



E&J Gallo Winery

CORPORATE SOCIAL RESPONSIBILITY OVERVIEW 2021



OUR COMMITMENT TO FAMILY IS AS STRONG AS OUR COMMITMENT TO QUALITY

As a family-owned business, we feel a responsibility to future generations. We are passionate about contributing to a sustainable future, safe and healthy communities, and high quality of life for our employees and their families.



ENSURING A SUSTAINABLE FUTURE



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My grandfather Ernest and Great-Uncle Julio Gallo instilled in our family a great respect for the land and a commitment to preserving natural resources. They balanced business decisions with environmental stewardship.

For generations, we've shown that it's possible to grow a business while remaining committed to sustainable practices.”

- Ernest J. Gallo, *Chief Executive Officer*

GALLO'S SUSTAINABILITY STEERING COMMITTEE

“While our sustainable efforts and inclusive mindset at Gallo date back to our founding, we now have a committee in place to help drive our company goals into the future. Our committee will evaluate and recommend organizational goals which advance our values, focus on diversity and inclusion, and overall sustainability within the Wine and Spirits industry. Our goals will span social and environmental areas of interest. With help from our committee, we look forward to combining efforts with other wineries, manufacturers, industry organizations, and our communities to achieve great things.”

- Chris Savage, *Senior Director of Global Environmental Health, Safety & Sustainability*

THE SUSTAINABILITY STEERING COMMITTEE'S KEY FOCUS AREAS ARE:



CLIMATE CHANGE & GREENHOUSE GAS EMISSIONS

Continue our efforts and establish new goals to combat climate change and lower our carbon footprint



SUSTAINABLE PACKAGING

Increasing circularity of our packaging portfolio, contributing to our overarching climate goals



DIVERSITY & INCLUSION

Journey towards creating value by unlocking diverse skills, backgrounds, experiences, and the cultural differences every individual contributes to make Gallo a better place to work

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Caring for the land has always been part of our daily decisions. We've been using sustainable practices for a long time – back before there were certifications. My grandfather Julio knew it was the right thing to do.”

- Matt Gallo, *Vice President of Coastal Operations*



IT STARTS WITH THE LAND...

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.

We've implemented more than 200 vineyard management best practices and are continuing to innovate to address:

- Land use
- Canopy management
- Energy efficiency
- Water quality assessments
- Carbon emissions

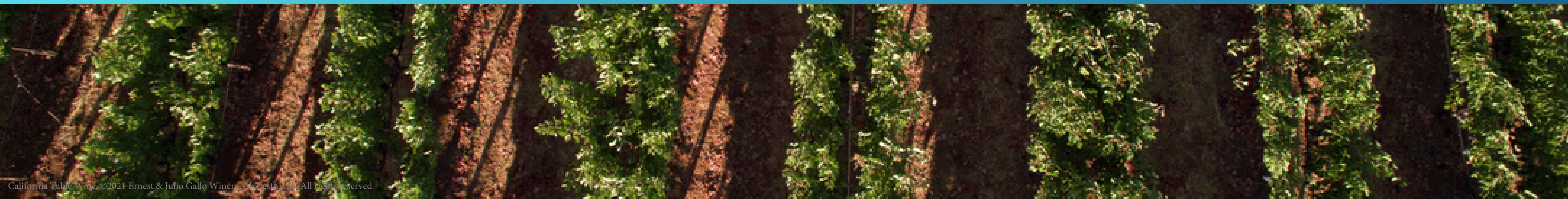
Gallo is dedicated to the preservation of the agroecosystem for future generations. As an industry leader, we know it is essential to develop and advance agri-tech applications for the wine grape industry.

Our engineers use data to continually assess and innovate our production practices, so we can minimize environmental impacts and enhance our sustainable farming practices. One high-tech project monitors vineyards through satellites and ground instruments, then uses algorithms to measure actual vine water usage and evaporation, and finally adjusts irrigation water application. To date, these efforts have allowed us to reduce vineyard irrigation up to 20% while maintaining yield and enhancing fruit quality.

We collaborate with scientists from the USDA and numerous national universities. By sharing our learnings with the grower community, we hope to advance the adoption of precision viticulture practices in the industry.



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. We continue this tradition today at all of our coastal vineyards.





FROM VINE TO TABLE

WE RECOGNIZE NATURAL RESOURCES SUSTAIN OUR COMMUNITIES AND FUTURE GENERATIONS. PROTECTING THESE PRECIOUS RESOURCES IS AT THE HEART OF EVERYTHING WE DO.

We’re dedicated to continuously improving our processes and sourcing strategies, reducing our carbon footprint, and preserving our natural resources. We do this through both our own programs and partnerships that enable us to:



Eliminate the use of crop protection materials at every opportunity, including working with the industry to improve overall Integrated Pest Management Practices




Recycle and reuse our process water



Use environmentally friendly cleaning materials



Protect river habitats and create new wetlands



Re-establish numerous endangered and threatened species including the Coho Salmon, Aleutian Goose, 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



Continue to maintain an industry-leading 3:1 water to wine ratio



Use alternative pest management practices including sheep, barn owls, and falcons while reducing the need for traditional pest management materials and soil compaction



Divert nearly 175,000 tons of glass from landfills annually

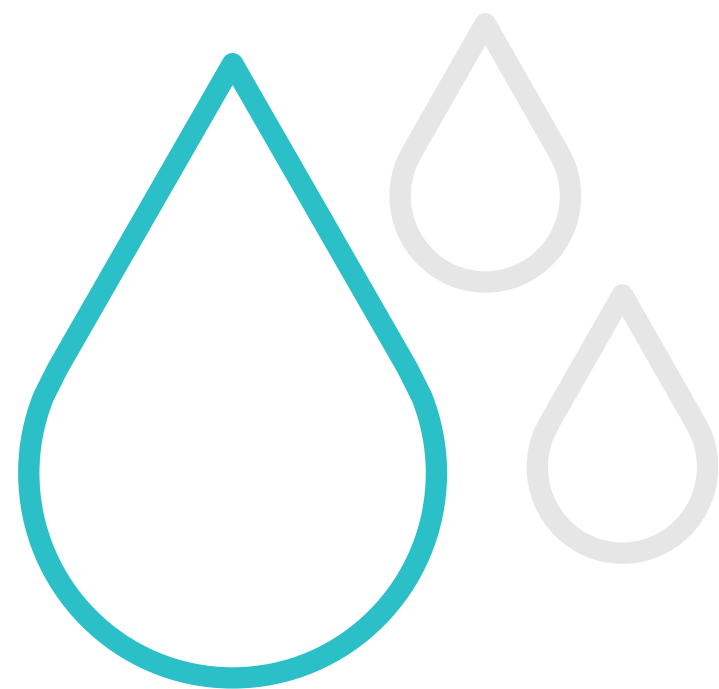


Ensure that every bottle of Gallo Glass is comprised of highest recycled content achievable

By The Numbers

The best way to ensure sustainability is to set goals and measure progress. Here are some of our recent successes.

Water



142,281,923 GALLONS

Wastewater processed at our largest winery in Livingston through onsite water-to-energy plant

Energy



16 ACRES

Solar panels across the North Coast, Central Valley and Central Coast properties combined



33.8%

Energy offset in 2020 achieved by making biofuel from winemaking byproducts and from using solar at our Livingston winery

Recycle



95%

Water recycled at our Gallo Glass plant each year



8,179 TONS

Recycled materials at our Modesto winery sites in 2020

E. & J. Gallo Winery proudly embraces the highest standards and best practices in our industry

These symbols represent our commitment to uphold the highest sustainability standards. A bright 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.



SPOTLIGHT ON SUSTAINABILITY

PROTECTING OUR OCEANS

The stunning New Zealand coastline inspires Starborough’s mission to care for the ocean. Starborough Sauvignon Blanc is grown in the premier wine region bordering the Marlborough Sounds, known for its turquoise seas and rocky tide pools dotted with starfish. The starfish decorates the Starborough label and represents the balance of land, sea, and sky.

As a long-time steward of the ocean, Starborough inspires action through events like beach clean-ups and contributes to conservation efforts. In 2021, Starborough teamed up with Oceana, one of the one of the largest international advocacy organizations focused solely on protecting the world’s oceans. Starborough helped raise awareness of the work that Oceana is doing and donated a portion of wine sales to support Oceana’s efforts.

The Starborough and Oceana partnership is helping to curb ocean pollution, restore marine habitats, and promote sustainable fishing.



PLANTING FOR THE PLANET

For four generations, the Gallo family has managed its vineyards responsibly and worked to make the world a better place for future generations by taking care of the land. As the impacts of climate change intensify, the company has joined a broader effort, promising one tree planted for every bottle of Gallo wine sold under the Gallo Family Vineyards label*.

The partnership with Mastercard’s Priceless Planet Coalition unites businesses, communities, and consumers in a program to plant 100 million trees by 2025. Reforestation helps reduce climate-related disasters, while the work to grow and plant trees helps communities economically.

By engaging consumers to support the program, Gallo Family Vineyards shares its vision and values and creates an opportunity for people to have a meaningful impact on a problem that is important to their communities and families.



ENGAGING OUR WORKFORCE

The Gallo Sustainability Club’s mission is to drive the culture of sustainability throughout the company, starting with our headquarters in Modesto. We do this by supporting efforts to make the Gallo Modesto campus more sustainable, raising awareness of our sustainability efforts internally, and building a community of like-minded sustainability advocates at Gallo. We aim to highlight our efforts in the hopes that our mindset and tactics might be adopted throughout the organization, across many Gallo sites. This past year, our club focused on several key initiatives:

- Implemented a packaging reuse program in six buildings to divert shipping materials waste
- Piloted program to recycle nearly 400 pounds of single-use plastic tubes, 100 pounds of nitrile gloves, and pipette tip boxes in Gallo labs
- Launched several green initiatives at our Courtside winery, including glass bottle reuse and composting
- Promoted sustainable lifestyles, winegrowing, and packaging through newsletters
- Grew membership to nearly 300
- Trained more than 2,000 employees on sustainability megatrends in marketing and packaging, the California Sustainable Winegrowing Alliance, and sustainability initiatives



*Gallo will donate two dollars (\$2.00), which is equivalent to the cost of planting one tree in the Program, for every bottle sold of Gallo Family Vineyards product from April 1, 2021, through November 30, 2021 (the "Promotion Term") up to a maximum amount of one hundred thousand dollars (\$100,000.00) where legal in the United States, excluding California.





SPOTLIGHT ON FOOD AND FAMILY

MEALS ON WHEELS

Too many American senior citizens suffer through isolation and hunger caused by social, economic, and health-related conditions. William Hill Estate is dedicated to helping put food on their tables through its 2021 partnership with Meals on Wheels.

The Meals on Wheels network serves virtually every community in America, delivering nutritious meals, friendly visits, and safety checks. William Hill works through regional Meals on Wheels chapters, contributing financial donations to make the work possible. The program also provides a way for consumers to donate to the cause.

William Hill Estate believes that it's possible to connect people through meals and social interactions and values the Meals on Wheels partnership for its tremendous impact on our families and our communities.

WILLIAM HILL®
ESTATE WINERY

PROJECT LEFTOVER

In the U.S. alone, 42 million people don't have enough food, yet billions of pounds of food go to waste. Diplomático set out to address this issue by connecting nonprofit food rescue organizations with restaurants and bars in a program called Project Leftover.

Project Leftover diverts unused food to people who need it, but that's not the only benefit. Reducing waste helps local establishments reduce their carbon footprint. Restaurants are struggling to keep workers employed through the COVID-19 pandemic, and reducing food waste can also lower operational costs, which increases profit margins and improves employee morale.

The program rolled out to several cities in 2021, enlisting 25 restaurants and bars in each city, and provides customized food waste reduction solutions supported by local partners. Diplomático is a leader in reducing waste, recycling 100% of all solid waste generated during rum production and 100% of liquid waste, which is reused as organic fertilizer.

DIPLOMÁTICO





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We strive to instill the idea that if you're employed at Gallo, you are family — this affects not just how we treat each other, but also how we treat our outside partners, our customers, and consumers. An engaged workforce yields an entrepreneurial and enjoyable environment. We recognize we will never be perfect, but we are an organization that is relentlessly learning and growing together.”

- Michelle Lewis, *Vice President of Global Human Resources*

Gallo's Diversity & Inclusion Council

Diversity and inclusion continues to be a top priority at Gallo. Embracing diversity allows us not only to attract and retain top talent, while stimulating innovation, but also helps us to meet today's increasingly diverse marketplace. Everyone should feel welcome and have access to products that satisfy their unique needs. Collectively, our brands and our company are committed to driving positive change within our industry moving forward.

We stood up our dedicated Diversity & Inclusion council in early 2020 with the purpose to

“**SERVE AS A CRITICAL DRIVER OF ORGANIZATIONAL CHANGE BY SETTING STRATEGIC ACTION PLAN AND ACCOUNTABILITIES THAT SUCCESSFULLY EMBED D&I INTO GALLO'S CULTURE**”

The council is comprised of at least ten diverse, cross-functional, high performing individuals who embody Gallo's values and bring strategic and operational excellence to the council. These individuals are appointed by the D&I Executive Sponsors and will serve a minimum 2-year term.

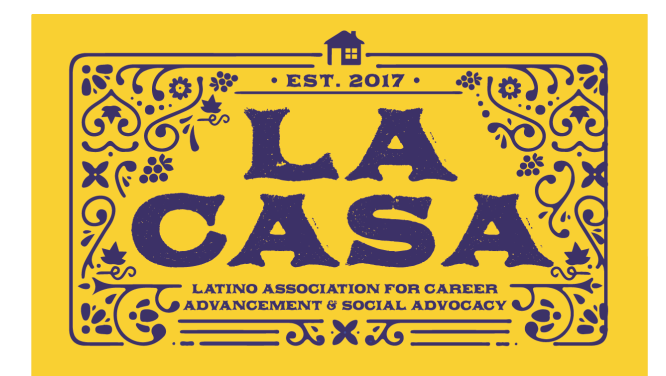
OUR FOCUS:

- Define Gallo's D&I vision and expectations
- Define and drive D&I learning and communication
- Provide leadership and support to key D&I partners in the organization
- Provide governance and oversight on D&I efforts
- Maintain D&I benchmark and metrics



Gallo's Employee Resource Groups

E. & J. Gallo Winery employees celebrate their differences and similarities through Employee Resource Groups (ERG) that serve to foster inclusion, creativity, and collaboration. Our ERGs provide opportunities for professional development, networking, outreach, and cultural enrichment. Gallo partners closely with its ERGs to solve business challenges, to support personal and professional goals, and to create a positive and constructive workplace.





**WE EXIST TO SERVE ALL CONSUMERS
IN MOMENTS THAT MATTER**



E&J Gallo Winery

California Table Wine, ©2021 Ernest & Julio Gallo Winery, Modesto, CA. All rights reserved

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Through our wines and spirits, we connect with people across communities, cultures, and continents, from our employees to our consumers and all the partners in between. Every person is unique – just like every vineyard, every grape and every bottle of wine is unique. We embrace and celebrate the characteristics and experiences of each person. Diversity creates a stronger community, enriches our lives and makes us a better company.”

- Stephanie Gallo, *Chief Marketing Officer*



SPOTLIGHT ON DIVERSITY AND INCLUSION

WINES FOR ALL

More than thirty years ago, Barefoot Wines set out to make wine for everyone, spreading inclusivity and positivity to wine lovers everywhere. As the #1 selling wine brand in the world, Barefoot Wines serves as an ally of under-represented groups through charitable donations, scholarships, awareness campaigns, and events around the globe such as:

- **#WESTANFORHER** – celebrates what it means to be a Black woman in America through our #WeStanForHer platform. This web series brings influential Black women together to discuss and celebrate the beauty, self-expression, and sisterhood of Black women through content, conversations, and community partnership.
- **New Voices Foundation** – a nonprofit dedicated to the advancement of women of color entrepreneurs who benefit, celebrate, and uplift their communities.
- **Supporting the PRIDE Community**
 - Bubbly Pride Collection packaging to create a visual reminder of our longtime support for the LGBTQ+ community. Proceeds from each case benefit Free Mom Hugs and the National Center for Transgender Equality.
 - Barefoot joined Free Mom Hugs, a non-profit organization made up of parents and allies, to educate families, communities, and civic leaders. Free Mom Hugs is spreading the love one hug at a time.
 - Barefoot partnered with the National Center for Transgender Equality to roll out the second U.S. Transgender Survey devoted to the lives and experiences of transgender and gender non-conforming people.



EMPOWERING FEMALES

La Marca is a champion of women in both their professional and personal lives. The brand remains focused on bringing to life marketing initiatives that help empower women, including partnerships with diverse female influencers, as well as female-focused organizations like The Everygirl Media Group. Through its Everygirl partnership, La Marca has supported a series of career empowerment conferences and provided a platform for voices of women of color to share their stories of success and empowerment.



EQUAL JUSTICE INITIATIVE

Changing the criminal justice system is no easy task. The Equal Justice Initiative is committed to ending mass incarceration and excessive punishment in the United States, challenging racial and economic injustice, and protecting basic human rights. Apothic supports the Equal Justice Initiative in its work. In its commitment to become a stronger ally, Apothic also engages within its own employee networks to have important conversations about social justice.

SPOTLIGHT ON PEOPLE AND COMMUNITY

NATIONAL URBAN LEAGUE “EMPOWERING COMMUNITIES, CHANGING LIVES”

Building inclusive, multicultural communities is at the heart of the E&J Brandy partnership with the National Urban League. For more than 100 years, the National Urban League has led programs that provide economic self-reliance, improve quality of life, and help fight for equality & social justice.

E&J Brandy has championed the cause, provided monetary support, and developed a platform for both the National Urban League and diverse collaborators to make their voices heard.



LET’S SWIRL

Knowing that social justice issues are important and yet extremely challenging to navigate, Carlo Rossi found a unique way to shine light on the topic. They invited Black women to share their own stories about the Black Lives Matter movement. Through a series of videos and platforms like Twitter, Facebook and Instagram, Carlo Rossi gave a voice to the people most affected so they could influence others as the country tackled this difficult issue.

Carlo Rossi

NAPA VALLEY COMMUNITY DISASTER RELIEF FUND

After the Napa Valley was ravaged by wildfire in 2020, Orin Swift wanted to help the people in its community rebuild. The winery’s Burnt Sacrifice wine was created with recovery in mind. A one-time special release, the wine helped raise awareness of the Napa Valley Community Disaster Relief Fund. Orin Swift made a contribution to the fund, while encouraging others to donate.

O R I N S W I F T

FOLDS OF HONOR

Liberty Creek Vineyards has a simple winemaking philosophy: Everyone should have access to great-tasting American-made wine. Each bottle of Liberty Creek honors this belief and celebrates the brand’s proud heritage rooted in the rich soils of the United States. In 2021, Liberty Creek partnered with the Folds of Honor Foundation to create the “Proudly Serving America” campaign. Folds of Honor donates scholarships to families of America’s fallen and disabled service-members and has awarded 28,000 Educational Scholarships since 2007.

Liberty Creek launched limited-edition labels for its Cabernet Sauvignon and Chardonnay bottles in celebration of this great cause. For every 500mL Tetra Carton, 1L Tetra Carton, or 1.5L bottle sold* beginning April 1 through November 30, 2021, Liberty Creek donated one dollar to Folds of Honor.

Liberty Creek
VINEYARDS

*Where legal in the United States, excluding California. Up to a maximum donation of one hundred thousand dollars (\$100,000.00).





SPOTLIGHT ON EDUCATION AND CAREER

WOMEN BEHIND THE WINE + WOMEN OF THE VINE AND SPIRITS FOUNDATION SCHOLARSHIP FUND

Women Behind the Wine celebrates female leaders in the wine and spirits industry to empower and support those who will follow in their footsteps. The organization showcases women who have succeeded and provides a path for others. The Women of the Vine & Spirits Foundation Scholarship Fund is supported by wine sales and E. & J. Gallo Winery contributions. It offers scholarships and continuing education awards to women considering a wine career or already working in the industry.



WOMEN BEHIND THE WINE
— BY E & J GALLO WINERY —

ENTREPRENEUR MENTORING WITH KARL KANI

A special partnership between clothing designer Karl Kani and E&J Brandy encouraged entrepreneurs to pursue their business plans and their dreams. The program included videos with Kani offering advice and a sweepstakes where one aspiring entrepreneur won a year-long 1:1 mentorship with Kani, also known as “the Godfather of Streetwear.” The Grand Prize winner was Tyler Givens, the owner and founder of Menace Denim.





E&J. Gallo Winery

AT GALLO, WE ARE ALL FAMILY

Our family values of Integrity, Respect, Humility, Innovation, Commitment, and Teamwork are the foundation of everything we do. These values connect our past with our future, guiding our decision-making processes, allowing our company and our planet to flourish together now and for generations to come.