



Southern Glazer's Wine & Spirits

Corporate Social Responsibility Report

2019 Recap



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Southern Glazer's Wine & Spirits

At a Glance



About Southern Glazer's Wine & Spirits

Southern Glazer's Wine & Spirits is the world's pre-eminent distributor of beverage alcohol, and proud to be a multi-generational, family-owned company. The Company has operations in 44 U.S. states and the District of Columbia, Canada and the Caribbean, and employs 22,000 team members. Southern Glazer's urges all retail customers and adult consumers to market, sell, serve, and enjoy its products responsibly.

Company At a Glance

42

Distribution
Centers

6.4M

Customer deliveries
annually

14.5M

Square feet of
warehouse space

6 billion

Tons of freight delivered
to customers each year

2.7K

Trucks in fleet

282K

Customers delivered to
annually

1.7K

Wine, spirits, beer and
beverage suppliers

>5K

Brands distributed

Expertise in Wine & Spirits Education

Southern Glazer's has more certified wine experts than any other North American wine and spirits distributor. Its employees have successfully completed more than 10,000 wine, sake and spirits education programs, from introductory to master-level achievements. These include:

- 1 Master of Wine
- 10 WSET Certified Educators
- 2 WSET Diploma
- 135 WSET Level 3 Wine
- 26 WSET Level 3 Sake
- 4,712 WSET Level 2 Wine & Spirits
- 1,720 WSET Level 2 Spirits
- 471 WSET Level 1 Sake
- 1,801 Court of Master Sommeliers, Level 1
- 122 CMS Certified Sommeliers
- 21 CMS Advanced Sommeliers
- 14 Master Sommeliers
- Over 640 Certified Specialists of Wine
- 18 Certified Wine Educators
- 52 Certified Spirits Educators
- 139 Certified Specialists of Spirits
- 149 Italian Wine Professionals
- 62 French Wine Scholars

Southern Glazer's employs 20 Master Mixologists across North America, responsible for educating bartenders, beverage buyers, and corporate clients about the latest trends in cocktail culture. Michelin star chefs, national restaurant chains, international hotels, and top spirits brands rely on Southern Glazer's expert Mixologists to help them develop world-class beverage programs that raise the bar for today's demanding consumers. Southern Glazer's Mixologists hold multiple certifications from accredited organizations such as the U.S. Bartenders Guild, BarSmarts, the Wine & Spirits Education Trust, Society of Wine Educators, and the Cicerone Certification Program, to name a few. Southern Glazer's also boasts the industry's first national wine team dedicated to providing top quality wine education and certification for their employees across the country.

Message from Southern Glazer's Wine & Spirits Leadership

The entire leadership team at Southern Glazer's is overwhelmingly grateful for the time, service, and giving our team members have offered over the past year in communities across our network. As the world's pre-eminent distributor of beverage alcohol, we understand our critical role in giving back and ensuring we have a positive impact in the markets we do business. We're proud to look back at our past year of giving and responsibility by sharing this 2019 Corporate Social Responsibility (CSR) Report.

As a Company, we know that our employees are happier when they have a purpose. That is why, at Southern Glazer's, CSR has no boundaries – from giving back through volunteering and financial contributions, to helping our people reach their fullest potential, reducing our environmental impact, and by operating as a responsible and ethical business partner. This commitment to CSR is vital to the communities we serve and takes on many forms.

As you will read in the following pages, Southern Glazer's has continued its commitment and focus on our key pillars of CSR: promoting responsible consumption, supporting education, cultivating Diversity & Inclusion, and empowering our local market giving. In years past, the Company has sought to measure our CSR initiatives across these key pillars. In 2019, Southern Glazer's took it a step further and expanded our approach to reporting to include sustainability initiatives, investing in our people, and our business governance.

In the 2019 report, we're proud to feature the latest updates on our signature employee VolunCheers program. This includes our pledged enhancements and expansion of the Company-wide team member volunteering and giving portal, VolunCheers Online, and the launch of our national VolunCheers Ambassador program. In 2019, 26% of Southern Glazer's employees have leveraged VolunCheers Online for implementing philanthropic activities in their markets. Southern Glazer's team members across our network have created more than 300 volunteer events, logged more than 17,000 volunteer hours, and given more than \$56,600 in personal donations.

We are truly humbled by the ongoing dedication, overwhelming kindness and commitment to giving that is driven by our approximately 22,000 Southern Glazer's FAMILY members. We want to recognize and express our appreciation and gratitude for those team members, as well as for the suppliers, customers, and partners who enable us to achieve and support our CSR aspirations.

We raise a glass to each of you – Cheers!



Harvery Chaplin
Chairman



Wayne E. Chaplin
CEO



Bennett Glazer
Executive Vice Chairman



Shelly Stein
President

Community

Giving Back to the Communities We Serve

At Southern Glazer's, we have the most caring and passionate team members in the industry and while we're proud of how much we've grown our business, we're not truly fulfilled until we see our communities benefiting from our presence. Giving back to the communities in which we live and serve is vital to the Company – which is why it's incorporated into our official Vision statement:



To be the distributor of choice for our customers and suppliers through a diverse team of empowered industry leaders, while giving back to the communities we serve.

Over the past year, Southern Glazer's has devoted considerable resources to expand our employee volunteer program with the continued investment in VolunCheers Online and the launch of our national ambassador program. In addition, the Company has continued its commitment and focus to our key pillars of Corporate Social Responsibility: supporting education, promoting responsible consumption, and cultivating diversity and inclusion.

In 2019, Southern Glazer's donated more than 50,000 cases of product for events benefiting countless charities across our vast network.

In the following section, Southern Glazer's will share the latest on VolunCheers 2019 giving, including VolunCheers Online and the Company-wide volunteer ambassador program. Additionally, we'll showcase our national, regional and local giving through our key Corporate Initiatives, including an update on Southern Glazer's Youth Alcohol Awareness and Education Foundation, Step Up For Students, Women of Tomorrow, and Step Up Dallas programs, as well as disaster relief efforts, signature charitable events, and philanthropic partnerships with our suppliers.

It's one thing to move into a community. It's another to have a positive impact on it. Giving back is rooted in our Company culture, and the following pages show our lasting commitment and continued pledge to our communities, team members, and the industry.

Community – VolunCheers



Since launching VolunCheers Online in July 2018, Southern Glazer's has deepened its commitment to enhancing and expanding the Company-wide employee volunteering and giving portal. It goes without saying, our team members' commitment to giving back is unparalleled. In 2019, the Company expanded the platform's capabilities to include inaugural programs that recognize and reward our employees for their efforts to give back, lead change in their communities, and make a difference in the lives of others.

Since the inception of VolunCheers Online through December 2019, Southern Glazer's employees across the United States and parts of Canada have created more than 423 volunteer events, logged nearly 24,000 volunteer hours, and given more than \$109,000 in donations. Additionally, 26% of employees, consisting of more than 5,800 of our team members, have registered on the online platform. A majority of events created throughout the year supported the following categories: community development, health and wellness, social services, and diversity and inclusion.

Highlights in 2019 include:

5,840

Registered
Users

303

Volunteer Events
Created

>17K

Total Volunteer
Hours Logged

\$56.6K

Donated

Throughout the year, Southern Glazer's employees were shown to be active in both team volunteer activities and individual volunteer activities. In fact, 9,801 total team hours and 7,268 individual hours were recorded on VolunCheers Online in 2019. Knowing that employees are taking the time to volunteer both alongside their fellow colleagues and on their own demonstrates their commitment to giving back to the community and to supporting various causes that are important to them. Since the advent of VolunCheers Online, our employees have been able to regularly post and track their volunteerism, and in turn, we as a Company have gained greater visibility into the amount of time our employees are devoting to volunteer involvement.

Giving & Fundraising

In 2019, Southern Glazer's employees personally donated a total of \$56,650 to hundreds of certified 501c(3) organizations. The Company held two national giving campaigns in 2019—one in the month of September that supported Hurricane Dorian relief efforts in the Bahamas, and one during the holidays that benefited three different charities, voted on by employees. Employees selected **Feeding America**, **Operation Gratitude**, and the **Humane Society** from among 10 charities as the recipients of matching gifts for Southern Glazer's 2019 Holiday Giving Campaign. For each employee volunteer hour recorded on VolunCheers Online, \$25 was donated, with an additional \$50 for every new employee, up to 500, who signed up on VolunCheers Online from November 1 – December 31. With a total of 3,850 volunteer hours and more than 500 new VolunCheers Online users during that time period, raising a total of \$121,250, Southern Glazer's donated \$41,417 directly to each of the three charities.



VolunCheers Recognition & Incentive Programs

Earlier this year, Southern Glazer's launched three inaugural VolunCheers Online programs: VolunCheer of the Month, VolunCheer of the Year, and VolunCheers Online Monthly Incentives. All three programs have increased awareness of the national VolunCheers program and attracted new users to the online platform every month.

The VolunCheer of the Month and VolunCheer of the Year award programs are all about recognizing employees who are not only going above and beyond to get volunteer events going in their communities, but who are also leveraging VolunCheers Online and all its features to promote those efforts.

Each month, employee volunteer creators who met pre-determined criteria were entered in a random drawing of two to three finalists during the first week of the following month. Employees were then asked to vote for their favorite VolunCheer of the Month. The person who received the most votes was named VolunCheer of the Month and received a certificate of recognition and a \$250 gift card. Our 2019 VolunCheer of the Month award winners are:

January



Deanna Kim, SGWS FL

February



Tabitha Browning, SGWS KY

March



Dawn Cornfield, SGWS IN

April



Jacqui Kowalsky, SGWS FL

May



Ruben Basantes, SGWS FL

June



Matt Sullivan, SGWS IN

July



Linsey Schlosser, SGWS CO

August



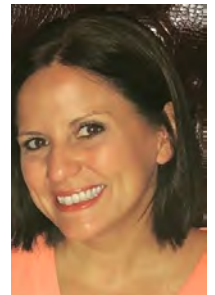
Kristina Vasquez, SGWS FL

September



John Berry, SGWS LA

October



Marilyn Salzer, SGWS LA

At the end of the year, Southern Glazer's team members chose from each of the 10 VolunCheer of the Month finalists and selected a recipient for the 2019 VolunCheer of the Year Award.



2019 VolunCheer of the Year: John Berry, Regional Administrator, SGWS LA

John led a unique volunteer event where teams sorted more than 2,000 pounds of beads for resale to support [Arc of Greater New Orleans](#), committed to securing opportunities for people with intellectual disabilities to live to their fullest.

Southern Glazer's Wine & Spirits is proud to present a \$5,000 donation to the charity chosen by our 2019 VolunCheer of the Year: [Arc of Greater New Orleans](#).

Southern Glazer's has also taken the opportunity to enhance VolunCheers Online engagement with a monthly incentives program. The VolunCheers Online Monthly Incentives Program was designed to encourage employees to leverage VolunCheers Online regularly for all volunteer and charitable-related efforts. Team members were eligible to win great prizes in a variety of ways, including by logging their volunteer time or by referring colleagues to sign up for the online platform. Prizes for the incentive program included various items such as gift cards and [Food Network & Cooking Channel New York City Wine & Food Festival](#) tickets.

Southern Glazer's Wine & Spirits Launches Company-wide Volunteer Ambassador Program

In July 2019, the Company announced the launch of its VolunCheers Ambassador Program, designed to further drive local participation in volunteer activity across all markets. The program, comprised of more than 80 volunteer ambassadors spanning 44 U.S. markets, plus the District of Columbia, Canada, and the Caribbean, coincided with the celebration of the one-year anniversary of the launch of VolunCheers Online.

The VolunCheers Ambassadors were hand-selected by local leaders based on their passion for and experience in leading volunteer activities in their respective markets. Ambassadors leverage VolunCheers Online to organize and promote local volunteer efforts, drive participation in national volunteer campaigns, and share best practices for volunteer engagement within their communities.



VolunCheers Ambassadors

The VolunCheers Ambassadors listed below will leverage their passion and VolunCheers Online to lead local volunteer efforts and share best practices with their communities.

Central Region

Arkansas: Bryce Dittrich, Johan Lowegard, Rebecca Weaver
Colorado: Jerri Casados, Tracy Johnson, Shelley Sale, Sherise Velasquez-Chew
Illinois: Michael Evans
Indiana: Lisa Blankenship, Dawn Cornfield
Iowa: Ben Sheeler, Jeff Warden, Anthony Wessling
Kansas: Tony Trevino
Louisiana: Samantha Krause
Minnesota: Rikki Iglesias
Missouri: Tyler Row
Nebraska: Rachel Bessey, Danielle LeGrande
North Dakota: Josh Guy, Katy Spiekermeier*
Oklahoma: Laura Brinlee, Stacey Wright
South Dakota: Josh Guy, Katy Spiekermeier*
Tennessee: John Adams
Texas: Jason Charboneau, Pam Frank*

East Region

Delaware: Joe Horner*, Kristen Rembecki
District of Columbia: Devan Gaines
Florida: Ina Esquivel*, Dilip Singh, Edward Walker*
Kentucky: Tabitha Browning, Jenna Wurtzbacher, Donna Zeleznik
Maryland: Lisa Wakeman
New York: Randi Andosca, Casey Danzer
Ohio: Erin Clark, Laura Miller, Lynn Moore, Frank Shuff
South Carolina: Nic Crawford, Jessica Kingery*
US Virgin Islands: Joe Penna

*Transatlantic Division Ambassadors

West Region

Arizona: Rosemary Chayrez*, Mike Reina, Wayne Graybill, Russell Vance
California: Ahmad Anderson, Jason Bonfiglio*, Alexandra Bristol*, Loulie Willis, Karina Woehrstein
Hawaii: Michael Ratkovic
Nevada: Maria Dalisay, Gena Fogarty, Kimberly McCauley
New Mexico: Wayne Graybill, Russell Vance
Oregon: Micaela Stewart
Washington: Julie Gill, Susan Lunz

Canada & Control Region

Alabama: Linda Holloway
Canada: Jennifer Pashkovsky
Idaho: Chuck Abbott
Iowa: Jennifer Block
Maine: Briana Aubert, Phil Gagnon, Heather Rankin
Michigan: Paris Ross
Mississippi: Kristin Stanley
Montana: Joel Peltier
New Hampshire: Briana Aubert, Phil Gagnon, Heather Rankin
North Carolina: Amanda Charles, Marylin Diaz, Shalonda Mathews
Ohio: Joni Lang
Oregon: Bradley Groves
Pennsylvania: Tammi Virkler, Nona Dyer
Utah: Carol Reynolds
Vermont: Briana Aubert, Phil Gagnon, Heather Rankin
Virginia: Danielle Cain, Acadia Keyes, Amanda Riley
West Virginia: Amanda Riley
Wyoming: Travis Winchell



2019 has been a formative year for VolunCheers Online and the Company's commitment to expanding the capabilities of the enterprise-wide volunteering and giving portal and team member engagement across all Southern Glazer's markets.

Our Southern Glazer's team members are leading the charge in their communities. Highlights of VolunCheers activity over the past year from each of our Southern Glazer's markets can be found in a subsequent section, A Toast to our Local Market VolunCheers.

Community – Corporate Initiatives

Responsible Consumption

Through our numerous education and awareness programs, Southern Glazer's aims to actively promote and advocate the safe and responsible use of adult beverages.

As a cornerstone initiative launched in 2017, the Youth Alcohol Awareness and Education Foundation, Inc. completed the second year of its commitment to bring the **AlcoholEdu® for High School** alcohol safety education course to high school students in South Florida. During the 2018-2019 academic year, 1,770 students in 28 South Florida high schools completed the course and showed significant knowledge gains along with corresponding positive shifts in attitudes and behaviors around alcohol safety, indicating they were better prepared to recognize and prevent potentially dangerous situations.



Provided at no charge to educators in public and private high schools in Miami-Dade and Broward counties, the initiative has already positively impacted nearly 3,600 students across 64 high schools in South Florida during the two years since the kickoff of the program. The alcohol safety education initiative is funded by the Foundation in partnership with **Step Up For Students** – a nonprofit organization that helps manage the income-based Tax Credit Scholarship Program in Florida.

AlcoholEdu® for High School is a 90-minute, interactive course that engages students with science-based alcohol education and interactive exercise, providing an individualized experience that changes perceptions, motivates behavior change, and supports healthier decisions regarding alcohol. The digital program, developed by leading social impact education innovator **EVERFI**, is proven to reduce negative consequences associated with underage drinking. Topics covered include peer pressure, effects of alcohol on the brain and body, bystander behavior, and goal-setting. Through pre- and post-course assessments and surveys, students are measured on knowledge gains, as well as shifts in behavior, attitudes and habits around alcohol safety. Those assessment and survey results are compared against EVERFI's national survey population of more than 106,000 students from the 2018-2019 school year.

The program will continue into its third year in South Florida – funding the 2019-2020 school year through the Foundation and Step Up For Students. Based on the success of the initiative in South Florida, the program has also been expanded to Dallas, Texas for the 2019-2020 school year.

At Southern Glazer's, we know educators are the entryway to inspiring and encouraging students both academically and personally. And, while the Company supports a variety of local and national responsible consumptions initiatives, we are exceptionally proud of our work to educate students on alcohol safety and deter underage drinking in our communities.

Supporting Education

At Southern Glazer's, we recognize that education creates opportunity. We're committed to supporting our local educational institutions – whether that's helping to bring a quality education to every child, providing a hands-on learning experience for aspiring industry professionals, or providing our workforce with exposure to respected business leaders from across the country.



Since 2010, Southern Glazer's has generously funded 101,508 scholarships through contributions totaling \$615 million to **Step Up For Students**, a nonprofit organization that helps manage the income-based Florida Tax Credit Scholarship Program – a program funded by corporations with tax-credited donations. In 2019, the Company committed \$150 million to the scholarship program for the 2019-2020 school year. The contribution will fund 21,552 scholarships to provide low-income children the opportunity to attend the school that best meets their learning needs and access to the educational opportunities they deserve.

In addition, the Company continues to make direct and ongoing donations to **Florida International University's (FIU) Chaplin School of Hospitality & Tourism Management** in its continued effort to support and foster the hospitality industry's future leaders. The school features the Wine Spectator Restaurant Management Laboratory, giving students hands-on restaurant operating experience; the Mel Dick Wine Tower, an above-ground wine cellar and training space; and the Southern Wine & Spirits Beverage Management Center, a seminar-style classroom designed for the examination and appreciation of wine. The Chaplin School is also the benefiting charity of the **Food Network & Cooking Channel South Beach Wine & Food Festival (SOBEWFF®)**, hosted by Southern Glazer's. To date, SOBEWFF® has raised more than \$30 million for the school. Approximately, 1,200 FIU students volunteer each year to help produce the festival, giving them a unique hands-on industry experience participating alongside event management professionals, world-renowned chefs, winemakers, spirits producers, and restaurateurs.

In its inaugural year, Southern Glazer's Wine & Spirits and the **University of Miami (UM) Business School** announced our Company as its Exclusive Sponsor of the 2019 Distinguished Leaders Lecture Series. Southern Glazer's Chief Executive Officer Wayne E. Chaplin is a double alumnus, graduating from both the Business School and Law School at UM. He also serves on the University's Board of Trustees. With a \$100,000 contribution, the Lecture Series attracted business leaders from around the country, providing UM students and our SGWS workforce with exposure to these leaders, their business experiences, and insights.

Cultivating Diversity & Inclusion

Talent knows no boundaries. And, hospitality is an industry that offers endless career paths across every business discipline. Through Southern Glazer's cultivating diversity and inclusion initiatives, the Company aims to expose a diverse group of bright young women to the hospitality arena through a variety of outreach programs.



In 2019, the Company announced the results of its first-year partnership with the **Women of Tomorrow Mentor & Scholarship Program**, focused on introducing female students to future careers in the hospitality industry. The educational initiative, which includes career panels, alcohol safety education, and hospitality-focused field trips, reached more than 260 female students across 10 high schools in South Florida, who learned about various hospitality career paths, and were inspired to pursue future educational and professional job opportunities. This was the first year of a three-year commitment to Women of Tomorrow that will continue through the 2020-2021 school year.

The Women of Tomorrow Mentor & Scholarship Program inspires, motivates, and empowers at-risk young women to reach their full potential through a unique mentoring program with highly accomplished professional women and scholarship opportunities. The program operates in nearly 200 public high schools, changing the lives of approximately 4,200 at-risk high school girls annually with its network of 550 mentors.

Working with Women of Tomorrow, Southern Glazer's organized hospitality career panel sessions in seven public high schools, featuring senior female executives from the Company, as well as other female leaders representing local partners and customers – from hotel executives and restaurant owners, to celebrity chefs and culinary event agencies. The interactive panel discussions focused on female leadership and career paths, and gave participating Women of Tomorrow students the opportunity to meet and interact with successful women in hospitality from the community. The Company also coordinated an alcohol safety and education session at one Miami-Dade high school in partnership with **Responsibility.org**, a leading non-profit organization dedicated to eliminating drunk driving and underage drinking and promoting responsible decision-making regarding beverage alcohol. In addition, Southern Glazer's sponsored field trip visits for two high schools to top hotel properties in Miami-Dade and Broward counties.

Additionally, Southern Glazer's partnered with **Step Up Dallas**, an organization that propels girls living or going to school in under-resourced communities to fulfill their potential by empowering them to become confident, college-bound, career-focused, and ready to join the next generation of professional women. The partnership is for the 2019-2020 school year and will include Southern Glazer's employee engagement with female students enrolled in Step Up Dallas. The initiative includes on-campus career panels, college preparedness and career conferences, a hospitality field trip, mentoring sessions, and professional development opportunities hosted across four Dallas partner schools.



Disaster Relief

Following several devastating natural disasters over the past two years, Southern Glazer's established the SGWS Relief & Charitable Foundation, Inc. to further support disaster relief efforts impacting our team members. In addition to giving and volunteer programs to support communities impacted by natural disasters, the Company uses its resources to help support SGWS employees in critical times of need.

The SGWS Relief & Charitable Foundation was established to provide tax-free disaster relief grants to employees of Southern Glazer's Wine & Spirits and their families who have been adversely affected by a Federally Declared natural disaster, including hurricanes, tornadoes, wildfires, floods, mudslides or any other acts of nature that result in significant property damage or loss, or other financial hardship for our employees. The Foundation relies primarily on individual donations from team members and support from Southern Glazer's to fund the program.

In addition to support provided by the Foundation, but separate, team members may apply for an Emergency Bridge Loan from Southern Glazer's. This program was established to provide a source of expedient cash flow to an employee and their family who has been impacted by a disaster. These short-term, interest-free loans are intended to "bridge the gap" between the time a major catastrophe hits and when a team member has secured longer term recovery resources like an insurance claim or federal disaster assistance.



In 2019, the Company and its employees stepped up in numerous ways to help those impacted by Hurricane Dorian in the Bahamas. In coordination with supplier partner, [Evian](#), and the [Global Empowerment Mission](#), Southern Glazer's arranged the shipment of 1,000 cases of water to the Bahamas within days of the storm. Employees, along with a Company match, raised a total of \$55,000 benefiting two charities that were on the ground providing immediate relief – [World Central Kitchen](#) and [International Medical Corps](#). And finally, donation drives to provide much needed clothing and other household supplies were held across the state of Florida to support the longer-term recovery needs of the Bahamian community.

Signature Charitable Events

At Southern Glazer's, giving back is deeply rooted in our Company culture. Over four decades, Southern Glazer's has supported local educational and hunger-relief programs in our communities by founding, hosting, and sponsoring a variety of signature charitable events.

In 2019, Southern Glazer's celebrated its 18th consecutive year as host of the star-studded, five-day destination event **Food Network & Cooking Channel South Beach Wine & Food Festival (SOBEWFF®)**, which was held February 20-24, in support of the **Chaplin School of Hospitality & Tourism Management at Florida International University (FIU)**. As the exclusive wine and spirits sponsor of SOBEWFF®, Southern Glazer's worked collaboratively with its world-class suppliers to secure more than 300 top wine and spirits brands for the Festival's 100+ curated events, held throughout Miami-Dade, Broward, and Palm Beach counties. At this year's Festival, trailblazing women in the food and beverage industry were recognized, along with Southern Glazer's local charitable partner, **Women of Tomorrow (WOT)**, which provides mentoring and scholarships for at-risk high school girls in hundreds of local public schools.



In 2019, the Festival honored two pioneers in food and beverage at the Tribute Dinner presented by Bank of America and part of The NYT Cooking Dinner Series: Nancy Silverton and Rhonda Carano. Nancy is a multi award-winning chef who has left an indelible mark on the hospitality industry, and Rhonda, as the CEO of Ferrari-Carano Vineyards and Winery, has demonstrated what it means to be a powerful, influential, and effective leader in this industry. We are also proud to have recognized Women of Tomorrow and the amazing work they do in introducing young women to the different job opportunities available to them in the world of hospitality.

The 2019 SOBEWFF® raised nearly \$2 million to support the Chaplin School of Hospitality & Tourism Management and student success at FIU. Since its inception, it has raised more than \$30 million for students at the university. Approximately 1,200 FIU students volunteer each year to help produce the Festival, giving them a unique hands-on industry experience participating alongside event management professionals, world-renowned chefs, winemakers, spirits producers, and restaurateurs.



Southern Glazer's also celebrated its 12th consecutive year as host of the **Food Network & Cooking Channel New York City Wine & Food Festival presented by Capital One (NYCWFF)**, a star-studded, four-day gourmet gathering benefiting the hunger-relief organizations **Food Bank For New York City** and **No Kid Hungry®**. NYCWFF features more than 80 events for every taste and budget, including vibrant entertainment experiences, fan-favorite tastings, master classes and intimate dinners. On its own, NYCWFF has raised \$12.5 million to date in support of the fight to end hunger.

Between SOBEWFF® and its sister Festival, NYCWFF, \$42.5 million has been raised to benefit the respective charities of each Festival.



WINE & FOOD CELEBRATION

APRIL 11, 12, 13, 2019

A LAS VEGAS
TRADITION
SINCE 1974

Signature Charitable Events

In addition to Southern Glazer's signature charitable events in Florida and New York, the Company entered its 45th year as host and founder to **UNLVino** – the largest scholarship fundraiser for students of the **University of Nevada, Las Vegas' (UNLV) William F. Harrah College of Hospitality**. From its humble beginnings in the Southern Wine & Spirits warehouse, the annual UNLVino has grown into a Las Vegas premier wine, spirits and food event. Founded in 1974, UNLVino began as a small wine tasting with proceeds going to UNLV's hotel college fund. As UNLVino's popularity grew, so too did its hosting venues – moving from the warehouse into UNLV's Thomas & Mack Center, and eventually expanding to numerous Las Vegas resorts as fans and community sponsors took notice. In its fourth decade, UNLVino has raised millions of dollars in scholarships and has become one of the city's must-attend events of the year.

Another signature event sponsored by Southern Glazer's is **Chicago Gourmet**. Since 2008, Chicago Gourmet has celebrated the Windy City as a world-class epicurean destination – with title sponsor Bon Appétit, presenting sponsor Southern Glazer's Wine & Spirits, and alongside founding sponsor Illinois Restaurant Association. In its 12th year, the culinary event took place September 27-29 in Millennium Park. Chicago Gourmet champions the community of which it is a part. A portion of the proceeds from the 2019 Festival support local non-profit organizations committed to a range of important causes. This year's beneficiaries include **Illinois Restaurant Association Educational Foundation**, whose mission aims to educate, inspire and preserve the future of the hospitality industry; **The Bayless Family Foundation** "Stepping Stone" Grants, which support established Chicago theatre organizations with a vision for institutional and artistic growth; **The 100 Club of Chicago**, which provides for the families of first responders who have lost their lives in the line of duty; and **Pilot Light**, which helps children make healthier choices by connecting the lessons they learn in their classrooms to the foods they eat on their lunch trays, at home and in their communities.



Community – Partnering with our Suppliers

When it comes to the industry, we're at the top of our game. But as a Company, we know that to extend the impact and longevity of our community giving, we must unite with our suppliers on Corporate Social Responsibility initiatives important to our partners.

Campari Supports LifeNet4Families

Southern Glazer's FAMILY from Florida, the East Region, Supply Chain Management, and the SGWS National Campari dedicated division, along with our Campari America partners, volunteered together at [LifeNet4Families Community Kitchen and Food Pantry](#) in Broward County, Florida. The volunteer day was spent supporting the needs of individuals and families in crisis by serving hot meals and packing monthly meal boxes for those in need.

LifeNet4Families has provided service to the hungry and homeless of Broward County for more than 30 years. From their humble beginnings of distributing a few peanut butter and jelly sandwiches to the homeless, to today's provision of more than 90,000 meals a year, their development has reflected both the growing numbers and the growing needs of the poor in the Broward County community. At the conclusion of the volunteer day, SGWS Florida VolunCheers and Campari America provided additional financial assistance, which will help LifeNet4Families drive their mission to be a seamless system of care for those in need in Broward County by providing necessary food, ancillary services, and referrals.



Campari's Negroni Week - 7 Days, 3 Ingredients, 1 Way to Give Back

Campari, Italy's iconic red aperitivo, joined forces with *Imbibe* magazine for the seventh annual [Negroni Week](#) that took place the week of June 24-30. The global charity initiative has bars, restaurants, and retailers from around the world come together over the classic Negroni – an iconic mix of equal parts Campari, gin, and sweet vermouth – to raise money and awareness for charitable causes. Bars and restaurants around the globe have signed up to participate by designating a benefiting charity of their choice and mixing classic Negronis and Negroni variations.

Since 2013, Negroni Week has grown from nearly 120 participating venues to over 12,000 venues around the world, and to date, they have collectively raised nearly \$3 million for charitable causes.

For the third year in a row, the winning charity is [One More Wave](#) – a non-profit organization that provides wounded or disabled veterans access to surfing with customized surfing equipment and assistance. This enables military veteran riders to achieve therapy through the ocean. Campari donated \$10,000 to the charity, and Southern Glazer's was once again proud to match the donation.

Pernod Ricard Responsib'All Day

On June 6, Pernod Ricard employees from more than 85 affiliates around the world engaged in over 100 local community and environmental projects to celebrate their ninth annual global Responsib'All Day campaign. Pernod Ricard USA united more than 19,000 employees worldwide in donating the day to transforming and reimagining waste into new or reusable items at local parks, beaches, and other public spaces. Responsib'All Day is a joint effort between Pernod Ricard, [Keep America Beautiful](#), and more than 50 other nonprofit partners, globally, which are critical to orchestrating localized activities in each community. Keep America Beautiful coordinates projects with its community-based affiliates and partners in California, Florida, Illinois, Massachusetts, New York, and Texas. Southern Glazer's American Liberty Division supported the event in multiple markets.



Tito's Turquoise Takeover

The week of May 7-13 marked National Women's Lung Health Week. Southern Glazer's employees wore turquoise to recognize and raise awareness around the impact of lung cancer – the number one cancer killer of women and men in the United States. Again, this year, Southern Glazer's partnered with our supplier partner, Tito's Handmade Vodka, and the [American Lung Association's LUNGFORCE](#).

More than 530 Southern Glazer's team members in Florida, Maryland, and D.C. participated by wearing turquoise, posting photos on social media and attending informational sessions on the cause. Additionally, 188 drivers in our Lakeland, Florida warehouse helped to elevate awareness by wearing LUNGFORCE t-shirts. Tito's and Southern Glazer's each matched up to \$15,000 for every dollar raised in the greater South Florida community during the week to raise critical research funding for a cure.



Tito's Urban GreenWorks Service Project

This year, Southern Glazer's and Tito's joined together with [Urban GreenWorks \(UGW\)](#), a Miami-based not-for-profit that exists to restore the economic, physical, and social health of under-served communities. The service day focused on community food security and environmental restoration. The team created an urban garden in the Liberty City neighborhood of Miami, Florida, with a goal of bringing fresh and healthy food to the community.

Cruzan Rum Spirit of Giving Back in St. Croix

The Southern Glazer's Texas Off-Premise Beam Suntory team partnered with Cruzan Rum in St. Croix, U.S. Virgin Islands at the St. Dunstan's School on disaster relief preparation efforts. More than 30 volunteers spent the day creating space for relief agencies to house volunteers, offices, and emergency supplies to prepare St. Dunstan's School as an emergency shelter. Additionally, the group painted the exterior wing of the school and primed another wing.



People

Investing in our FAMILY

At Southern Glazer's, we strive to provide a workplace that offers the tools, resources, and support to help our employees meet their fullest potential and provide each with a rewarding career. The Company has significantly expanded its efforts to attract and retain a more diverse employee base by ensuring that we are investing in Best-in-Class programs, initiatives, and professional development opportunities for our team members.

At the core of our Diversity & Inclusion (D&I) vision and mission is a focus on embedding five strategic pillars into our programs: our people, marketplace impact, community partnerships, leadership accountability, and learning and awareness. By embracing our FAMILY Values and key business objectives, we will ensure that these pillars will continue to drive our company-wide approach to diversity and inclusion and the success of our local C.H.E.E.R.S. (Connecting. Hard-Working. Empowering. Educating. Respecting. Serving.) business resource groups (BRGs).



National C.H.E.E.R.S. Group Footprint

The Company is committed to ensuring every team member in the Southern Glazer's community is respected, engaged, and motivated to grow professionally and personally. To date, Southern Glazer's has amplified its efforts to grow and expand the C.H.E.E.R.S. groups to 25 Chapters, including 11 C.H.E.E.R.S. to Diversity Chapters, 10 C.H.E.E.R.S. to Women Chapters, two C.H.E.E.R.S. to Our Veterans Chapters, one C.H.E.E.R.S. to Pride Chapter, and one C.H.E.E.R.S. I.M.P.A.C.T. (Influence. Motivate. Professionalism. Accountability. Connect. Teamwork.) Chapter.

In 2019, the Company's 25 C.H.E.E.R.S. Chapters included more than 200 executive board members, more than 800 members, more than 100 events, meetings or VolunCheers outreach that have included more than 1,500 attendees, over 150 external guests, and more than 50 suppliers and community partners.

In addition to the Company's D&I program, Southern Glazer's implemented a number of key people-driven initiatives in 2019.

SGWS and WSWA Women In Leadership: Expanding Influence and Leading Change Inaugural Program at Columbia University Business School

In 2019, Southern Glazer's Wine & Spirits partnered with [Wine & Spirits Wholesalers of America \(WSWA\)](#), the national trade organization representing the wholesale tier of the wine and spirits industry, to host the inaugural SGWS and WSWA Women In Leadership: Expanding Influence and Leading Change program at Columbia University Business School.

Spearheaded by Barkley Stuart, Southern Glazer's Executive Vice President of Government Affairs and past WSWA Chairman, this program is designed to help elevate the impact of women leaders – enabling them to navigate the business landscape, develop and leverage their talents, and step into roles of greater influence with a focus on the advancement of women in the wine and spirits wholesale tier. There were 17 graduates of the program representing eight WSWA member companies, including 10 women from the Southern Glazer's FAMILY.



Women in the Workplace Study

For the first time, in 2018, Southern Glazer's Wine & Spirits joined the [Women's Foodservice Forum](#) in participation with a [Women in the Workplace Study](#) by McKinsey & Company and LeanIn.org. This is the largest comprehensive study of the state of women in corporate America. In 2018, 279 companies employing more than 13 million people shared their pipeline data and completed a survey of their HR practices. In addition, more than 64,000 employees were surveyed on their workplace experiences, in addition to interviews conducted with women of different races and ethnicities and LGBTQ women for additional insights. Southern Glazer's is proud to have continued its participation in this study in 2019 and is using data and results to influence the Company's strategy to continue to identify ways to provide growth opportunities for women in our business and the industry.

Women of the Vine & Spirits: Collaboration to Promote Women-Owned Businesses

In June 2019, Southern Glazer's announced a collaboration with [Women of the Vine & Spirits \(WOTVS\)](#) – the world's leading organization dedicated to empowering and advancing women in the alcohol beverage industry – to support the new WOTVS Certified Women Owned Logo and Database program.

Corporate supplier diversity programs can provide qualified women-owned businesses with a pathway to become official providers of goods or services to companies. The [WOTVS Women Owned Logo and Database](#) is a game-changer for women-owned wine and spirits businesses, making them more visible to buyers, wholesalers, supplier diversity procurement managers, and consumers who will be able to easily identify certified women-owned brands in the alcohol beverage industry. Corporate Members of WOTVS—who are at least 51 percent owned, managed, and controlled by a woman and become certified by WBENC or WEConnect International as a Women-Owned Business Enterprise (WBE)—have the ability to apply for usage of the Women of the Vine & Spirits Certified Women Owned Logo and will be featured in the Certified Women Owned Database.



As a Founding Member of Women of the Vine & Spirits, Southern Glazer's is honored to support this trailblazing new program with the hopes that the entire industry follows our lead. Southern Glazer's is now promoting the new program on its [corporate website](#) – encouraging eligible suppliers and brands to apply for the prestigious certification, a pathway to supplier diversity programs.

According to Deborah Brenner, Founder & CEO of WOTVS, women control over \$20 trillion of annual consumer spending globally and trillions of dollars are spent worldwide annually on diverse suppliers, yet less than one percent goes to women-owned companies. WOTVS is committed to raise awareness of women-owned suppliers in the alcohol beverage industry to further women's economic growth and gender equality on a global scale. It is our goal to create a movement of support in the three-tier system. Through our collaboration, we hope to drive significant visibility of and participation in this program, ultimately making it easier for buyers to quickly identify certified women-owned brands in the wine and spirits industry.

Uncorked: The Southern Glazer's Employee Engagement Survey

Since coming together as "One Team, One Dream" three years ago, Southern Glazer's Wine & Spirits has accomplished so much as a FAMILY. The enthusiasm and commitment that each team member puts into their work does not go unnoticed by fellow colleagues, managers, suppliers, customers, and Southern Glazer's leadership.

In past years, the Company has relied on informal channels to gather employee feedback. In July 2019, the Company stepped up its efforts to listen and learn from employees by launching Uncorked – an anonymous employee engagement survey.

To protect and ensure team member anonymity, Uncorked was managed by an outside firm, Perceptyx. In August, leadership shared a memo to every employee disclosing an overview of Southern Glazer's survey results, as well as final survey participation numbers. As a follow up, in September, leadership shared detailed results via email and during townhall meetings. Additionally, leadership began seeking volunteers for local focus groups to begin the development of action plans based on the results. As a Company, Southern Glazer's strives to create a workplace where employees are engaged and can have a career that challenges and fulfills them. We look forward to strengthening this momentum in our commitment in continuing to make Southern Glazer's a great place to work.

Supply Chain: Recognizing Professional Truck Drivers and Warehouse Employees

In 2019, Southern Glazer's honored warehouse staff during Warehouse Employee Appreciation Week, designated by the Company from August 12-16. In addition, Southern Glazer's celebrated National Truck Driver Appreciation Week, September 8-14, across its 64 U.S. branches. These two recognition weeks are very important for the Company, as it was an opportunity to acknowledge Southern Glazer's valued professional drivers and warehouse employees in a special and meaningful way.

Southern Glazer's drivers and warehouse personnel operate a fleet of 2,775 vehicles and 14.5 million square feet of warehouse space across 42 distribution centers.

National Truck Driver Appreciation Week, created by the [American Trucking Associations](#), honors professional truck drivers for their hard work and commitment to tackling one of our economy's most demanding and important jobs. There are 3.5 million professional truck drivers moving America forward, 16,500 of which are employed by wine and spirits wholesalers like Southern Glazer's. Companywide, Southern Glazer's drivers enjoyed various festivities throughout the week—from catered breakfasts and barbecues, to raffles and prizes—as well as received a t-shirt and hat. The Company's warehouse employees also enjoyed similar treatment during Warehouse Appreciation Week, which acknowledges the great work they do to ensure the receipt, storage, handling, packaging, and redistribution of the thousands of products.



In addition to celebrating and recognizing our drivers and warehouse employees during national appreciation weeks, the Company reinforces its safety culture through a variety of programs. The Elite Safe Driver Recognition Program, for example, is available to all drivers who qualify based on having 20 consecutive quarters, or five years, of safe driving without a preventable collision. Once a driver reaches this milestone, he or she receives a gold ring set with an onyx stone. A .10pt diamond is added to the ring for every four consecutive quarters of safe driving until the ring is fit with 12 diamonds. As the driver continues his/her safe driving record, the center stone is replaced with a .25pt diamond and then is eligible for monetary bonus awards.

Southern Glazer's warehouse and driver personnel are provided unique opportunities to show off their skills in local and national competitions. The Company holds annual Distribution and Warehouse Rodeos at various locations, in which employees compete in customized slalom courses, forklift bowling, forklift basketball, challenging obstacles, and much more. These Rodeo competitions showcase the professional forklift and driver talent that Southern Glazer's employs and promotes safety through healthy competition.

Southern Glazer's represents approximately 1,700 leading wine, spirits, beer, and beverage suppliers and makes more than six million customer deliveries annually, which is only made possible with the support of our drivers and warehouse employees.

Southern Glazer's Wine & Spirits Scholarship Program

The Company is proud to offer a College Scholarship program for the children of its employees. Awards range in amounts from \$1,500 to \$3,000 for post-secondary education at an academic, vocational, or technical institution. Southern Glazer's is honored to be able to provide these wonderful opportunities to our team members and help ensure that tomorrow's leaders, our children, have the educational opportunities they need to reach their full potential. In 2019, 40 children of Southern Glazer's employees received scholarships.

Exceptional Leadership Program

Southern Glazer's Wine & Spirits Exceptional Leaders Program (ELP) is the Company's flagship leadership development program designed to prepare, train, and educate future leaders for success and growth within the organization. This 12-month learning journey consists of leadership courses (online, in-person, and virtual), mentoring and networking opportunities. Participants learn about the functional areas within our business and the overall beverage alcohol business. The program culminates with a capstone strategic project assignment, in partnership with the Office of Strategic Management, where participants work to solve real-world business challenges. At the completion of the program, graduates walk away with a more enriched understanding of Southern Glazer's overall business, an enriched career path to take on broader roles and job responsibilities, and an increased knowledge of their leadership skills and capabilities.

The selection process for the annual program took place throughout the first half of 2019 and concluded in July. More than 100 applicants nationwide applied to the program, with 35 finalists selected to make presentations and interview with Southern Glazer's Commercial, Operations, HR, and other functional area senior executives and leadership. In the end, 25 team members were selected for the 2020 cohort.



Sustainability

Reducing our Environmental Impact

As a leader in the beverage alcohol industry, Southern Glazer's Wine & Spirits knows it has a responsibility to reduce the Company's environmental impact with respect to its facilities, warehouses, and fleet. Through energy conservation, technology innovation, and waste management, the Company has made progress in driving both efficiencies and cost savings throughout its operations.



Fleet Vehicle Emissions

Vehicle emissions contribute to the increase of atmospheric carbon dioxide and air pollution. With a fleet of more than 2,600 trucks delivering six billion tons of freight to our customers annually, we recognize the potential impact of our fleet and continue to take proactive approaches to reduce the associated effects on the environment. Southern Glazer's has installed technology and implemented programs that are designed to reduce emissions, increase route efficiency, and safeguard the wellbeing of our employees.

EPA SmartWay Transport Partner

In 2014, the Environmental Protection Agency (EPA) identified the Company's fleet as a registered **SmartWay Transport Partner**. Over the past five years, Southern Glazer's has partnered with the EPA to advance supply chain sustainability by measuring, benchmarking, and improving freight transportation efficiency.



The Supply Chain team also installed a five-minute idle shut off on all diesel engine trucks, in addition to aerodynamic truck and trailer specifications required for all new trucks brought into the fleet. Additionally, distribution locations have installed governors on trucks to prevent exceeding a particular mile per hour (mph). Trailer tire pressure regulators were installed on all new trailers to increase miles per gallon (mpg). And, moving forward, all new trucks will be equipped with fuel efficient engine packages.

The Southern Glazer's Florida fleet was proactive in implementing fuel saving controls and measuring fuel, emissions, and costs savings over two years from 2016 to 2017. With 12 million miles covered by the Florida fleet each year, the market saw a 56% reduction in idle time and a 7% increase in mpg – a decrease of 1,127 tons of CO2 emissions. These efforts are ongoing.

Energy Efficient Warehouses

Across the Three-Tier System, warehouses serve as a main hub for supply chain operations – and the nature of warehouse operations is energy intensive. Across the enterprise, Southern Glazer's is committed to utilizing automated equipment, electrical machinery, highly efficient variable-speed motors, and energy-efficient lighting to decrease energy use and increase the sustainability of our operations.

The Company has invested in a variety of equipment to improve overall energy efficiency of our supply chain operations, including:

Energy-Efficient Conveyor Motors

Bastian Solutions supplies Hytrol conveyors with premium efficiency motors. These energy-efficient motors have increased efficiency and productivity by 3 to 5% and last longer than the typical conveyor motor. An increase in motor efficiency by as little as 4% can result in significant financial savings and energy use reductions.

Sleep Mode Controls Logic

Bastian's warehouse control system (WCS) will turn off motors during inactivity to save energy, reduce noise, and extend the mechanical life of the equipment. As soon as product is sensed on the system, the motors are re-energized, and the system comes out of sleep mode.



Electric Forklifts

Southern Glazer's is moving away from the use of propane forklifts. Newly acquired forklifts are powered electrically. For every propane forklift that the Company replaced, approximately 86,000 pounds of carbon dioxide (CO₂) and 38,000 pounds of carbon monoxide (CO) emissions are removed from the work environment annually. Reducing emission levels of CO₂ and CO gases will create a cleaner and more environmentally friendly work environment. Additionally, the replacement eliminated the need for harmful liquids like gas, oil, and antifreeze, thereby reducing the potential for hazardous material handling incidents.

Energy-Efficient Lighting Technology

Looking to the future, all new warehouse designs will include the installation of LED lighting and control technologies such as timers and photocells. These control technologies save electricity by turning lights off during inactivity or dimming lights when less is needed. LED lights use approximately 75% less energy and last 25 times longer than incandescent lighting.

As an example, our Phoenix, Arizona distribution center converted its lighting system to a Digital Lumens Intelligent LED system. After this change, the facility saw a 91.5% decrease in energy use. A total of 1,210,000 kilowatt hours (kWh) was saved annually, which is equivalent to 270 tons of avoided Greenhouse Gas (GHG) emissions and the carbon sequestration of 805 acres of U.S. forests in one year.

Waste Management

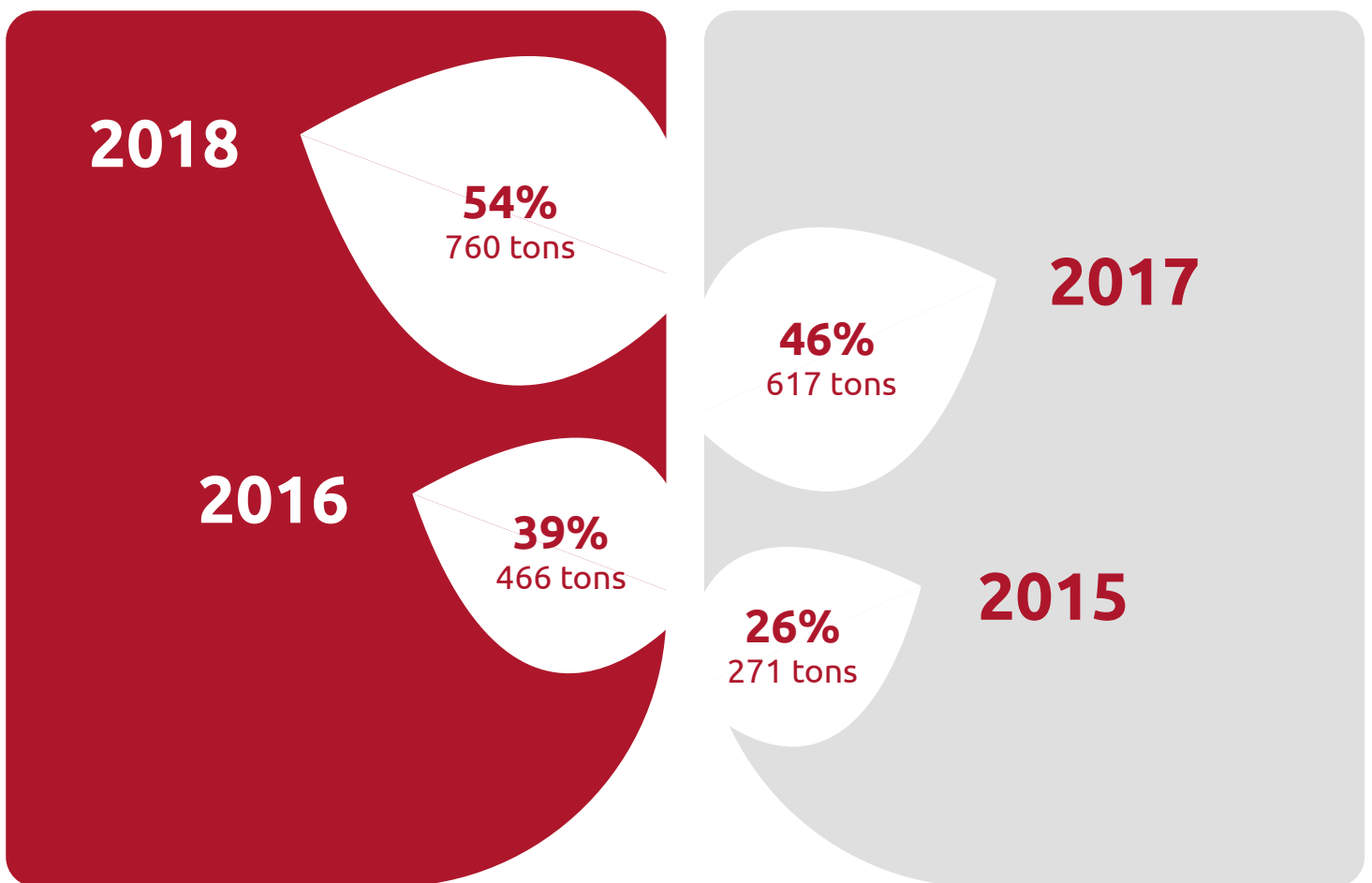
A total of 45 Southern Glazer's Wine & Spirits locations use Waste Management for solid waste disposal. Collectively, these locations have increased total tons recycled, increased recycled content as a percentage of the whole waste stream, and increased the total diversion rate – the percentage of our waste stream that is diverted from the landfill to a recycling stream.

From July 2017 to June 2018, more than 5,300 tons of waste was generated by the 45 locations – with more than 4,300 tons to the landfill and nearly 1,000 tons recycled. From July 2018 to June 2019, more than 4,800 tons of waste was sent to the landfill and more than 1,200 tons of waste recycled. For a year-over-year comparison, these locations increased their recycled content by 32%. Additionally, the 45 waste management locations diverted 21% of waste material from the landfill to recycling in July 2018 to June 2019.

A great example of a successful waste management strategy has been implemented at Southern Glazer's Bolingbrook warehouse in Illinois, which has a Zero Waste Initiative. Their goal was to discontinue sending solid waste items to the landfill. Since the inception of the Zero Waste Initiative in 2014, Bolingbrook has seen a year-over-year increase in both the total tons recycled and the total percentage of waste diverted from the landfill. In 2016, the [Illinois Green Business Association](#) recognized the Bolingbrook's team commitment to sustainability by certifying their facility as an Illinois Green Business.

At the beginning of the Zero Waste Initiative, the Bolingbrook warehouse recycled 25% of their annual waste for the 2015 year – a total of 271 tons of waste material recycled. By the end of 2018 the location increased their recycling to 54% of 760 tons recycled. The Bolingbrook team is well on their way to meeting their goal of Zero Waste.

Percentage and Tons Recycled in Bolingbrook, IL Facility



In every community that we serve, Southern Glazer's strives for a positive relationship by minimizing our environmental footprint. We are committed to continuing our momentum and corporate citizenship in reducing the environmental impact of our supply chain operations.

Governance

Operating to the Highest Standards of Ethics & Compliance



A top priority at Southern Glazer's is our overall business governance. A responsibility that starts at the top – our leadership – and shows our dedication to a culture of integrity that ensures our employees understand their responsibility to uphold the highest standards of ethics and lawfulness. Critical to the Company's long-term success is maintaining trust in the marketplace, mitigating business continuity disruptions, and operating according to principles that align with our values.

Policies Against Harassment and Discrimination

EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION

Southern Glazer's Wine & Spirits is proud to be an equal employment opportunity (EEO) employer committed to providing equal opportunities in all of our employment practices including, but not limited to, hiring, placement, promotion, transfer, demotion, treatment during employment, rates of pay or other forms of compensation, layoff or discharge, and recruitment or solicitation of employment. All decisions made with respect to recruiting, hiring and promotions for all job classifications are based solely on an individual's qualifications related to the requirements of the position. Likewise, all other employee matters such as compensation, benefits, training, reduction in force, and social and recreational programs are administered free from any illegal discriminatory or retaliatory practices.

NON-DISCRIMINATION POLICY

Southern Glazer's is dedicated to maintaining a work environment where all individuals are treated with dignity, fairness, and respect. We are an EEO employer committed to providing equal opportunity in all of our employment practices, including selection, hiring, assignment, re-assignment, promotion, transfer, compensation, discipline, and termination. This policy prohibits discrimination, harassment, and retaliation based on race, sex, sexual orientation, national origin, religion, age, ethnicity, disability, ancestry, color, gender and/or gender identity or expression, marital status, pregnancy or medical condition, veteran or uniform service status, genetic information ("Protected Classifications") or on any other classifications protected by applicable state or local law. Our Non-Discrimination Policy applies to all company employees, agents, vendors, customers, independent contractors and any other third-party doing business with the Company.

Southern Glazer's "Speak Up" Hotline and Online Site

The Company is committed to providing resources available to all employees to report allegations of discrimination, harassment, or retaliation to the Southern Glazer's "Speak Up" hotline at 1-866-898-2725 or online at sgws.ethicspoint.com. The toll-free number and online site operates 24 hours a day, seven days a week so employees can call without fear of retaliation. A third-party administrator responds to all employee complaints and will then provide the Company with a report of the complaint.

Trade Compliance Training

As a leader in the industry, Southern Glazer's Wine & Spirits takes seriously our responsibility to operate our business in compliance with federal and state alcoholic beverage laws. We require all team members be familiar with the trade practice laws of their states and complete extensive trade practice compliance training. We are continually evaluating and strengthening our compliance programs and policies, including implementing routine audits and reporting protocols, continued and advanced employee training, and vigorous and appropriate enforcement of our disciplinary policy.

Business Continuity – Crisis Management Center and CAN Program

Since launching the Crisis Management Center in 2018, Southern Glazer's Business Continuity team has actively monitored and responded to more than 100 threats per day via various monitoring systems, websites, and portals. The state-of-the-art Crisis Management Center in Miramar, Florida, serves as the centralized location responsible for all aspects of incident management for the entire enterprise.



The Center utilizes the latest technology, enabling our National Business Continuity team to monitor and respond to potential threats at any of our 250 locations nationwide. Comprehensive, global threat intelligence information is reported in real-time on a wide variety of hazards, including but not limited to severe weather, natural disasters, terrorism, transportation, health, infrastructure, cybersecurity, utility disruptions, and security. The team employs tools and technology such as Earth Networks, Early Alert, Weather Underground, Planet Risk, and NC4 for comprehensive 24/7 weather monitoring, and ensures employees receive alert notifications during times of an emergency via the Company Alert Network (CAN). CAN enables Southern Glazer's Business Continuity team to rapidly send secure, concise and time sensitive notifications that communicates critical information to employees. It has the capability to deliver messages securely through multiple methods – by voice, text messaging, and email – in the case of weather, environmental events, emergencies, and other crisis situations.

A Toast to our Local Market VolunCheers

Alabama – National Alliance on Mental Illness (NAMI) Alabama Silent Auction and Raffle

In November 2019, SGWS Alabama employees held a raffle and silent auction benefiting **NAMI Alabama**. Through the fundraiser event, SGWS Alabama team members raised more than \$2,000 for the nonprofit, which is comprised of local support and advocacy groups throughout the state dedicated to improving the quality of life for persons with a mental illness in Alabama.



Arkansas – Summer Cereal Drive

This past summer, 243 Southern Glazer's Arkansas employees participated in the Summer Cereal Drive hosted by the local KTHV-TV CBS affiliate, THV11, and the **Arkansas Foodbank**. THV11 and the Arkansas Foodbank's Summer Cereal Drive collected 800 boxes of cereal for Arkansas children who do not have enough food to make it through the day. The Arkansas Foodbank is a member of **Feeding America** and the **Arkansas Hunger Relief Alliance** that finds pathways to connect people, resources, and food to reach Arkansans in need. Volunteers held a team competition, building box displays using cereal boxes that they then donated. The group also raised more than \$1,500 for the food bank, \$300 of which was raised through a pancake breakfast hosted at the branch.



California – One Warm Coat Drive

SGWS Northern California participated in a **One Warm Coat** donation drive in the fall – coordinating seven different coat drop-off locations in the following cities across Northern California: Union City, Tracy, Sacramento, Fresno, Rohnert Park, Oakland, and San Francisco. The group donated a whopping total of 837 coats to the following local shelters: Marjaree Mason Center, Union Gospel Mission, Women's Center-Youth & Family Services, Petaluma People Service Center, Oakland Elizabeth House, Goodwill of San Francisco, San Mateo & Marin, and FESCO. SGWS NorCal's coat donations are helping men, women, and children stay warm this winter season.



Canada – We Care Toronto: Bowling Challenge

SGWS Canada participated in an Ugly Sweater-themed Bowling Challenge to raise funds for the charity **Friends of We Care**. The group collectively raised \$2,465 CDN in support of sending children with disabilities to barrier-free summer camps. Friends of We Care consists of a network of 84-member sponsor organizations from the foodservice and hospitality industry that are united by a common goal of bringing joy to kids with disabilities. Since 1983, enlightened companies, generous donors, and committed volunteers have helped raise over \$19.5 million to send more than 38,000 children with disabilities to barrier-free summer camps across Canada.



A Toast to our Local Market VolunCheers

Delaware – Operation Gratitude – Cheers to 2019

Southern Glazer's Delaware worked with **Operation Gratitude** to provide 1,000 customized care packages and thank you letters for U.S. service members. Sales consultants, managers, office staff, warehouse staff, and merchandisers were divided into teams, where they had to answer trivia questions correctly to earn the products they needed to make their care packages. It was a fun team-building event, as well as a great way to show appreciation for U.S. Military heroes.



Florida – “Welcome to the World” Basket Assembly

In July, SGWS Florida employees donated their lunch hour to assemble 50 “Welcome to the World” baskets which were donated to **Healthy Mothers, Healthy Babies Coalition of Broward County**. The baskets were packed with the following essential newborn baby items: shampoo, conditioner, soap, diaper rash cream, wipes, bottle, blanket, feeding bib and onesie and were given to expecting moms in under-served communities. Healthy Mothers, Healthy Babies Coalition of Broward County's mission is to reduce infant deaths by strengthening families through a comprehensive approach to prenatal care, parenting, education, and support services.



Idaho – Wild Turkey Fund Drive

SGWS employees in Idaho supported the Wild Turkey Fund Drive, benefiting **The Idaho Foodbank** – the largest food bank and distributor of free food assistance in Idaho and a member of **Feeding America**. In total, they donated nearly \$3,000 and collected canned goods for Idahoans in need during the holiday season. The group garnered the support of nearly 50 customer accounts for the meaningful cause.



Indiana – Second Annual Blood Drive

In September, Southern Glazer's of Indiana hosted its second annual blood drive with the **Versiti Blood Center of Indiana**. A total of 30 Indiana-based employees donated their blood, enabling the group to meet their goal of collecting 30 units of blood to help save 90 lives in their community. The Blood Center, home to the world-renowned Blood Research Institute, enables life-saving gifts from their donors, and provides the science behind the medicine through their diagnostic laboratories.



A Toast to our Local Market VolunCheers

Kentucky – Valentine’s Day Card Crafting for Sts. Mary & Elizabeth Hospital Patients

In February, SGWS Kentucky employees volunteered to hand-make 117 Valentine’s Day cards for patients at **Sts. Mary & Elizabeth Hospital**. The hospital, located in one of the most diverse areas of Louisville, serves mostly elderly patients and those who are on fixed or very small incomes, and many of whom are widowed or live alone with very few, if any, visitors. Valentine’s Day provided the perfect opportunity to reach out to these patients through Valentine’s Day greeting cards to let them know that others were thinking of them. The staff at St. Mary’s expressed appreciation and commented on the quality of the cards. Patients and staff were uplifted and inspired by the cards.



Maryland/Washington, D.C. – VolunCheers Event with Soup for the Soul

In October, SGWS Maryland & DC employees volunteered at **Soup for the Soul**, a non-profit organization that relies solely on donations to help feed those in need, provide them with clothing, supplies for school, toys, gift cards during the holidays, and much more. Our VolunCheers organized the soup kitchen’s stock room, cooked and served dinner to approximately 150 guests, and supported with clean-up efforts, including washing dishes.



Minnesota – Friends of the Mississippi River Cleanup

In support of Beam Suntory's inaugural Together for Good global volunteerism day, Southern Glazer’s Minnesota partnered with **Friends of the Mississippi River (FMR)** to conduct storm drain stenciling and trash cleanup in the area surrounding Front Park in St. Paul. FMR works to engage people to protect, restore, and enhance the Mississippi River in the Twin Cities region. Their vision requires addressing the goals of land conservation, watershed protection, and river corridor stewardship.



Mississippi – Mississippi Food Network’s Holiday Food Drive

From November through December, leading up to Christmas, the SGWS Mississippi office in Jackson collected donations for the **Mississippi Food Network (MFN)**. The team set up two locations for donations in North and South Mississippi and presented 258 meals to the MFN in time for Thanksgiving. MFN’s mission is to relieve poverty-related hunger in their service area by distributing donated and purchased food and grocery products through a network of member churches and nonprofit organizations.



A Toast to our Local Market VolunCheers

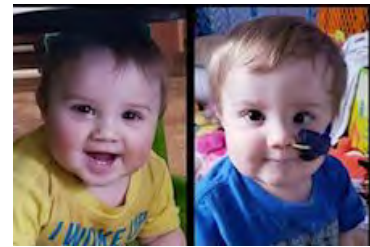
Missouri – Huntington’s Disease Team Hope Walk - 2019

In April, SGWS Missouri employee volunteers participated in the **Huntington’s Disease Society of America (HDSA)** Hope Walk, an annual fundraising campaign designed to provide hope and support for those affected by Huntington’s Disease. Teams participating in the Walk raised money and awareness for HDSA. The event featured a DJ, auction, pet adoptions, local mascot appearances, and a tasting tent provided by Southern Glazer’s Missouri. Team SGWS Missouri held a special “It’s in the Genes” event during the week leading up to the walk, in which 50 employees in the Saint Louis office signed up to wear jeans all week in exchange for a \$10 donation to the cause. Team SGWS Missouri contributed a total of \$3,500 in donations – and the Walk as a whole raised over \$50,000.



Montana – Eyes for Everett Benefit

In July, SGWS Montana employees hosted a local benefit event tied to a “Bike Night” for Everett, a baby who suffered severe head trauma due to child abuse and who is a family member of a local SGWS customer account. They donated a stage for live music and raised money to ease the medical cost of Everett’s needed eye surgery by gathering silent auction items, raising a total of \$15,000.



Nevada – Dress for Success: Sip, Paint & Donate

In July, Southern Glazer’s of Nevada invited 100 women – both Dress for Success (DFS) donors and SGWS customers – to enjoy an evening of wine, food, and painting all to benefit **Dress for Success Southern Nevada**. The price of admission was a clothing donation to stock the charity’s boutique. In addition to the more than 2,000 articles of clothing, the silent auction brought in over \$6,000. DFS assists local women looking to get back on their feet by providing professional attire, a network of support, and career development tools to help them thrive in work and life.



New England – Fall Food Drive

From September through November, all SGWS New England employees participated in a food drive benefiting New Hampshire’s only food bank in the state, the **New Hampshire Food Bank**, which serves over 425 partner agencies including food pantries, after school programs, homeless shelters, senior centers, and more. Together, employees collected 356 pounds of food, which helps provide roughly 297 meals to those in need!



New York – Marcum Workplace Challenge

This past summer, a total of 150 Southern Glazer’s New York employees participated in the Marcum Workplace Challenge at Jones Beach in Long Island, New York. The event is Long Island’s largest corporate 3.5-mile run-walk benefiting four local charities: **Long Island Children’s Museum**, **Long Island Cares**, **Children’s Medical Fund of New York**, and the **Nassau County Society for the Prevention of Cruelty to Animals**. SGWS New York Marcum participants, in addition to a \$10,000 corporate donation, raised nearly \$14,000 for the cause.



A Toast to our Local Market VolunCheers

New York – Upstate New York Company Picnic & Donation Drive

Each year, as part of the Southern Glazer's Upstate New York company picnic, the team selects a different charity to support. This year, the group chose **Sleep in Heavenly Peace** – a nonprofit dedicated to building, assembling, and delivering top-notch bunk beds to children and families in need. Our Upstate New York team members donated a total of 46 sets of sheets and bedding and raised more than \$1,630 for the charity.



North Dakota – Summer Food Program

In the month of August, three groups from the SGWS North Dakota market volunteered on two different occasions at the **YMCA of Cass and Clay Counties**, where they provided a healthy lunch for 50 to 70 children and seniors in their community. Volunteering six times in the month, the group was able to impact 330 people. The YMCA of Cass and Clay Counties is a not-for-profit community service organization dedicated to enhancing the spirit, mind and body of all persons through quality leadership, programs, services and facilities.



Ohio – Ronald McDonald House Charities: Volunteer Day

The Southern Glazer's Columbus, Ohio team volunteered at the **Ronald McDonald House Charities (RMHC) of Central Ohio**, where they cooked and served a delicious meal to families who were currently residing at local Ronald McDonald housing. The RMHC is built on the simple idea that nothing else should matter when a family is focused on the health of their child – not where they can afford to stay, where they will get their next meal or where they will lay their head at night to rest. The team had an inspiring and eye-opening experience while getting to know the families and touring the house. The team is excited and motivated to coordinate future volunteer activities at RMHC.



Pennsylvania – Operation Backpack

In May, 30 SGWS Pennsylvania employees collected nearly 1,340 ready-to-eat items through donation drop offs across three locations: the King of Prussia Office, Limerick Warehouse, and Pittsburgh Office. Items were donated to **Volunteers of America: Operation Backpack**, which assembled backpacks and distributed them to six local school districts — 38 schools and 90 students in total. Operation Backpack provides students in need with enough ready-to-eat items for the weekend with qualifying students discreetly taking a backpack each Friday afternoon and returning them on Monday morning.



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South Carolina – Meals on Wheels: Mentorship Volunteer Event

Southern Glazer's South Carolina volunteers spent a half day packing and delivering meals for **Meals on Wheels**, the leadership organization supporting more than 5,000 community-based programs across the country that are dedicated to addressing senior isolation and hunger. The meals went to nearly 60 senior citizens aided through the nonprofit organization **Senior Resources**, which coordinates services, provides resources, and encourages the personal choices that allow senior citizens of the Midlands Region of South Carolina to remain independent. All SGWS volunteers worked together to package meals, and employees were paired with members of the leadership team to provide a mentorship element while delivering meals.



Tennessee – Memphis Food & Wine Festival – Celebrity Chef's Dinner: Supporting FedExFamilyHouse

Over the past nine years, Southern Glazer's Tennessee has supported **FedExFamilyHouse** – an organization that provides free, comfortable accommodations to out-of-town families of children receiving treatment at Le Bonheur Children's Hospital. In March, SGWS hosted a fundraiser dinner with the Memphis Food & Wine Festival – Celebrity Chef's Dinner at ACRE featuring vintner Cristom Vineyards. Each Celebrity Chefs' Dinner, as well as the main Memphis Food & Wine Festival held in October, benefits FedExFamilyHouse. Leading up to the fundraiser event, Southern Glazer's team members worked with FedExFamilyHouse staff to ensure an efficient event and turnout. SGWS volunteers and Randy Ford of Cristom Vineyards welcomed guests and assisted ACRE staff onsite, aiding in the overall success of the fundraiser, which raised more than \$7,000 for FedExFamilyHouse. Since opening in 2010, FedExFamilyHouse has served more than 160,000 families from all 50 states and around the world.



Texas – Dallas Blood Drive

Southern Glazer's in Dallas, Texas joined forces with **Carter BloodCare** to help meet a critical blood shortage in the community. Employees donated a total of 66 units, which helped to save 198 lives. In the four drives SGWS Dallas has hosted with Carter BloodCare, our Dallas team has singlehandedly contributed 191 units to the blood supply, translating to an astounding 573 lives that have been helped in just two years! At Carter BloodCare, their primary purpose is to provide life-saving resources to local hospitals in their regional communities.



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Transatlantic Selling Division - Central Region – Minnie's Food Pantry

In the month of November, SGWS Transatlantic's Dallas Team, along with supplier partners Bacardi and Patron, prepared 500 boxes of Thanksgiving meal ingredients benefiting **Minnie's Food Pantry** Thanksgiving Giveaway. The annual event is the nonprofit's largest event of the year, utilizing more than 450 volunteers who sing, laugh, and dance as they dedicate their time to feed over 10,000 people in the community. Minnie's Food Pantry is a non-profit organization founded in 2008 and has provided over six million free healthy meals and food assistance to families in need.



Washington – Second Annual Golf Tournament Benefiting College Success Foundation

In September, SGWS Washington partnered with its suppliers and customers to host its second annual golf tournament at Newcastle Golf Club to fundraise for **College Success Foundation** – a Washington-based organization that provides fully funded college scholarships to low-income and diverse students. As a result of the 2019 tournament, the team of 144 volunteers and participants nearly doubled the amount of money raised last year – raising a total of \$252,000, which will fully fund seven college scholarships.



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