



Susana Balbo
W I N E S

SUSTAINABILITY AND SOCIAL RESPONSIBILITY

Sustainability and Social Responsibility

Susana Balbo Wines works daily to address issues regarding our products' sustainability and environmental impact throughout all of our production processes.

Because of our commitment to environmental sustainability, we have designed an action plan that covers the following related issues:



- **ECONOMIC GROWTH**

Food Safety / Quality / Purchase Efficiency

- **SOCIAL DEVELOPMENT**

Social Responsibility / Human Resources

- **ENVIRONMENTAL MANAGEMENT**

Consumption of Finite Resources / Recycling Management

Efficient Use of Supplies

Food safety

Since 2009 Susana Balbo Wines has been ISO 22000 certified (ISO: International Organization for Standardization). This certification guarantees internationally recognized standards of food safety throughout all the manufacturing stages that are required by the certification.

By 2015, the company had also achieved FSSC 22000 certification. This standard complements the ISO 22000 requirements with additional focus in areas such as such as biosafety, terrorism, and food allergens.

In order to mitigate the risks associated with our manufacturing processes, our current production system requires rigorous product control that follows Hazard Analysis and Critical Control Points (HACCP) principles in all the manufacturing stages.



BUREAU VERITAS
Certification



Purchases

Since 2016, we have taken additional steps in selecting our suppliers, choosing not only to focus on the quality of products provided, but also on their commitment to environmental sustainability.

Within this framework, we would also like to promote FSC certification, which controls and promotes the responsible use of forest resources

THE FSC INITIATIVE. The Forest Stewardship Council (FSC) is a nongovernmental organization of certification based in Bonn, Germany. The official mission of the Council is to “promote environmentally appropriate, socially beneficial and economically viable management of the world's forests”.

Through consultation processes, the FSC develops standards and policies towards the sustainable management of world forests.

In relation to our bottles, this means we follow the main market's trend of using lighter bottles in our production processes. We use these bottles in our most widely produced line of wine as well as in other smaller production lines.

Environmental Management

Sustainability in the vineyard

All of our vineyards are sustainably managed and cared for in eco-friendly ways:

1. SUSTAINABLY GROWN GRAPES

As much as possible, we avoid the use of pollutants, such as toxic-synthetic fertilizers, pesticides, and herbicides, that harm the environment and deplete the soil. Mendoza's terroirs have a great advantage that makes the wines of the region some of the healthiest in the world. Due to high elevation, prolonged sun exposure, and dry soils, the vineyards are very unlikely to develop diseases. And if they ever do, Mendoza's favorable climate enables us to quickly contain and control the unwanted developments by using eco-friendly products.

2. WORLD CLASS VITICULTURE

We hand pick our grapes, which has several advantages over a mechanical harvest, some of which are: vines and berry clusters are not damaged in the process; no leaves are mixed with the grapes in the harvest bins; increases in the labour supply. Overall, it is a much more selective and efficient practice.

3. CONSERVATION OF NATURAL RESOURCES AND ENVIRONMENT

All the water we get in Mendoza is snow-melt from the Andes mountain range and, given Mendoza's desert-like climate, water is extremely valuable.

Thus, Susana Balbo Wines uses drip irrigation instead of the traditional irrigation method in Mendoza, flood irrigation. It allows us to manage this very scarce resource more effectively and to take care of the vineyards and the environment in a more efficient manner.

4. PROTECTION OF AGRICULTURAL LANDS

The cornerstone of our philosophy in the vineyards is to give back to the land everything we take from it. All the pruning leftovers are put back into the rows of our vineyard in order to improve the fertility and structure of our soil. We also mow the indigenous grasses that grow between the rows, and let them decompose on the soil in order to produce organic matter. This helps us enrich the soil and prevent erosion.

5. MINIMAL USE OF MACHINERY IN THE VINEYARDS

We try to reduce the use of machinery in the vineyards as much as we can so as not to compact the soil and to obtain a better use of the water as the soil remains permeable.

Environmental Management

Consumption of Finite Resources

Susana Balbo Wines seeks to spread its environmental commitment to all of its process areas, promoting environmentally responsible production.

SOME OF OUR STRONGEST ENVIRONMENTAL INCENTIVES LIE IN THE SUSTAINABLE USE OF WATER, FUEL, ELECTRICITY AND PAPER.

We have been able to reduce our overall consumption levels through continued efforts in optimizing the production cycle. This achievement would not be possible without the steadfast support of our work personnel.

Our hope for the near future is to achieve a level of sustainability in our own work that inspires similar actions to be taken in the surrounding region of Agrelo and beyond.

It is important to note that one of our most vital resources is water, so we tightly control and monitor its usage. Since the opening of the winery until now, we have recycled our water for the purpose of vineyard irrigation.

The winery also offers a vehicle to transport its employees from their homes to the winery and vice versa each day. This is an additional effort we have made to decrease our company's carbon footprint.

Environmental Management

Recycling

Our recycling programme includes glass, cardboard and nylon

Our core pillars in this space are as follows:

1. WORK CONDITIONS: It is widely known that recycling leads to the creation of new jobs. However, there lies an argument regarding the quality of those jobs. Generally these jobs have low salaries and extremely bad work conditions. Within emerging countries, this situation is even worst.

2. SOLID WASTE REDUCTION: Every big city faces the problem of waste produced. According to some statistics almost 35% of solid waste is composed of paper or paper products. Recycling will be an ideal solution to these waste management problems.

3. LOGGING: Paper production represents only 35% of the world's logging. Most of the paper pulp factories carry out reforestation programs to assure its supply. On other hand, paper recycling should not be confused with the movement to save our planet's tropical rainforests. Many people believe that paper production threatens our rainforests, but this belief is misguided as this type of wood is rarely used for the production of paper.

4. ENERGY SAVING: It is known that recycling helps to conserve energy.

5. WATER AND AIR POLLUTION: The recycling of paper reduces the demand for virgin paper, thus decreasing the level of pollution created through paper production.






Environmental Management

Cardboard

There are two types of material that can be used to manufacture recycled paper:

PRE-CONSUMPTION WASTE: This type of waste is produced during the actual paper manufacturing process. It includes defected products that cannot be used in the commercial market.

POST-CONSUMPTION WASTE: This is paper that has already been used through the commercial market and has reached the end of its intended commercial life, e.g. newspapers, office papers, etc.



YEAR	 KG. RECYCLED CARDBOARD	 NUMBER OF SAVED TREES	 LITERS OF UNPOLLUTED WATER	 REDUCTION OF POWER CONSUMED ELECTRICITY	 UNUSED SOIL FOR TREATMENTS KG
2014	4.247	72	110.422	17.412	3
2015	8.350	141	217.100	34.235	6
2016	16.210	275	421.460	66.461	12
2017	26.237	446	682.162	1.075.712	19
2018	17.610	300	457.860	72.201	13

Environmental Management

Glass

Some considerations we take into account for our glass management:

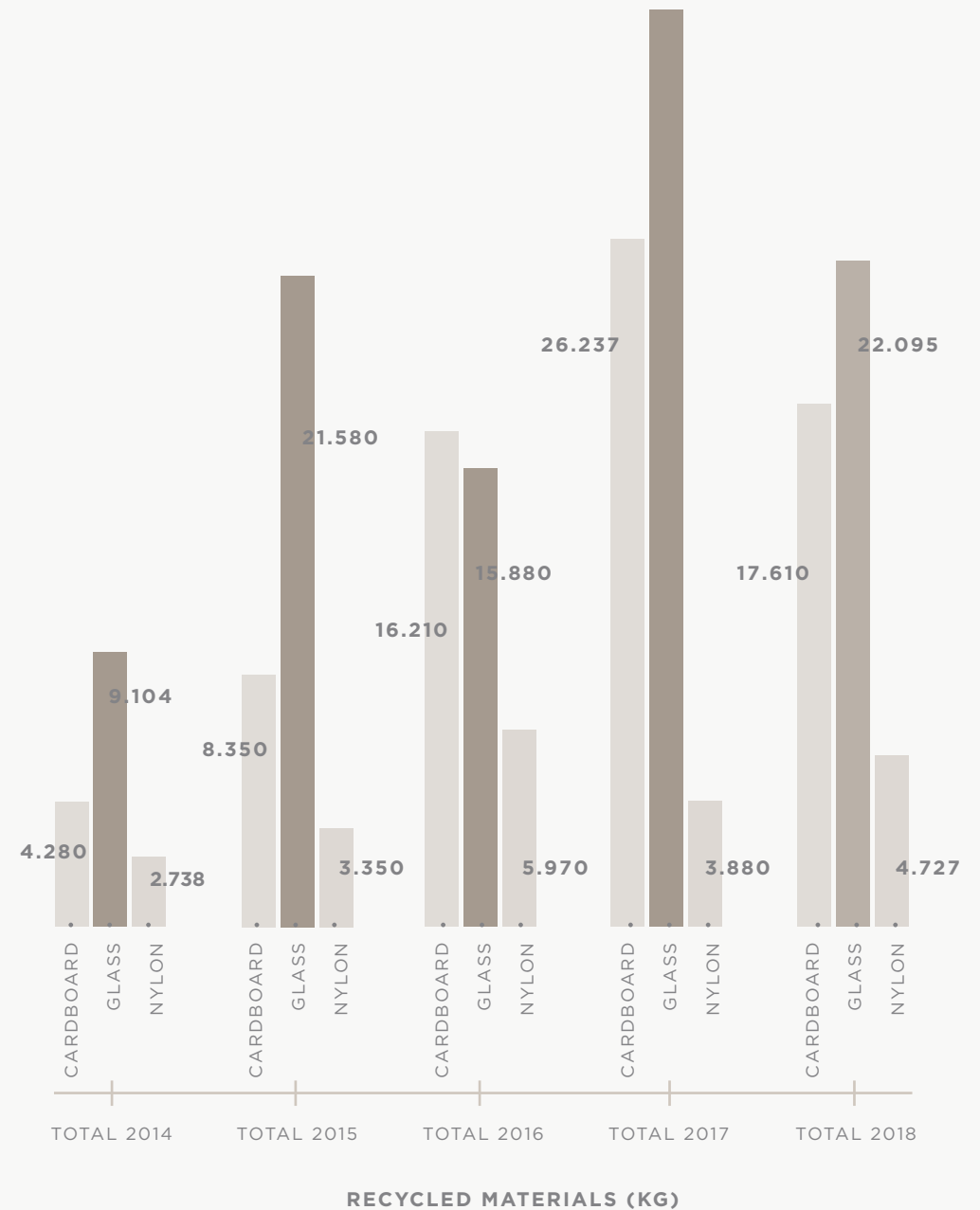
- Glass can be recycled infinitely many times
- Glass is 100% recyclable
- Una botella de vidrio fundida dará origen a otra botella de vidrio.
- One abandoned glass bottle takes 4,000 years to naturally degrade, while in an oven it takes only a few seconds.
- Recycling glass will lead to large energy savings.

YEAR	 RECYCLED GLASS (kg)	 REDUCED ENERGY (kg)
2014	9.104	3.034
2015	21.580	7.193
2016	15.880	50.884
2017	32.748	104.934
2018	22.095	70.798

Environmental Management

Nylon

One of the biggest advantages of Nylon is also a weakness: its resistance to environmental corrosion. It is a non-biodegradable material so it can take more than 500 years to naturally degrade. This problem occurs with most of the plastics, and that is why it is so important to recycle it.



Social Responsibility

Responsabilidad Social

Susana Balbo Wines plays an active role with respect to social responsibility.

Some of the actions that Susana Balbo Wines carries out in this space include:

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- Employing people from Luján de Cuyo, the local community surrounding the winery, with the purpose of contributing to the community's development.
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- Respecting the fair trade philosophy. Susana Balbo Wines pays a higher price than other wineries to their local producers. These higher prices go to ensuring the quality of our grapes as well as to promoting social initiatives, such as combating childhood labor.
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- Providing scholarships for children without resources and to all of our employees that want to finish their studies.
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Hiring suppliers that add eco-friendly policies to their business.

Human Resources

Susana Balbo Wines greatly values the quality of its human capital. From the Human Resources Department, specific actions have been created to contribute to the professional development and growth of the people who work within the company.

Some of these actions include:

- Monthly staff training
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- General training in areas such as: Health and Safety, First Aid, Good Practices in Manufacturing, etc.
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- Economic assistance in unforeseen circumstances.
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- Economic support and special permissions to all employees seeking to acquire more specific training.
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- to our worker's children seeking a better education.
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- Monthly food baskets and basic items. Due to Argentina's economic difficulties, Susana Balbo Wines has decided to give all of its employees a monthly food basket with household essentials in order to help meet household needs .
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“Bodegas de Argentina” Sustainability Protocol

Currently, we are working on the Sustainability Protocol created by “Bodegas de Argentina”.

The purpose of this protocol is to unite respected manufacturing practices in Argentina’s wine industry with concepts of sustainability. Ultimately, this initiative seeks to develop standardized metrics by which each winery will be evaluated in order to check their commitment to environmental sustainability.

RELATED TOPICS

1. Viticulture
2. Soil Management
3. Irrigation Management
4. Plant-Protection Management
5. Wine Quality
6. Ecosystem Management
7. Energy Usage
8. Water Usage
9. Materials Management
10. Solid Waste Reduction
11. Eco-Friendly Suppliers
12. Human Resources
13. Neighbors and Community
14. Air Quality



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