



Sustentabilidad

GRUPO PEÑAFLOR
LEADING ARGENTINE WINERIES

SUSTAINABILITY REPORT

2023

“ We are in business to transform ”





We are in business to transform vines into wines, expertise into passion, moments into celebrations, innovation into growth and tradition into impact

Only by doing things right will we become one of the top five wine companies in the world.

At Grupo Peñaflor we have defined our business ambition: to become one of the five most important wine companies in the world. We are convinced that to reach this goal we will have to continue working steadily, overcoming constant obstacles along the way. We know that by doing things right, we will achieve our goal.

That is why we defined our Sustainability Plan, the result of sustained work over the last two years, which we would like to share today in this sustainability report. We are proud to be able to present the reflection of our threefold impact management model, in which not only the generation of economic value is fundamental, but also the respect and care for the environment, as well as the integral development of our communities, as a priority.

Our Sustainability Plan is a roadmap that guides us in the development of the business and is aligned with the Sustainable Development Goals (SDGs) of the United Nations (UN). This process began in 2020 and since then it has been day by day the path of our team of experts in Sustainability and the support of Management, as part of a strategic planning cycle that involves all company areas.

We are convinced of the importance of close collaboration and partnerships with our stakeholders, including employees,

winegrowers, customers, suppliers, government authorities, opinion leaders, partners, trade unions, journalists, shareholders, the community, NGOs, and business chambers.

In order to define the material issues of our sustainability strategy, this dialogue with them has been essential, as they are part of our value chain or influence the way we do business on a daily basis. At Grupo Peñaflor we are explicitly committed to doing things right. This means that the safety and health of our people, the quality of our products, the care of the environment and the unique experience of our consumers are our priority. That is the path we have laid out in this sustainability plan. For us that means doing things right and we know that we will become one of the top five wine companies in the world.

Thank you!
Sebastián de Montalembert | Gustavo Sampayo

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ABOUT US



Wine leading company in Argentina

Among the Top
#10 Global Wine
Producers



1st Exporter of bottled wine from Argentina



Nº1 Winery group in Argentina's local market



1st Malbec producers worldwide



Present in over 89 countries

12 industrial
Facilities in Argentina

9500
Oak barrels

3540
Productive hectares

Where we are going



PURPOSE

“ We are in business to transform vines into wines, expertise into passion, moments into celebrations, innovation into growth and tradition into impact ”

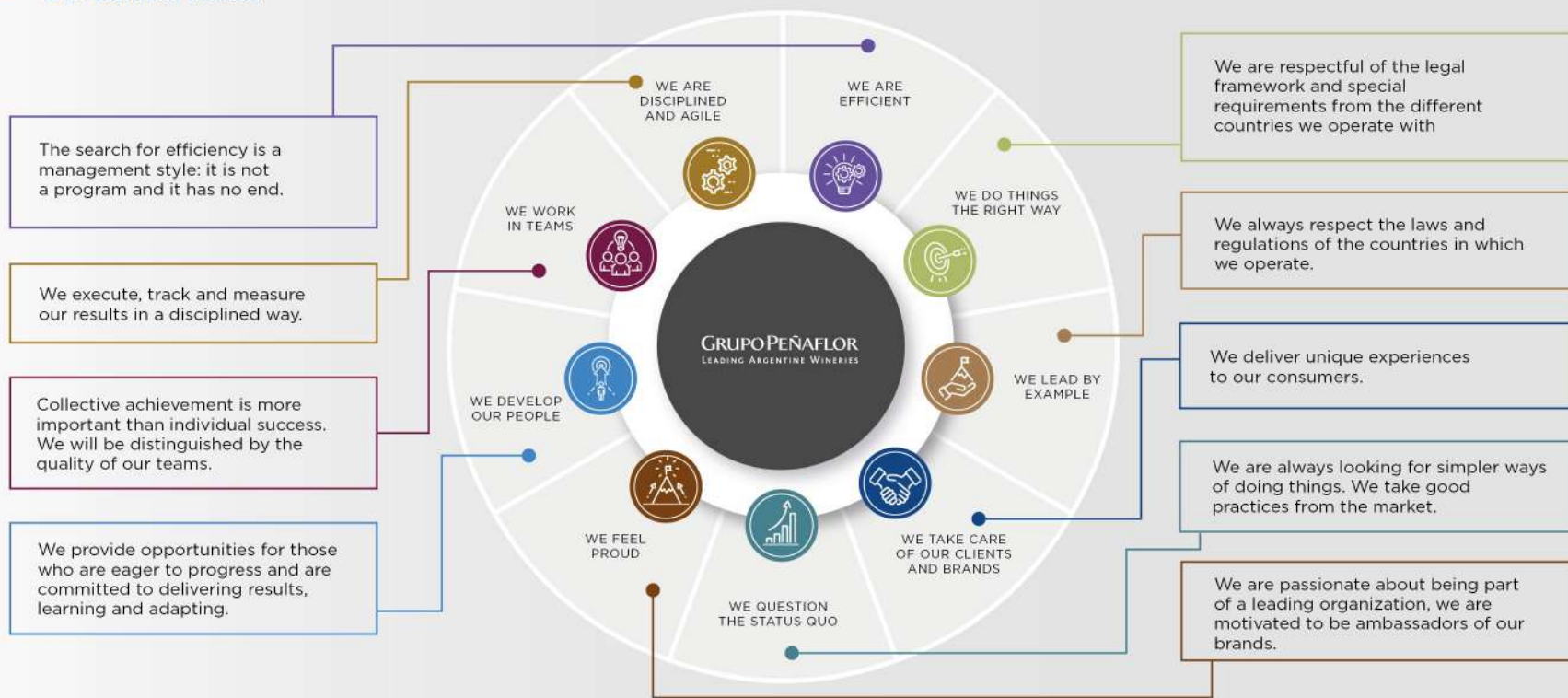


OUR VALUES

As an organization, we value deep and long-lasting relations. We target our efforts at growing throughout our whole value chain, sticking to a transparent, ethical and responsible behavior with our employees, suppliers, clients and consumers.

We believe that success requires talent, discipline, enjoying what we do with optimism, enriching exchanges of ideas and the permanent search for improvement.

Our Cultural Values



GRI 102-16

Institutions and chambers of commerce

- Bodegas de Salta.
- Cámara de Bodegueros de San Juan.
- Cámara Empresaria Bodegas del Neuquén.
- Cámara de Bodegas Exportadoras de la Patagonia.
- Consorcio de Gualtallary.
- Bodegas de Argentina.
- Wines of Argentina.
- Coordinadora de las Industrias de Productos Alimenticios (COPAL).
- Unión Industrial de Mendoza.
- Unión Industrial Argentina.



Family Ownership

In 1914, an Italian family of immigrants founded Grupo Peñaflor to elaborate table wines and other non-alcoholic beverages. In the late nineties, the business focus changed and the elaboration of fine wines became the new specialization. Exports had strong momentum, offering Argentine wines of outstanding quality and renown in new markets.

In 2010, Grupo Peñaflor became part of the Bemberg Group. Creativity and long-term vision were the aspects that characterized the Bemberg family. The Bemberg Group was founded in 1890 by Otto Bemberg, the German immigrant who founded “Quilmes”, the most popular beer brand in Argentina. In 2006, InBev bought the brand for over USD 1,2 billion.

The family actively participates in the strategic direction of our wineries and the longstanding commitment to our workers and communities.



Otto
Bemberg

The Bemberg Family Group

A history of successful business and strategic alliances

The Bemberg Family Group is a 6th generation family that keeps doing business together. Quilvest is the Bemberg Family financial entity, with worldwide presence (PE, Wealth Management, etc.). Family members shareholders are scattered across the world, with presence in USA, Europe and Argentina

Founded in 1888 by Otto Bemberg, Quilmes (Quinsa, Quilmes Industrial) became the largest brewery conglomerate in the southern cone. The Bemberg Group controlled the asset for 120 years.

A world class company in every aspect, developed and owned key brands in the region including Quilmes, Iguana, Andes, Norte, Pielsen, Patagonia and Paceaña among others.

Commercial & production agreement and industrial know how transfer.

From 2002 to 2006, the Bemberg Group partnered with AB InBev on a 50/50 joint venture.

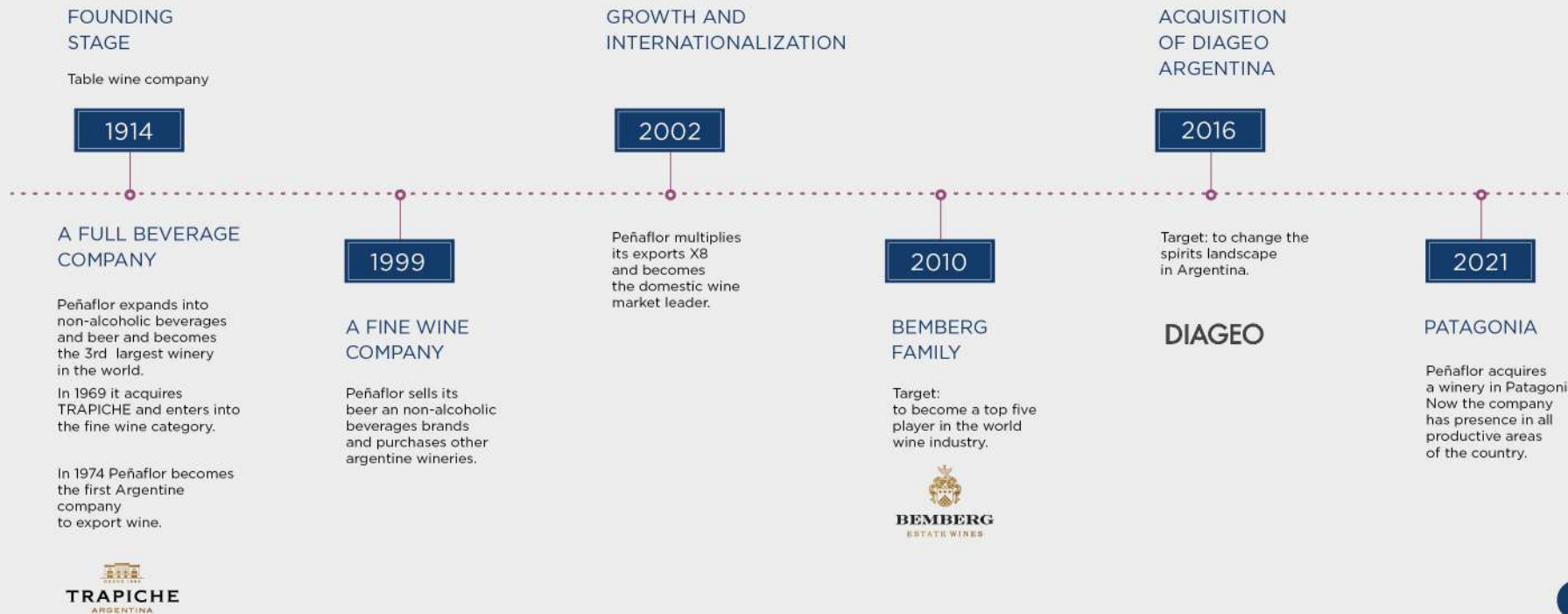
Until 2000, Quinsa was The Coca Cola Company partner in bottling and distribution in Paraguay.

In 2000 Quinsa acquired BAESA, by doing so became PepsiCo's bottler and distributor for the Southern Cone.

51/49 joint venture with Nestle (bottled water market).

In 2016 Peñaflor acquired Diageo's wine operations in Argentina and entered on a Distribution and Production agreement for Diageo products in the territory.

Business history and evolution



Markets and Commercial Offices

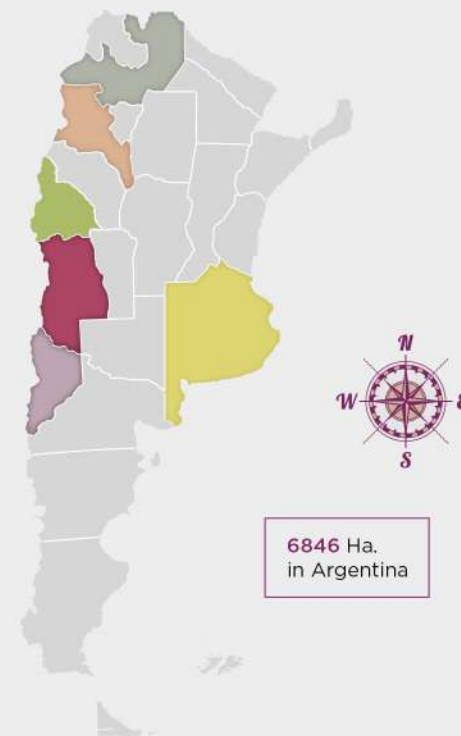
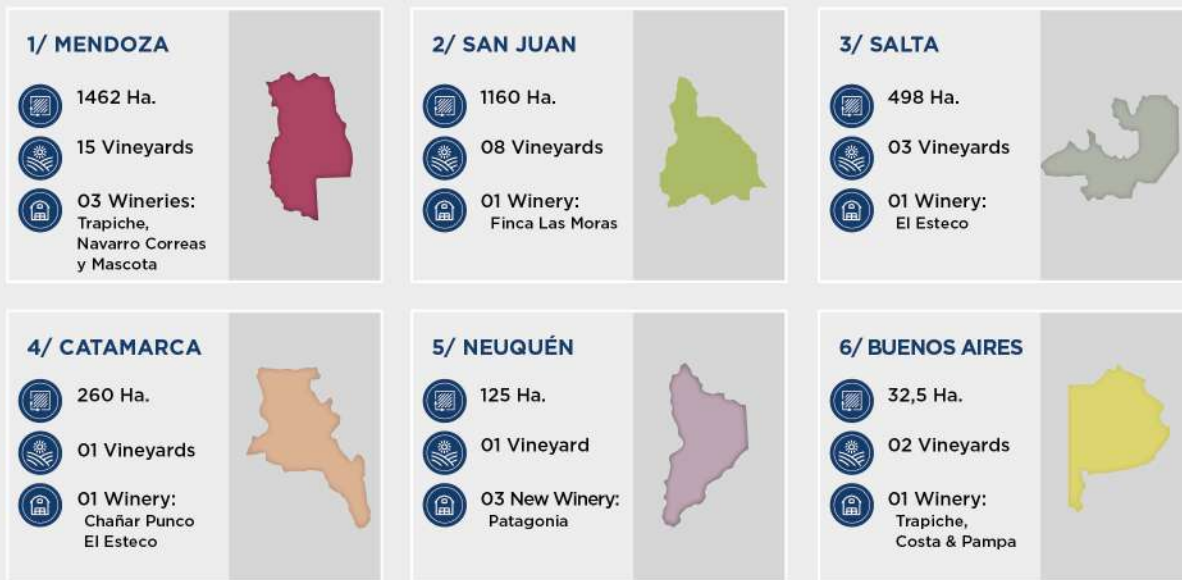


6 | Commercial Offices
89 | Countries

Grupo Peñaflor
exports to **89** countries and
is Argentinian **#1** exporter
in **80** Markets.

GRI 102-6

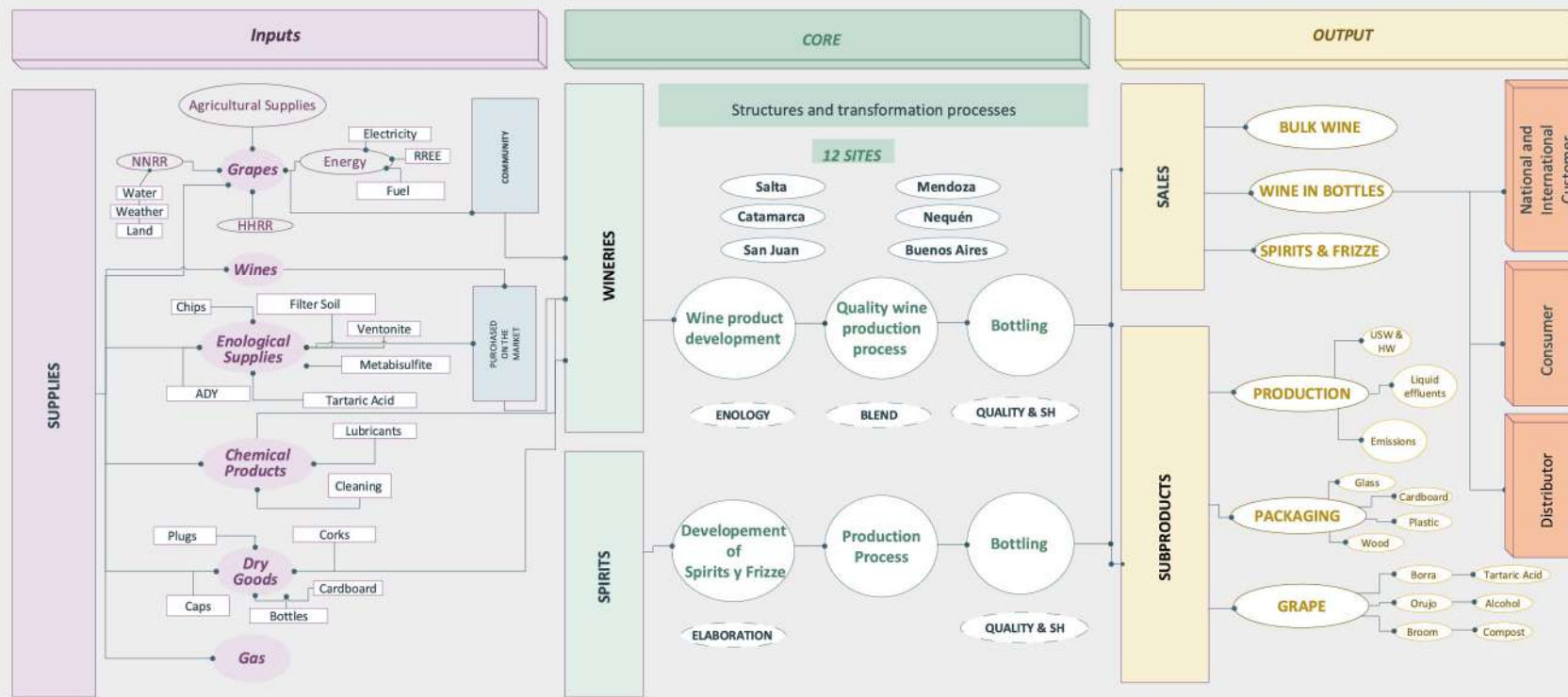
Grupo Peñaflor manages 3540 productive hectares of vineyards



GRI 102-4

GRI 102-7

An integrated and cross-cutting supply chain and integrating supply chain and global sourcing.



GRI 102-9

GRI 102-7

Group's Wineries and Key Brands



FINCA
LAS MORAS



BODEGA
Navarro Correas



GRI 102-2

Trapiche Winery

Founded in 1883 and with a track record of over 130 years, Trapiche is renowned worldwide for its endless search for innovation and its highest standards in the wine industry.

VISION

To become the most admired Argentinian Winery of the world.



Business value

Equity & Business value

Equity value



Among top 3 ARGENTINIAN WINERIES



76 Countries around the world



Trapiche ranks within the global top-50 most admired wine brands



GRI 102-2

GRI 102-6

Finca Las Moras Winery

Challenging since its origins, Finca Las Moras offers young and premium wines from the Pedernal Valley, known for its premium strains.

VISION

Finca Las Moras exists to awaken your Young spirit, no matter your age.

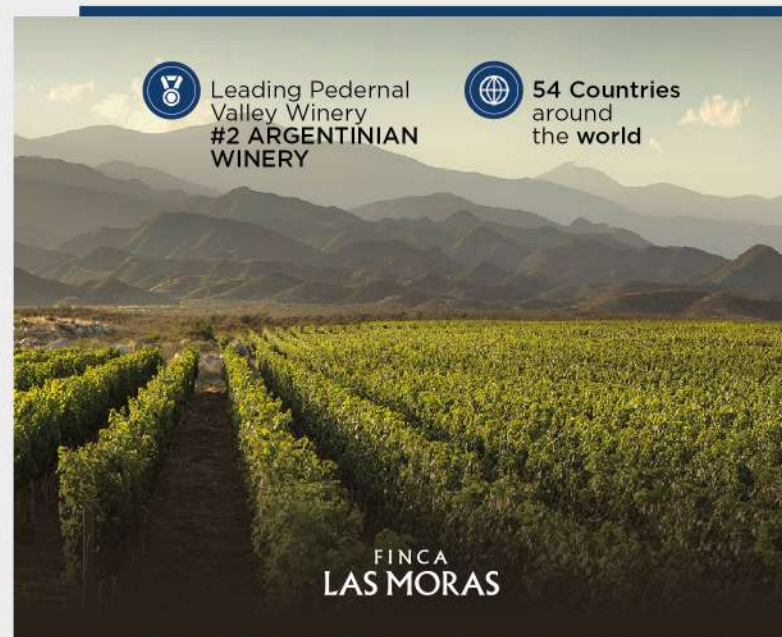


Entry Level

Superior

Premium

Ultra premium & luxury



GRI 102-2

GRI 102-6

El Esteco Winery

El Esteco, located at 6000+ feet in Argentina's Calchaquí Valleys, is the emblematic winery in this remote and beautiful winemaking region.

VISION

To become the best expression of the high-altitude vineyards.



Regional Blend

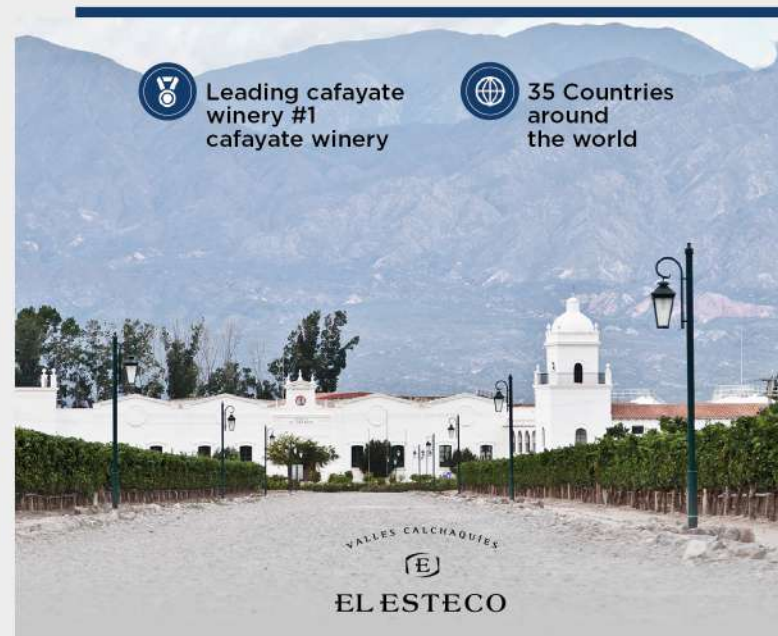
State bottled wine

Oldest Vineyards

Single Vineyards

Parcel Blend

Author's Blend



GRI 102-2

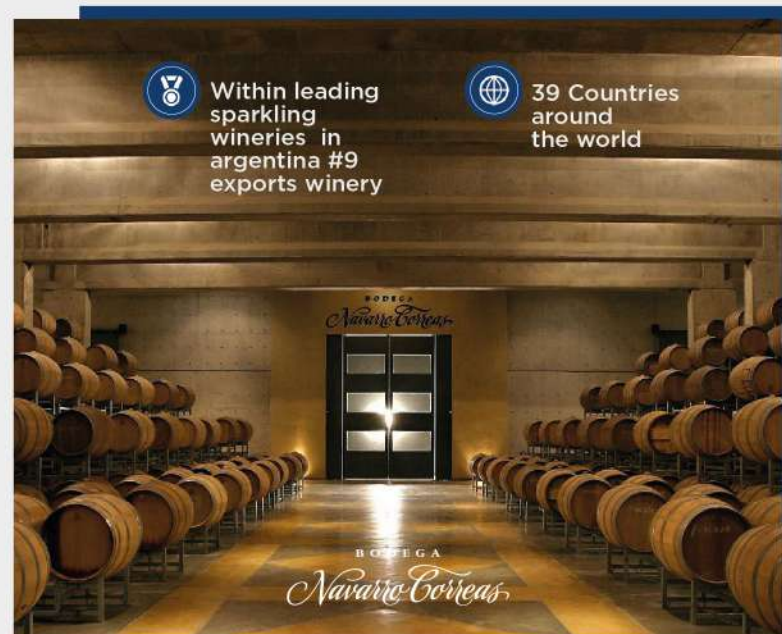
GRI 102-6

Navarro Correás Winery

Since 1978, Navarro Correás wines have been conceived under a unique philosophy and spirit. They are fruit of the legacy of Don Juan de Dios Correás, who in his tireless endeavor to outperform himself, managed to preserve his family tradition over the years.

VISION

To continue being one of the iconic premium Argentinian Family one of the wineries.



GRI 102-2

GRI 102-6

Mascota Vineyards Winery

Mascota Vineyards contains a particular mystique: it reveals the work of an author in its wines. Each of them is thought and conceived by the same enologist, personally committed to the design and supervision of all the processes that range from the cultivation of the vine to the final wine proposal.

VISION

Becoming a premium winery for signature wines, seeking to create unique specimens.



Mascota Vineyards

Gran Mascota

Unánime

Unánime Signature

Magnanime

Sparkling



GRI 102-2

GRI 102-6

A Patagonian winery

We are in the process of creating the brand identity and portfolio of the new winery in San Patricio del Chañar in Patagonia. Our focus is to achieve the production of certified organic wines through the conversion of 100 ha into organic vineyards. Meanwhile, our site in Patagonia has created different brands targeting the most demanding markets: koskil Pinot Noir, Ed Pinot Noir, Pure Pinot Noir and Expedicion Sur Malbec.



GRI 102-2

Organic Wines

Las Moras Organic



Chardonnay

Malbec

Santa Ana Organic



Cabernet
Sauvignon

Malbec

Zaphy Organic



Chardonnay

Cabernet
Sauvignon

Malbec



GRI 102-2

GRI 102-6

Mingo

Grupo Peñaflor is betting on the new category of Hard Seltzers. "This is a big bet for the group. Mingo Hard Seltzer seeks to expand the offer of ready-to-drink beverages (RTDs) by proposing a world in which taking care of oneself and having a good time can go hand in hand." Made with quality ingredients, it harmoniously blends alcohol obtained from selected cereals with finely carbonated water from the Andes Mountains and natural essences. A healthy alternative with 4° of alcohol, low in sugar, low in calories and gluten free.

VISION

To accompany the growth of the RTD category worldwide, which offers consumers new opportunities to get to know new products based on their practicality.



Frizze

It is characterized by constant innovation, seeking to be a brand close to and loved by its consumers, an ideal drink to accompany the fun of those who like to live the moment to the fullest, making it one of the leaders in the category. Relaxed, informal and unstructured occasions with friends are the focus of the brand.

VISION

To be a young wine, with the special touch of bubbles that made it a leader in the frizzante segment. Ideal for relaxed, informal and unstructured occasions.



An effective partnership

In 2016, Grupo Peñaflor partnered with Diageo, the multinational leader in the spirits and liquors market. This long-term partnership aims at empowering and transforming the spirits market within a local scope.

Due to this association, Grupo Peñaflor exclusively commercializes and distributes DIAGEO products. Moreover, some of these products are elaborated and bottled at the Godoy Cruz plant to supply the local market.

Spirits

In 2016, we acquired the operation of Diageo in Argentina and began to produce some of their products in Mendoza.

Now our challenge is to become Diageo’s supplier in different Latin American countries.



GRI 102-10

An effective partnership

In 2022, Grupo Peñaflor entered into a commercial alliance with Cervecería Antares for the sale and distribution of craft beer throughout Argentina. Thus, the company enters the world of craft beer, a category that has grown in recent years and expands Peñaflor's current portfolio.

Antares was born at the sea shore, founded in 1998 by three friends who decided to share their passion for craft beer, their brewing knowledge and their desire to create an innovative brand. Antares is the pioneer brand in the production of craft beers and today, with more than 20 years in the market, continues to expand organically and steadily, with 2 plants and 65 franchises in 14 provinces. Both companies will work together in the national expansion of the brand's entire portfolio in cans and bottles. Together we will seek to develop the different beer styles, which is the insignia that distinguishes Antares in the market.



Code of ethics and conduct

During the 20-21 financial year, the Internal Audit and Compliance Department issued the new Code of Ethics and Conduct of the Peñaflor Group, which -in force since March 5, 2021- applies to all company employees, as well as the members of the Board of Directors and the trade union. The mentioned Code complied with 31 to 48 topics of the 60 proposed by Deloitte, raising its standard to 80%, also managing to address all aspects required by the Corporate Responsibility Act.

As of the closing date of FY22-23, we recorded that 99.6% of the permanent employees of the Peñaflor Group have read and committed in writing to compliance with the standards of the new Code. From the IAD&C and the HR Department we continue to work tirelessly so that all of our collaborators formally accept the current Code, placing special focus on employees with temporary contracts who, as of 8/31/2023, have reached a signature adherence of just 57.0% .

INTEGRITY PROGRAM

Training of IAD&C members:

The entire team is made up of professionals in Economic Sciences. The company has provided refresher courses for members of the IAD&C team to keep them up to date with the latest professional developments in their areas of expertise.



Code of ethics and conduct

INTEGRITY PROGRAM

Due diligence

In addition, the "procedure for verifying the integrity and track record of third parties and business partners" is in process. It constitutes a central chapter of our Integrity Program, with a supplier analysis report having been issued during the 22-23 financial year with the firm Deloitte, which specializes in this area. Additionally, the Company's Due Diligence Policy is being drafted.

E-Learning

An important milestone of our Integrity Program was the training activity imparted in E-Learning format on the Code of Ethics and Conduct, which continued to be carried out during FY22-23. On this first stage, the training on the provisions of the new Code of Ethics and Conduct targeted workers under no collective agreements. As of the closing date of FY22-23 and since its implementation in Aug-22, we have already verified that 99.8% of employees not reached by collective agreements have completed the E-Learning course designed jointly by the HR Areas and the IAD&C. It is important to highlight that there is a high commitment of the Company's "Management Team"

(Directors/Managers) with the fulfillment of this training instance, in order to generate a cascade effect in the rest of the collaborators regarding the internalization of the 33 topics described below. It should be noted that the training ends with a brief knowledge evaluation and once a threshold of 70% correct answers has been reached, it generates the knowledge certification of each collaborator. It is expected that personnel not reached by collective agreements will continue to obtain their certification through the "on boarding" process led by HR, as well as carry out annual revalidations of their obtained certifications. It was decided to extend the training to staff under collective agreements through various teaching methods, either in electronic and/or in-person modalities.

Public code of ethics and conduct, available to all stakeholders that interact with the Company.

98 pts
JAMES SUCKLING
CHAÑAR PUNCO 2019

98 PTS. **JAMES SUCKLING**
ISCA Y 2019

97 PTS. **JAMES SUCKLING**
TRAPICHE TERROIR SERIES FINCA LABORDE 2020

TRAPICHE RESTAURANT | BEST OF THE BEST 2022 FROM TRIPADVISOR

GRI 102-17

STANDARDS & CERTIFICATES

Grupo Peñaflor is certified and fully committed to comply with the highest standards in the industry. This working methodology was key in the development of the Comex biz and allowed Grupo Peñaflor to export to countries with the highest standards requirements in the world.

FOOD SAFETY & AGRICULTURAL PRODUCTION



SOCIAL RESPONSABILITY



ORGANIC PRODUCTION



Sustainability Protocol

Wineries: Trapiche & El Esteco Vineyards: 21 Own Vineyards

100%
of own wineries
& vineyards
5 years from today

50% of the total
number of sites declared



BODEGAS DE ARGENTINA A.C.

It is a great possibility for the Viticulture and Enology team to develop and manage vineyards sustainably in the most representative regions of Argentina such as the Calchaquies Valleys in Cafayate and Chañar Punco, in San Juan in the Valleys of Tulum, Zonda and Pederal. Also, in Mendoza, we work in its different productive valleys, in Patagonia in San

Patricio del Chañar, and Chapadmalal developing our first vineyard with a strong maritime influence."

"This great diversity of terroirs challenges us to implement specific management practices according to the great variety of soils and climates we have. The main objective is to have naturally balanced vineyards in balance with their environment using highly sustainable practices. The use of these practices forces us to increasingly deepen our knowledge in irrigation water management, nutrition, cover crops, canopy management, and the design of new vineyards in terms of new management systems, varieties, and rootstocks better adapted to a context of global warming. This certification from Bodegas de Argentina is a great achievement for Grupo Peñaflor and I want to congratulate Ana Clara Longo, Sustainability Leader, and the Viticulture team led by Francisco Tellechea for making it possible,"

Sustainability is a very relevant concept in the most important economies in the world. And one of the central aspects is to be able to take a long-term view, taking care of resources without harming the environment.

Marcelo Belmonte

Director of Viticulture and Enology of Grupo Peñaflor.

GRI 102-2

SUSTAINABILITY STRATEGY



Beginning of our journey towards sustainable change in the world of wine

Our commitment is to build a more sustainable future, hand in hand with our community.

The Peñaflor Group's vision is to become one of the five leading groups in the international wine industry and to be a benchmark in economic-financial, environmental and social fields.

The group's philosophy is based on the pursuit of the highest quality standards in products and services, focusing on efficiency, innovation and sustainability as key values to achieve differentiation in the market.

Grupo Peñaflor formalizes its commitment through the inclusion of sustainability as a key pillar of the group's corporate strategy.

In line with the corporate sustainability strategy and business strategy, Grupo Peñaflor developed concrete goals and objectives to be achieved in the coming years. We see sustainability as a commitment beyond a list of minimum requirements. It is an invitation to innovate while caring for the community and the natural environment, seeking creative solutions that generate synergies and a positive impact on the ecosystem.



GRI 102-53

GRI 102-52

GRI 102-50

GRI 102-47

GRI 102-46

GRI 102-44

GRI 102-43

GRI 102-42

GRI 102-40

A 360° Sustainability Strategy

A systemic approach

In accordance with the principles of sustainability and aligned with the business strategy, Grupo Peñaflo developed its sustainability plan to define the goals and objectives to be achieved in the coming years, integrating the values of sustainability in all decision-making processes of the organization.

The strategic sustainability plan, in the medium and long term, identifies the objectives and actions to be developed and matches resources to the goals to be achieved. The development of the plan is based on the analysis of the Sustainable Development Goals (SDGs) defined in the UN Agenda 2030, the GRI standards and the new European Green Deal and Farm to Fork regulations, with the aim of covering all the areas of greatest impact.

Sustainability impact analysis

Our planet and humanity are facing difficult environmental, social and economic challenges. Therefore, the first step for our company was to conduct an analysis based on the main globally recognized sustainability

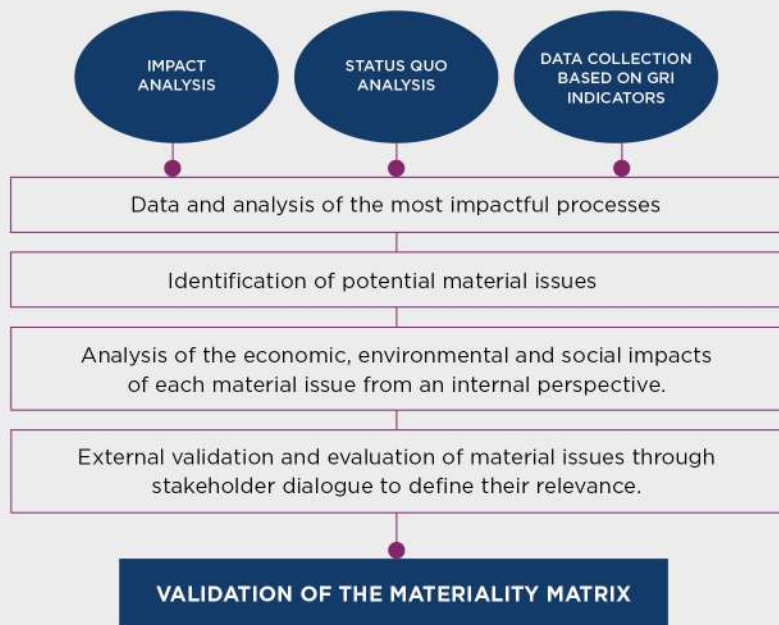
principles: the 17 Sustainable Development Goals (SDGs), SASB, the GRI standards, the new European Green Deal regulations including Farm to Fork, BCorp and academic papers as frameworks. This process allowed us to identify and analyze our footprint and how we can contribute to the most relevant issues. As a result, we concluded that Grupo Peñaflo has the greatest impact on the following SDGs: 2, 3, 4, 6, 8, 12, 13, 15.



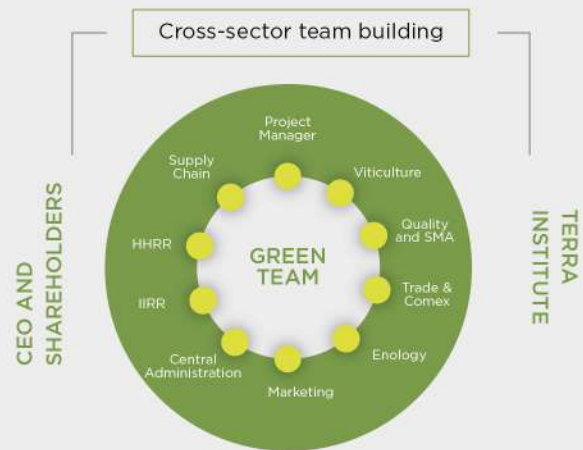
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Impact and system Analysis

Steps for the implementation of Grupo Peñaflor's sustainability strategy



With the collaboration of a multi-sectoral team, we drew up an outline of the Peñaflor Group's system, including key processes and actors along the chain. This process allowed us to accurately identify the potential social, economic and environmental impacts - positive and negative - taking into account all the company's processes.

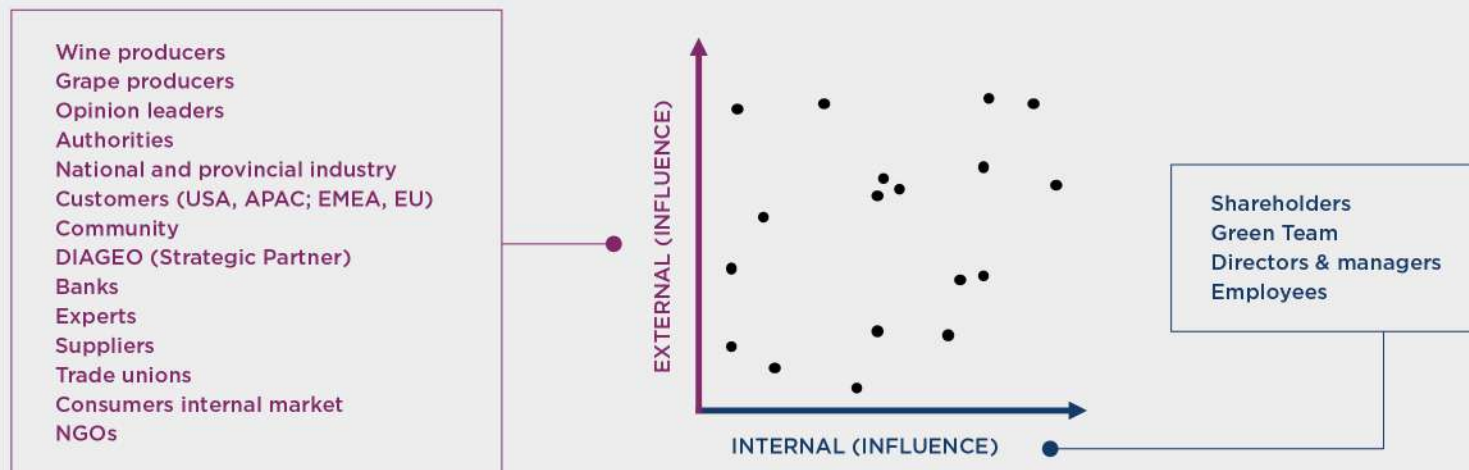


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Materiality Analysis

Steps for the implementation of Grupo Peñaflor's sustainability strategy

The internal evaluation was complemented by an external dialogue with selected stakeholders through stakeholder mapping according to their degree of influence and impact. In total, more than 500 people participated in the external dialogue through a digital platform where they were able to rank the potential issues according to the order of priority they assigned to them based on the Group's relevance and influence on them.



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Materiality Analysis

Steps for the implementation of Grupo Peñaflor's sustainability strategy

Materiality matrix

Finally we plot the results of the external and internal dialogue on the platform and validate the quantitative and qualitative results of the materiality matrix.

Selection of 9 material topics

The comparison of stakeholder views helped us to rank the most relevant material issues. The materiality matrix represents these elements in a graph, considering material those issues that are significant for both stakeholders and the company.

The materiality analysis process is updated periodically to validate its content and to reflect possible changes that may occur over time.



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Results

Less relevant EXTERNAL Highly relevant	Share sustainable producer practices Regenerating biodiversity Sustainable packaging Waste separation Share sustainable producer practices Responsible MKT Adaptation to climate change	Sustainability in the value chain Transparency and traceability Efficient use of water in agriculture Combating Child Labor Fair working conditions Innocuousness Sustainable production system Water footprint Energy efficiency
	Employment generation Compost Market expansion Inclusion and diversity policies Agricultural reuse of effluents Shared value programs	Soil revitalization Fair wage Certifications

Less relevant INTERNAL Highly relevant

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Sustainability material topics



PLANET



Energy efficiency



GP develops its work day by day driven by the vision of becoming one of the top five global players in revenues within the wine industry by means of the integration, respect and care of the natural systems in which it conducts its operations.



Always developing our culture of excellence, hand in hand with methodical natural resource management, Focused on generating positive impacts on our ecosystems.



Achieving a Sustainable system is strongly linked to our corporate purpose and to our capacity to set an example and inspire.



GRI 103-1

GRI 103-2

GRI 103-3

GRI 302-1

GRI 302-2

GRI 302-3

GRI 305-1

GRI 305-2

GRI 305-3

Energy efficiency

Definition

Develop strategies to make the consumption of non-renewable energies more efficient, thereby reducing the carbon footprint towards carbon neutrality. Also, look for renewable energy alternatives for our production system.

Why material?

The world is in a climate emergency, and it is everyone's responsibility to reduce greenhouse gas emissions. From the wine industry we can see the effects of changes in temperature and water cycles at different latitudes. At Grupo Peñaflor we take these very seriously and we aim at assessing our environmental impact by evaluating in detail our entire value chain. We strive to minimize our greenhouse gas emissions, both at corporate and product levels. Following the European Green Deal guidelines, we support the goal of zero net CO₂ emissions by 2050. Our ambition is to constantly improve our processes by reducing inputs, emissions and energy consumption. In addition, we are exploring possibilities to increase the use of renewable energies.

Boundary

Currently, we focus on scope 1 and 2 of internal processes (including own farms, processing and fractionation) and the Scope 3, (including the transportation of wine and grapes) to calculate the Our Carbon Footprint.

Management approach

As part of our commitment to mitigate the risks of climate change, we quantify our greenhouse gas emissions and set reduction targets. To achieve the overall objectives, we are improving our database through the implementation of a data collection system at our production sites. This gives us an overview of energy consumption and the resulting carbon footprint. Some of our production facilities already have an energy management system in place. Using this as best practice, we are evaluating how we could implement a group-wide system.

GRI 103-1

GRI 103-2

GRI 103-3

GRI 302-1

GRI 302-2

GRI 302-3

GRI 305-1

GRI 305-2

GRI 305-3

Our approach

Improvements in energy efficiency and emissions reduction are achieved mainly through the following programs:

- Calculation of the carbon footprint scope 1, 2 & 3 of the Grupo Peñaflor system.
- Verification of the carbon footprint
- Measurement plan for points not yet accounted for through energy mapping.
- Dialogue with suppliers on energy-saving practices or implementation of renewable energies.

Evaluation and monitoring

- The energy efficiency management system is regularly evaluated to ensure compliance with reduction targets.
- These specific evaluation activities are accompanied by periodic monitoring, control, and evaluation of the Peñaflor Group's actual capacity to achieve the established objective

Calculation protocols



GRI 103-1

GRI 103-2

GRI 103-3

GRI 302-1

GRI 302-2

GRI 302-3

GRI 305-1

GRI 305-2

GRI 305-3

Energy efficiency



Renewable Energy

It is of great importance for GP to be able to incorporate renewable energies into its production matrix. To achieve our goal, in 2023 we began investing in renewable wind energy to supply approximately 30% of the energy consumption of our Coquimbito industrial plant.

- Since January 2023 we have been supplied with RES-E, which means 11,5% of Energy Consumption will be sustainable if we take the FY22 consumption as a base (360.000 MW/h).
- GP has started bidding to increase the contracting of EER by 10% more than at present, to be able to reach 20% in eolic energy in five years.

In the future, we will keep trying to hire more green energy according to the future capacity increase of the eolic and solar parks in Argentina. Target consumption in bottling savings (kwh/9-liter case) by 2033, 10% less than FY 2022.



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Corporate Carbon Footprint (Scope 1, 2 & 3)



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Our approach

Definition

Implementation of a sustainable production system to promote soil regeneration and biodiversity.

Why material?

Environmental protection is a central element in Grupo Peñaflor's activities. Respecting, protecting and safeguarding the ecosystem are relevant principles that govern and inspire the work of our company. We are aware that only this care for the environment can guarantee the continuity, growth and development of the viticulture that underpins the quality of our wines.

Boundary

The improvement and development of a sustainable production system that respects the territory, the soil, and its biodiversity is an issue that impacts on our own vineyards and our customers.

The impact is determined both by the operational activities that the company carries out in the management of its own estates, and by the activities carried out by the winemaking community with whom it has established commercial relations. This will also impact the local universities and local stakeholders.

Management approach

The management approach of this issue is aimed at mitigating the environmental impacts of the company, protecting the soil and biodiversity. In Grupo Peñaflor, environmental protection is implemented through a manual for sustainable viticulture with specifications and procedures to achieve the main objectives, strictly coordinated and related to the protection of grape quality.

GRI 103-1

GRI 103-2

GRI 103-3

GRI 304-1

GRI 304-3

A holistic approach

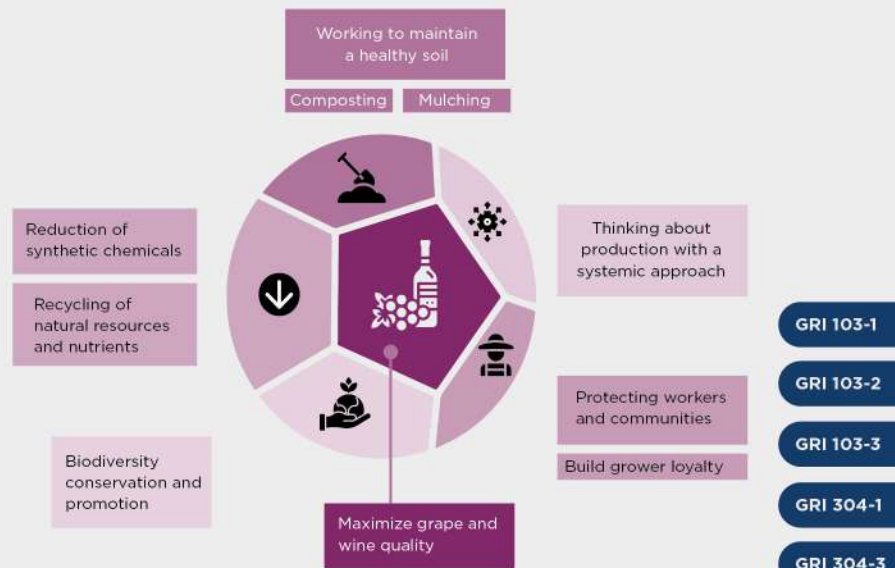
The quality of our wines depends on a systemic analysis of our vineyards and farming methods based on principles that protect the health of the vine and the soil. We evaluate the complex soil types of our lands to help implement the most sustainable soil management practices. We also use a type of drainage system that helps prevent soil erosion and we regularly conduct plant tissue analysis to determine the minimum fertilization needs for each vineyard. We avoid the use of inputs that may pollute groundwater or the atmosphere.

To protect our vineyards, we rely primarily on integrated pest management practices. This includes ensuring the health of our vines to discourage disease and pest habitats, and relying on natural predators, such as insects and birds, to help keep pests under control.

We only use approved pesticides and use them through a pest and disease monitoring protocol to control and treat only those areas of our crops where pests are present. We are committed to continue exploring alternative methods to reduce the use of agrochemicals.

Although Grupo Peñaflor grows a large part of the grapes destined for production, the involvement of the local wine community is key. Our

mission is to share best practices and accompany them in the transition to more sustainable production using the same standards we maintain for our own estates.



A holistic approach

3,540 HA.
Cultivated under direct management.

834 HA.
Plantable areas.

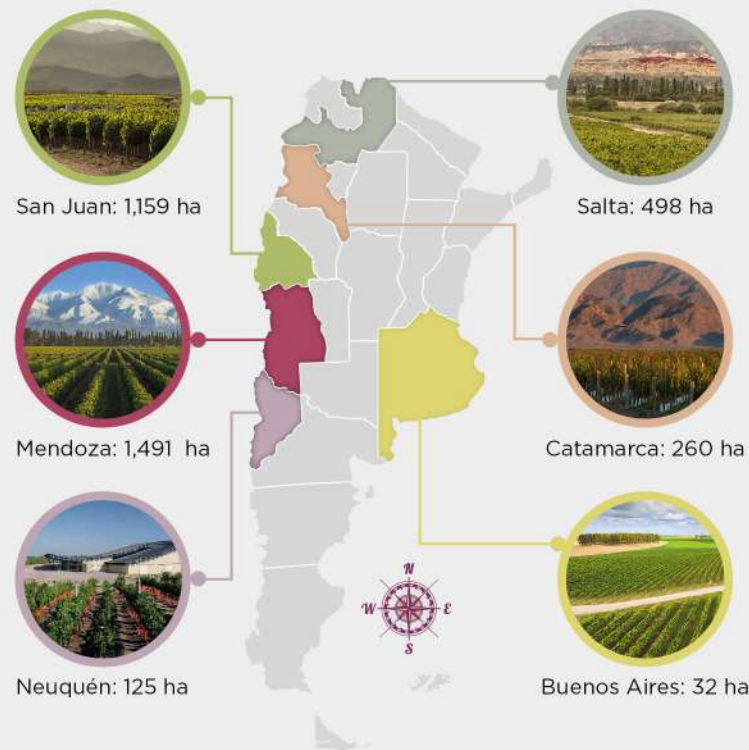
2,439 HA.
Natural areas.
(mountain, corridors, curtains, reserves, green spaces)

33 HA.
Under native woodland reserve.
(La Maravilla, Cafayate, Salta)

6,846 HA.
Total

Vineyard of the future:

- Supporting research and development of a state-of-the-art vineyard.
- Create a roundtable with experts and suppliers to ideate sustainable innovations.
- Implement new methods of integrated viticulture to replace traditional methods with negative impact on environment.



- GRI 103-1
- GRI 103-2
- GRI 103-3
- GRI 304-1
- GRI 304-3

Our approach: 5-year objectives

Wine growers' community

-Development of a sustainable production handbook for members of Grupo Peñaflor's wine growing community.

-Sharing and promotion of principles relevant to environmental protection.

-Training, certification and loyalty building for members of Grupo Peñaflor's wine growing community to ensure the highest grape quality.



- GRI 103-1
- GRI 103-2
- GRI 103-3
- GRI 304-1
- GRI 304-3

Develop expertise on our biodiversity and soil resources.

Biodiversity objectives:

- Increase soil cover crops every year.
- Collect of native grass seeds.
- Soil microbiome testing.

Our Figures:

- Hectares of native woodland: 31 % of our surface area.
- Soil cover crops: 40% of total cultivated land. (58% Exotic species & 42% Native species). Limiting factor: water availability and native seed propagation capacity.
- IUCN Red List: 2 native species of flora within La Maravilla reserve are categorized as Near Threatened, and the rest of the species are categorized as Least Concern.
- From 2005 to 2023, the number of grapevine varieties planted (Malbec, Cabernet, etc) has increased by 39% and similarly, rootstock type biodiversity has also grown.

The use of our laboratory, along with the cooperation with universities and experts guarantee a constant and high-level system for measuring the effectiveness of the actions implemented.

Through the study of the soil microbial genome, using massive DNA sequencing methodologies, fungal and bacterial species were identified and quantified to predict which microbial ecological functions benefit from different viticultural management. These studies resulted in a scientific publication in the international journal Oeno One in 2023 (Microbiome in soils of Mendoza: microbial resources for the development of agroecological management in viticulture, Paolinelle et al., 2023).



Prosopis alba



Liolaemidae sp.



Jatropha sp
"Piñon"

- GRI 103-1
- GRI 103-2
- GRI 103-3
- GRI 304-1
- GRI 304-3

Our Soils

Our soils are the core of the development of our industry. As such, their care and regeneration is of vital importance to us.

The care of our soils is in the hands of experts, PhDs and Engineers of our Viticulture team, who are responsible for training, directing and guiding with the best sustainable practices.

All company's vineyards are evaluated at an environmental level through the study of the geomorphometric variables of the region. This is done through satellite radar images of altimetry and calculation algorithms to map slopes, aspects, valley bottom indices, topographic index of humidity, etc. to understand the origin, formation and productive potential of the soils.

Our Soils Evaluation:

- To map soil nutrients.
- Develop nutrient replenishment plan by compost.
- In conjunction with the R&D and Viticulture area, we are developing an in-depth study of our soils in relation to fertilization and crop yield. The objective is to determine: the NPK ratio, nutrient repositioning for grapes extraction and vine structures.



Average penetration resistance from 0 to 30 cm depth, Finca Santa Rosa, Santa Rosa, Mendoza.

Our Sustainable Practices

- Minimum to zero controlled farming, only in those sectors where we have surface irrigation.
- Integration of native species.
- Organic matter contribution.
- Fertilization.
- Regular physical, chemical and biological fertility surveys.
- Protection from eolic erosion.
- Protection from hydric erosion.
- Soil structure pest control.



Electrical conductivity mapping of soil at 50 cm depth Piedra Buena farm, San Patricio del Chañar, Neuquén.

GRI 103-1

GRI 103-2

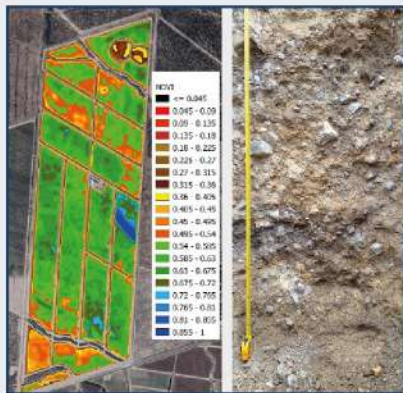
GRI 103-3

GRI 304-1

GRI 304-3

Our Soils

At farm level, topography mapping is carried out to obtain digital elevation models of the estate, by means of the use of different technologies such as radar satellite images, total station, drone images, etc. Green natural vegetation indexes are studied before vineyards are set up, using satellite collections such as Landsat or Sentinel and calculating the NDVI (Normalized Difference Vegetation Index) to identify areas with



Soil profile in El Milagro Vineyard, Eugenio Bustos, Mendoza

In the company's iconic vineyards, complementing the topographic and soil mapping studies, Grupo Peñaflor has conducted studies of native plant communities with scientists from IADIZA- Conicet with the aim of predicting the productive characteristics of the soil through the type of species that inhabit each area of the property. These studies resulted in a scientific publication in 2019 in the Argentine Botanic Association Newsletter (Flora and physiognomic changes in the vegetation and their relation to the carboncalcium layer in the viticulture area, Mendoza, Argentina, Moratta et al., 2019).



- GRI 103-1
- GRI 103-2
- GRI 103-3
- GRI 304-1
- GRI 304-3

Our approach

Definition

Protecting water throughout all processes and the value chain: from the vineyard to the final product. We place special emphasis on the efficient use of water in grape production and the reuse of effluents from wineries and bottling plants. The water footprint is an indicator of drinkable water consumption that allows us to measure more than just direct water use, including different water sources and types of pollutants.

Why material?

Water is essential for life and food production, and it is also vital for the sustainable development of our productive activities. Freshwater is a scarce resource worldwide and in Mendoza and San Juan, the situation is critical. This situation is further aggravated by the effects of climate change.

Limit

The impact is determined both by the operational activities carried out by the company in the management of its own vineyards, wineries and

factories, as well as by the activities carried out by the wine community and wineries with which it has established commercial relations.

Management approach

The first step in addressing the water footprint is to identify and quantify water-related impacts within our environmental management system. The way to address these impacts is through the implementation of a management programme: prevention, control and action on water consumption in our own vineyards, wineries and bottling facilities.



La Urquiza vineyard dam, Cafayate, Salta

GRI 103-1

GRI 103-2

GRI 103-3

GRI 303-1

GRI 303-3

Strategic irrigation management in our vineyards

Our approach

Grupo Peñaflor conducts the water management of 3567 hectares of vineyards, 72% of which are drip irrigated, 27% surface irrigated and 1% rainfed.

As water is a scarce resource in the world and a determining factor for the quality and production of grapes, the irrigation of the vineyards at Grupo Peñaflor is based on the water management concepts developed and disseminated by the best researchers and viticulturists in California, USA, and the criteria developed internally by the company's Viticulture team.

Based on evaluations of the soil moisture profile through the opening of winter trial pits, gravimetric sampling, and textural analysis, the millimeters of water to be replenished are defined to start a new viticultural cycle from field capacity, stimulate the "weeping" of the vine, remobilize reserve substances and resume vegetative growth most efficiently and sustainably.



La Maravilla vineyard dam,
Cafayate, Salta



Soil moisture sensor
Shuttle-Acua-Check

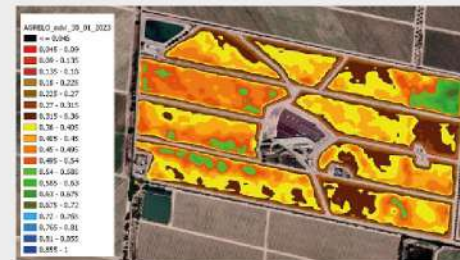
- GRI 103-1
- GRI 103-2
- GRI 103-3
- GRI 303-1
- GRI 303-3

Strategic irrigation management in our vineyards

The Crop Coefficient (Kc) was developed by the company for all conduction systems, all distances among vine rows and for each one of the vine phenological stages, through the use of the shading percentage measurement methodology developed by the viticultor-researcher Mark Battany.

Grupo Peñaflor has 12 meteorological stations strategically located throughout the country to represent the weather conditions in each vineyard. From the potential evapotranspiration (ETo) data provided by the weather stations and the estimated crop coefficient, the millimetres of water to be replenished through weekly or fortnightly irrigation are obtained.

The irrigation scheduling methodology described above is accompanied by the application of different irrigation strategies according to the productive objective of each vineyard, following water potential curves defined for each type of grape to be produced, using leaf water potential measurements at solar noon through the use of the Scholander camera. In addition to the irrigation programming and strategy, the viticulture team has complementary measurements and tools such as stomatal conductance measurements, soil moisture probes, visual observation of growing shoot apices, green index images of the vineyards and control boards of the irrigation programmes executed in real time.



Vigour index image (NDVI), Agrelo vineyard, Mendoza.



Meteorological station at El Tributo vineyard, Coquimbito, Mendoza



Scholander pump recording water potential measurements at solar noon.

- GRI 103-1
- GRI 103-2
- GRI 103-3
- GRI 303-1
- GRI 303-3

Water footprint - Our approach

In plants and wineries these measures include more efficient equipment in key areas for water consumption: floor washing machine that replaces the use of hoses, automatic shut-off valves in hoses to avoid waste, new mechanisms for external tank cleaning, replacement of cleaning chemicals with biodegradable ones.

On own vineyards: development of integrated irrigation management and installation of an automated drip irrigation system.

On third-party vineyards and wineries: training and promotion of water-saving practices.

Grupo Peñaflor participates in conferences and activities with stakeholders on issues related to water consumption, and we take into consideration the observations and requirements raised.

The water we consume comes from groundwater and surface diversion system. As far as wineries are concerned, water is used for equipment washing processes, steam generation, tank cooling and others. However, its largest volume is used for irrigation on vineyards.



Control of water consumption in wineries



Drip irrigation system.



Surface diversion system

- GRI 103-1
- GRI 103-2
- GRI 103-3
- GRI 303-1
- GRI 303-3

Water footprint - Own Vineyards & Wineries Water Footprint

Agricultural Cycle **2022-2023**

CIRCA | **circuly carbon**

**CERTIFICADO DE VERIFICACIÓN DE
HUELLA DE CARBONO Y HUELLA HÍDRICA**

CIRCA certifica que ha realizado una verificación de tercera parte independiente de la Huella de Carbono y Huella Hídrica Operacional para el período de 01/05/2022 - 30/04/2023, en nombre de:

GRUPO PEÑAFLOR
Bodegas Argentinas Líderes

18 21 Para las Fincas (21 unidades), Bodegas y Sitios (18 unidades) propiedad de la organización.

El análisis de la Huella de Carbono se ha llevado a cabo conforme con las metodologías GHG Protocol, Protocolo Internacional de cálculo de emisiones de carbono en el sector vitivinícola (International Wine Carbon Calculator Protocol) y el Protocolo de la OIV. El estudio realizado incluye Alcance 1 (emisiones directas, otras emisiones de alcance 1), Alcance 2 (emisiones indirectas por energía eléctrica) y Alcance 3 (emisiones indirectas por transporte), para los principales Gases de Efecto invernadero (CO₂, CH₄, N₂O, HFCs, SF₆, PFC).

El análisis de la Huella Hídrica se ha llevado a cabo conforme con la metodología Water Footprint Network, contemplando únicamente los componentes de Huella Hídrica Azul Directa y Huella Hídrica Verde Directa.

CIRCA ha verificado que el procedimiento de cálculo se ha efectuado de manera coherente, precisa y acorde a las metodologías mencionadas.

Fecha de emisión: 11/12/2023

Ing. Andres Cohen



- GRI 103-1
- GRI 103-2
- GRI 103-3
- GRI 303-1
- GRI 303-3

Our approach

Definition

To use circular economy as a guiding principle for bottle and packaging designs. Look for lighter designs that help reduce the carbon footprint, using materials that minimize the use of chemicals and the volume of waste. It also includes waste separation and creative approaches to reuse factory waste.

Why material?

Our planet, humanity and the economy are strongly sustained by natural resources, and as their existence is finite, the way we manage them is the key to our future. Grupo Peñaflo aspires to be an industry leader in the use of sustainable bottles and packaging.

To achieve this goal, we are working to continually improve sustainability in our packaging design, using lightweight, reusable and recyclable materials.

In particular, we aim to apply circular economy principles to our processes, increasing the amount of recycled material in our production chain. Improving resource efficiency and maintaining the circularity of materials not only reduces the rate of depletion of natural resources, but also gives us the opportunity to the costs of our production processes.

Boundary

The use of circular economy principles is an issue with a major impact on the internal boundaries of the organization. The company is directly responsible for maintaining high quality standards, which is also reflected in the selection of and requirements to suppliers of bottles and packaging.

Management approach

To achieve our overall objective, we are investing in innovation to increase our range of recyclable products. In addition, we have established a close relationship with our suppliers by encouraging more sustainable packaging design. We evaluate our improvements based on real data: we are improving collection on key factors such as bottle weight and recyclability of materials.

In addition, ensuring compliance with legal requirements in other markets provides the framework for our strategic development.

GRI 103-1

GRI 103-2

GRI 103-3

GRI 301-3

GRI 301-2

GRI 301-3

GRI 306-3

GRI 306-4

GRI 306-5

GRI 307-1

Our approach

Evaluation and monitoring

The most efficient way to measure the progress of the implemented actions is through a comparative analysis between the old bottle and packaging designs and the new ones. Metrics such as savings in net weight of bottles and containers (equivalent to CO₂ saved in transport), savings in non-renewable materials and use of reusable or recyclable raw materials allow us to measure the effectiveness of the implemented actions.

The sustainability control system for new designs using circularity principles is evaluated at the end of prototype production to ensure that only the most efficient designs from this point of view are sent to production. These specific evaluations are supported by regular monitoring, control and verification mechanisms on the actual ability to achieve the pre-determined circular economy targets.

Reducing packaging material

We try to reuse and recycle most of the materials used in our packaging.
 -Pallets are repaired, reused and recycled.
 -Almost 1 million kg of glass bottles were saved thanks to a packaging rationalization project aimed at unifying and reducing the diversity of packaging used in the company's portfolio.

Waste management

The most significant activities that generate waste are the processes

related to the crushing and extraction of the wine base, which is extracted from the grapes. This generates the pomace, which is the skin plus the pips or seeds of the grapes, and the stalk, which corresponds to the hard part of the bunches, i.e. the sticks or leaves from which our base products are made. Another important waste is the industrial water effluent generated at each stage of the process.

As a group action, we keep statistics of all types of waste + consumption that we carry out in the company, both as a group and per production unit. And year by year we set a general objective of continuous reduction of consumption and also of increasing recycled waste. In addition, together with the purchasing and development of inputs, we study the feasibility of materials for recycling/reuse or recovery.

All waste is generated, sorted and managed internally, using internal resources. The treatment of the same, whether in the different flows, treatments and disposal and/or recycling are carried out by third parties, and the authorizations and processes to be carried out are controlled.

During FY22-23 eight IFR were replaced by its ECO version. Considering the annual consumption of 129 million bottles, we achieved a glass reduction of 1,4%, equal to 720 tons.



- GRI 103-1
- GRI 103-2
- GRI 103-3
- GRI 301-3
- GRI 301-2
- GRI 301-3
- GRI 306-3
- GRI 306-4
- GRI 306-5
- GRI 307-1

Our Numbers of Circular Economy

Materials for fractioning,

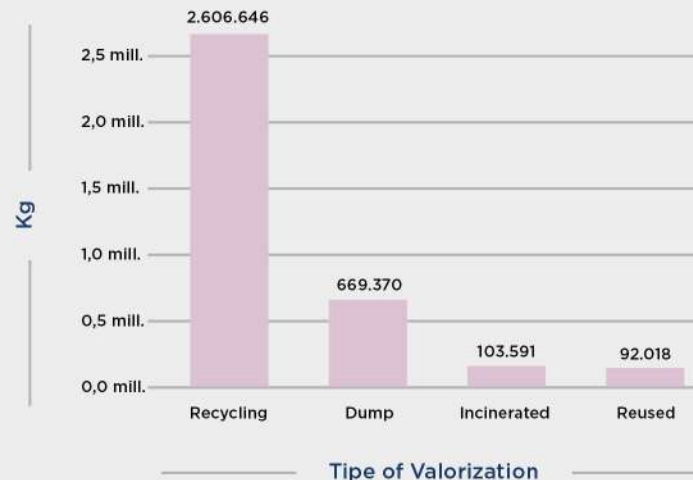
Peñaflor Group works with more than 700 suppliers, all of which are audited by our Quality and H&S and MA and Sustainability teams. Types of materials used: Renewable materials used (MRU, according to its initials in Spanish), Materials with recycled content (MCR, according to its initials in Spanish), and Materials with recyclability (MPR, according to its initials in Spanish), For FY 2022 43% of inputs and for FY 2023 46% of inputs reported the following values for each category:

TYPE OF MATERIALS	FY 2023
MRU	27%
MCR	31%
MPR	32%

Waste

Our waste is recycled, reused, goes to municipal landfills or is disposed of by incineration. Our objective throughout the production cycles is to reduce the percentage of waste sent to landfill or incineration.

Valorization of waste 2023



- GRI 103-1
- GRI 103-2
- GRI 103-3
- GRI 301-3
- GRI 301-2
- GRI 301-3
- GRI 306-3
- GRI 306-4
- GRI 306-5
- GRI 307-1

Our initiative

Finca Las Moras, together with Reciclo, works to recover glass containers from the line of Fair for Life. In 12 months, 540,000 bottles were recovered.

In addition to this initiative, we have a scoring program, through which participants receive a bottle of the Finca Las Moras-Fair for Life for every 36 bottles recycled.

In the future, the program is to be extended to the entire Finca Las Moras winery and its brands. Reciclo is committed to revaluing and recovering, on a monthly basis, a maximum of one hundred thousand glass bottles in order to mitigate the environmental impact. We will also be part of Reciclo's communication and educational program.



FINCA LAS MORAS



- GRI 103-1
- GRI 103-2
- GRI 103-3
- GRI 301-3
- GRI 301-2
- GRI 301-3
- GRI 306-3
- GRI 306-4
- GRI 306-5
- GRI 307-1

PEOPLE

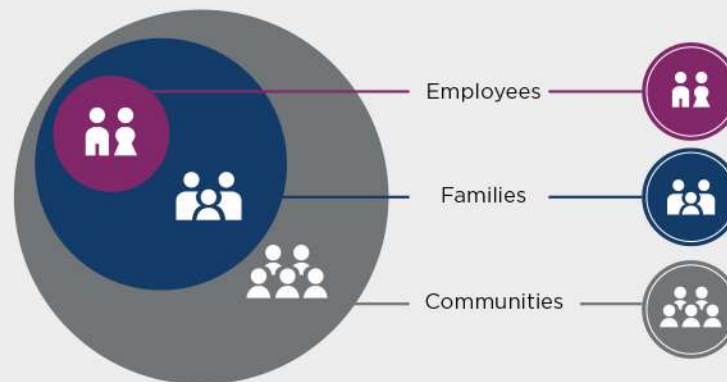


The scope

Grupo Peñaflor is made up of a team of people committed to the growth of the Argentine wine industry.

Our commercial, viticultural, administrative, production, oenological and logistics teams are specialists who are proud to be part of the Peñaflor Group. They are a competitive advantage because of their ability, strength and creativity and because they are a melting pot of people with different idiosyncrasies and professions. We foster bonds of trust and an atmosphere of cooperation in both our staff and the community in which they live.

As a company we develop strong links with different universities in our country, carrying out joint activities that promote the development of young people in our country. Our Management is close to students, giving talks that inspire future professionals who may join our staff. We offer training workshops on different subjects and participate in Job Fairs organized by universities, governmental entities, and different organizations.



Occupational health and safety management system

Grupo Peñaflor has a comprehensive multi-standard management system, the two fundamental standards being ISO 14,001, in terms of the Environment and OHSAS 18001 in terms of Health, Safety and Hygiene.

Of all the facilities that make up the Peñaflor Group, the plants that are currently certified under the two standards are: Cafayate in Salta integrated with Santa Maria in Catamarca; San Martin plant in San Juan; Villa Nueva plant and Coquimbito in Mendoza.

All GP employees are provided with medical assistance in accordance with local legislation.

In addition, if any employee wishes to have access to a higher medical service, the employee himself/herself can do so by paying the differential between the superior health insurance plan amount and what is paid by the company, in accordance with the salary legislation in force in Argentina. Both the percentage deducted from the monthly salary and the proportional amount paid by the company are stipulated by applicable laws.

At each of its premises, GP has a canteen or refectory with catering or canteen services.

Within the daily menu options, there is a dish of the day, as well as the options of healthy dishes, i.e. low fat, gluten free menu, diet menu, and salad of the day. Each of the menus is controlled and proposed in

conjunction with the middle service, the HR department, the catering service and the contribution of a nutritionist, who belongs to the catering service and advises the latter on this matter. In addition, as part of the benefits of being a GP employee, there are gym membership discounts and benefits at a gym chain that has branches in all the cities where GP has operations.

100%
of our employees
have medical coverage



GRI 403-1

GRI 403-6

Hazard identification, risk assessment, and incident investigation

GP has a hazard identification and risk assessment procedure. The general training plan is carried out every year. The entire plant population participates in it. Training courses that require the introduction of new concepts, or those that are of a recurring nature have a related evaluation that each employee must complete and there is a minimum passing score.

At all GP facilities there is an Observations reporting tool, where any employee can put in writing any type of hazard based on the condition of a facility, process or others and also report unsafe acts or behaviors performed by any employee. The consolidation of the information is recorded in a spreadsheet and the person in charge or head of the sector is notified of the hazard.

GP has an ethics hotline, where any type of aggression, misbehavior, dishonest behavior and even abuse or offensive comments can be reported. The hotline is anonymous.

GP conducts all its activities under the motto of ZERO accidents. A number of tools are available, where anyone can report any dangerous situation, where a person on GP premises is carrying out an activity without regard for their own safety or the safety of others. These tools include the completion of a Hazard Observation Report



About Us

We are driven by the search for excellence, ethics in our actions, social awareness and the entrepreneurial spirit that our ancestors left us as a legacy.

MISSION

To promote the social development and empowerment of the communities located near the industrial facilities of the Family in Argentina, through educational and health programs.

VISION

As a foundation and as a family, we dream of sustainable and cooperative communities that ensure a better future for new generations.

Bemberg Foundation Values



Integrity

We stick to an ethical and transparent behavior in all our actions.

Transcendence

We honor our History and the essence with which our antecessors planted the cornerstones of our Foundation. We believe in the common values that bond us as a Family and create our identity. We build with our eyes set on the future, protecting our legacy for the oncoming generations.

Commitment

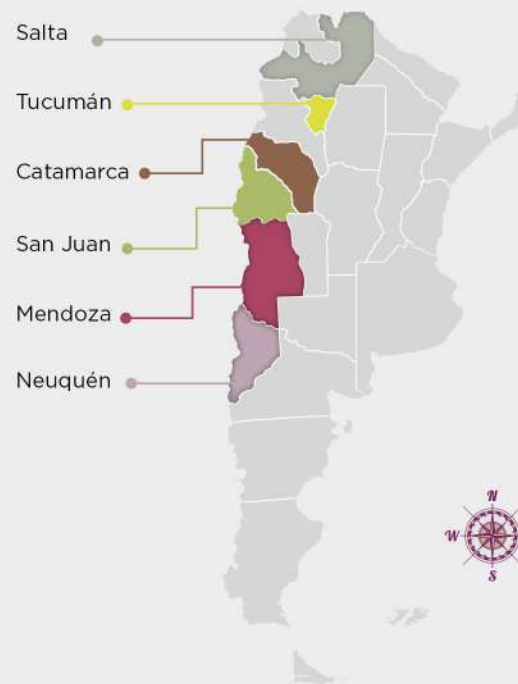
We embrace commitment with the community and the overall development of people invulnerable situations. Our work is driven by our vocation to generate a change in the country where we conduct our operations .

About Us

We are driven by the search for excellence, ethics in our actions, social awareness and the entrepreneurial spirit that our ancestors left us as a legacy.

Communities

Currently the Foundation works in the provinces of Mendoza, San Juan, Salta, Catamarca, Neuquén and Tucumán.



Our Work

The Bemberg Foundation was established with the purpose of developing communities in a vulnerable situation, focusing on two large fields of work: Education and Health.

Education

The development of communities and the empowerment of their inhabitants favor equal opportunities. Quality education, social, interpersonal and conflict resolution skills are fundamental pillars for sustainable and prosperous societies.

Mendoza

- Reading Fluency Program - 300 kits / 300 Schools.
- Learning Community Program - teacher training - in partnership with the Mendoza Business Council - 83 primary schools and 76 secondary schools, with a total of 159 teachers trained.
- Kindergarten Multicolor - In 2022, Implementation of the Montessori methodology and readjustment of the infrastructure. In 2023 work was carried out on the outer perimeter.



Our Work

Education

Mendoza

- Third year of the Fundación Cimientos Scholarship Program - In December 2023, the first batch of scholarship beneficiaries: 15 students.
- Harvest Centers Students - Route 40 Workshops second year of Centro.
- Pescar Bemberg: Workplace skills + Leading Women.

Chañar Punco & Cafayate

- Minkai Foundation Scholarship Program - 20 students.
- The Lion Foundation's Elder Care Training Program.
- Club Michel Torino - Sports and Recreational Activities Program with.
- Association Conscience: Food and nutrition program for 90 children. Participation in the public Literacy policy in all primary schools in Cafayate together with the Natura Institute: 25 schools, and 485 students.



Our Work

Health

Since its beginnings, the Bemberg Foundation has worked relentlessly to improve people's access to quality health and quality of life. We work in coordination with the public sector and community leaders, analyzing the needs of each community and the opportunities for improvement. This information allows us to establish a basic diagnosis for each decision-making in our investments on infrastructure and equipment at hospitals and health centers; thus, improving their services and care system.

Mendoza & San Juan

- Tupungato - Donation of a high complexity Ambulance at Hospital General Las Heras, w/ the Mayor of Tupungato and Vice-minister of Health of Mendoza.
- Emotions program: in Mendoza 420 students, 13 teachers and 32 parents. And in San Juan, 421 students and 25 teachers.
- Visual Health- Is essential when thinking about equality of opportunities in the learning process. 15-30% of learning problems are due to an undiagnosed visual problem. San Juan, 1019 students and 84 teachers and in Mendoza, 485 students. After the studies, 218 lenses were delivered in Mendoza and 94 in San Juan.



Our approach

Definition

Caring for the quality of life of our employees, respecting their rest periods, fair pay and benefits in addition to those established by law.

Why material?

Grupo Peñaflor believes in the importance of fair work. It is not only a legal requirement, but also an important step towards a fairer society. Fair work is one of the key factors affecting motivation and relationships at work, ultimately contributing to our business success, so it is important to reward all employees fairly. Ensuring fair work sends a positive message about the company's values, increases efficiency and productivity by attracting the best talent. It also reduces absenteeism and staff turnover.

It is a fundamental part of Grupo Peñaflor's corporate social responsibility.

Boundary

Fair work is an issue that directly affects the internal limits of the

organization. Grupo Peñaflor is committed to guaranteeing fair work and welfare for all its employees.

Management approach

Our approach to guaranteeing fair work is based on being able to ensure legal compliance with overtime and rest breaks, make a periodic review of salaries according to updates in the prices of the basic basket and ensure that salaries and payments are aligned with current regulations.

Evaluation and monitoring

Grupo Peñaflor follows different macroeconomic indicators to guarantee a payment in line with the coverage of basic needs.

- GRI 103-1
- GRI 103-2
- GRI 103-3

Our approach

Workers

In FY23, Grupo Peñaflor had a team of 2,576 people, of which 18% were women and 82% men.

In terms of geographical distribution, the highest concentration of staff is observed in the province of Mendoza, followed by Buenos Aires.

FY	Women	Men	Total
2022	389	1,908	2,297
2023	455	2,121	2,576

Disclosure	Gender	Age	2023	2022	2021	2020
			Number of hired	Number of hired	Number of hired	Number of hired
New employee hires	Women	30 years old	124	148	106	116
		Between 30 and 50 years old	29	88	55	59
		50 years old	6	7	4	4
	Total number of women hired		227	243	165	179
	Men	30 years old	416	392	473	518
		Between 30 and 50 years old	247	228	191	228
		50 years old	17	15	25	20
	Total number of men hired		680	635	689	766
	Total number of hired		907	878	854	945

Site	Workers
Mendoza	1415
Buenos Aires	505
San Juan	291
Salta	219
Catamarca	76
Others	47
Neuquén	23



GRI 103-1
GRI 103-2
GRI 103-3

Employment contracts

At the same time, and based on our Code of Ethics and Conduct, we promote equal opportunities to join the Company and equity in remuneration and professional development, regardless of race, age, or religion. Likewise, we have permanent (TI) and temporary (TT) collaborators, in charge of essential tasks related to the care of the vines and our wines.

Type of contract	Women	Man	Total
FY 2022			
TI	224	1,634	1,968
TT	54	272	326
Total	388	1,906	2,294
FY 2023			
TI	357	1,606	1,963
TT	91	512	603
Total	488	2,118	2,566



GRI 103-1
GRI 103-2
GRI 103-3

Employee training

Grupo Peñaflor’s Viticulture Department works closely with many of the growers who supply its grapes. As part of the annual work plan, the team of agronomists provides training to growers in vineyards. These trainings seek to bring suppliers closer to best practices and provide a space for guidance and information exchange. During the last year, the training provided has included high production trellising systems and the use of spraying machines.

Average hours of provided training			
Hours of training according to job category	Unit	FY 2022	FY 2023
Directors	hs	44	308
Managers	hs	415	1,012
Chiefs	hs	408	3,193
Analysts	hs	2,113	4,585
Operators	hs	8,762	11,489
Total	hs	11,742	20,587



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- GRI 103-3

Our approach

Definition

Promote awareness campaigns and monitoring throughout the value chain to eradicate child labour and promote the well-being of children.

Why material?

Despite many efforts to eliminate child labour worldwide, an estimated 152 million children are still trapped in child labour. Child labour is most likely to occur in the early, often agricultural, stages of the value chain. This harms children's well-being and hinders their future development. It is therefore paramount for Grupo Peñaflor to address this problem and support parents, educators and suppliers to promote the well-being of future generations from an early age.

Frontier

Child welfare is an issue of great impact on the boundaries of the organisation. Grupo Peñaflor is committed to promoting child welfare programmes that have an impact on neighbouring communities.

Management approach

Our approach to ensuring the promotion of child welfare throughout the value chain is one of collaboration on human rights, partnering with key stakeholders in our supply chain to achieve positive social impact.



GRI 103-1

GRI 103-2

GRI 103-3

Our initiative

Since 2006, Grupo Peñaflor has been part of the Network of Companies against Child Labor with the objective of generating and supporting programs for its prevention and eradication. We support the initiative through dissemination and awareness-raising throughout the chain. The Network operates within the scope of the National Ministry of Labor, Employment and Social Security and is chaired by the National Commission for the Eradication of Child Labor (CONAETI). Our certification program for winegrowers includes a Sustainable Wine Production System manual and regular assessments of compliance with human rights standards at the farm level by our technical team. This helps us to ensure the protection of human rights throughout the chain.



GRI 103-1
GRI 103-2
GRI 103-3

Our Initiative

Our Child day:

We organize a special day for our employees' children. As a family, we celebrate their day together, with a big event at our Bodeguita site, where the little ones can learn about the activities carried out by their parents, what they do day by day., thus opening the winery to our workers' families.

During September, the event referred to as "A Big Little Day! was held in the main work centers of the country, with the participation of more than 400 of our employees' children.

We thank all those who made this possible and all those who were able to enjoy a special day with their children.



GRI 103-1

GRI 103-2

GRI 103-3

Our approach

Definition

Promoting a healthy lifestyle and clearer and more transparent corporate communication.

Why material?

It is essential for Grupo Peñaflor to promote the consumption of our products in a responsible way, raising awareness of the positive attributes associated to a healthy lifestyle. Responsible Consumption is a crucial element for present and future society. It is a fundamental aspect and a necessary value, not only to reinforce our global leadership but also to consolidate our commitment to society. In this sense, we adhere to the Wine in Moderation initiative carried out by Bodegas de Argentina to transmit to the public the Principles of Responsible Consumption established by the organisation.

Boundary

Transparent and responsible marketing is an issue that directly affects the external boundaries of the organisation. Grupo Peñaflor is directly responsible for communicating in a transparent and responsible way to its customers and consumers all over the world.

Management modality

Our management approach is based on the development and training of our teams in the values of responsible and transparent marketing, good practices and fluid dialogue with our customers to better understand their needs and requirements. As a Group, we adhere to the principles of responsible consumption and are therefore committed to the following principles: Promote and prioritise moderate consumption of wine and alcoholic beverages according to the international standards proposed by the World Health Organisation (WHO). To object to and disapprove of the consumption of wine and alcoholic beverages in groups at risk: minors, pregnant women and people who drive vehicles. Consider and communicate the responsible consumption and sale of wine and alcoholic beverages as a core part of their corporate and marketing codes.

We encourage wine consumption as part of a healthy lifestyle.

Our commitment also extends to institutional reporting such as this Sustainability Report. It aims to maintain a clear and transparent communication of the objectives and results of the group's sustainability strategy, sharing key indicators on an annual basis.

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- GRI 103-2
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- GRI 416-2

Our approach

Labelling:

In both product labelling and packaging and advertising activities, we ensure that we use messages that respect the company's values and that our consumers can trust. In this way, we first ensure compliance with laws and regulations related to each destination where we sell our products, paying particular attention to issues related to alcohol consumption. We have a legal team dedicated to complying with these requirements, both in labelling and in the messages used in promotional materials.

Assessment and monitoring

Grupo Peñaflor assess their performance in this field by counting the number of incidents of non-compliance with regulations resulting in a fine or penalty. During the present fiscal year (2020-2021), Grupo Peñaflor had no incidents of non-compliance with regulations resulting in a warning, fine or penalty.

Products:

We seek to responsibly communicate the different attributes of sustainability through our packaging. We do this taking into account the

interest that the consumer has in these aspects in particular.

At present we have different certifications for part of our products and they are duly communicated in our packagings.

During the present fiscal year (2020-2021), Grupo Peñaflor had no incidents of non-compliance with regulations resulting in a warning, fine or penalty.

GRI 103-1

GRI 103-2

GRI 103-3

GRI 416-2

Backlabel

Fairtrade

Is an organisation that promotes and certifies products and ingredients, including wine, that have met social, economic and environmental standards set by the Fairtrade Foundation, which also includes the protection of workers' rights and the environment.

6 skus under this certif.



Organic

Organic wine is wine produced from grapes that have been grown organically, often without the use of pesticides or other synthetic materials, and where the winemaking methods employed adhere to the rules and regulations of an organic certifying body.

42 skus under this certif.



Fair for Life

Fair for Life is a certification program for fair trade in agriculture, manufacturing and trade. Beyond the inherent concept of fair pricing, looks after "responsible supply chains".

9 skus under this certif.



Vegan

Vegan wine is defined as wine made without any interaction with animal products.

14 skus under this certif.



- GRI 103-1
- GRI 103-2
- GRI 103-3
- GRI 416-2

Our approach

Definition

To ensure that Grupo Peñaflor's products meet the highest quality standards, a través de la implementación y certificación de sistemas de gestión de calidad en los sitios de elaboración y fraccionamiento de vino.

Why material?

The quality of the product is the most important and distinctive element of Grupo Peñaflor. It is an objective that engages us daily with the conviction that it is through the quality of our products that we achieve the recognition and growth of our brands.

Our mission as a group is to deliver safe and high quality products. That is why we take all necessary measures to meet the quality expectations of our consumer.

Boundary

Quality protection is an issue with a major impact on the internal boundaries of the organisation. The company is directly responsible for maintaining the high quality standards which are also reflected in the selection and requirements to suppliers

Management approach

The management approach of this topic is oriented towards increasing the quality of the products which depends both on the quality of the raw materials and the ability to convert them into a high quality finished product.

In addition, the aim is to develop, implement, and continuously improve standards applicable to all production sites, taking into account differences in resources and technology, to expand good practices and efficient processes.

GRI 103-1

GRI 103-2

GRI 103-3

GRI 416-2

Our approach

Evaluation and monitoring

Validate our current management approach, Grupo Peñaflor developed a quality management system at the winemaking and bottling sites.

In particular:

In this quality management system, in general terms, each stage of the production process has a control methodology defined to detect and control quality, safety, legality, and authenticity risks that may be transferred to the finished products.

In addition, during the year a program of internal audits is carried out to evaluate the management system to confirm that the quality management system processes are correctly implemented, to detect opportunities for improvement, and to correct deviations.

Externally, the analysis of positioning, evaluation by the consumers, and the winning of awards serve to measure consumer appreciation of our products. This information is collected by the Marketing management and is taken into account to outline the innovation pipeline and modifications of the product portfolio.

The protection and improvement of quality is mainly achieved through the following programs:

-Standardize the quality management system in the winemaking and typification operations to operate in the same way as we do in the other processing stages. In addition to management, the improvements planned in the master investment plan will have an impact on the quality, legality, and authenticity of the finished product.

Coquimbito	BRCGS Food - IFS Food	2002 - 2017
Villanueva	BRC	2019
Cafayate	BRC	2018
Godoy Cruz	FSC22000	2021
San Juan	HACCP	2015
San Rafael	BRCGS Food	1º auditoria en 2024

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- GRI 103-3
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Our approach

Definition

Develop long-term partnerships that enable sustainability and predictability to the ecosystem by ensuring traceability in the value chain.

Why material?

Grupo Peñaflor aims to achieve full transparency in its value chain. In this sense, guaranteeing the traceability of the entire supply chain is one of our key objectives.

The quality control of our products also takes into account the environmental and social factors that arise along the supply chain. We currently have several initiatives underway. We are working on a process to ensure compliance with environmental and social criteria by our suppliers.

Boundary

Currently, the greatest efforts are focused on suppliers of raw materials and industrial inputs.

Management approach

Supplier compliance with sustainability requirements (social, environmental and governmental) is the basis for ensuring traceability and proper risk assessment. The Code of Ethics and Conduct is shared with our suppliers. It sets out our high environmental, social and ethical standards throughout our supply chain.

To ensure a more transparent value chain we have implemented the following projects:

- Requesting minimum sustainability requirements for supplier qualification
- Metrics: IQS quality suppliers indicators (supplier performance related to service delivery, audit compliance, and claims deviations), Global supplier index, which includes purchasing and delivery (SLA) for a small group defined as the strategic ones that can stop the plant, (glass, lids, etc.).

GRI 103-1

GRI 103-2

GRI 103-3

GRI 416-2

GRI 417-2

Our approach

The value chain transparency management system is assessed annually to ensure that reduction targets are met. To this end, we have set up a multi-sectoral team to discuss and monitor progress in controlling suppliers' minimum sustainability standards. These specific evaluation activities are accompanied by periodic monitoring, control and evaluation activities that will help to achieve the established objectives (glass, lids, etc.).

New suppliers that were screened using environmental criteria	2020	2021	2022	2023
Total number of suppliers	263	317	302	302
Number of new suppliers that were screened using environmental criteria*	43	73	93	101
Percentage of new suppliers that were screened using environmental criteria	16%	23%	31%	33%

Since 2022, our main suppliers have started to carry out an annual selfassessment in the fields of Occupational Health and Safety, Environmental Matters, Corporate Responsibility and in 2023 the Sustainability cornerstone was added. The participation of suppliers in said self-assessment has risen and the gathered information has been of great relevance.

Proveedores	2022	2023
Suppliers considered in self-assessment	95	110
Self-assessed suppliers	66	87
Percentage of suppliers who complied with self-assessment	69%	79%

Categorías autoevaluadas	2022	2023
Packaging	41	46
Enological supplies	14	11
Storage and logistics	4	6
Brokers	6	6
Services	1	4
Bulk wine producers	0	14

*Approved by Bodegas Argentina environmental standards

GRI 103-1

GRI 103-2

GRI 103-3

GRI Index



Methodological notes on GRI

With the preparation of this new edition of the sustainability report, Grupo Peñaflor is committed to deepen in a transparent and responsible manner the process of accountability in terms of environmental, social and economic sustainability. As a group, we are convinced that in order to build economic value we need a vision of shared value that goes hand in hand with the preservation of natural resources and the care of our communities.

This report will be distributed to all stakeholders involved and its content will be updated annually. This report was prepared in accordance with the international Sustainability Reporting Guidelines defined in 2013 by GRI- Global Reporting Initiative.

The GRI standard provides for two compliance level options: comprehensive and basic. As indicated in the GRI guidelines, the Group has chosen to use the basic standard compliance level for this first report. The mandatory and optional indicators contained in this document are in line with the international GRI standard to which all companies wishing to follow the path of continuous improvement through transparent results refer.



Methodological notes on GRI

Each of the indicators contained on this document is identified with a specific label in the margin of the page.

At the end of this report, we attach the attached GRI content index, which provides a complete list of the considered indicators.

This issuance includes all activities carried out by Grupo Peñaflor during the 2020-2021 fiscal year. The activities reported, i.e. the scope in which the analysis has been carried out include: for the wine sector: viticulture, winemaking, quality control, research and development and the sale of wines and similar products.

All the Group's activities have been considered: the production and sale of spirits and wines, the production and bottling of wines, the distribution of bottled products in Argentina, the sale of products in foreign markets and their marketing.

Why a sustainability report?

It is a way to communicate in a transparent way the economic, social and environmental impacts of the group, showing our commitment and its progress towards the objectives for the benefit of all stakeholders that revolve around the organization.



Methodological notes on the elaboration of calculations using other metrics

The group's sustainability strategy goes beyond the GRI guidelines and this sustainability report. It is a strategy inspired by the issues and impacts most relevant to Grupo Peñaflor and its stakeholders. These are holistically integrated into the organisation's processes and decision making.

Therefore, we are committed to communicating and reporting metrics that are key to the evolution of the group's sustainability projects, even those that are not necessarily required by the GRI guidelines.

Issues such as soil health, water footprint per litre of wine, producer participation in training programs on sustainable production systems, are essential projects for the group's sustainability strategy that deserve to be reported and included in the group's metrics.

To report these metrics, we use a transparency protocol that includes definitions, period restriction, sample limits and omissions.

These metrics are the product of painstaking development work by the multi-sector teams for each material topic.

They are metrics directly related to environmental, social or economic impact that help us evaluate the company's performance in achieving our sustainability objectives.

Data collection for each internal metric was designed with the objective of reporting results in a uniform and consistent manner.

Should there be any interruptions or errors in collection, these will be documented and reported in the sustainability report.



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