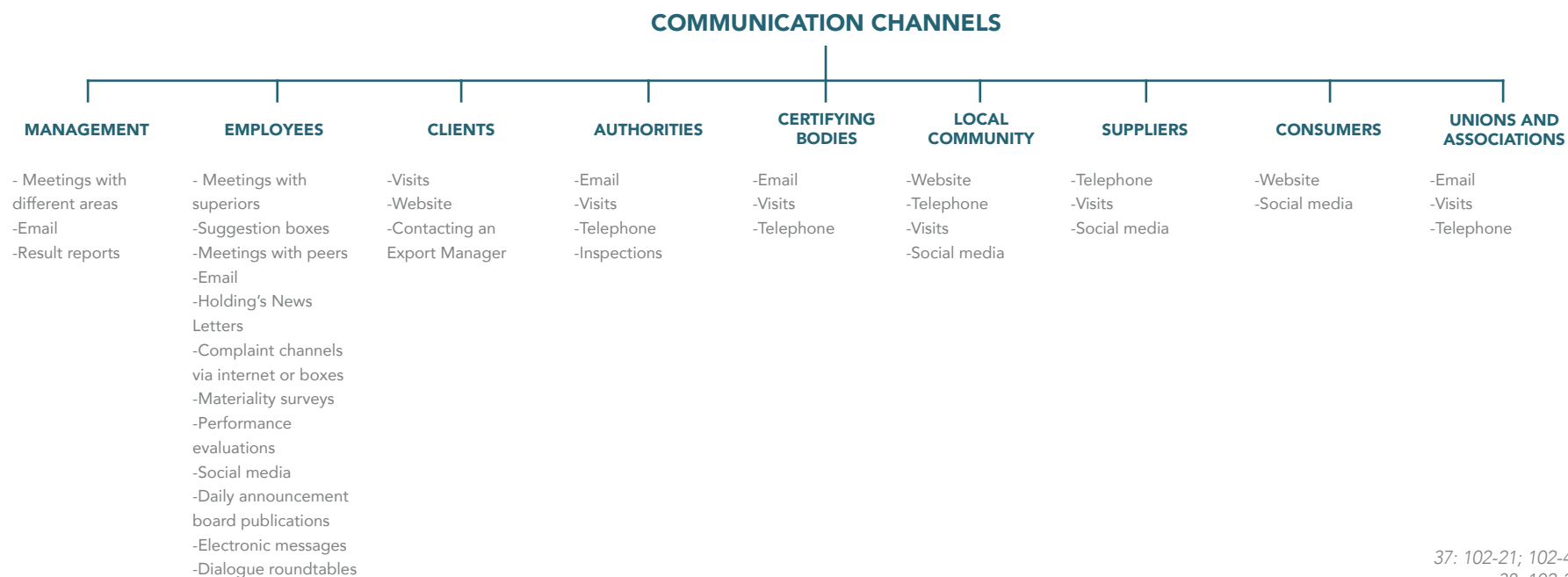
## 14.2. Communication Channels

The organization has direct communication channels between distinct interested parties. Depending on the matter, inquiries can be made to area supervisors or directly to upper management. They will be analyzed directly by the area involved or by the sustainability directory<sup>37</sup>.

As the case may be, communication can be assigned to a person in charge, an area within the organization or in certain instances, elevated to superiors in the Concha y Toro holding. The commitments established within the Sustainability Committee's

regular meetings are registered in the minutes<sup>38</sup>.

Follow-ups are done directly by the area involved within the meeting, as well as weekly by the area of system management and sustainability through assigned tasks<sup>39</sup>.



37: 102-21; 102-42

38: 102-25

39: 102-33

Figure 6: Main communication channels with interested parties.



## 14.3. Social Media



The company is currently pulling away from the Facebook platform. Though the community has increased by 2%, the year has witnessed a continued decrease, as evidenced by reach and number of interactions.

Instagram, however, has seen a 10% increase in followers, accompanied by a 17% decrease in interactions. This is attributed to the following:

- Weeks of silence during the last few months of the year, due to Chile's civil unrest.
- A decrease in interactions within the Instagram feed (traditional posts), as they were redirected to stories and direct messaging.

This behavioral change, already observed in 2018 and more evident in 2019, has led to a 2020-2021 strategy of progressively abandoning Twitter and Facebook platforms to concentrate efforts within Instagram stories and Instagram TV.

Cono Sur's website saw a 29% increase in page views and a 73% increase in unique visitors. This is attributed to the following:

- Investing in content creation, posting more frequently with more relevant information, perfecting search optimization, and generating more visits to the organic wine portfolio.
- Investing in digital publicity in 2019 to direct new visitors to our website, generating visits to our product catalog and new posts.

**+10%**  
followers

**-17%**  
interactions

**+29%**  
website visitors

**+73%**  
unique visitors



The results from 2019, with respect to the website, have influenced our 2020 strategy to concentrate efforts on content of value to the user and not just promoting our products and/or labels.

The Cono Sur community tends to be more interested in wine-related content such as food pairings, product characteristics and availability than in our labor force or responsible consumption. Content relating to sustainability is well-received when accompanied with the organic product line.

Something particular to social media has been the possibility of meeting brand followers. Through brand ambassadors and organized events (tastings, dinners, kitchen workshops), the company can communicate first hand their philosophy of sustainability in a detailed, friendly manner. This has always been very well-

received, as followers admire and appreciate the vineyard's ecological efforts. The message is transmitted efficiently and clearly. After events, attendees leave confident that Cono Sur is both an environmentally and socially conscious vineyard. This phenomenon has thus impacted the 2020 investment strategy in audiovisual material, with the goal of creating valuable ecological content, as well as communicating efforts on the material issues of sustainability.

# 15. Integrated Management Policy, Social Responsibility, Code of Conduct and Internal Regulation

## SDG Compliance



Since the beginning, Cono Sur has had an integrated management policy that includes commitments to various areas, such as quality, environmental, carbon footprint, social responsibility and occupational health and safety. This document is the base that permits establishing objectives and goals for the entire organization. It is Cono Sur's policy to get to know each member within the winery each year, especially new members, via introductory trainings and seminars<sup>40</sup>. The winery also has a Social Responsibility Policy, an additional document that compliments the current Integrated Management Policy.

Considering current legal norms and voluntary agreements, Cono Sur has created a Code of Conduct. This document establishes appropriate behavior for anyone working in or for Cono Sur<sup>41</sup>. This document is in alignment with Concha y Toro S.A.'s and affiliate's Code of Ethics and Conduct.

Each time a new member joins the Cono Sur team, they receive a copy of the Internal Regulations of Ordinance, Hygiene and Safety<sup>42</sup>.

This document summarizes the main rules that each member must obey in order to maintain a safe and healthy environment. It is updated according to legal modifications. In addition, there are exclusive regulations for external people that are working for the organization at some capacity.

*40: 412-2 (7 total hours of training on this issue, involving agricultural and winemaking areas. 88% training)*

*41: 102-16*

*42: 102-17*



## Human Rights

Based on Chile's 20.968 Law, the ISO 26.000, outlined standards in the Business Social Compliance Initiative (BSCI) Code of Conduct and the Fundamental Declaration of Human Rights, Cono Sur has established a Code of Conduct and Internal Regulations of Ordinance, Health and Safety.

Ecocert evaluated human rights according to the ForLife standard in 100% of Cono Sur's installations<sup>43</sup>.

No complaints were made during this period within the organization or among external suppliers.



## Anti Discrimination

As a part of its Integrated Management Policy, Code of Conduct and Internal Regulations of Ordinance, Health and Safety, Cono Sur does not discriminate against race, beliefs, religion, nationality, gender, age, political affiliation, disabilities, sexual orientation, civil status or ethnicity<sup>44</sup>.

No complaints were made during this period within the organization or among external suppliers.



## Child Labor and Exploitation

Though the legal work age is 15 with notarized and written parental consent, Cono Sur's Code of Conduct and Internal Regulations require that all personnel be 18 or older, the legal adult age established in Chilean legislation<sup>45</sup>.

No complaints were made during this period within the organization or among external suppliers.



## Forced Labor

Forced labor is defined in the 29th Convention of the International Organization of Labor—one of the organization's most ratified conventions—as work that is done without voluntary consent and under duress. As such, Cono Sur categorically rejects forced labor, adhering to the Forced Labor Convention, 1930 No. 29, as stated in its Code of Conduct and Internal Regulations of Ordinance, Health and Safety<sup>46</sup>.

No complaints were made during this period within the organization or among external suppliers.



## Indigenous Rights

Cono Sur has no registered incidents related to indigenous rights violations. The organization currently employs a worker of indigenous decent, certified by CONADI (The National Corporation of Indigenous Development)<sup>47</sup>.

No complaints were made during this period within the organization or among external suppliers.



## Complaint Mechanisms

The formal complaint mechanisms are established in Cono Sur's Internal Regulations and Code of Conduct. The purpose of these channels is to report any activity that interferes with a healthy work environment, as well as worker requests to better current labor conditions. Depending upon the complaint, they are sent to various members within human resources or corresponding members of upper management. An internal research group then investigates to collect more information in order to present to involved parties and define the necessary actions to be taken.

No complaints were made during this period within the organization or among external suppliers.

43: 412-1 / 44: 406-1 / 45: 408-1 / 46: 409-1 / 47: 411-1





## Ethical Business Behavior

In accordance with the Law 20.393, which establishes criminal responsibility of legal persons for the crimes of money laundering, terrorism financing, and the bribing of a national or foreign public official, the company may be responsible for the commission of crimes indicated in the aforementioned law, by way of workers and dependents within the scope of their functions. Considering this, the company expressly prohibits any conduct that may give rise to criminal indictment under the Law 20.393 for acts committed by the owners, directors, managers, senior executives, representatives, those who carry out administrative or supervisory activities, as well as any collaborators or external representatives. The above is defined in the Cono Sur Code of Conduct. Each employee contract within the organization includes an annex affirming compliance with the Law 20.393.

No complaints were made during this period within the organization or among external suppliers.



## Public Policy

Cono Sur is not affiliated with nor supports any political party, allowing all employees to freely choose their political representatives. Consequently, no type of economic support is given to political parties or related institutions<sup>48</sup>.

No complaints were made during this period within the organization or among external suppliers.

48: 415-1 / 49: 205-1 / 50: 205-3 / 51: 206-1



## Anti-Corruption

The Code of Conduct establishes that “no member of Cono Sur will take part in corrupt acts. Personal benefits or economic compensation may not be accepted from any client, supplier, or any other natural or legal person who has commercial relations with the organization.” This was adopted from the BSCI Code of Conduct, Wines of Chile’s Sustainability Code and For Life Certification, who evaluated 100% of the organization<sup>49</sup>.

No complaints were made during this period within the organization or among external suppliers<sup>50</sup>.



## Free Competition

Cono Sur competes freely with other vineyards within Chile and around the world, without devaluing the work of others, selected by each client’s free will.

No complaints were made during this period within the organization or among external suppliers<sup>51</sup>.

# 16. Suppliers

## SDG Compliance



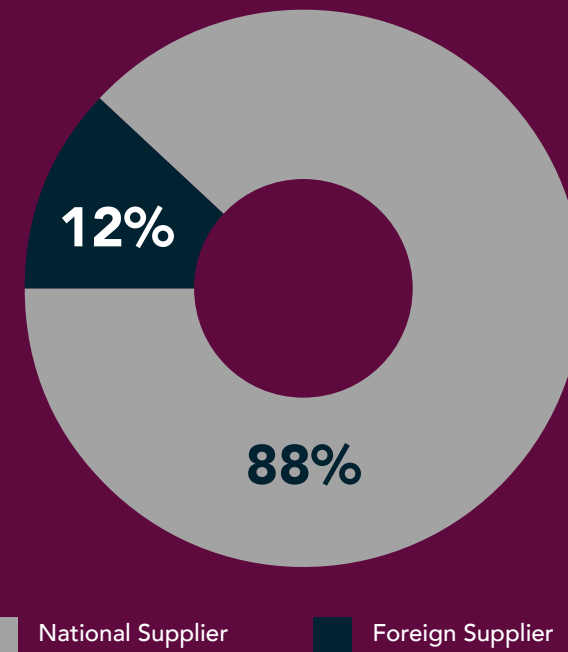
## Supplier Evaluation

Cono Sur has several important suppliers, among which provide inputs, raw materials and services. They are regularly evaluated in order to assess the company and services provided, allowing them to align with Cono Sur's requirements on issues of labor, occupational health and safety, quality, the environment and energy<sup>52</sup>.

Critical providers<sup>53</sup> are evaluated yearly upon the aforementioned issues according to a program of evaluation. When possible, Cono Sur sources a significant amount of raw materials and inputs from local suppliers in relation to various estates and the wine cellar. Of course, this does not

apply to purchasing grapes from specific valleys, or when purchasing inputs that cannot be sourced locally.

The majority of suppliers and service providers are concentrated within the Santa Elisa Estate in Chimbarongo, where grapes are processed and wine is made.



52: 102-42

53: Above 6-digit invoicing.

Figure 7: Distribution of local and foreign purchases.

# 17. Legal Compliance of Suppliers

During 2019, five grape providers were verified through the Wines of Chile Code of Sustainability's Green Area, reaching a total of 20% verified long-term suppliers. In the same time period, 53% of grape suppliers were certified in both environmental and social areas<sup>54</sup>.

The evaluations mainly contemplate compliance within the realms of environmental, worker health and safety, and above all, child labor regulations. This provides a current performance base among grape suppliers with long-term contracts. In addition, each audit includes risk prevention and sustainability trainings.

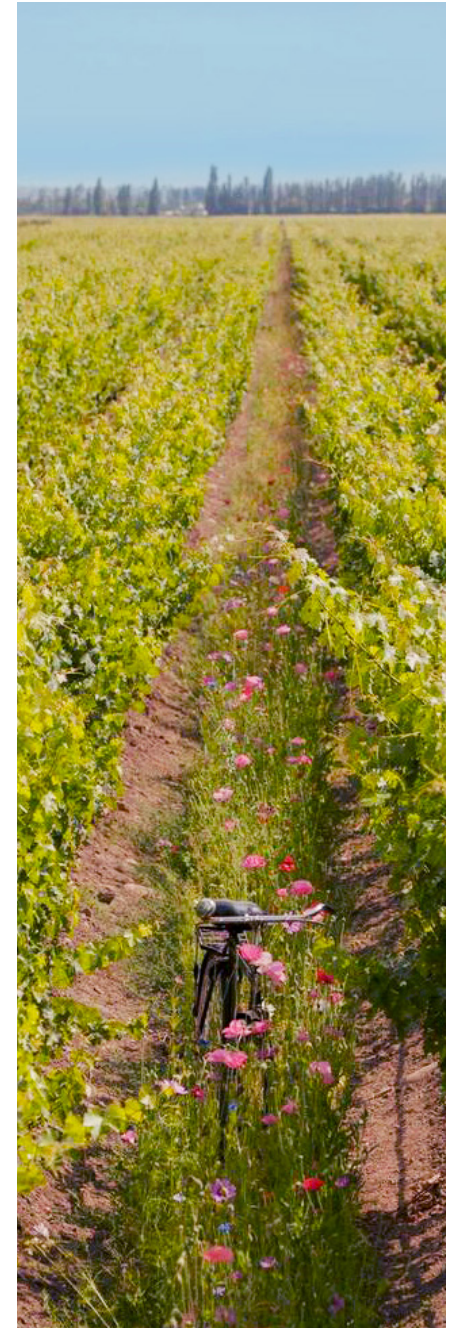
Cono Sur has also implemented a follow-up system to ensure

compliance with environmental and occupational health and safety compliance among non-certified producers.

External workers that enter Cono Sur facilities are expected to comply with labor and health and safety standards set by the vineyard. All documentation of such compliance should be entered into the PRONEXO platform, so that the workers are able to provide their services. They are then subject to an induction and training on the potential risks, as well as social and environmental issues.

Possible risks imposed by external service providers are controlled through evaluations and audits.

Naturally, due to a large number of suppliers and producers, there are limitations in verifying each one. After all, a commercial relationship's duration could also be limited to a single purchase from an on-the-spot suppliers.



54: 308-1; 414-1

# 18.

## Cono Sur's Image



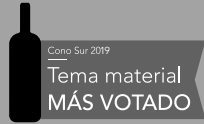
The vineyard's image is an important factor in defining the confidence and respect that workers, clients and consumers have for the brand. General management, with help from the area of system management and sustainability, possess a detailed analysis of potential risks that could generate a decrease in the vineyard's image perception.

Cono Sur's image in recent years has increased due to their focus on social and environmental factors. These efforts have been particularly noticeable within the Organic and Bicicleta ranges.





# 19. Final Product Quality



SDG Compliance



*“Continue our efforts toward complete customer satisfaction through highly-qualified personnel, adequate technology and facilities and of course, with products that undergo rigorous quality control”*

An impact on quality can occur at any moment of the process, from suppliers of inputs and raw materials, to internal and external processes, directly impacting client and end-consumer satisfaction.

Limitations are related to losing control once the product reaches the hands of the distributor (storage conditions, loss of quality over time.)

Nonetheless, Cono Sur wines continue to receive recognition from around the world. In particular, Drinks International named Cono Sur #11 among the “Most Admired Wine Brands.” Other noteworthy awards include: Ocio Pinot Noir 2015 - 95 Points from Tim Atkins; Single Vineyard 8 Grapes 2018 and Reserva Especial Riesling 2018 both awarded 95 points from Decanter Magazine.

## Grape Production

Cono Sur has 1,306 productive hectares throughout various winemaking regions, all farmed in order to obtain the quality necessary to produce quality wines.

In the case of purchasing grapes, the vineyard has established minimum requirements that are constantly verified.

## Vinification and Bottling

The winemaking team begins to make wine around mid-February of each year, depending upon variety and origin. The area of system management and sustainability performs regular audits and quality control from grape transportation up until the bottling process, which is done through Concha y Toro. This last process includes sterilization certifications according to international standards. All wine produced at Cono Sur is analyzed for pesticide residuals in order to ensure a sterile, quality product of no risk to the final consumer's health.

All grapes, grape must and wines produced at Cono Sur undergo a system of traceability that create a clear timeline from the vineyard to the bottle.





## 19.1. Client Satisfaction

Every two years, Cono Sur's commercial area evaluates quality perception among clients (distributors). The next one will be conducted in 2020.



## 19.2 Final Product Label and Information<sup>55</sup>

The local Chilean market has specific legal requirements for label contents<sup>56</sup>, which is identified and verified by Concha y Toro's legal department.

Each international market is the same, with information requirements varying from country to country. Products sold in Europe must include relevant information regarding responsible consumption, and in specific cases, such as England, the recommended daily intake as well as restrictions for pregnant women must be included. For Latin America, legal information related to the importer must be included. In other countries, when required, information regarding responsible consumption, recommended daily intake or warnings are included.

As a way of promoting responsible waste management, all labels also include recycling icons.

The addition of sulphur dioxide allows for wine preservation over time. However, as it is an allergen, Cono Sur includes on all labels that their products contain sulphites.

The vineyard is currently working on creating a range of vegan wines, which will ensure no use of animal products in its creation. The first certifications will hopefully be obtained in early 2020.

Depending on the client's flexibility, labels are translated into the destination market's local language. The vineyard did not receive any fines for incorrect label information in 2019<sup>57</sup>.

55: 417-1

56: Chilean law 18.455 Supreme Decret 78 y 464

57: 417-2

## 20. Information Safeguarding

All information related to clients is safeguarded with restricted access to an Internal Holding Network. This network is an annex service offered by Concha y Toro that restricts confidential information access. Within the reported period, there has been no loss or leakage of information regarding clients<sup>58</sup>.



## 21. Responsible Marketing

Cono Sur's publicity is created by an ideal team with the objective of communicating specific information, without degrading competition and complying with applicable norms. Advertisements are aligned with the standards set by the Chilean Code of Ethical Advertising, dispersed by the Council of Auto-regulation and Ethical Advertising (CONAR). During the reported period, no non-compliance issues were filed against marketing and communications<sup>59</sup>.

58: 418-1 / 59: 417-3





# 22. Responsible Wine Consumption

SDG Compliance



Since 2018, Cono Sur has implemented trainings related to the benefits of responsible wine consumption within all estates and the bodega. A winemaker was assigned to hold various chats on responsible consumption, with the intent of informing workers about the benefits of limited consumption and the potential risks of excessive consumption.

Cono Sur also promotes a message of responsible consumption among several social media platforms. They currently participate in the Wine in Moderation initiative led by

Wines of Chile. The messages inform and propose ways of achieving worldwide global responsibility toward wine consumption.



Cono Sur is dedicated to focus on the development of this initiative to reach the greater public about responsible consumption.



# 23.

## Occupational Health & Safety Balance<sup>60</sup>

SDG Compliance



One of Cono Sur's main objectives is to continue protecting the health and safety of each collaborator working within the winery's facilities. Each employee is expected to procure self-care inside and outside the winery's premises.

Since the implementation of OHSAS 18.001 standards, which focuses on occupational health and safety management systems, Cono Sur has worked constantly to identify dangers and evaluate risks in all production areas. Thus actions have been taken to ensure that all workers, from high management to estate managers and their teams, are able to work in a safe, healthy environment.

Currently measures are being taken to adapt systems to ISO 45.001:2018<sup>61</sup> standards, which will replace OHSAS 18.001.

This certification will apply to our home estate and winemaking facilities at Santa Elisa, covering 39%<sup>62</sup> of all workers, including external hires. However, health and safety management applies to all areas within the organization<sup>63</sup>.

At the beginning of 2019, in accordance with the N. 67 Supreme Decree, efforts were

60. Para más información, revisar el anexo A  
 61. 403-2; 403-3  
 62. 133 trabajadores promedio en fundo matriz Santa Elisa  
 63. 403-8

made to reduce additional contribution rates. A decrease in accidents with time lost has reduced the contribution rate from 0.68% to 0.34%.

Permanent health and safety efforts include:



Informative talks, trainings and workshops carried out by our HR team and also along with the Chilean Association of Safety (ACHS).



Meeting with joint committees on hygiene and safety.



Meetings among integrated systems management.



Facility inspections and behavior observations.



Emergency simulations.

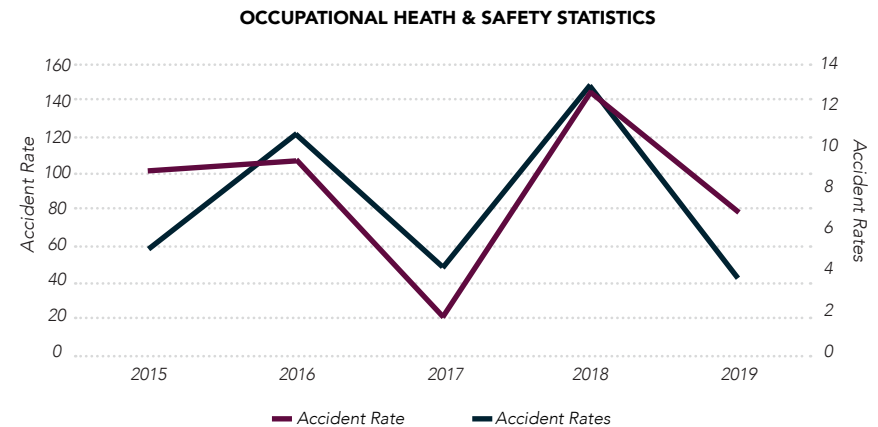


Figure 8: Occupational health and safety accident rates throughout various periods.

# 24.

## **Freedom of Association and Collective Agreements**<sup>64</sup>

SDG Compliance



Current Chilean legislation, which applies to Cono Sur's Internal Regulations on Order, Health and Safety, establishes that no worker is denied their freedom of association; to date, no unions have been formed within the organization, but there are two negotiation groups with collective agreements. These groups correspond to the agricultural and oenological areas, totaling 73% of personnel. Representatives work to review and evaluate issues of interest, and as a result, they generate agreements that are registered and monitored by the Human Resources area.

During the reported period, no complaints were filed against the freedom to associate. The same applies to external providers.



64. 102-41; 407-1

# 25. Education and Training<sup>65</sup>

SDG Compliance



Part of the corporate agreement and the highest-scored material issue within its category, each permanent worker within the organization undergoes a yearly performance evaluation. This allows for registering and providing feedback on each worker's behavior and technical skills. In 2019, 92% of plant workers were evaluated, providing inputs for the process of detecting training needs within the winery<sup>66</sup>.

Hours of training increased by 23% in relation to the previous year, but were geared toward fewer workers, hence the increase in training hours per worker.



	2019			
Employee			hours among men	hours among women
<b>Operator and Entry-level</b>	31	154	3,099	1,048
<b>Technical, Professional and Administrative</b>	12	24	2,769	191
<b>Management and Deputy Management</b>	0	3	64	0
<b>Total</b>	<b>43</b>	<b>181</b>	<b>5,932</b>	<b>1,239</b>
<b>Course Expenses</b>				\$19,434,800
<b>Travel Expenses</b>				\$108,708
<b>Total Expenses</b>				<b>\$19,543,508</b>
<b>Total Remaining Expenses</b>				\$0
<b>Company Contribution</b>				\$11,063,503

Table 5: Description of trainings in 2019.

65: 404-2 a)

The results in Table 5 only correspond to external training hours that focus on reinforcing commitments to the environment, quality and most importantly, occupational health and safety<sup>67</sup>.

Internal trainings are also held throughout the organization, programmed before the start of critical production stages. In the

previous period, 269 trainings were schedule and 85% were executed.

These trainings increase technical understanding of processes, safety and efficient use of resources, among others. A positive impact on all facets of the organization.

	2018	2019	Variation
Total hours of training	5,820	7,171	23%
Hours of training per worker	17.5	32.0	83%

Table 6: Training Hours within 2018 and 2019.

66: 404-3  
67: 404-1

## 25.1 Scholarships



SDG Compliance

Cono Sur offers a scholarship program for workers that want to improve their skills and also have demonstrated solid performance. Workers may apply for total or partial financing of technical careers or courses that are relevant to their functions within the winery.

Each year Cono Sur grants two scholarships, and in 2019 four scholarships were granted.



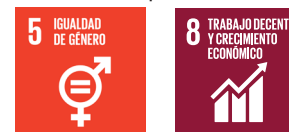


# 26.








## Cono Sur Employee Benefits

All permanent workers at Cono Sur receive employee benefits. Benefits increased by 14% in 2019 with respect to the previous report<sup>68</sup>:

### SDG Compliance



68: 401-2

	2018	2019	Variation	Description
 <b>BONUSES (CHRISTMAS AND NATIONAL HOLIDAYS)</b>	\$52,236,389	\$52,983,980	1%	Amount of money given by the company to each worker for mentioned festivities (one time a year, each holiday).
 <b>TRANSPORTATION</b>	\$41,575,209	\$43,382,932	4%	A daily payment to each worker for transportation, calculated according to days worked.
 <b>LUNCH</b>	\$58,366,472	\$46,056,259	-21%	A daily payment to each worker for food, calculated according to days worked. This only applies in circumstances where meal services cannot be provided through an external company.
 <b>SCHOOLING BONUS</b>	\$10,147,992	\$60,586,562	497%	From nursery to university, a payment given per worker's charge or for their own studies, student proof required (once a year).
 <b>CHILDBIRTH BONUS</b>	\$748,812	\$766,597	2%	A payment given to a worker when they have a child, birth certificate required (once a year per birth).
 <b>NURSERY BONUS</b>	\$2,801,368	\$1,912,436	-32%	A payment given to workers for childcare.
 <b>MARRIAGE BONUS</b>	\$249,370	\$259,860	4%	A payment given to newly wedded workers, marriage certificate or civil union agreement required.







	2018	2019	Variation	Description
 <b>VACATION BONUS</b>	\$23,285,408	\$25,867,302	11%	Given to those who take a minimum of 10 vacation days once a year.
 <b>ANNUAL BONUS</b>	\$136,570,669	\$151,856,716	11%	A payment given to each indefinite contract worker, calculated by the company's profit.
 <b>GUILISASTI BONUS</b>	\$30,837,000	\$32,869,500	7%	A payment given to each indefinite contract worker, calculated by the company's profits from the previous year. Contract must current from December of each year.
 <b>SENIORITY BONUS</b>	\$1,980,000	\$5,984,153	202%	An amount given to workers for their 10th, 15th, 20th, 25th, 30th and 35th anniversaries within the company.
 <b>HARVEST BONUS</b>	\$77,869,126	\$74,544,234	-4%	An amount given to the oenological and agricultural areas for their participation in harvest.
 <b>OPERATOR EXCELLENCE BONUS</b>	\$18,980,990	\$24,334,478	28%	An amount of money given to each cellar worker at Cono Sur for complying with standards and completing tasks commanded by management.

Table 7: Breakdown of the benefits from the last two periods.

# 27.

## Ethical Salary



SDG Compliance



The minimum salary is set by current legislation and updated each year. The 2019 minimum salary was adjusted to \$301,000<sup>69</sup> Chilean Pesos per month. Salaries are defined according to position profile and fairness. There is no difference with respect to gender<sup>70</sup>.

Along with Conchay Toro's human resources, high management ensures that salaries and social security payments are paid, also providing information about pensions. Salaries are subjected to revisions in order to ensure homogeneity within the organization<sup>71</sup>.

Considering the social events that occurred in Chile in 2019, Cono Sur management committed themselves to pay an ethical salary and agreed upon a \$500,000 minimum gross salary, impacting 42 employees.



69: 201-3

70: 405-2; significant location and operations: Sites where workers are located. See Table 22: Head Count.

71: 102-36

# 28.

## Collaborators <sup>72</sup>

The following table summarizes the organization's Head Count:



	2 0 1 8				2 0 1 9			
	Permanent	Temporary			Permanent	Temporary		
El Encanto V Region	13	10	7	16	14	5	6	13
El Centinela V Region	3	0	0	3	0	0	0	0
Campo Lindo V Region	14	7	6	15	14	4	4	14
Main Offices Santiago, R.M.	22	0	14	8	23	0	11	12
Las Lomas VI Region	28	38	16	50	35	23	14	44
Santa Elisa VI Region	60	6	10	56	62	4	10	56
Chimbarongo Wine Cellar, VI Region	46	21	7	60	39	26	8	57
La Espuela VII Region	6	34	12	28	11	29	14	26
Mulchen VIII Region	5	19	3	21	7	40	10	37
Expatriots	10	0	3	7	10	0	3	7
<b>Total</b>	<b>207</b>	<b>135</b>	<b>78</b>	<b>264</b>	<b>215</b>	<b>131</b>	<b>80</b>	<b>266</b>

Table 8: Worker Head Count and a two-period comparison.

72: 401-1, 102-8

## 28.1 Age Ranges

The rotation rate among personnel increased significantly in 2019, which is principally related to the Concha y Toro Holding's organizational restructuring process.





	2018	2019	Variation
 <b>Voluntary Rotation</b>	4.4%	6.6%	2.2%
 <b>Non-Voluntary Rotation</b>	1.5%	13.3%	11.8%
 <b>Voluntary Rotation</b>	8.4%	8.1%	-0.3%
 <b>Non-Voluntary Rotation</b>	6.4%	13.7%	7.3%
<b>Total average rotation</b>	<b>5%</b>	<b>10%</b>	

Table 9: Rotation rate in different periods.

## 28.2 Age Ranges<sup>73</sup>

The following figure shows the distribution of age ranges among Cono Sur workers, including the sustainability committee. The increases in 2019 were concentrated among men from

46-55 years of age and older than 56, a 2% increase. Among women, there was a 1% increase in ages 36-45 and 46-55.

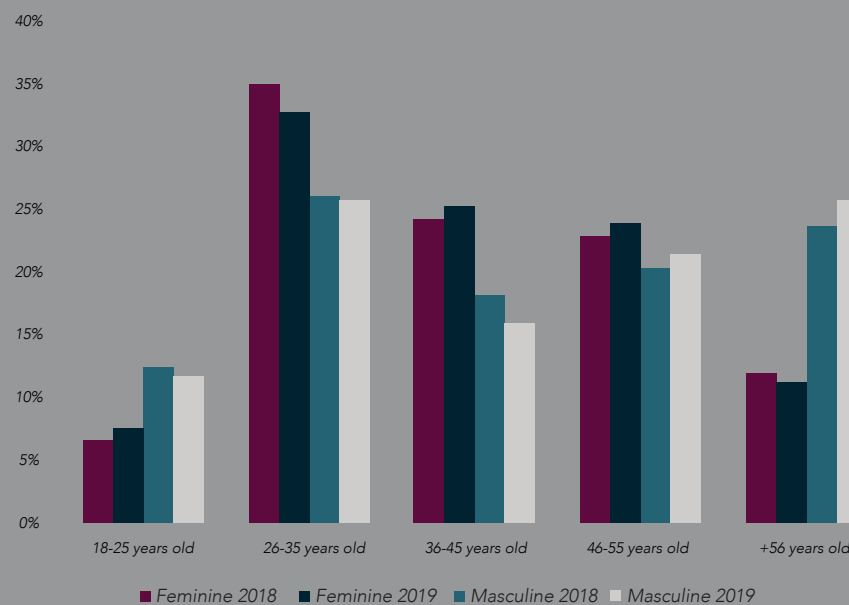


Figure 9: Age comparison over two periods.

73: 405-1



# 29.

## Joint Committee on Hygiene and Safety<sup>74</sup>

Each area with more than 25 workers, whether at the estate or the cellar, has a joint committee on hygiene and safety. This committee represents all workers within the area. There is currently only one estate without a committee, as there are fewer workers than the Chilean law stipulates in the N. 54 Supreme Decree. Nonetheless, monthly meetings are held between workers and the company until they have enough personnel to form a committee.

Cono Sur has joint committees on hygiene and safety within the following facilities:

- Campo Lindo Estate (Leyda)
- The Las Lomas, Las Lomitas and Las Hijuelas Estates (Peralillo)
- Santa Elisa Estate and Cellar (Chimbarongo)
- El Encanto Estate (San Felipe)
- La Espuela and El Estribo Estates (San Clemente)

Each month, the joint committees meet to analyze issues of hygiene and safety at their estate. They are kept in records to state all discussions and agreements. All actions or agreements are monitored constantly by the management system and informed to high management<sup>75</sup>.

SDG Compliance



It is important to mention that each committee has their own purposes, such as:



**Accident Investigation Commission.** They should meet each time an accident occurs to gather all information regarding the incident by interviewing witnesses and establishing the cause and corrective measures to be taken.



**Training and Diffusion Commission.** They help determine training needs and instruct on detected risks. They are also in charge of informing about risk prevention measures developed by the committee.



**Inspection Commission.** Inspect the processes and workstations, while observing conduct when performing tasks.

74: 403-1  
75: 403-2; 403-4

## The conformation of the various committees in Cono Sur's estates

	EL ENCANTO		CAMPO LINDO		LA ESPUELA		SANTA ELISA		LAS LOMAS		TOTAL
											<b>61</b>
	1	5	2	4	1	5	1	6	1	7	
	3	3	3	3	4	2	5	0	5	0	
	TOTAL: 12		TOTAL: 12		TOTAL: 12		TOTAL: 12		TOTAL: 13		

Table 10: The conformation of the various committees in Cono Sur's estates

## 30. Labor Conditions within Facilities

Cono Sur's area of risk prevention, along with human resources, constantly verify work conditions within all facilities in order to ensure that all are adequate and that workers can perform their tasks in a healthy, safe manner

All observations are recorded in inspection and cleaning reports to permanently assess infrastructure conditions, work

execution, procedural reviews, internal and external personnel behavior and legal requirements, among others.

At the same time, the area of System Management and Sustainability along with the area of Risk Prevention audit and verify compliance while ensuring that each procedure's function is met.

The joint committees have been a great help in achieving these objectives, as they are able to identify situations not seen in routine inspections.

The Chilean Association of Safety also aids in managing worker health and safety with visits to the cellar and estates, inspections and reports that outline necessary improvements.



SDG Compliance



### 30.1 Work Environment

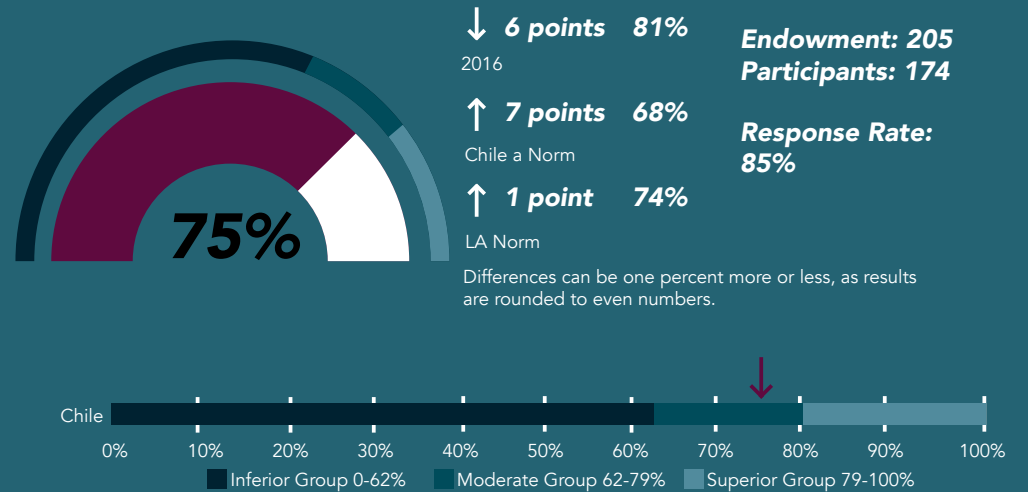
An Engagement Survey (commitment<sup>76</sup>) was conducted in 2019. This is done biannually, however for internal reasons, it was not carried out in 2018, rather 2019. The results can be seen below:

76: 102-43

You can see that even though results decreased from those shown in 2016 (the last time it was carried out), Cono Sur still remains in the superior level in comparison to the companies that apply this same survey. Transcendental changes in the organization are the main factor in this decrease, which without a doubt were felt strongly by the team, mainly at the offices in Santiago and Chimbarongo.

The results of this process are shown at all Cono Sur premises to take actions to improve indicators and global management.

## Cono Sur's Commitment Level



# 31.

## Community

Cono Sur's interaction within the community depends upon each estate's location. Currently the closest are:

**Santa Elisa**, part of the central zone in Chimbarongo.

**Las Lomas, Lomitas and Hijuelas** are a part of the northern zone in the outskirts of Peralillo.

**La Espuela and El Estribo**, are located in the northern zone of San Clemente.

If the community asks for something, Cono Sur's area of human resources, communications and sustainability look into the matter, the same in charge of seeing any actions through to its completion.

Possible impact on communities is principally within the Santa Elisa estate where the wine cellar and main vineyard are located. This estate is located in Chimbarongo, where there is the most potential for interacting with locals. The other estates are located further from major populations.

The main limitations lie within communication channels used by external interested parties, specifically those around the home estate in Chimbarongo.







### **31.1 Social and Environmental Impact Upon the Community**

This analysis was conducted by the area of sustainability and focuses on the vineyard's impact upon the environmental and local community.

In the case of Santa Elisa, where vineyards and the wine cellar are located in the middle of Chimbarongo city, studies on environmental noise have been conducted and plans have since been devised to advise the community prior to specific, isolated frost-control events<sup>77</sup>.

When estates are closer to a community, the organization is constantly in communication with the locals and sanitation authorities when applying pesticides, in accordance with

current standards.


And though estates such as El Encanto, San Rafael, Mulchén and Campo Lindo are not close to communities, proper health authorities are notified all the same.

In 2019, no complaints or non-compliance issues were filed by nearby communities.


In terms of social impacts, all Cono Sur estates promote local hires throughout important agricultural periods such as harvest, pruning and binding. These instances generate local employment opportunities for last-year technical school students with legal age to work, as well as less trained workforce.


Various community activities were held in Chimbarongo in 2019.


A few highlights were:


 An agreement with the Chimbarongo Football Club's third division to train within the vineyard's facilities.

 Since 2016, Cono Sur has set up a booth at the ExpoMimbre event to present itself as a local business that helps with community development, as well as display the winery's products.

 The Community Christmas Party is held for low-income families from the Alto Miraflores and Fernando Arenas Almarza schools. This activity is overseen by the General Manager and Chimbarongo's municipality. There are more than 150 participants.

 Adequation of Cono Sur facilities to host events for local children.

 CCR: Chimbarongo's Community Rehabilitation Center and the office of inclusion for disabled people have developed the first Bocce interregional championship. Members can train in local facilities with winery sponsorship at events.

 Rehabilitation Tele: The Teletón Foundation signed an agreement with Chimbarongo's Tele Rehabilitación at the beginning of 2019 and invited Cono Sur to lead this event. The winery feels strongly about supporting this area, having hired three individuals in 2019 from this center to work at the sorting table with varieties destined to Cono Sur's premium wines. Their performance was excellent.





# 32. Resource Efficiency

*“Prevent daily contamination through environmental programs with clear objectives and goals to ensure the improvement of our production systems. Objectives are aimed at: minimizing waste production; maximizing waste reuse; increasing efficient pesticide application through disease monitoring; efficient use of energy and water resources; eliminating greenhouse gas emissions; improve processes and quality both within raw materials and final wines.”*

## SDG Compliance



These impacts have global repercussions due to their direct relation with climate change, thus the winery must take action.

Depending on the issue, limitations can be influenced by budget and technicalities. Incorporating technology to improve waste management has real benefits on efficient use of resources and on the improvement of waste generated by the winery.

## 32.1. Energy Efficiency

Cono Sur has maintained the ISO 50.001: 2011 certification since 2014, which undergoes third-party verification each year. The management systems are currently being updated to achieve the 2018 ISO 50.001 version, which will hopefully be obtained in 2020. This certification applies to Santa Elisa estate, as it consumes the most energy within the organization.



The following information represents the agricultural year: June 1 of one year until May 31 of the following year.

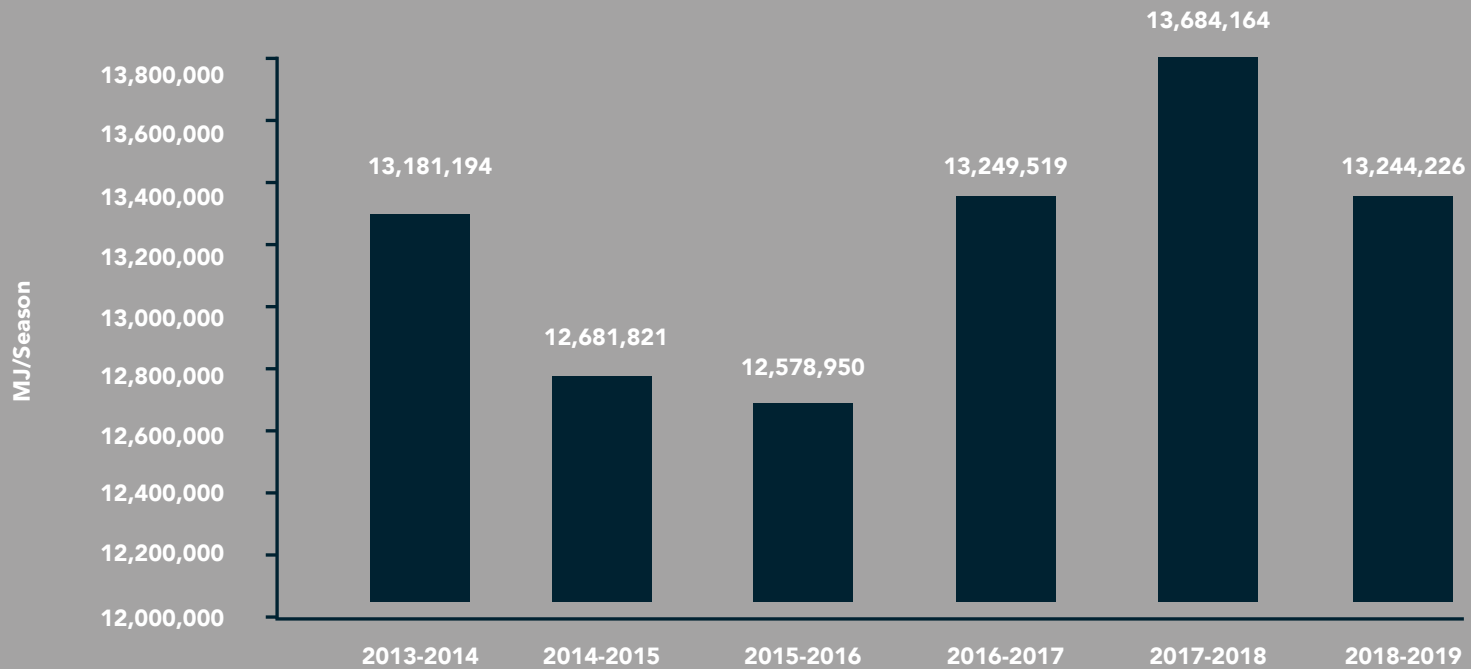


Figure 10: General energy consumption during the last six seasons, in MJ units.

Energy consumption increased by 0.5% in the last season with respect to the base year (2013-2014) and decreased by 3.2% with respect to the previous year. This reduction in energy consumption was due to a decrease in grapes received at the cellar.





### 32.3. Non-Conventional Renewable Energy

To reduce greenhouse gas emissions and energy costs, Cono Sur has worked hard to implement photovoltaic facilities at several estates. There are currently five solar panels plants at the following estates: El Encanto (floating), Campo Lindo (floating), La Espuela, Las Lomas and Santa Elisa, a potential total of 751 kW. Results from assessment to install solar panels on the wine cellar roof will be considered in 2020.

### 32.2. Energy Consumption Outside the Organization

Energy consumption outside of the organization corresponds to the bottling process provided by Concha y Toro. Electricity use associated with this process decreased by 7.8% with respect to the previous year.

	Unit	2017-2018	2018-2019	Variation
Bottling	MJ	8,276,355	7,634,372	-7.8%

Table 11: Bottling energy consumption over various periods<sup>78</sup>

78: 302-2; Information obtained by the internal report issued by Carbon Neutral. Conversions to MJ done via <http://www.convertworld.com/es/energia/>



## 32.4. Energy Intensity<sup>79</sup>

The following displays the main energy uses at Santa Elisa estate and wine cellar. The use of liquid gas in heaters, diesel fuel in agricultural machinery and electricity in cooling tanks represents nearly 60% of all consumption.

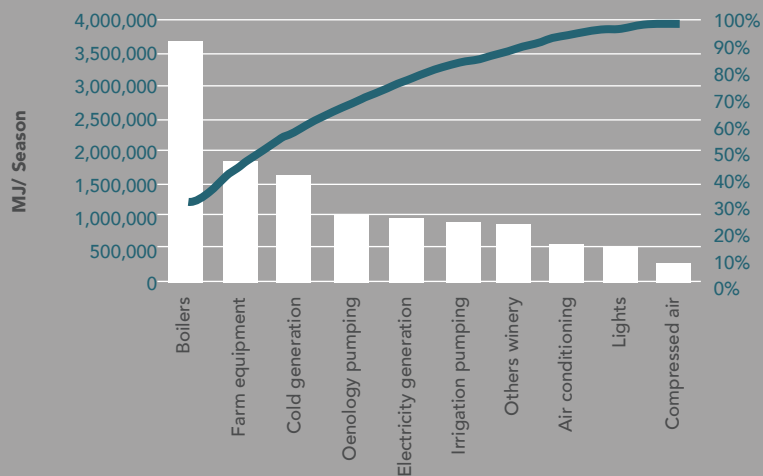


Figure 11: Energy consumption per process throughout different periods.

## GENERAL ENERGY INDICATOR

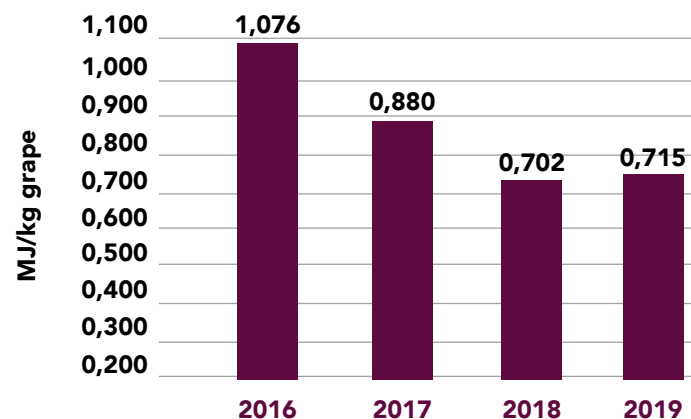


Figure 12: Energy intensity within the agricultural area throughout different periods.

During the 2018-2019 period, the Santa Elisa estate produced 4,047,749 kg and consumed 2,894,224 MJ, providing a general indicator of 0.72 MJ/kg of grapes. This was 1.9% higher than the previous season, although 33.5% lower than the 2015-2016 season.

During 2019 harvest, a time when nearly two thirds of the entire season's energy is consumed, the bodega processed 27,229,979 kg of grapes, representing a use of 0.364 MJ per kg of grapes

entering the cellar, which is aligned with the previous year's performance. The following displays the last four seasons.

## WINE CELLAR'S GENERAL INDICATOR

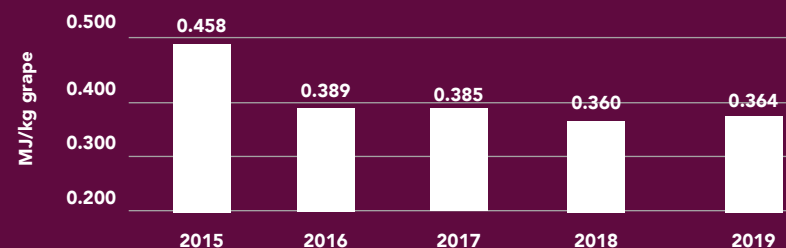


Figure 13: Global energy intensity for winemaking purposes, past seasons

In 2019, the winery continued replacing HM and energy-saving lighting for LED technology, which has been implemented in 3 areas of the wine cellar.

Frequency variation machines were also installed in 2019 within

the five irrigation systems at Santa Elisa Estate, and replicated at the Campo Lindo estate. The following table shows the performance indicator of the home estate, Santa Elisa.

SEASON	ENERGY kWh	WATER M <sup>3</sup>	IDE M <sup>3</sup> /kWh
2013-2014	299,100	1,241,290	4.15
2014-2015	268,000	1,216,330	4.54
2015-2016	231,600	1,089,050	4.70
2016-2017	269,000	1,289,100	4.79
2017-2018	241,100	1,226,970	5.09
2018-2019	254,800	1,307,100	5.13

Table 12: Irrigation performance indicato, Santa Elisa Estate.

# 33.

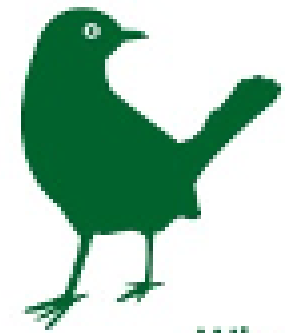
## Biodiversity

Santa Elisa, Campo Lindo and El Encanto estates currently have biological corridors that promote native flora and fauna. They are located beside vineyard blocks to minimize impact from phytosanitary product applications and machinery noise; and they function as islands of vegetation (preferably with native species) that promote coexistence with insects and small animals. There are currently 36.41 hectares dedicated to protecting/promoting biodiversity within Cono Sur estates, 3% of their total surface area. In 2019, Cono Sur participated in a research and development program called "Development and assesment

of Eco-systemic services based on functional biodiversity using native flora and cover crops in viticultural systems." Along with four other vineyards, they sought to find and propagate native plants that insects were highly attracted to, achieving good coverage.

The effects of climate change are quite evident, despite certain groups' denial. In order to fight this change, new strategies are necessary, such as incorporating native flora, which can adapt much better to the local environment. In order to have beneficial insects among the vines, flowers are planted at row ends to attract natural enemies.

The R+D project identified and reproduced 55 native species of high resistance and effectivity. Thirty of these were studied throughout their entire life cycle and 12 were propagated in the vineyards for the experiment. In addition, a seed bank was established via multiplying propagation units, which is a huge success to advance on the reestablishment of native flora, as well as understanding their life cycles, behaviors and viability within various sites.



**Wine  
Climate Change  
& Biodiversity  
Program - Chile**



The study generated the following analysis:



Strengthen the use of native shrub species such as auxiliary flora observed within the vineyards and available in the market. Such acquisitions were evaluated within the estate to determine survival and life cycles.



The development of a digital insect catalog of functional arthropods associated with the auxiliary flora from each participating vineyard.



The development of characterization and functionality sheets used on eco-systemic services of cover crops and native auxiliary flora.



The development of reports on agro-ecological indicators within viticultural systems that were evaluated on an estate level for auxiliary flora and cover crops.

Lastly, the project evaluated eco-systemic services and generated functional diversification models for plants, as well as a qualitative conceptual hierarchy model, a multivariate analysis and correlation tables with empirical data for cover crop trials in vineyards.

Cono Sur continues to work on incorporating areas of high ecological value at several of its estates. Goals have been defined

to increase biodiversity areas in the La Espuela, El Estribo and Mulchén estates. In 2018, the "Compost Quality Validation Project" began at the Santa Elisa Estate in Chimbarongo in order to:

- Diminish compost processing time.
- Increase compost productivity.

- Determine available organic residuals apt for composting.
- Determine the impact of safe microorganisms and nitrogen sources in the process.
- Create a methodology for applying compost to soils.

In addition, since the 2019-2020 period, the vineyard has worked to incorporate natural enemies

for controlling *Lobesia botrana* moths. Results have been positive, even in controlling other pests such as the *Proeulia aurora* and others.

# 34. Carbon Footprint

The last greenhouse gas emissions report was verified by the Société Générale de Surveillance (SGS) under Carboneutral's Carbon Footprinting Assessment<sup>80</sup>. This report considers the agricultural year (from June to May) and the

most recent version corresponds to the 2018-2019 period. The following tables show emissions within the last two periods and are broken down by type of gas<sup>81</sup>:

SCALE	2017-2018 tonCO <sub>2</sub> e	2018-2019 tonCO <sub>2</sub> e	VARIATION
Scale 1	2,146	1,846	-13.98%
Scale 2	1,852	1,464	-11.12%
Scale 3	41,600	38,614	-7.18%
<b>TOTAL</b>	<b>45,598</b>	<b>42,106</b>	<b>-7.66%</b>

Table 13: GEI emission comparison<sup>82</sup>.

Gas tCO <sub>2</sub> e	ACRONYM	WINE CELLAR	CENTRAL OFFICE	ESTATES	TOTAL
Carbon dioxide	CO <sub>2</sub>	875.0	12,593.0	845.0	14,313.0
Methane	CH <sub>4</sub>	19.8	3.52	0.1	23.4
Nitrous oxide	N <sub>2</sub> O	0.895	174	486.0	662
Hydrofluorocarbons 134a	HFC-134a	136.0	-	-	136
Hydrofluorocarbons 407c	HFC-407c	24.1	-	-	24.1
Chlorodifluoromethane	R22	123.0	-	-	123.0
Carbon dioxide emitted	CO <sub>2</sub> e	952.0	22,749.0	3,124.0	26,825
<b>TOTAL</b>		<b>2,131</b>	<b>35,540</b>	<b>4,455.1</b>	<b>42,106</b>

Table 14: Breakdown of greenhouse gasses during 2018-2019.

80: Conducted via the GHG Protocol. / 81: 305-1; 305-2; 305-3 / 82: 305-1; 305-2; 305-3

A decrease in emissions with scales 1,2 and 3 correspond to:

### Scale 1

A decrease in combustibles used within Cono Sur on a general level.

### Scale 2

A decrease in electricity use within estates and the wine cellar.

The incorporation of solar panels in Cono Sur estates.

### Scale 3

Decrease in emissions generated by external grape production and processing.

Decrease in executive travel.

After this evaluation, Cono Sur decided to compensate the emissions released by transporting Cono Sur and Isla Negra products via the CarbonNeutral Delivery certification. These emissions are compensated through purchasing carbon bonds from projects focused on reducing the effects of greenhouse gasses. In this last period, Cono Sur compensated 10,118 tons of CO2 via the **West India Wind Power Project**





# 35. Emissions Intensity<sup>83</sup>

The global indicator corresponds to tons of CO<sub>2</sub>e emitted per each ton of wine that was bottled and sold within the period. For the 2018-2019 period, this indicator decreased from 1.01 to 0.899 tons of CO<sub>2</sub> per ton of wine.<sup>84</sup>

	2017-2018	2018-2019
<b>EXPORTED WINE IN TONS</b>	45.027	46.815
<b>CO<sub>2</sub>e IN TONS</b>	45.598	42.106
<b>TON OF CO<sub>2</sub>e PER TON OF WINE</b>	1.01	0.90

Table 15: Emissions intensity within the last two periods.

# 36. Residuals Generated

The residuals generated in 2019:

RESIDUALS	2018	2019	VARIATION	UNIT	USE
Residential waste	19.6	18.48	-6%	Ton	Elimination, final disposition and authorized sanitary landfill
Marc and stalks	4.050	3,761	-7%	Ton	Recovery, reuse
Lees and solids	348	309.6	-11%	Ton	Recovery, reuse preparation
Plastics	1.71	2.84	66%	Ton	Recovery, Recycling, Plastics
Tartrate	2.56	0	-100%	Ton	Recovery, reuse preparation
Glass	2.25	1.4	-38%	Ton	Recovery, Recycling, Glass
Chips	0	0	-	Ton	Recovery, reuse
Paper	167	0	-	kg	Recycling
Empty pesticide containers	782.88	387.8	-50%	kg	Elimination, final disposition and authorized sanitary landfill
Unused iron	-	7,375	-	kg	Recovery, reuse

Table 16: Comparison of residuals generated by Cono Sur<sup>85</sup>.

83:305-4, Results obtained through the validation and verification of information used in the CarbonNeutral certification.  
84: 305-04  
85: 306-2



In relation to the previous report, there has been a general decrease in residuals generated due to the year's production. In the case of tartrates, a byproduct of wine production, as quantity was reduced, they were not cleared during the period of analysis. Empty pesticide containers (paper and/or plastic) were also reduced. Plastics

that contained agrochemical products were sent to collection centers for safe disposal.

The main materials used in the wine cellar are plastic, glass and office paper, which are sent to different suppliers for reuse, as 99.5% of all residuals generated are recyclable or reusable.

The following table shows the quantity of harmful residuals generated during the last two years. These residuals were managed by STU each semester, which includes retrieving, transporting and safe disposal through an authorized provider: Hidronor<sup>86</sup>.

86: 306-4

	2018	2019	VARIATION	KG RESPEL/HA
<b>HARMFUL RESIDUAL TOTAL IN KG</b>	3714.58	3466.15	-7%	2.75





## 36.1 Industrial Liquid Waste<sup>87</sup>

All industrial liquid waste generated by Cono Sur's wine cellar are transported and treated by Biodiversa, a company owned by ESSBIO. The following table shows the disposal results for the 2018-2019 agricultural period.

	2017-2018	2018 - 2019	VARIATION
<b>ILW</b>	28,493	29,545	3.7%

Table 17: Cono Sur ILW disposals in cubic meters.



During 2018-2019 there was an increase in industrial liquid waste due to more wine from the previous harvest. Cono Sur continues to invest in new technologies to improve waste management with residuals such as skins and filtrating clays, and reducing industrial liquid waste.

87: 306-1

# 37.

## Water Consumption and Uses

The water used for irrigation depends on the geographic location of each estate and the climate conditions of each season. Those within the Central Valley consume more water than those located along the coast.

Cono Sur has a professional agricultural team that is responsible for analyzing and evaluating a vineyard's hydric

needs. They define irrigation frequencies and durations in order to apply just the right amount at the exact moment needed<sup>88</sup>.

All water extractions are registered with the DGA (Dirección General de Aguas - General Direction of Waters), as seen in Table 13. Due to being quite scarce, water use

should be adjusted to each cultivars requirement. All Cono Sur estates currently have drip irrigation systems, no matter the zone in which the estate is located. Taking water from rivers or watersheds depends upon each estate's resources; it could be that water is then stored temporarily in tanks or pools to facilitate mechanized irrigation.

The increase in water consumption is concentrated within the El Encanto estate. The vineyard had to create two new water wells due to the drought affecting the area. The El Estribo estate also increased water consumption due to new vineyards planted.

88: 303-1  
89: 303-3; 303-5

EXTRACTION CATEGORY	WATER CATEGORY	ESTATES	WATER EXTRACTION	NUMBER OF EXTRACTIONS	2017 - 2018 M <sup>3</sup>	2017 - 2018 MEGALITRES	2018 - 2019 M <sup>3</sup>	2018 - 2019 MEGALITRES	VARIATION
NEH*	Other Water	Santa Elisa	Underground and Surface	1 Canal	1,226,970.0	1,227.0	1,307,100.0	1,307.1	7%
NEH	Other Water	San Rafael	Surface	1 Canal	229,752.0	229.8	217,628.0	217.6	-5%
EH**	Fresh Water	El Encanto	Underground	4 Wells	746,552.0	746.6	939,452.0	939.5	26%
NEH	Fresh Water	Las Lomas	Underground	2 Wells	835,420.0	835.4	881,601.0	881.6	6%
NEH	Other Water	La Espuela	Surface	1 Canal y 1 Well	434,709.7	434.7	482,385.0	482.4	11%
NEH	Other Water	El Estribo	Surface	1 Canal	130,450.0	130.5	-	-	-
EH	Fresh Water	Campo Lindo	Underground	6 Wells	182,881.2	182.9	195,727.0	195.7	7%
NEH	Fresh Water	Mulchén	Surface	1 Canal	101,682.0	101.7	101,682.0	101.7	0%

Table 18: Comparison of water used within various agricultural periods.<sup>89</sup>

\*Area with no hydric stress

\*\*Area with hydric stress

The amount of water used in the cellar for cleaning purposes is shown in the following table:

EXTRACTION CATEGORY	WATER CATEGORY	ESTATES	WATER EXTRACTION	NUMBER OF EXTRACTIONS	2017-2018 M <sup>3</sup>	2017-2018 MEGALITRES	2018-2019 M <sup>3</sup>	2018-2019 MEGALITRES	VARIACIÓN
No hydric stress	Fresh Water	Cellar	Well	1 Well	29,851	29.9	29,454	29.5	-1%

Table 19: Comparison of water used in the cellar throughout recent periods.

Water used in vinification has improved, with 0.61 liters of water per kg of grapes vinified in the most recent period.

### LITERS OF WATER PER KG OF GRAPES VINIFIED

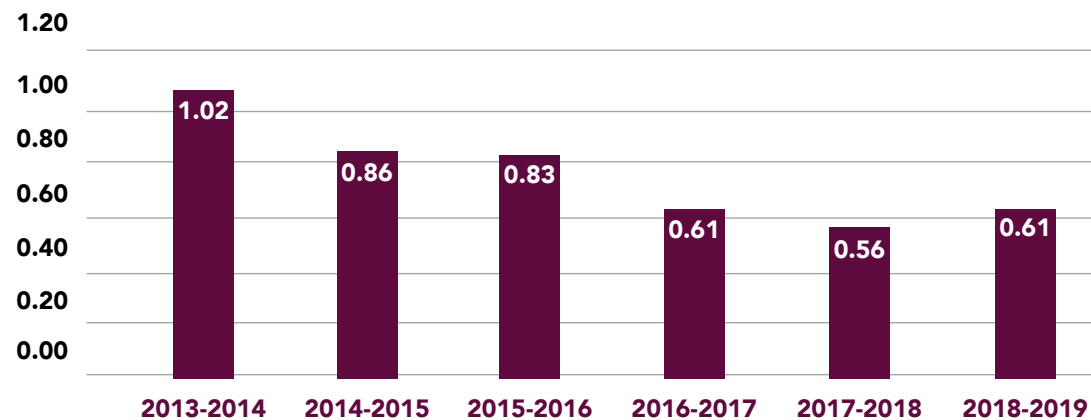


Figure 14: Water used in the cellar.

Overtime, the vineyard has implemented a register of recycled water, mainly coming from hydrating new barrels. In this period, 347,610 liters of water were recycled and reused for cleaning.



# 38.

## Materials<sup>90</sup>

Agricultural supply use varies from season to season, depending upon the year's climate conditions. Thus the differences in herbicide applications, phytosanitary

products and fertilizers used depend completely upon the vines' conditions and anything that could affect grape production. In 2019, there was an increase in organic

fertilizers, meant to improve soil conditions within estates using both integrated and organic vineyard management systems. As such, there was a decrease in conventional phytosanitary

products—mainly pesticides. The increase in herbicides is due to a large amount of weeds during the last season.

90: 301-1

PRODUCTS	UNIT	2018	2019	VARIATION
<b>Conventional Fertilizers</b>	KG	484,836	245,260.3	-49%
<b>Conventional Fertilizers</b>	L	68,096	38,015.0	-44%
<b>Organic Fertilizers</b>	KG	4,767,057	7,448,183.9	56%
<b>Organic Fertilizers</b>	L	4,365.2	3,981.0	-9%
<b>Conventional Phytosanitary Products</b>	KG	142,215	129,987.9	-9%
<b>Conventional Phytosanitary Products</b>	L	23,840	3,384.2	-86%
<b>Organic Phytosanitary Products</b>	KG	76,763	78,322.8	2%
<b>Organic Phytosanitary Products</b>	L	5,223	2,976.1	-43%
<b>Herbicides</b>	KG	1,288	1,765.2	37%
<b>Herbicides</b>	L	2,842	2,923.6	3%

Table 20: Comparison of agrochemicals used in the last two periods.

Products applied in the 2019 season are outlined in the following table. This does not include areas under organic management.

	2018		2019	
	Kg/ha	Litros/ha	Kg/ha	Litros/ha
<b>Conventional Fertilizers</b>	512.5	72.0	247.9	38.4
<b>Conventional Phytosanitary Products</b>	150.3	25.2	131.4	3.4
<b>Herbicides</b>	1.4	3.0	1.8	3.0

Table 21: Comparison of agrochemicals used in the last two periods.

The oenological area saw a decrease in supplies used, which is directly related to less grapes processed. Yeast and nutrient use also decreased due to the implementation of yeast propagation reactors, which have been in use since the 2018 harvest.

Just as the previous report stated, Cono Sur incorporated a dry ice generator in house in order to reduce costs and avoid product loss.

MATERIALS	2018	2019	VARIATION
Additives (kg)	50,694	47,580	-6%
Enzymes (kg)	981	907	-8%
Enzymes (l)	120	100	-17%
Filtration Products (kg)	50,791	31,965	-37%
Gases (kg)	15,323	17,052	11%
Snow and Ice (kg)	12,006	-	N/A
Cleaning Products (kg)	28,267	31,075	10%
Cleaning Products (l)	-	120	N/A
Sanitizer (l)	3,938	1,100	-72%
Preservatives (kg)	8,360	4,545	-46%
Yeasts (kg)	635	307	-52%
Nutrients (kg)	2,675	4,453	66%
Nutrients (l)	0	-	N/A
Clarification Products (kg)	24,357	22,256	-9%
Clarification Products (l)	966	-	N/A
Wood (kg)	12,010	-	N/A
Total (kg)	194,089	160,139	-17%
Total (l)	5,024	1.320	-32%

Table 22:  
Comparison  
of materials  
purchased for  
vinification  
processes in the  
last two periods.



The following table shows materials used for packaging during the last two periods. Note a decrease in aluminum (screw cap, Champagne muselets, aluminum capsules) and cardboard used, which is due to shipping bulk wine to foreign markets that bottle on-site.

All Cono Sur labels and corks are certified as made from renewable products. Twenty-six percent of glass used comes from recycled materials<sup>91</sup>.

MATERIAL TONS	2018	2019	VARIATION
Glass bottles	14,982	13,799	-8%
Aluminum capsules, aluminum muselets, screw caps	126	112	-11%
PVC capsules	1.95	2.00	3%
Tin capsules	1.06	1.02	-4%
Labels	245.0	231.0	-6%
Cardboard	1,327.0	1,142	-14%
Corks	34.2	36.5	7%
Bag in Box (BIB)	11.96	13.74	15%
Tetra packs	5.0	6.2	25%
Wooden boxes	6.0	3.9	-35%
<b>TOTAL</b>	<b>16,861.9</b>	<b>15,347.4</b>	<b>-9%</b>

*\*Materials coming from renewable sources.*

*Table 23: Materials used in the bottling process 2019<sup>92</sup>.*

91: Information from the 2016 Cristaleria Chile Sustainability Report.

92: Greenhouse Gas Protocol (Dual Reporting) Report for Viña Cono Sur 2017-2018.





# *Annexes*



**Anex A:**  
**Occupational health and safety results tables.**



Region	2018					2019				
	RM	V	VI	VII	VIII	RM	V	VI	VII	VIII
Average workforce	14	7	17	7	3	11	10	31	14	10
Number of accidents	0	1	0	1	0	0	0	0	0	0
Days lost	0	3	0	3	0	0	0	0	0	0
Accident rate	0	14.28	0	14.28	0	0	0	0	0	0
Accident rate	0	42.85	42.85	0	0	0	0	0	0	0
Deaths	0	0	0	0	0	0	0	0	0	0



Region	2018					2019				
	RM	V	VI	VII	VIII	RM	V	VI	VII	VIII
Average workforce	9	17	83	20	16	13	27	156	26	37
Number of accidents	0	7	13	1	2	0	4	11	3	2
Days lost	0	190	78	3	2	0	4	22	64	166
Accident rate	0	41.17	15.66	5	12.5	0	14.81	7.05	11.54	5.41
Accident rate	0	1,117.6	93.97	15	12.5	0	14.81	14.10	246.15	448.65
Deaths	0	0	0	0	0	0	0	0	0	0

\* Unwanted occurrences in 2019 took place in four regions (the V, VI, VII and VIII regions) for a total of 20 accidents, of which 12 resulted in a total of 256 days lost.

The most days lost, 166 days, is the result of an accident at the Mulchén Estate in Chile's eighth region. The accident was a fracture of the left thumb of one of the workers. The other accidents that occurred:

**V Region Estates:**

- El Encanto: 1
- Campo Lindo: 3

**VI Region Estates:**

- Santa Elisa: 9
- Las Lomas: 2

**VII Region Estates:**

- La Espuela: 3

**VIII Region Estates:**

- Mulchén: 2



Because of such unwanted occurrences, the organization works to ensure these events do not happen again by investigating each event to identify the cause and corrective measures according to the following hierarchy:

- Elimination
- Replacement
- Engineering controls
- Signs, protection, administrative controls
- Use of personal protective gear

## **GLOBAL REPORTING INITIATIVE INDEX USED IN CONO SUR'S SUSTAINABILITY REPORT.**

*The following table displays the reference pages from the contents implemented in the Global Reporting Initiative. The report contains basic content from the guide to create the GRI report. Please note this report is of the Essential category, thus if additional information is needed, you can download the full Cono Sur 2019 Sustainability Report at [www.conosur.com](http://www.conosur.com).*



ORGANIZATION PROFILE		Page	Omission	GOVERNANCE		Page	Omission
<b>102-1</b>	Name of the organization	3, 19	None of these contents can be omitted	<b>102-18</b>	Government structure	13	Content cannot be omitted
<b>102-2</b>	Most important brands, products and services	7		<b>102-19</b>	Authority delegation	13	
<b>102-3</b>	Organization's headquarters	9		<b>102-20</b>	Executive level responsibility for economic, environmental and social issues	13	
<b>102-4</b>	Countries in which the organization operates	9		<b>102-21</b>	Consulting with interest groups on economic, environmental and social issues	23	
<b>102-5</b>	Nature of the property regime and its legal form.	3		<b>102-22</b>	Composition of the highest governing body and its committees	13	
<b>102-6</b>	Distribution markets	6		<b>102-23</b>	President of the highest governing body	13	
<b>102-7</b>	Organization's dimensions	9, 19		<b>102-24</b>	Nomination and selection of highest governing body	13	
<b>102-8</b>	Employee and contract worker information	42		<b>102-25</b>	Conflicts of interest	23	
<b>102-9</b>	Organization's supply chain description	11		<b>102-26</b>	Function of the highest governing body in selecting objectives, values and standards	13	
<b>102-10</b>	Significant changes during the object analysis period in size, structure, shareholder property or supply chain	10		<b>102-27</b>	Collective knowledge of the highest governing body	13	
<b>102-11</b>	Indicate how the organization will take precaution, if applicable	12		<b>102-28</b>	Evaluation and performance of the highest governing body		
<b>102-12</b>	Principles or other external initiatives in the form of economic, environmental and/or social that the organization has adopted	18		<b>102-29</b>	Identification and management of economic, environmental and social impacts	13	
<b>102-13</b>	Associations and national and international promotional organizations the organization works with			<b>102-30</b>	Effectiveness of risk management processes	13	
<b>STRATEGY</b>		<b>Page</b>		<b>102-31</b>	Reviewing economic, environmental and social issues	13	Undocumented information
<b>102-14</b>	Declaration from the main person responsible for the organization's efforts relevant to sustainability and the strategy of implementation	2	<b>102-32</b>	Function of the highest governing body in creating sustainability reports	13		
<b>102-15</b>	Main impacts, risks and opportunities	12	<b>102-33</b>	Communication of critical concerns	23		
<b>ETHICS AND INTEGRITY</b>		<b>Page</b>		<b>102-36</b>	Process of determining salary	41	Without information
<b>102-16</b>	Describe the values, principles, standards and norms of the organization	3, 26					
<b>102-17</b>	Consulting mechanisms and ethics awareness	26					



		INTEREST GROUP PARTICIPATION	Page	Omission	ANTICORRUPTION	Page	Omission					
GRI 102: GENERAL CONTENTS 2019	102-40	List of interest groups		None of these contents can be omitted. Developed in each material issue	205/2019	205-1	Operations evaluated for risks related to corruption	28	Information not available. Has not been done with permanent personnel, but will be done in 2020.			
	102-41	Collective negotiation agreements	37			205-3	Confirmed cases of corruption and measures taken	28				
	102-42	Identification and selection of interest groups	22, 23, 29									
	102-43	Focus of interest group participation	16, 46, 48									
	102-44	Key issues and concerns mentioned	12, 16									
	REPORT PRACTICES				205/2019	UNFAIR COMPETITION						
	102-45	Entities included in consolidated financial states	19				206-1	Legal actions related to unfair competition and monopoly practices that go against free competition		28		
	102-46	Defining the report and coverage of issues	15				MATERIALS					
	102-47	List of material issues	17				301-1	Materials used for weight or volume			The bottling process is done through Concha y Toro.	
	102-48	Expressing information	16				301-3	Reused products and packaging materials				
	102-49	Changes in report creation	17				ENERGY					
	102-50	Report object period	15				302-1	Energy consumption within the organization		64		
	102-51	Date of last report	2				302-2	Energy consumption outside of the organization		52		
	102-52	Report creation cycle	15				302-3	Energetic intensity		53		
	102-53	Point of contact for questions about the report	14				WATER					
	102-54	Declaration of creating the report in accordance with GRI standards	2			303-3	Water extraction	62				
102-55	GRI Index			303-5	Water use	62						
102-56	External verification	14		BIODIVERSITY								
103 2019	MANAGEMENT FOCUS				303/2019	304-2	Significant impacts from activities, product and services related to biodiversity	12	Not applicable. Not used within the organization.			
	103-1	Explaining material issues and its coverage.		304-3		Habitats protected or restored						
	103-2	Management focus and its components.		EMISSIONS								
201 2019	ECONOMIC PERFORMANCE				304/2019	305-1	Direct emissions of GEI (scale 1)	57				
	201-1	Direct economic value and distribution.		305-2		Indirect emissions of GEI in generation energy (scale 2)	57					
	201-2	Financial implications and other risks and opportunities derived from climate change.		305-3		Other indirect emissions of GEI (scale 3)	57					
	201-3	Obligations for defined benefit plans and retirement plans.	41	No applicable. Has not been solicited since 2016	305-4	Intensity of GEI emissions	59					
203 2019	INDIRECT ECONOMIC IMPACTS				305/2019							
	203-1	Investments in infrastructure and helpful services.	10									

		EFFLUENTS AND WASTE	Page	Omission	FORMATION AND INSTRUCTION		Page	Omission		
306/2019	306-1	Ballast waters in function with quality and destination	61	No applicable. Given to an external company for treatment and reincorporation	404/2019	404-1	Measurement of instructional hours a year per employee	39	Not applicable. There are no formal unions within the interior of the organization	
	306-2	Waste type and elimination method	59			404-2	Programs for improving employees' skills and programs of transitional help	38		
	306-3	Significant leaks				404-3	Percentage of employees that receive periodic performance and personal development evaluations	39		
	306-4	Transport of dangerous waste	60			DIVERSITY AND EQUALITY OPPORTUNITIES				
	306-5	Bodies of water affected by ballast waters and/or runoff				405/2019	405-1	Diversity in governing bodies and employees		43
ENVIRONMENTAL COMPLIANCE				405-2	Ratio of base salaries between men and women		41			
307/2019	307-1	Noncompliance with legislation and environmental norms	21	Information not available. Committed to environmental evaluations for 2020	NON-DISCRIMINATION					
308/2019	ENVIRONMENTAL EVALUATION OF SUPPLIERS				406/2019	406-1	Cases of discrimination and corrective actions taken	27		
	308-1	New suppliers that have passed through evaluation and selection filters in accordance with environmental criteria	30			FREEDOM OF ASSOCIATION AND COLLECTIVE NEGOTIATION				
401/2019	EMPLOYMENT				407/2019	407-1	Operations and suppliers whose freedom of association and collective agreement could be at risk	37		
	401-1	New hires and personnel rotation	42			UNDERAGE WORKERS				
	401-2	Full-time employee benefits not extended to part-time or temporary employees	40			408/2019	408-1	Operations and suppliers with significant risk of underage labor	27	
WORKER-COMPANY RELATIONS					FORCED OR OBLIGATORY WORK					
402/2019	402-1	Minimum notice periods for operational changes			409/2019	409-1	Operations and suppliers with significant risk of forced or obligatory work	27		
WORK HEALTH AND SAFETY										
403/2019	403-1	Worker representation and formal committees of work-company health and safety	18, 44							
	403-2	Types of accidents and accident rates, professional illnesses, days lost, absences and number of deaths due to accidents and illnesses	36, 44							
	403-3	Health services at work	36							
	403-4	Worker participation, inquiries and communication on work health and safety	44							
	403-8	Management system coverage of health and safety in the workplace	36							

	INDIGENOUS RIGHTS				PUBLIC POLITICS				
		Page	Omission			Page	Omission		
411/2019	<b>411-1</b>	Cases of indigenous rights violations	27	Information not available. Committed to training personnel of external security in 2020	415 2019	<b>415-1</b>	Contributions to parties and/or political representatives	28	No applicable. No health and safety noncompliance issues have been reported for our products.
	EVALUATION OF HUMAN RIGHTS					Information not available. Committed to human resource evaluations in 2020	416 2019	CLIENT HEALTH AND SAFETY	
412/2019	<b>412-1</b>	Operations subject to review or impact evaluation on human rights	27	417 2019	<b>416-2</b>			Cases of noncompliance related to health and safety impacts within products and services	
	<b>412-2</b>	Formation of policies and procedures for human rights	26		MARKETING AND LABELING				
					<b>417-1</b>	Requirements for the information and labeling of products and services	33		
413/2019	LOCAL COMMUNITIES			418 2019	<b>417-2</b>	Cases of noncompliance related to the information and labeling of products and services	34		
	<b>413-1</b>	Operations that participate with the local community, evaluations on impact and development programs			<b>417-3</b>	Cases of noncompliance related to marketing and communications	34		
414/2019	<b>413-2</b>	Operations with significant negative impact (real and potential) on local community		419 2019	CLIENT PRIVACY				
	SOCIAL EVALUATION OF SUPPLIERS				418-1	Complaints relative to violations of client privacy and client information loss	34		
	<b>414-1</b>	New suppliers that have passed through selection filters based on social criteria.	30	419-1		SOCIOECONOMIC COMPLIANCE			
	<b>414-2</b>	Negative social impacts in the supply chain and measurements taken.			Noncompliance with laws and norms within social and economic sectors	21			





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VINEYARDS & WINERY

