

2022-2023

Annual Report

CORPORATE SOCIAL RESPONSIBILITY

PACO & LOLA





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PACO & LOLA

BOUND TO THE GROUND

We are **Paco&Lola**, the cooperative named **Sociedad Cooperativa Vitivinícola Arousana**. We have been born and grown connected to our immediate surroundings, the O Salnés region.



As **ambassadors for our land**, we are firmly **committed to our surroundings**, fostering **the creation of jobs and value in the region through the production of quality wines** that may position us as a benchmark for all our customers around the world.

We are aware that our activity, as any other, has repercussions on the environment, as well as on people and our social milieu. Thus, **we endeavour to minimise the negative impact of our actions**, both through improvement and efficiency initiatives in our premises and by means of environmental policies in the value chain of our products.

Continuing what we started in 2021 and **based on our resolution to improve our brand's sustainability, we feel aligned with the UN Sustainable Development Goals (SDGs)**. The 17 SDGs and their 169 targets aim for a paradigm shift in our society through a comprehensive indivisible approach, shaping, as a whole, the vision of the future we want.

Through the SDGs, countries seek an improvement in people's quality of life, partnerships, technologies, and the conservation status of our planet, joining all the actors – citizens, companies, administrations, other organisations, etc. – around one single framework of goals.

 **OBJETIVOS DE DESARROLLO SOSTENIBLE**



Let us take you through this document and we will show you our impacts on the SDGs and our improvement plans for the future.

1. WE ARE PACO & LOLA

1.1. PRESENTATION OF OUR COMPANY

In year 2005, a group of winegrowers from the O Salnés region decided to professionalise their wine-growing activity, improving for such purpose the production and marketing processes. To that end, a Cooperative was created, thus giving birth to 'Sociedad Cooperativa Vitivinícola Arousana S.C.G.', better known as '**Adega e Viñedos Paco & Lola**'. From then until now, we have experienced a continued growth, both in terms of vineyard area and number of members of the Cooperative:

YEAR	NO. OF MEMBERS	HECTARES
2022	439	270
2023	432	274

Furthermore, we have a **274-hectare area of vineyards**, spread over more than **2,300 plots**, ranging very different dimensions, from 12 m² to 16,000 m².

YEAR	2022	2023
BOTTLES	2.543.369	1.947.200
LITRES	1.911.760	1.461.560

Paco&Lola's main activity is the making and marketing of Albariño white wine and sparkling white wine, as well as wines and spirits in other Appellations of Origin (known in Spanish as D.O.).

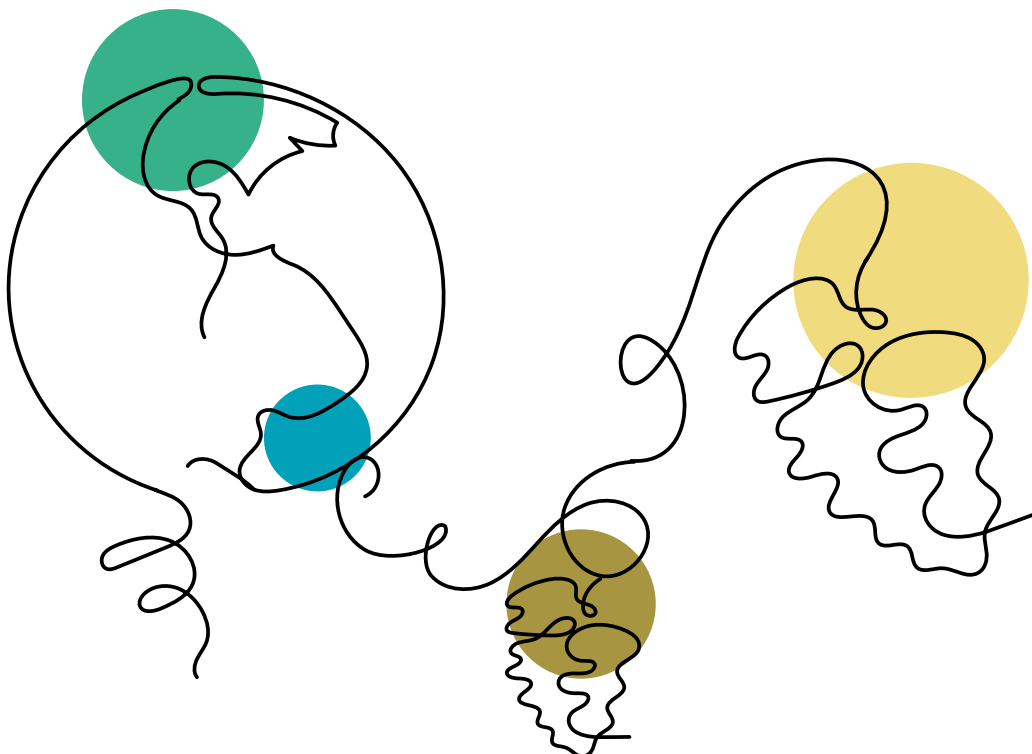
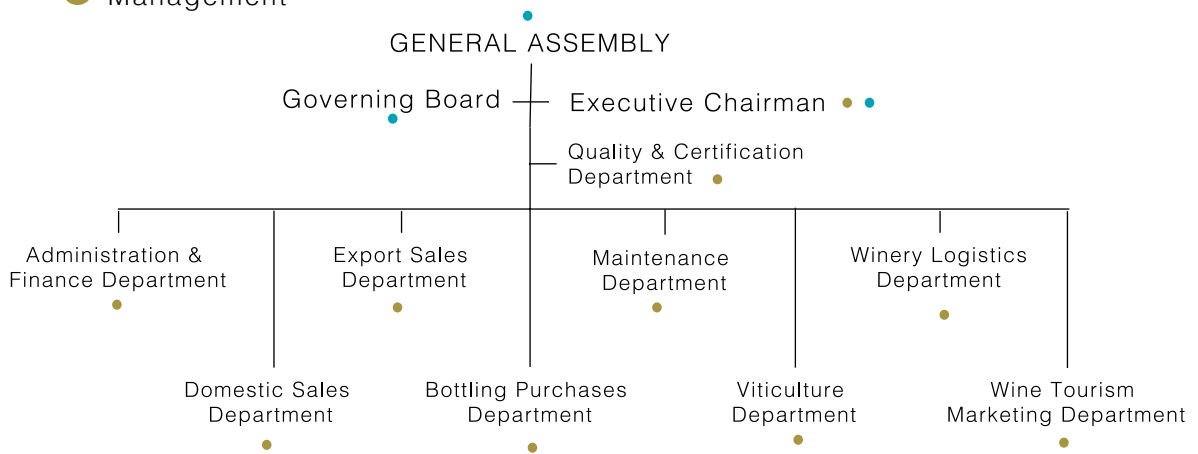
In addition, we carry out other activities related thereto that contribute added value to our Cooperative members and our surroundings.



1.2. CORPORATE STRUCTURE

We present below our organisational chart, which shows the operational structure of our company.

- Governance
- Management



1.3. MISSION, VISION, AND VALUES

Ever since the Cooperative was founded, **it has pursued the creation of wealth for its member families, its staff, and its area of influence.**

It seeks to consolidate this project as a national and international benchmark.

MISSION

To give back to society. To promote the well-being of the families that make up the Cooperative: Cooperative Members and Staff.

To guarantee sustainability:

Social: To promote the generational renewal of wine-growing families, to foster a healthy lifestyle, to encourage the longevity of our cultural environment.

Environmental: To leave our future generations an environment that favours the conservation of the natural resources that surround us.

Economic: To give back to the society around us what we have been allowed to create all over the world and to guarantee economic profitability to our members in the long term, in a sustained way and respecting the social, environmental, and cultural areas.

VALUES

Continuous improvement, change, and constant innovation in processes, products, and services, with the goal of, among others, improving the service provided to our customers and our members on an ongoing basis.

Pursuit of excellence, acting committed to the quality standards and demands of today's world.

Teamwork, as the foundation for building a sense of belonging to **Paco&Lola**.

Brand orientation, in order to work in a way that identifies the whole company and connects with our customers.

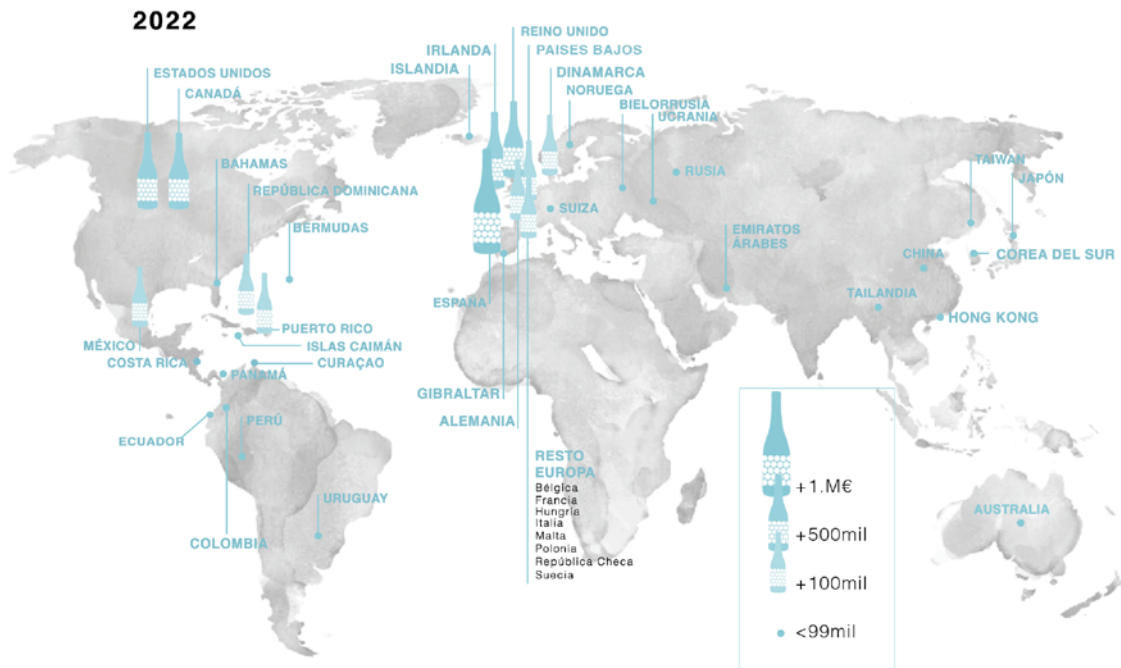
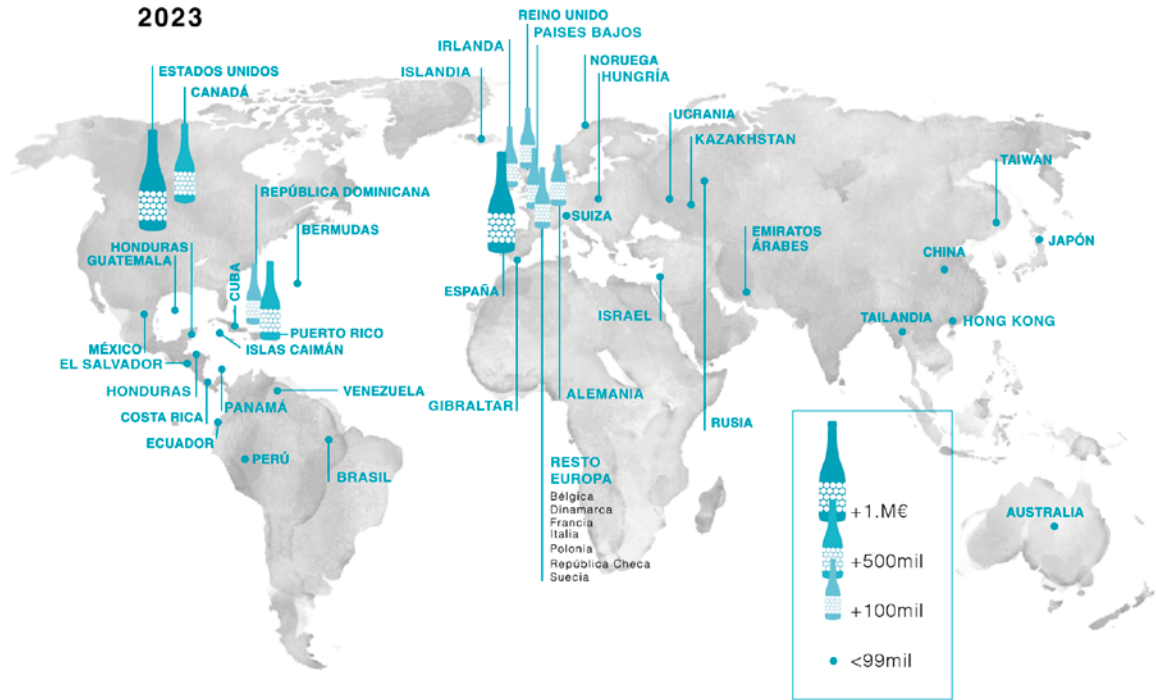
Quality as the driving force behind everything that we do in **Paco&Lola**. Each and every member of the team is committed to our rigorous internal quality policy. And yet, they do not merely meet the rules, but they aim to **go above and beyond**.

VISION

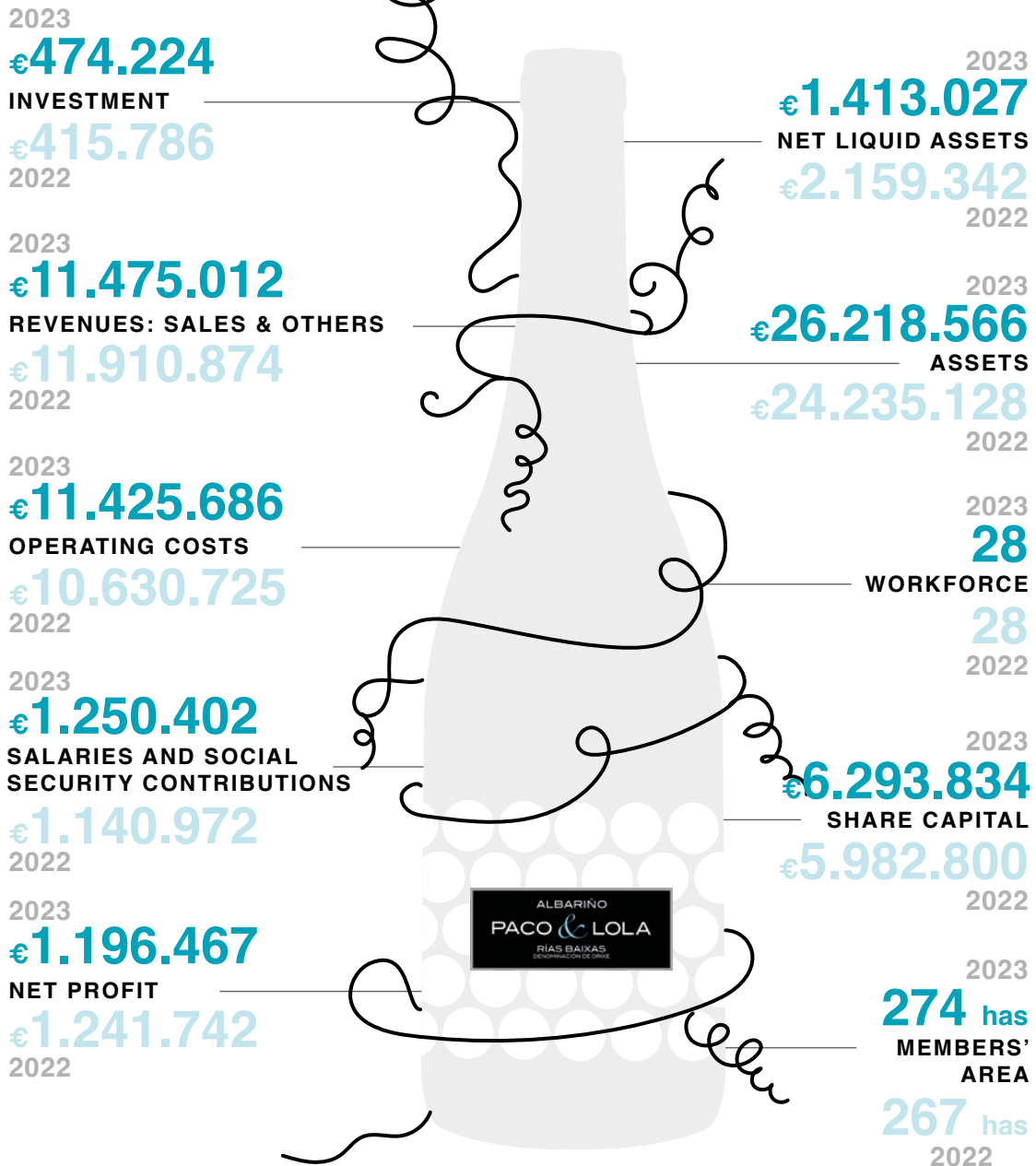
To contribute to create sustainable wealth and well-being in our area of influence, making **Paco&Lola** a world benchmark for its wines, philosophy of work, and sensitivity to the environment and society.



1.4. OUR MARKETS



1.5 MAIN FIGURES



1.6 OUR STAKEHOLDERS

Stakeholders are identified as those groups or individuals who may be significantly affected by **Paco&Lola's** activities, and whose actions may have an impact on the company's ability to successfully develop its strategy and achieve its objectives:

- Our land
- Our people
- Our wine
- Our customers
- Our planet



Our land is our roots. An agricultural heritage of incalculable value, in which wealth is not only generated in numbers, but also in human, social, ecological, and innovation capital. We want to defend the agricultural tradition, but relying on training, technology, sustainability, and the viability of the rural environment.



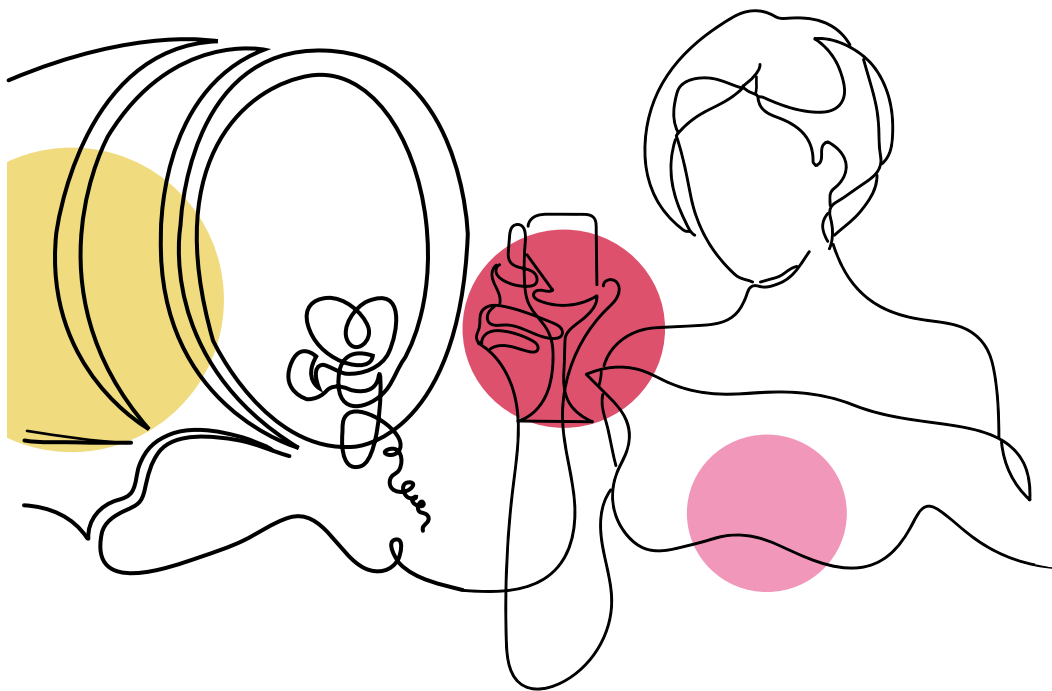
1.7 OUR MEMBERS

Paco&Lola has 432 members as at the end of 2023, all belonging to the O Salnés region. This means that our Cooperative is made up of more than **400 wine-growing families**, which add up to more than **274 hectares of vineyards** in total.

The members of the Cooperative are the main value that distinguishes us; the aggregate of more than 2,000 typical plots of the Galician smallholding contribute diversity and allow us to make different wines.

Thanks to the daily work of our members, whom we advise throughout the year, **we have full control over our most valuable raw material: the grape**. Families are the key to attain excellence, as their commitment and endeavours allow us to guarantee the quality that characterises our Albariño wines.

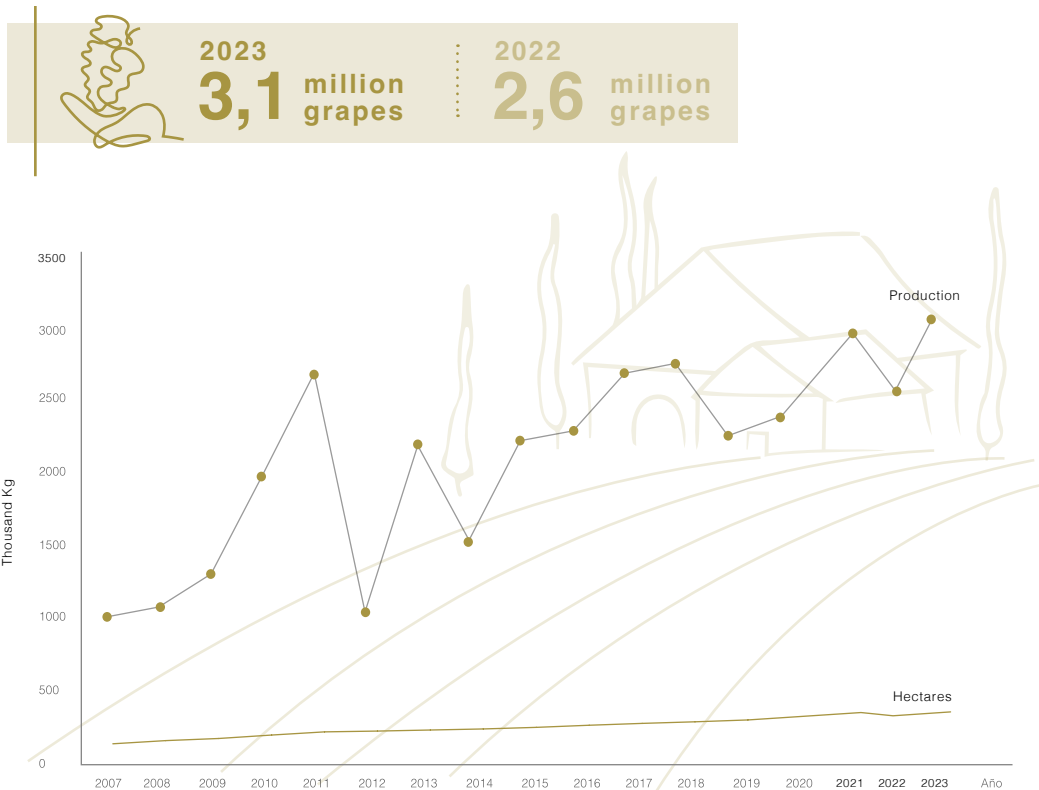
They are origins and tradition, passion for wine, progress, they are the land that they farm, they are the fight to grow and preserve their roots.



2. WE GROW AND HARVEST THE BEST GRAPES

2.1 OUR VINEYARDS

In 2022, 2,593,464 kg were harvested and, in 2023, this figure has increased to 3,129,569 kg of grapes harvested.



2.2 D.O. Rías Baixas

The Appellation of Origin known as D.O. Rías Baixas is a small wine-growing area located in the northwest of Spain, in the region of Galicia. Even though there is a rooted wine-growing tradition in Rías Baixas, it was not until year 1988, with the creation of its Governing Council, when the wine-growing sector acquired fundamental significance in the development of the economy of this territory. **One of the determining factors has been the commitment to native varieties, specifically Albariño**, resistant to the adverse weather conditions typical of this territory, which confer a genuine quality and origin to wines of a distinctively Atlantic nature.





Conditioned by the smallholding system typical of Galicia, **this Appellation of Origin currently includes an area exceeding 4,300 hectares, distributed into 23,382 plots and around 5,000 winegrowers.**

YEAR	HECTARES	PLOTS	WINEGROWERS
2022	4.321	22.827	5.011
2023	4.491	23.382	4.997

Viticulture in this area is characterised by the way grapes are trained using the trellising method, which determines that the pruning and harvesting tasks must be carried out completely by hand.

The D.O. Rías Baixas appellation is made up of five winemaking sub-areas: Soutomaior, Ribeira do Ulla, Condado del Tea, O Rosal, Salnés. Paco&Lola is situated in the **‘Val do Salnés’** sub-area in the **D.O. Rías Baixas**. It is the largest sub-area out of the existing five and also the one with the largest production.

This sub-area comprises the following municipalities: Cambados, Meaño, Sanxenxo, Ribadumia, Meis, Vilanova de Arousa, Barro, Portas, Caldas de Reis, Vilagarcía de Arousa, O Grove, and A Illa de Arousa.



According to the data on the 2 latest grape harvests, the sub-area of Salnés has provided the following kg of the Albariño variety:

YEAR	TOTAL MILLION KG	MILLION KG SALNÉS SUB-AREA
2022	39.322.747	25.826.092
2023	42.848.472	29.664.304

ALBARIÑO GRAPE

Despite the dissemination of the legend supported by the author Álvaro Cunqueiro, which held that the Albariño grape was taken to Galicia in the 12th century by some monks belonging to the Cistercian order, scientific evidence points to the variety being native to Galicia. Recent studies carried out by Misión Biológica de Galicia, dependent on the Spanish National Research Council (CSIC), have concluded that this grape variety does not come from the area of the Rhine, but it was already cultivated in Galicia in the Roman period. Fact is that the seeds found in the O Areal site, in Vigo, are morphologically similar to those of the star variety of Rías Baixas.



The conclusions of the research point out that the seeds found in O Areal – the only salt evaporation pond of the entire Roman Empire that has been preserved and turned into a museum – were very similar to those of the Albariño variety, which seems to indicate that in Roman times wild vines underwent a domestication process and that the origin of the grown varieties lies in those vines.



Today, it is the major variety in the D.O. Rías Baixas, but it is also the predominant variety in other Galician appellations, such as Ribeira Sacra, Ribeiro, and Valdeorras, and it is authorised in the D.O. Monterrei appellation. Our grape variety is covered by the regulations of some of the Galician Protected Geographical Indications (known in Galician as IXP). In 2007, the Ministry of Agriculture also authorised the planting of Albariño grapes in Catalonia, Castilla y León, and Cantabria, and it is also currently authorised in Andalucía, Asturias, Castilla la Mancha, La Rioja, and Valencia.

Over recent years, the variety has also experienced a significant international growth, which is why other countries are currently making wines using the Albariño variety. In addition to Portugal, in which it abounds in the northwest of the country, there are plantations in France, the United States, Chile, New Zealand, Argentina, Uruguay, and even Moldavia, Ukraine, or the United Kingdom, to name a few.

2.3 QUALITY RAW MATERIALS

Paco&Lola is catalogued in the D.O. Rías Baixas appellation, which is why our wines under this Appellation of Origin are made using the predominant variety: Albariño grape.

Our top-quality grapes are characterised by being a small-seeded, thick-skinned, and long-cycle variety (early sprouting and late ripening).

The grape from our sub-area (Val do Salnés) stands out from the rest because of its high acidity and minerality, added by the granite soil. Likewise, our land benefits from a high salinity, since **most of our members' plots are not more than 150 metres** above sea level, **which confers a distinguishing character to our wines.**

As regards its growing, it is an early sprouting and average ripening variety, with average-low production, and sensitive to different types of fungus that affect wine crops.

In oenological terms, it is a very terpenic variety, thus producing wines with a high oenological potential, generally with a high alcohol content and acidity, and floral and fruity aromas, such as apple, pear, or peach – very tasty, fresh, and with a certain acid edge.



3. WE MAKE OUR WINES

3.1 OUR PRODUCTS

In a continuous process of revision and transformation in order to offer the best and most appealing wines to our customers, **Paco&Lola wines are targeted at people with different taste, and they fit in diverse occasions.** The potential of the Albariño grape allows very distinct preparations depending on the fermentation, storage, types of containers, use of lees, longevity in tank or bottle, etc. Thus, we present below a selection of our main products according to their style



INTRODUCTORY STYLE

Both for those uninitiated in the wine world and for those that are introducing themselves to the Albariño variety. Our specialities in this segment are the following:



Nº12: Semi-dry wine with a light carbon hint, fresh, and sweet, to be served cold. To obtain this wine, the fermentation process is interrupted when residual sugars are over 12 g/l.

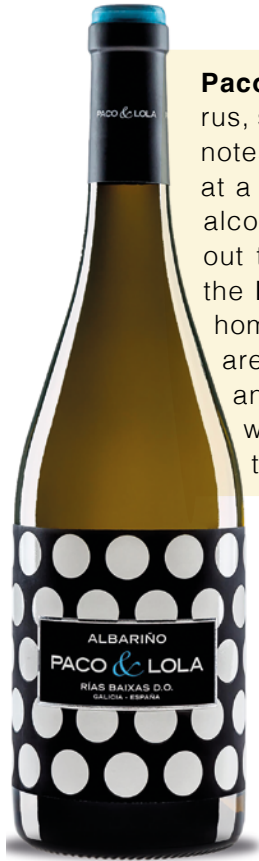


Lolo: Wine with a less marked acidity, and citrus and pip fruit aromas.



GLOBAL STYLE

Targeted at a public already initiated in the wine world and connoisseur of the characteristics of the variety and the area. Our specialities in this segment are the following:



Paco&Lola: Our winery's flagship; nose: white flowers, citrus, stone fruits, and light tropical aromas, also with balsamic notes. The fermentation takes place in stainless steel tanks, at a low temperature in order to preserve the aromas. Once alcoholic fermentation is completed, a first racking is carried out to remove thick lees. Subsequently, the contents of all the **Paco&Lola**-quality tanks are mixed so that the batch is homogeneous and the first and the last bottle of this brand are equal. At this point, the ageing with the fine lees starts, and it will last at least 3 months. This ageing will make the wine gain volume in mouth and be balanced and persistent.

Follas Novas: Profile with a marked typical quality, white flowers, and citrus and balsamic aromas. Salty hints on the palate and pronounced Atlantic character. For its preparation, we use free-run must that is fermented at a low temperature in stainless steel tanks.



SPECIAL PREPARATIONS AND SMALL PRODUCTIONS

We make and market longer-aged wines and other different wines, such as:



Prime: Part of the **Paco&Lola** mixture keeps ageing on its lees for at least 6 months, in addition to an ageing period in a bottle. The total ageing surpasses 18 months. It is a wine in which the balsamic, ripe fruit (citrus, apple), and white flowers notes are remarkable. On the palate, it is full bodied, and the minerals, the salinity, and the long retronasal smell stand out.

Albariño BRUT LOLA by Paco&Lola: Sparkling wine covered by the Rías Baixas appellation of origin. Made from Albariño grapes and following the traditional method of second fermentation in a bottle. It is aged in riddling racks for at least 24 months. The result is a floral, fresh, and fine- and creamy-bubble sparkling wine.





Vintage: This 5-year-aged wine is marketed only in those years in which the development has been exceptionally good. It is a commitment to the wines for aging of the Albariño variety. On the nose, its aromatic herbs, crystallised citrus skin, nuts, and mineral notes stand out. On the palate, it is balanced and luscious, with a long retronasal smell in which the aromatic herbs, ripe fruit, and salty and mineral notes can be noticed.

Heritage: In December 2022 we launched Heritage, an Albariño that inherits the legacy of generations of wine-growers. It is aged in 500-litre oak barrels for 12 months and then remains in the bottle for a year. It is a wine that takes us to aromas of flowers such as acacia and elderberry, aromas of ripe fruit: reineta apple, plum, and lemon peel. On the palate it is ample and intense, with volume and freshness in perfect balance, the mid-palate is very expressive, with a certain structure, good fruit load, spicy and saline notes, and a long and persistent finish.



We also make wines in other appellations of origin, under our quality parameters:

- Sparkling wine in the D.O. Cava, Mencía and Godello grape in the D.O. Valdeorras, and Tempranillo and Garnacha grape in the D.O. Navarra.

Finally, it should be noted that with **part of the resulting marc, we make our raspberry liqueur, thus making our modest contribution to circular economy.**

3.2 AWARDS AND ACCOLADES

Paco&Lola has obtained much recognition of its products in years 2022 and 2023. The most significant ones are highlighted below:



Paco&Lola 2022

Year	Award	Competition
2023	Gold medal	Bacchus, VinoSub30
	Silver medal	Vin España, Concours Mondial de Bruxelles, International Wine Challenge
	90 points in Guía Peñín	

Paco&Lola 2021

Year	Award	Competition
2023	Gold medal	Guía de Vinos, Destilados y Bodegas de Galicia
2022	Gold medal	Bacchus
	Silver medal	Decanter World Wine Awards, Vin

Paco&Lola 2020

Year	Award	Competition
2022	Gold medal	Sakura Awards



Paco&Lola Prime 2019

	Award	Competition
2023	'Gran Oro' medal	Vin España
	Gold medal	Guía de Vinos, Destilados y Bodegas de Galicia 2023
2022	'Gran Oro' medal	Concours Mondial de Bruxelles



Paco&Lola Vintage 2015

Year	Award	Competition
2023	Silver medal	Bacchus

Paco&Lola Heritage 2018

	Award	Competition
2023	Gran Gold medal	Guía de Vinos, Destilados y Bodegas de Galicia 2023
	Gold medal	Decanter World Wine Awards, Challenge International du Vin, Mundus Vini Cata Primavera
		Bacchus
2022	'Gran Oro' medal	VinEspaña
		New Wine





Lola by Paco&Lola Espumoso Rías Baixas 2017

Year	Award	Competition
2023	Gold medal	Guía de Vinos, Destilados y Bodegas de Galicia 2022
2022	Gold medal	Challenge International du Vin

Nº12 2022

Award	Competition
2023	Gold medal

Nº12 2021

Award	Competition
2022	Silver medal



Paco&Lola Godello 2021

Year	Award	Competition
2023	Gold medal	VinEspaña, VinoSub30





Lolo 2021

Year	Award	Competition
2022	Best White Wine of the Year	National Off Licence Irish Wine Show Award

Ophalum 2020

Award	Competition
2022	Gold medal Sakura Awards



Cava Lola by Paco&Lola

Year	Award	Competition
2022	Special mention	International Wine Challenge



3.3 OUR CERTIFICATIONS



Q de Calidad certification

(File no.: 04384/21)

The 'Q Calidad Turística' guarantee label (certificate no. 04384/21) is a prestigious Spanish label intended for the voluntary certification of tourism services. In order to obtain this seal, you must prove compliance with the technical requirements set out by the standard and 'establish the satisfaction of the tourist or user of the tourism service as your organisation's priority goal, improve your organisation's response ability, and incorporate innovation as a key aspect, promoting the creativity of professionals'.

Compromiso de Calidad Turística

Furthermore, we have obtained the seal proving our Commitment to Tourism Quality (Compromiso de Calidad Turística, SICTED). This seal aims to support quality improvement projects in tourist destinations. It is promoted by the State Secretariat for Tourism (SET) and supported by the Spanish Federation of Municipalities and Provinces (FEMP), which works with tourism companies/services, including up to 32 different trades, with the ultimate goal of improving the tourist experience and satisfaction.





Galicia Calidade guarantee label

**(Licence for still wines no.: 15/33/088/01)
(Licence for sparkling wines no.: 15/33/088/02)**

It is important to point out that we are also authorised to use the Galicia Calidade seal in all the brands made in our facilities (Albariño wines). Galicia Calidade (Certificate no. 15/33/088/01) certifies the quality of the products and that their origin and production is Galician. In our case, it is focused on the fact that all our grapes are under the D.O. Rías Baixas appellation.

Quality is the driving force behind everything we do in **Paco&Lola**. Each and every member of our team is committed to our policies.

The Cooperative has **certified IFS (Certificate no. ES145287-1) and BRCGS (Certificate no. ES136757-2) management systems since 2011**, which back the quality of our wines around the world and **guarantee the product's quality and safety for the end consumer**, for which we have been certified obtaining the maximum score.

On a yearly basis, different food quality audits are conducted on all our products to guarantee their traceability and compliance with the highest standards. Given that we operate in the agri-food industry, we are extremely subject to our customers' and consumers' demands.

These are the ones who increasingly require us to have these labels to guarantee the product safety and quality, as well as the compliance with any legal requirement that may affect the production process and its subsequent marketing.



In line with our philosophy, we thus stand as an organisation committed to starting the path towards the fulfilment of the 17 Goals established by the United Nations General Assembly as part of the 2030 Agenda for Sustainable Development. Beyond regulatory compliance, inspired by our values, we promote the guarantee of gender equality and opportunities, as well as non-discrimination, and we address the environmental challenge by focusing on the improvement of our processes, facilities, and supply chain. **(Certificate no.: ES125099-1)**



MANAGEMENT OF SUPPLIERS AND ALLIES

Suppliers are the first link in the chain to be taken into account for the quality **Paco&Lola** is committed to. We have a value chain that adapts to the needs of the company, maintaining the relationship of trust and mutual benefit.

Our cooperative **has a supplier approval and assessment system in line with the requirements of the highest quality and food safety standards.**

The grape suppliers belonging to the Cooperative (Members) and/or external partners must meet the requirements concerning traceability and completion of Field Books with the performed treatments. Furthermore, **all grapes must be covered by the D.O Rías Baixas appellation.**

The rest of suppliers are pre-assessed through the 'supplier assessment questionnaire' from which we obtain the main information about them (capacity, fitness of the product/service, allergens, etc.)

Subsequently, **our suppliers are classified according to their compliance with the food safety and quality of the final product**, distinguishing between high- or low-risk suppliers. Thus, the subsequent controls that must be carried out depend on such assessment.

The organisation requests and requires specific controls for each supplier, depending on the product or service to be provided.

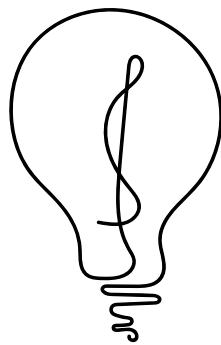
Furthermore, **we have different controls for the suppliers of most or wine in bulk, ancillary raw material** (bottles, cork, capsule, stopper), **gases, and added products in the winemaking.**



3.4 WE ARE COMMITTED TO INNOVATION

Paco&Lola has a continuous commitment to research, development, and innovation, under which we take care of our value chain, from the raw material to the production of our wines.

Year after year we increase our investment in innovation:



2023
183.924 € investment
IN INNOVATION PROJECTS

2022
80.200 € investment
IN INNOVATION PROJECTS

As a result of our historic commitment to constant innovation, **we have participated and/or collaborated in the execution of regional, national, and European innovation projects and other initiatives.** Some examples of which are:

MIGRATION AND IMPROVEMENT OF THE VIÑAS ATLÁNTICAS PLATFORM [IG240.2021.1.308]

Can we control fungal diseases in the vineyards of Rías Baixas?

One of the most harmful diseases in the D.O. Rías Baixas are the attacks of fungi such as mildew, Oidium, and Botrytis. Every year we can see how the diseases caused by these fungi are increasing, being a source of uncertainty that the winegrowers and wineries of Rías Baixas experience every year.

Living in the Spanish northwest comes at a price: you are subject to the inclemency of the weather. Just like in human skin, fungi are always there, they never go away; we can appease and control them, but they stay forever. The same thing happens in vines. This constant concern has led to the creation in 2009 of the Viñas Atlánticas project, whose objective is the viability of the production of 'sustainable' wine in the vineyards of the D.O. Rías Baixas, minimising the use of chemical products in an area with an Atlantic climate, such as this one.



In order to continue using and exploiting the SICOM platform developed in the framework of the Viñas Atlánticas project, it is necessary to host the current Platform on its own server, and to review and improve the code thereof on a new site to update and guarantee its proper operation, while implementing the necessary updates and improvements.

The main reason for this commitment to continuity is that the Platform is fundamental since: it allows winegrowers to digitally generate operational logs; it is provided with fungal disease prediction models that facilitate the decision-making process in phytosanitary inspections; and it offers a number of internal procedures, a notification system, and recommendations that facilitate communication between technicians and winegrowers.

It is a very useful tool to prevent the real risk of these virulent attacks, especially in the periods when the Rías Baixas vineyard is most sensitive. It is a novel system in which, once again, the D.O. Rías Baixas is being a pioneer. And the fact is that necessity prevails and makes us put all our neurons into operation as a wine sector to be able to predict the real risk of fungal outbreaks. This tool allows the winegrowers and wineries of Rías Baixas, who participate in this programme, to fight against these fungal pests at the right time.

How?

By applying treatments at the right time so that they are really effective. The consequences are very positive, from an economic point of view, as you actually save costs by minimising the use of phytosanitary products, and, at the same time, on an environmental level, as it has no impact on the environment.

In recent years, **Paco&Lola** has committed to the digitalisation of its members/winegrowers, endeavouring to promote the use of the platform and to train winegrowers. The platform is currently widely used, reaching more than 95% use by **Paco&Lola** winegrowers in the 2022 campaign.

The Viñas Atlánticas project is becoming a source of wisdom for the wine sector of Rías Baixas. Since its inception, year after year it has been improved with new commitments to products and technologies. In this case, this series of the project began in February and ended in October 2022, with a total budget of €14,950 (50% subsidy).



VIÑOX S - INNOVATIVE ITINERARIES IN OXIDATIVE AGEING OF GALICIAN WINES - [FEADER 2022/022A]

In this project, new oxidative aging protocols are evaluated and validated with experimental vinifications in ovoid concrete and granite tanks, in comparison to reductive aging in stainless steel tanks. The experimental vinifications are carried out with the Albariño variety for the whites and Sousón for the reds.

In the resulting wines, basic oenological parameters and aromatic and polyphenolic profiles are characterised, and sensory evaluation analyses (professional and consumer) are performed. The processing and analysis of the results will allow characterising and evaluating each of the aging protocols and their key aspects in the oenological, technical-productive, economic, and market spheres.

The main objective of the project is to identify oxidative ageing protocols in new materials such as granite and concrete that maximise their oenological potential, obtaining differentiated wines adapted to the preferences and demands of today's consumer.

The project began in May 2022 and ends in September 2024, with a total budget of €145,810.74 (80% subsidy), in which **Paco&Lola** participates with a budget of €75,295.05.

The Galician Viticulture and Oenology Station (EVEGA - AGACAL) and the Galician Biological Mission also participate as subcontracted research cBetween (MBG - CSIC).

GREENSOLIVIN · OBTAINING SUSTAINABLE AND QUALITY WINES THROUGH ALTERNATIVE FERTILITY MANAGEMENT STRATEGIES - [FEADER 2022/023B]

In order to reduce the consumption of synthetic fertilisers and reduce production costs, this project studies the implementation of plant covers with legumes in vineyards in two different appellations of origin: D.O. Rías Baixas and D.O. Monterrei. Legumes, along with their symbiotic association with soil bacteria, are able to fix atmospheric nitrogen and transform it into nitrates that can be assimilated by plants as nutrients.

Soil fertility and carbon sequestration analyses are carried out, nitrogen fixation in the soil is quantified, soil microbial abundance and diversity are analysed, and vineyard productivity is measured, as well as the impact on the organoleptic quality of the wines made from these innovative fertilisation alternatives.



The main objective of the project is to assess the final quality of the wines resulted from different fertilisation techniques derived from the implantation of vegetation covers based on leguminous plants, employed as green manure, and using different types of tillage, comparing them in turn with conventional mineral fertilisation practices.

The project began in June 2022 and ends in September 2024, with a total budget of €179,993.21 (100% subsidy) in which **Paco&Lola** participates with a budget of €27,924.81.

Paco&Lola is the leader of the project in which the following entities also participate: Viñedos Altos de Torona SL, Bodegas Martín Códax SAU, and the Universidad de Vigo - Campus de Ourense.

PLANTAVID - PRODUCTION OF ROOT WHITE ROT RESISTANT VINE PLANT - - [FEADER 2022/014B]

Root rot, mainly caused by the soil fungus *Armillaria mellea*, is responsible for the death of vines in vineyards in the DO Rías Baixas and Ribeiro. To date, there is no effective solution for the control of this disease. However, the resistance to *Armillaria* of the Direct Producer Hybrid (HPD) 'Folla Redonda' is known.

In order to verify the suitability of this HPD as a rootstock, the viability of nursery production of bare-root grafted plants or potted plants is compared, using different types of graft in the workshop and in the field.

During the project, its degree of resistance to *Armillaria* is determined, and its sensitivity to *Phylloxera*, nematodes, pH, water stress, and potassium absorption is assessed. The selection of ecotypes is also carried out to begin their registration and subsequent certification, and test fields are established to go more deeply into the characteristics and compatibility of the graft with Galician wine trees.

The main objective of the project is to establish a protocol for the production of vine plants resistant to *Armillaria*, through the legalisation of the HPD 'Folla Redonda' as a rootstock, seizing its adaptability to native vineyards and Galician soils.

The project began in May 2022 and ends in September 2024, with a total budget of €179,917.41 (100% subsidy) in which **Paco&Lola** participates with a budget of €38,855.00.

Paco&Lola participates in the project led by Viveros López Vid SL in which the following entities also participate: Viña Costeira SCG and the Galician Viticulture and Oenology Station (EVEGA - AGACAL).



FERMENTIA - ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING APPLIED TO THE IDENTIFICATION OF FERMENTATION MICROORGANISMS IN BEVERAGES - AEI 010500-2022B-287

FermentIA develops and validates a digital microscopy system equipped with Artificial Intelligence (AI) based on Deep Learning that allows the detection and quantification of yeasts in wine fermentation processes. This innovative solution reduces time and minimises human errors, allowing these analyses to be carried out in the winery's own facilities and establishing control strategies to optimise decision-making. The project is divided into two stages. The first is focused on the research necessary to obtain a cloud platform that can detect two yeasts representative of the fermentation process, including the design and assembly of a robotic microscopy device. This stage ends with the validation of a prototype in winery facilities.

The ultimate objective of the project is to develop and validate the operation of a system based on digital microscopy and Artificial Intelligence (AI) for the detection and quantification of microorganisms in fermented beverage samples that will allow this system to be brought online in the future.

The project began in August 2022 and ends in April 2023, with a total budget of € 151,200.91 (75 to 80% subsidy depending on the entity) in which Paco&Lola participates with a budget of € 20,000.42.

Paco&Lola participates in the project led by Clúster Vitivinícola Catalán - INNOVI in which the following entities also participate: Sonicat Systems SL, Mün Ferments SL, Centro tecnológico del Vino (VITEC), and Clúster de Tecnologías de la Luz (SECPhO).

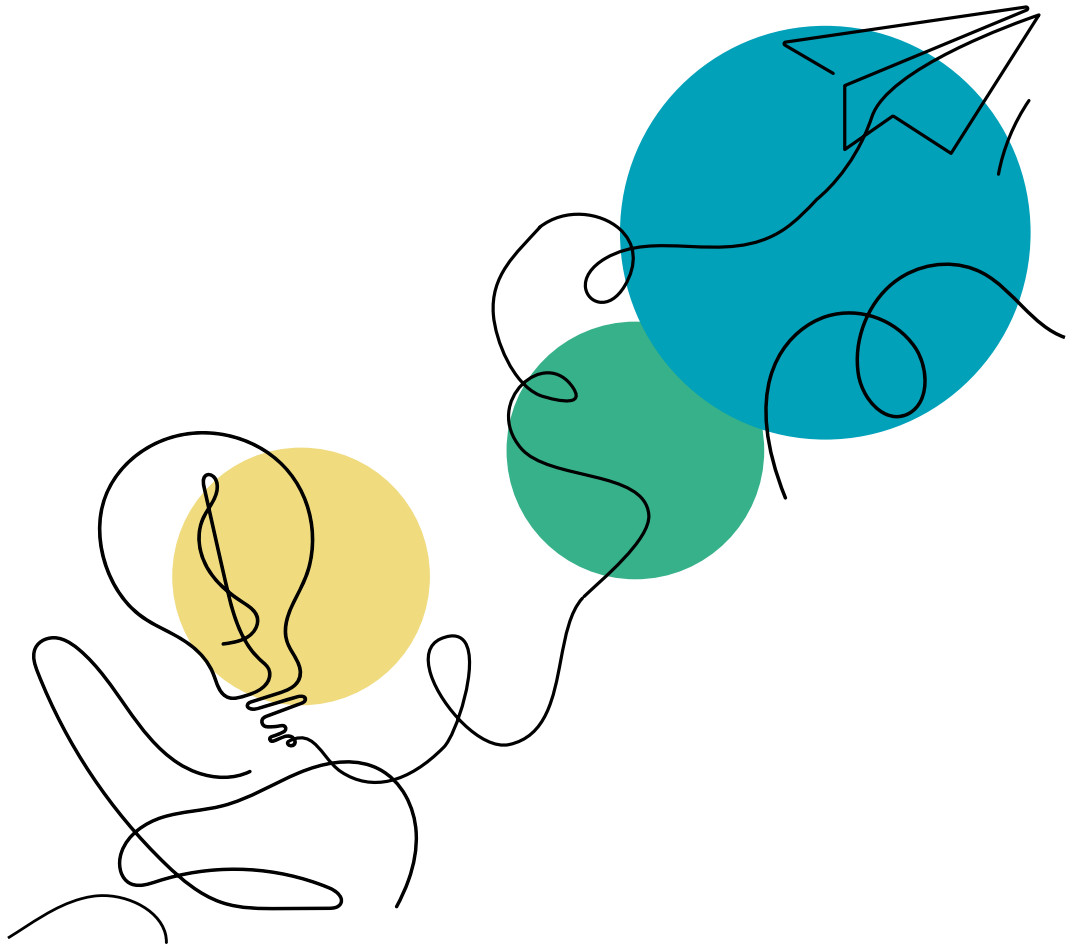
IBERVITIS - POLYCLONAL SELECTION TO IMPROVE INTRA-VARIETAL BIODIVERSITY AND RESISTANCE IN IBERIAN VITICULTURE. - EUROPEAN EUREKA PROGRAMME, CDTI FUNDING, IDI-2023-0941

The general objective of the project is to develop a polyclonal selection methodology to transform the knowledge of academic research in terms of intravarietal diversity into sustainability practices undertaken by the private sector through the design and establishment of 9 experimental vineyards in seven Iberian varieties (Tempranillo (Tinta de País, Tinta de Toro), Albariño, Arinto, Rabo-de-Ovelha, Sercial, Rufete, and Gouveio/Godello) of great relevance in the market, following the polyclonal selection methodology recently approved by the OIV.



The polyclonal selection methodology will be adapted, tested, and validated for different types of grapes and in different locations, through the participation of partners who have different levels of ripeness of the same grape in their facilities. In the case of **Paco&Lola**, it will focus on the Albariño variety. The project began in March 2023 and will end in February 2026.

Debido al interés que la selección policlonal tiene para el sector, se plantea el presente proyecto de I+D, el cual se enmarca en un proyecto EUREKA de cooperación internacional en el que participan 3 bodegas españolas (Bodega La Horra S.L, Mœt Henessy España S.A.U grupo al que pertenece Bodega Numanthia y Cooperativa Vitivinícola Arousana S.C.G) y dos entidades portuguesas (Associação Portuguesa para a Diversidade da Videira - PORVID y la bodega Sogrape Vinhos, S.A).



4. WE HAVE A GREAT TEAM

What truly shapes Paco&Lola are the people, who with their effort, commitment, and training bring added value to the company, allowing it to be a benchmark in the sector and a differentiating element in the market.

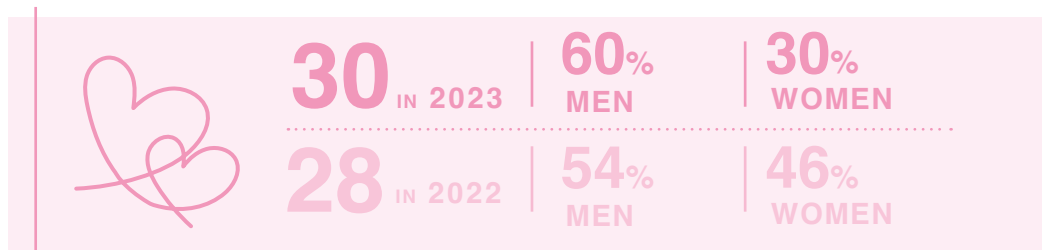
Our commitment lies in developing sustainable, organic growth that helps us to promote Galician wines and cooperativism, with differentiating quality standards. We are known as the polka-dotted wine, but we are a cooperative with a history and people behind it.

4.1 OUR STAFF

Years 2022 and, especially, 2023, have been marked by the situation of instability and economic uncertainty caused by wars and international political unstableness.

However, and despite the constant changes in protocols and the atmosphere of general uncertainty, we have remained united and focused on our main goal: to make **Paco&Lola** an established brand recognised all over the world.

MALE AND FEMALE EMPLOYEES



It should be highlighted that, despite the ever-present situations of uncertainty in recent years, the staff has remained practically constant during these years.



BY GENDER AND AGE

	2023			2022		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Under 20	0	0	0	0	0	0
Between 20 - 29	3	1	4	4	1	5
Between 30 - 45	9	8	17	6	8	14
Over 46	3	6	9	3	6	9
TOTAL	15	15	30	13	15	28

In 2022, our average age was 39.43 years and, in 2023, it has increased to 40.43 years. Currently, most of our team is between 30 and 45 years old (57% of the staff), which provides an experienced workforce but with room for internal growth and the fulfilment of our next challenges.

4.2 CONTINUING SPECIALISED TRAINING

We seek that our team acquires the highest possible level of refresher training in order to make our company a competitive organisation with a top-quality product.

For this purpose, **we offer, on an annual basis, a training programme to our entire team**, including both the training needs detected by them or their managers and those derived from changes of a regulatory, technology or other nature that may involve an opportunity for the organisation.

Likewise, we encourage the professional enrichment of the people who make up the **Paco&Lola** team, through in-house programmes aimed at different specific training, subsidised upon request and subject to the management's prior approval.

Another measure to contribute to the development of talent within our company is the active listening of our staff and associates, in which each person can convey their training concerns, which will be assessed and, in many cases, brought to fruition.

This methodology is applied to improve quality and promote training. We think that obtaining peoples' involvement and loyalty is a challenge and a learning process for growth and expansion.



EDUCATION LEVEL AS PER GENDER

	2023			2022		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
No education	0	1	1	0	0	0
Primary education	1	4	5	4	1	5
Secondary education	5	7	12	6	8	14
Tertiary education	8	4	12	3	6	9

The company monitors all its professionals as concerns their training, in order to differentiate specialities in the positions in the departments. Furthermore, the organisation facilitates employees access to training. **Paco&Lola** offers its staff training related to their position. Besides, as regards occupational health and safety management, training is periodically provided to all the employees.

DISTRIBUTION OF THE STAFF AS PER AGE AND GENDER

SENIORITY	2023			2022		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
0-1	1	1	2	0	0	0
1-3	0	1	1	4	3	7
3-5	7	4	11	3	2	5
5-7	1	4	5	2	5	7
7-10	2	5	7	2	4	6
More than 10	3	1	4	2	1	3

Thanks to the stability of the staff, we have gone, in terms of seniority, from a greater part of the staff being between 1 and 3 years and between 5 and 7 years, to a greater presence of staff between 3 and 5 years and between 7 and 10 years in 2023.

By gender, it can be observed that most women were between 1-3 years in 2022, while, in 2023, they are between 3-5 years in terms of seniority; in turn, most male employees were between 3 and 5 years in 2022, while, in 2023, it has changed to 7-10 years.



STAFF DISTRIBUTION AS PER AGE AND GENDER

CONTRACT	2023			2022		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
For a specific project	0	0	0	0	0	0
Temporary full-time	0	1	1	0	1	1
Temporary part-time	0	0	0	0	0	0
Permanent full-time	13	14	27	12	13	25
Permanent part-time	1	1	2	1	1	2

During 2022 and 2023, it can be observed in the staff that the largest number of contracts are permanent full-time contracts (89.2%) with respect to the total staff, with a balance between women and men. And there is only one temporary contract. As for permanent part-time contracts, there is also a balance between men and women.

This evidence does not reflect a discriminatory imbalance.

STAFF DISTRIBUTION AS PER NATIONALITY



4.3 FOCUSED ON OUR TEAM’S HEALTH AND SAFETY

In the Cooperative, we care about the health of the people that make up our team and thus, we aim to improve their quality of life on every level.

Furthermore, we annually study the health monitoring report that the occupational health and safety management service carries out in our organisation, in order to adopt different proposals related to the quality of life of our employees. This is why we continue to offer private insurance to all our employees, which has now been also offered to our associates.



Lastly, it should be noted that our accident rate levels are way below the average numbers in the sector, with zero rates as regards **incidents, frequency, and severity** over the past two years

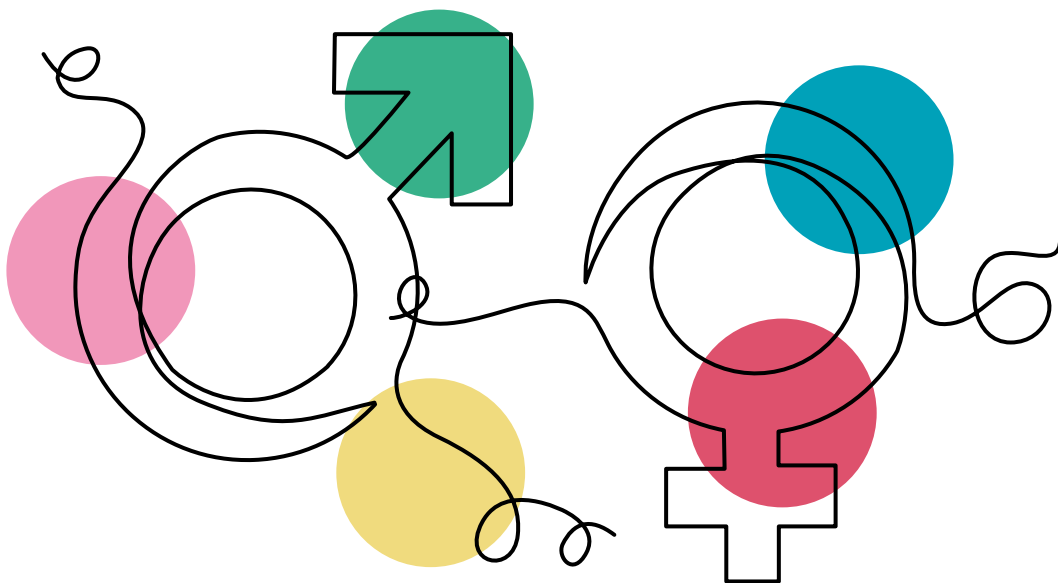
	2023	2022
Accidents involving leave	1	1
Accidents not involving leave	0	0

4.4 GENDER EQUALITY

In Paco & Lola, awareness about the right to equal treatment and opportunities for women and men is very important. This is why, in February 2020, an Equality Committee was created in our organisation, which is in charge of drafting the Equal Opportunities Plan of our company, thus complying with Organic Act 3/2007 of 22 March for effective equality between women and men.

Such plan was registered at the REGCON (Consellería de Economía, Emprego e Industria) in November 2020 under resolution number 36/11/0191/2020. We are currently working on the revision of the new plan.

Highlighting this, in 2022 **Paco&Lola** released the **BRUT LOLA** Albariño onto the market under the slogan 'innate elegance', an elegance free from stereotypes and prejudices.



5. WE CONTRIBUTE TO THE ENVIRONMENT

Comprehensive sustainability is nowadays a requirement for companies in all sectors, and thus, also for those in the agri-food industry. For this reason, the Ministry of Agriculture, Fisheries, and Food (MAPA) has designed and made available for the sector a set of tools for the promotion of Comprehensive Sustainability in the food industry, with the aim of **improving the competitiveness of the industries comprising the Spanish food sector by enhancing their sustainability level in its three spheres: economic, environmental, and social.**

Our Cooperative has been listed in the Register of Food Industries Adhered to the Comprehensive Sustainability Decalogue since February 2018.

This marked a significant milestone in our commitment to the environment and sustainability and entailed the inclusion of environmental criteria into our processes and strategic decisions.

5.1 COMMITTED TO THE ENVIRONMENT

In **Paco&Lola** we work with the soil and for the soil, seeking the maximum return with the minimum impact on our ecosystems.

ENVIRONMENTAL MANAGEMENT SYSTEM ISO 14001

(Certificate no.: ES132204-1)

We have a certified Environmental Management System since year 2018. Through our Environmental Management System, we aim to control the direct and indirect impact of our activities throughout the Life Cycle of our product. In 2018, we obtained the backing of Bureau Veritas through the certification of our Environmental Management System according to the international standard ISO 14001:2015.



REGISTERED CARBON FOOTPRINT CERTIFICATE



(Carbon footprint code: 2023-a-1548)

We have measured and registered our carbon footprint for financial year 2020 at the Register of carbon footprint, offsetting, and carbon dioxide absorption projects of the Ministry for the Ecological Transition and the Demographic Challenge.

WINERIES FOR CLIMATE PROTECTION



(Certificate no.: 23-2019/4)

Given the characteristics of our sector, closely linked to the soil and to climatology changes, we are among the most vulnerable as regards climate change. This is why, since 2019, **Paco&Lola** premises have been part of the Wineries for Climate Protection initiative. This certification given by the Spanish Wine Federation (FEV) aims to improve the effectiveness of each winery's processes, making them more sustainable and profitable. da bodega, haciéndolos más sostenibles y rentables.

5.2 CONSUMPTION

Aware of our impact on the environment, within our environmental management system based on the ISO 14001 standard, **we have a series of good environmental practices that aim to minimise this impact, related to:**

- Control of consumption
- Good practices in storage and handling of materials
- Preventive and corrective maintenance, as well as cleaning of equipment
- Waste control and management
- Hygiene and personal care

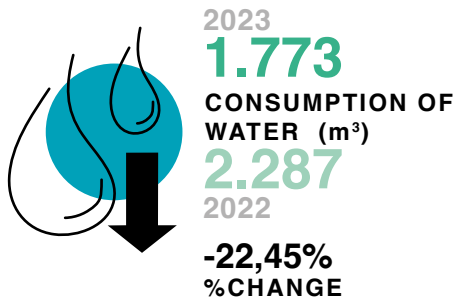
We control our consumption and environmental aspects, both direct and indirect, throughout the company's Life Cycle. Below we show our main environmental ratios and their evolution.



WATER CONSUMPTION

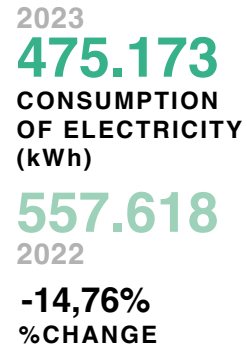
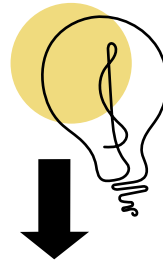
At **Paco&Lola**, 100% of the total water consumed in our production activity comes from the drinking water supply system. Before entering the winery, the water is previously treated through different filters before use.

Consumption in 2022 and 2023 has been:



For better water management, infrastructure changes are planned in the current WWTP, to guarantee its proper operation and to be able to work with greater quantities of volumes, as well as the use of less polluting products in water treatment.

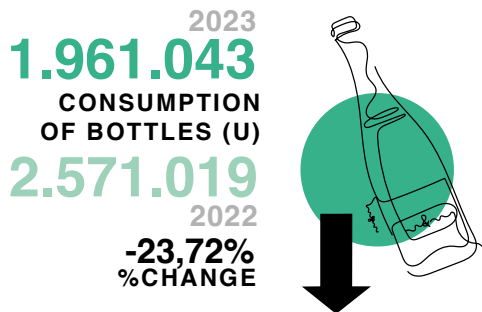
ELECTRICITY



The objective is to reduce electricity consumption by at least 20% compared to the base year of 2017. With the same production volume, the objective is not to exceed 496,198 kWh.

Every year, an effort is made to reduce the electricity consumption in the facilities. In 2023, a notable investment has been made with the installation of solar panels, which have been fully operational since August.

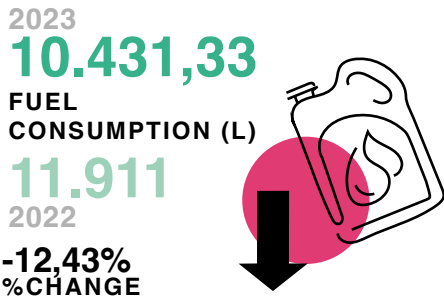
CONSUMPTION OF PRODUCED BOTTLES



Every year the declaration of Packaging is carried out. Committed to consumption, in **Paco&Lola** we have decided to make a change in the format as regards the weight of bottles, being able to reduce the glass content in the heavier ones, which entails a reduction in kg.



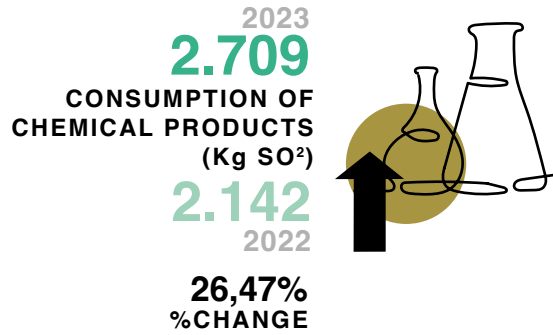
FUELS



The winery uses fossil fuels, and it intends to reduce its consumption by 3% in mobile sources (vehicles).

Major changes have been carried out, such as the reduction of the fleet and its replacement by more efficient vehicles. In 2024, the goal is to acquire an electric vehicle.

CHEMICAL PRODUCTS



5.3 IMPROVEMENT PLAN

We currently have an Environmental Improvement Plan 2022-2025 for our main environmental impacts.

This plan is annually monitored by the Management.

ELECTRICITY

To reduce electricity consumption by 20% with respect to base year 2017. With the same production volume, the established target is not to exceed 496,198 kWh.

FUEL

To reduce fossil fuel consumption by 3% in movable sources (vehicles).

WASTE

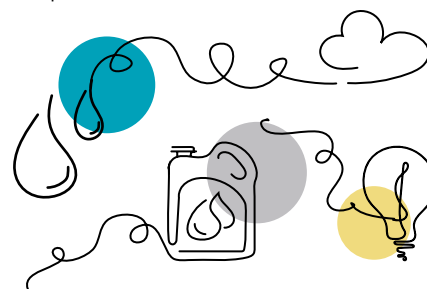
To reduce by 10% the annual quantity of glass and plastic waste with respect to year 2021.

WATER

To reduce water consumption by 45%, with respect to base year 2017.

CARBON FOOTPRINT

To reduce it by 20% with respect to base year 2017, expecting at least a 5% reduction each year with respect to the previous one.



Our main environmental sustainability challenges involve a better use of natural resources, including energy resources. Therefore, Energy Efficiency is one of our main cores in the 2018/2023 Environmental Improvement Plan.

Main measures implemented during 2022-2023:

- Installation of solar panels for DHW (for the hot water used in the process).
- Installation of motion detectors.
- Butterfly valves to better regulate hoses and water circuits during harvest.
- Reduced bottle weight from 586 to 395 grams (increasing the number of bottles per pallet).
- Installation of vehicle charging points by the end of 2023, which will be expanded with 2 new charging points in the coming years.
- Installation of photovoltaic panels (for power generation).

In order to optimise our resources, it is expected that, in year 2024, the measurement of energy and water consumption will be digitised to determine which are the points of greatest consumption and to be able to take appropriate measures to minimise the impact.



5.4 CIRCULAR ECONOMY

Circular economy is other sustainability aspect on which our winery is starting to work. We are currently in the process of identifying potential projects for the following:

- **Reduction of waste** derived from our production process.
- **Recovery of the generated waste** so it can be used for new purposes, either in-company or through synergies and/or partnerships with external agents.
- **Additionally, inclusion of materials resulted from the recycling process** in the parts of our process where this may be possible according to the current regulations and guidelines on food safety.

As an example of what we have attained in this sense, **we have established an external partnership for the production of our raspberry liqueur, made from the marc discarded from the production process of our wines** and fresh raspberries macerated for three months, and we also conduct agronomic tests for the recovery of marc and stem, and their use as organic fertiliser (viñ@SoStible project).

SUSTAINABLE PRODUCTS

With a constantly growing general environmental awareness against unnecessary packaging, and as recycling has become more demanding with the ban in some countries on the import of plastic waste, the need for more sustainable packaging will continue to grow and so will its regulation.

Paco&Lola has carried out a packaging study with the aim of reducing the consumption of raw materials, based on eco-design. In 2023, changes were made and we began to work with new formats, reducing the use of inks and bottle weight, and increasing the number of bottles per pallet and thus per container in order to reduce emissions in travel, without ever losing our essence.

‘We want the packaging to convey the personality of each wine’

GLASS

In our main brand **Paco&Lola**, in which we can deal with around 1,000,000 bottles per year, we have switched to using a lighter bottle – the weight has gone from 586 to 395 grams, with the same design.

CARDBOARD

Previously, our boxes had a glossy finish (coated) and metallic inks. Now, we have eliminated the coated finish in almost all transport boxes, and the inks used are water-based. In addition, the paper used for these boxes is certified as mixed FSC and recycled FSC.



5.5 REDUCTION OF OUR IMPACT ON OUR ECOSYSTEMS

In recent years, the **Paco&Lola** Winery has been consolidating a continuous and sustainable growth in its production and marketing of wines in both national and international markets, which must be accompanied by a project that guarantees the sustainability and viability of the vineyards of its winegrowers.

In our Viticulture Department, **we strive every day to reduce the environmental impact of our activity on the land where the vineyards of our Cooperative members are located.**

On an annual basis, **training actions are offered to our members, aimed at their specialisation in the production process of the Albariño grape** as well as in vine care from an approach of respect for the ecosystem. **All our winegrowers hold the Phytosanitary Product Handler/Applier Licence**, the obtaining of which requires the completion of specific training and the successful completion of the corresponding test assessing all the acquired knowledge.

Furthermore, our Viticulture Department also conducts a regular diagnosis on the nutrient status of the soils of our members. Based on such analysis, a specific action plan is prepared to improve their performance in a natural way. Thus, it achieves to minimise the use of fertilisers and to improve the productivity of the wine-growing plots.

‘Supporting our winegrowers towards a more sustainable production system’

In this scenario, our winegrowers are increasingly demanding an external provision of services – mainly older winegrowers, who cannot maintain the management of their vineyards, but also new owners who, taking charge of the vineyards, cannot take care of their management due to lack of availability.

For this reason, **Paco&Lola** put into operation in 2022 the **Cooperative’s Agricultural Services for the protection of vineyards and the management and maintenance of soils** for those winegrowers who need it, and an increase is expected both in the services provided and the area to be managed in future campaigns.

Additionally, in coordination with other wineries and/or winegrowers, we are working to control *Lobesia botrana* (grapevine moth) in a more efficient and less polluting way.

It aims to reduce the use of chemical insecticides in wine-growing areas and replace them, as far as possible, by sexual diffusers, in order to minimise the impact of *Lobesia*. This way guarantees optimum control over this plague and a reduction of the environmental impact, avoiding the indiscriminate use of pesticides. At **Paco&Lola** we are using products such as soy lecithin or orange oil to replace chemical phytosanitary products, which are characterised by being highly specialised and effective against the attacks of certain fungi.



6. WE ARE COMMITTED TO OUR SURROUNDINGS

6.1 PARTNERSHIPS WITH A POSITIVE EFFECT ON SOCIETY

At **Paco&Lola** we want to highlight our social work, with different kinds of partnerships, from regional associations, to cultural associations and associations advocating for rights and equality.

Our activity goes beyond marketing – we want to collaborate in the preservation and maintenance of traditions and roots.

In the cultural sphere, it is important to note that **the winery collaborates with the Manolo Paz Foundation and the Rosalía de Castro Foundation, as well as with different cultural events and music and film festivals.**

In addition, **we collaborate in the promotion of the dual training system**, welcoming students from the sector on internships. Since 2018 there has been a collaboration agreement for vocational training purposes.

It is applied in the field of training in workplaces, also offering training and refresher training to teachers dependent on the Galician Government (Xunta), and promotes a dual training system to allow students to obtain a professional qualification by taking internships in companies in the sector.

Not only do we welcome trainees, but **we also collaborate in training actions in educational institutions**, so that they can see what the day-to-day life of an organisation consists of, both at the production level and in the development of products.



6.2 PARTICIPATION OF PACO & LOLA IN EVENTS

We seize our participation in different kinds of events to bring our target customers closer to the products we make and to make known who we are, what we do, and where we come from.

Our attendance to this type of events is a way to be in touch with our consumers and make our brand humane. We sponsor events that fit in with our values and share our philosophy. We collaborate in an active way to develop actions that connect with the attendees, thus making our presence appealing and memorable. Consumers want to be part of the brand, feel closeness, know our history.



6.3 PROMOTION OF SPORTS ACTIVITIES

This year, once again, we continue collaborating with different sports entities in our region, providing economic resources to tournaments and various clubs.

Among them we sponsor the Meaño Popular Race and different golf tournaments held in O Salnés. Additionally, we collaborate, on a yearly basis, with different sports clubs involving various sports, such as football, handball, basketball...

6.4 APPLICATION OF TRAINING AND COOPERATIVE PROMOTION FUNDS

Pursuant to the provisions set in article 47.2 of our articles of association 'the Training and Cooperative Promotion Fund (FFPC) cannot be distributed among members and must be used, in accordance with the core principles established by the General Assembly, for activities that fulfil any of the purposes established in the second section of article 68 of Act 5/1998 on Galician Cooperatives'.

TRAINING FUNDS		
YEAR	TOTAL	EXPENDITURE
2022	€ 59.639	€ 28.272
2023	€ 56.493	€ 22.573

Paco&Lola's training is wide-ranging and varied, meeting the needs of our staff and our members. During the year we carry out a consultation of the training needs to establish our training plan.

During these years, different training actions have been carried out in relation to Wine, Sustainability, and Food Safety.

6.5 MOTION OF DIVERSITY AND INCLUSION ACTIVITIES

Our communication and actions are committed to supporting equality and diversity, which is why awareness-raising actions are designed to foster and promote a culture of respect for diversity, we collaborate in events that generate inclusive spaces, and we support projects of sexual and gender diversity. **All workers are committed to a culture of respect, being included in the training plan for all staff and members of the cooperative, focused on respect for sexual diversity.**



Among the social integration actions, we can highlight the collaboration with the AMICOS Foundation with the RE-MAR project in Son & Sal, which had the following objectives:

- To generate new opportunities for green and adapted employment aimed at enabling people with intellectual disabilities to integrate themselves into society and lead a fulfilling life project.
- To improve the conservation status of beaches and their surroundings.



We advocate the LGTBIQ+ community with the special series of our **Paco&Lo-la** bottle. To normalise and increase the visibility of the diversity of the community, to position ourselves as an allied company, and to promote values of respect and equality will always be our duty in our cooperative.



7. OUR RESULTS

7.1 ASSESSMENT OF THE SDGs IN 2022 AND 2023

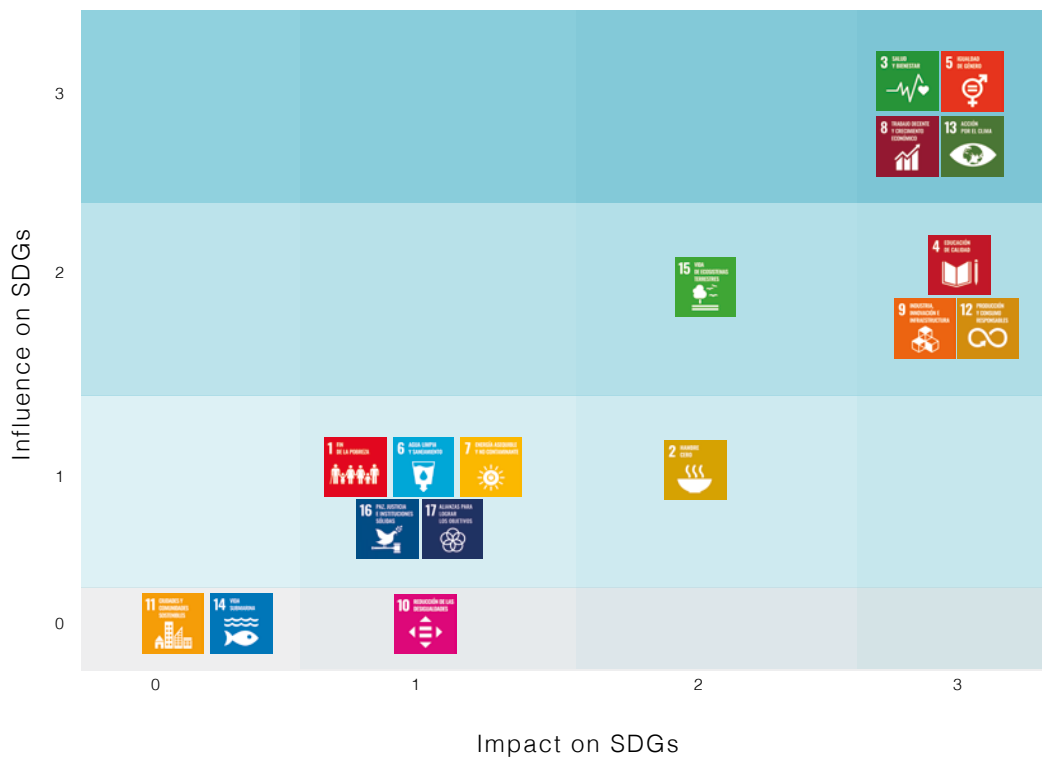
During years 2022 and 2023, we have continued to develop the Future Project, which has set the path we need to follow over the next years, as well as the road map to take **Paco&Lola** to the place where we want to position our Cooperative within the next 5 to 10 years. In this path, we are certain that we will maintain the essence that has always characterised us and deepen into the challenges that are currently affecting both our society, in general, and our sector, in particular.

Our new Future Project is within the framework of United Nations 2030 Agenda and our specific collaboration for the achievement of the Sustainable Development Goals (SDGs), putting special emphasis on those assessed as significant given our activity and business model.



In the process of implementing a new CSR management model focused on Sustainable Development Goals, the company has identified, through an analytical and quantitative method, the relative significance of the different SDGs for our organisation.

According to such model, quantitative parameters have been established to ascertain the significance of SDGs for our organisation, assessing the impact each SDG may have on our organisation, as well as the influence of our company on the result of the SDGs on any level, both locally and internationally. After such assessment, the company has considered the following SDGs to be significant, with an impact over 6 points in our scoring system and the result of which is presented in the following figure:



For each of the SDGs that are significant to our company, specific Improvement Goals were established, which are detailed below and the monitoring of which was conducted by our Improvement Committee on a regular basis:



DESCRIPTION OF THE SUSTAINABLE DEVELOPMENT GOAL		3 SALUD Y BIENESTAR	4 EDUCACIÓN DE CALIDAD	5 IGUALDAD DE GÉNERO	8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO	13 ACCIÓN POR EL CLIMA
<p>Ensuring a healthy lifestyle and promoting the well-being for all at all ages.</p> <p>Maintaining the universal, public, and free nature of the health system, as well as guaranteeing its sustainability, is one of the goals: the universal nature of the public health system. R&D&I policies are key elements to support the definition, the development, and the implementation of health and social policies</p>						
GOALS 2021-2023	<ol style="list-style-type: none"> 1. Establishing and making available medical insurance for our employees and members 2. Improving our employees' health through specialised medical services such as physiotherapy 3. Guaranteeing the continuing operation of the winery through exhaustive anti-COVID protocols 4. Detecting, improving, and monitoring the pandemic impact on the mental health of our employees 5. Fostering local sports and a healthy lifestyle among young people in our area 	●				
<p>Achieving gender equality and empowering all women and girls. Real equality between men and women is a universal legal principle recognised in diverse international texts on human rights.</p>						
GOALS 2021-2023	<ol style="list-style-type: none"> 1. 0 harassment complaints 2. Having a staff that is sensitised to equal opportunities 3. Implementing the use of inclusive language in official documents 			●		
<p>Ensuring inclusive and equitable quality education and promote continuing learning opportunities for all.</p>						
GOALS 2021-2023	<ol style="list-style-type: none"> 1. Having a staff with a high level of specialisation and a sense of belonging 		●			
<p>Promoting sustained, inclusive, and sustainable economic growth, full employment, and decent work for all.</p> <p>SDG 8 is directly related to the labour and economic sphere. It aims to improve labour conditions and to increase labour productivity, to reduce the unemployment rate, especially for untrained young and elderly people, and to improve access to financial services and benefits. These are essential components for an inclusive economic growth and they are the main targets of this goal. You cannot conceive an improvement in people's living conditions without addressing sustained, inclusive, and sustainable economic growth, without productive employment and decent conditions.</p>						
GOALS 2021-2023	<ol style="list-style-type: none"> 1. Sustained economic growth 2. Fostering of internal promotion 3. New actions to promote local proximity products 				●	



DESCRIPTION OF THE SUSTAINABLE DEVELOPMENT GOAL		3 SALUD Y BIENESTAR	4 EDUCACIÓN DE CALIDAD	5 ECUALIDAD DE GÉNERO	8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO	13 ACCIÓN POR EL CLIMA
<p>Although greenhouse gas emissions are projected to drop about 6% in 2020 due to travel bans and economic slowdowns resulting from the COVID-19 pandemic, this improvement is only temporary. Climate change is not on pause. Once the global economy begins to recover from the pandemic, emissions are expected to return to higher levels. Saving lives and livelihoods requires urgent action to address both the pandemic and the climate emergency.</p>						
GOALS 2021-2023	1. Reduction of the carbon footprint by incorporating renewable-source energies into our premises.					●
	2. Reduction of water consumption related to cleaning operations in our premises.					
	3. Search of alternatives to the traditional fertilising methods through vermicompost obtained from the recovery of winemaking by-products (grape marc)					

For each of the established goals concerning the company's alignment with the SDGs, associated targets and indicators were established, monitoring was carried out throughout the years, eventually resulting in the following indicators and compliance results at the end of the 2021-2023 period.

The final assessment of the strategic goals has been highly positive in most cases, the compliance of which is described below:

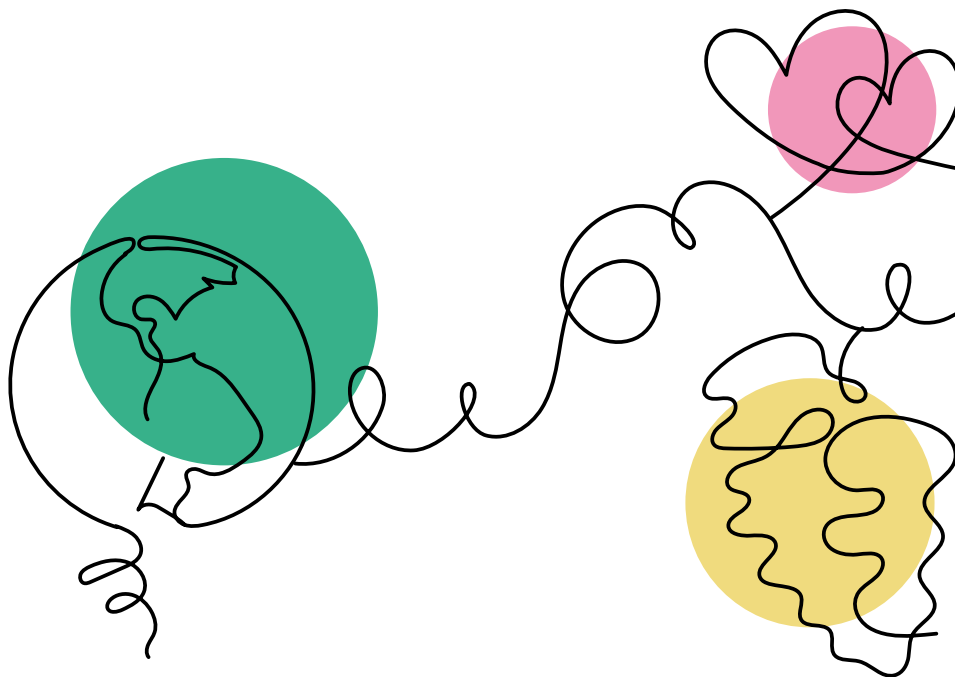
- SDG 3: Health and well-being:
 - Health insurance has been created and implemented for our winery staff.
 - A physiotherapy service has been included and made available to our staff.
 - COVID-related targets were considered complete in 2022 with full compliance.
 - Our cooperative promotes local sports, sponsoring different events
- SDG 5: Gender equality:
 - There have been no harassment-related complaints in our cooperative.
 - Currently our staff is highly sensitised in equality matters, and several training courses have been provided to the Paco&Lola team.
 - Inclusive language has been implemented in official documents, in communications to members, and on social media.



- SDG 8: Decent work & economic growth.
 - Our staff is highly specialised, and we also have an annual training plan that guarantees this specialisation.
 - Internal promotions have been given.
 - We have sustainable and sustained economic growth annually.
- SDG 13: Climate action.
 - Certifications related to good management and reduction of resource use.
 - We are developing several projects related to cultural work and sustainable practices in vineyards.

7.2 WE ARE PREPARING OURSELVES FOR THE FUTURE

During the 2024 financial year, we will continue to develop the Future Project, which has set the path we need to follow over the next years, as well as the road map to take **Paco&Lola** to the place where we want to position our Cooperative within the next 5 to 10 years. In this path, we are certain that we will maintain the essence that has always characterised us and deepen into the challenges that are currently affecting both our society, in general, and our sector.



8. ABOUT THIS REPORT

This Annual CSR Report issued by the **Paco&Lola** winery is the third of its kind prepared by the company.

For its preparation, **we have used as basis the CSR Management System standard aligned with Bureau Veritas' Sustainable Development Goals (Rev 0_ September 2019).**

THE SCOPE of our CSR management system and thus of this report is the following:

- **Activity:** Making and marketing of D.O. Rías Baixas wines using 100% Albariño grape (still and sparkling).
- **Stages of the Life Cycle:** A global scope has been considered for the total stages of the organisation's Life Cycle.
- **Territorial scope:** It includes its own premises (Valdamor 18, Xil - Meaño, Pontevedra).

REPORTING PERIOD AND FREQUENCY: This report refers to financial years 2022 and 2023. The company issues performance reports about the Sustainable Development Goals on an annual basis.

MANAGEMENT MODEL: The management model established in our organi-

sation to meet the requirements of the mentioned standard is integrated into the existing and certified Quality Management, Environment, and Food Safety System.

CENTRES INCLUDED IN THE SCOPE:

For the scope of this management system, one single work centre is defined (the winery and the offices), located in Valdamor 18, Xil - Meaño, Pontevedra.

OTHER MATTERS REGARDING THE SCOPE:

The SDG Management System is intended for the production process carried out in our premises.

The main raw materials of our production process (grape) come from the vineyards of our Cooperative members, which is why the production process is exhaustively controlled.

Likewise, **the organisation has established controls on suppliers and subcontractors** which are defined in the corresponding procedures of its Integrated Management System.

INTEGRATED MANAGEMENT POLICY (Rev.: 27 October 2022)

The Management of COOPERATIVA VITIVINÍCOLA AROUSANA, S.C.G. is aware of the need to continuously improve our integrated management system to meet the needs and expectations of all our stakeholders, guaranteeing at all times the quality, defence, and food safety of our products and the promotion of a positive environmental, social, and economic impact on our surroundings.

To this end, we have assumed as a strategy the establishment and improvement of an Integrated Management System in the activities of production, bottling, and marketing of wine with appellation of origin. Marketing of other wines and spirits, as well as in all the strategic and operational processes of the organisation.

Our principles are based on:

- Food safety in wine made
- Wine quality
- Quality of customer service
- Commitment and unity of the whole staff
- Protection of the environment
- Guidance on meeting the Sustainable Development Goals (SDGs)
- Continuous improvement

By establishing this system, COOPERATIVA VITIVINÍCOLA AROUSANA, S.C.G. aims to:

- Obtain the required quality for our products.
- Promote sustainable development and be transparent regarding our performance in this sense.
- Strengthen our commitment to meet the applicable regulations on quality, food safety and food hygiene, environment,

and occupational health and safety management, assuming our responsibility to customers and other stakeholders, as well as our commitment to prevent environmental pollution, to continuously improve the culture of food safety and quality as well as compliance with the requirements of the different standards and regulations implemented in the organization (IFS, BRC, ISO 14001, RSC, WFCP, SMETA or Product Regulations for Vegans).

- Meet the requirements and expectations of our stakeholders.
- Provide safe authentic products that meet all the legal regulations applicable.
- Focus all our activities on one continuous improvement in the hygienic conditions of our winery and our wine quality standards, implementing a food safety culture, and provide a safe work environment for all the staff linked to the company.
- Be provided with a Food Defence System properly documented and implemented, checked on an annual basis, including the Policy, which will ensure protection against any sabotage or malicious adulteration of our products, from the personnel processes to the delivery of the product to the customer.
- Engage and get all the staff involved in the Improvement of the System by establishing training plans adjusted to the specific needs of each department, and, on an annual basis, in Food Defence
- Promote, through carefully devised Training Plans, the staff's involvement and motivation for the purpose of engaging them in the management, development, and implementation of the Food Quality, Defence, and Safety System, also making sure that the entire staff are aware of the importance of their good practices to contribute to the innocu-

ousness of the produced products and reporting any suspicious activity regarding our safety measures or any safety incidents occurred.

- Make the most of resources to continuously improve our quality ratios, guaranteeing the safety of our products, always firmly committed to the respect for the environment, and promoting the sustainable use of natural resources.

- Provide the resources required for the design, implementation, and continuous improvement of the management system.

- Assume our responsibility in the sensitising of all the stakeholders to the care of and respect for the environment during the performance of all our activities.

- Guarantee our ethical commitment in each procedure related to our suppliers, customers, and every person related in any way to our organisation.

- Actively communicate to all our stakeholders the importance of complying with the procedures for the achievement of the goals, as well as of the consequences in case of breaches, the strategic goals and the Integrated Management System goals being aligned at all times.

This conviction requires to provide the organisation with the necessary resources for the maintenance and continuous improvement of our Management Systems, which the Management of COOPERATIVA VITIVINÍCOLA AROUSANA, S.C.G. assumes.



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