



REPORT

CORPORATE RESPONSIBILITY

Period 2017-2020

GRANDS CHAIS DE FRANCE GROUP

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The asterisks* in this document refer to the Glossary (P.62)

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The Company's usual Statutory Auditor has verified the accuracy and compliance of this CSR Report.



“ Message from the President



Joseph Helfrich
President & Founder

The Grands Chais de France Group is a family-owned company, founded in 1979 and now employing more than 2,500 people. It is the character and strength of our workforce that lie at the heart of our shared success. We are a **preferred partner of wine-growers, the leading privately-run wine producer in France, and top French exporter of wines and spirits.**

We are proud of our expertise and values of commitment, responsibility, initiative and teamwork, which unite our co-workers. For many years we have been consistently promoting the fundamental values of GCF:

Respect for customers, regulations, and the environment; **quality** of our products and services; the **need** for continuous improvement in **safety**, quality, employee **skills** and economic **competitiveness**; and also the **passion** which drives us to share our values and basic principles with all our stakeholders (customers, suppliers, partners, employees, etc.).

Our purpose is to spread knowledge and a love of French wines and terroirs throughout the world.

The Grands Chais de France Group has always been responsive to society's expectations. This is why we made the decision, in 2017, to structure our commitments around an ISO 26000-compliant* Corporate Social Responsibility (CSR)* Policy.

”

Group Business Model

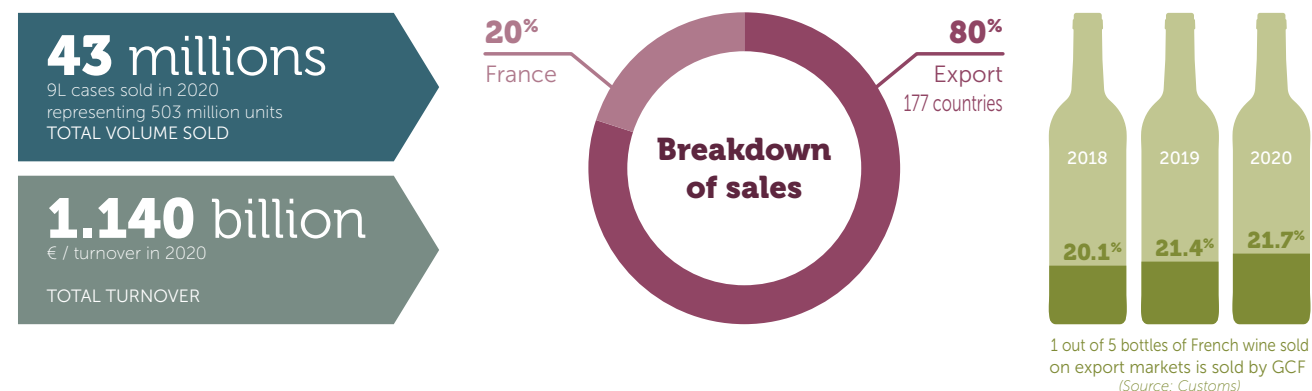
THE GRANDS CHAIS DE FRANCE GROUP:

The GCF Group **operates in the major wine-growing regions of France**. We are a wine-grower and producer with **more than 3,300 ha of vineyards**. In just one generation, we have become a major player in Alsace, Jura, Diois, Languedoc, the Bordeaux region, Loire Valley, Burgundy, and more recently, Rhône and Provence.

Today we are the leading privately-owned winemaker in France. The GCF Group's head office is in Petersbach in Alsace, ideally located in the very heart of Europe. We also have subsidiaries in other European countries: HXM Weinkellerei in Mainz, Germany, and Danubiana in Hungary. The Group recorded turnover of 1.140 billion euros in 2020, 80% of which was generated from exports to more than 170 countries. This confirms our ranking as **the Number 1 French exporter of wines and spirits**.



A LEADER IN THE WORLD OF WINE:



Presence in the 10 Wine-growing Regions of France

(excluding Champagne)

VAL DE LOIRE

- Lacheteau
- Sauvion

BORDEAUX

- Dulong/Calvet
- Crus et Domaines de France

GASCOGNE

- Pradaou

LANGUEDOC-ROUSSILLON

- Domaine de la Baume
- Domaine de Tholomiès
- Châteaux Séguala
- Maison Salasar
- Château la Boutignane

PROVENCE

- Château de la Galinière
- Château Terrebonne
- Château de gigyry
- Château dela Rouvière

ALSACE

- Maison Arthur Metz
- Klipfel

JURA

- Maison du Vigneron

GRANDE BOURGOGNE

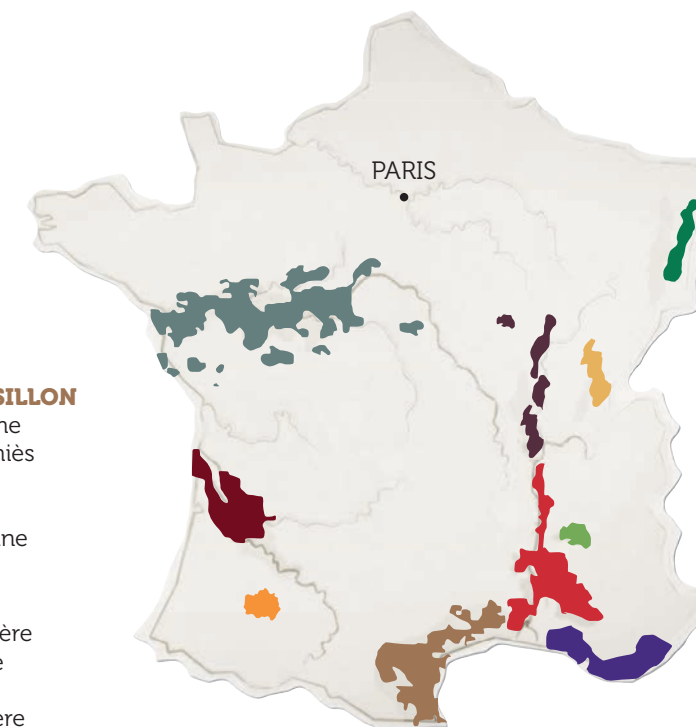
- Maison François Martenot
- Moillard
- Paul Sapin

DIOIS

- Maison Carod

RHÔNE

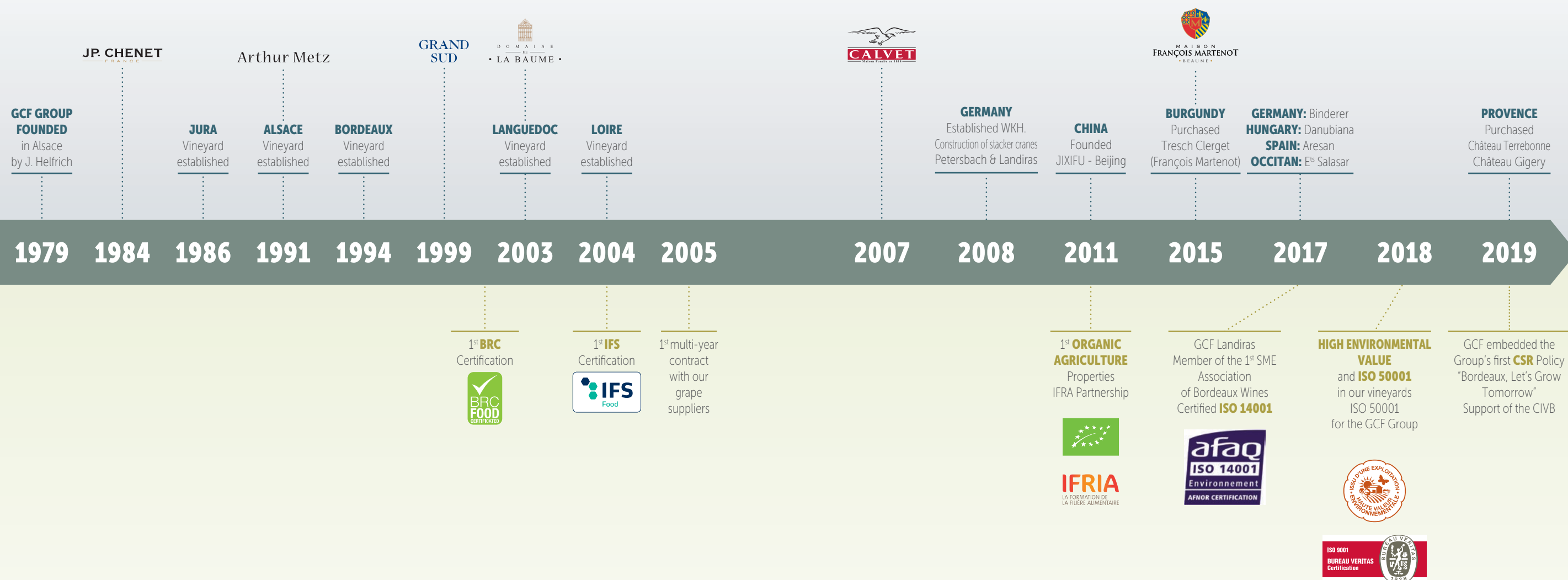
- Château de la Tuilerie
- Clos des Miran
- Domaine de Mongillon



SOME FIGURES FROM THE COMPANY'S ANNUAL REPORT:

NON-FINANCIAL DATA	2017	2018	2019
Employment > Total workforce	2,264	2,425	2,538
Workforce > Average age	40.65	40.54	40.91
Workforce > % of permanent contracts	80	80	81
Workforce > % of temporary contracts	7	7	8
Workforce > Number of Training Contracts	71	84	75
Workforce > % Women/% Men	41/59	42/58	43/57
Employment > % of employees recognised as workers with a disability	3.51	3.78	4.04
Employment > Number of hires	625	699	614
Employment > Average gross monthly salary	2,392	2,413	2,455
Absenteeism Rate	5.06	5.12	5.44
Group Frequency Rate (FR)	34.02	34.65	39.09
Group Severity Rate (SR)	1.59	1.76	2.14
Employee Relations > Organisation of Social Dialogue	All organisations with more than 11 employees, within the meaning of Articles L.1111-2 and L.1251-54 of the French Labour Code have an elected Economic and Social Committee (CSE). A central representative body is responsible for the mandatory negotiation of collective bargaining and company collective agreements.		
Employee Relations > Number of current collective agreements	8	10	10
Training > Funding for Professional Development	€1,172,183	€1,286,372	€1,358,701

Background - Grands Chais de France Group



CSR Activities



The GCF Group is responsive to our consumers and partners, bringing them popular wines and spirits that are universally recognised, and offering them a range of exclusive services. Throughout the delicate process involved in producing great wine, our teams work together, blending expertise and technical know-how, on the very soil that supports the vines, through the production and ageing process to packaging and logistics.

Non-Financial Risks

METHODOLOGY:

To analyse non-financial risks, we used a tool (Xpert A360 by the company Peri-G) that was supplied by the CIVB (*Conseil Interprofessionnel des Vins de Bordeaux [Interprofessional Council of Bordeaux Wines]*) within the scope of its commitment to supporting members' environmental initiatives. This approach is called the EMS (*Environment Management System*) and enables the association, with the support of the CIVB, to gain ISO 14001 certification.

All GCF's lines of business were included in the Xpert A360 project. This tool allows us to identify the main weaknesses and resilience capacity of the company.

Six areas were analysed and evaluated:



Risk assessment is based on a rating of probability and severity. The company also assesses risk using its own criteria. This double assessment makes the score more relevant. By consolidating the rating, the highest-risk areas can be identified and given an overall score to monitor changes over time. Through risk mapping, we can also visualise the cumulative significance of them for each area.

REPRESENTATION OF RISK MANAGEMENT IN GCF'S 6 LINES OF BUSINESS:



The findings of this tool are contained in a 50-page report and summarised in the form of a SWOT analysis.

Findings - SWOT

STRENGTHS

- The Group's sales force is large, efficient and present in many countries with lots of customers and good distribution of turnover (less than 20% per customer).
- The Group has a wide range of products that are tailored to market expectations with good added value (good knowledge of the markets in which we operate).
- The Group has good control of how it organises information and data management.
- The group has a large capacity for investment.
- Operational facilities and capacities are appropriate, with capacity greater than need and competitive production costs.
- Site waste (liquid and solid) is controlled.
- Adverse weather conditions have accounted for fewer than one production shut-down in the last 5 years.
- The Group is not dependent on foreign workers and is established at a regional level with strong partnerships.
- On average, the Group's employees attend 14 to 20 hours of training per year.

WEAKNESSES

- Electronic data are available within the Group.
- The facilities where operational activities are carried out are approved for environmental protection (ICPE authorisation).
- The Group requires a large workforce.
- There is a considerable throughput of people on the premises (including external companies).
- The rate of accidents at work and sick leave within the Group is higher than the industry average.

OPPORTUNITIES

- The industry is in a period of major change.
- Customers have high expectations and carry out regular audits of the Group.
- There is a large number of suppliers.
- The Group can call on several service providers in its main line of business.
- The Group's local environment offers employees a wide range of relevant training opportunities (business centre nearby).
- Within the Group's industry, our customers' financial health is higher than the national average.
- The Group's environment and activities are considered to be a very low danger.
- The impact of new technology in the industry can improve performance.
- The Group's company values are in line with market expectations.

THREATS

- The competitive or business environment of the Group is aggressive.
- Customer requirements are more and more demanding.
- Consumers have high expectations of social accountability.
- The Group is subject to global regulations.
- The internet and social media can have a severe, negative influence.
- The activity requires significant cash flow.
- The activity is energy- and water-intensive.
- Recruitment is difficult.

Our Social Responsibility Commitment

BACKGROUND:

Our CSR Policy demonstrates our commitment to sustainable economic development for the Group, our customers, our partners, and the regions in which we operate. It is therefore essential that we make a success of this ongoing **progressive, collaborative initiative** which **requires the engagement and empowerment of all our employees**. The targets, which have the **approval of the whole GCF Management Board**, play a role in sharing our values and promoting our image as a competitive, responsible company that is committed to all our stakeholders.

We would like to integrate CSR into a Management System to drive continuous improvement of our overall performance and promote CSR to our stakeholders. A CSR progress plan with specific objectives for each topic has been defined, and is being monitored via a scorecard that is regularly shared (*creation of a CSR page on our website; 15 newsletters sent to all employees within the last 3 years*).

STRATEGY AND DIRECTION:

The GCF Group's CSR Policy focuses on **four key areas**:

- **Consumer health and safety**
- **Environmental protection**
- **Labour practices**
- **Responsible purchasing policy**

To define these priorities, we took two approaches:



Survey:

A **survey** was sent to all **members of the Management Board** and the Non-Liquid Purchasing and Quality Assurance Management Teams.

The questionnaire contained about twenty questions that covered the seven core CSR subjects. Each respondent was asked to provide their input on all of the core subjects, with regards to the strategy and challenges facing their department.



On-site Audits:

On-site audits (based on a template that is compliant with ISO 26000* and associated guidance specific to the agri-food and wine sectors) were also carried out at the main bottling plants in the Group's different centres (Alsace, Bordeaux and Loire).

These audits informed a situational analysis of current practices and an evaluation of each site's CSR performance.



Commitment

TO

SOCIAL RESPONSIBILITY

BY GROUPE GRANDS CHAIS DE FRANCE

4

goals

1

action plan

3

years

THE HEALTH AND SAFETY OF OUR CONSUMERS

Zero defects is our watchword. It is why our approach to Quality must be an unstinting desire to satisfy our customers and earn their loyalty, as well as to win new ones. Respecting the customer means respecting the regulations, our customers' requirements and our in-house rules and procedures (which apply to every stage of production, from vine to market).

PROTECTING THE ENVIRONMENT

Our contribution means our commitment to the sustainable control of natural resources, preventing any and all pollution, recovering and recycling waste and achieving a high level of energy performance.

LABOUR RELATIONS & WORKING CONDITIONS

We want our associates to be motivated, involved and responsible in the fulfilment of their duties. We must all work in a secure environment. We must see to it that any training necessary is given and received. Each of us must be considered as an individual, recognised and valued on his or her merits. We must demonstrate fairness and professional ethics.

RESPONSIBLE PROCUREMENT POLICY

We must forge loyal and equitable business relationships and lasting partnerships with our suppliers that respect Human Rights. We are committed to propagating relationships of trust with every actor in the wine-making business and establishing constructive, long-lasting ties. We are committed to working with suppliers who share the same ethical, environmental, social and economic values as GCF and fostering proximity criteria.



Joseph Helfrich
Chief Executive Officer

“Our commitment to CSR is a pledge of sustainable economic development for the group, its customers, its business partners and the territories in which it operates. Therefore, the success of this long-term approach to collaborative progress is vital and means insisting on the accountability and involvement of each and every one of our associates. These ambitions, backed by the entire Executive Board at GCF, help to share our convictions and promote the image of a competitive and committed, but responsible, business with each of our stakeholders.

Our ambition is to enshrine CSR in a Management System to enable continuous improvement of our overall performance and promote CSR to our stakeholders. A CSR Progress Plan, with specific goals per theme, will be devised and managed through a management chart, the progress of which will be the subject of regular reports.”

April 2017

STRATEGY AND DIRECTION:

The findings from these two approaches were compiled and four focus areas were identified. There was consensus on these 4 areas as nearly 85% of respondents defined these areas as priorities. These four key areas allow us to focus on 3 of the 7 core CSR subjects:

Labour Practices, Consumer Issues; the Environment.

The core subject of **Governance** is fully integrated into our approach, as it is driven at the highest level in the GCF Group and described in the next chapter.

The core subjects of **Human Rights** and **Fair Operating Practices** have been incorporated into our Ethics Charter and our "Responsible Purchasing" focus area. Within our Ethics Charter, a full chapter is dedicated to GDPR (the General Data Protection Regulation), describing the different scenarios in detail (business data, personal data, etc.).

In this report, we demonstrate our commitment to the Sustainable Development Targets (SDT*) adopted by the United Nations (UN) in 2015.

In this first 3-year cycle, we wished to take a pragmatic approach and concentrate our efforts on the most important issues. Finally, although the core subject of **Community Involvement and Development** has not been one of our focus areas during this first phase, we are proud to include some of our successes in this report.



ORGANISATIONAL GOVERNANCE:

The Management Board (CODIR) is responsible for the policy and have set up a **CSR Steering Group** (CSR COPIL), a dynamic group whose membership may change depending on the specific issues. It is currently made up of 10 members. Each member represents one of the GCF Group's core functions (Vineyards, Wine Purchasing, Dry Materials Purchasing, Bottling Plants, Quality Assurance, Health & Safety, Sales, Marketing, and Human Resources). 5 of the 10 CSR Steering Group members sit on the GCF Group's Management Board. Progress and direction is reviewed at CODIR meetings.

The CSR COPIL meets regularly every 2 to 3 months in order to **manage the process**. On a day-to-day basis, a CSR unit, comprised of three CSR COPIL members, is responsible for implementing the actions that have been agreed and promoting and communicating the CSR policy within the Group. To do this, we have decided to use mainly **volunteer employees** (called CSR Ambassadors) to share the message and ensure bottom-up and top-down communication within and between teams. **207 ambassadors** have been trained since 2017 across all of the Group's centres.

In addition to our Letter of Commitment, a progress plan that consolidates **43 areas for improvement** has been created and is updated on an ongoing basis. As part of this process, for example, we decided to rewrite our Ethics Charter **to include the SAPIN II (anti-corruption) Law** and implement a whistle-blowing system that includes protection for the whistle-blower. Through this Charter we were able to reinforce our commitment to fair working practices. As a whole, the progress plan is 80% complete with some actions still ongoing.



LAURENT LEVÊQUE

Country Director of the 3D Programme (for Sustainable Development)

The 3D Programme was set up in 2006 by a dozen companies in the agri-food sector, including some businesses in the wine industry. Today the 3D association includes more than 300 businesses in the agri-food industry that have carried out a CSR evaluation and built their strategy on the basis of its findings. For example, as part of this association, we have supported work on the agri-food sector's application of the ISO 26000 international standard to create the "AC





X30-030 Guide". I first met GCF at an "Entre-Deux-Mers" Wine Cellar Cooperative, which was a member of the 3D association. The GCF Group had already measured their CSR performance using a diagnostics tool, and they wanted to deliver training in all their regions in order to inform stakeholders about their CSR policy. So I **covered all the regions in France, delivering training on GCF's CSR policy to more than 200 ambassadors**. I thought they had taken a creative approach that turned out to be very collaborative and participative. Despite the size of the Group, I found **GCF**

very people-focused and **everyone I met was proud to share their corporate values**. It is a key player in the industry, who is constantly involved in interaction and joint working. GCF's work and effort around CSR are consistent and strengthen their ties with partners, including cooperatives.

L. Leveque



Our Sustainable Agriculture Practices and Management Systems

"Agricultural Produce" Certifications		
	ORGANIC AGRICULTURE Organic agriculture is a farming system that sets itself apart by using growing practices that respect the natural balance within the food system. It prohibits the use of synthetic chemicals and GMOs, and limits the use of inputs.	GCF surface area involved: 1,254 hectares - 38%
	HEV - High Environmental Value Certification that aims to identify and promote produce from growers who voluntarily engage in environmentally-friendly practices.	GCF surface area involved: 2,244 hectares - 68% 2021 Target > All properties
	TERRA VITIS Promotes sustainable wine production, including environmental, social and economic factors.	GCF area involved: 90 hectares - 3%
	DEMETER Biodynamic agriculture is a holistic, regenerative and positive form of agriculture similar to organic farming. It views farming as a living ecosystem and takes account of the earth's natural rhythms and cycles.	GCF area involved: 12 hectares - 0.4%

"Management Systems" Certification		
	ISO 50001 International certification that recognises organisations that implement and continuously improve an energy management system.	GCF sites involved: Petersbach, Landiras, Marlenheim, Lacheteau in 2018. Burgundy in 2020.
	IFS - International Featured Standard Certification implemented by the distribution industry to ensure the safety of food products and monitor the quality of distributor brands.	GCF sites involved: All bottling plants.
	BRC - British Retail Consortium Certification that defines a common basis of requirements for the food safety of distributor-brand manufacturers in the UK market.	GCF sites involved: All bottling plants.
	Bordeaux Wine Environment Management System Certification that certifies compliance with international standard ISO 14001 and French legislation.	GCF sites involved: Landiras, Châteaux Cantin, Lestage-Simon, Cartillon and Bois Chantant.

Actions we have taken at different stages of our product life cycle



**A SIGN OF OUR CSR COMMITMENT
THROUGHOUT OUR PRODUCT LIFE CYCLE**





OUR VINEYARDS

Viticulture that cares
for people and nature



“ *As well as being the partner of choice for wine-growers in the principal wine regions of France, the GCF Group directly manages more than 3,300 ha of vineyards with the support of our committed, rigorous, skilled teams across all of our regions.*

Our goal is to bring out the distinctive character and expertise of each region and be a global player in the wine sector, while preserving the land and the men and women who work on it.

We must be a point of reference for our partners and grape suppliers in the wine industry.

Indicators



% OF PARCELS OF LAND THAT ARE
ORGANIC OR BEING CONVERTED

- 20% in 2017
- 38% in 2020
- i.e. 90% increase



% OF VINEYARDS
UNDER AGRI-ENVIRONMENTAL PROCESSES

- 20 % in 2017
- 68 % in 2020, i.e. 3 times more area involved
- 58% of these areas are already certified



REDUCTION OF TFI¹
IN OUR VINEYARDS COMPARED
TO REGIONAL AVERAGES

- 2018: 0%
- 2019: -31%
- 2020: -35%



TFI OF HERBICIDES
OUT OF TOTAL TFI

- 2018: 12%
- 2019: 14%
- 2020: 10%



TFI OF BIOCONTROL² OUT
OF TOTAL TFI

- 2018: 34%
- 2019: 35%
- 2020: 53%

¹ TFI: The Treatment Frequency Index (TFI) is an indicator of the frequency of crop protection treatments (herbicides, pesticides, etc.) used by an agricultural business.

² Biocontrol: Biocontrol is a range of plant protection methods using natural organisms, based on balanced ecosystems.

Consumer Health and Safety

Various cultivation practices have been developed in our vineyards to enable us to **obtain quality grapes** whilst **limiting and rationalising the use of chemical inputs**.

We use a decision-making tool from the French Wine and Vine Institute (IFV) via the “**Fruition Sciences**” interface to model the risk of disease and optimise the inputs used to protect our vineyards.

Moreover, in line with our strategy, the **GCF Group follows a policy of conversion to Organic Agriculture** in our vineyards, to meet our consumers’ expectations of social accountability and well-being.

One of our objectives is to have HEV* in all of our vineyards by 2021.



Environmental Protection

We have implemented numerous actions in all our wine estates, in every region, such as our vineyards’ commitment to **High Environmental Value** (HEV)* processes and the conservation/development of biodiversity, by promoting the **widespread planting of hedges**.

To adapt our cultivation practices to **minimise the amount of passage through the vineyard** and **prepare for climate change** in all regions, we have the support of the company “Weather Measures” that helps us to **improve weather forecasts** based on their data and our network of 94 weather stations.

We are also developing innovative technology programmes with various national partners, such as “NAIO” to experiment with robots in the vineyards and also IFV for programmes to develop resistant varieties that will enable us to reduce the use of chemical inputs.



ARNAULT TRAC

Director of Development, Weather Measures

“Weather Measures” is a 5-year-old company specialising in weather forecasting. Our mission is to provide good weather data to meet the needs of our clients who often require consistent information across their whole location. Weather Measures gathers data sources from all the weather stations in France. This includes everything from temperature, wind and humidity observations to radar observations of rainfall and satellite observations of sunshine. Compiling all these data provides our clients with an accurate forecast to within one square kilometre.

For over three years, we have been supporting the GCF Group on their

wine estates, where they have installed about a hundred “Weenat” weather stations, which is a considerable investment. **The stations collect more granular data** for the vineyards involved, which are then re-entered into our databases. This enables us to **improve the accuracy** that we supply to the GCF teams so that they can **optimise operational management** (better predict diseases for example) and also forecast adverse weather conditions like frost. It is really a joint effort, between our own teams who bring technical expertise, and the GCF teams in all the wine regions, who manage the vineyards on a day-to-day basis.

What I appreciate about the Grands Chais teams is that there is genuine awareness about these topics. All the teams I work with take a pro-

active approach to improving their understanding and moving forwards together in the same direction. You get the impression that, at the heart of GCF, there is a will to find different ways of working and I can tell you that **GCF is quite innovative when it comes to agricultural processes**.

With GCF, we tackle issues that we wouldn't broach with any other player in the country and that's what makes our discussions so great. We are delighted to be working with people like that!

A. Trac



SÉBASTIEN PAYEN

Co-founder of “Fruition Sciences”, specialists in data for wine production

In the light of climate change, environmental challenges and public health, **we support wine-growers and oenologists** in understanding what is happening in real time during the vine's growing cycle, helping them to make their wine-growing decisions in order to optimise grape quality and yields. We have been working with the GCF Group since 2018. They wanted to supply all their properties with a software decision-making tool to facilitate

vineyard management throughout the season. The challenge is **to be able to anticipate the development of grapevine diseases** caused by variations in the weather and to optimise treatments (apply the “right treatment at the right time”). For maximum precision, the software analyses data gathered by weather stations situated on the different parcels of land and **provides users with operational data for the vineyard**, enabling early decision-making and smoother operations.

We have very transparent, open and honest personal relationships

with the people we work with in the Group. The property and vineyard managers in the GCF Group have a vision that is closely aligned with Fruition Science's values. Through our partnership with GCF, we are using innovative methods that will pave the way for the wine-growing of tomorrow.

S. Payen

”

Labour Practices

Our employees' health and safety is one of our top priorities. We provide our employees with high-quality equipment (closed-cab tractors with filtration systems and air conditioning) and **modern on-board technology** (spreaders with built-in GPS) **to ensure the safety and comfort of employees** who are working in the vineyards. The policy of reducing the number of treatments in the vineyards enables us to reduce our employees' risk of exposure.

A **"Wine-Growers Health" commission**, composed of employee representatives from various departments throughout the company, monitors our properties in order to improve working conditions.



Responsible Purchasing Policy



All sub-contracting and service provision is provided by **local businesses** with whom we try to **build strong, sustainable partnerships**.

The objective is to guarantee efficient, high-quality service provision in a controlled environment. These partnerships ensure that teams have better safety at work and more independence.

All the elements of this partnership are documented in a **specification that sets out GCF's expectations with regards to health and safety, ethics and the environment**.



ERIC SERRANO

Director of the South-West Division, IFV (French Wine and Vine Institute)

The IFV is the wine industry's technical institute. It was created post-war to modernise French wine-growing and resolve technical issues. Nowadays we have a presence in the main wine regions of France with 8 Research & Development divisions [...].

The fact is that in France, every year, the supply of "Vin de France" labelled wine is thousands of hectolitres short of international demand. So in 2016, the IFV and Anivin (National Inter-professional Association of French Wines) set up a **partnership to approve the processes of technically and economically "Innovative and Eco-responsible Vineyards"** (VIEs). The objective is

to identify this type of production within the country and develop specific wine management systems to ensure that wines carrying the "Vins de France" label have reached a certain level of yield and quality. To implement this project, two 30-ha pilot sites were selected (from an invitation for applications). One of them was the GCF Group, who is a key player in the French market.

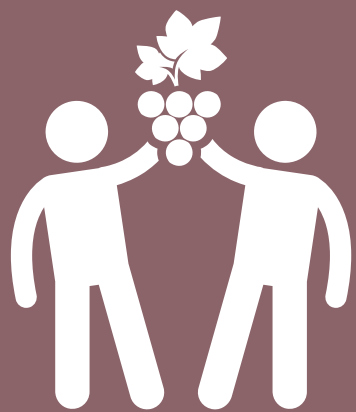
We have been working with the GCF teams since 2017 on a site near Narbonne where 30 ha of Chardonnay and (resistant) Floréal have been planted. It is a real **collaborative effort that brings together the technical teams from IFV and GCF**. The first technical and economic results have been analysed. We are sharing our expertise with the sector and, over the next four years, we

aim to encourage the roll-out of this type of project in other French wine regions and other international grape varieties.

It is a real pleasure to have been supporting GCF since 2017 and working with their professional wine-growing teams who know what they are doing and what they want to achieve.

E. Serrano ”





RESPONSIBLE WINE MERCHANT

Building Successful,
Long-term Partnerships



“ Each year, more than 1,500,000 hl of wine are produced by the Group itself, on its own estates, properties and vendangeoirs, or by wine-growers and cooperative producers working under multi-year contracts and committed to a sustainable, long-term process: More than **30 cooperatives and hundreds of wine-growers** have entered into **partnership with GCF**. This approach makes the **GCF Group the leading private wine-producer in France** and requires it to set high standards for its partners, based on experience gained in its own vineyards.

Indicators



FRENCH ASSOCIATIONS & WINE-GROWING PARTNERS

- 4 associations in 2017 and 1,216 wine-growing partners
- 10 associations in 2020 and 1,262 wine-growing partners



MULTI-YEAR CONTRACTS

1,540 contracts, representing 34% of the total volume of wine purchased in France



AVERAGE AGE OF PARTNERSHIPS

10 to 15 years



ANALYSIS OF PESTICIDE RESIDUES BY OUR INTERNAL LAB

- 2018: 28
- 2019: 459
- 2020: 822



ON-SITE VISITS BY GCF VITICULTURE TECHNICIANS

- 2017: 553
- 2020: over 720

Consumer Health and Safety

Our high standards extend beyond the parameters of our company and so we require **our partners' full commitment**. Our suppliers must comply with Responsible Purchasing Specifications and undergo **CSR assessment surveys and audits**. We attach great importance to **supporting our contributors** and assign GCF employees to provide technical advice so that cultivation profiles correlate with end products. We also expect our partners to be **responsive and to adapt to market trends in terms of Sustainable Development**.

Finally, GCF has made substantial investment in equipment and people by setting up a **detailed analysis laboratory to enable us to quantify pesticide residues** in the wines purchased.



Environmental Protection

During grape supplier assessments, we pay **particular attention** to **the equipment** that the supplier uses to **reduce their impact on the environment** (e.g. processing equipment and its proper use, storage and washing facilities, pest control, waste management and recovery, equipment to reduce water consumption, etc.). We support grape suppliers in these areas by **assigning qualified GCF staff to our evaluation visits to partner sites**.

Labour Practices



In the interest of **transparency and openness**, we regularly organise visits to our bottling plants for our partners and grape suppliers. **The GCF Group is proud of being present** in all French wine regions, and attaches **great importance to supporting its suppliers**.

We have therefore set up wine-grower associations, where members can deal with subjects collectively, access help from our qualified technicians and share certain costs (e.g. shared soil analysis, working together to arrange adverse weather insurance, a weather station network and traceability tools to optimise treatments).

Responsible Purchasing Policy

One of the GCF Group's key priorities is **safeguarding its supplies** and **giving suppliers visibility**. Therefore, for many years, we have focused on promoting **long-term partnerships with multi-year contracts** that are renewable every 5 to 10 years.

Since its creation, the GCF Group has worked, in particular, **to support the local economy** in the most rural wine-growing regions, where some cooperatives were experiencing great financial difficulty. The development of these **"win-win" partnerships** supports the **continuation of wine-growing activity in very rural areas**.



DIDIER FOULT

Director of Quality Assurance, GCF Group

In 2005, the GCF Group was one of the first companies in this sector to implement a random control schedule to measure and **track crop protection product residues** that may be found in our wines. This enables us to manage product safety and look after our consumers by ensuring that we are compliant with the strict standards that are in force. We were forerunners in our sector, implementing these control

schedules which have allowed us to observe normal low levels and peaks in certain molecules. Even though these peaks are 100 times lower than current norms, we have made the effort to search for the cause as soon as a value exceeded normal levels. Over the years, we have continually strengthened and improved this tracking programme using latest generation technology. This is evidenced by investment in an internal testing laboratory, especially focused on monitoring residue in our wines. **The lab has the capacity to process more than 2,000 tests per year on approximately 80 different molecules.**

Our objective is to reach 150 molecules by the end of the year. This new lab is unique in our industry in France. It allows us to analyse the condition of the wine we are making, as physically near as possible to our vineyard and grape purchases. As well as ensuring the quality of our products, it also allows us to work closely with our suppliers to understand their growing practices to that we can support and advise them.

D. Foul



PATRICK FARBOS

President of the Hauts de Montrouge (HDM) Cellars in Nogaro

The Hauts de Montrouge Cellars opened in 1963 and are situated in the small village of Nogaro. Originally, we produced Armagnac, a traditional drink from the Gascony region. However, in the 2000s, Armagnac sales slumped. Consequently, our stocks increased, our cellars were full and our sales were down. In **2011** I met the CEO of the Grand Chais de France Group, Joseph Helfrich, along with their Director of Wine Purchasing at the time. Together, **we decided to set up this partnership that is still in place today**, based on the provision of wines to the GCF Group, depending on market demand.

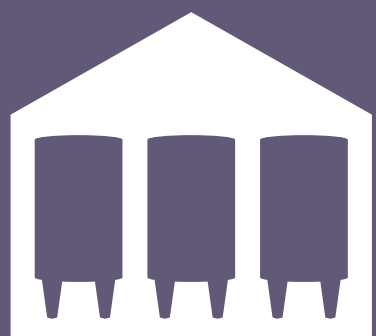
This partnership was crucial for

HDM. Without it, we would have gone to the wall and would not be here today. At first, when I presented the plan to the Board of Directors, **they thought I was mad. Two years later, they thanked me** for making this decision. Today, the HDM Cellars include 60 wine-growers and 1,200 ha of vineyards.

This long-term partnership has enabled us to sign five-year contracts, which give the wine-growers visibility. The wine-growers know that the grapes will be sold at a price that is more or less fixed, which gives everyone peace of mind to get on with their day job. Young wine-growers have also joined the Board of Directors. The wine-growers income per hectare has also increased compared to our most difficult times. Our turnover grew from 6.5 million euros in 2009 to 11.3 million euros in

2019. Looking back, I am proud that we have been able to turn the HDM Cellars around, raised our profile in the Gascony region and increased the profitability of our wines. **Since we went into partnership, we have modernised our operation. We decided to change strategy** through reorganisation, and restructuring our vineyard, planting varieties that are typical of this region, such as Chardonnay and Colombard, as well as Sauvignon at the GCF's request. We also invested in equipment, such as a new barrel store and wine pressing facility. This year, 400 ha of our vineyards meet the HEV standard and we have set a target of ensuring that our entire wine-growing area will be compliant with this standard within three years.

P. Farbos



OUR WINERIES AND CELLARS

Expertise
in wine-making



“ The GCF Group covers each function within the wine sector and also produces the specialities that are a source of pride for our regions and help to make them famous. This is a way of **raising awareness and gaining international recognition of all that France's rich heritage has to offer!** Building on its **presence in every wine region**, the GCF Group has become the leading producer of traditional-method French wine. Its wines regularly receive international awards. These accolades are also recognition of the work achieved in terms of sustainable development, as they reflect new consumer trends.

Indicators



WATER USED/BOTTLED WINE RATIO AT BOTTLING PLANTS

- 2018: 1.26 l of water for 1 l of wine
- 2019: 1.22 l of water for 1 l of wine



INTERNAL AND EXTERNAL QEH&S (4 TO 5 PEOPLE PARTICIPATE IN EACH AUDIT)

- 2017: 75 days
- 2018: 82 days
- 2019: 124 days



ELECTRODIALYSIS WINE

- 2017: 300,773 hl
- 2019: 312,466 hl
- Reminder - 2012: 59,263 hl



TANGENTIAL FILTRATION OF WINE (HL)

- 2017: 2,740,499 hl
- 2019: 3,385,242 hl
- i.e. more than 85% of total wine processed



ENVIRONMENTAL ACCIDENTS ON INDUSTRIAL SITES

0 over the last 5 years



SITE AUDITS OF BULK SUPPLIERS

24 over the last 3 years



SELF-ASSESSED SUPPLIERS

192 over the last 3 years

Consumer Health and Safety

All our cellars at our bottling plants are IFS* and BRC* certified and some wineries are implementing a food safety management system (ISO 22000*, an international standard based on HACCP* principles). In line with our policy, some of the GCF Group's sites have specialised in making and blending **wines produced by organic farming**. This specialisation is recognised by specific certifications for organic wine.

The Group has also been working with its oenologists for a number of years to **reduce sulphites** (SO₂) in our wines and remove any products that may be controversial for our customers and consumers.

The upstream traceability of the grape harvest or wine runs from reception in our winery through the whole wine-making process to guarantee the end consumer **full grape-to-glass traceability**. This is one of the principles of IFS* – BRC* certification.



Environmental Protection

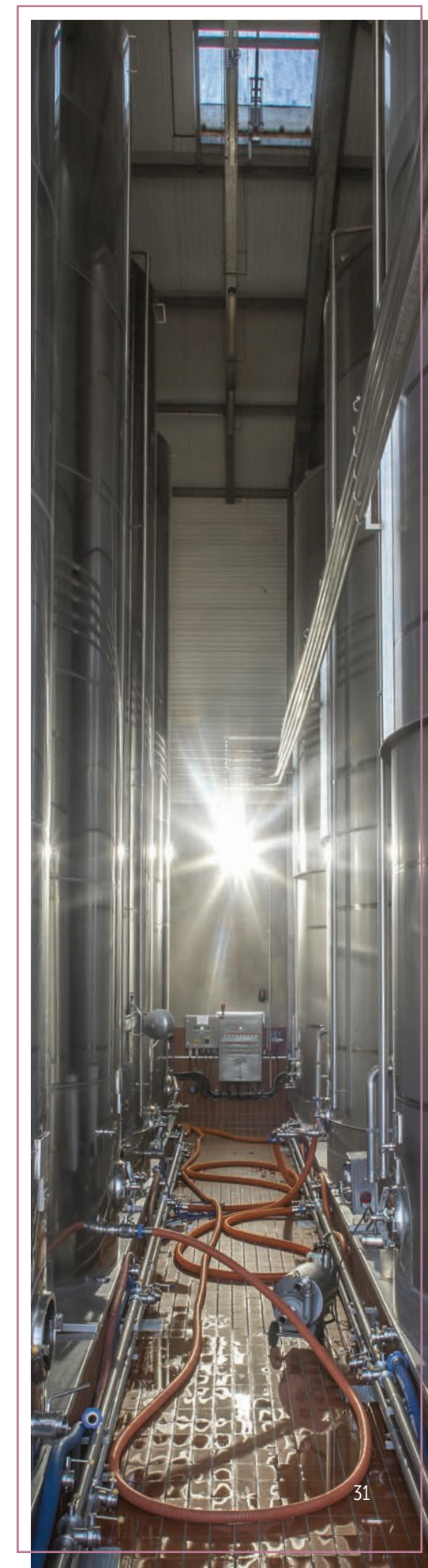
All the "by-products" of the grape harvest or wine production (pomace, stems, lees) **are sent to local distilleries** to be used as raw materials in other sectors (e.g. in the production of distilled spirits, or used as a fertiliser). **Waste water** generated by the wine-making process **is treated** by each site, following different processes to meet the requirements of their drainage basin: standard biological treatment plant, spreading (on vineyard or field), reed bed filtration, etc.



If the sites are large enough, the **wine is filtered** prior to bottling by **Tangential Flow Filtration**. This is a process that avoids the use of filtration consumables (earth filters, filter cartridges, etc.). In addition, this **equipment is reusable**, after cleaning, with a long lifecycle (**over 10 years**). More than 80% of the wines bottled by GCF use this process.

Another process, using electrodialysis, enables the wine to be stabilised against the precipitation of tartaric acid. This technique avoids the need to chill the wine to -4°C for 48 hours and then increase the temperature again before bottling (thereby saving energy).

Various energy control actions have also been implemented (insulating pipes that carry cold liquids, LED bulbs, electronic variable speed motors, double-walled vats, etc.).



SERGE DE BUCY

Head of Purchasing at François Martenot

In producing both white and red wines, we pay **close attention to the amounts of sulphur** (SO₂) added to the grapes and must in the pre-fermentation stages.

We have been trialling organic ways to protect our grapes for some time, using a "cold storage" phase to remove the need to add SO₂. Using this technique, we are able to produce wines that do not have

a single gram of SO₂ added at the pre-fermentation stage. The wine is aged in temperature-controlled storerooms, **which results in much lower doses of sulphur in the end product**. For example, we used to have around 120 to 130 mg/l total SO₂ in our red wines and now we are seeing 80 to 90 mg/l in those wines after one year of ageing. It is the same for white wines, where we have also seen a 30 to 40% decrease in the total level of SO₂, compared to what we used to produce in Burgundy.

These techniques, which are showing such convincing results, will be rolled out over the next few years to all the wines produced by François Martenot.

S. De Bucy

”

Labour Practices

All our wineries are provided with **equipment to reduce manual handling as much as possible**, as this can lead to musculoskeletal disorders. For example, using fixed pipes avoids the need to handle flexible hoses, and using tangential filters removes the need to handle bags of earth filters and avoids the dust that they can generate.

Our employees receive regular training on safety regulations and best practices in order to avoid accidents. **With regards to seasonal staff** who join us for the grape harvest, **wine-producers endeavour to retain employees** from year to year in order to increase their ability to work independently in a familiar environment. Meals are provided to all seasonal workers at this time of year and accommodation is generally included too.

For several years, we have been creating **inter-regional working groups** that bring together all the functions involved in wine production (viticulture, laboratory, vinification). **All the teams involved have benefited from this**, particularly with regards to industry developments and trends, as well as sharing knowledge and best practice.



ESTELLE ITHURRALDE

Head of Grape Sourcing at Domaine de La Baume

At Domaine de La Baume we have been working with wine-growers since 1990. In 2015 we decided to **implement 3 to 5-year contracts** despite the fact that we had been working with a "group" of regular wine-growers for the past 10 years. These contracts **give our partners visibility and also secure supply** for our wine production site, with the aim of strengthening the image of our estate. Of course, **we offered these contracts to our existing wine-growers first**.

We like to have a fully transparent relationship with our suppliers, and we work on the principle that if everyone explains things clearly

at the start, then everyone knows what to expect. On our side, to ensure that we get the most of out the grapes in the wine-making process, we carry out a close inspection of each parcel of land in order to achieve its fullest potential: monitoring ripeness, weekly checks, grape tasting. We have full control of deciding the date and time to harvest the grapes.

We also set up an **association of viticulteurs** in 2018, "La Baume Caractères" (Characters of La Baume) for all the wine-growers under multi-year contracts. This association gives them the opportunity to **meet with one another and also provides technical training to improve their precision, responsibility and profitability**. We also offer access to useful services that support their

operations: soil analysis, sprayer adjustments, weather stations, traceability software, HEV support, decision-making tools, etc.

This **way of working through an association helps to build long-term relationships**, where we work together to achieve a common goal: **high-quality, safe, healthy grapes**.

This approach has enabled us to work with new partners in recent years. La Baume currently has around 30 wine-growers covering a total area of approximately 500 ha.

E. Ithurralde ”

Responsible Purchasing Policy

Suppliers of oenological and cleaning products are important stakeholders for the Group. **To ensure a safer, more reliable supply chain, we have entered into multi-year contracts** with our suppliers **based on clear specifications**, which include information **about the suppliers' own commitment to sustainable development**.

Self-assessments and audits are carried out by inter-departmental teams (Purchasing, Quality, Feasibility, etc.), led by the Purchasing Department, to verify compliance with the mutual commitments that were initially defined.

All suppliers of oenological products provide food contact certificates, SDS (safety data sheets) and technical data sheets, which are verified during audits.





BOTTLING

High-Performance Facilities
that Protect the Product,
People and the Environment

6 CLEAN WATER
AND SANITATION



7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



10 REDUCED
INEQUALITIES



“ Our main **bottling plants are highly automated** which **guarantees quality** and **safety for our customers**. To provide our employees with optimal working conditions we decided to invest in **cutting-edge technology that is user-friendly** and **takes account of the workstation** as well as **reducing the environmental impact** through better process control.

Indicators



NUMBER OF DAYS
OF CUSTOMER AUDITS

- 2017: 66
- 2018: 66
- 2019: 54



CUSTOMER PRODUCT OR SERVICE CLAIMS
(NO. OF BOTTLES INVOLVED/VOLUMES SHIPPED)

- 2017: 0.94%
- 2018: 0.88%
- 2019: 0.46%



RATIO OF GRAMS OF NHIW (NON-HAZARDOUS INDUSTRIAL WASTE) PER LITRE BOTTLED

- 2017: 1.53g/l
- 2019: 1.37g/l



% TOTAL PAYROLL ALLOCATED TO TRAINING
(TRAINING COSTS + SALARIES)

- 2017: 2.54%
- 2019: 2.56%

Consumer Health and Safety

The main consumer risks (foreign bodies in end products) are managed through the application of strict procedures, by trained and qualified production operators, and through the use of specific equipment (final filtration prior to bottling, bottle rinsing, sterilisation using steam or hot water as much as possible).

This process has been approved for over 20 years in all our bottling plants through IFS* and BRC* standard certification. These certifications are obtained following annual audits, carried out by third parties, that guarantee our control of product food safety for the benefit of our consumers.

As evidence of our ongoing commitment in this area, all sites have been subject to random audits, across the whole GCF Group since 2017 (and since 2014 on the Group's leading site), thereby reinforcing transparency with regard to our customers.



Environmental Protection

Like most industries in the food sector, for hygiene purposes and consumer safety, our activity requires the use of water (mainly for cleaning purposes).

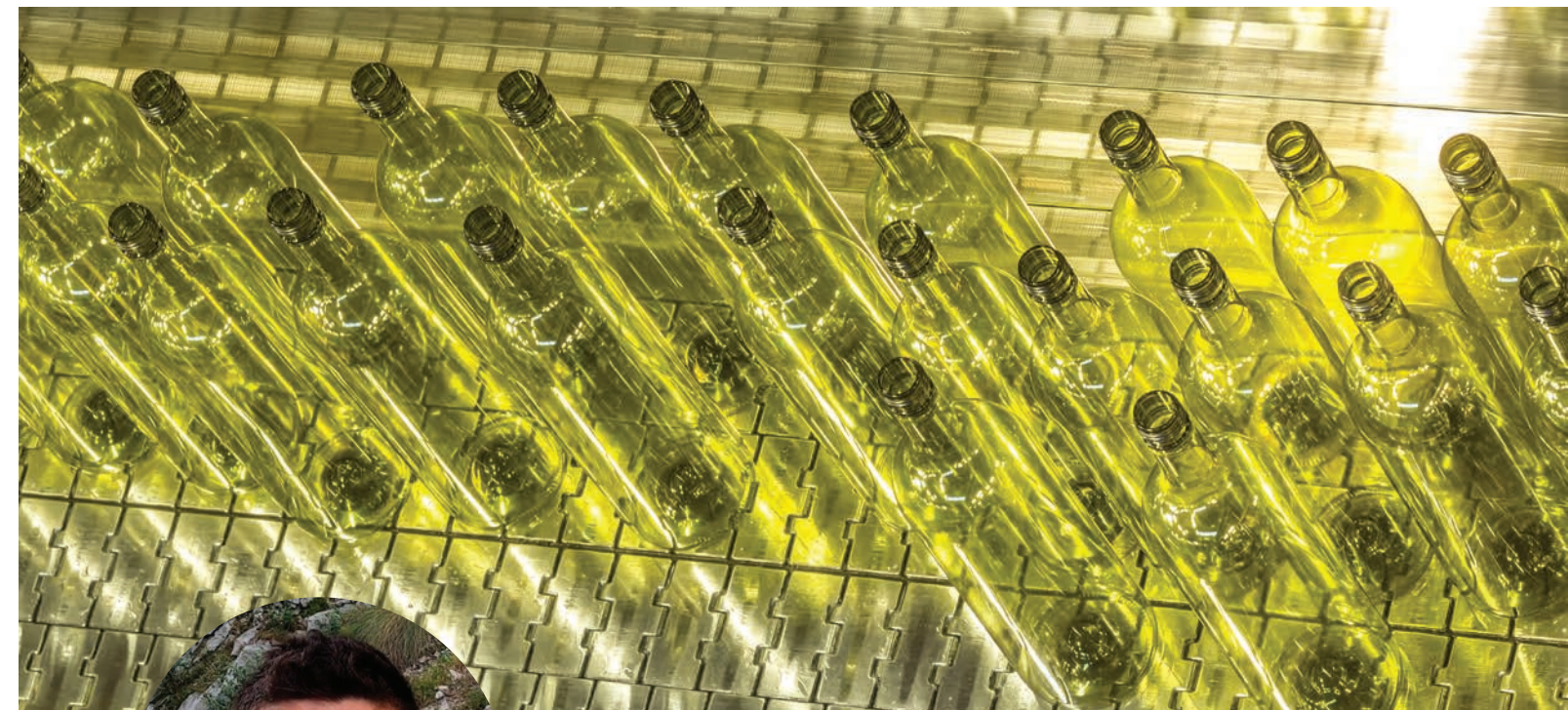
In order to reduce our impact on this resource at each stage of our process, our sites are equipped with Clean in Place (CIP) technology - an automated and optimal system for cleaning equipment without the need for disassembly) and partial recycling of rinse water.

In addition, we have our own water treatment plants managed by qualified staff who ensure that our effluents are properly treated and managed.

The Group has been certified ISO 50001* since 2018 and is committed to an energy consumption management process.



Through this process, we have been able to integrate energy management into operational teams and include it in specifications for new investments.



CLÉMENT POLIDANO

Engineering Advisor, NEPSen (an energy efficiency consulting firm)

We met the GCF Group in 2015 on the subject of energy audits, which was the hot regulatory topic at that time. The GCF Group immediately wanted to go beyond the regulatory requirements and implement a more global, long-term process. GCF wished to allocate specific teams to focus on ISO 50001 energy performance management. That's how NEPSen launched this project with GCF and their 6 sites that consume the most energy. This project was delivered in several stages: defining the sites' initial status; drafting action plans, with the installation of counters to measure consumption; identifying internal resources to lead the project (setting up "energy teams"), and creating and monitoring the energy scorecard.

The outcome was that the Group achieved ISO 50001 certification in 2018 and more recently also succeeded in integrating new GCF sites into the scope of ISO 50001 (sites in the Burgundy region). Updating the certification to comply with the 2018 version was another excellent achievement for the Group. In addition, the GCF teams have improved their skills over the years, which has enabled them to access grants for energy improvement projects that the Group would surely not have been able to obtain, if they had not been involved in the process since 2015.

Like all new processes, the beginning can be challenging but the GCF Group's dynamic energy teams were heavily involved in the process. The GCF Group's commitment to CSR in 2017 also enabled them to boost the ISO 50001 pro-

cess with greater funding and additional human resources. Generally, I would say that GCF's philosophy is "ultra-practical". At GCF, they do not try to overcomplicate things. Instead, they look for straightforward, practical solutions that are easy for their employees to adopt. In this spirit, GCF recently decided to invest in energy monitoring software to automate consumption tracking.

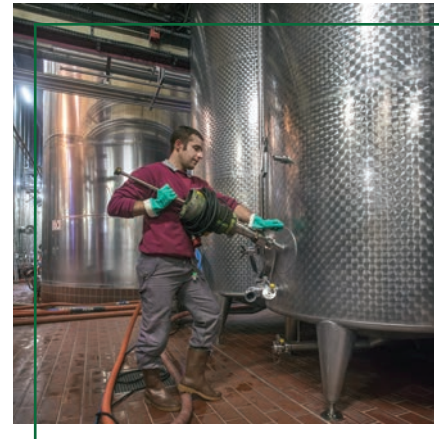
C. Polidano

Labour Practices

Specialised, on-site Health, Safety and Environment (HSE) Teams implement **the prevention policy to reduce risks in the workplace.**

We are committed to **improving employability**, and invest in **training courses that have a huge impact**, both internally with employees to maintain skills, and externally through **strong partnerships forged with training organisations.**

Also, in 2017, the GCF Group signed a **Disability Agreement approved by the DGT (France's Directorate General for Employment)** which enables better integration for RQTH employees (employees recognised as workers with a disability in France), by improving working conditions.



Responsible Purchasing Policy



Suppliers of dry materials (glasses, packaging, corks, labelling) are key stakeholders for the Group.

To **ensure a safer, more reliable supply chain**, we have entered into **multi-year contracts** with our suppliers based on clear specifications, which include information about our suppliers' own commitment to CSR*.

As for all our suppliers, **self-assessments and audits are carried out to verify our purchases.**

Our national presence and GCF's international dimension **also encourage the growth of sales from different wine-growing regions** through sales agreements and partnerships with local companies.



VINCENT CHEREL

Director of IFRIA, Nouvelle Aquitaine

IFRIA is a non-profit organisation (under Law 1901) that was created in 2003 to develop training for companies in the food-processing industry. We first met GCF back in 2008 when they needed to recruit and train staff for their bottling plant at Landiras. They also wanted to improve the skills of their production operators to make them more independent. **This meeting was a turning point for IFRIA.** We had to completely rethink our **training approach** and put trainers directly on-site, **as close as possible to the production facility**, which was one of GCF's specific requests.

At the Landiras site, we had a classroom and training workshop specifically for delivering training sessions. So people could train directly on production machines that were similar to the ones they would be using in their job. This method was developed for this partnership and has become standard practice for most of IFIRA's training courses [...] At Landiras, we also trained logistics operators using the same model. Again, this type of training was not in our catalogue at the time (especially not for wine cellars) and IFRIA had to evolve. This **innovative approach that GCF requested in 2008 re-wrote the rulebook and made IFRIA what it is today.** In total, **we have trained more than 400 people.**

The GCF teams knew how to open doors for us, were completely invested, and drove the projects forwards from the start. I often use Grands Chais as an example of a business that, when we launch an idea, is sure to grasp hold of it and make something of it, and that is really great. It is a very positive working environment for us.

Today, GCF is like our second home.

V. Chérel ”





LOGISTICS & TRANSPORTATION

Responsible Distribution



“ Our logistics platforms are located at our bottling plants, minimising the flow between production and logistics.

The two biggest platforms have been **optimised to minimise the transport impact** on our deliveries: the Petersbach site, thanks to its geographical position, delivers to the heart of Europe; whereas the Landiras site offers maximum coverage for export, particularly for **the use of maritime routes**.

Our other regional plants deliver directly to our national or international customers, whenever the volumes of freight are sufficiently high (**full truck loads**).

Indicators



ROAD-RAIL AND BARGE TRANSPORTATION

- In 2019: 325,880 hl, i.e. 25% of bulk wine located more than 500 km away
- In 2019: 60% of containers chartered by GCF



NUMBER OF HRW (HIGH RISE WAREHOUSES)

- 2008: 2 HRW
- 2017: 4 HRW
- 2020: 5 HRW



% AUTOMATION OF PREPARED ORDERS

70% over the last 3 years



Consumer Health and Safety

Consolidating orders for products from different regions and countries on a single truck guarantees customers **minimum handling and intermediaries** between preparation and delivery. For customers, this guarantees product safety, as there is no intermediary and therefore no unexpected additives ("Food Defence"* control) or alterations to the product. This approach also enables us to **reduce delivery times** especially for overseas exports (**delivery of full containers** that have been filled at our logistics hub).

Environmental Protection

To ensure that customers receive deliveries from their closest **logistics hub** and **to reduce the flow of transport**, deliveries are made by a single truck for all the products in an order, regardless of where they were produced. The Group has also **optimised the bottling to logistics flow** so that, wherever possible, bottling, storage, order preparation and shipping are localised at a single site.

For the transportation of bulk wine more than 500 kilometres from a bottling plant, **GCF opts for transport by road-rail and barge** wherever possible.

Taking this optimisation further, sites are designed so that **blending, bottling, storage and order preparation are seamless** (there is no transportation between the different stages of the sites' internal processes).

Labour Practices

We have been using automated logistics platforms for over 10 years, with **High-Rise Warehouses** (HRWs) and Automatic Guided Vehicles (AGVs). This **facilitates** goods transfer operations from bottling to storage, and from storage to end product shipping where orders are prepared automatically.

This automation has reduced manual handling and the risks of accidents at work. Internally, it has enabled us to **develop our employees' technical skills**.



Responsible Purchasing Policy

By situating bottling plants within the wine regions, we reduce **wine transportation**. In addition, we work **with local liquid food transport providers**.

The purchase of empty pallets, and the repair or sale of empty or broken pallets, are managed by the sites and also entrusted to **local service providers**.



CHRISTEL STUTZMANN
Head of Transport, GCF Group

To reduce long-distance road transport at GCF, we favour **multi-modal transport** solutions wherever technical and operational circumstances allow.

We mainly opt for two alternatives to standard road haulage, which are rail or river transport.

We use the rail link between the South East and the North to carry our bulk wine in special tankers from Aude and Hérault to Alsace. The Perpignan -> Luxembourg railway line provides a good service with daily departures. High turnover and the interest of private operators allow us to transport large volumes of wine. More than one of our Spanish service providers has jumped on board this line, ensuring a first section by train from Madrid to Perpignan, then stopping at Maçon for access to our site at Vignoles, then Luxembourg for Petersbach.

This mode of transport has enabled us to **eliminate carbon emissions equivalent to 580 trucks**. Our

commitment to increasing the proportion of road-rail is held back by a lack of national infrastructure and operators. Nevertheless, studies are currently ongoing to develop new freight lines at a national level, particularly within the scope of the French government's "France Relance" (France Relaunch) plan.

In March 2021 a new line will link Bordeaux and Metz. We are going to seize this opportunity to make progress at an ecological, financial, and organisational level between our two main product consolidation sites.

With regards to river transport, we benefit from our geographical location close to the Rhine. A lot of **bulk imports of foreign wine** (from North and South America, New Zealand, Australia, South Africa, etc.) **arrive in containers directly to the ports of Antwerp** in Belgium and **Rotterdam** in the Netherlands. These containers are offloaded and then transported on barges along the Rhine to Alsace. Over the course of a year, 644 containers were imported. More than 90% of them shipped via the Rhine or by

rail (457 by barge and 130 by rail).

In this sector, we are also seeing the development of low-carbon solutions. For a number of years, VNF (French Inland Waterways), the "Grand Est" Region and the PAS (Independent Port of Strasbourg) have been working on a project to implement ferries on the Marne-Rhine Canal between Strasbourg and Saverny. This project is due for completion in 2022 and a private operator is developing a business plan to start construction of an innovative container-ship specifically for canals, which can carry up to sixteen 20-foot containers.

There is huge potential for developing multi-modal transport in France and we will seize every opportunity that arises.

C. Stutzmann



MARKETING

Constant Focus on Customer Needs

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



17 PARTNERSHIPS
FOR THE GOALS



“ The GCF Group has always **been responsive to the market** and quick to **adapt to consumer trends and requirements**: GCF offers a **very broad product portfolio** covering most French and European wine appellations, as well as spirits and New World wines.
A dedicated team develops **products that are tailored to each market**, taking account of everything from consumption patterns to new packaging innovations.

Indicators



NUMBER OF TRADE SHOWS

- In 2019: 19 international shows



NUMBER OF DAYS AT SHOWS

- In 2019: 76 days



NUMBER OF CUSTOMER SITE VISITS

- In 2019: more than 400 (ranging from a few hours to several days)

Consumer Health and Safety

The GCF Group keeps closely in touch with our customers across the world thanks to **our sales teams, who are present in 170 countries**. This proximity to our markets means we are best-placed to **understand the needs and expectations of our customers and consumers**, as well as the different regulations that are applicable to our products in different countries. We also make sure we **work as transparently as possible** by organising **customer visits** to our bottling plants and estates. Our technical teams' attendance at the biggest national and international wine shows **keeps us in touch with our customers**, and able to answer any questions about product quality. We have also obtained a variety of certifications (organic, IFS*, BRC*, etc.) that testify to the fact that we take the health and safety of our consumers very seriously.

Environmental Protection

For several years, **our customers have been regularly asking us about our environmental practices**, from the vineyard through to packaging and shipping. We are structured to **meet all these expectations**, and are keen to make our customers aware of our practices by offering **product ranges that address the environmental issues raised**. Our sales team are therefore heavily involved in the design, communication, and marketing of organic and HEV3 products and vintages, which highlight our wine-growing practices. **GCF has optimised its logistics facility to minimise the environmental impact** of transporting customer orders from our sites to our logistics hubs (see the chapter entitled "Logistics"). Our presence in more than 170 countries requires our sales representatives to travel round the world. To limit the impact of this travel and be closer to our customers, **GCF has strengthened its foothold in a number of countries by recruiting local sales teams**. In the major countries (Germany and France), this strategy has been implemented at a regional level.

Labour Practices

It is part of the Group's values to be people-centred. Our enthusiastic employees work closely with our customers, ensuring a strong network on the ground. In this way, we have been able to provide **solutions for product packaging design and packing** that **reduce our customers' manual handling risks** (reducing the weight of Bag In Box containers, display packaging). We also offer customers with large order volumes **pre-preparation of the order for delivery straight to retailers**, without passing through the logistics platforms, or delivery directly to regional platforms without going through their export transit.

Responsible Purchasing Policy

Since we started this approach in 2017, our corporate presentations have included examples of good CSR* practice. **Our sales teams are regularly informed and involved in CSR* issues** and, during sales discussions, they participate in building collective awareness of these topics, by offering more responsible product ranges. Every year we attend and invest in dozens of our customers' regional shows, where we can talk about and present our ranges that are tailored to meet local expectations. Moreover, as one of the global players in the wine industry, and thanks to the professionalism of our employees and our production facilities, we are able to cater for distributor brands, which are more and more focused on environmental, ethical, and social equality issues.

With regards to the design, development and packaging of products, see the chapters entitled "Our Vineyards", "Our Wineries and Cellars", "Bottling" and "Logistics and Transportation".



SYLVIE PULLIAT

Head of Creativity and Events, GCF Group

Every year we welcome a large number of international customers who come to visit our bottling plants and our estates and find out more about our regions and terroirs. We usually organise a tasting for our sales rep and their customer, then they have discussions over dinner, which we always provide for our customers. These on-site dinners are organised in ideal conditions at our modern premises. Our passionate, in-house catering

teams are committed to preparing bespoke menus for our customers, to put them at their ease and make them feel at home. This requires a great deal of adaptability by our teams, given the diversity of international clients that we receive. Over the past three years we have organised around 18,000 meals for our customers.

Our international presence is also seen at major trade shows across the world, where we promote our products and meet our clients. In addition to the major events, like Prowein in Germany and Vinexpo,

Wine Paris and Sirah in France, we participate in over 20 events all over the world. The organisation of these shows requires logistical precision that has to be planned many months in advance, and involves a large number of the Group's employees.

S. Pulliat



CATHERINE FOSSOT PICARD

Director of Sales, GCF France

Social and environmental expectations are ever-increasing in the French market, and this has been the case for many months. This trend has grown further since the COVID-19 health crisis and is reflected in customer requests, or even **demands, for products and vintages that are produced responsibly**, with regard to both the wine itself (grape growing practices, blending process, vinification and ageing of the wine) and also to the packaging. Particular attention is given to the type of raw materials that we use (vegetable ink, type of paper, etc.).

Consumers are looking for quality organic products that combine enjoyment with health and well-being. In conjunction with the Marketing and Feasibility Departments, we have launched **a new range of eco-designed products** for the French market, and we continue to develop new products that maximise the use of more responsible raw materials.

In addition, we have adopted an augmented reality back label for one of our organic ranges. It enables us **to create a link with consumers**, to build confidence in our brand by providing an informative description that highlights the wine-grower's responsible approach to viticulture.

We will use new tools, including this report, to enhance the way we present and explain our CSR policy to customers, showing them the progress that we have made and how we can support them to build a fully-shared CSR policy. In our competitive and economic environment, it is now essential that we position ourselves, for all our customers, **as a Partner Group committed to social and environmental responsibility**.

Our Group's progress and level of commitment to the policy is a **real advantage for our sales teams who are proud to talk about it**.

C. Fossot Picard



CONSUMPTION

Consumer Satisfaction with Responsible, Quality Products



“ **Food safety, product quality and maximum consumer satisfaction are day-to-day concerns for the GCF Group.** Our quality assurance, recognised by IFS* et BRC* certification, enables us to achieve **high levels of consumer satisfaction**. In addition, our **employees, who have all been trained** on our quality system, are committed to providing exceptional products and services that comply with standards and regulations. **Our CSR* policy*** also assures our customers **of our commitment to the environment and to ethical standards.** ”

Indicators



CONSUMER CLAIMS

- 2017: 216 claims, i.e. 1 claim per 2.4 million bottles shipped
- 2019: 125 claims, i.e. 1 claim per 4.7 million bottles shipped



LABORATORY TESTS ON OUR END PRODUCTS OVER THE LAST 3 YEARS

- Internally: 300,000/year
- Externally: 200/year (calibrated by our equipment)



NO. OF UNITS SOLD IN STAFF CELLARS AND SHOPS

2017 to 2019: Stable at 880,000 units/year



NO. OF HOURS OF ADELPHÉ* TRAINING

84 hours involving 24 people



Consumer Health and Safety

Our laboratories carry out **1,200 internal analyses** every day, to check the compliance of our yields, and **our oenologists test all the yields** to identify the slightest anomaly. **Since 2005 we have been testing and monitoring pesticide residues** which could be present in wine. We take action as soon as a result is slightly above normal. Our wine purchases are subject to stringent specifications and we carefully monitor the application of them (see the chapters entitled “GCF, Responsible Wine Merchant” and “Our Wineries and Cellars”).

In all our products, notices about allergens **are strictly controlled**. We pay particular attention to ensuring that our products respect the applicable regulations in all 177 countries where they are sold.

All our employees are trained on and constantly **reminded of consumer safety**.

Environmental Protection

The **eco-design of our products** is a principle that is increasingly widespread within our teams with, for example, more frequent use of responsible raw materials (packaging, product). The labelling (back label, BIB box, etc.) already displays **notices** about **recycling instructions** to help consumers manage their waste.

Employees at Grands Chais de France who work on product design **receive regular training on eco-design and the proper use of recycling instructions**. This training is provided by ADELPHÉ*. In this way, our consumers all help to protect the environment, by following the recycling advice, and through our choice of eco-designed packaging.

Responsible Purchasing Policy

Our **eco-designed packaging, recycling instructions**, our layout that locates **product packing as closely as possible to wine production and consumption** (see the chapters entitled “Bottling” and “Logistics and Transportation”) mean that our consumers are participating in **responsible purchasing when they choose a GCF product**.

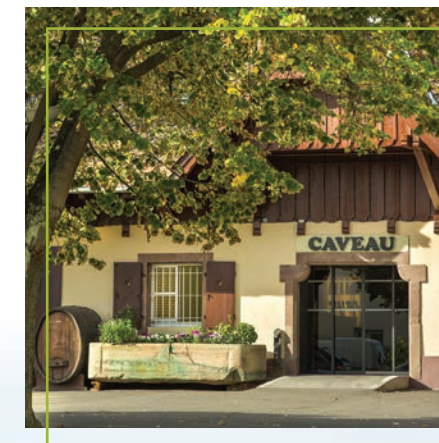
We also have a duty to inform and educate consumers about alcohol consumption, through awareness campaigns organised by Professional Organisations, and by offering consumers the option of taking a breathalyser test after wine-tasting at our cellars or wine fairs (breathalyser test supplied).

Labour Practices

Knowing we are packing a bottle that is going to be tasted by our consumers on the other side of the world is a **great source of pride for our employees**.

This virtual relationship between our consumers and our employees becomes a reality in the Group’s cellars: **each region has its own cellar** (sometimes more than one) where it promotes regional products as well as the full GCF range.

These virtual and real relationships contribute **to employee satisfaction and personal development, due to the pride that they take in their work**. Finally, our employees and their families can also discover our products from different regions in our staff shops.



ORIANNE HELFRICH
Direct Sales Co-ordinator, GCF Group

on our cellar door to discover the full range of regional products that we market.

In 2019, we welcomed 66,000 visitors across our 15 cellars in France. This represented 15,000 different customers. Our customers’ top purchasing criterion often remains the locality and reputation of the product. However, they **are also aware of the social and environmental policies that we have in place in our vineyards and bottling plants**.

The policies are highlighted in our cellars by our cellar advisor teams and also through regular targeted communication (social media, newsletter, etc.) in which we are committed to sharing our activities in different areas.

O. Helfrich



PRODUCT END OF LIFE

GCF's Commitment to the Circular Economy



“ **Wine is an agricultural product** that is made from vines, which have an annual life cycle. This cycle can be broken down into various stages: the growing period from March to mid-November, which includes the production of the grape (vine reproduction); and the winter phase, the plant's resting period, which runs from mid-November through to March. The management of the vineyard, by its very nature, contributes greatly to **the circular economy**.

Once the harvests and wine production are complete, the blended and packing stages begin. The type of products sold by the GCF Group (wine in glass bottles put into cardboard boxes of 6 or 12) means that **nearly 100% of the materials used** (wine and packaging) **are part of the circular economy**: the wine from grapes, which are a renewable resource, glass is infinitely renewable, and the boxes are recyclable. Bottling operations generate packaging waste. More than 90% is recycled and 100% of waste water is treated in effluent treatment facilities, where earth fertiliser is one of the co-products.

Overall, **more than 95% of the waste generated by our bottling plants is recycled**.

For more details, see the chapters entitled “Our Vineyards”, “GCF, A Responsible Wine Merchant”, “Our Wineries and Cellars”, “Bottling”.

Indicators



**GREENHOUSE GAS EMISSIONS
(IN EQUIVALENT TONS OF CO₂)¹
– AT CONSTANT ACTIVITY**

- 2013: 9,059 t CO₂e (benchmark year)
- 2018: 7,749 t CO₂e



**ECO-CONTRIBUTION FOR
RECYCLING OF PACKAGING
(EUROPE ZONE)**

- 2018: €2,795,452
- 2020: €3,170,179



**RECYCLING
OF WASTE**

- 2017: 93.10% of 9,550 t
- 2019: 94.00% of 9,967 t

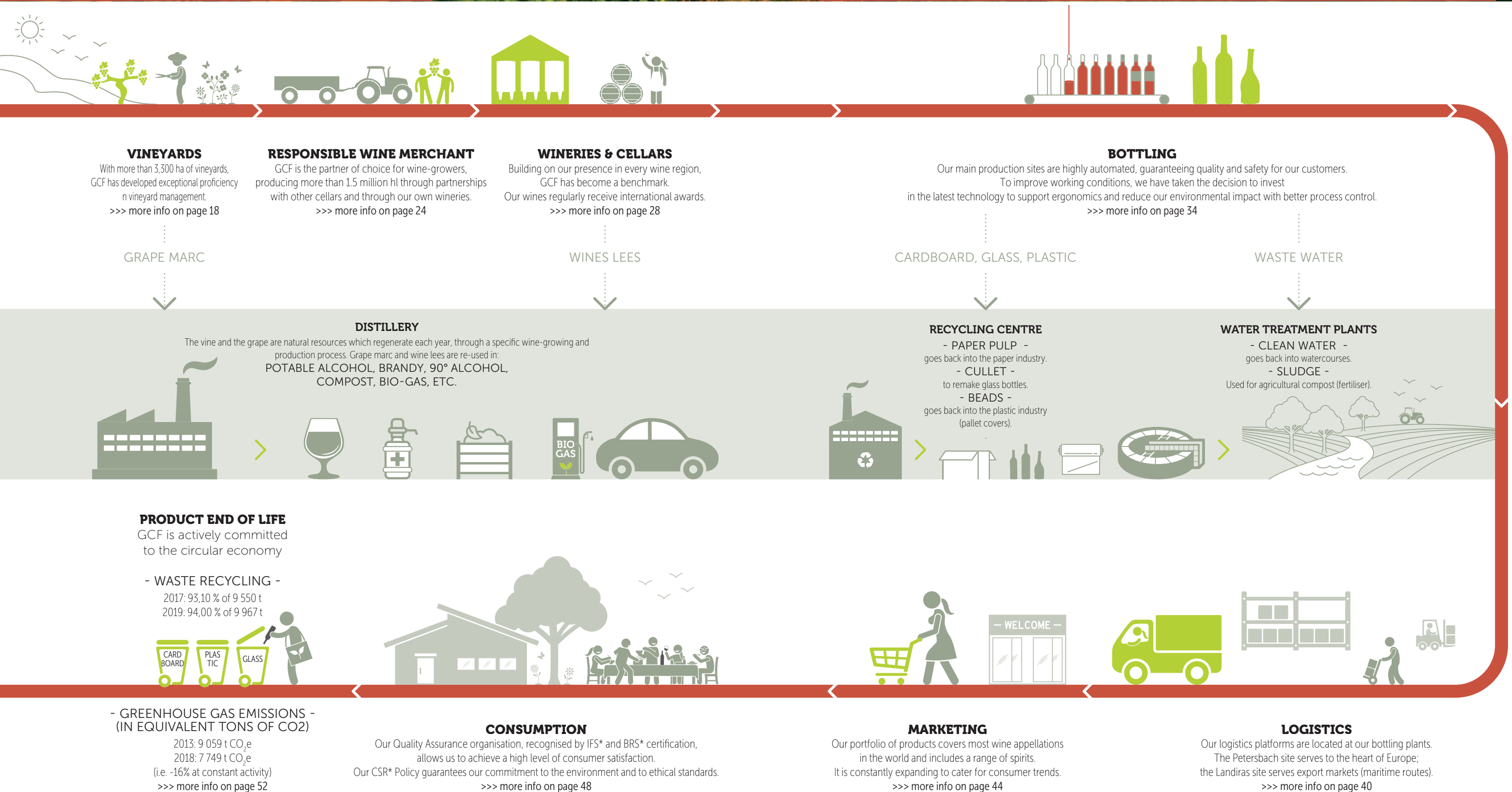
¹ This indicator includes all the activities of the 2 main sites and the Group's whole fleet of vehicles (ADEME definition scope 1 and scope 2). To reduce our dependency on fossil fuels, GCF has been carrying out a carbon assessment to calculate our carbon footprint since 2011. In this vein, we regularly monitor the greenhouse gas emissions at our main sites.

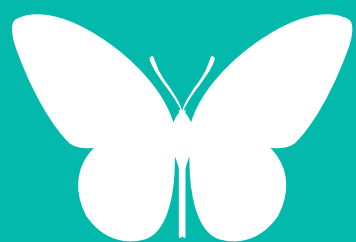
The Wine Lifecycle



Our commitment to sustainable development is integrated into each stage of the product life cycle from our work in the vineyards right through to consumption.

At every stage of our product life cycle, our focus on protecting the environment, our customers' health and well-being, our employees' health and safety, and responsible purchasing is consistent with sustainable development.





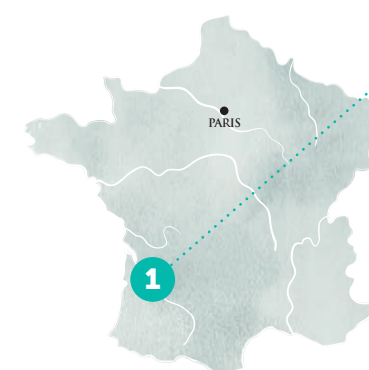
THE BUTTERFLY EFFECT

The Positive Impact
of our Actions on the Land
and in the Sector



“ The GCF Group now has a presence in the major vineyards of France, through its estates, production centres and bottling plants. With the support of our teams, we are committed to preserving the authenticity and unique diversity of each terroir and developing the economic fabric of rural areas.

Some examples below demonstrate the involvement of GCF employees, who are dedicated to preserving and developing the social character of local communities.



Operation “Téléthon”

GCF - LANDIRAS [33]

Staff Wine Sales Days take place over several weeks and the money raised is given to “Téléthon”.

The Days are initiated by the Landiras CSE and organised by a dynamic team of volunteers from all departments across the company. They have raised over €15,000 annually for Téléthon on average since 2015.

Everyone who gets involved can purchase wine at a reduced price, while helping to fund research to combat rare, genetic and severely debilitating diseases at the same time.





2 Helping People Into Work

LACHETEAU SCEA - CHAMPTELOUP [49]

The "Jardin des Plantes ESAT" (Vocational Rehabilitation Centre), which is part of "Pôle Handicap 49", is situated in Doué in the Anjou region. Since 2006, they have been carrying out work in the vineyard at Château de Montgueret (Scea Champteloup), in the Loire Valley. Teams of 4 to 15 people work in the vineyards according to their respective abilities, on tasks that include clipping, timber extraction, cleaning, tying up vines and trellising.

About 10 ha are given over to the ESAT teams. Other sites and estates in the Loire Valley also employ ESATs to work in vineyards or manage green spaces or wash vehicles.



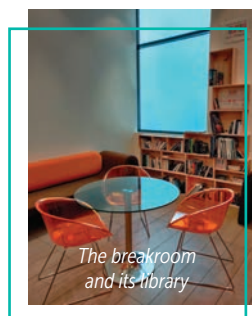
Some of the Jardin des Plantes ESAT Team

3 Self-Service Library

GCF - PETERSBACH [67]

A self-service library was set up at the Petersbach site thanks to an initiative by site employees. Made of recovered wooden crates, this library lets everyone share reading materials. Anyone can donate, or take a book out free of charge, much to the delight of our readers!

Other libraries have been set up in different sites across the Group.

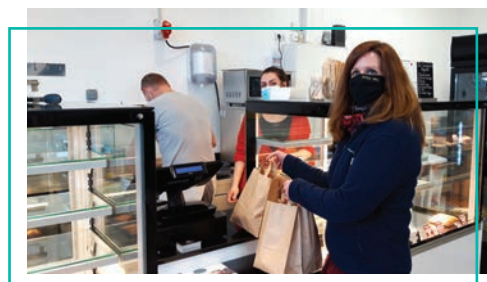


The breakroom and its library

4 "Eating Local" at Lunchtime

ARTHUR METZ - MARLENHEIM [67] / HXM - MAYENCE [DE]

During the coronavirus crisis, local initiatives gave our employees at Marlenheim and Mainz the opportunity to eat locally during their lunch break. These initiatives were more than just a simple meal. They were a way of supporting local businesses in the Marlenheim region and rebuilding connections within the community. The approach at the Mainz site had a distinctly natural and environmentally-friendly flavour, offering healthier options of artisan food, provided in biodegradable packaging.



5 "My Company is Healthy" Award

MAISON DU VIGNERON - CRANÇOT [39]

26 employees from the "Maison du vigneron" took part in a fun company challenge. They ran or walked one or more laps of a 2km route around Lons le Saunier town centre.

As the company with the most participants, they were awarded the "My Company is Healthy" trophy and won a PCS1 (First Aid) training course for 10 employees.



Presentation of the "My Company is Healthy" Award

6 Cork Collection for Local Association

FRANÇOIS MARTENOT - VIGNOLES & MEURSAULT [21]

Collections of natural and plastic corks are organised in Burgundy for the "Friends of Timéo" Association. This association collects the corks then a specialist company buys them and recycles them. The association uses the profits to fund various activities and excursions for children living with cancer in Burgundy.

This activity also takes place with other local associations in the Alsace, Bordeaux and Loire regions.



7 Eco-pasture in Burgundy

PAUL SAPIN - LA CHAPELLE-DE-GUINCHAY [71]

Since May 2019 the Paul Sapin site has been finding an innovative way to help the environment: the maintenance of green spaces by eco-grazing, in partnership with the company "Ecomouton" (Ecosheep).

This company provides the sheep, arranges for them to be checked regularly by a professional shepherd, organises any necessary veterinary care, and adjusts the flock during the year depending on the grass cover and the green space concerned.

In total, 6,000 m² of land has been maintained by these sheep (a hardy breed that are resistant to changes in weather).



OUTLOOK & NEW GOALS

On the strength of our first Sustainable Development Policy 2017 to 2020, **we are more and more convinced that CSR must be part of the strategy and vision for the whole company.** This observation is strengthened by the terrible and unexpected COVID-19 crisis that shook the world in 2020. Certainly, companies that are financially robust have fared better than others, but we are also seeing the emergence of other criteria that demonstrate people's growing concerns. These are concerns about the environment and society, and one thing that the COVID crisis has also taught us, is that companies who are voluntarily and actively committed to Sustainable Development are also those best-equipped to cope with this crisis.

All companies are involved in CSR" to some extent, sometimes without even realising it or communicating about it. However, **what differentiates companies** in terms of Sustainable Development, **is knowing about it and turning it into a strength** by making the most of all the opportunities that CSR* offers.

Our **first experience has been valuable** and we have noticed a mental shift in attitudes towards CSR* over the three-year period. **Today nobody questions the decision that was made** four years ago to launch a structured Sustainable Development policy.

We are at the end of the first cycle of our CSR* Policy and the start of a new cycle. **Our strategy and vision** for Sustainable Development **must continuously evolve in line with consumer expectations** and be evermore ambitious. The work done in our regions, and the efforts put into this policy in recent years, supported by the dynamism of the Steering Committee at Group level, will now pave the way for **new opportunities, putting Sustainable Development even more firmly at the heart of our different functions.**

For example we will see a **CSR* organisation,** stretching like a web **across each unit, department and role.** We will further develop indicators and scorecards to make them more relevant for better CSR* governance. And finally, we will **invest in order to take more account of our environmental and social impact.**

As a new era dawns, we look forward with confidence because we perceive growing awareness among our employees, and increasing interest from stakeholders, in policies and actions that respond to Sustainable Development concerns.

GLOSSARY

ADELPHE

ADELPHE's mission is to offer companies industry-specific solutions. For 25 years, they have been helping companies with legal declarations, eco-design, consumer information and awareness, and waste recycling. Adele handles companies' legal and environmental responsibility with the guarantee that their financial contribution (eco-tax on packaging) allows the recycling of their packaging in France.



FOOD DEFENCE

Food Defence is the protection of food products against intentional contamination or falsification by biological, chemical, physical or radiological agents, introduced for the purpose of causing harm.

HEV

High Environmental Value In 2007, the "Grenelle de l'Environnement" (Environmental Round Table) started to develop an ambitious plan to provide agriculture with a public system of environmental validation and recognition: "La Certification Environnementale des Exploitations Agricoles" (Environmental Certification of Farming Operations). This original plan, with three incremental levels to support step by step progress, was implemented with the assignment of the HEV label:

- **Level 1:** compliance with the basic conditions required by environmental regulations.
- **Level 2:** adoption of methods that have low-environmental impact.
- **Level 3:** Measurement of environmental performance thresholds for biodiversity and low dependency on inputs.

Since its launch in 2011, the number of farming operations with "High Environmental Value" (HEV) certification has grown exponentially (5,399 farms certified as of 1st January 2020 compared with 2,272 farms as of 1st July 2019 and 1,518 farms as of 1st January 2019).



IFS AND BRC

The IFS (International Featured Standard) and BRC (British Retail Consortium) certifications are audit references implemented by volume retailing. It allows their supplier audits to be delegated to third-party organisations, ensuring control of food product safety and monitoring the quality of distributor-brand and/or value-range manufacturers. IFS and BRC certifications were created to:

- Provide consumers with healthy food.
- Guarantee food safety for distributors.
- Meet the requirements of community hygiene regulations.



ISO 22000 AND HACCP

ISO 22000 certification is a risk management tool designed for all players in the agri-food chain. It guarantees the safety of food products: the supply of safe products to consumers. It integrates the principles of the HACCP standard to meet the requirements of the community regulations on hygiene. L'HACCP (Hazard Analysis and Critical Control Point) is a system for analysing danger and critical points in order to control them. It is a method for controlling the safety and security of food that was developed in the USA by a NASA laboratory for the APOLLO programme. Its objective was to prevent, eliminate or reduce the acceptable level of any biological, physical, chemical and allergenic danger.

To do this, the process consists of analysing dangers and implementing critical points in order to control them.



ISO 50001

The ISO 50001 standard, published on 15 June 2011 and updated in 2018 by the International Standards Organisation, is the result of a collaboration between 61 countries. It aims to improve organisations' energy performance. Its implementation is therefore a potential source of energy savings for companies. The key aims of ISO 50001 are to face up to the scarcity and long-term increasing cost of energy, whilst helping to reduce greenhouse gas emissions.



SDG

Sustainable Development Goals: (Objectifs de Développement Durable in French) is currently used to mean the seventeen objectives set by the Member States of the United Nations and adopted by the UN in September 2015 after two years of negotiations that included both governments and civil society. It defines the targets to be reached, SDG by SDG, by all signatory countries by 2030. They meet the following general objectives: eradicate poverty in all its forms in all countries, protect the planet, and ensure that all people enjoy peace and prosperity.



CSR AND ISO 26000

Corporate Social Responsibility (Responsabilité Sociétale des Entreprises, RSE, in French) means companies taking account of social and environmental issues in their activities. Company activities is meant in its broadest sense: economic activities, interactions with internal stakeholders (employees, directors, shareholders) and external stakeholders (suppliers, customers and others).

CSR is often understood to be a company's implementation of sustainable development concepts that include three pillars: environment, social, and economic.

CSR is formulated as seven core subjects in the ISO 26000 standard. The objective of this standard is to guide organisations in taking control of social responsibilities. Its aim is to provide guidelines for all types of organisations that are trying to take responsibility for the impact of their decisions and activities. Even though the economic dimension does not appear as a core subject, the financial means of each organisation will decide the priority of the actions they implement. This relates to sustainable development, which aims to balance the environmental, social and economic pillars.



SWOT

A **SWOT** analysis or matrix is a strategic business tool to help determine the options available in a strategic sector of activity. It aims to specify the company or project objectives and identify the internal and external factors that are favourable and unfavourable to meeting these objectives. SWOT has been described as a tried and tested strategic analysis tool. The strengths and weaknesses are often internal, whilst the opportunities and threats generally concentrate on the external environment.

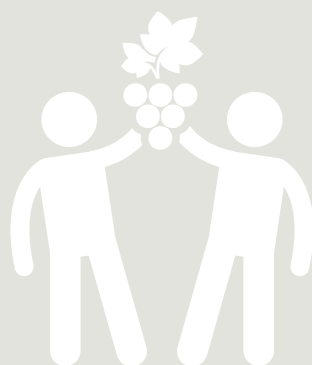
SWOT is an acronym for the four following parameters:

- **Strengths:** characteristics of the company that give it an advantage over others.
- **Weaknesses:** characteristics of the company that give it a disadvantage compared to others.
- **Opportunities:** factors in the business's environment that it could take advantage of.
- **Threats:** factors in the business's environment that could cause problems for the company.

The European Commission defines SWOT analysis – or matrix – as "a strategic analysis tool".

It combines the study of the strengths and weaknesses of an organisation, area, sector, etc., with the opportunities and threats present in its environment in order to help define a development strategy.

The Grand Chais de France Group CSR Report
can be viewed and downloaded at
www.groupegcf.fr



We would like to thank everyone who
contributed to this report.



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