SOURCE OF LIFE

FOODS FROM Chile?

WINES OF CHILE SECTORIAL SUSTAINABILITY

COMMITMENT FROM THE SECTOR TO SUSTAINABILITY



Wines of Chile recognises sustainability as one of the pillars of its Strategic Plan. The main objective of this organization is to convert Chile into the biggest producer of premium, sustainable and diverse wine in the New World. On the issues of the plan is about sustainability programme, which was developed through the Wines of Chile R&D Consortium and with support from CORFO (Chilean Economic Development Angency). This programme emphasizes issues related to wine conservation, geology and viticultural areas, climate change and viticultural areas, pesticides, biodiversity, sustainable water management, energy and GHGs, social responsibility and a Sustainability Code and Suppliers.

A concrete result from this programme is the Chilean Wine Industry's National Sustainability Code, which represents a real commitment from the whole industry to sustainability. There are currently 53 certified wineries, which contribute to around 70% of the production of bottled wine, in terms of domestic and exports. Sustainable development is defined as "**Development that meets the** needs of the present without compromising the ability of future generations to meet their own needs". In this context, wineries are responsible to respond to their decisions, and activities that impact on society and the environment with ethical and transparent conduct. The commitment aims to:

- Contributing to sustainable development, taking society's health and welfare into account;
- Taking stakeholders' expectations into consideration;
- Complying with relevant legislation and following international norms, international regulations.
- Running a fully integrated organisation which puts this into practice during activities along the value chain.

ENVIRONMENT

ENERGY

Through the R&D Consortium, the industry has set up an energy project entitled "Specialist Support Tools for Decisionmaking by Winemaking Businesses in the Field of Energy Technologies and Greenhouse Gases". The main goal of the project is to research and develop specialist tools in order to support decision-making processes relating to the introduction of energy saving technologies and NCRE and the reduction of GHG emissions for winemaking businesses on national level. The Sustainability Code has specific requirements relating to energy efficiency. Equally, each winery develops energy saving initiatives, for introducing NCRE and research projects within its own facilities.

- One specific development project brings together 90 wineries which make up the R&D Consortium (6 of which offer their own facilities for pilot testing).
- 53 wineries are certified by the Code and must comply with its goals for reducing energy consumption and using it efficiently.

WATER

Another project set out by the R&D Consortium is based on the sustainable use and management of water in vineyards and wineries through production information and methodological tools.

Water as a resource is present in all three areas of the Sustainability Code. Efficient

handling of water and implementation of measures to avoid water contamination both help to sustain this important natural resource. We have more than 20 requirements within this area, ranging from the assessment of water sources to management plans.

Alongside this, each winery develops water-efficiency plans on its fields and in its cellars, implementing energy-saving and management practices.

1 specific development project brings together 90 wineries which make up the R&D Consortium (4 of which offer their own facilities for pilot testing).
53 wineries are certified by the Code and must comply with its requirements relating to sustainable water management.

WASTE

The objective of the Chilean wine industry is to encourage recycling, reuse and reduction of waste. These processes must be carried out whilst minimising any possible impacts on the environment and human health. The Code sets out specific requirements relating to waste management. Therefore, waste collection, transport and treatment services must be checked, while the use and final destination of generated waste must be known.

 53 wineries are certified by the Code and must comply with its requirements relating to waste handling and management.

THE USE OF CHEMICAL INPUTS

The Sustainability Code includes, as part of its standard, sections on dealing with pests and diseases, controlling weed growth and handling and applying plant protection products, whilst always focusing on sustainable agriculture and integrated management.

Equally, the industry has set up a project entitled "Degradation Curves, Transfer Rates and a System for Monitoring Waste from Pesticides on Grapes and Wine in the Winemaking Industry".

 One specific development project brings together 90 wineries which make up the R&D Consortium (4 of which offer their own facilities for pilot testing).

• Currently there are unpublished results of this project. It has been found that the dissipation of pesticides makes no difference when evaluating various grape varieties or vines and different formulation types. However, the effect that the area or valley can have has proven to be key, in particular considering factors such as humidity and radiation. Additionally, it has been found that a number of winemaking processes affect waste reduction in white and red wine.

53 wineries are certified by the Code and must comply with its requirements relating to the use of chemical inputs.

CLIMATE CHANGE

The main goal of the project "Chilean Viticultural Zoning based on Climate-related and Geological (Soil) Factors for Still and Sparkling Wines" is to identify and characterise current and potential wine-growing areas in the country, taking climate and geology (soil) into account and considering the dynamics of climate change and behaviour of certain grape varieties. • One specific project is under development and brings together the 90 wineries which make up the R&D Consortium. At the moment, the study identified,preliminary, geological maps of 4 areas which are being studied and where we hope to add maps relating to climate and wine-growing suitability. The latter are also under development.

BIODIVERSITY

Wines of Chile is developing a project named "Management of Biodiversity and Ecosystem Services to Improve the Resilience of Chilean Wine Production". The aim of the project is to introduce measures for the conservation of eco-system services in wine-growing regions in order to increase the resilience of these productive systems. together with the eco-system in which they are found, against growing human impacts and climate change. This can be achieved through the implementation of relevant management practices and the strengthening of the Wines of Chile National Sustainability Code as a key tool for developing a sustainability policy for the industry at a national level. A number of the Association's wineries participate in the "Wine, Climate Change and Biodiversity Programme", which is led by the Instituto de Ecología y Biodiversidad and the Universidad Austral de Chile. Also, it is relevant that plans for reforestation and ecological restoration with native species can be implemented by the wineries

• One specific development project brings together 90 wineries which make up the R&D Consortium.

 53 wineries are certified by the Code and must comply with its requirements relating to biodiversity.



SOCIAL

WORKERS

The various challenges that the wine-making industry is facing have led Wines of Chile to implement actions and projects aimed at developing the industry's workforce, which represents its most important asset. Wines of Chile counts on "OTIC Chile Vinos" and the" Centro Certifica-Vino", as well as grants from social scholarships aimed at supporting training courses in areas where wineries are located.

In turn, workers are one of the pillars of the social aspect of the Sustainability Code. Welfare, health and job security, respect for diversity, relationship with organised groups, professional development and legal compliance are important issues, which are discussed throughout the section on Working Life Quality.

• 53 wineries are certified by the Code and must comply with its social requirements.

FOOD SAFETY AND SECURITY

In accordance with the Sustainability Code, wineries must have in place a quality management system with suitable personnel and mechanisms aimed at ensuring the quality, hygiene and security of all its products. **Wineries implement various management** systems which target food safety and security, including BRC, HACCP, IFS and ISO 9001, amongst others. Quality is one of the key pillars in the production of Chilean wine.

• 53 wineries are certified by the Code and must comply with its requirements relating to food safety and security.

SURROUNDING COMMUNITIES

In accordance with the Sustainability Code, businesses have a social responsibility towards their local surrounding communities. Wineries must ,therefore, contribute to the development of communities in their local area, integrating their activities with all externalities generated on the social, environmental and economic context where they are.

Thus, wineries must comply with requirements relating to community identification, as well as the influences and impacts on these communities as a result of their productive activities. Moreover, they must have action plans and channels of communication put in place.

53 wineries are certified by the Code and must comply with its requirements relating to surrounding communities.



RELATIONSHIP WITH SUPPLIERS

Through the R&D Consortium, the industry has set up a project entitled "Implementation and Adoption of the National Sustainability Code by Suppliers during the Wine Production Chain". The purpose of the project is to implement strategy and work plan, which encourage and facilitate the adoption of the Code by grape suppliers and other parties involved in the supply chain.

Through the Sustainability Code, businesses and their suppliers are encouraged to develop fair and respectful commercial relationship. It is, therefore, necessary for wineries to make the regulations and ethical conditions of their business known, equally encourage appropriate productive and commercial practices and demand strict compliance with current national legislation from their suppliers.

• One specific project is under development.

• 53 wineries are certified by the Code and must comply with its requirements relating to relationship with suppliers.

HUMAN RIGHTS

The respect for human rights is a fundamental pillar of good business conduct and of the Sustainability Code. It is considered essential, both on a legal level and as concept of equality and social justice. **Certified wineries must respect, protect, comply with and oblige their principal stakeholders to comply with these fundamental rights.**

- 53 wineries are certified by the Code and must comply with its requirements relating to human rights.
- Additionally, Wines of Chile has signed a collaboration agreement with the Business Social Compliance Initiative (BSCI).

