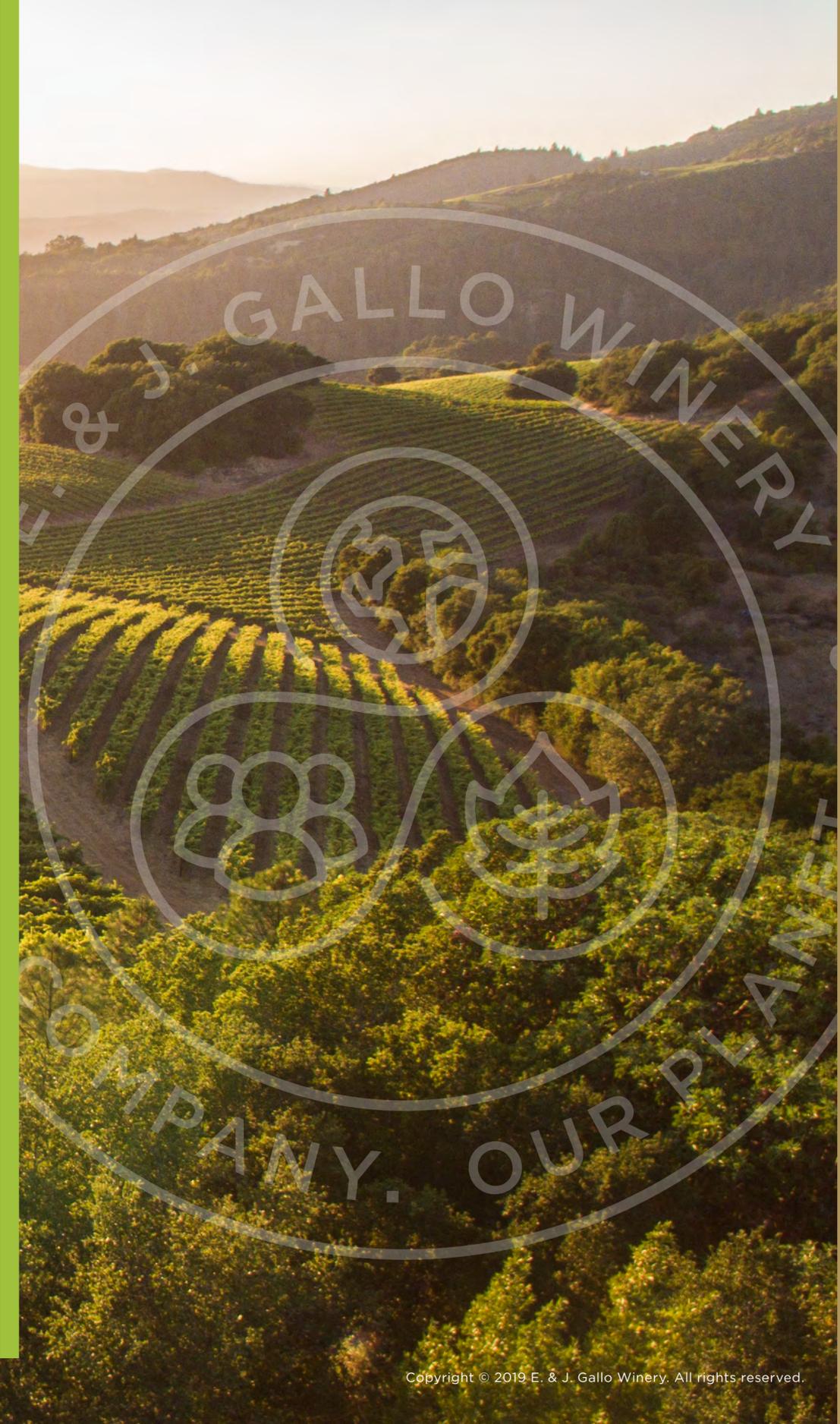


CONSERVE & PRESERVE

SUSTAINABILITY COMES NATURALLY

From humble beginnings, the hallmark of our company has been an unwavering commitment to quality and protecting the environment. Co-founders Ernest and Julio Gallo laid the foundation for our sustainable practices in the 1930s.

More than 85 years later, being a family-owned business fuels our passion for preserving the land, water and air for future generations. We're committed to operating in a way that balances environmental stewardship, financial performance and social responsibility.





As a family-owned business spanning five generations, we have a long history of conducting our business in a sustainable manner, considering the social, environmental and economic impacts in every decision.

This approach comes from our founding set of principles established by my father Ernest and my uncle Julio that continues more than 85 years later: respect for the land, respect for one another, respect for the communities where we operate, and always seek to improve. We consider this our legacy to future generations.

– Joseph E. Gallo, CEO



We're deeply committed to continuously improving our processes, reducing our carbon footprint and preserving our natural resources.

FROM GRAPE TO GLASS

We recognize natural resources sustain not only our business but, more importantly, our communities and future generations. That's why E. & J. Gallo Winery places protecting these precious resources at the heart of everything we do.

We're deeply committed to continuously improving our processes, reducing our carbon footprint and preserving our natural resources. Here are just some of the ways we're putting this commitment in action:

- Minimize the use of fertilizers and pesticides at every opportunity, including working with the industry as a whole to improve overall Integrated Pest Management Practices
- Recycle and reuse our process water
- Protect river habitats and create new wetlands
- Reestablish numerous endangered and threatened species including the Coho Salmon, the Riparian Bush Rabbit and the Kestrel, among others
- Maintain rigorous certifications such as ISO 14001 and adhere to The California Code of Sustainable Winegrowing Practices
- Work to achieve an industry-leading 3:1 water to wine ratio by 2022
- Use alternative Pest Management Practices such as sheep, falcons, barn owls and other alternatives while reducing the need for traditional agricultural pest management materials
- Nearly 175,000 tons of glass is diverted from landfills annually, which accounts for over 30% of all recycled glass in California



By The Numbers

THE BEST WAY TO ENSURE SUSTAINABILITY IS TO SET GOALS AND MEASURE PROGRESS. HERE ARE SOME OF OUR SUCCESSES TO DATE.



Reduction in water use at our wineries through 2017



Gallons of water saved by switching to ultraviolet sanitation at our Sonoma winery



Percent of water recycled at our Gallo Glass plant each year



Reduction in energy use at our Central Valley facilities



Acres of solar panel fields installed in the Central Valley and Central Coast over the last five years



Energy offset by making biofuel from grape skins, seeds and stems at our Livingston Winery



Reduction of volatile organic compound (VOC) emissions by our Spirits facility



Tons of plastic and cardboard recycled at our Central Valley sites annually representing an 87% recycling rate



Reduction in smog forming materials after Gallo Glass switched to oxygen-fired furnaces



IN OUR VINEYARDS

We're not just about growing grapes. We're about growing the highest quality grapes in a way that ensures we flourish together. We do this by being environmentally-conscious in how we conduct our vineyard and winery practices, socially-responsible in how we treat our employees, neighbors and local community, and economically-viable so our business remains productive and profitable.

That's why we've implemented more than 200 vineyard management best practices. These address land use, canopy management, energy efficiency, water quality assessments and carbon emissions. We also offer programs to support employees, neighbors and our communities.

We're proud to say many of our initiatives date back to our founders. Julio Gallo introduced the "50/50 Give Back" decades ago. This unique land management plan set aside one acre to help protect and enhance wildlife habitat for every acre of land planted under vine in our coastal operation.

We also pursue new innovations. We recently partnered with IBM Research on a "smart" irrigation system. This system fuses weather reports, satellite imagery and remote sensor data regarding soil conditions to deliver precisely the right amount of water to each vine. This represents a revolutionary approach compared to the current technology that, at best, delivers water to a specific row of vines. The smart irrigation system reduced water use by 25% and produced better quality grapes. Many other industries now use the underlying technology pioneered in our vineyards to discover insights that enable better crop production, vegetation management and disaster response planning.



AT THE WINERY

We believe renewable energy should be used wherever possible. As a company, we have invested heavily in solar operations throughout our organization, resulting in significant energy savings. In fact, we've generated more than 11 million kilowatt hours of electricity since 2015.

Like in our vineyards, we pursue water reduction projects as well as water re-use projects across our winery facilities. For example, we designed and built an integrated wastewater and energy plant at our winery in Livingston, California.

Here we convert wastewater and pomace into electricity through a biological reaction that generates a natural bio-gas. We've saved \$2 million in energy costs.

Our Fresno winery uses an anaerobic process water treatment system for generating reusable bio-gas which reduces our natural gas usage by more than 30%.

And nothing goes to waste. We're able to partially irrigate more than 4,000 vineyard acres with the water used in the process. And the residual pomace can be used as a fertilizer, soil amendment or animal feed.



We're committed to making a difference in the communities where we live and work.

ON OUR MODESTO CAMPUS

Sustainability guides our expansion as a company as well as the benefits we provide to our employees.

Our newest addition, the Dry Creek Building, received the Leadership in Energy and Environmental Design (LEED) Gold Certification by the U.S. Green Building Council (USGBC) in 2017. Features include a solar roof, abundant natural light, and both electric vehicle and carpool parking.

We also offer commuter shuttles for employees who live in the Bay Area. These buses reduce the number of

cars on the road, reduce emissions and offer participating employees the benefits of greater work life balance.

The grounds on our Modesto campus feature abundant green space. Paths wind among buildings and around a small lake where flocks of Canadian geese nest each year. Employees are able to walk, jog and relax among the cork oak, stone pine, camellias and pomegranate trees. This beautiful setting also provides a home for events, including our annual company picnic for employees and their families.

IN OUR COMMUNITY

We're proud to support a variety of non-profit organizations, community events, scholarships and more. This includes our employee matching gift program that doubles employee contributions up to \$5,000 annually. This empowers employees to direct much of our company's charitable giving.

Our employees also give generously of their time. We've partnered with an elementary school near our headquarters for more than two decades. Dozens of employees mentor an assigned student each week throughout the school year. As the holidays approach, many employees also select a student wish list from the Giving Trees placed around campus. Employees shop for their student knowing the gifts will make a child's wish come true.

The impact and importance of our efforts became clear in the wake of the 2017 wine country fires. We're humbled by the way our employees came together to support our colleagues, friends and neighbors.

Employees collected essential items and delivered them to colleagues who lost their homes. Employees from around the globe also donated more than \$85,000 to area non-profits, which the company matched 2:1.

As a result, the company donated \$1 million to the recovery efforts in the communities so many of our employees and suppliers call home.



E. & J. Gallo Winery proudly participates in the following certifications and organizations.



These symbols represent our commitment to ensure our decisions meet the highest sustainability standards. The best version of the future depends on our ability to meet the needs of our employees, communities, customers and consumers — all while preserving the planet for generations to come.

Visit www.gallo.com for more information on our corporate initiatives. For the very latest information, follow GalloCareers on:

