



SOGRAPE

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ABOUT THIS REPORT

Sogrape hereinafter referred to as “Sogrape Group”, “SOGRAPE” or “company” is a group of production, distribution and wine tourism units, located in Portugal (Sogrape Vinhos, SA; Sogrape Distribuição, SA; Grape Ideas – Turismo, Com. e Serv., SA), in Spain (Bodegas LAN, SA), in New Zealand (Framingham Wines, Ltd), in Chile (Viña Los Boldos, Lda), in Argentina (Finca Flichman), in United States of America (Evaton Inc.), in Angola (Vinus, Lda), in Hong Kong (Sogrape Asia Pacific Limited), in Brazil (Sogrape Brasil, Ltd) and in United Kingdom (Liberty Wines).

When mentioning Sogrape Portugal, it refers to the three companies with a presence in the country, as cited earlier.

The scope of this report is the operations carried out by SOGRAPE in all the locations where it is present, in the period between January 1st and December 31st, 2022.

Whenever possible and appropriate, information from previous years was included to offer a perspective on the evolution of performance and projects with special relevance for SOGRAPE. This document was developed in accordance with the 2021 version of the GRI Standards and has not been externally audited.

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MESSAGE

FROM MAFALDA GUEDES

**“CHARTING
A COURSE TOWARDS
A MORE SUSTAINABLE
FUTURE.”**

Dear Friends,

With great enthusiasm we share our inaugural Sogrape Sustainability Report for 2022, a testament to our collective dedication and pioneering spirit. This report symbolizes our steadfast commitment to sustainability, a core value deeply ingrained in our heritage and principles. In 2022 we celebrated a significant milestone - the second year of our ambitious Global Sustainability Approach, charting a course towards a more sustainable future.



“OUR COMMITMENT
TO INSPIRE HAPPIER AND
MORE RESPONSIBLE
LIVES”

Across the three pillars of our sustainability program, we’ve made significant progress towards our objectives. In our pursuit of *paving the way to a healthier planet*, we’ve intensified efforts, including reducing carbon emissions, managing water and energy consumption, conducting biodiversity studies. Through these integrated approaches, we’re committed to nurturing a sustainable environment, for all.

In the pillar that aims to *safeguard our legacy on its journey into the future*, we highlight the initiatives carried out with the sustainability of the business in mind, such as the plan to develop partnerships with winegrowers and the various Research and Development projects to improve production processes.

Underpinning our commitment to *inspire happier and more responsible lives* are initiatives like the Wine in Moderation program and the Dona Antónia Awards, nurturing social responsibility within our communities and promoting female empowerment.

Central to our sustainability journey is the collaborative ethos defining our relationships with suppliers and partners. Together, we’re integrating sustainability across the value chain, paving the way for a more resilient, inclusive, and enlightened future.

As we reflect on our achievements and progress, we’re inspired by our impact on the United Nations’ Sustainable Development Goals. Fuelled by this momentum, we’re steadfast in our commitment to drive positive social change while honouring the planet’s boundaries and fostering the growth of our business rooted in a culture of *friendship and happiness*.

As we turn the pages of our Sustainability Report, may it spark hope and inspiration, igniting our determination to create enduring value and prosperity. Because seeding the Future isn’t just about sustainability—it’s about people, the planet, and the legacy we leave for generations to come.

With warmest regards,

Mafalda Guedes

Head of Corporate Communications & Sustainability
4th generation of the founding family



1

SOGRAPE GROUP

Locations of operations and its activities

Purpose

Governance

SOGRAPE GROUP

Established in 1942 by Fernando Van Zeller Guedes, SOGRAPE stands today as a family wine company with a rich legacy spanning over 80 years. The founder's dream, initiated in 1942, was to showcase the quality of Portuguese wines to the world, giving life to a light and refreshing rosé wine in a remarkable act of creativity.

Our visionary spirit has propelled SOGRAPE into a global entity with a robust international presence. With over **30 brands, 1600 hectares** of vineyards, **25 estates in 12 wine regions**, and a presence in **Portugal, Spain, Argentina, Chile, and New Zealand**, SOGRAPE's reach extends to more than **120 countries**.

Presently led by Fernando da Cunha Guedes, third generation of the Guedes family, SOGRAPE is driven by a dedicated team of over 1200 employees. United by family traditions, diversity, rigor, and a shared passion for innovation, it honours friendships and views wine as a conduit for



The Guedes Family

bringing happiness to life. The company's culture, rooted in a single cellar in the Douro, has evolved into high-performance team values.

Throughout its 80-year journey, SOGRAPE has continually dared to innovate in the traditional wine sector. The original innovation was Mateus Rosé, launched in the early years and inspired by the mess halls of soldiers during the Second World War. This pioneering spirit remains at the core of SOGRAPE's identity, symbolising a legacy built over generations, with an unwavering commitment to quality, diversity, and the timeless appeal of its wines.

Curiosity

In the United States, the slogan 'Hey, hey, hey, hey, Mateus Rosé' gained recognition, leading to a surge in demand. Fearing potential instability in Portugal following the April 1974 revolution, Americans imported approximately 20 million bottles of Mateus.

VITICULTURE AND WINE TOURISM



Production Unit

Sogrape Vinhos (SV)

As a prominent wine producer in Portugal, Sogrape Vinhos, with 80 years of activity, cultivates 988 hectares of vineyards, as reported by the Institute of Vine and Wine. The company employs a dual approach, involving both proprietary production and the acquisition of grapes and wine from numerous dedicated grape growers. This strategic combination enables the production of wines with consistent quality. Sogrape Vinhos is committed to excellence, resulting in a diverse range of wines that showcase the diverse viticultural landscape of Portugal.

Bodegas LAN

Bodegas LAN, a significant production business unit headquartered in Spain, was established in 1972 and has solidified its position in the world of winemaking. The name LAN is an acronym derived from the initials of the three provinces constituting D.O.Ca. Rioja: Logroño (currently Rioja), Álava, and Navarra.

Demonstrating a commitment to authenticity, Bodegas LAN carefully manages over 150 hectares. This meticulous approach ensures that their wines authentically represent their origins.



Finca Flichman (FF)

Established in 1910, Finca Flichman is among the oldest wineries in Mendoza, Argentina, with a history deeply embedded in the local community. Since 1998, it has been a part of the SOGRAPE group. Situated in two of Mendoza's well-known terroirs and the renowned region of Tupungato, Finca Flichman owns vineyards spanning 336 hectares in high-altitude landscapes. These vineyards benefit from exceptional climatic conditions, fostering the cultivation of grapes that express the unique characteristics of their terroir. This legacy establishes Finca Flichman as a notable contributor to high-quality wine production.



Viña Los Boldos (VLB)

Viña Los Boldos is a family winery located in the Cachapoal Andes Valley in Chile, tracing its roots back to 1936 when the first vineyard was planted in Santa Amalia town. Established in 1991, the winery aimed to produce wines by combining the terroir of the Cachapoal Andes Valley with traditional French winemaking techniques. In 2008, Viña Los Boldos became part of the Group, incorporating global expertise. Presently, the winery manages a terroir of 248 hectares, with a combination of tradition and innovation.



Framingham

Established in 1981, Framingham, nestled in Marlborough with some of the region's oldest Riesling vines, encompasses 57 hectares (15 hectares owned and 41.95 hectares leased). The winery emphasises crafting wines with a focus on qualities rooted in a strong winemaking tradition. Additionally, Framingham is actively engaged in social initiatives, with several projects involving its employees and the local community.



Distribution Units

Sogrape Distribuição (SDT)

Sogrape Distribuição SA was established in Portugal in 1989, commencing operations in 1990 with the exclusive distribution of wines from the Group. Specialising in beverage distribution, the company is dedicated to developing brands from SOGRAPE. Most of its workforce is engaged in commercial roles. SDT aims to attain and maintain a leadership position in the sector by capitalising on its strong industry connections and providing efficient service across the value chain.

Evaton

Evaton, established in 2020, functions as the distributing division of SOGRAPE in the United States, specialising in importing premium Iberian wines. Evaton has expanded its portfolio by forming strategic partnerships with independent national chains, committed to diversity and excellence.

Liberty Wines

Liberty Wines operates in the distribution sector of the United Kingdom, exhibiting growth in 2022. With collaborations established with over **375 producers**, the company provides a vast selection of **1600 wines from 23 countries**. This extensive global network emphasises Liberty Wines' dedication to diversity and solidifies its position as a key player in representing fine wines.

Sogrape Asia Pacific (SAP)

Sogrape Asia Pacific, located in Hong Kong, is a distribution unit in the region, supplying wines sourced from various geographical points worldwide. As part of the group, SAP ensures that all its wines are provided by SOGRAPE production units. Committed to excellence, SOGRAPE Asia Pacific plays a crucial role in bringing the finest global wines to the Hong Kong market.

Sogrape Brasil

Sogrape Brasil is as a distribution business unit with all wines sourced from SOGRAPE production units. With a strong emphasis on the group's brands and personalised customer relationships, the unit makes an impactful presence in the Brazilian market.

Vinus

Vinus, a distribution business unit in Angola, stands as a reference in the sector within the country. As the distributor of the SOGRAPE group in Angola, among other references, Vinus operates with the goal to provide customers from the discerning market in Angola with a curated selection of choices.

Wine Tourism Unit

Grape Ideas

Grape Ideas, a wine tourism business unit in Portugal, oversees iconic destinations such as Quinta do Seixo, Ferreira Cellars, Sandeman Cellars, and Pinhão Railway Station Wine Shop. These locations are curated to immerse visitors in the

rich culture of wine, weaving a connection with history and nature. Each winemaking region, thoughtfully preserved by SOGRAPE, offers experiences for enthusiasts seeking an authentic taste of tradition.





OUR PURPOSE

TO BRING FRIENDSHIP AND HAPPINESS TO EVERYONE WE TOUCH THROUGH OUR WONDERFUL WINES.



Dream To be admired as the most successful family-owned wine company in the world



Spirit Sograpiness · Friendship & Happiness



Beliefs

1. Time goes by but Sogrape is here to stay.
2. Leadership of the Portuguese wine category is crucial to our success, with Mateus the jewel in the crown.
3. Our growth will be driven by combining our family spirit with a peak performing team culture.
4. In consistently offering top quality wines and great brands.
5. Our diversity (people, origins, markets, wines and brands) makes us unique.
6. In providing a work-life blend that inspires and brings joy to our people.
7. In inspiring our people to collaborate, connect, create and lead.
8. Respecting the places we do business in and finding ways to make them better.



Character

1. Innovative
2. Courageous
3. Agile
4. Challenging
5. Passionate
6. Trusted
7. Sensible
8. Family



Focus Take the shot

GOVERNANCE

SOGRAPE

PRESIDENT

Fernando da Cunha Guedes

VICE PRESIDENT

Francisco Valadares Souto

CHIEF FINANCIAL
OFFICER

Bernardo Brito
e Faro

CHIEF PEOPLE AND
TRANSFORMATION
OFFICER

Luís Martins

CHIEF OPERATING
OFFICER – PORTUGAL

Miguel
Pessanha

CHIEF COMMERCIAL
OFFICER

João Gomes
da Silva

CEO LAN
Júlio Martins

CHIEF MARKETING
OFFICER

Raquel Seabra

FINCA FLICHMAN

Diego Levy

VIÑA LOS BOLDOS

Rodrigo Plass

FRAMINGHAM

Tom Trolove

SOGRAPE
DISTRIBUIÇÃO
Gonçalo Sousa
Machado


EVATON
Stephen Brauer

SOGRAPE
ASIA-PACIFIC
Luís Gândara
da Silva

SOGRAPE BRAZIL
Carlos Santo
Gomes

VINUS
Edgar Sousa

LIBERTY WINES
Tom Platt



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2022 HIGHLIGHTS

Awards and Achievements

2022 IN REVIEW

- Social
- Economic
- Environmental

JANUARY

- Certification of Viña Los Boldos with the COVID-19 Seal by the Chilean Safety Association.
- Launch of Camila Nogueira's art collection at The Sandeman Gallery.
- Launch of the Sogrape Wine Academy.



FEBRUARY

- Launch of the SOGRAPE in Every Grape on Spotify.
- Nomination of Beatriz Cabral de Almeida for Young Winemaker of the Year 2021.
- Recognition of SOGRAPE wines in the Best of the Year by Revista de Vinhos.
- SOGRAPE's commitment to the United Nations Global Compact.
- SOGRAPE's membership in the IVES - International Viticulture and Enology Society.



MARCH

- Tree planting at Quinta dos Carvalhais, a Sogrape Portugal team building activity.



APRIL

- Promotion of Innovation Week in Portugal.
- Liberty Wines' recognition as Wine Distributor of the Year at the International Wine & Spirits Competition.
- Mobilization of support for Sogrape4Ukraine.



2022 IN REVIEW

- Social
- Economic
- Environmental

MAY

- Inauguration of the Biodiversity Trail at Quinta do Seixo, Portugal.
- Recognition of the Global Sustainability Approach at the IRGAwards.



JUNE

- Launch of the Mateus 80 Years campaign – “reSHAPING our world” & Mateus 80 Years event for influencers and trade KOLs.
- Mateus as the Official Wine of Rock in Rio Lisbon.
- Launch of the Climate Predictions Dashboard as part of the MED-GOLD project.
- Casa Ferreirinha Awards in Angola.
- 2nd edition of the Purpose Challenge.
- 3rd edition of the Walk for Sograpiness in support of APELA.
- Recognition of i-GRAPe with the Innovation in Ecosystem Award at the COTEC Innovation Summit.

JULY

- Celebration of the 34th edition of the Dona Antónia Awards.
- Wine Week with Moderation 2022 in Portugal.
- Inauguration of the Butterflies Oasis at Viña Lanciano.
- SOGRAPE’s participation in the G.O.T.A project.



AUGUST

- Start of interventions under the Avintes 25 project.
- Sogrape’s sponsorship of Escola 42.



2022 IN REVIEW

- Social
- Economic
- Environmental

SEPTEMBER

- SOGRAPE Conference at Vidago Palace Hotel.
- Installation of LAN at Viña Lanciano as part of the Concéntrico Festival.
- Signing of an agreement between SOGRAPE and INL for the grape maturation control sensor patent.
- Trinca Bolotas as the Official Wine of Chefs on Fire in Portugal.



OCTOBER

- Signing of the COP 15 Business Statement in defense of nature and biodiversity.
- Meeting of the Club of CEOs of the CEEV - Comité Vins at SOGRAPE.



NOVEMBER

- Launch of the first course of Specialized Agricultural Operator under the Pro_Mov program.
- Integration of works by Fiumani, Makarov, and Vidal at The Sandeman Gallery.
- SOGRAPE's membership in the International Wineries for Climate Action (IWCA).



DECEMBER

- Participation of SOGRAPE in the United Nations Convention on Biological Diversity (COP15).
- Admission of Bodegas LAN and Santiago Ruiz to the Spanish Wine Federation.
- Sogrape's Christmas party in Portugal.



AWARDS AND ACHIEVEMENTS

Best year ever for:

Brands



Casa Ferreirinha
 Herdade do Peso
 Silk & Spice
 Santiago Ruiz

Business Units



Sogrape Vinhos
 Sogrape Distribuição
 LAN
 Framingham
 Evaton
 Liberty Wines



> 200
 medals in
 international
 competitions




> 200
 scores
 with 90+



10

international
 awards:

- > SOGRAPE – **Circular Ecosystems Awards** (EIPM Peter Kraljic Awards for Excellence)
- > Sogrape Yearbook 2021 – **Best Digital Project in Food and Beverages** (ACEPI Navegantes XXI Awards)
- > Luís Sottomayor – **Fortified Winemaker of the Year** (International Wine Challenge)
- > Grape Ideas - **2022 Great Wine Capitals Award for Caves Ferreira** in the category “Art & Culture”
- > Liberty Wines – **Wine Distribution of the Year** (International Wine & Spirit Competition)
- > Liberty Wines – **On-trade Supplier of the Year & Drinks Company of the Year** (The Drinks Business Awards)
- > Liberty Wines – **7 prizes in several categories** (International Wine Challenge)
- > Offley Clink Portonic – **Research/Innovation of the Year** (Best of the Year by Revista de Vinhos Magazine)
- > i-Grape – **Ecosystem Innovation Award** (COTEC Innovation Summit)
- > SOGRAPE’s Global Sustainability Approach – **Sustainability Initiative Award** (34th IRG Awards)
- > SOGRAPE – Investment Expansion Award (**DIT Business Awards**)
- > SOGRAPE – **Export Award – Strategic Sector: Wine Industry** (Export & Internationalization Awards by Novobanco and Jornal de Negócios)



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GLOBAL SUSTAINABILITY APPROACH

Inside SOGRAPE'S Global Sustainability Approach structure
SOGRAPE's road to a more sustainable future
Materiality Assessment

SOGRAPE'S GLOBAL SUSTAINABILITY APPROACH

In 2021, SOGRAPE embarked on a significant journey, introducing our first Global Sustainability Approach aligned with an overarching purpose. Driven by the acute awareness of the imperative to nurture sustainability for the long-term success of its business, this program establishes strategic priorities across three pillars, comprising nine commitments and eleven flagship targets. Each target is accompanied by a Key Performance Indicator, all slated to be achieved by 2027.

The Global Sustainability Approach serves as a comprehensive guide, steering SOGRAPE's endeavours and investments towards achieving these targets and ensuring a legacy of responsible business practices as the company progresses towards its centenary milestone in 2042.

SOGRAPE's sustainability path revolves around three core principles:

1 Reshaping how we do Business: initiating transformative changes in business practices.

2 Being a catalyst for positive societal change: taking a proactive role in fostering positive impacts on society.

3 Respecting the limits of the planet: prioritising environmental stewardship and sustainable resource use.

INSIDE SOGRAPE'S GLOBAL SUSTAINABILITY APPROACH STRUCTURE

3 Phases



3 Pillars



SOGRAPE IS ACTIVELY CONTRIBUTING TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)



End hunger, achieve food security and improved nutrition and promote sustainable agriculture

To ensure healthy lives and promote well-being for all at all ages



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Ensure sustainable consumption and production patterns

Take urgent action to combat climate change and its impacts

Strengthen the means of implementation and revitalize the global partnership for sustainable development

AND BEING PART OF THE SOLUTIONS FOR THE WORLD’S GREATEST CHALLENGES.

SOGRAPE'S ROAD TO A MORE SUSTAINABLE FUTURE

SOGRAPE has solidified its dedication to a sustainable future by joining the **United Nations Global Compact** and the **International Wineries for Climate Action (IWCA)** in 2022.

Furthermore, the commitment extends to affiliations with **Business for Nature** as part of its strategy to ensure sustainable development, by subscribing to the "Call to Action" in 2020, and by signing the **COP15 Business Statement**.

SOGRAPE was present at COP15 in Montreal, endorsing mandatory requirements that compel all companies to assess and disclose their impacts and dependencies on nature and biodiversity by 2030.



On the global stage, represented by António Graça, Head of Research and Development, SOGRAPE made its presence felt at the United Nations Convention on Biological Diversity, as the **only company from the global wine sector to be present**.

The two-week convention, featuring representatives from 196 countries, delved into discussions and agreements aimed at the restoration and conservation of nature and biodiversity.

Despite some disagreements among governments from the Northern and Southern hemispheres, the conclusion of the Convention gave rise to the Kunming-Montreal Agreement.

This groundbreaking accord outlines key targets to be achieved by 2030 for the protection of biodiversity, including:

- > Protecting **30%** of the planet (land, oceans, and living organisms).
- > Increasing financial resources for biodiversity strategies, mobilizing at least **€200 billion** annually by 2030.
- > Restoring **30%** of degraded lands.
- > Halving the use of pesticides.
- > Establishing a Global Biodiversity Framework with clear planning and monitoring indicators.
- > Ensuring access and benefit-sharing of genetic resources.

“The Kunming-Montreal Agreement marks a turning point in world history. For the first time, a global generation recognises the irreplaceable value of Nature and Biodiversity and collectively decides to invest in their conservation. It is a decision that challenges us all, and SOGRAPE, alongside other delegates and representatives in Montreal, affirmed its enduring commitment to the future.”

António Graça

MATERIALITY ASSESSMENT

In 2022, during the compilation of this report, SOGRAPE introduced a new approach to assess materiality impact. This evaluation underwent several stages before reaching the final product. The process involved meticulous analysis and consideration of various factors to identify and prior-

itise the most significant issues for the company and its stakeholders. This enhanced method for materiality assessment reflects our commitment to transparency, sustainability, and the continual improvement of our reporting practices.



1

Review of material topics from the last sustainability report of Sogrape Vinhos (2017)



2

Crossing these with the group's Global Sustainability Approach to identify the most pressing topics in the reporting year.



3

Sector analysis and company benchmark was conducted to compare with the previously listed topics.



4

Elaboration of a more compact list of material topics, based on the resulting list of potential material impacts from the previous steps. Related topics were grouped.



5

Identify the impacts of each material topic.



6

Classification and prioritisation of those impacts according to a score.



7

Final review of the material topics carried out in accordance with the prioritisation of impacts covered by each one.

List of material impacts from most to least priority

PRIORITY ↓	Economic Performance	Waste And Wastewater					
	Innovation, Scientific Knowledge And R&D	People - Diversity, Inclusion and Equal Opportunities & OHS	Attracting, Developing and Retaining Talent	Responsible Consumption	Ethics and Responsible Conduct	Community Impact and Social Action	
	Climate Change and Greenhouse Gas Emissions	Biodiversity And Soil Management	Supply Chain	Energy	Water	Product	Rural Development & Winegrowers

PAVE THE WAY TO A HEALTHIER PLANET

- Climate Change and Greenhouse Gas Emissions
- Biodiversity And Soil Management
- Energy
- Water
- Waste And Wastewater
- Supply Chain

SAFEGUARD OUR LEGACY ON ITS JOURNEY INTO THE FUTURE

- Economic Performance
- Product
- Innovation, Scientific Knowledge And R&D
- Rural Development & Winegrowers

INSPIRE HAPPIER AND MORE RESPONSIBLE LIVES

- People - Diversity, Inclusion and Equal Opportunities & OHS
- Attracting, Developing and Retaining Talent
- Ethics And Responsible Conduct
- Responsible Consumption
- Community Impact and Social Action

Fifteen material topics were selected to characterise the operations and key elements of SOGRAPE and integrated across the three pillars of the Global Sustainability Approach.



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PAVE THE WAY TO A HEALTHIER PLANET

Climate change and greenhouse gas emissions

Biodiversity and soil management

Energy

Water

Waste and wastewater

Supply chain

PAVE THE WAY TO A HEALTHIER PLANET

In pursuit of a greener tomorrow, SOGRAPE is dedicated to transforming its operations and making strategic investments aimed at reducing its environmental footprint.

The first pillar of our commitment involves proactive engagement with our supply chain, ensuring that our efforts yield a material impact. Through targeted initiatives, we aim to create a positive effect on nature and biodiversity, focusing on key areas such as climate change and greenhouse gas emissions, biodiversity and soil management, energy conservation, water, waste reduction, and wastewater management.

By paving the way to a healthier planet, SOGRAPE endeavours to set new standards for sustainable practices in the wine industry, demonstrating our dedication to environmental responsibility and long-term planetary well-being.

Commitment	Target	KPI 2027
Achieve a neutral environmental impact	Cut our total GEE emissions (scopes 1, 2 and 3) in 50%	-50% ton CO ₂ emitted (ton CO ₂ /750ml bottle) vs 2021 baseline
	Increase in house carbon storage to attain carbon neutrality	Neutralize scope 1 emissions completely achieving long-term sequestration
	Source renewable electricity across our global operations	100% electricity consumed from renewable sources
Advance on nature and biodiversity conservation	Advance Circular and Nature-based solutions across all businesses with at least 5 projects in each Business Unit	60 circular economy and nature projects
Drive sustainability and circularity across our supply chain	100% of strategic suppliers embrace sustainable practices	100% strategic suppliers with sustainable practices (ESG criteria)

SOGRAPE aims to achieve these commitments by meeting the targets established in the Global Sustainability Approach, specifically the Key Performance Indicators (KPIs) by 2027. These KPIs are integrated into various projects and initiatives mentioned throughout the report, encompassing the entire range of SOGRAPE's business units.

Focus:



Also contributing to:



CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

SOGRAPE is aware that both its activities and business relationships generate greenhouse gas (GHG) emissions which in turn contribute to the greenhouse gas effect on Earth and consequently resulting in the environmental impact of climate change.

As one of the foremost challenges of our time, the company has identified the potential risks of climate change for its business. Given the wine sector's susceptibility to weather and climate conditions, SOGRAPE is acutely aware of the potential risks climate change poses to its business.

The company is committed to addressing and mitigating the environmental implications associated with greenhouse gas emissions, aligning its efforts with sustainable practices to navigate the complexities of a changing climate.

Climate impacts

Increase in average temperature.

Dramatic temperature variations.

Decrease in rainfall.

Extreme weather conditions such as:

- more occurrences of heavy precipitation,
- greater frequency of hail,
- occurrence of frost,
- longer periods without rain.

Risks on SOGRAPE's activities

Soil erosion.

Crop loss.

Increasing maladaptation of the vines to the new temperature and water stress conditions.

Main challenges

Reduction in grape production and increased production variation from year to year.

Variation of standard phytosanitary treatments depending on the regions.

Change of intrinsic characteristics of the grapes due to the average temperature and water scarcity in the period of the vegetative cycle.

Relation of the largest volume fluctuation of production with the possible need for increase in stocks. The potential increase in exploration costs of the vineyards and, therefore, the cost of raw materials (financial impact).

Creation of vegetative covers.

ADAPTATION TO CLIMATE CHANGE

Sogrape Portugal

The year 2022 was marked by high temperatures and extreme drought, compelling to initiate drip irrigation prematurely wherever possible, resulting in a 100% increase in the amount of drip water irrigated per hectare.

2021 - 600 m³/ha/year

2022 - 1200 m³/ha/year

Another consequence was the exponential increase in energy consumption at these locations and its associated cost. We operate on the assumption that each year has a strong identity, implying that accumulated experience and normalcy must be constantly validated and monitored. This is achieved through meteorological stations, NDVI photos, and the monitoring of pests, diseases, and the plant's water status.

This randomness requires a greater capacity for human and mechanical intervention in various vineyard cultural operations, encompassing intensity, timing, and approach.

Measures taken:

- Purchasing property at higher altitude - Vineyard plantations at higher elevations where possible.
- Increase in irrigated area and decrease in rain-fed area - Use of drip irrigation in viticulture, namely in warmer and with less rainfall regions.
- Water use efficiency.
- Increased use of grapevine genetic diversity/polyclonal material.
- Strong investment in creating conditions in Portugal to conserve the genetic diversity of the vine.



KEY INITIATIVES

Sogrape Brasil

In 2022, our business unit in Brazil transitioned from gasoline to ethanol, reflecting our commitment to sustainable practices and reducing reliance on fossil fuels.

PORVID - Portuguese Association for Grapevine Diversity

In collaboration with various associations, institutions, and companies in the wine sector, Sogrape Vinhos co-founded *PORVID - Portuguese Association for Grapevine Diversity*, in 2009. The primary objective of this association is to preserve Portugal's grapevines, safeguarding their varieties and clones across different regions of the country to counter the ongoing extinction process, thereby contributing to the sustainability of the nation's viticulture. PORVID actively collaborates with multiple organisations and institutions within the wine industry.

Given Portugal's rich varietal density with over 250 grape varieties, Sogrape Portugal, in partnership with PORVID, already conserves grapevine genotypes in dedicated vineyards on its estates.

Researchers affiliated with *PORVID - Portuguese Association for Grapevine Diversity* have developed a selection methodology (polyclonal) that has been recommended by the International Organisation of Vine and Wine (OIV) for application in the global wine industry as it fosters conservation of ancient grapevine varieties.

Worldwide, the conventional approach, clonal selection, leads to reduction of genetic diversity and consequentially of adaptability. Portugal pioneered in creating the world first certification scheme for polyclonal selection of grapevines to promote the multiplication of these materials by nurseries and adoption by growers.

As of 2022, PORVID has conserved 14 969 genotypes (with four replicate plants of each) of native Portuguese varieties, submitted 1 246 clones to inspection for availability of 51 minority varieties as «standard» category materials, homologated 150 clones of 24 varieties and executed trials for polyclonal selections of 64 varieties.

CLIMATE PREDICTIONS DASHBOARD

Developed as part of the European **MED-GOLD project**, in which SOGRAPE stood as the sole Portuguese company and representative of the wine sector, this initiative introduced a tool for climate-smart agricultural decision-making. It serves as a valuable tool for accessing climate history and forecasts, aiding farmers in deciding under the challenging context posed by climate change.

Through in-depth studies, the platform enables the use of seasonal forecasts and projections of the evolution of climate conditions, providing crucial information regarding prediction uncertainty when managing key Mediterranean crops such as grapes, olives, and durum wheat. This innovative approach represents a significant advance in enhancing the resilience and adaptability of farmers in the face of evolving climate patterns.

GREENHOUSE GAS EMISSIONS INVENTORY

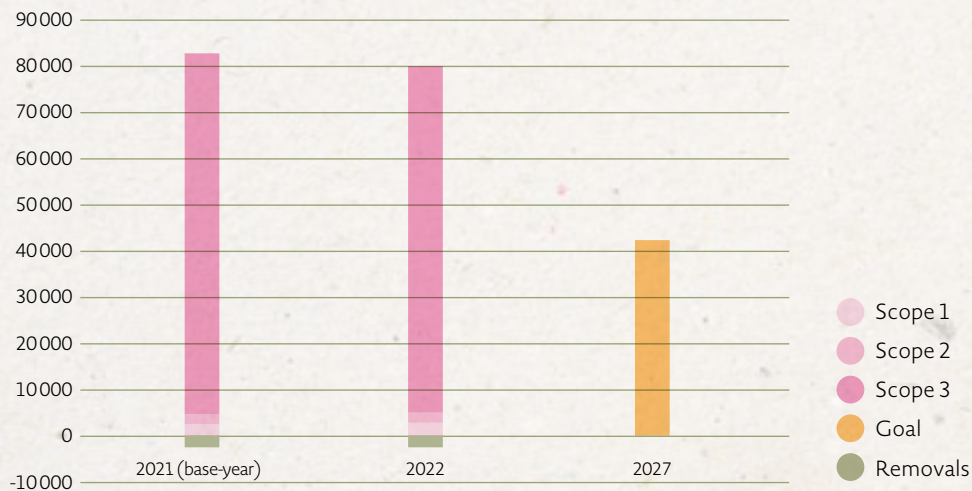
Sogrape Portugal has been calculating its greenhouse gas emissions report since 2021 (base-year). These are annual reports with accurate quantification of GHG emissions attributed to the organisation's operations that also supports in monitoring and managing the environmental performance.

The reports cover all locations of the company in Portugal – Vinhos Verdes, Douro, Dão, Bairrada, Bucelas and Alentejo regions, and the GHG considered are CO₂, CH₄, N₂O and HFCs. The consolidation approach adopted was operational control.

In 2022, the total greenhouse gas emissions decreased by **3.3%** compared to 2021.

	2021 (base-year)	2022
Activities	Scope 1 Emissions (tCO₂e)	
Fuel consumption	2 073.50	2 432.50
Refrigerant leaks	130.6	89.80
Land change	30.83	25.2
Fertilisers used	166.6	138.7
On-site waste	48.03	39.7
TOTAL Scope 1	2 449.5	2 725.8
	Scope 2 Emissions (tCO₂e)	
Electricity purchased (location-based)	1 155.9	1 329.7
Electricity purchased (market-based)	2 027.3	2 148.4
On-site solar generation	68.8	57.3
TOTAL Scope 2 (market-based)	2 096.1	2 205.8
	Scope 3 Emissions (tCO₂e)	
Purchased products	60 272.68	58 160.6
Transportation	1 568	1 510.1
Business travel	60.5	173.1
Employee commuting	505.8	498.2
Waste generation and transport	2 058	2 375.15
Transmission and distribution losses	635.4	686.5
Distribution	10 393.9	8 674.7
Use of sold products	1 141	1 443.9
End-of-life treatment of sold products	1 177.4	1 155.5
Downstream leased assets	1	0,7
TOTAL Scope 3	77 812.9	74 678.5
TOTAL GHG Emissions (market-based)	82 358.49	79 610.10

Greenhouse gas emissions (tCO₂e)



In 2022, SOGRAPE implemented the following initiatives to reduce greenhouse gas emissions, underscoring its commitment to environmental sustainability:

- Energy efficiency and waste reduction measures related to operations across production facilities.
- Increased the number of photovoltaic panels installed, therefore further decreasing our need to purchase electricity from suppliers.
- Adjustment of boiler burners in all locations.
- Investing in more energy-efficient equipment that allows the thermal control of the wine-making process, thus reducing the emissions of refrigerant gases (HFC's).

	2021 (base-year)	2022
Activities	Emissions removals (tCO₂e)	
Vine	1 057.6	1 021.9
Soil	1 134	1 102.8
Wood equipment	403.2	405.3
TOTAL	2 594.8	2 530

	2021 (base-year)	2022
	Specific emissions per production unit (kgCO₂e/bottle of 75 cl)	
	1.353	1.327
	2% reduction	

Liberty Wines

Liberty Wines was recognised as a sustainable supplier listed by the Sustainable Restaurant Association since 2015, and is on a continuous journey to reduce emissions. The company's environmental committee oversees progress and sets new targets, currently expanding the scope of its carbon emissions appraisal to include more scope 3 emissions.

Liberty Wines has implemented various measures to reduce emissions, covering transportation of goods to waste management. Unavoidable emissions are offset through the Carbon Footprint offsetting program. Through this initiative, the company has invested in global projects, such as planting trees to protect forests and enhance biodiversity in Kenya, mitigating deforestation in the Amazon rainforest, and installing and maintaining wind turbines in Maharashtra, India.

These initiatives showcase SOGRAPE's commitment to sustainable development and a more conscientious and controlled use of natural resources. As such, we aim to increase the number of initiatives promoting the reduction of GHG emissions, starting with their assessment. This will help identify key areas for improvement and allow monitoring of their progress.



Framingham Wines calculated their scope 1, 2, and 3 emissions in 2021 and plan to do so for 2025. Finca Flichman intends to initiate the reporting of GHG emissions in 2024, along with conducting a biodiversity study.

BIODIVERSITY AND SOIL MANAGEMENT

Sustainable biodiversity practices and sustainable viticulture have become essential aspects of the global wine industry. SOGRAPE has been actively involved in environmentally friendly practices.

As a wine-producing company with a strong national and international presence, SOGRAPE takes on the responsibility of supporting initiatives aimed at preserving the origins and enhancing the quality of these wines.

Through studies and the development of Ecosystem Management and Agroecology Plans, it is possible to assess, predict, and mitigate both negative and positive impacts of viticulture on biodiversity. Intervention plans are developed to address the issues identified in the previous assessments.

RESPONSIBLE BIODIVERSITY PRACTICES

Integrated Production stands as a crucial dimension in sustainable agriculture, embodying an approach that combines traditional farming practices with modern technology and ecological principles to optimise crop yields while minimising environmental impact.

At SOGRAPE, this commitment to Integrated Production holds particular significance, emphasising the awareness and support extended to local viticulturists in promoting responsible practices, particularly concerning the judicious use and application of phytosanitary products.

In the pursuit of a more sustainable wine industry, a significant challenge arises in mitigating the reliance on chemical products for microbiological control throughout the production chain.



A focal point for the group is the nuanced examination of cultural management—an intentional intervention in soil dynamics. This involves meticulous analyses and thoughtful considerations to gauge the extent of intervention, ensuring a delicate balance between productivity and environmental preservation.

Integrated production

Sogrape Portugal

In Portugal, approximately **96%** of vineyards at its estates are cultivated under integrated production, while approximately **4%** adhere to even stricter regulations, employing biological farming practices.

Additionally, there are **77.83 hectares** of olive groves under biological organic farming practices.



Estates	Estates area (hectares)	Total Vineyard Area (hectares)	Certified Production Mode		
			Integrated	Biological (vineyard)	Biological (olive grove)
Quinta de Azevedo	41.10	34.28	34.28		
Quinta do Seixo	108.27	71.35	71.35		
Quinta do Porto	43.07	27.01	27.01		9.08
Quinta do Caêdo	30.54	21.84	21.84		
Quinta do Cavernelho	12.19	5.81	5.81		
Quinta da Leda	170.98	103.25	103.25		13.31
Leda-Rio	144.57	54.89	54.89		
Quinta do Sairrão	187.46	111.72	111.72		2.85
Quinta do Vau	73.30	63.40	63.40		
Tapada do Castanheiro	98.52	22.32	22.32		13.1
Quinta de São Gabriel (leased)	115.39	59.64	59.64		39.49
Quinta de Pedralvites	77.01	67.32	67.32		
Quinta dos Carvalhais	105.59	51.55	51.55		
Herdade do Peso	457.00	159.66	159.66		
Quinta do Centro	19.41	13.75		13.75	
Quinta da Romeira	129.50	72.73	72.73		
Quinta da Muxagata	28.40	26.77		26.77	
Quinta da Fraga	29.66	13.66	13.66		
TOTAL (hectares)	1 867.77	987.76	947.23	40.52	77.83
				118.35	

Alternative Measures to the Use of Phytosanitary Products

In the pursuit of environmentally friendly alternatives, SOGRAPE embraces measures such as the use of grape moth diffusers (mating disruption) as a substitute for traditional *plant protection products* (PPP), such as insecticides.

Prevention is a key strategy, involving meticulous monitoring of climatic conditions and pest counts resorting to treatments only when strictly necessary to avoid significant economic losses. The adoption of natural products exemplifies our commitment to sustainable viticulture.

LAN

The vines face threats from distinct types of pests that can pose serious damage. Combating the yellow spider mite, we rely on the support of natural predators residing in Viña Lanciano, including mites, chrysopids, ladybirds, and various other insects.

Addressing the emerging threat of the smaller green leafhopper, exacerbated by climate change, LAN's defence involves the promotion of the presence of capsid bugs and other egg parasitoids residing within the estate.

Through predominantly manual techniques, LAN mitigates soil erosion, enhances fertility, minimises environmental pollution, curtails water usage, and promotes a harmonious balance of flora and fauna in the vineyard. When needed, the nutrient levels are compensated through fertilisation, utilising organic manure and vine cuttings sourced from the estate. LAN aligns with SOGRAPE's commitment to sustainable viticulture.



Sogrape Portugal



Mating Disruption

Mating disruption, a form of biotechnical or biological control, is an eco-friendly pest control approach for combating the grape moth (*Lobesia botrana*) used by Sogrape in Portugal. The use of biological agents or their derivatives to manage agricultural pests avoids resorting to insecticides.

Mating disruption involves disrupting the encounter between male and female moths by saturating the atmosphere with the sexual pheromone of *Lobesia botrana* (E,Z-7,9-dodecadienyl acetate). This disrupts mating, egg-laying, and consequently mitigates the damage caused by larvae.

As the pheromone is specific to each species, this approach offers numerous advantages, not only in environmental terms by reducing the need for treatments and not affecting other insects (i.e., pollinators), but also in terms of the health and safety of vineyard workers and consumers.

After studying the technique for more than 20 years, SOGRAPE has expanded the application of these pheromones, particularly in locations where grape moths pose a significant threat, such as *Quinta dos Carvalhais*, *Herdade do Peso*, *Quinta de Pedralvites*, *Quinta de Azevedo*, and *Quinta do Seixo* in Portugal, and at LAN's estates. It undoubtedly stands out as an important protection method, especially in the context of integrated vineyard production as it targets specific pest species, sparing all others.

Prevention and Control of Diseases and plagues in Vineyards

Prevention of diseases (fungi), pests (insects), and reduction of herbicide use (weed control) are crucial aspects in the implementation of responsible practices in viticulture, significantly boosting biodiversity preservation.

Disease mitigation involves:

- > Constant monitoring of climate conditions and the evolution of pests and diseases (risk assessment models used in integrated production).
- > Plant control measures to promote resistant plants includes precise fertilisation, while green operations, such as canopy control, promotes natural ventilation of grapevines.
- > Controlled irrigation based on direct water stress measurements in plants.
- > Creation and maintenance of ecological corridors and vegetation cover (in the Douro, the typical mosaic of terraced landscapes provides significant areas of refuges for fauna, flora, and auxiliary organisms).
- > Pest population monitoring.
- > Selection of rootstocks and grape varieties adapted to the location, based on detailed study considering soil and environmental suitability, consequently inducing a higher level of natural resistance to pests and diseases.



HABITATS PROTECTED AND RESTORED

Sogrape Portugal's Commitment to Environmental Conservation

Sogrape Portugal proudly manages multiple properties situated within protected and restored areas, exemplifying its dedication to environmental stewardship. Leveraging the resources of [Restor](#), a Global Hub for Nature Restoration and Conservation, the company has implemented a range of measures across Quintas do Seixo, Quinta da Leda, Quinta da Fraga, Quinta do Sairrão, and Ta-

pada do Castanheiro. These measures primarily focus on sustainable agriculture, passive natural regeneration, and the conservation and protection of ecosystems.

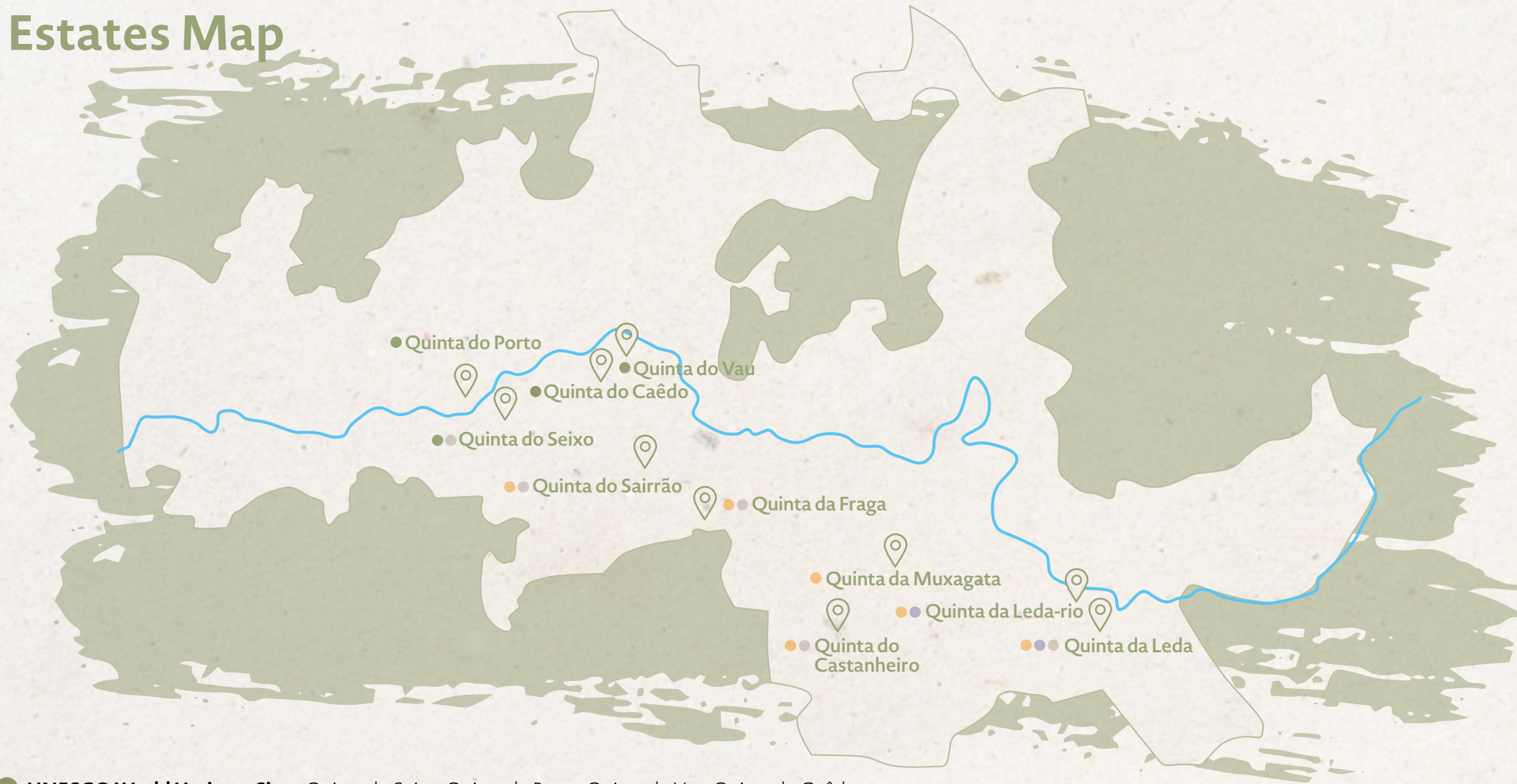
The company's emphasis on the conservation and protection of ecosystems extends to its properties in the Douro region, a *UNESCO World Heritage site*. In this culturally and ecologically significant area, Sogrape Portugal actively engages in initiatives that go beyond legal obligations,

demonstrating a sincere commitment to the preservation and restoration of natural habitats.

These initiatives not only align with SOGRAPE's corporate responsibility but also reflect a broader vision for sustainable viticulture. By protecting and restoring habitats, Sogrape Portugal is contributing to the overall health and longevity of these ecosystems, ensuring a legacy of environmental conservation for future generations.



Estates Map



- **UNESCO World Heritage Site** – Quinta do Seixo, Quinta do Porto, Quinta do Vau, Quinta do Caêdo
- **UNESCO World Heritage Site - Buffer Zone** – Quinta do Sairrão, Tapada do Castanheiro, Quinta da Fraga, Quinta da Muxagata, Leda, Quinta da Leda-rio, Quinta de São Gabriel
- **International Natural Park** – Leda, Quinta da Leda-rio
- **RESTOR** – Quinta do Seixo, Quinta da Leda-rio, Quinta da Fraga, Quinta do Sairrão, Tapada do Castanheiro

Estates	Douro			RESTOR		
	UNESCO World Heritage Site	UNESCO World Heritage Site - Buffer Zone	International Natural Park	Sustainable Agriculture	Passive Natural Regeneration	Conservation and Protection of Ecosystems
Quinta do Seixo	71.35			1.03	3.19	10.16
Quinta do Porto	27.01					
Quinta do Caêdo	21.84					
Quinta do Cavernelho		5.81				
Quinta da Leda		110.05	170.98		19.08	37.26
Quinta da Leda-rio		54.89	144.57			
Quinta do Sairrão		111.72			13.65	5.54
Quinta do Vau	73.3					
Tapada do Castanheiro		22.32				39.14
Quinta de São Gabriel		59.64				
Quinta da Muxagata		26.77				
Quinta da Fraga		13.66				16.71
TOTAL (hectares)	193.5 ha	404.86 ha	315.55 ha	1.03 ha	35.92 ha	108.81 ha
	913.91 ha			145.76 ha		

KEY INITIATIVES

SOGRAPE has made significant strides in positively impacting biodiversity, with various initiatives and practices aimed at fostering a harmonious coexistence between viticulture and the surrounding ecosystems.

Preventing the Introduction of Invasive Species

SOGRAPE is inventorying and assessing the impact of invasive species. This reasoned management effort promotes the conservation of the diverse species present on the company's estates, some of them classified with endangered status.

Adaptation to manage proliferation of weeds

Weeds may pose significant threats and may be promoted by deficient management of plant protection products. In a continuous drive to phase out herbicide use, SOGRAPE implemented changes in slope systematisation, reducing terrace widths to allow precise weed management in vine rows and avoid embankment inaccessibility. This approach, combined with mechanical management of native or seeded ground cover, prevents weed proliferation.

Ecological Structure Recovery and Creation of Predatory Species Habitats

SOGRAPE focuses on the recovery of ecological structures to create habitats for predatory species, such as bats, to control pests like grape moths. The promotion of diverse species and the creation of ecological corridors further contribute to landscape diversity while allowing different species to disseminate over all the vineyard area. It not only acknowledges the importance of biodiversity conservation but actively implements practices and initiatives to ensure nature-positive impacts on the ecosystems surrounding its vineyards. These efforts reflect the company's commitment to sustainable viticulture and nature conservation.

Vineyard blocks designed according to detailed soil surveys

Designing non-geometric plots through soil mapping studies allows for greater plant growth homogeneity. This approach enables a more coherent soil and biodiversity management, ensuring a rational and optimised use of water and soil resources.



Tree planting

Tree planting is an initiative aligned with SOGRAPE's Global Sustainability Approach. It consists of planting indigenous trees with the aim of preserving the region's biodiversity while contributing to carbon removals and better animal conditions.

In 2022, this activity was developed at Quinta dos Carvalhais in Portugal and Viña Los Boldos in Chile. It helped in planting native trees and shrubs in a sustainability initiative for SOGRAPE employees and their families.

FRAMINGHAM Responsible Practices

In Framingham, New Zealand, the vineyards, and winery are certified by the Sustainable Winegrowing New Zealand program. The vineyards are also certified as Organic Production by BioGro NZ. Framingham has a low-impact approach to vineyard management, and an important focus on the environment by avoiding systemic chemicals and planting flowers to encourage pollinators and overall biodiversity.

Sauvignon Blanc Grapevine Improvement

Framingham has joined a new research project, the Sauvignon Blanc Grapevine Improvement, sponsored by the Bragato Research Institute. The project aims to investigate the quest for greater genetic diversity and resilience in the Sauvignon Blanc grape variety by studying and increasing the availability for growers of a wider genetic diversity of this variety in New Zealand.



Sogrape Portugal R&D Projects

SIGEVIT project

One notable positive impact on biodiversity is the discovery of bats in mines at Quinta do Seixo. These bats play a crucial role in agroecosystems by efficiently controlling pests, adding substantial value to the ecosystem.

DESVIO Project

Sogrape Portugal farms approximately 600 hectares of mountain vineyards. This project meant to develop better practices to safeguard against the threat of erosion and potential loss of soil. In collaboration with the University of Porto, this project developed analysis and predictive models for predicting erosion and slope instability. As a result, new drainage systems are designed to reduce surface and subsurface water flow in the vineyard, effectively preventing soil erosion and reducing risks of landslides.

ALTITUDE project

Comparison of wine production at two different altitudes in Portugal's main Protected Designation of Origin (DOP) regions, informs on the use of altitude as a potential adaptation to climate change.

This allows to foresee areas for future vineyard development to produce fine wines by the end of the current century keeping the use of traditional grape varieties.

ABCYEAST project

A portfolio of natural yeast strains isolated from Sogrape's vineyards was evaluated as potential biological antagonists for biocontrol of phytopathogenic agents in sustainable viticulture. This project aimed to deliver innovative products, enhancing the value of natural biodiversity, addressing the need for alternative, safe grapevine protection methods, while reducing environmental impact.

ASPIRIN4GRAPES project

The ASPIRIN4GRAPES project seeks to alleviate challenges for wine growers by exploring the use of common aspirin® to enhance grape yield and quality in an eco-friendly and cost-effective manner. By incorporating plant hormones linked to stress, the project aims to stimulate the natural immune system of vines, positively influencing wine characteristics. With a focus on reducing costs and environmental impact, the study evaluates the potential of

Aspirin® application in vineyards for acclimatization and adaptation to changing climates.

IJUP-EWSENSOR project

The IJUP-EWSENSOR project, presented under the Young Researcher Program at the University of Porto (IJUP), developed an earthworm-based biosensor to analyse soil contaminations. This EW biosensor (EW stands for earthworm) is intended for field application before and after the main annual periods of protective product application and provides an objective assessment of impacts of the chosen protection strategy on soil organisms living in vineyards.

FLEURS LOCALES project

Project on Biodiversity Restoration Chains through Native Seeds in Mediterranean Vineyards, Agroecosystems, and Natural Spaces. Aiming to cultivate biodiversity restoration networks specifically in vineyards, this initiative sought to expand awareness about native species and the ecosystem services they provide to vineyards and ecosystems.

LAN

Manual viticulture

In the pursuit of sustainability, LAN prioritises manual viticulture to improve the health of the vines. Before each growing cycle, traditional pruning methods are employed, applying protective cuts and healing products to defend against trunk diseases. Throughout the season, a dedicated field team manages the canopy by hand, performing tasks like suckering, tipping, leaf thinning, and green harvesting. The culmination of LAN's hands-on approach is the manual harvesting of grapes, done separately for each parcel and variety. This commitment not only preserves the artistry of winemaking but also reflects the deep respect for the environment and a sustainable, quality-driven approach.

Natural corridors at LAN and the “Ecological Mantible”

LAN, as a company, values green corridors and has established dedicated spaces to safeguard small mammals, reptiles, and amphibians. The deliberate cultivation of spontaneous cover crops within the rows between the vines underscores LAN's commitment to maintaining and nurturing an ecological equilibrium. The natural environment we achieved not only supports the presence of typical ruderal and riparian flora and fauna but also serves as a refuge and resting area for numerous local and migrating bird species.

Within the Viña Lanciano estate, LAN farms an organic block, the "Ecological Mantible", covering five hectares. Named after its adjacency to the historic Mantible Roman bridge, this block features sandy loam soil interspersed with small to medium-sized pebbles. These stones play a crucial role in enhancing soil drainage and optimising ripening. By reflecting sunlight, they ensure its penetration into the lower, concealed regions of the grape bunches.

Butterflies Oasis

In a concerted effort to create a hospitable environment for insects and other pollinators, LAN has designated a specific area within the vineyard. Adjacent to the “Ecological Mantible” organic block, this space was created to contribute for the preservation of butterflies, addressing their need for nectar sources, i.e., flowering species.

The enclosure was carefully curated with a selection of nutritional plants aimed at attracting both adult butterflies and caterpillars. It features fourteen plant varieties, including lavender, sage, rosemary, thyme, rue, and fennel, and aligns with LAN's commitment to biodiversity conservation and sustainable production. The collaborative partnership with the Spanish Association for the Protection of Butterflies and their Environment, ZERYNTHIA was instrumental in the development of this initiative.

Liberty Wines

Buzzing office

Since the inauguration of the purpose-built office and warehouse in January 2013, Liberty Wines has actively embraced beekeeping on the roof, benefiting the local ecosystem. Two thriving bee colonies currently inhabit the rooftop, experiencing several years of remarkably successful honey harvests.

Marine Habitat Restoration Supporting

In 2021, Liberty Wines initiated support for Sea-wilding, a Scottish-based charity dedicated to the restoration of deteriorated marine ecosystems and species. Focused on enhancing water quality and carbon sequestration, Liberty Wines is actively involved in key projects situated in Loch Craignish. Notable initiatives include a five-year program aimed at cultivating up to one million juvenile native oysters and a project dedicated to the restoration of seagrass. By May 2022, 220 000 oysters had already been released in the Loch Craignish seabed keeping the project well on track. A pilot nursery planned to grow 100 000 native oysters a year was installed in Loch Broom. Seagrass restoration in Loch Craignish was enhanced by half-acre providing valuable data and insights to roll-out seagrass restoration at scale.



BIODIVERSITY ASSESSMENTS AND STUDIES

SOGRAPE is firmly committed to nature and biodiversity conservation, striving to create conditions conducive to continuous improvement in our operations. With this vision in mind, Sogrape Portugal has undertaken in-depth studies on biodiversity at various estates in Portugal in 2021 and 2022. These studies not only reflect the company's dedication to environmentally

sustainable practices but also aim to contribute to the understanding and conservation of unique ecosystems in these regions.

By exploring the diversity of fauna and flora on its properties, with a view to improving the overall conditions of the vineyards and conserving existing biodiversity, Sogrape Portugal seeks not only to enhance its operational management

but also to play an active role in environmental preservation and biodiversity promotion across the industry.

These reports present the findings of these studies, highlighting discoveries and proposing measures that can significantly contribute to the conservation and sustainability of these precious wine region mosaic ecosystems.



Quinta do Seixo

In 2022, a Biodiversity Assessment for Quinta do Seixo, Douro was executed, in partnership with AD-VID. This included a comprehensive diagnosis of the biodiversity situation and species and the development of a biodiversity management plan for the estate, aiming to promote functional biodiversity.

In the surveys, 32 plant species were inventoried, totalling 758 plants distributed among 13 families. A total of 2450 arthropods (276 morphotypes) were identified, representing 52 families.

At least 10 bat species were found, with some species having unfavourable conservation status (*Rhinolophus ferrumequinum*), vulnerable status (*Rhinolophus hipposideros*), and insufficient information status (*Nyctalus leisleri*, *Hypsugo savii*, and *Tadarida teniotis*).

24 bird species were identified, distributed across 12 families. Although most of the sampled species are considered common in this type of agroecosystem, some were detected with conservation statuses emphasising the importance of Quinta do Seixo for the conservation of threatened species.

Several management measures were proposed at the end of the assessment, with the most significant being the installation of ecological corridors. Results of the Biodiversity Assessment and several prior research projects were merged to create

an educational biodiversity trail meant to raise awareness among visiting tourists to the values of agroecology, conservation farming and functional biodiversity.

Biodiversity route at Quinta do Seixo, Douro, Portugal

This route is a complete tour of the biodiversity of a wine-growing estate. It seeks to involve the community in environmental efforts, sharing good practices for conserving nature, ecosystems, and local biodiversity.

> ca. 1 km long

The trail takes visitors along a 1 km path amidst vineyard blocks featuring 13 informative panels on the interactions between farming and nature conservation, ending with a proposed wine tasting (for adults) allowing for matching the landscape-immersive experience of the trail with the sensory stimuli of wine and, thus, creating lasting memories expected to garner advocates for nature-stewardship among the consumer public.

The biodiversity route includes:

- results of the Operation Pollinator, BioDiVine and ECOVITIS scientific studies carried out and applied to the management of functional biodiversity in grapevine cultivation in the Douro region, with the aim of promoting the natural limitation of pests and diseases in vineyards.
- semi-natural complementary spaces and ecological infrastructures created in the vineyard - hedges, inter-row cover crops and/or headlands, recovered dry-stone walls to host arthropods, birds, small mammals, fungi, and plants.
- various organisms such as several species of native plants, bats, birds, arachnids, and other insects.



In 2021, following exhaustive biodiversity inventories, Ecosystem and Agroecology Management plans were implemented at Herdade do Peso, Quinta do Centro, and Quinta da Romeira. The plans benefited from the study of fauna and flora present in the properties to define measures for improvement and preservation of surrounding ecosystems.

Herdade do Peso

Herdade do Peso, located in Alentejo, spans 465 hectares, with 160 hectares dedicated to vineyards, 95% of which are indigenous.

It also includes 100 hectares of olive groves managed by partners, with the remaining area reserved for ecosystem balance and natural corridors.

Remarkable biodiversity was identified, including:

- > **173 plant species** and over **60 species** in the vineyard.
- > **28 butterfly species** and **15 dragonfly species**.
- > A considerable number of pollinators and natural enemies in the scrubland and wet meadows adjacent to the vineyard.

> **80 bird species, 8 amphibians, 8 reptiles, and 10 mammals**. Notably, two bird species are classified as Endangered (EN) – great bustard and short-toed snake eagle; and six bird species are classified as Vulnerable (VU) – stone-curlew, spoonbill, ruff, rock thrush, red-necked nightjar, and red-necked nightjar.

An intermediate risk related to water, biodiversity, and climate adaptation was identified, mainly associated with exposure to the effects of drought and more marked and intermittent precipitation seasonality, with a higher risk of extreme drought episodes and sudden water loads.



Quinta do Centro

At Quinta do Centro, also in Alentejo, with 19.41 hectares, including 13.75 hectares of vineyards, 90% of which are indigenous, the survey revealed:

- > **87 flora species**, with the vineyard hosting over **30 species**.
- > **22 butterfly species** and **10 dragonfly species**.
- > **62 bird species, 4 amphibians, 7 reptiles**, and **8 mammals**.

A low risk related to water was identified, associated with slow-evolving precipitation seasonality, allowing for a comprehensive and adaptive strategy with an adequate reaction time.



Quinta da Romeira

Quinta da Romeira, in Bucelas, spans 129.50 hectares with 72.73 hectares of vineyards. Various factors were identified in the management plan:

- > **147 flora species**, with the vineyard hosting **41 species**, 95% of which are indigenous. There is a notable presence of a holm oak woodland with a diverse set of species – a habitat that was once common in Greater Lisbon but is now extremely rare.

- > **25 butterfly species** and **8 dragonfly species**.
- > Some functional groups of pollinators and natural enemies were identified in semi-natural areas.
- > **49 vertebrate species - 31 bird species, 4 amphibians, 6 reptiles**, and **8 mammals**.

The estate holds high biodiversity conservation value. It also faces a higher risk of extreme seasonal phenomena, both strong and sudden precipitation and prolonged drought periods.

For these three estates, a set of measures has been progressively implemented to reduce the identified risks and enhance the vineyards' resilience. These measures include the restoration of water-courses and ponds, biodiversity promotion, conservation and restoration of scrubland, woods, and forest patches, and the installation of bird-of-prey and bat shelters. These practices facilitate the biological control of pests, by species such as arthropods, birds, and bats, as they are opportunistic consumers, addressing potential pest outbreaks and feeding on alternative prey during periods when pests are scarce or rare.

ENERGY

Energy emerges as a material topic for being a critical operational parameter throughout all SOGRAPE's activities. Various stages, from vineyard management to bottling, involve energy-intensive operations that require strategic consideration within the company's operational framework.

The technical imperative for energy management aligns with industry demands for cost-effectiveness and resource optimisation. Given the upward trajectory of energy costs, the company is compelled to implement measures that enhance overall operational efficiency. Further-

more, there is a growing acknowledgment that sustainable practices resonate with consumers who prioritise products aligned with environmental responsibility.

The management of energy resources is not only an operational necessity but also a response to economic and environmental imperatives.

SOGRAPE implements a comprehensive approach to energy management, guided by a multi-annual plan aimed at reducing consumption and rationalising energy usage. The company is actively engaged in on-site production of renewable energy through the installation of solar panels.

Energy Efficiency Initiatives

Sogrape Portugal diligently monitors monthly consumption indicators through energy invoices. The company implements temperature limitations for air conditioning based on seasonal variations, conducts audits in line with the SGCIE plan for its two energy-intensive units in Avintes and Anadia, and actively participates in a company-wide project aimed at reducing energy consumption and costs. Sogrape Portugal has requested investment for a new cycle of energy audits at various facilities in 2024, with new projects incorporating the Measure-Target-Data (MTD) approach.



RENEWABLE ENERGY PRODUCTION

SOGRAPE has been actively pursuing sustainability by investing in solar energy for self-consumption through the installation of photovoltaic plants, with two located in Portugal and one in Argentina. Looking ahead, LAN aims to contribute to this initiative by installing solar panels in Rueda by the end of 2023.

Sogrape Portugal

SOGRAPE installed photovoltaic systems in 2019 at its Avintes headquarters and in 2020 at the Anadia winery, both of which are characterised by energy-intensive production processes. These installations serve to generate renewable solar energy primarily for self-consumption, thereby enhancing the company's capacity for autonomous and sustainable production of clean energy.

In 2022 alone, solar energy production prevented emissions equivalent to 8% of the company's total electricity-related emissions.

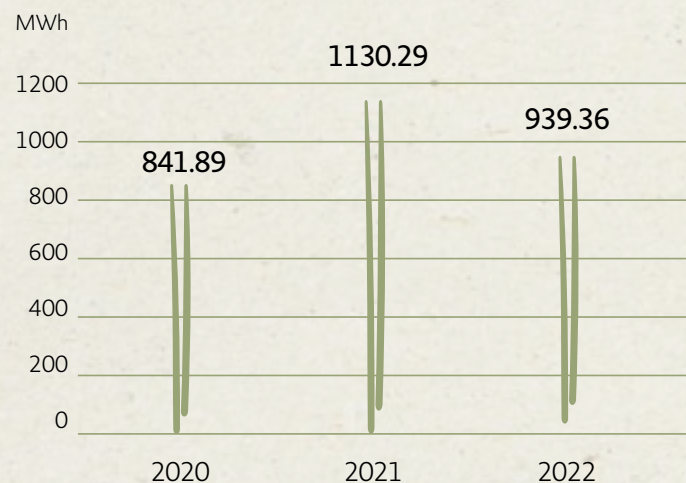
660 kW Installed Capacity
2380 Solar Panels
1186 MWh Estimated Annual Production
18.9% Energy Savings at the facility in 2022
393 tons of CO₂ Emissions Avoided

AVINTES

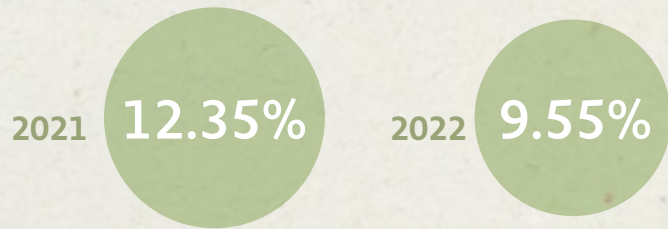
125 kW Installed Capacity
403 Solar Panels
246 MWh Estimated Annual Production
13.9% Energy Savings at the facility in 2022
66.5 tons of CO₂ Emissions Avoided

ANADIA

Renewable energy produced at Sogrape Portugal



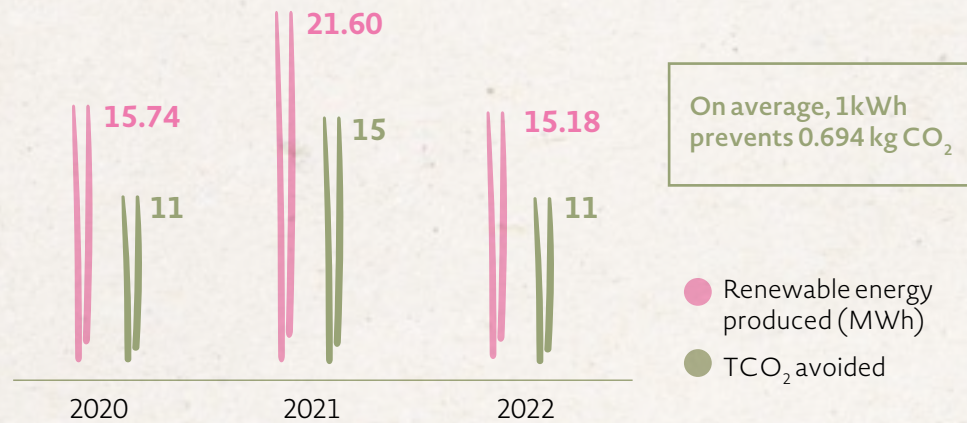
Renewable energy produced (%)



For the energy consumed by Sogrape Portugal, **12.35%** resulted from renewable energy in 2021 and **9.55%** in 2022, using photovoltaic panels.

Finca Flichman

In 2020, Finca Flichman installed solar panels at their facilities in Mendoza, Argentina, as part of an effort to move towards self-sufficiency in energy and to have a positive impact on the community and the environment.



ENERGY CONSUMPTION

In 2022, Sogrape Portugal was responsible for a total energy consumption of ca. 70 000 GJ, representing a 5% increase compared to 2021. Electricity constitutes 51% of this consumption, with the remaining 49% attributed to fuel consumption.



Energy source	Energy type	Annual consumption 2021 (GJ)	Annual consumption 2022 (GJ)
Non-renewable fuel	Natural gas	16988.95	16880.53
	Diesel	12129.21	12331.05
	Agricultural diesel	4111.60	4159.92
	Gasoline	340.84	1245.33
	Total		33570.60
Renewable fuel	Electricity from solar	4069.07	3381.71
Purchased – supplier mix	Electricity	28869.40	32014.68
	TOTAL	66509.07	70013.22

Energy intensity

2021

0.15 kWh/bottle

2022

0.17 kWh/bottle

The energy intensity ratio for Sogrape Portugal encompasses both purchased and solar-generated electricity. The selected metric for calculating this ratio is one 0.75 L bottle of wine based on the total amount of wine in each year.

Viña Los Boldos

2022

Energy consumption within the organisation

236,85 kWh

Specific Electricity Consumption

0.157 kWh/bottle

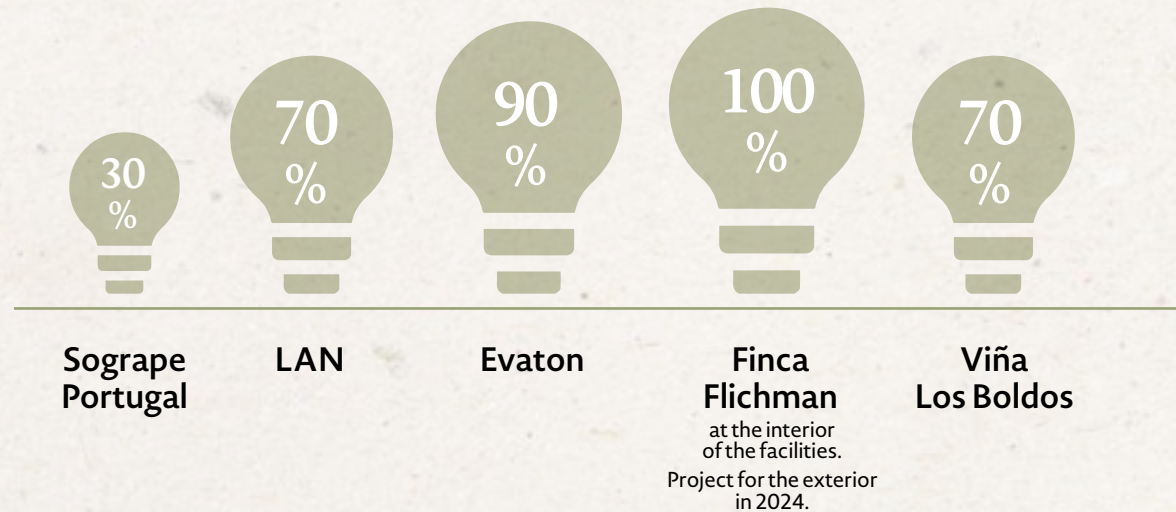
Regarding the reduction of energy consumption, there was a decrease of 28.05 kWh from 2021 to 2022. This was achieved by changing to LED lighting and by reducing working hours on equipment that consumes a significant amount of energy.

Liberty Wines

100% of the electricity at head office and warehouse generated from renewable sources.

USE OF LED LIGHTING

SOGRAPE has embraced LED lighting as part of its commitment to sustainability. The shift to LEDs not only significantly reduces energy consumption but also minimises the company's carbon emissions. Furthermore, the durability of LEDs contributes to waste reduction, promoting more sustainable and efficient practices across all company operations.



Sogrape Portugal has ongoing improvement projects that will lead to an increased use of LED lighting in the coming years.

WATER

Water is a critical material topic, playing a multifaceted role that extends far beyond mere irrigation of vineyards. The vinification process relies heavily on water at various stages, making its management a pivotal aspect of responsible winemaking practices.

Efficient water usage helps mitigate the environmental impact of excessive water consumption in regions prone to water scarcity. From cleaning

equipment to controlling fermentation temperatures, the company's activities depend on a reliable and controlled water supply. Furthermore, efficient water management in the wineries not only reduces operational costs but also minimises the environmental footprint associated with water usage.

Moreover, the quality of water resources directly influences the characteristics of the final product.

Clean and uncontaminated water is crucial for maintaining the integrity and purity of the wine-making process, ensuring that the unique flavours and characteristics of the grapes are preserved. SOGRAPE recognises the importance of responsible water management. Implementing water-efficient technologies and adopting conservation measures are integral components of the company's water management practices.

WATER WITHDRAWAL

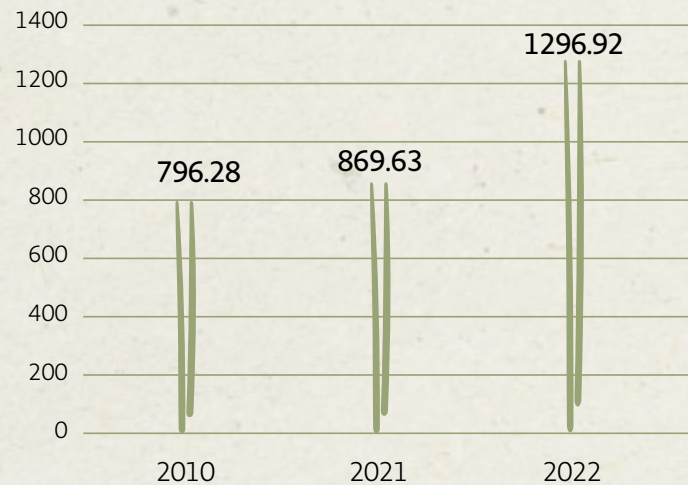
Adapting to the geographical nuances of its production units, SOGRAPE sources water from diverse locations to meet the requirements of its production units. The water is withdrawn from various sources such as boreholes, mines, dams, municipal water, and lakes. This multifaceted approach not only safeguards the water supply against external fluctuations but also allows the company to tailor its sourcing methods to the specific needs and conditions of each facility.

	SV - Portugal	Viña Los Boldos - Chile
Year	Total water withdrawn (ML)	
2020	796.28	-
2021	869.63	-
2022	1296.92	649.32

Sogrape Portugal

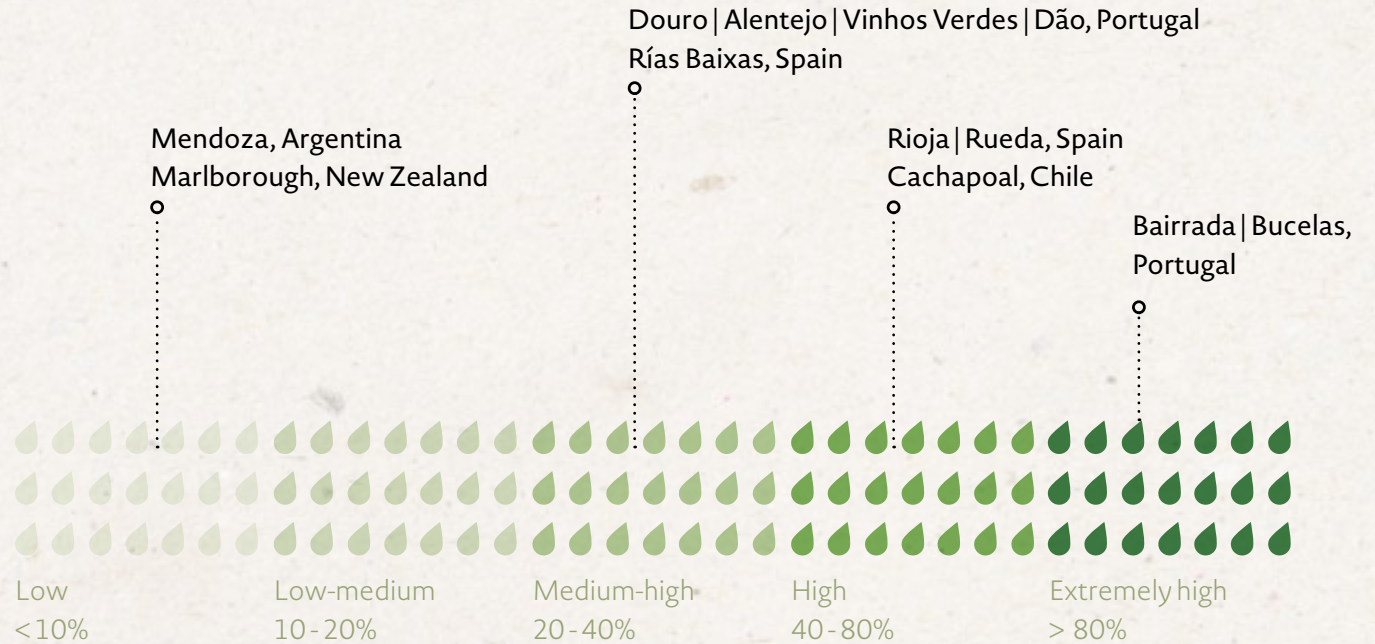
From 2021 to 2022 there was a significant increase in the total water withdrawn in facilities owned by Sogrape Portugal. The year 2022 was drier than the previous one, which resulted in a greater need for irrigation. Furthermore, new plantations were acquired which forced an increase in the volume of water in viticulture.

Water withdrawal (ML)



Water Stress Regions

Production business units require a greater amount of water captured and consumed than distribution units. For this reason, only SO-GRAPE's production units were considered when assessing the risk of water stress. To assess water stress, public tools were used such as [Aqueduct Water Risk Atlas](#). This tool measures the ratio of total water demand to available renewable surface and groundwater supplies. Water demand include domestic, industrial, irrigation, and livestock uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. **Higher values indicate more competition among users.** The temporal resolution for the indicator was annual.

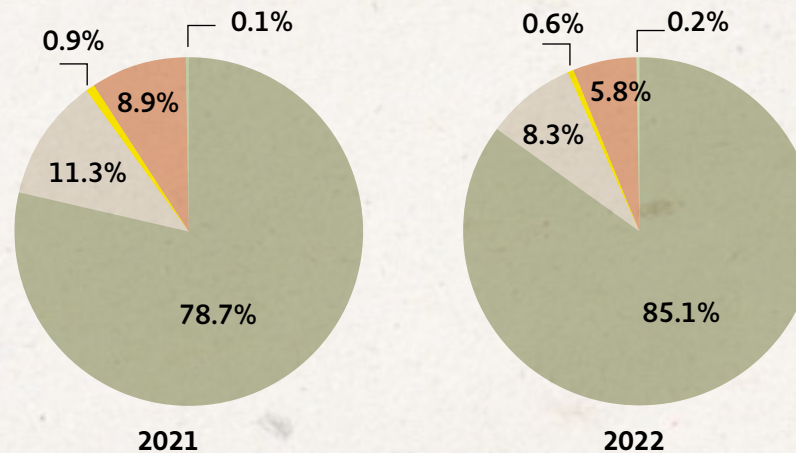


WATER CONSUMPTION

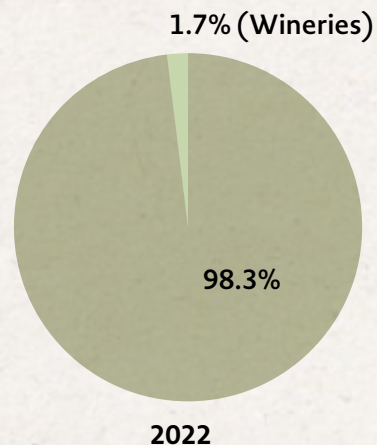
Water consumption encompasses the total volume of water withdrawn and integrated into products, utilised in crop production, generated as waste, evaporated, transpired, or utilised by humans or livestock. Additionally, it includes water that has been polluted to the extent that it becomes unusable for other users and, as a result, is not returned to surface water, groundwater, seawater, or any third party. Consumption is measured in megalitres.

Activities Sogrape Portugal	2021 (ML)	2022 (ML)
Viticulture (drip irrigation system)	684.660	1104.129
Winemaking	98.590	107.512
Storage	8.227	8.120
Bottling	77.250	74.958
Others	0.899	2.203
Total water consumption	869.625	1296.921

Sogrape Portugal



Viña Los Boldos (2022)



Viticulture stands out as the primary activity with the highest water use in both years. To address the impacts related to water use in irrigated viticulture, the company has implemented water-efficient systems, such as drip irrigation. Additionally, other viticultural practices, such as soil moisture monitoring and the use of cover crops, also contribute to optimise water usage while maintaining vine health.

Water Intensity

SV - Portugal

2021

14.55 L water/0.75 L bottle

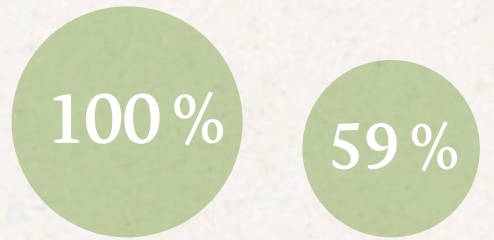
2022

21.89 L water/0.75 L bottle

A significant contributor to the shift of this indicator was the acquisition of new vineyard assets that inherently augmented the total cultivated area, thereby amplifying the demand for water resources, particularly for irrigation purposes. The expanded acreage required heightened irrigation efforts to sustain optimal grapevine growth, contributing significantly to the overall increase in water consumption. Simultaneously, the year proved to be drier than usual, posing challenges related to water scarcity and demanding more irrigation than usual.

VINEYARDS CULTIVATED WITH RAINWATER

Rainwater Used for Vineyards



LAN

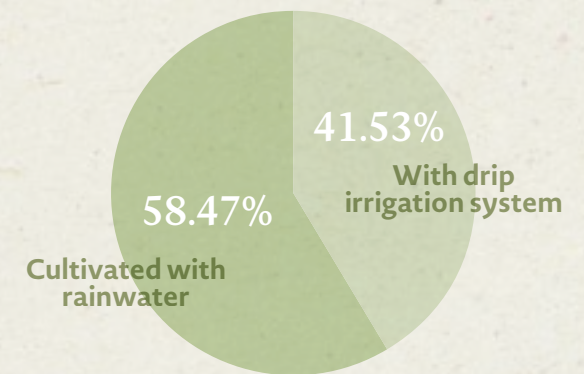
Sogrape Portugal

Sogrape Portugal

In 2022, approximately 60% of the vineyards in Portugal were cultivated using rainwater. These values vary depending on the vine's growth stage, as newly planted vineyards require a higher water supply than what is provided by rainwater to ensure healthy growth. Climatic factors also contribute to an increased demand for water, as the survival of vine culti-

vation may almost inevitably require the installation of irrigation systems in certain locations. To promote the rational use of water, natural reservoirs such as ponds have been created. These reservoirs are filled with runoff water throughout the year, promoting water storage, and reducing pressure on water resources to supply the vineyards during the summer period. The Herdade do Peso in Alentejo already benefits from these installations.

Percentage of vineyards (Sogrape Portugal)



WASTE AND WASTEWATER

WASTE

SOGRAPE generates a diverse array of waste materials, from municipal solid waste derived from office activities to industrial waste from processes and agricultural waste resulting from viticulture. Efficient waste management is crucial to minimise the environmental impact of these diverse waste streams. Implementing sustainable practices such as recycling, composting, and responsible disposal can contribute to the reduction of the overall ecological footprint.

Most waste generated is associated with winery and bottling processes.

97% of total waste produced in 2022 was subjected to recovery operations.

2021		2022	
Total waste generated (t)		Total waste generated (t)	
1559.14		1784.37	
Total diverted from disposal (t)	Total directed to disposal (t)	Total diverted from disposal (t)	Total directed to disposal (t)
1537.16	21.48	1724.31	59.68

Waste intensity

Waste intensity was determined using the total waste generated per wine produced.

Sogrape Portugal

2021

3.46 kg waste/hL

2022

4.02 kg waste/hL

While the ratio of this indicator has increased, it is important to note that all waste generated across the company's business units was considered. Consequently, there are residues that are not directly associated with wine production but originate from other activities.

Sogrape Portugal

Recycling Horeca

Ongoing project to evaluate solutions to increase glass bottle recycling rates.

Fine Grape Cuisine

Production of fruit jams, chutneys, and marmalades using fruits and other products sourced from SOGRAPE properties, which would otherwise go to waste. These fine cuisine products are available for purchase in stores at visitor centres.



Liberty Wines

Liberty Wines champions environmental responsibility with its Zero to Landfill initiative, ensuring all office and warehouse waste is recycled or used for electricity.

Going paperless in customer services and in its warehouse, the company is also developing its **own e-pricelist**, highlighting a commitment to innovation and sustainability in the beverage industry.

Framingham

Framingham is reusing organic winery waste in its vineyards. This innovative approach minimises environmental impact and underscores the company's dedication to responsible land cultivation.

WASTEWATER

Water Discharge

SOGRAPE has implemented on-site wastewater treatment facilities in 7 locations of its production units in Portugal. These are designed to treat effluents, removing impurities and contaminants before the water is discharged.

Being responsible for their own effluent treatment ensures compliance with regulatory standards and minimises the environmental impact of the discharged water.

The company conducts regular effluent monitoring and analysis to assess the quality of the discharged water. This involves testing for various parameters such as pH, chemical oxygen demand (COD), biological oxygen demand (BOD), and other potential pollutants. Continuous monitoring allows for prompt identification of any deviations from set standards, enabling timely corrective measures.

	SV - Portugal	Viña Los Boldos
Year	Water discharge (ML)	
2021	109.61	-
2022	76.68	7.35

SUPPLY CHAIN

SOGRAPE recognises the importance of sustainable practices in responsible procurement within its supply chain. By optimising procurement processes, we cultivate robust partnerships with suppliers dedicated to sustainability. Our commitment extends to prioritising eco-efficient transportation methods, exemplifying our dedication to responsible and environmentally conscious management. At SOGRAPE, we believe that such practices not only contribute to the well-being of our planet but also reflect our core values of integrity and forward-thinking business.

This topic is managed through measures such as policies and procedures implemented by the respective departments, exemplified by the Purchase Norm and Policy. Supplier Management involves monthly meetings with critical and strategic suppliers. Forums have been established with SOGRAPE's key business partners to address sustainability-related matters, facilitating continuous information sharing.

SUSTAINABLE PROCUREMENT AND SPENDINGS

SOGRAPE carefully monitors spendings on purchases from suppliers to ensure cost-effectiveness and to maintain financial sustainability. By evaluating and optimising procurement processes, we aim to foster strong supplier relationships and maximise value for our investments. Efficient spending practices contribute to the overall financial health and success of the organisation.

At SOGRAPE, procurement is about more than transactions, it's a pathway to a sustainable future. Our financial commitment reflects our dedication to sustainability. Our procurement covers essential categories, from agriculture to packaging, all aligned with our broader sustainability goals and responsible choices for a more sustainable world.

Spending on purchases from suppliers

Spending on purchases Sogrape Portugal	
Sogrape Vinhos	€ 70 419 692.78
Wine	€ 14 408 945.00
Wine products	€ 10 323 056.00
Sogrape Distribuição	€ 71 717 464.26
Grape Ideas	€ 1 431 275.00
TOTAL	€ 168 300 433.04

Spending on purchases Evaton	
TOTAL	€ 28 800 000.00

Spending on purchases Sogrape Asia Pacific	
TOTAL	€ 2 025 478.00

TRANSPORTATION PRACTICES IN GOODS AND RAW MATERIALS LOGISTICS

At SOGRAPE, we understand the importance of ongoing evaluation of our work processes with a focus on continuous improvement, and this principle extends to the transportation of goods and raw materials.

In this regard, **Sogrape Portugal** has implemented the Backhauling System to mitigate the negative economic and environmental impacts associated with empty return trips. This system avoids journeys without cargo, optimises return trips, enhances transportation efficiency, and reduces the number of vehicles used, along with the overall fuel consumption. The implementation of this system involves meticulous planning of deliveries and pickups, mapping, and collaboration with various partners.

For **Sogrape Asia Pacific**'s orders, a standard practice involves route optimisation, where the shortest route is selected if the cost and distance are justified.



Additionally, **Liberty Wines** prioritises sustainable transportation methods. European wines are transported by rail rather than road whenever possible, and they have introduced their first electric van, with all other vehicles meeting Euro 6 emissions standards. Ensuring carbon-neutral transportation, every bottle of wine imported and distributed undergoes offsetting measures. These initiatives reflect our commitment to minimise the environmental impact of our transportation activities while embracing innovative and sustainable practices across our global operations.

SOGRAPE PORTUGAL'S SUPPLY CHAIN

At Sogrape Portugal, supplier purchases are typically managed by the Procurement Department. Excluded from this are supplier purchases that, for various reasons (specific know-how required, etc.), are managed by different departments (IT, R&D, HR, Viticulture, Oenology, etc.).

Key Procurement Categories:

The procurement policy, governed by the Procurement Department, encompasses a diverse range of categories, including:

The procurement practices are in line with our broader sustainability objectives, emphasising how and who we support in our quest for a more sustainable future.

Local suppliers

In 2022, Sogrape Portugal continued to prioritise local suppliers, further strengthening ties with the communities that surround its operations.

Notably, **100%** of wine and winery product suppliers, numbering 65, and grape suppliers, totalling 2109, were Portuguese, with many of them deeply rooted in the region. These purchases are managed by the oenology department.



Sogrape Portugal's engages with local suppliers from the most remote facilities, benefiting both SOGRAPE and the suppliers themselves.

But the support for local suppliers extends beyond winemaking. Of the remaining suppliers, an impressive **90.8%** are domestic, reflecting the strong preference for working with companies within Portugal.

This commitment to local partnerships goes beyond business; it's a reflection of SOGRAPE's commitment to the community and the environment.

MPS Qualification Surveys

Sogrape Portugal also utilises MPS qualification surveys provided to both new and current suppliers managed by the Procurement Department, which include **environmental** considerations. These surveys assess parameters such as certifications, environmental impacts, emissions and effluent monitoring, and carbon footprint reduction measures. In 2022, 51 surveys were sent to new and actual Sogrape Portugal's suppliers, and no negative impacts were identified that would necessitate contract termination.

Risk Matrix

A Risk Matrix is applied by the Procurement Department to critical and strategic Procurement categories, assessing the risk levels of these categories based on multiple criteria, applicable to its direct suppliers.

This matrix evaluates the impact of 34 indicators across five parameters: Labor and Human Rights, Environment, Integrity and Ethics, Impact resulting from technological, political, and economic changes, and External and Operational Environment.

This impact encompasses various purchasing cat-

egories, including agricultural services, analysis, certifications, wine transportation, bottles and labels, closures, packaging, and others.

Liberty Wines Modern Slavery and Human Trafficking Statement



Supply4Wine

Sogrape Supplier Management Portal, a platform that allows more effective supplier management for Sogrape Portugal, as well as of the sourcing, contracts adjudication and consequent supply management phases.

Supply4Wine aims to address the operational inefficiency detected in various procurement processes. This inefficiency is manifested as manual processes, repetitive and time-consuming tasks, lack of visibility, transparency, and control over processes, and difficulty in managing suppliers, especially in the supplier selection, qualification, and evaluation processes.

Supply4Wine goals

- **Centralisation and robustness of information from various procurement processes.**
- **Creation of an updated database of active suppliers.**
- **Establishment of a database for prices, rebates, and other business conditions.**
- **Integration of Qualification and Supplier Performance Management and Evaluation processes.**
- **Creation of a database for documentation and contracts.**
- **Development of a market inquiry and negotiation tool.**
- **Creation of a catalogue for recurring material purchases (stationery, office supplies, etc.).**
- **Establishment of a Supplier Risk Management tool.**

Registered suppliers will be able to communicate with the company at any time, monitor their performance, consult their evaluation, their contracts, and orders, among other features.

This platform will facilitate all interactions between the company and its suppliers, to optimise and streamline relations with them, promoting an agile, dynamic, and transparent communication among all the intervening parties. The closeness to our suppliers and their performance are fundamental for SOGRAPE.



LOOKING AHEAD

The goal is to enhance this survey starting from 2023 to assess the maturity level of our suppliers concerning ESG (Environmental, Social, and Governance) issues, managed by the Purchases Department. In a later stage, a classification obtained by the supplier should carry weight in the decision-making process, serving as a factor to be considered in the corresponding category purchase strategy.

In 2023 Sogrape Portugal aims to create a Procurement Policy and an extensive Code of Conduct, each meticulously designed to underscore and fortify our commitment to the principles of sustainability and responsible sourcing.



5 SAFEGUARD OUR LEGACY ON ITS JOURNEY INTO THE FUTURE

Economic Performance

Product

Innovation, scientific knowledge and R&D

Rural development & winegrowers

SAFEGUARD OUR LEGACY ON ITS JOURNEY INTO THE FUTURE

At SOGRAPE, we are committed to preserving and elevating the rich legacy of wine through a dedicated focus on preservation, Research & Development, and Innovation. Our vision extends beyond the present, aiming to equip communities and winegrowers with the essential skills, knowledge, and resources needed to ensure sustainable and viable wine production and products in the future.

By investing in heritage, sustainability, and innovation, we strive to safeguard a legacy that transcends time, allowing the art of winemaking to flourish for generations to come, and ensuring an outstanding economic performance.

Commitment	Target	KPI 2027
Elevate viticulture and winemaking for the future	Accelerate the transfer of technology and knowledge in the wine industry to at least 5000 users	5000 users impacted/year
Foster thriving communities	Work with 100% of its strategic farmers to help them become more economically and environmentally sustainable	100% Strategic farmers covered
Improve the sustainability profile of its wines	Guarantee that 100% of SOGRAPE wines will have an improved environmental or social profile based on a 2021 baseline	100% brands with an improved environmental and social profile

SOGRAPE aims to achieve these commitments by meeting the targets established in the Global Sustainability Approach, specifically the Key Performance Indicators (KPIs) by 2027. These KPIs are integrated into various projects and initiatives mentioned throughout the report, encompassing the entire range of SOGRAPE's business units.

Focus:



Also contributing to:



ECONOMIC PERFORMANCE

In a year marked by unprecedented challenges, SOGRAPE has demonstrated a robust and commendable financial performance, positioning the company on a solid foundation as we navigate the complexities of the past year. This resilience not only instils optimism but also fuels our unwavering determination to strive for continuous improvement.

As we reflect on the fiscal landscape, SOGRAPE remains dedicated to prudent financial management, ensuring a resilient and forward-facing stance, ready to tackle the future with confidence and an unwavering commitment to excellence.

In this context, SOGRAPE employs proactive measures to safeguard the current year's harvest from potential threats such as diseases or adverse climate conditions that could impact yield and quality. This includes active engagement with viticulture technicians, the implementation of climate condition measurement mechanisms, and an ongoing commitment to the development of each plantation.

Material management is overseen through monthly reviews in Executive Leadership Team (ELT) meetings. This involves setting the Group's annual KPIs, defining strategic guidelines for each Business Unit, and establishing Objectives & Key

Results (OKRs) for different areas. These processes ensure a focused and aligned approach to achieving organisational goals, enhancing decision-making within the leadership team.



FINANCIAL ACHIEVEMENTS IN 2022

347 M€
Turnover

38.8 %
Relative gross margin

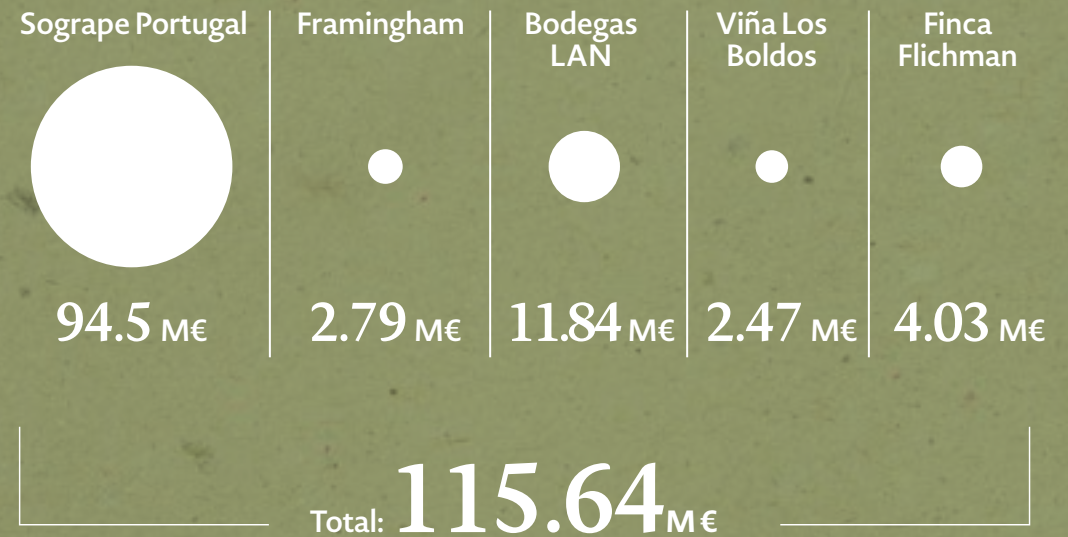
27 M€
Global investment

87.78 M
Bottles sold by SOGRAPE

24 M€
Net profit

61 M
bottles sold by
Sogrape Portugal

Export sales value:



FINANCIAL ASSISTANCE RECEIVED FROM THE GOVERNMENT

Finca Flichman

• **NLACE Program:** a program by the Government of Mendoza that encourages and supports businesses to hire unemployed individuals. The benefit that the company receives each month is a minimum vital and mobile salary for each of the registered and approved employees in the program.

Sogrape Portugal

- Tax relief and tax credits: 785145€
- Subsidies: 348978€

BET BRANDS AND BEST-SELLING BRANDS

SOGRAPE has established a formidable market presence, with its globally recognised brands serving as notable ambassadors for Portugal. These brands have consistently gained traction and resonance among consumers worldwide, contributing to the company's overall growth.

Out of the exceptional assortment of brands under the SOGRAPE portfolio, six have been strategically identified as bet brands. These chosen brands are a deliberate part of SOGRAPE's business strategy, representing a commitment to brands aligned with the company's purpose.

Their potential is meticulously evaluated based on their significance for organisational growth and their role in advancing the premiumisation strategy within our portfolio. Above all, these brands play a crucial role in realising the shared dream of being recognised as the *world's most successful family-owned wine company*.

Bet brands:



MATEUS



CASA FERREIRINHA
BRANCO TINTO DA HERDEIRA



HERDADE
DO PESO

SILK & SPICE



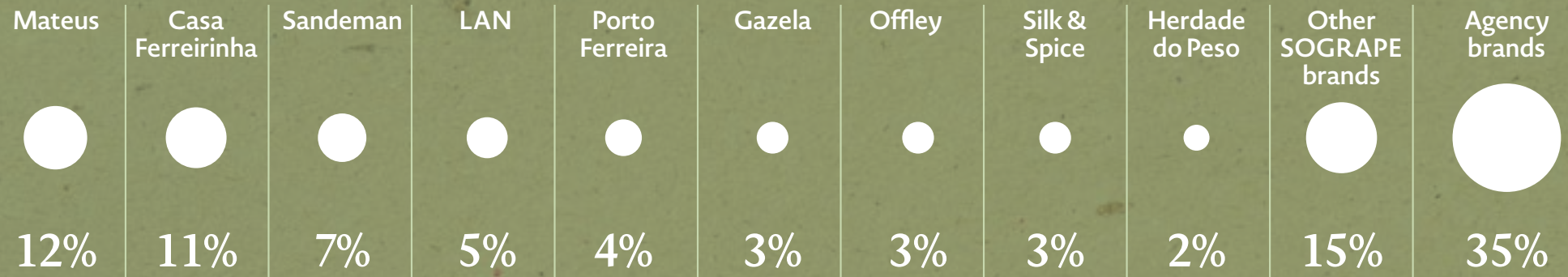
SANDEMAN (2022)



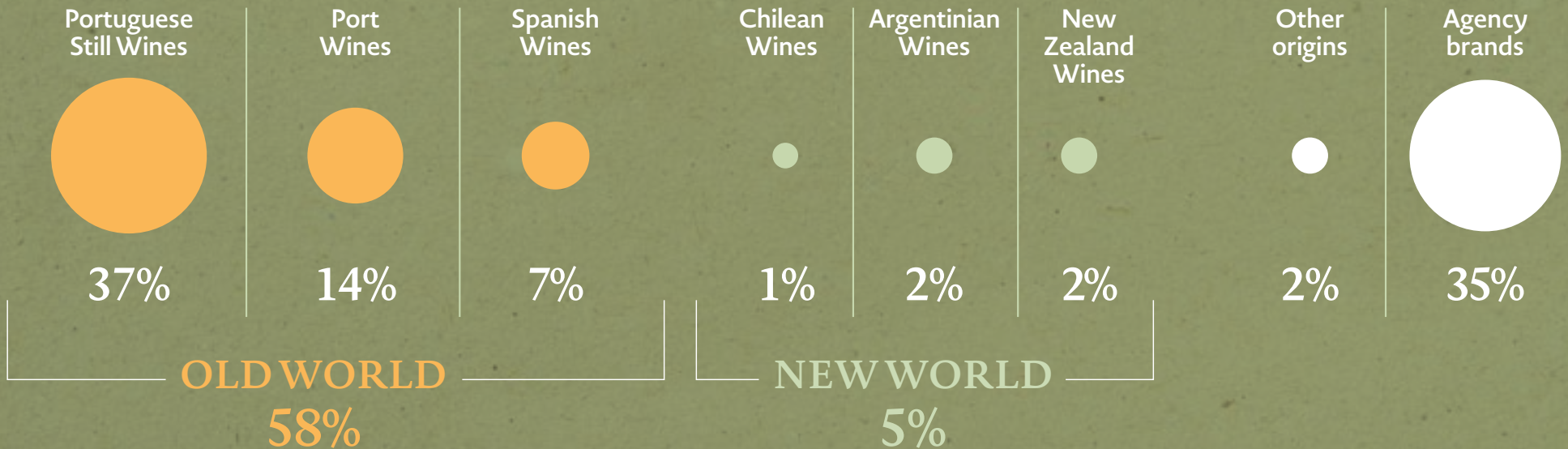
LAN (2022)

Collectively, our 6 Bet Brands have a global presence, reaching over 120 countries and contributing to approximately 60% of SOGRAPE's sales, excluding agency brands. Among them, Casa Ferreira, Herdade do Peso, and Silk & Spice stand out, achieving record-breaking sales figures.

SOGRAPE Sales in value



Origins of Sales in value



SOGRAPE PRESENCE IN THE NEW & OLD WORLD MARKETS

Old world market

Sogrape Vinhos achieved:

- **3%** increase in turnover compared to 2021.
- almost **4%** rise in the average price effectively, compensating for a 1% decline in volume.



Notably, this trend persevered despite challenges such as the loss of the Russian market due to the conflict in Ukraine. However, the company successfully countered this setback with robust performances in various markets, especially Portugal, experiencing a substantial **18%** growth. The Spanish wine sector, led by Bodegas LAN, had a notably positive year, marking its best-ever turnover. The LAN brand achieved a commendable **6%** growth. Other brands including Santiago Ruiz, Marqués de Burgos, and Aura, also reported growth compared to 2021.

New World market

Finca Flichman in Argentina, Viña Los Boldos in Chile, and Framingham in New Zealand contributed to an overall growth of more than **15%** in consolidated sales.

Vinus experienced a positive year in 2022, marked by growth across all channels (except Direct-to-Consumer), with sales value growth exceeding **60%** when converted to euros.

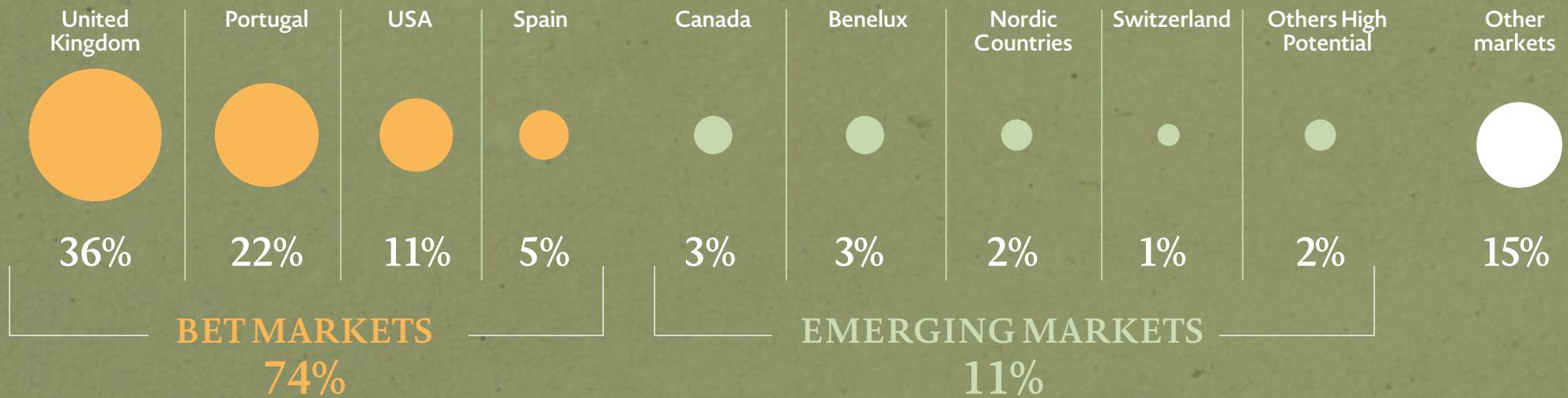
Sogrape Brasil continued to execute its distribution expansion strategy, focusing on point-of-sale investments, achieving a **3%** growth in sales volume compared to 2021.

The Sogrape Asia-Pacific business remained significantly impacted by the repercussions of the COVID-19 pandemic in China. Although the imported wine market experienced a decline, the operation demonstrated growth in both volume and value.

The Group's distribution operations achieved sales records, with notable performances from Sogrape Distribuição in Portugal, Liberty Wines in the United Kingdom, and Evaton in the United States.

The success in these markets was attributed to a dedicated emphasis on quality customer service and strategic brand portfolio development.

Main SOGRAPE Markets



PRODUCT

At SOGRAPE, our products reflect a commitment to excellence that goes beyond mere representation. Each creation is a testament to our dedication to quality and safety. From meticulous material selection to the final bottling process, ensuring our products meet the highest standards. Internally, sustainability is a paramount that SOGRAPE actively seeks, regarding recyclable materials and reducing plastic use.

SOGRAPE manages its impact through regular project meetings to identify and mitigate negative effects. Daily and weekly team meetings, along with collaboration sessions, allows results evaluation and improvement. A dedicated forum is maintained with our main clients and ensures the alignment in impactful promotional activities.



INNOVATIVE PRODUCTS AND PACKAGING

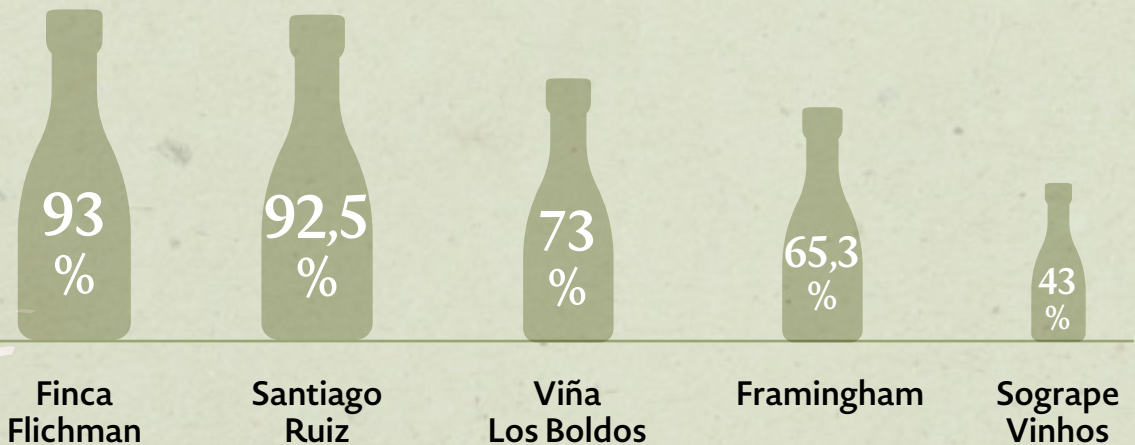
Reduction in bottle weight

Sogrape Portugal prioritises the reduction of the average bottle weight as a sustainable measure. This deliberate effort not only contributes to a decreased reliance on both virgin and recycled materials but also holds a profound impact on logistical efficiency. The lighter bottles not only facilitate transportation, reducing associated carbon footprints, but also enhance the overall distribution process, enabling the delivery of a larger quantity of bottles in each shipment.

Over the years, this approach has been systematically implemented across various bottle models and brands within the diversified portfolio of the SOGRAPE Group.



Percentage of Lightweight Bottle usage:



Sogrape Vinhos

Brand	Weight variation	Annual consumption calculation basis	Avoided glass consumption
Silk&Spice	570g to 550g	1 M bottles	20 000 kg
Casa Ferreirinha - Planalto	500g to 420g	2.2 M bottles	176 000 kg
Quinta dos Carvalhais	515g to 420g	220 k bottles	20 900 kg
Quinta da Romeira - fine wines	515g to 420g	22 k bottles	2 090 kg
Herdade do Peso - fine wines	-	-	5 000 kg
TOTAL			223 990 kg

The name of the new wine, Herdade do Peso Revelado, represents the dream of “Revealing”, of showing an Alentejo that is different from the traditional one, our Alentejo of Peso, of Vidigueira. These new wines are presented in a bottle engraved with the Herdade do Peso logo. A lighter bottle than the ones used previously allows us to save 5 tons/year in glass production.

A Focus on Recycling Initiatives

At SOGRAPE, the conscientious use of paper with a higher recycling component is a top priority. Year after year, we have been intensifying our initiatives to promote the reuse and recycling of packaging, particularly those used for distribution.

In Portugal, we proudly recycle **100%** of our distribution packaging, while at Viña Los Boldos, **61%** of distribution packaging is recycled. These efforts underscore our commitment to sustainable practices and environmental responsibility, reflecting our dedication to making a positive impact on our planet.

WOOD SOURCED FROM SUSTAINABLY MANAGED FORESTS

Quality Oak Barrel Crafting

Aging wine in oak barrels stands as a time-honoured and globally embraced practice in winemaking. Recognised for their positive impact on the complexity and quality of the wine, barrels have become an integral part of quality wine production. Barrel storage contributes significantly to the stability and clarity of the wine.

In alignment with contemporary sustainability practices, the production of barrels crafted from wood sourced from responsibly managed forests has seen a notable increase. This conscientious choice in materials is pivotal for winemakers, ensuring a harmonious balance between tradition and environmental responsibility.

At Sogrape Portugal, over **87%** of our barrels are crafted from wood originating in sustainably managed forests in Portugal, showcasing our commitment to responsible sourcing. Notably, Viña Los Boldos, proudly utilises **100%** sustainably sourced wood for our barrels, exemplifying the dedication to both exceptional wine craftsmanship

and environmental stewardship. This conscientious approach underscores SOGRAPE's ongoing commitment to producing wines that reflect a harmonious blend of tradition, innovation, and sustainability.

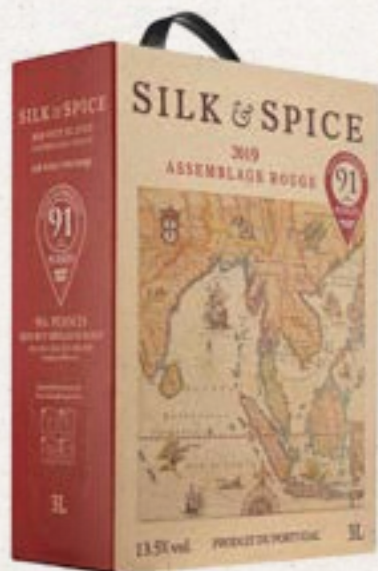
FSC® label

Sogrape Portugal uses materials derived from wood sourced from sustainably managed forests, notably with FSC® certification. This enables offering conscious choices to consumers and showcases SOGRAPE's dedication to global forest conservation. The FSC label certifies that the packaging and paper are made from responsibly sourced wood fibre.



KEY INITIATIVES

Sogrape Portugal consistently monitors market trends and endeavours to stay updated, employing the best packaging solutions. Given the continuous evolution of market offerings, the Product Improvement Department strives to remain abreast of the most sustainable solutions. This commitment ensures that the company can provide its customers with products crafted conscientiously and adaptively.



Mateus Rosé in a Can

In 2022, Sogrape Portugal introduced Mateus Rosé in a can, debuting in Switzerland and Belgium after two years of market studies and testing. This convenient and accessible format, tailored for the younger demographic, aligns with the growing trend of on-the-go, ready-to-drink options. Each 250ml can is available for individual purchase or in packs of 12, providing a versatile and portable choice for wine enthusiasts.

This project is also important for consumer safety, as its use prevents situations where the glass bottle could be dangerous due to the risk of breakage.



Silk&Spice Bag in Box

Sogrape Portugal has created an edition of Silk&Spice in Bag in Box, aimed at minimising emissions through the omission of glass and enhancing transportation efficiency. By embracing alternative packaging solutions, we are committed to reducing our environmental footprint, offering a sustainable choice for wine enthusiasts who value eco-friendly practices without compromising on quality.

PET Bottle project

Exploring the potential and feasibility of flat PET bottles as a sustainable alternative to traditional bottles is the focus of the Sogrape Portugal Wines PET Bottle project. This initiative seeks to assess the environmental impact and viability of adopting flat PET bottles in our commitment to more sustainable packaging solutions for the future of wine consumption.

Vegetarian and vegan wines

SOGRAPE recognises the significance of catering to the growing demand for vegetarian and vegan options in the wine industry. It holds an extensive range of wines suitable for both vegetarians and vegans, actively promoting the consumption of plant-based foods with a lower environmental impact.

As part of our ongoing commitment to sustainability, Sogrape Portugal is currently undertaking the initiative to obtain **Vegan certification for Herdade do Peso Trinca Bolotas and Herdade do Peso Grande Trinca Bolotas**. This underscores our dedication to providing ethically and environmentally conscious choices for consumers.

Nature-Inspired Wines and Packaging

Sogrape Portugal seamlessly incorporates elements of nature and biodiversity into the production and communication of several of its wines, establishing a unique bridge between production and the market.

This strategy not only engages consumers as guardians of nature and biodiversity but also enhances the overall connection between these distinct spaces.

Wines such as Esteva, Planalto, Papa Figos, and Castas Escondidas from *Casa Ferreirinha*, along with Trinca Bolotas from *Herdade do Peso*, and Sandeman Beat, proudly showcase the characteristic fauna and flora of their regions on their labels.



COMMITMENT TO QUALITY AND SUSTAINABILITY THROUGH CERTIFICATION

SOGRAPE adheres to rigorous standards, particularly tailored to the viticultural sector, by implementing various certification systems. The company is dedicated to continuous improvement and evolution, aligning itself with market needs and stakeholder expectations while maintaining a focus on sustainable development.

In pursuit of excellence, SOGRAPE has already implemented diverse certification systems to ensure the highest levels of quality and compliance. The company's commitment to upholding these standards is evident in its proactive approach to seeking further certifications for the future. This forward-looking strategy reflects SOGRAPE's dedication to staying at the forefront of industry requirements and its ongoing pursuit of sustainable development.

SOGRAPE CERTIFICATIONS



Sogrape Portugal

ISO 14001
Environmental
Management
Systems

ISO 9001
Quality
Management
Systems

BRC – British Retail Consortium
(Effective Food Safety Management System)

Aferymed Audit
(Compliance with pre-packaged legislation)

IFS Food – International Featured Standard
(Assessment of product and process conformity with regard to food safety and quality)

SOLAS Certification
(Safety of Life at Sea)

HACCP - CE Nos. 178/2002 - General principles and requirements of food law and 852/2004 - Hygiene in foodstuffs

KIWA SATIVA Certification
(Certification of vineyard practices according to the Integrated Production Mode for wine grape production)

SMETA – SEDEX
(Identification of Non-Conformities regarding social responsibility)

RNAAT - Portugal Tourism Certification (Grape Ideas)

SOGRAPE CERTIFICATIONS

Bodegas LAN

**Organic
Production
Certification**

Viña Los Boldos

**Sustainable
Agriculture
Certification -**
Certification of the
National Sustainability
Code for vineyards,
with progress in
implementation but
limited communicative
ownership.

**HACCP
Certification
based on Codex
Alimentarius**

Framingham

**Sustainable
Viticulture
Certification**

**Sustainable
Winegrowing**

**Organic products
certified by
BIOGRO NZ**

Finca Flichman

**Sustainability
Protocol of
Bodegas de
Argentina**

**BRC Food
Certified
international
standard**

Liberty Wines

**Carbon
Neutral
Certification +**

MITIGATING FOOD SAFETY INCIDENTS

SOGRAPE takes a proactive approach to address internal and external factors affecting food safety. Intentional risks are mitigated through internal awareness initiatives and controlled access to critical areas. The company's risk management methodology is regularly reviewed and adjusted to adapt to changing processes and to assess the health and safety impacts caused by product categories.

For market-related product safety incidents, SOGRAPE has a specialised team led by top management and operational leaders from various departments. This collaborative team ensures a swift and coordinated response to potential challenges.

SOGRAPE is dedicated to maintaining the highest standards in food safety through dynamic risk management. The integration of annual risk assessments and a specialised incident management team underscores the company's commitment to continuous improvement and consumer well-being.

Occurrences classified as food safety incidents, both internal and external in origin at SV				
Goal	2019	2020	2021	2022
Food safety	A	A	A	NA
Zero contamination (glass inside the bottle)	A	A	A	NA
Zero complaints (glass inside the bottles)	A	A	A	A
Zero complaints (injuries from the product)	A	A	A	A
Zero serious complaints (legal, health, economic impact, reputation)	A	A	A	NA
Number of occurrences	0	0	0	2

A: Achieved
 NA: Not achieved

Sogrape Portugal proactively evaluates the **100%** of its products, categorized by type, to assess potential and current impacts on health and safety.

ADDRESSING CLIENT CONCERNS AT SOGRAPE PORTUGAL

Client complaints play a crucial role in refining and innovating Sogrape Portugal' Quality System, a strategic tool for continuous improvement. Rigorous quality control spans every production stage, ensuring excellence from grape reception to product dispatch.

Transparency is paramount, with a dedicated effort to inform and clarify product specifics to clients and consumers. In handling client complaints, Sogrape Portugal adopts a responsive approach, utilising feedback to enhance processes and maintain its reputation for delivering exceptional products.

In 2022, Sogrape Portugal achieved the lowest number of customer complaints in the past five years - 174, including specifically 86 valid complaints. The Valid Complaint Index also decreased compared to 2021, reaching 2.8. Sogrape Portugal has been implementing preventive measures to ensure the quality and safety of its products, with the aim of achieving a Valid Complaints Index of 1.0.

	2018	2019	2020	2021	2022
Customer complaints	409	260	237	216	174
Valid	290	147	125	118	86
Non-valid	72	40	51	45	40
Inconclusive	47	73	61	53	48
Sales (bottles)	54 098 615	59 823 678	57 594 338	61 392 220	62 405 870
Valid complaints index (number of valid complaints/ number of sold bottles x 100.000)	5.4	2.5	2.2	3.5	2.8

INNOVATION, SCIENTIFIC KNOWLEDGE, AND R&D

The **Strategy & Innovation** and **Research & Development (R&D)** Departments at SOGRAPE are instrumental in the company's success. By driving constant product innovation, enhancing quality, and promoting sustainability in wine production, the departments position SOGRAPE as an innovative industry leader. This commitment not only improves operational efficiency but also enables swift adaptation to market trends.

Innovation is managed through an Innovation Committee, complemented by the overseeing body for Innovation at SOGRAPE, which provides strategic guidance to the Innovation Team and defines the priorities for innovation challenges/opportunities. Additionally, there are Captains responsible for guiding project teams, Sponsors providing support to them, Project Managers, and finally, the Innovation Team, responsible for coordinating all innovation processes and their participants.

Percentage of investment in R&D relative to the sales value

Investing in Research & Development (R&D) is a priority for SOGRAPE, reflecting our continuous commitment to innovation and excellence. We believe that the key to long-term success lies in the constant pursuit of new ideas, technologies, and innovative solutions. The company allocates a percentage of its annual sales value to expenditure in R&D activities.



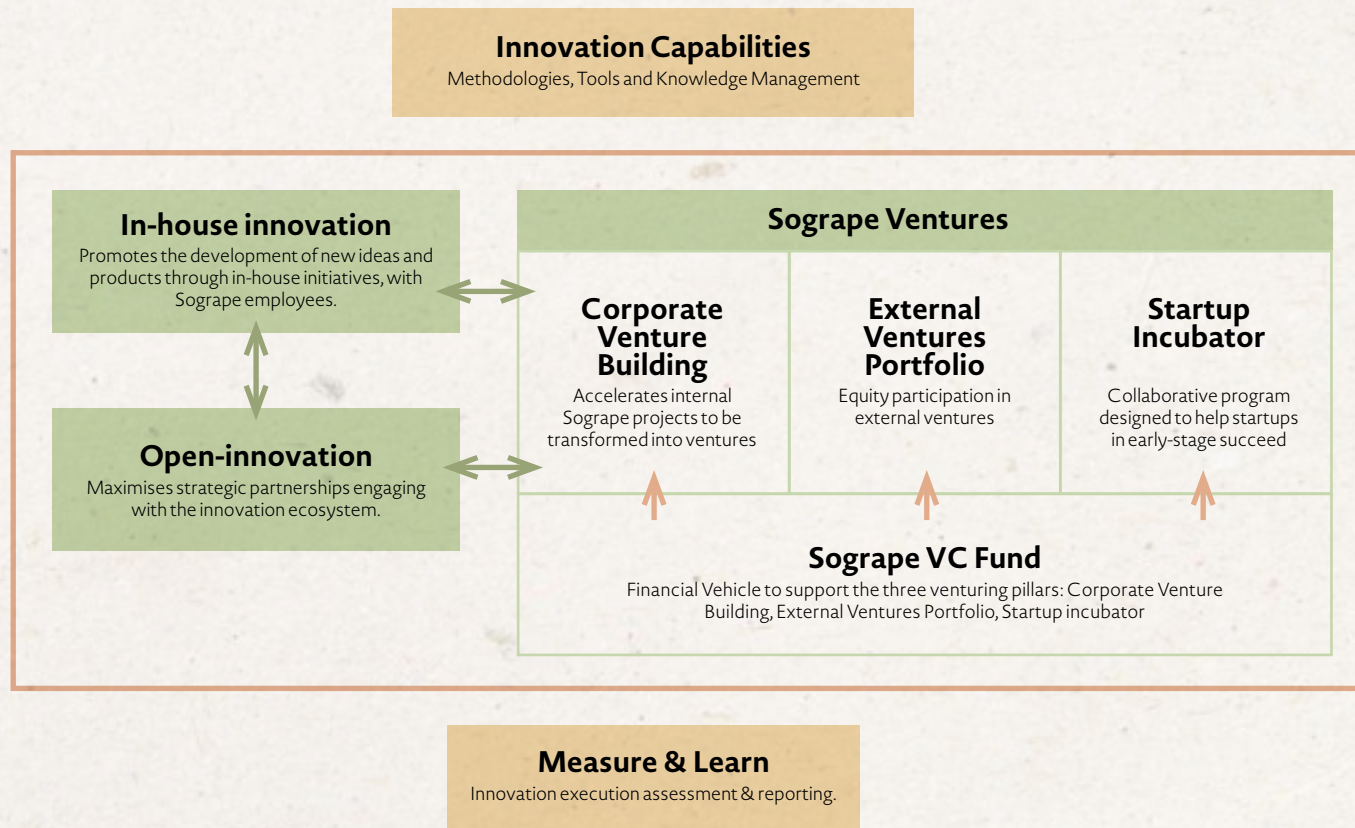
$$((\text{OPEX} + \text{CAPEX in I\&D}) / \text{sales value}) \times 100$$

2018	2019	2020	2021	2022
0.80%	0.79%	0.98%	0.73%	0.95%

STRATEGY & INNOVATION

SOGRAPE's Innovation Structure

SOGRAPE's approach to innovation is structured around a dedicated governance framework. At the core of this framework is the Innovation Committee, consisting of representatives from the Board of Directors and the Innovation Team. This committee collaborates with both in-house and open innovation stakeholders to foster a dynamic exchange of ideas. Together, these elements form SOGRAPE's robust Innovation Ecosystem Structure, illustrating how these components interact seamlessly to drive innovation across the organisation.



Innovation initiatives

Take-the-shot Studio

Launched in late 2020, the Take-the-shot Studio at SOGRAPE has been a hub for innovative projects, engaging multidisciplinary teams of around fifty employees. This collaborative workspace, designed to foster creativity, innovation, and agility, employs methodologies and tools to accelerate projects and incubate new ideas.

The focus is on disruptive and exploratory initiatives, while incremental innovations are handled by respective areas. The studio's operating model promotes changes to simplify and align the innovation process with the company's core needs, promoting skill development and initiatives that catalyse the culture of innovation.

The teams within the Take-the-shot Studio have been actively generating and developing new ideas using the **W.I.N.E. model**.

W.I.N.E. Innovation Model

W.I.N.E. stands for Wake-up, Imagine, Nurture, and Expand, representing the internal innovation model developed by SOGRAPE. It comprises four distinct phases, wherein a problem is transformed into challenges, ideas evolve into concepts, concepts materialise into solutions, and ultimately, a scale-up plan is implemented.



48 Employees involved in multidisciplinary innovation project teams



24 Functional areas across 4 Business Units



>10 Innovation challenges launched at Take-the-shot Studio



35 Employees trained in the W.I.N.E. innovation model

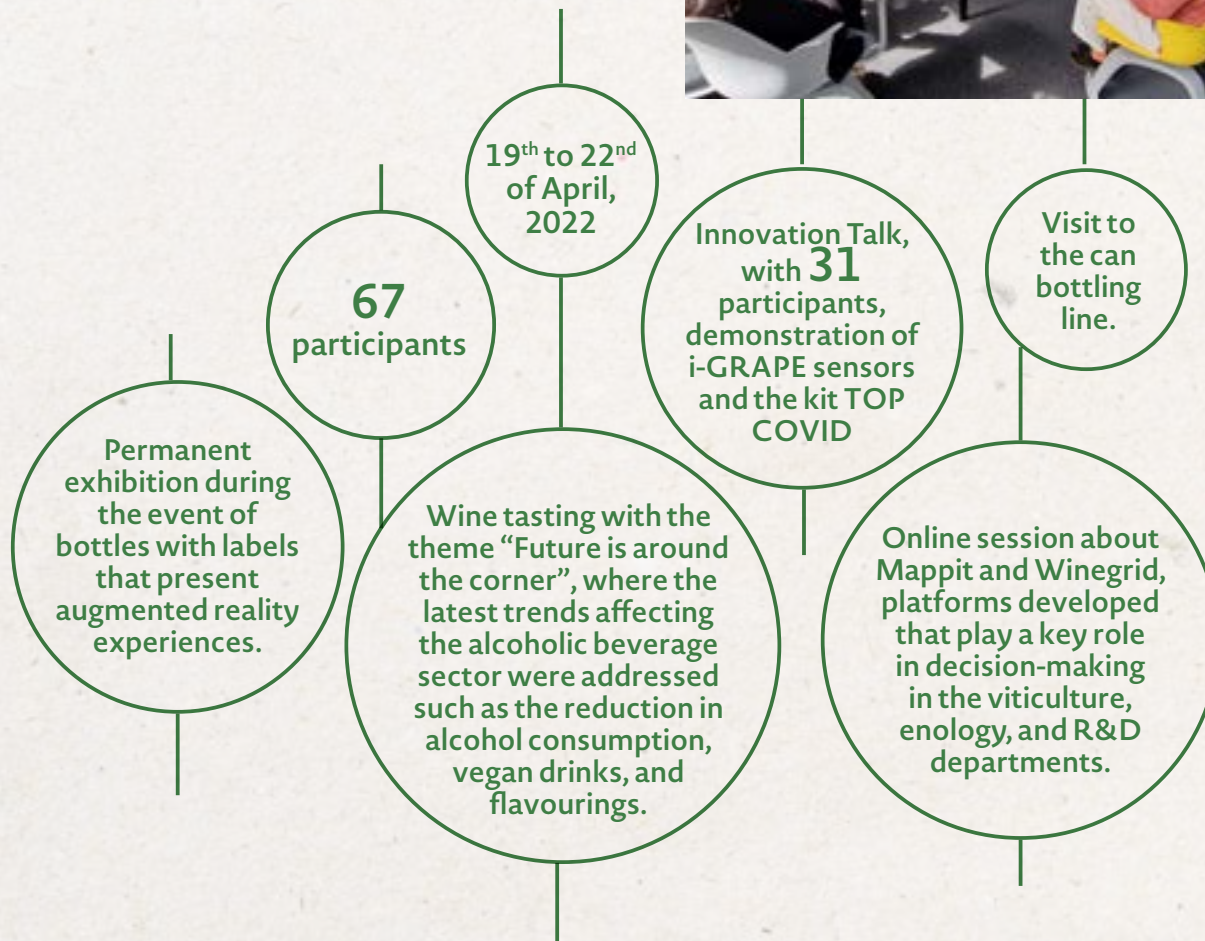
Take-the-shot Studio Meet Up

In December 2022, during a challenging day filled with extensive sharing and networking, SOGRAPE Management and multidisciplinary teams, including 53 participants, gathered for the Take-the-shot Studio Meet Up. The purpose of the gathering was to assess the status of ongoing projects, analyse, and engage in discussions about the progress and future of innovation at the company.



Innovation week

Sogrape Portugal promoted an Innovation Week to celebrate the World Creativity Day and to show how they innovate across the entire value chain, from viticulture to the product, through enology and production.



Events and Workshops in Innovation

Innovation events:

- Participation in 6 external events
- 7 events held, with 179 participants

Innovation workshops:

- 3 internal training sessions, with 39 participants
- 2 workshops, with 28 participants

Innovation projects

In 2022, SOGRAPE had **11 Innovation projects** in progress, eight initiated and one concluded in the present year.



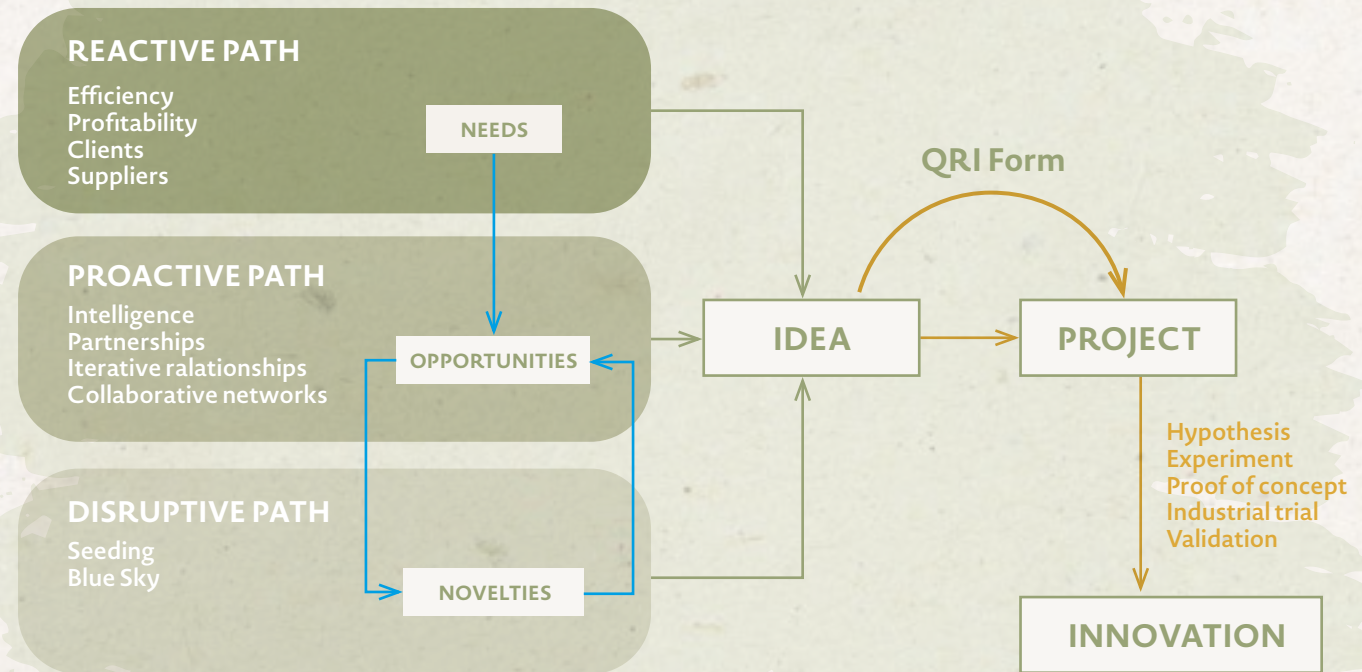
Supply Chain Disruptions	Evaluate possibilities to overcome challenges imposed on the supply chain.
Carbon Emissions	Assess alternatives to reduce total carbon emissions without compromising the company's economic growth.
Digital Wine Advisor	Develop a virtual wine assistant.
Dona Antónia Blockbuster	Develop a film or series about the life and work of Antónia Adelaide Ferreira.
TOP COVID	Develop a business model for Top Covid aroma discs.
Pool (aka Circularidade das Caixas)	Develop a reusable and adaptable box pool system for different bottle formats, to be adopted industry-wide.
No Alcohol	Develop a production process for non-alcoholic wine or fortified wine that approximates the organoleptic characteristics of wine, providing a premium and serious alternative to alcoholic wine.
Porto Grapes	Develop a business model for Porto Grapes.
Recycling Horeca	Evaluate solutions to increase glass bottle recycling rates in the HORECA channel.
New Digital Landscape (Metaverse)	Explore new technologies in the market and how they can be implemented at SOGRAPE.
Boxes Circularity (Pool)	Together with other wine companies, retailers, and box-producing companies, develop a closed system for reusable wine boxes (similar to the existing one for pallets).

RESEARCH & DEVELOPMENT

R&D organisation and partnerships

SOGRAPE has its own Research & Development department and laboratory. It is a hub of innovation, grounded in two core principles: knowledge management and experimentation. These pillars drive three key vectors within the company: information, development, and innovation. The ideation process unfolds through reactive, proactive, and disruptive paths.

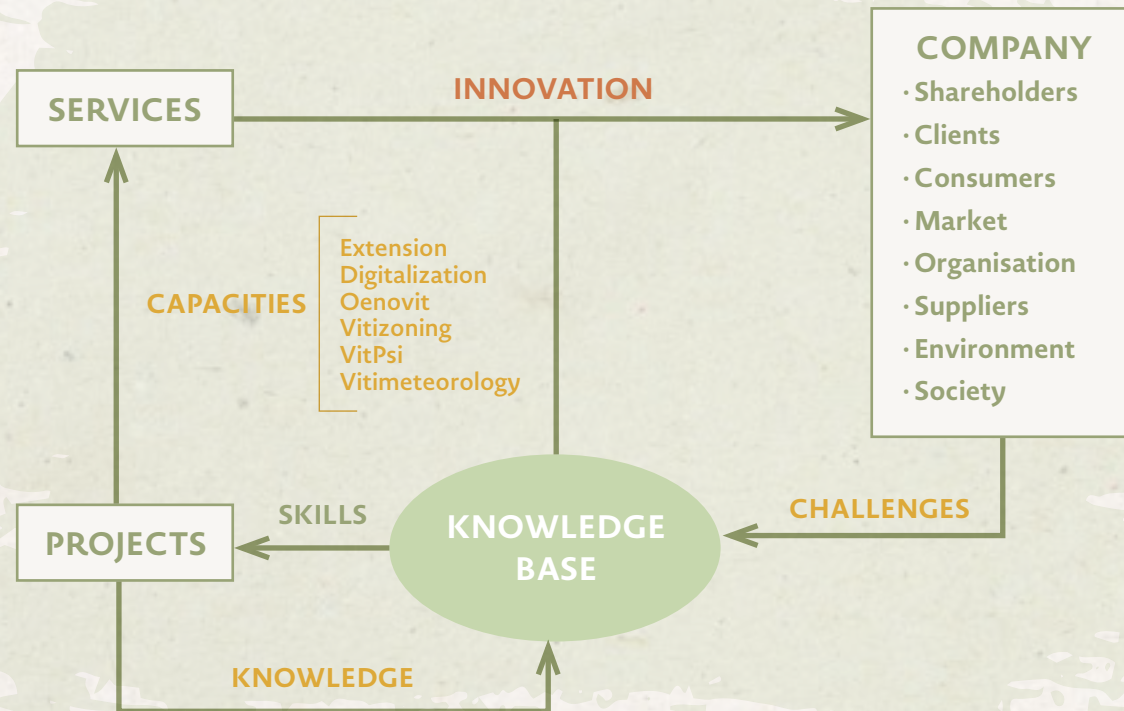
IDEATION PROCESS



Knowledge is cultivated through external means like **seminars, publications, and partnerships**, as well as internal experimentation involving **studies, trials, tests, and prototypes**. This knowledge is meticulously catalogued in a *Knowledge Resource Centre* (KRC) accessible to the entire company. With over 26,000 scientific documents related to wine, the KRC keeps SOGRAPE at the forefront of global wine advancements, supporting cost-effective development.

Experimentation involves defining, managing, and executing research projects that create privileged knowledge, providing a competitive advantage and addressing identified knowledge gaps. The company also collaborates on pre-competitive projects with entities in its research ecosystem, fostering internal reflection and supporting the creation and improvement of new products, processes, organisational systems, and marketing strategies in alignment with its mission and strategy.

R&D PROCESS



The R&D strategy is aligned each semester at a meeting with the Board and Directors from areas that interact most with the department.

Externally, the R&D Department is responsible for creating, participating in, and managing national and international networks dedicated to research and development in the wine sector.

These networks can be formally materialised in institutions such as **ADVID – Association for Development of Duriense Viticulture**, recognised by the Portuguese State as an entity driving the Vine and Wine Cluster in Portugal since 2017 and responsible for the **Vines & Wines Collaborative Laboratory**, **PORVID – Portuguese Association for Videira Diversity**, the **AGRO Network of the University of Lisbon** or the international **OENOVITI** network managed by **University of Bordeaux** and integrating more than 50 prestigious partners around the world.

In 2022, Sogrape's R&D ecosystem included 173 entities, eight of which engaging in continued extra-project partnerships.

The R&D Department at SOGRAPE optimises its investment in knowledge by coordinating and networking efforts across the company. This ensures access to cutting-edge advancements, driving the generation of new knowledge and technology aligned with identified innovation and business opportunities, all within a framework of sustainability and high ethical standards.

Partnerships

FEATURED

ADVID - Associação para o Desenvolvimento da Viticultura Duriense

INESC-TEC - Instituto de Engenharia de Sistemas e Computadores, Tecnologia e Ciência

INL - International Iberian Nanotechnology Laboratory

PORVID - Associação Portuguesa para a Diversidade da Videira

PROENOL

Universidade de Aveiro

Universidade do Minho

Universidade do Porto

CONTINUED COLLABORATION

Corticeira Amorim

APPITAD - Associação dos Produtores em Proteção Integrada de Trás-os-Montes e Alto Douro

FCUL - Faculdade de Ciências da Universidade de Lisboa

IFV - Institut Français de la Vigne et du Vin

INESC-MN - Instituto de Engenharia de Sistemas e Computadores - Microsistemas e Nanotecnologias

INIAV - Instituto Nacional de Investigação Agrária e Veterinária, I.P.

IPB - Instituto Politécnico de Bragança

ISA-UL - Instituto Superior de Agronomia da Universidade de Lisboa

ISVV - Institut des Sciences de la Vigne et du Vin
METOFFICE

RCV - Real Companhia Velha

Symington Family Estates

Bodegas Terras Gauda

Bodegas Terras Gauda

UCP-ESB Universidade Católica Portuguesa - Escola Superior de Biotecnologia

University of Leeds

Université de Reims – Champagne-Ardennes

UTAD Universidade de Trás-os-Montes e Alto Douro

Universidad de Vigo

WATGRID

R&D Projects

In 2022 SOGRAPE had 37 R&D projects in progress, eight initiated and 9 concluded in the present year. These projects are carried out by the R&D department, many of them in collaboration with external entities such as organisations and universities. Here are some of the most prominent projects.

Avintes25

A strategic project aimed at expanding and modernising its Avintes plant in Portugal. This project positions SOGRAPE as a global technology leader in the sector. The project's core objective is to prepare Avintes, Sogrape Portugal's headquarters, for the next 30 years by embracing digital transformation, Industry 4.0, and 5.0 approaches.

Sustainability is a key focus, emphasising resource reduction and reuse to establish leadership in sustainable practices. Avintes25 reflects the company's commitment to innovation, ensuring its continued success in the dynamic wine industry landscape.

COPPERREPLACE

Development and implementation of new technologies, products, and strategies to reduce the application of copper in vineyards and remediate contaminated soils.

ECOVINE

An application aiming to create a weighted metric for agroecological assessment in Portuguese vineyards based on agroecological indicators and aligned with vineyard sustainability.

G.O.T.A. (Gerir, Operacionalizar e Transferir) – (Manage, Operationalise and Transfer)

Sogrape Portugal has joined the G.O.T.A. project, an initiative created by ADVID in collaboration with the Calouste Gulbenkian Foundation and several companies in the industry.

It aims to raise awareness among winegrowers of the need for efficient irrigation water management in the vineyard by learning more about present or future irrigation systems or by adopting measures to reduce water use, promoting more efficient management of this resource in winegrowing.



Sogrape Portugal led the fourth session of the G.O.T.A project, which took place at Quinta da Leda in the Douro in September



PREVINEGRAPE

Formed by a multidisciplinary team, the scientific project PreVineGrape brings together companies and research centres in Portugal to develop a biofungicide based on plant extracts for more sustainable viticulture. SOGRAPE has partnered with ADVID, Deifil, the Polytechnic Institute of Bragança, and Nicolau de Almeida to create an innovative nature-based solution with a significant impact on the wine sector. This solution aims to effectively control vine diseases.

SIGEVIT

Management system for viticultural ecosystems through functional biodiversity indicators and agroecology methods. It aims to conduct a comprehensive survey of biodiversity and ecosystem services to explore the possibility of integrating them into a local company management system, with a focus on sustainable planning and operational development of wine production.

MIDIVINE

Management of Microbial Diversities for Improving Grapevine Productivity and Health in Vineyard Systems under Environmental Stresses in Mediterranean Areas.

It aims to understand the role of functional microbial biodiversity in soil functioning and plant behaviour, improve soil, nutrient, plant production, and quality management, reduce pesticide usage, and enhance the sustainability and resilience of the production system.



NOVATERRA

Integrated novel strategies for reducing the use and impact of pesticides, towards sustainable Mediterranean vineyards and olive groves. The aim is to develop and implement technological solutions tailored to different regions, enabling farmers to adapt their improvement plans by optimising the use of plant protection products (PPPs) and reducing the presence of controversial active substances against major pests and diseases in olive groves and vineyards. This involves the use of biopesticides, adjuvants, and formulations, optimised intelligent agricultural techniques, robotics for new soil management strategies, and functional biodiversity assessments.

Events in R&D

February

- Oenoviti Mini-Symposium "Sustainable Viticulture Practices"
- The Unintended Impact of European Sustainability Standards on Global Food Systems

March

- EC Copernicus for Green Deal Workshop

April

- Annual Days of the Link de La Vigne

May:

- 7th International Congress of Mountain and Steep Slopes Viticulture
- Green Wine Future 2022
- Oenoviti Symposium 2022

June

- IVES Science Meeting 2022

July

- 14th International Terroir Congress and 2nd ClimWine Symposium

October

- 30th Amorim Academy Award - Climate Evolution and Challenges for Vine and Wine
- Serralves Conference in the Park - Fungi in Ecosystem Restoration
- 43rd OIV World Conference of Vine and Wine 2022

November

- OENOVITI Mini-Symposium "Smoke Taint"

December

- COP15 - Convention for Biological Diversity (United Nations)



Published scientific articles

Over the years, the R&D department has published several scientific articles in collaboration with various reputable entities and departments. These articles have been contributing to:

- **The continuous learning and in-depth exploration of diverse areas**
- **Enhance scientific knowledge about sustainable practices in wine production**
- **Attract the attention of researchers and academic institutions**
- **Highlight innovations, advanced techniques, or unique discoveries.**

In 2022 4 Scientific articles co-authored by SOGRAPE were published:

• Pampuri, A., Tugnolo, A., Bianchi, D., Giovenzana, V., Beghi, R., Fontes, N., Oliveira, H., Casson, A., Brancadoro, L. & Guidetti, R. (2021). **Optical specifications for a proximal sensing approach to monitor the vine water status in a distributed and autonomous fashion.** Biosystems Engineering, 212, 388-398.

• Clemente, N., Santos, J. A., Fontes, N., Graça, A., Gonçalves, I., & Fraga, H. (2022). **Grapevine Sugar Concentration Model (GSCM): A Decision Support Tool for the Douro Superior Winemaking Region.** Agronomy, 12(6), 1404.

• Sanderson, M. G., Teixeira, M., & Graça, A. (2022). **Cold-Air Pooling in the Upper Douro Valley: An Observational Study.** Journal of Applied Meteorology and Climatology, 61(12), 1893-1904.

• Machado, S., Barreiros, L., Graça, A. R., Páscoa, R. N., Segundo, M. A., & Lopes, J. A. (2022). **A data mining tool for untargeted biomarkers analysis: Grapes ripening application.** Chemometrics and Intelligent Laboratory Systems, 104745.

IMPACTS DERIVED FROM INNOVATION, AND RESEARCH AND DEVELOPMENT PROJECTS

SOGRAPE's initiatives have significantly shaped the company's trajectory, showcasing a commitment to innovation, sustainability, and market leadership. These projects have brought about in-house innovation, a vibrant culture of creativity, and a clear focus on market needs. The active monitoring of emerging trends has allowed the company to stay ahead, leading to the development of high-quality innovative products that resonate with consumer preferences. Operational efficiency gains and a commitment to sustainable practices underscore the company's dedication to responsible business. Market expansion efforts have attracted new consumers, while a fortified brand reputation reflects SOGRAPE's unwavering commitment to excellence.

The company's adaptability to market trends and the exploration of new wine markets and products further solidifies SOGRAPE's standing as a dynamic force in the wine industry. The company's continued commitment and investment in R&D, both proprietary and shared, fostered the establishment of high-value partnerships materialising value through intellectual property creation and scientific credibility at the international level. This continually opens doors to knowledge generation and collaborative development strengthening the reputation of both the company and the wine subsector as dynamic players for continuous improvement, sustainable development, responsible production, and consumption.



RURAL DEVELOPMENT & WINEGROWERS

Embarking on the intersection of Rural Development and Winegrowers, this exploration delves into a tapestry of crucial elements shaping the viticultural landscape. From Ethical Viticulture Practices that underpin sustainable cultivation to the paramount focus on working conditions, Viticulturist Training and Safety, and the provision of Essential Infrastructure for Rural Workers – every facet contributes to a thriving and ethically grounded wine industry.

Additionally, we unravel the symbiotic relationship with Grape Suppliers, as we navigate the intri-

cate web of stakeholders dedicated to cultivating not just grapes but a sustainable and socially responsible viticultural future.

The continuous management of impacts in viticulture is a top priority for SOGRAPE, a wine company committed to addressing this matter with particular concern and adaptability to each region. Recognising viticulture's unique personality, specialties, and distinctive know-how, SOGRAPE strives to manage both potential and actual impacts to ensure the preservation of its identity.

With a tailored approach for each viticultural re-

gion, the company proactively tackles environmental, social, and economic challenges. From biodiversity conservation to responsible water resource management and adaptation to weather conditions, SOGRAPE works to minimise negative impacts while promoting sustainable practices that enhance viticultural resilience. This commitment reflects not only corporate responsibility but also a profound respect for the cultural and environmental richness of the regions it operates in.



SOGRAPE'S COMMITMENT TO ETHICAL VITICULTURE PRACTICES

At the core of SOGRAPE's sustainability values is a resolute dedication to eradicate the significant risks associated with child labour, forced labour, and slavery-like conditions, particularly within the viticulture sector.

Firmly embracing the commitment to ethical practices, Sogrape Portugal implements a rigorous Risk Matrix. This matrix serves as a proactive tool, systematically evaluating and addressing potential risks in both SOGRAPE's operations and those of its direct suppliers.

The company actively engages in ongoing collaboration, fostering transparent communication with suppliers to collectively identify and implement innovative solutions.

A dynamic commitment to continuous improvement underscores the company's approach. By sharing progress, challenges, and successes transparently, the company aims to inspire indus-

try-wide awareness and collaboration. Through these initiatives, SOGRAPE stands as a beacon for responsible and sustainable viticulture practices, believing in the transformative power of ethical labour standards for a truly sustainable future.

CULTIVATING DIGNITY AND EXCELLENCE IN VITICULTURE

Within the framework of SOGRAPE's commitment to sustainable practices, spotlighting their strategic shift towards enhanced working conditions, skilled labour retention, and conscientious resource choices in the realm of viticulture.

In recent years, SOGRAPE has strategically increased the proportion of full-time contracts for viticulturists, moving away from the reliance on daily or seasonal agreements. This strategic shift is designed to enhance overall working conditions for employees, encompassing benefits such as subsidies, health insurance, and the integration of initiatives reflecting the core value of the Sograpiness spirit.



Given the challenges associated with a shortage of specialised labour, agricultural workers have experienced a significant boost in their salaries, averaging around 20%. This strategic adjustment not only addresses immediate workforce needs but also aims to establish a sustainable, skilled workforce for the long term. By providing improved and dignified working conditions, SOGRAPE seeks to cultivate lasting relationships with viticultural workers, with an emphasis on investing in their ongoing training and fostering career development opportunities within the company's organisation. SOGRAPE places a premium on the choice of work materials, prioritising tools that are both safer and more ergonomic.



Sogrape Portugal has opted for a selection of tractors equipped with cabins and air conditioning. This decision reflects a keen awareness of the challenging working conditions faced by viticulturists, who often operate in prolonged sun exposure and high temperatures.

In addition to these measures, agricultural employees at SOGRAPE benefit from appropriate uniforms tailored to their specific duties, including the provision of Personal Protective Equipment (PPE). Furthermore, the company has established dedicated facilities, known as Agricultural Facilities, to support and facilitate the various activities integral to viticulture and agricultural operations.

VITICULTURIST TRAINING AND SAFETY

Training for viticulturists stands as a fundamental element in ensuring the safety and well-being of both workers and consumers, a commitment that is uniformly embraced across all business units.

Sogrape Portugal

Within the domain of Sogrape Portugal, the provision of targeted workshops and elucidative visits for viticulturists is a recurring practice. In 2022, the training agenda emphasised best viticultural practices, attracting approximately 20 participants, including some of the most influential viticulturists in the region.

In addition to these proactive measures, mandatory training sessions are systematically administered, regarding essential topics such as safe tractor operation. Notably, a mandatory 50-hour training program, endorsed by the Directorate-General for Agriculture and Rural Development of Portugal, is mandatory for individuals involved in the secure application of chemical products. This program leads to the attainment of an applicator card, subject to periodic renewal.

Sogrape Portugal's Pioneering Role in the PRO_MOV Programme

In alignment with the European initiative to retrain one million individuals by 2025, Sogrape Portugal has collaborated with IEFP and renowned wine and olive oil producers to inaugurate an innovative agricultural course in the Alentejo region. The inaugural edition of the Specialised Agricultural Operator Course commenced in Évora in November.

The PRO_MOV initiative is an integral part of the Reskilling 4 Employment project, a pioneering European endeavour aimed at retraining one million unemployed or professionally at-risk individuals by 2025.

This initiative presents a distinctive opportunity for specialisation and enhanced employability within the agricultural sector, contributing to the requalification and enrichment of individuals' lives. It advocates for the promotion of Portugal's interior and the



primary sector as an excellent alternative for those seeking growth.

The course encompasses theoretical training supplemented by a robust practical component in the field and an authentic work environment, facilitating swift professional qualification for trainees.

The overarching goal of this course is to equip professionals with skills highly valued by sector companies, fostering both high employability and career advancement. Attendees receive remuneration for their participation, coupled with social benefits.

PROVIDING ESSENTIAL INFRASTRUCTURE FOR RURAL WORKERS ON SOGRAPE PORTUGAL ESTATES

Across various farms, the provision of infrastructure for agricultural workers is a key focus. These estates feature Agricultural Facilities equipped with communal areas such as cafeterias, changing rooms, toilet rooms, locker rooms, along with a machinery and equipment yard, storage spaces, workshops, and phytosanitary product facilities. In these latest facilities, there are mini wastewater treatment plants for the management of pesticides (machinery washing, etc.). The residues are subsequently collected or undergo Héliosec drying (a system for treating phytosanitary effluents through natural dehydration).

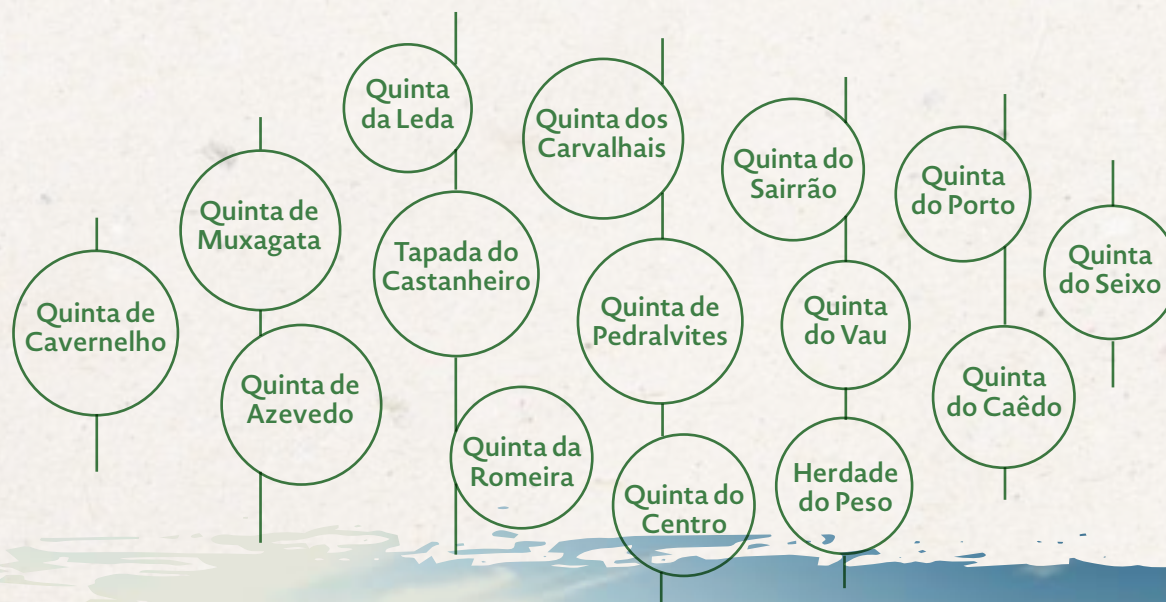
Not all estates possess these facilities. Some are dedicated solely to cultivating crops like vineyards or olive groves, lacking the broader agricultural infrastructure found in others.

Recognising the vital role that these facilities play in supporting the well-being of viticulturists, there is an allocated annual budget for the creation and improvement of such infrastructures. This financial commitment ensures ongoing efforts to enhance

the working conditions and overall quality of life for those engaged in agricultural activities on these estates. The aim is to create an environment where viticulturists can operate efficiently and comfortably while contributing to the overall success and sustainability of viticultural operations.

Special attention is being paid to the risk posed by climate change to farm workers. Shade and shelters have been placed in the vineyards with most prevalent heat-related risk conditions and working schedules have been adapted to avoid long exposure to dangerous temperatures.

Sogrape Portugal - Agricultural infrastructures



SOGRAPE AND ITS SELECT GRAPE SUPPLIERS

The meticulous selection of grape and other viticultural product suppliers carries various social and economic impacts, affecting viticulturists, the community, and the company itself. SOGRAPE is committed to extending its preferences to small and local producers, demonstrating a conscientious approach. This ensures the preservation of social and cultural responsibility in safeguarding viticultural heritage.

Sogrape Portugal

Sogrape Portugal collaborates with over 2000 national grape suppliers. While communication with these suppliers is occasional, there are specific criteria to be followed in the selection process. At the initiation of the contract, suppliers are provided with a company guide of best practices to standardise procedures and enhance transparency. Additionally, there are quality criteria for grapes that must be met for acceptance as a supplier.

Business Unit Estates/Supply number



Business Unit

Estates/Supply number

Bodegas LAN



40

Rioja
Rías Baixas
Rueda

Viña los Boldos



1

Cachapoal

Framingham



11

Marlborough

Finca Flichman



3

Tupungato



1

Maipú



3

San Carlos



1

Tunuyan

TOTAL = 8

In 2022, SOGRAPE procured over 26 million kilograms of grapes from viticulturists, sourced from 2,169 local suppliers spanning across the globe. This robust acquisition reflects the company's commitment to a diverse and widespread network of grape producers.

Amount of grapes purchased from winegrowers

Sogrape Vinhos	23 606 645 kg
Framingham	470 000 kg
Viña Los Boldos	42 169 kg
Bodegas LAN	2 800 000 kg
Finca Flichman	76 960 kg
Total	26 998 774 kg

The partnership celebrated in 2022 between Sogrape and the International Viticulture and Enology Society (IVES) of France meant a commitment towards greater accessibility to technical innovation for suppliers. Through this partnership, Sogrape funds the translation of IVES Technical Review to Portuguese language. The Technical Reviews are simplified technical briefs relaying results of the most recent scientific work in an accessible language meant for easy understanding and fostering adoption by practitioners. Every month, Sogrape sends to its grape suppliers an electronic message calling their attention to the most recent articles published in the Reviews regarding viticulture.



6 INSPIRE HAPPIER AND MORE RESPONSIBLE LIVES

People - diversity, inclusion and equal opportunities & OHS
Attracting, developing and retaining talent
Ethics and responsible conduct
Responsible consumption
Community impact and social action

INSPIRE HAPPIER AND MORE RESPONSIBLE LIVES

In its third pillar, SOGRAPE is dedicated to fostering relationships with employees, customers, and the communities it serves based on integrity, ethics, and responsibility. This commitment entails actively engaging with stakeholders, encouraging them to act more responsibly and align with SOGRAPE's overarching purpose. As a catalyst for positive societal change, SOGRAPE is resolute in preserving, respecting, and protecting the places and communities where it operates. The company actively seeks ways to contribute to their improvement. SOGRAPE demonstrates its commitment to people, diversity, inclusion, and equal opportunities and establishing measures for a safe work environment through occupational health and safety (OHS). The company aims to attract, develop, and retain talent while upholding high standards of ethics and responsible conduct. Additionally, SOGRAPE advocates for responsi-

ble wine consumption and is committed to making a positive impact on communities through social action initiatives. Through these initiatives, SOGRAPE seeks to inspire happier and more responsible lives, contributing to a world where integrity and positive social change go hand in hand. SOGRAPE aims to achieve these commitments by meeting the targets established in the Global Sustainability Approach, specifically the Key Performance Indicators (KPIs) by 2027. These KPIs are integrated into various projects and initiatives mentioned throughout the report, encompassing the entire range of SOGRAPE's business units.

Commitment	Target	KPI 2027
Promote a more inclusive, transparent and educated society	Actively contribute to the empowerment of 100 women every year	100 women impacted/year
Enable Sograpiness to flourish among our employees	Build a Sograpiness benefits program that fosters employee health, social and emotional wellbeing	1 active Sograpiness benefit programme per BU
Advocate for responsible consumer choices	Reach more than 1 million people with moderation messages	1 million people impacted

Focus:



Also contributing to:



PEOPLE - DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES & OHS

At SOGRAPE, diversity and inclusion are at the heart of our values, promoting equal opportunities for all. We believe that a diverse workforce fosters innovation and creativity. Concurrently, our commitment to Occupational Health and Safety ensures a safe and healthy work environment. SOGRAPE is dedicated to creating a workplace where every individual feels respected and empowered, contributing to a resilient and caring organisation.

To ensure fair working conditions, equitable compensation, and career progression, a salary review process is in place. This process is grounded in market studies and talent analysis, regularly reviewed by our Human Resources team. It aims to uphold just remuneration and fosters career advancement for our employees, aligning with our commitment to a supportive and rewarding workplace environment.



PRIORITISING OUR PEOPLE

Employee numbers at SOGRAPE



SOGRAPE
total employees

>1200

Liberty Wines
total employees

>185

Sogrape Portugal
total employees

716



Full-time
712

302 | 410



Part-time
4

2 | 2

Evaton
total employees

25



Full-time
23

10 | 13



Part-time
2

2 | 0

Viña Los Boldos
total employees

54



Full-time
50

19 | 31



Part-time
4

3 | 1

Framingham
total employees

14



Full-time
11

5 | 6



Part-time
3

3 | 0

Sogrape Brasil
total employees

6

2 | 4

SAP
total employees

5

2 | 3

Ratio between the lowest salary and the local minimum wage, sorted by gender

SOGRAPE consistently ensures a minimum base salary equal to the national minimum wage in all regions where it operates. However, it is the company's practice to provide a base salary above the national average, aiming to secure better working conditions for all employees, regardless of their position.

Another crucial aspect of SOGRAPE's base salary policy is to ensure gender equality. The company is dedicated to eliminating any wage disparity between men and women, emphasising equal pay for equal work. This commitment reflects SOGRAPE's dedication to fostering a fair and inclusive work environment where all employees are treated with respect and receive equitable compensation for their contributions.

		Sogrape Portugal	Viña Los Boldos	Sogrape Asia Pacific
Country minimum wage		705.00 €	432.59 €	899.86 €
Entry level wage by gender	Male	760.00 €	432.59 €	1547.38 €
	Female	760.00 €	432.59 €	1547.38 €
Proportion (between national minimum wage and entry level wage)	Male	7.24%	0%	41.55%
	Female	7.24%	0%	41.55%

Finca Flichman offers salaries **55% higher** than the national minimum wage for operational employees on the farm, **80%** at the wineries, and **110%** for analysts.

Ratio of basic salary and remuneration of women to men

SOGRAPE prioritises gender equality in salaries and remunerations, aiming to create a workplace where merit, not gender, dictates compensation. The company is committed to fostering a diverse and empowering environment, promoting professional growth regardless of gender. This goal aligns with SOGRAPE's vision to be a progressive and equitable employer, setting a standard for gender parity in the workplace. Through ongoing efforts and policies, the company strives to champion fairness, inclusion, and the full potential of every employee.

Sogrape Portugal		
Group	Base salary	Remuneration
A - Operational	100%	110%
B - Technical	101%	101%
C - Specialist & Coordinator	100%	102%
D - Expert & Manager	112%	114%
E - Head Of	108%	110%
F - C-Level	111%	119%

Evaton	
Employee category	Base salary
Admin	122%
Area Manager	105%
VP	108%
C-level	N.A. (only 1 person at C-level)

SAP	
Employee category	Base salary
All employees	100%

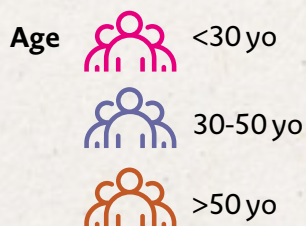
* 100% means total correspondence

New Hires and Employee Turnover

SOGRAPE is committed to managing its workforce dynamics with a focus on new hires and employee retention. The company values strategic recruitment practices to bring in fresh perspectives and innovative ideas. Actively seeking individuals with diverse skills and experiences, SOGRAPE fosters a dynamic workplace culture centred on creativity and collaboration.

To address factors contributing to employee turnover, SOGRAPE implements engagement programs, and offers competitive compensation packages. This comprehensive approach reflects the company's commitment to maintaining a positive work environment and prioritising employee well-being.

In summary, SOGRAPE's strategic vision for new hires and employee turnover aims to build a resilient and innovative team that contributes to the company's ongoing success.



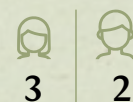
New employee hires

Sogrape Portugal



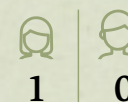
Total	Rate
94	12.90%

Evaton



Total	Rate
5	20%

Finca Flichman



Total	Rate
1	0.13%

Viña Los Boldos



Total	Rate
23	–

Employee turnover

Sogrape Portugal



Total	Rate
103	14.10%

Evaton



Total	Rate
4	16%

Finca Flichman



Total	Rate
5	6.67%

Viña Los Boldos



Total	Rate
4	–

SAP and Sogrape Brasil had no employee hires or turnover.

* For more information see GRI 401.1

Parental leave

SOGRAPE prioritises the well-being of its employees through comprehensive parental leave policies that go beyond statutory requirements. Understanding the significance of work-life balance, the company offers both mothers and fathers the flexibility to take paid parental leave, ensuring financial security during this crucial life event. The policy reflects SOGRAPE's commitment to creating a supportive and inclusive workplace, with additional support mechanisms for a smooth return to work.

By fostering a family-friendly environment, the company not only enhances employee satisfaction but also reinforces its dedication to the holistic needs of its workforce, embodying a workplace culture that values and prioritises employee well-being.

Sogrape Portugal

- **100%** of employees entitled to parental leave
- **14** women and **17** men took parental leave
- **6** out of **14** women returned to work in 2022
- Return to work rate = **43%**
- All **14** women are still employed 12 months after their return.
- Retention rate: **233%**
- **15** out of **17** men returned to work in 2022 and are still employed 12 months after their return
- Return to work rate = **88%**
- Retention rate: **100%**

Viña Los Boldos

- **100%** of women entitled to parental leave
- **2** women took parental leave
- **1** out of **2** women returned to work in 2022 and is still employed 12 months after her return.
- Return to work rate = **50%**
- Retention rate: **100%**

Finca Flichman

- **2** employees took parental leave
- **2** out of **2** women returned to work in 2022 and are still employed 12 months after her return.
- Return to work rate = **100%**
- Retention rate: **100%**

In Evaton, SAP, and Framingham, no employee took parental leave; however, it is noteworthy that a significant number—23 in Evaton, 5 in SAP, and 11 in Framingham—were entitled to this benefit.

* For more information see GRI 401.3

Employee Diversity

SOGRAPE is dedicated to building a globally diverse workforce with equal opportunities for all. Beyond geographic boundaries, the company is committed to creating an inclusive environment that values and leverages individual differences. This commitment not only enriches SOGRAPE's corporate culture but also fosters innovation and creativity, reflecting the company's core belief in the importance of diversity and equal opportunities for every employee worldwide.

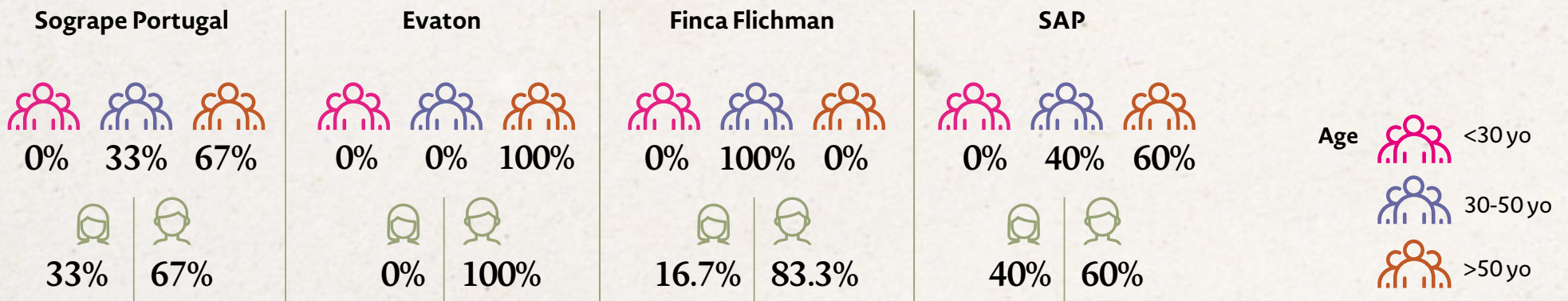
Employees at Sogrape Portugal			
	Percentage	Female	Male
A - Operational	40%	42%	58%
B - Technical	33%	49%	51%
C - Specialist & Coordinator	16%	48%	52%
D - Expert & Manager	7%	29%	71%
E - Head Of	3%	24%	76%
Group	<30 yo	30-50 yo	>50 yo
A - Operational	12%	43%	45%
B - Technical	14%	48%	38%
C - Specialist & Coordinator	14%	75%	11%
D - Expert & Manager	0%	59%	41%
E - Head Of	0%	48%	52%

Employees at Evaton			
Employee category	Percentage	Female	Male
Admin	24%	8%	16%
Area Manager	48%	28%	20%
VP	24%	20%	4%
C-level	4%	0%	4%
Employee category	<30 yo	30-50 yo	>50 yo
Admin	4%	12%	8%
Area Manager	0%	36%	12%
VP	0%	24%	0%
C-level	0%	0%	4%

Employees at Finca Flichman			
Employee category	Percentage	Female	Male
Operational (estates)	-	100%	0%
Operational (winery)	-	9.35%	80.65%
Analysts and Coordinators	-	61.54%	38.46%
Managers	-	25%	75%
Employee category	<30 yo	30-50 yo	>50 yo
Operational (estates)	12.50%	85.00%	12.50%
Operational (winery)	22.58%	70.97%	6.45%
Analysts and Coordinators	30.77%	69.23%	0%
Managers	0%	85.71%	14.28%

Employees at SAP	
Female	40%
Male	60%
<30 yo	0%
30-50 yo	40%
>50 yo	60%

Governance Bodies Diversity



EMPLOYEE HEALTH AND WELLBEING

SOGRAPE cares about its people and it is with their global well-being and the balance between personal and professional life in mind that the company provides a set of benefits that contribute to their health, development, and happiness.



Sogrape Portugal

The following benefits are standard for its full-time employees:

- Health care
- Life insurance
- Disability and invalidity coverage
- General medicine consultations
Curative Medicine carries out consultations within the scope of General and Family Medicine. In this consultation, employees are properly monitored for natural pathologies and additional diagnostic tests may be requested under the National Health System.
- Online medicine
- Voluntary health promotion services
Oral health program – a mobile dental unit visits Sogrape Portugal's facilities and brings equipment to perform oral screenings and minor treatments. Another partnership has been established to carry out more complex and prolonged treatments in a clinic.

Nutrition consultations – A nutritionist supports in creating canteen menus and carrying out consultations at Sogrape Portugal's facilities. The appointments are scheduled by the medical centre at the request of employees or upon referral from doctors.
- Clinical analysis
- Retirement provision

Work-life balance

- Flexible benefit plan
- Flexible work
- Parental leave
- 3 additional vacation days based on attendance and the possibility of accessing 2 extra unpaid days
- Advance of sick leave
- Birth kit
- Christmas offers
- Sogrape's pension plan
- Seniority awards

Leisure and culture

- Competitions for entries to cultural events – concerts, exhibitions, among others
- Exclusive advantages on wine tourism visits to port wine cellars and Sogrape Portugal estates.
- Exclusive advantages at Casa da Música, Serralves, and Super Bock Arena

Products and services

- Easy access to SOGRAPE products
- Partnerships with exclusive benefits for employees
- Transportation of employees

Framingham

- H&S management system
- Fitness benefit offered annually.

Liberty Wines

Employee wellbeing

It is important that everyone working for Liberty Wines feels happy and valued in the workplace. We are accredited by Investors in People and support our staff in a variety of ways.

- Employees and their families receive health and wellbeing support.
- Subsidised fitness.
- Language classes.

Viña Los Boldos

Employee wellbeing

- Benefit of a 3-hour leave without deduction for attending a medical check-up.
- During the pandemic, PCR testing at the plant was enabled to support the monitoring and health of the workers.
- Supplementary Health Insurance.

Finca Flichman

Employee wellbeing

- Life insurance, mandatory by law, and payment is made through employer contributions.
- Private health coverage is provided for non-union employees, while vineyard workers under the union agreement receive viticulture social welfare.
- Weekly consultations at the company by a private doctor.
- Parental leave:
 - 120 days for women (despite the 90 days by law), with 30 days covered by the company.
 - Fathers are entitled to 12 days, in contrast to the legal provision of 2 days.
 - A half-day of remote work is granted until the child reaches one year of age.
 - Mothers also receive 2 hours of cumulative breastfeeding time, although the law specifies 1 hour.
- Contributions for retirement are covered by the company.
- Awareness talks, addressing topics such as breast cancer, prostate cancer, and foodborne illnesses.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

The business units of SOGRAPE have different and independent OHS management systems in place according to the country where they are located.

Work-related hazards

At SOGRAPE, despite each country having its own organisation in accordance with national laws and obligations, a compliance management system is routinely implemented to ensure adherence to the legal requirements pertinent to the industry and to promote a safe and healthy work environment. This system is meticulously developed in accordance with the stipulations outlined in Occupational Health and Safety regulations.

Work-related hazards

Hazards identified

- Repetitive movements with the upper limbs
- Loads handling
- Minor head injury from a fall at ground level
- Injuries to the leg, knee, and shoulder from a fall at ground level

Actions taken

- Job rotation was established to reduce the time of exposure to risk
- Occupational Health and Safety Training
- Mandatory Use of Personal Protective Equipment (PPE)
- Improvement of Workplace Safety
- Acquisition of New Safety Equipment
- Monitoring Occupational Health and Safety Indicators
- Risk evaluation using a Risk Matrix

All employees and other subcontracted workers are obliged to report all incidents and accidents to their direct management. The management and the OHS team carry out an analysis of the situation and indicate improvement actions.

Sogrape Portugal and Finca Flichman

The methodologies and processes of the management system implemented at Sogrape Portugal are not formalised in a certification system. The implemented system covers the management of dangerous situations, incidents, and accidents.

The risk analysis process has an annual periodic review routine and other specific reviews in case of events that occur during the year. The risk assessment is carried out in collaboration with security and an external entity.

Work-related hazards are determined from the risk assessment and result in a risk matrix.

	Sogrape Portugal	Finca Flichman
Work-related ill health		
No. of fatalities	0	0
No. of cases of recordable work-related ill health	31	0
Main types of work-related ill health	Work-related musculoskeletal injuries	N/A
Work-related injuries		
No. of fatalities	0	0
No. of cases of recordable work-related injuries	1	4
Main types of work-related ill health	Falls and cuts	Muscle strain due to repetitive movements, Minor head injury from a fall at ground level, Injuries to the leg, knee, and shoulder from a fall at ground level.

All employees are protected by work accident insurance. Employees can request an occasional occupational medicine consultation to raise concerns related to the potential worsening of their health situation due to a specific occupational

exposure. Given the case, the occupational physician assesses the associated risk and determines the need for the employee to be removed from the workplace.

Occupational health

At SOGRAPE, occupational health is a priority. Our goal is to ensure a safe workplace through training, PPE use, medical consultations, and monitoring, and continuous improvement. Our commitment to employee well-being is integral to creating a secure, supportive, and thriving workforce.

Main aspects of occupational health service's operation	
Risk assessment	In partnership with Safety, participates in the identification and detailed analysis of risks present in the work environment.
Health Surveillance	Consultations are carried out with complementary diagnostic tests that allow identifying or monitoring potential changes in the health status of employees related to identified professional risks.
Prevention programs	Based on risk assessment, prevention programs are designed to avoid work-related accidents and illnesses.
Health education	Carrying out educational campaigns for employees to promote a safety culture with health literacy in the workplace.

Sogrape Portugal

The OSH and environment teams have a global action plan where they include all system monitoring, improvement, and corrective actions for nonconformities. These are grouped by scope, facilities and risk level and they are the consequence of several mechanisms such as risk assessment, audits, visits, Gemba walks, employee suggestions and complaints.

Sogrape Portugal's occupational health service

1 Nurse with a postgraduate degree in Occupational Nursing

1 Curative Medicine doctor

1 Doctor specialised in Occupational Medicine who also acts as service coordinator.

The Medical Station consists of two offices (Doctor and Nursing) and is in a visible and easily accessible area close to production. All employees and workers have access to the occupational service and are served on a first-come, first-served basis or clinical screening. Admission and periodic consultations are scheduled by the service and duly communicated to employees via email or telephone.

Sogrape Portugal has a suggestions and complaints channel in operation managed by the Human Resources team. Every year, a consultation is carried out to survey employees on OSH and Environment. This questionnaire is performed in the first quarter of each year and aims to analyse the results of the previous one.

The internal yearly training plan includes topics to promote effective management of risks at work and improvement of results in collaboration with the OHS team.

Building a positive culture of Occupational Health and Safety

Sogrape Portugal prioritises a safe work environment, recently observing World Day for Safety and Health at Work for the first time. Actions included Gemba Walks at Portuguese facilities, identifying operational risks. Awareness sessions emphasised the reporting of hazardous situations, showcasing operational leaders' commitment to safety improvement. To achieve our zero accidents goal, breaking from old habits is essential. This involves being hazard-aware, correcting deviations, adhering to rules, and encouraging prompt intervention and communication of anomalies. Building a positive Safety and Health at Work culture is a collective responsibility we embrace.

“Today, April 28th, marks the World Day for Safety and Health at Work, aiming to raise awareness of the global importance of preventing accidents and occupational diseases. This year, the International Labour Organisation emphasises the significance of participation and social dialogue in creating a positive safety and health culture.

Workplace accidents are not merely a result of luck or chance; they have associated causes that occur simultaneously, leading to accidents with potentially irreversible consequences for our ability to perform essential tasks in our professional and personal lives. Recognising this reality, Sogrape acknowledges this occasion to reaffirm its commitment to sustained accident reduction. Our Occupational Health and Safety (OHS) improvement program focuses on three essential pillars: information, training, and employee participation, aiming to encourage good OHS practices and promote a lasting change in attitudes and behaviours. In this context, it is crucial to emphasise:

- Reporting safety incidents, even if they don't result in accidents or damage.
- Conducting a risk assessment before performing a task.
- Welcoming suggestions from our people to enhance OHS conditions.
- Engaging everyone in accident prevention.

The development of safe and healthy work environments is crucial for employee satisfaction and well-being, contributing to the success of the company. Building a positive safety and health culture is a shared responsibility. Let's act together. For zero accidents. For our safety and that of those around us!

A message from Miguel Pessanha and Luís Martins

Finca Flichman

Every company employee, whether direct or indirect, undergoes relevant training in safety and hygiene related to their tasks. Additionally, there is an anonymous suggestion box for employees to contribute ideas or express concerns in these matters.

Every week, an occupational doctor visits the company, providing an opportunity for all staff to address specific health concerns. Additionally, by law, all personnel receive medical coverage either as defined by the collective bargaining agreement or private healthcare for those not covered by the mentioned agreement.

Finca Flichman has a Safety and Hygiene Technician dedicating 21 hours per month, distributed across 3 visits of 7 hours each. Furthermore, support from a licensed Safety and Hygiene professional is given, dedicating 6 hours per month, distributed over 2 visits of 3 hours each.

OHS training for employees

Every training provided by the Company is conducted during working hours by a Safety and Hygiene Technician. Following each training session, participants are evaluated to determine their understanding of the course. The training program is tailored based on the risk assessment, considering accidents, incidents, or observations from the previous year.

2022 training sessions:

- Workplace Safety and Health Induction
- Harvest Accident Prevention
- Risk Prevention: Noise
- Safe Work Procedures
- Evacuation Drills
- Risk Prevention in Pruning
- Ergonomics: Safe Manual Lifting
- Risk Prevention in Agrochemical Handling
- Prevention of Commuting Accidents, Defensive Driving
- Risk Prevention in Confined Spaces
- Risk Prevention in Working at Heights
- Office Ergonomics and Active Breaks
- Fire Prevention, Use of Fire Extinguishers
- Risk Prevention in Chemical Handling
- Formation of Emergency Response Teams

ATTRACTING, DEVELOPING AND RETAINING TALENT

At SOGRAPE, we embody the Sograpiness spirit in our approach to attracting, developing, and retaining talent. Our commitment goes beyond traditional training, focusing on continuous learning, mentorship, and career advancement. By fostering a culture of appreciation and collaboration, we create a workplace where each team member's unique contributions are valued. Our goal is to cultivate a motivated and empowered workforce that reflects the heart of our company culture.

Sograpiness spirit

Sograpiness is our spirit of Friendship and Happiness. It is the force that gives us the energy to pursue our dream. It's the way we give ourselves to our cause and an intrinsic part of our culture that reflects the feeling we experience every day and the way we relate to each other, both inside and outside the company.

The essence of the Sograpiness spirit transcends the creation of exceptional wines. It embodies the very core of our journey. It symbolises a commitment to driving positive social change, guided by a profound respect for biodiversity's limits. More than a mere slogan, Sograpiness represents our way of life and business, infusing purpose into every action.

At its core, this spirit encapsulates a dedication to imparting friendship and joy to all we encounter. Our approach is rooted in familial unity and a peak performing team culture, inspiring us to surmount challenges and progress with tenacity.

The Sograpiness spirit is a living manifestation of our mission to create a happier, more connected world while raising awareness of the imperative to safeguard our planet. Through Sograpiness, our aim is to serve as catalysts for positive transformation, uniting people in friendship, joy, and profound reverence for nature.



Sograpiness Initiatives and Benefits

Global Sograpiness initiatives



Walk for Sograpiness

Challenge launched to the SOGRAPE family around the world. For each kilometre travelled, 2€ were donated to the chosen association.

GOAL:

- Monetary donations to solidarity entities.



SOGRAPE Conference

The largest annual meeting of the SOGRAPE family took place at *Vidago Palace Hotel*. The 2022 theme was “*Dream ahead of time*” and brought together 100 SOGRAPE executive leadership, directors, and managers from all over the world. It included team building activities and the main results and strategic challenges for the following year were also presented

GOAL:

- Strengthen the Purpose and Sogrape culture.
- Promote strategic alignment.
- Reinforce the international character of the company.
- Foster bonding and networking.
- Inspire and influence for the future.
- Inform about the evolution and challenges of the business for the respective year.
- Train employees with competencies and tools related to the Conference theme.
- With an inspiring and engaging program, it aims to continue bringing the Purpose **Effect to life!**

At Sogrape Portugal

Drinks & Talks

Informal “get-togethers” after work to acquaint with new and existing colleagues and clients, in the spirit of *sograpiness* and in a relaxed way while savouring a glass of wine.

GOAL:

- Strengthen business and people relationships.

Wine in Moderation Week

Relaxed and informal meetings for members of the Sogrape Portugal Family. Low alcohol drinks are usually the stars of the event, in a perfect pairing with music and healthy snacks, integrated into the balanced Mediterranean Diet.

There are also initiatives that promote well-being and health, such as yoga, massages, and health screenings. A toast to Moderation, Happiness, and Friendship!

GOAL:

- Promote a healthy, moderate and *sograpiness* culture.

Employees Christmas party

Christmas celebration with all Sogrape Portugal employees. Activities include mass, lunch, and party with concert.

Employee’s families Christmas party

Celebrating Christmas with employees and their children aged up to 11. Activities include clown shows, inflatables, snacks and gift giving.

Harvest internships

Activity aimed at all employees who want to experience and deepen their knowledge about the SOGRAPE business, harvest, and winemaking Processes.

Harvest party

End of harvest celebration party.

Teambuilding

Team building actions organised by each department. The activities carried out are very diverse, from Escape Rooms, Pruning for a day, Trip to Cycle Meeting, Participation in Harvest, Visits to own sites, among others.

Celebrating business and recognising our People

Offer of an artistic illustration inspired by Sogrape's Purpose to all the Group's employees, in recognition of their dedication in a record-breaking year. Attribution of an extraordinary monetary prize to all employees in Portugal, in recognition of the company's extraordinary results of 2021.

Tree planting

Sogrape Portugal employees planted trees at Quinta dos Carvalhais, in the Dão region.

Evaton:

- Monthly Town Halls
- Annual GSM
- Holiday Party
- Monthly company lunches.

Finca Flichman:

- Children's Day Celebration
- Health Week that includes good practices announcements, and a healthy breakfast
- Year-end party
- Start of the grape harvest
- Internal actions for all the employees
- After-office events
- Portfolio presentation (year-end farewell)
- Friday lunches with several members of the company
- Birthday breakfasts
- Create employees' own wine (understand the entire process behind one bottle of wine)
- Direct communication with all individuals in the winery, and there is also an anonymous suggestion box for any ideas that anyone wishes to contribute.

Viña Los Boldos:

- Tree planting by employees at Viña Los Boldos estate – team building
- Awarding scholarships for professional studies
- Reduction of 1 hour in the weekly work schedule
- Leave without deduction to attend school meetings for children.

Training and development

Sogrape Portugal

Sogrape Portugal has a training and development model, obtained through a prior assessment of the organisation's needs. The output is an ongoing plan for all employees that is managed annually.

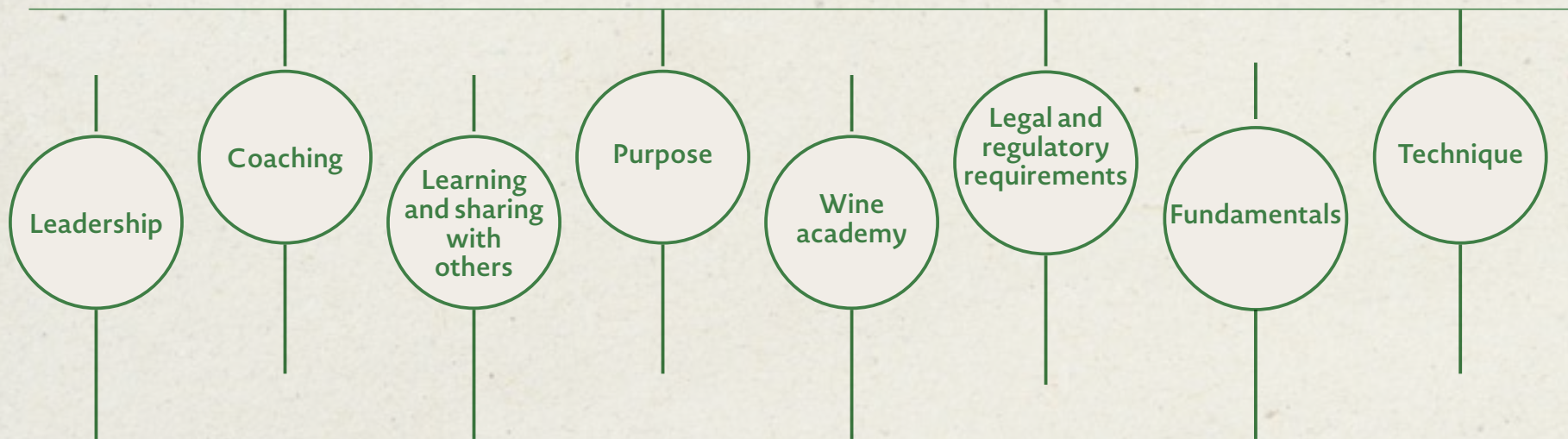
2022 was the year in which this model started and as such, the priority was to ensure mandatory training in compliance with legal standards and good practices.

138 Training sessions
79% of planned training sessions

2 850 hours of training sessions
more 570 than planned

2 310 participants
more 305 than planned

The model covers 8 clusters:



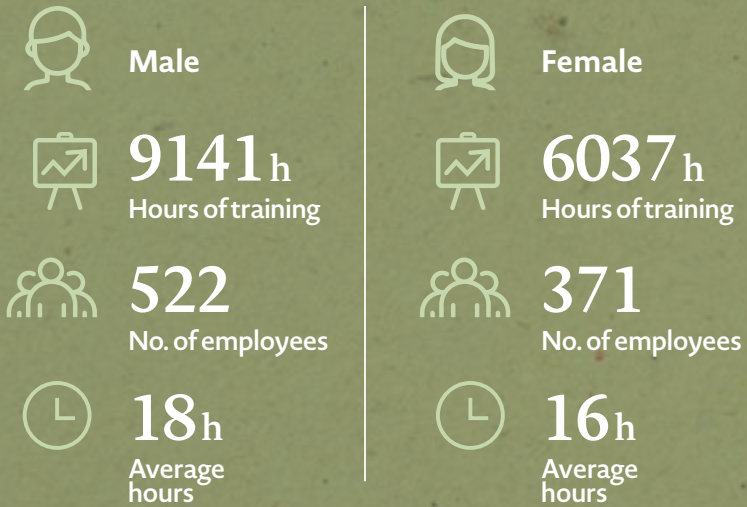
Training sessions

Cluster	Training session 2022	No. of sessions	No. of participants	No. of hours
Legal and regulatory requirements	Driving forklifts and stackers	3	89	24.6
	Food safety	8	123	90
	Fire safety	1	6	1.5
	Application of phytopharmaceuticals according to integrated production mode	1	1	35
	Driving and operating tractor safely	1	1	2
	Pest control	1	67	0.5
	First aid	2	75	19
	Health and safety standards and internal procedures	11	203	78.5
	Allergenic products – Oenology	1	16	0.3
	Hygiene, maintenance, and repair of high-volume cement vats in enology	1	2	2
	Sogrape's history and brands – Wine tourism	1	16	4
	Harvest internship	1	153	1
	Environmental management	1	6	1
	Internal norms and procedures	26	337	251.2
	Safety and Environment at work	19	217	19.9
	Safety and health at work	2	132	2.5
Coaching (internal)	Personal and professional development	1	9	22

Cluster	Training session 2022	No. of sessions	No. of participants	No. of hours
Fundamentals	English	1	34	30
	Technical English for oenology	1	6	25
	Spanish	1	9	30
	French	1	11	30
	Excel - basic	1	12	14
	Excel - advanced	1	28	14
	Excel - programming	1	8	20
	PowerPoint	1	2	12
Purpose	Disseminate SOGRAPE's purpose across operational layers of the organisation	1	155	4
Technique	Data analytics	2	2	224
	Financial analysis	1	1	40
	Grape maturation evolution	1	39	4
	Communication	2	26	18
	Wine knowledge	1	1	96
	Labor law	1	12	4
	General management	2	2	229
	Marketing campaigns management	1	1	40
	Marketing management	2	11	14
	Performance management	1	66	1
	Project management IT	1	13	16

Cluster	Training session 2022	No. of sessions	No. of participants	No. of hours
Technique	Wine hygiene and filtration	1	19	4
	Companies' legal departments and the role of in-house law	1	1	21
	R&D	1	1	8
	Leadership	1	7	21
	Logistics	3	3	40
	Negotiation	1	32	16
	Vineyard nutrition	1	1	16
	Customer relationship program	1	18	16
	Outsystems	1	2	2
	Patents	1	8	3
	Programming	1	1	96
	Security certification (level 4)	-	1	1000
	Security	-	1	50
	SEO	1	2	10
	Storytelling	1	1	8
Sales	-	28	14	
Viticulture	-	6	8	

Average hours of training



By employee category



2022 Internal Workshops

At SOGRAPE, occupational health is a priority. Our goal is to ensure a safe workplace through training, PPE use, medical consultations, and monitoring, and continuous improvement. Our commitment to employee well-being is integral to creating a secure, supportive, and thriving workforce.

Workshop	No. of participants
Facilitation techniques	4
W.I.N.E. Innovation Model	14
Off Trade	21
How to Pitch	21
No Alcohol	7

Sogrape Wine Academy

The Sogrape Wine Academy was created in 2022 with the objective of developing and expanding the wine culture among the company's main stakeholders, partners, and consumers, through a training offer of excellence.

The academy accompanies and guides this journey of sharing knowledge about wine culture, wines and everything that surrounds them. Sharpens curiosity, increases the sense of taste, and contributes to fully enjoying wine.

Sogrape Portugal and Nova School of Business and Economics launched the executive training course "W.I.N.E. - Wine is a Networking Enabler", the first program that seeks to strengthen networking skills through knowledge and experience of the wine world. It also promotes WSET (Wine & Spirit Education Trust) training courses.

Other benefits related to professional development

- Weekly wine tastings
- Sustainability, innovation, and R&D sessions
- Harvest internships

Program to support the development of technical skills

Upon request by the employee, the business unit awards a higher education study grant.

- 1 employee in postgraduate degree in oenology
- 1 employee in Quality Control master's degree



Sogrape Wine Academy in 2022:

- 5 courses and 49 WSET certifications
- 110 employees with WSET certification
- 98% approval rate for WSET Level 2
- 37 training sessions for trade and partners
- 145 employees impacted by 11 internal wine training courses
- 19 thematic tastings covering 11 topics, featuring 62 wines from 10 countries and 26 wine regions.

Liberty Wines

At Liberty Wines, a commitment to well-informed staff is evident, fostering increased confidence and enthusiasm. Employees take pleasure in sharing their knowledge with guests or customers, contributing to enhanced sales naturally.

The Liberty Wine Academy offers 'Train the trainer' sessions to empower managers in coaching their teams effectively.

The company supports staff in pursuing wine education qualifications through the WSET Level 1 and 2 of which they are patrons. Additionally, employees can acquire role-specific professional qualifications.

Liberty Wines Academy

Delivers personalised training developed by Head of Education Clare Whitehead. Catering specifically to on-trade staff new to wine service, the concise program, designed to elevate wine knowledge and drive sales, covers tasting techniques, wine list navigation, service excellence, communication skills, and food and wine matching. Also available online.

Evaton

At Evaton, employees benefit from regular wine education and personalised business courses designed to enhance the skills and knowledge of high performers.

Finca Flichman

Finca Flichman planned **70** training sessions, with **72%** successfully completed.

Viña Los Boldos

A total of **17** employees participated in training sessions, accumulating a collective total of **410** training hours. This highlights a concerted effort towards continuous learning and development within the organisation, ensuring that employees have access to valuable opportunities for skill enhancement and professional growth.

• Average hours per employee:

24.11 hrs

• Average hours for Women:

68.33 hrs

• Average hours for Men:

37.27 hrs

• Average hours for Middle Managers:

144 hrs

• Average hours for Operators:

8.13 hrs

Employee performance and career development reviews

At SAP, Finca Flichman and Framingham, 100% of employees received annual performance reviews, and at Evaton, 100% of employees receive performance reviews twice a year.

Extraordinary support allocated

In 2022, SOGRAPE continued its commitment to its employees and the community by providing extraordinary support.

Evaton

At Evaton, the company retained 100% of its workforce during the COVID-19 pandemic.

Sogrape Portugal

- Employees at Sogrape Distribuição and Grape Ideas received ongoing COVID-19 support from 2020 to 2022.
- Sogrape Portugal employees were granted an extraordinary bonus to counteract inflation.
- Employees at *Quinta do Seixo*, from Grape Ideas received support to aid the recovery of tourism in the Douro region.

These actions underline our dedication to employee well-being and community resilience while aligning with our commitment to responsible business practices and sustainability.

Sogrape Portugal		
Performance review percentage (total):	83%	
Employee category	Female	Male
E - Head Of	100%	100%
D - Expert & Manager	87%	97%
C - Specialist & Coordinator	87%	93%
B - Technical	80%	83%
A - Operational	82%	83%

ETHICS AND RESPONSIBLE CONDUCT

Ethics and responsible conduct are foundational to SOGRAPE's success, fostering trust, integrity, and sustainability. Beyond legal compliance, these principles build a positive reputation and strong stakeholder relationships. Recognising the importance of responsible conduct, SOGRAPE extends its commitment to environmental and social considerations, contributing to community well-being. Internally, this dedication creates a healthy workplace, boosting employee satisfaction and productivity.

The company manages this material topic through the legal department. The document "Sogrape Group Competition Policy (SGCP)" is also utilised, applicable to all entities under its control or dominance, as well as to all employees directly or indirectly involved in the commercial activities of the Group.

Raise Your Voice - Whistleblowing Portal

In 2022, SOGRAPE launched an anonymous reporting channel, 'Raise Your Voice,' available to both employees and external individuals. Through this platform, users can submit a report and track the process's progress. The platform is managed by a team of lawyers, who serve as external agents to ensure confidentiality, impartiality, and transparency.

Training sessions on competition policies

Training sessions on competition policies are essential to empower professionals to identify, understand, and effectively address unethical business practices. These sessions focus on strategies to uphold market integrity, foster fair competition, and ensure legal compliance. In 2022, two training initiatives on this topic were conducted:

1. July 2022 to February 2023 - E-learning competition policy training for 131 Sogrape Portugal employees.
2. September 7, 2022 - High-level competition policy training held in Vidago for 17 participants, including administrators and business unit leaders from SOGRAPE.

Legal Actions

Upon reviewing SOGRAPE's business units, Sogrape Distribuição, S.A. is currently involved in a legal action for unfair competition, for which no opinion has been obtained yet.

Looking Ahead

SOGRAPE aims to establish a communication and training plan on anti-corruption policies and procedures in 2023, designed in collaboration with an external team, along with the Code of Conduct of the group. Additionally, the company intends to educate and keep its employees informed through training sessions on the plan.

Alignment of Human Resources Strategy with Company Strategy

Human Resources aligns with SOGRAPE's policies and ideals, specifically aiming to make SOGRAPE a high-performance family company. To achieve this, there is a strong emphasis on meri-

tracy, and career management models seek to benefit and engage employees in this strategy. We also aim to ensure that all employees possess the necessary skills for each job, supported by the Annual Training Plan.



RESPONSIBLE CONSUMPTION

In the wine industry, responsible consumption emerges as a pivotal challenge. At SOGRAPE, we acknowledge the need for proactive measures to address the potential negative impacts of excessive alcohol consumption. Recognising that responsible wine consumption aligns with a healthy lifestyle, we aim to cultivate a culture that promotes moderation through initiatives such as **Wine in Moderation**.

Beyond mitigation, wine holds intrinsic value in diverse global lifestyles and cultures, making the wine value chain a crucial contributor to the social, cultural, agricultural, environmental, and economic aspects of regions and countries.

Our commitment extends beyond mitigation to an educational initiative, fostering a sustainable future for wine-producing regions and the livelihoods they support.

Elevating Labeling Standards Beyond Legal Requirements

Our dedication to responsible consumption goes beyond compliance with legal requirements. We have enthusiastically embraced projects such as Wine in Moderation and U-label, which complement conventional labelling by providing comprehensive information to consumers. These initiatives empower individuals with insights into the products they choose, fostering responsible and conscious consumption practices.



KEY INITIATIVES

Empowering Consumers Through Information

At **Sogrape Portugal**, as part of our commitment to responsible consumption, a **dedicated platform** was established that serves as a source of information for consumers. We believe that informed choices are essential for individuals to enjoy wine in moderation and make decisions that align with their health and well-being.



U-label

In our commitment to responsible consumption, **Sogrape Portugal** is among the pioneers that have embraced the U-Label initiative. U-Label is a digital platform for electronic labels designed for wine and spirits companies, aimed at increasing consumer access to transparent information.

Through a QR Code, consumers can access relevant and transparent information in their preferred language. These electronic labels feature key details such as the product's name, image, category, country of origin, ingredient list, nutritional information, and sustainability-related information, along with messages advocating responsible consumption.

As part of this groundbreaking project, our brand, Mateus, has been chosen to spearhead the pilot program, with the first electronic labelled bottles sold in European markets in April 2022.



Driving Change as a Founding Member

As a founding member of the *National Alcohol and Health Forum*, Sogrape Portugal has pledged its commitment to promoting responsible alcohol consumption. By signing the commitment letter promoted by the *Portuguese Service for Intervention in Addictive Behaviours and Dependencies (SICAD)* to join this initiative, our aim is to create a nationally representative platform that will bring together stakeholders from civil society who are dedicated to strengthening actions aimed at minimising the harm caused by harmful alcohol consumption.

Grape Ideas' Commitment to Cultivate a Culture of Moderation

Grape Ideas advocates for responsible consumption through various measures, including the provision of communication materials in visitor centre stores and across all online institutional and commercial platforms. Additionally, annual training sessions are conducted for guides, emphasising the importance of promoting and embodying responsible consumption principles. These initiatives underscore our commitment to fostering a culture of moderation and awareness among our visitors and stakeholders.

Liberty Wines: Promoting Responsible Consumption

Liberty Wines is dedicated to fostering responsible alcohol consumption, ensuring that its wines and beverages are enjoyed with moderation both in social settings and at home. As an importer and wholesaler, Liberty Wines takes an active role in addressing alcohol misuse.

Staff members participate in sessions with Club Soda, an organisation promoting a mindful approach to alcohol, offering support for those seeking to reduce their intake.

In marketing and promotion efforts, Liberty Wines adheres strictly to codes and regulations, with a commitment further underscored by being a signatory to the Portman Group code. The company believes in cultivating a culture of moderation for the well-being of consumers and the broader community.

Low & No: The Rise of Alcohol-Free Alternatives

Considering the various crises, including the pandemic and financial stress, consumers are increasingly prioritising mental and physical well-being. According to IWSR market analysis, the low or non-alcoholic beverage and mocktail market is experiencing exponential growth, with an estimated 30% increase projected for 2021-2022.

This leads to the development of a wine production process or a non-alcoholic fortified wine, aiming to closely mimic the sensory characteristics of traditional wine. The goal is to provide a premium and sophisticated alternative to alcoholic beverages, aligning with the changing preferences of today's consumers and contributing to the expanding market for low and no-alcohol options.

WINE IN MODERATION

SOGRAPE made a significant commitment in 2008 by joining the international program *Wine in Moderation*. This program is the wine sector's international initiative that unites wine organisations with the same purpose - to promote moderate and responsible wine consumption, a habit deeply rooted in our society and culture, and mediterranean diet, to prevent and reduce alcohol-related abuse and harm. SOGRAPE not only joined this initiative but also plays a crucial role as a co-founder and ambassador of the program.

> 50 000 
trained professionals

> 15 
different countries

Together with the WiM Association and its partners and ambassadors, they work to influence both **wine professionals** and **consumers** to reduce harmful consumption and embrace moderate wine drinking.

To accomplish this goal, the Wine in Moderation Brand and SOGRAPE utilizes various communication tools:

- A dedicated website
- Social media channels
- Guidelines
- Key messages
- Videos
- Action packages
- Scientific information
- Wine Communication Standards.

Through these tools, the WiM aims to integrate the program's values and message into the daily lives of their followers, whether they are wine professionals or conscientious consumers.

SOGRAPE and the *Wine in Moderation* program share the belief that the conscious enjoyment of wine contributes to the well-being of contemporary societies and future generations. The Wine in Moderation logo is employed by all Business Units in both internal and external communications, including its use in email signatures, official brand communications, campaigns, brand websites, advertising, among other channels.

The company is committed to promoting a positive wine culture and empowering people to responsibly choose, share, care, and enjoy wine. Together with WiM, we play an important role in advocating for a balanced and mindful approach to wine.



BE RESPONSIBLE. DRINK IN MODERATION.

The 3 pillars of Wine in Moderation

1 CHOOSE > “Choose whether or not you want to drink. Choose to respect the wine you drink. Choose to respect those around you.”

2 SHARE > “Share wine with friends and family. Find harmony in the palate. Accompany it with good food and water”.

3 CARE > “Because taking care of yourself means taking care of those around you”, enjoy wine in moderation, avoiding excesses and dangerous behaviors.

At SOGRAPE, we firmly believe that responsible consumption is not just a challenge but an opportunity. It is an opportunity to create a positive impact on society, to empower individuals to make informed choices, and to contribute to the well-being of communities and regions worldwide. The sustainability of the wine sector depends on the level of rooting in society of regular, moderate, and responsible wine consumption. Through these initiatives, we are taking proactive steps towards nurturing a healthier tomorrow, one where the pleasures of wine are enjoyed responsibly, and the well-being of all is prioritised. It is just as important to raise awareness about moderate and responsible wine consumption as the work we do in the vineyards to mitigate the impact on the environment, as both contribute to the balance of sustainability in the sector.

Wine in Moderation Week

In Portugal and in Spain the *Wine in Moderation* Week was celebrated, a dedicated week aims to heighten awareness among our collaborators and their families about the importance of moderate alcohol consumption. Across five days, a diverse program unfolds, emphasising the significance of maintaining a healthy diet and incorporating regular physical activity into our lives. Together, we celebrate the harmonious balance of enjoying wine responsibly within the framework of a well-rounded and health-conscious lifestyle.



COMMUNITY IMPACT AND SOCIAL ACTION

At SOGRAPE, we recognise that our responsibilities extend beyond our business operations, embracing our role as active members of the communities in which we are present. We believe in the importance of contributing positively to society, fostering strong partnerships, and engaging in meaningful social action.

The company has always been committed to respecting, preserving, and protecting the places where we operate, striving to make them better. It is crucial for us to contribute to the development of the communities in which we are present, offering support to enable them to thrive and grow.

At SOGRAPE, there is a dedicated department overseeing all projects, ensuring continuous coordination with various impactful areas within the company. The management of both positive and negative impacts relies on feedback from supported entities and the direct assessment of each

project's influence on individuals and society. The progress of implemented measures and projects undergoes regular evaluation and review in periodic monitoring meetings, as well as at the conclusion of each project.



PARTNERSHIPS AND COLLABORATIONS

SOGRAPE is proud to have cultivated strong partnerships and relationships with numerous cultural, education and humanitarian organisations. These collaborations go beyond financial support, reflecting our dedication to making a meaningful impact. We work closely with these entities to address social challenges, promote sustainability, and drive positive change within our communities.



Sogrape Portugal

- Faculdade de Engenharia do Porto
- Universidade do Minho
- Universidade de Aveiro
- **Nova SBE** - Continuing its commitment to education, Sogrape is a patron of the university, providing access to high-quality education in Portugal. This support contributes to the country's development, making it a preferred destination for both Portuguese and international students.
- **Escola 42** - Established in Paris in 2013, is a globally recognized coding school with over 18,000 students in 30+ countries. Learning is free, requiring no prior academic or programming experience. Sogrape sponsors the Porto branch, supporting education and fostering skills development for young professionals in the region.
- Kellogg - Universidade Católica
- **Casa da Música** - Sogrape Portugal is a patron of Casa da Música, aiming to promote culture in Portugal, with a particular focus in Porto, where this institution is based.
- **Fundação de Serralves** - Sogrape Portugal is a founding patron of Serralves, furthering our commitment to culture, contributing to its development, and fostering a richer and more educated city.
- Museu da Imprensa
- APLOG
- Centro de Biologia Molecular e Ambiental
- ICBAS
- **EPIS - Empresários pela inclusão social** - aims to lead in developing innovative approaches for academic success, improving education quality, and enhancing youth employability in Portugal. Sogrape Portugal annually supports three students with scholarships in communities where it operates, prioritising young women, aligning with the company's **KPI 2027** of empowering over 100 women each year.
- CIBIO - Centro de Investigação em Biodiversidade e Recursos Genéticos – UP
- Junior Achievement Portugal
- **Stand4Good** - supports university students facing proven economic hardship, who narrowly missed receiving Social Action Scholarships. The initiative focuses on developing key skills and enhancing youth employability to break the cycle of poverty and social exclusion. Sogrape Portugal provides financial support to Stand4Good and assigns a mentor to a student annually, offering guidance and support. The company's commitment aligns with the **KPI 2027** empowering over 100 women each year by specifically choosing young female mentees.

SPONSORSHIPS AND CONTRIBUTIONS

As part of our commitment to community development, SOGRAPE provides financial support to various cultural, educational, and humanitarian initiatives. In 2022, we contributed to support projects that align with our sustainability values and benefit the community at large. SOGRAPE has raised money through charity lunches and other social events. Through these contributions and sponsorships, we have undertaken initiatives to address critical social and environmental issues, demonstrating our commitment to fulfilling our role as responsible citizens.



Casa Ferreirinha hands out Innovation Award to the Wine Searcher platform

Ferreirinha is associated with the second edition of the Golden Vines Awards 2022, as the **sponsor** for the Innovation category. Recognized as the 'Wine Oscars,' these prestigious awards spotlight the industry's finest producers.

The awards carry a significant philanthropic mission, aiming to raise funds for the Gérard Basset Foundation, responsible for financing education and promoting inclusion in the wine, spirits and hotel sectors. The collective efforts resulted in a remarkable total of over £1 million raised for this cause.

Sogrape Portugal

- Associação Humanitária dos Bombeiros Voluntários de Avintes
- Associação Humanitária dos Bombeiros Voluntários do Peso da Régua
- Igreja Paroquial de Avintes
- Igreja Paroquial de Sta Marinha
- Liga dos Amigos do Hospital de Sto António
- Liga Portuguesa Contra o Cancro
- Vida Norte
- ReFood
- **Girl Move Academy** - A Mozambican leadership institution that champions female education and leadership through an intergenerational mentoring model. Recently was recognized by UNESCO for its outstanding education program for girls and women. Sogrape supports the initiative by offering a scholarship to a Mozambican woman. Integrated into the company for training, is hosted by a Sogrape employee who volunteers to support and integrate her during her stay, fostering skill development and empowerment for future impact in Mozambique.
- Fundação Infantil Ronald McDonald
- Lisbon Art Week

Liberty Wines

- Soho F.C., a central London LGBTQ+ team that believes that football should be open and accessible to everyone, regardless of sexuality, gender, any disabilities, or age.
- The Felix Project, a food redistribution charity in west London.
- Crisis, the national charity for homeless people.
- The Drinks Trust, drinks industry charity, who are committed to improving the quality of life for vulnerable people from the UK drinks industry.

Viña Los Boldos

The Business Unit from Chile sponsors a local kindergarten and senior citizen centre. It also actively seeks partnerships with local businesses for internships.

Finca Flichman

Focused on the education of Barrancas' children, Finca Flichman is collaborating with local schools on various initiatives:

- Donating materials for their day-to-day work
- Conducting work talks for 4th and 5th-year students
- Engaging in garden work with 5th-year students throughout 2023

- Providing materials for the garden
- Donating wine for raffles or internal school fairs
- Mobilizing different channels to ensure the Barrancas school has internet access
- Collaborating with the Barrancas club by supplying a lawnmower and sprinkler

Furthermore, two of the winery employees are completing their schooling, and for them, two tutors were assigned, providing monthly follow-up to offer support.



Finca Flichman has established a connection with the community school, leading to various joint projects. For instance, a vegetable garden was installed in the winery and is maintained by students in their final year of secondary school.

FUNDRAISING, EVENTS AND CAMPAIGNS

At SOGRAPE, our commitment to sustainability and social responsibility is deeply ingrained in our corporate culture and actions. These initiatives represent just a fraction of our ongoing efforts to empower communities, foster positive change, and uphold the values that define us as responsible citizens.

Sogrape Portugal

34th Edition of the Dona Antónia Awards: Celebrating Exceptional Women – In 2022, we celebrated the 34th edition of the Dona Antónia Awards that pays tribute to remarkable Portuguese women whose life paths exemplify the values upheld by Dona Antónia Adelaide Ferreira. We recognise and honour individuals who have made significant contributions to their fields and to society. Through these awards, we celebrate outstanding women who inspire us all.

- **Career Achievement Award** - Maria João Avillez (*Journalist and writer, also known as the “chronicler of Portuguese politics”*).
- **Revelation Award** - Maria do Carmo Teixeira Bastos (*Co-founder and president of Young Parkies Portugal, Portuguese Association of Early Parkinson’s*).



3rd Walk for Sograpiness - Our annual Walk for Sograpiness is more than just a walk - it's a journey of solidarity. This event united the Sogrape Family in a 2.350 km walk, demonstrating our collective commitment to support meaningful causes. By raising 4,700€, which were donated to the *Associação Portuguesa de Esclerose Lat-*

eral Amiotrófica (APELA) in honour of Salvador Guedes, we exemplify our dedication to making a tangible difference in the lives of those in need.



Sogrape4Ukraine - In the face of the humanitarian crisis resulting from the conflict in Ukraine, Sogrape Portugal stepped forward to address the urgent needs of the Ukrainian people. We developed a comprehensive response plan that included the donation of goods, support for partners, contributions to NGOs, and the welcoming of Ukrainian families in Portugal. Through Sogrape4Ukraine, we demonstrate our commitment to standing by those affected by adversity, wherever they may be.

EMPLOYEE VOLUNTEERING ACTIONS

SOGRAPE encourages our employees to actively participate in social actions and to engage with local associations and nonprofits through volunteer work. In 2022, our employees collectively volunteered 62 hours in 4 different community projects, organised by *Junior Achievement Portugal*. We are proud of their dedication to creating a meaningful impact, and we support and incentivise employee participation in volunteer programs.

Junior Achievement Portugal

It is a non-profit organisation and the Portuguese branch of one of the largest and most impactful NGOs in the world dedicated to youth.

Its mission is to inspire and prepare children and young people for the future. They promote conscious and inclusive entrepreneurship through skill acquisition programs, fostering an entrepreneurial mindset, and contributing to positive and sustainable change.

Sogrape Portugal has partnered with this initiative, and its employees volunteer to teach in schools, promoting education among students with an educational and emotional approach.



ART PROMOTION AND TOURISM

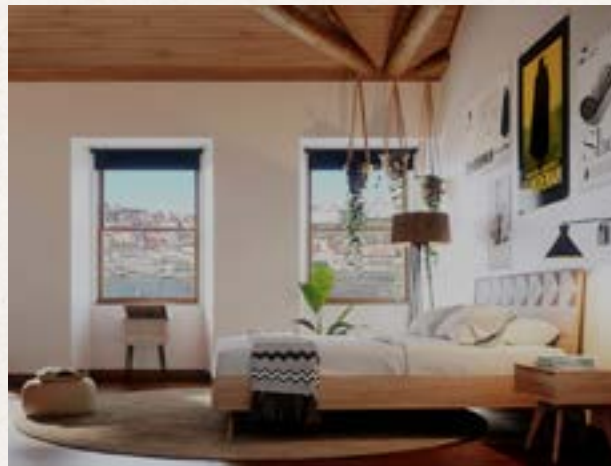
Sandeman online gallery

Sandeman's relationship with art is centuries old. Artists have been called upon to contribute to the visual universe of a brand that from an early age valued a distinctive approach to its communication. This relationship causes the brand to flourish, resulting in collaborations with several artists, from several generations, such as Francisco Vidal, Hugo Makarov and Fiumani in 2022, and Camila Nogueira in 2021.



The House of Sandeman

The House of Sandeman Hostel & Suites is an enchanted place with a scenic view of Porto and Douro River, overlooking the UNESCO World Heritage Ribeira. Located in the historic Sandeman cellar building, it is the world's very first Branded Hotel dedicated to a Porto Wine brand. Owned by the Independent Group, it intends to explore the intersection of winemaking and hospitality. It also comprehends Sandeman Terrace, where free concerts are organised at the Sandeman Stage.



Wine Tourism: Exploring SOGRAPE's Historical and Natural Heritage

At SOGRAPE, wine tourism is not merely a journey - it's an exploration of our historical and natural heritage. Over the years, we've gathered experiences and preferences that have allowed us to craft a rich and multicultural wine tourism experience. Our core values of authenticity, history, tradition, and a profound respect for the heritage of each brand identity have been our guiding principles for decades, and now, we aim to share these with our visitors.

SOGRAPE's wine tourism is a fusion of tradition, innovation, and a deep appreciation for the beauty of our surroundings, where history, culture, and the love of wine intersect in an unforgettable experience.

WINE TOURISM UNITS:

Portugal:

• **Quinta do Seixo (Douro):** Quinta do Seixo combines a unique winery design with a contemporary and innovative environment. Offering breathtaking views of the Douro, it provides a range of experiences, including tours of the new Biodiversity trail, wine tastings, and a one-of-a-kind dining experience at Sandeman Seixo by Vasco Coelho Santos.



• **Ferreira Cellars (Porto):** In the heart of Porto, the Ferreira Cellars offer distinctive tastings and visits, including insights into the life history of Dona Antónia Adelaide Ferreira.

• **Sandeman Cellars (Porto):** With an incredible view of Porto's Ribeira, Sandeman Cellars combine sophistication with a cosmopolitan atmosphere, all while preserving the authenticity of their original story, which dates to 1790. Visitors are guided by hosts dressed as the famous Sandeman Don.

• **Pinhão Railway Station Wine Shop:** This historic landmark played a pivotal role in the history of Port wine by facilitating its transportation by train since 1880. The shop offers a wide selection of wines, and guests can enjoy wine tastings paired with regional products.



Spain:

• **Bodegas LAN (Spain):** In Spain, you can visit Bodegas LAN, where nature, wine, and architecture converge in a captivating setting. Exclusive wine tastings and tours allow you to experience the essence of this unique place.

New Zealand:

• **Framingham Winery (New Zealand):** In New Zealand, you'll find the Framingham Winery, audited, and accredited as 100% sustainable by Sustainable Winegrowing New Zealand. Here, you can connect with historical heritage and nature through tailored tastings, winery tours, art spaces, bespoke dinners, events, music events, and even an underground band room.



SOGRAPE'S COMMUNICATION STRATEGIES

As a leading wine producer and distributor, SOGRAPE employs a diverse range of communication channels to disseminate information about its activities, brands, and initiatives. These communication strategies showcase the company's commitment to transparency, engagement, and sustainability across various platforms. It's advisable to check the latest channels for updated information, as communication strategies may evolve.

Key communication platforms associated with SOGRAPE include:

Official Website:

SOGRAPE maintains an official website serving as a central source of information on the company, its brands, vineyards, and winemaking practices. Sections covering history, news, events, and products offer comprehensive insights.

Social Media:

The company actively engages with audiences on social media platforms such as Instagram, LinkedIn and YouTube. Through these channels, SOGRAPE shares news, imagery, product launches, and interacts with followers from all around the globe.

Press Releases:

SOGRAPE issues press releases to announce news, achievements, partnerships, and other significant events. These releases are circulated to specialized media within the wine industry.

Events and Tastings:

Participation in wine industry events and the organization of tastings are effective promotional methods. SOGRAPE engages with consumers and industry professionals through events like wine fairs, enogastronomic gatherings, and specific product launches.

Advertising:

Traditional advertising mediums like specialized magazines, television, and radio are utilized to promote specific SOGRAPE brands.

Collaborations and Partnerships:

SOGRAPE collaborates with influencers, renowned chefs, and other brands to expand its presence and reach a broader audience.

Newsletters and Emails:

The company communicates with all employees through newsletters and informative emails, keeping them updated on product launches, promotions, and relevant news. For critical communications that cannot wait for traditional channels, a constitutional email is distributed to all employees.

Podcast “Sogrape in Every Grape”:

SOGRAPE has ventured into the podcast realm with “Sogrape in Every Grape,” a dedicated series unraveling the stories behind the diversity of people, origins, wines, brands, and projects within the Sogrape Group.

Sustainability Sharing Sessions:

The company conducts sessions on sustainability-related themes for all SOGRAPE employees, fostering awareness and engagement.

Intranet:

An internal platform serves as a hub for communications, promotions, and announcements for all employees.

WINE Magazine:

SOGRAPE communicates with a global audience through the WINE Magazine, available in Portuguese, English, and Spanish. The magazine covers diverse aspects for the wider group, such as new projects and launches.

Yearbook:

The company compiles a comprehensive yearbook with a dedicated sustainability chapter, providing a detailed overview of its initiatives and practices.

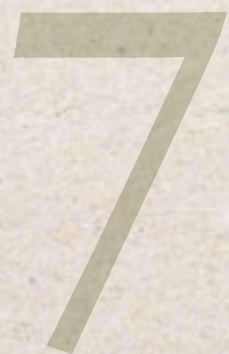


LOOKING AHEAD

At SOGRAPE, we are committed to continuously enhancing our community impact and social action efforts. We believe that a thriving community is a vital component of a sustainable future. In the coming years, we intend to:

- Reinforce and expand our partnerships with local cultural and humanitarian organizations.
- Increase our contributions to support community development.
- Encourage more employee involvement in volunteer activities.
- Measure and report on the social impact of our initiatives to ensure accountability and transparency.
- We remain steadfast in our mission to be a responsible corporate citizen, fostering positive change, and leaving a lasting legacy in the communities we serve.



A large, stylized number '7' is centered on a light-colored, textured rectangular background that has a torn, deckled edge. The background is set against a blurred green bokeh background of foliage. Below the textured box, there are several large, brown paper sacks overflowing with clusters of green grapes.

GRI CONTENT
INDEX

GRI INDEX

GRIN.	DISCLOSURE	CHAPTER	PAGES	CONTENTS
GRI 2 GENERAL DISCLOSURES 2021				
THE ORGANIZATION AND ITS REPORTING PRACTICES				
2-1	Organizational details	ABOUT THIS REPORT	3	Sogrape SGPS, SA; Public Limited Company with headquarters at R. 5 de Outubro, nº 4527. 4430-852, Avintes, Portugal
2-2	Entities included in the organization's sustainability reporting	ABOUT THIS REPORT; SOGRAPE GROUP	3; 9, 10, 11, 12	Sogrape Vinhos, SA Bodegas LAN, SA Viña Los Boldos, Lda Finca Flichman Framingham Wines, Ltd Sogrape Distribuição, SA Vinus, Lda Sogrape Brasil, Ltd. Liberty Wines Sogrape Asia Pacific, Ltd Evaton, Inc. Grape Ideas In preparing the content reported here, the Group gathered information from each business unit from interviews and questionnaires to the respective champions.
2-3	Reporting period, frequency and contact point	ABOUT THIS REPORT	3	
2-4	Restatements of information			Information from the last sustainability report (Sogrape Vinhos 2017) was mostly reformulated, since the present report contains information about Sogrape Vinhos, SA and other 11 Business Units.
2-5	External assurance			The present report has not been subjected to external verification.

GRIN.	DISCLOSURE	CHAPTER	PAGES	CONTENTS
ACTIVITIES AND WORKERS				
2-6	Activities, value chain and other business relationships	ABOUT THIS REPORT; SOGRAPE GROUP; ECONOMIC PERFORMANCE	3; 9, 10, 11, 12; 75,76	Activities: Viticulture, Winemaking, Bulk Wine Transportation, Storage, Blending, and Treatments, Bottling and Packaging; Final Product Stock; Shipment; 11 operations in 10 countries. Products: Wine and distilled alcoholic beverages Services: Wine distribution (in 6 countries with proprietary distribution). Markets Served: A family-owned wine company that has achieved global recognition, boasting a robust international presence in over 120 markets - (Key Markets: UK, Portugal, USA, Spain; High Potential: Benelux, Canada, Nordic Countries, Switzerland).
2-7	Employees	PEOPLE-DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES & OHS	110, 113	
2-8	Workers who are not employees	PEOPLE-DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES & OHS	110, 113	
GOVERNANCE				
2-9	Governance structure and composition	GOVERNANCE	14	
2-10	Nomination and selection of the highest governance body	GOVERNANCE	14	The Portuguese business units (Sogrape Vinhos, S.A., Sogrape Distribuição, S.A., and Grape Ideas - Turismo, Comércio e Serviços, S.A.) are joint-stock companies, organized in accordance with Portuguese law, with each of them being 100% owned by another company within the Group. The appointment of corporate bodies is carried out in accordance with the Portuguese Commercial Companies Code (CSC) and their respective bylaws.
2-11	Chair of the highest governance body	GOVERNANCE	14	
2-12	Role of the highest governance body in overseeing the management of impacts	GOVERNANCE	14	
2-13	Delegation of responsibility for managing impacts			There are several forums where the various issues are discussed and approved. Bi-monthly ELT meetings, Steering Committees for the most important projects, Department Meetings (Operations, Marketing, Sales, Supply Chain,) Management Meetings, Quality, Environment and Safety Committee, R&D Advisory Panel, among others.

GRIN.	DISCLOSURE	CHAPTER	PAGES	CONTENTS
2-14	Role of the highest governance body in sustainability reporting	GOVERNANCE	14	Fernando Cunha Guedes and Raquel Seabra.
2-15	Conflicts of interest			If a conflict of interest arises, or if an employee faces a situation that may involve or lead to a conflict of interest, they must immediately report it to their immediate supervisor and/or to the Human Resources, Legal, or Compliance departments to resolve the situation in a fair and transparent manner.
2-16	Communication of critical concerns			The organization employs various methods to communicate critical concerns: management of external complaints, meetings, and internal and external reports and evaluations.
2-17	Collective knowledge of the highest governance body			The highest government body keeps informed of sustainable development by working actively with the sustainability team.
2-18	Evaluation of the performance of the highest governance body			The management of the various companies within the Sogrape group is assessed based on corporate objectives set annually. Each company has its own objectives in addition to the corporate one.
2-19	Remuneration policies	PEOPLE-DIVERSITY, INCLUSION ANDEQUAL OPPORTUNITIES & OHS	111, 112	
2-20	Process to determine remuneration		111, 112	Salary review process based on market studies and talent analysis.
2-21	Annual total compensation ratio	PEOPLE-DIVERSITY, INCLUSION ANDEQUAL OPPORTUNITIES & OHS	111, 112	
STRATEGY, POLICIES AND PRACTICES				
2-22	Statement on sustainable development strategy	MESSAGE FROM MAFALDA GUEDES; Global Sustainability approach	4,5; 21, 22, 23	Global Sustainability Approach
2-23	Policy commitments	Global Sustainability approach	17; 21, 22, 23	Global Sustainability Approach; Code of conduct; both approved by the Board of Directors. These commitments are disseminated through various communication channels such as the internal network WINet, email, WINe magazine, Sogrape website, and media outlets.

GRIN.	DISCLOSURE	CHAPTER	PAGES	CONTENTS
2-24	Embedding policy commitments			During the hiring process, all permanent employees are required to sign the code of conduct. The Global Sustainability Approach is regularly monitored, with periodic meetings involving initiative leaders. Each initiative leader is overseen by a Champion, who, in turn, supervises their team members. The code of conduct is integral to the organization's operations and procedures. In the Global Sustainability Approach, the opening of a project file is mandatory for all included initiatives.
2-25	Processes to remediate negative impacts	ETHICS AND RESPONSIBLE CONDUCT	136	The Raise Your Voice – Sogrape Reporting Channel, is a secure and confidential means for addressing concerns, issues, or reporting violations of the Sogrape Group Code of Conduct. Communications through this channel may relate to any matter specified by law and the Code, including acts of harassment or discrimination, theft or robbery, damage to assets, or acts of fraud and corruption (both in the public and private spheres), including those provided for in Law 93/2021 of 20 December.
2-26	Mechanisms for seeking advice and raising concerns			The different departments seek clarification and provide their suggestions to the Sustainability department before implementing initiatives/measures. The Sustainability department actively participates in meetings to contribute its input.
2-27	Compliance with laws and regulations			Compliance assessment procedure that reviews environmental and occupational health and safety legislation on a weekly basis, complemented by an annual legal compliance audit. In 2022, the compliance rate was 95.9%.
2-28	Membership associations			Business Council for Sustainable Development (BCSD); United Nations Global Compact; International Wineries for Climate Action (IWCA).
STAKEHOLDER ENGAGEMENT				
2-29	Approach to stakeholder engagement			Throughout the value chain, and with the goal of impacting and influencing towards greater sustainability, communication is carried out through various channels, such as the internal network WINet, email, WINE magazine, Sogrape website, Sustainability Insider (Newsletter), Sustainability Sharing Sessions (Webinars). Sograpiness initiatives also organize involving both employees and partners.

GRIN.	DISCLOSURE	CHAPTER	PAGES	CONTENTS
2-30	Collective bargaining agreements			SOGRAPE employees have access to bargain agreements to which they are tacitly associated when the labour contract is signed. The collective bargaining agreements of Sogrape Vinhos are “Associação das Empresas do Vinho do Porto e a FESAHT – Federação dos Sindicatos da Agricultura”, “Alimentação, Bebidas, Hotelaria e Turismo de Portugal- (AEVP)” and “ANCEVE Associação Nacional dos Comerciantes e Exportadores de Viho e Bebidas Espirituosas / ACIBEV - Associação de Vinhos e Espirituosas de Portugal”. There is also an “extension ordinance” for the agricultural area that associated with “CAP - Confederação dos Agricultores de Portugal”.

MATERIAL TOPICS

CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

GRI 3 MATERIAL TOPICS 2021

3-3	Management of material topics	CLIMATE CHANGE AND GREENHOUSE GASEMISSIONS	24	Audits from International Wineries for climate action; UN Global compact
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GRI 305 EMISSIONS 2016

305-1	Direct (Scope 1) GHG emissions	CLIMATE CHANGE AND GREENHOUSE GASEMISSIONS	33, 34, 35	The GHG inventory reports from Sogrape Vinhos were prepared with the support of INEGI and in accordance with the GHG Accounting and Reporting Principles of the GHG Protocol Corporate Accounting, Reporting Standard and the guidelines provided by the International Wineries for Climate Action (IWCA), and ISO 14064-1:2018 “Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals”. The reports were also subjected to external review by an accredited verifier (LRQA) with limited assurance and a materiality of 5%.
305-2	Energy indirect (Scope 2) GHG	CLIMATE CHANGE AND GREENHOUSE GASEMISSIONS	33, 34, 35	–
305-3	Other indirect (Scope 3) GHG	CLIMATE CHANGE AND GREENHOUSE GASEMISSIONS	33, 34, 35	–
305-4	GHG emissions intensity	CLIMATE CHANGE AND GREENHOUSE GASEMISSIONS	33, 34, 35	–

GRIN.	DISCLOSURE	CHAPTER	PAGES	CONTENTS
305-5	GHG emissions Reduction	CLIMATE CHANGE AND GREENHOUSE GASEMISSIONS	33, 34, 35	-
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-	Annual carbon dioxide equivalent (tCO ₂ eq) retention	CLIMATE CHANGE AND GREENHOUSE GASEMISSIONS	34	
-	CO ₂ emissions per 0.75L bottle	CLIMATE CHANGE AND GREENHOUSE GASEMISSIONS	34	
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GRI 304 BIODIVERSITY 2016				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	BIODIVERSITY AND SOIL MANAGEMENT	37, 41, 42	
304-2	Significant impacts of activities, products and services on biodiversity	BIODIVERSITY AND SOIL MANAGEMENT	48, 49, 50, 51	
304-3	Habitats protected or restored	BIODIVERSITY AND SOIL MANAGEMENT	43, 45, 46, 47, 48, 49, 50, 51	
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	Insertion area: area covered by protection networks (Natura network, National Ecological Network, areas classified by UNESCO).	BIODIVERSITY AND SOIL MANAGEMENT	41, 42	
	Inventory of biodiversity, soils, and monitoring of climate and vegetation	BIODIVERSITY AND SOIL MANAGEMENT	48, 49, 50, 51	
	Grapevine Genetic Diversity (PORVID)	CLIMATE CHANGE AND GREENHOUSE GASEMISSIONS; INNOVATION, SCIENTIFIC KNOWLEDGE, AND R&D	32; 94	

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	Volunteer-driven tree planting initiatives by employees	BIODIVERSITY AND SOIL MANAGEMENT; ATTRACTING, DEVELOPING AND RETAINING TALENT	44; 126, 127	
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	Prevention and control of diseases in grapevines	BIODIVERSITY AND SOIL MANAGEMENT	39	
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ENERGY

GRI 3 MATERIAL TOPICS 2021

3-3	Management of material topics	ENERGY	52	Multi-annual plan aimed at reducing consumption and rationalising energy usage
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GRI 302 ENERGY 2016

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