



E.&J. Gallo Winery

E. & J. Gallo Winery's Commitment to Sustainability

The E. & J. Gallo Winery's commitment to protecting and enhancing the land and wildlife habitat through sustainable agriculture originated with the Winery's co-founders, Ernest and Julio Gallo, in the late 1930s and has grown in importance for nearly 75 years.

Decades ago, Julio Gallo introduced an innovative approach to land conservation in Sonoma County known as the "50/50 Give Back" plan which continues today. For every acre of land planted in vineyard, Julio set aside one acre of property to help protect and enhance wildlife habitat. Today, Gallo continues Julio's approach to land stewardship and it is considered the first principle of Gallo's Sustainable Practices.

The E. & J. Gallo Winery is driven by the overriding principle to conduct our business in a manner that will protect and preserve the environment. Towards this end, all operational decisions reflect our firm belief in sound environmental management as we seek to:

- Meet or exceed all federal, state and local environmental laws and regulations.
- Develop production and agricultural practices that will reduce or eliminate our impact on the environment.
- Develop environmental and business strategies that demonstrate our long-term commitment to the communities in which we operate.



In addition to the 50/50 Give Back, the Gallo Winery has led the way in developing and refining other new environmentally friendly practices including minimizing the use of synthetic chemicals, fertilizers and pesticides in the vineyards; recycling and reusing processed wastewater; preserving open space and greenbelts; and creating new wetlands and protecting existing riparian habitats to benefit a variety of plants and wildlife. So strong is this commitment to the environment that Gallo took the lead in drafting and implementing the Code of Sustainable Wine Growing Practices as part of a collaborative effort with the Wine Institute and the California Association of Winegrape Growers.

The First Winery in the U.S. to Receive ISO 14001 Certification

Through this and many other innovative environmental programs, the E. & J. Gallo Winery was recently recognized as the first winery in the United States to receive the International Standards Organization's ISO 14001 certification which was created to assist companies throughout the world to reduce their impacts on the environment.

Gallo's winemaking facilities and related businesses have been certified to be in conformance with the rigorous ISO 14001 standards. Those standards are incorporated in an environmental management system (EMS) developed by Gallo which guides all processes at our wineries in Modesto, Livingston, Fresno and Healdsburg, as well as the company's glass and brandy plants in Modesto. The EMS translates Gallo environmental policy into action at every staff level and encourages similar efforts with our suppliers and trading partners. We are very proud of the ISO 14001 certification as it demonstrates our commitment to environmental stewardship.

Code of Sustainable Wine Growing Practices

As mentioned, the E. & J. Gallo Winery took the lead and collaborated with the Wine Institute and the California Association of Winegrape Growers to develop and implement the Code of Sustainable Wine Growing Practices. The Code promotes sustainable practices that are environmentally sound, economically feasible and socially equitable. It covers virtually every aspect of the wine business including viticulture and grape growing, wine making, purchasing and building and maintaining productive relationships with neighbors and the local communities.



Gallo's sustainable growing practices and environmental efforts include:

- Installing owl and kestrel hawk boxes on Gallo ranches throughout California to serve as natural predators against a variety of rodent pests which can do thousands of dollars of damage to grape vines. In addition, the boxes serve as nesting sites, keeping these birds and their offspring safe from predators.
- At the Two Rock Ranch in Sonoma County, Gallo uses falcons to chase starlings away from ripening grapes in the days leading up to the start of harvest. This effective natural solution replaces costly techniques such as placing nets over vineyards or using loud noises and flashing lights which can be effective but disturb surrounding neighbors.
- Gallo maintains populations of predatory insects that feed on harmful insects to reduce the use of pesticides, as well as establishing greenbelts of natural grasses, old growth oaks and lakes and wetlands which provide not only beauty, but a habitat for the beneficial insects. Over the years, research has shown that many harmful insects can be eliminated by introducing a natural insect predator.
- To prevent soil erosion during the winter rains, Gallo has planted cover crops in the rows between the vines. These cover crops also provide a nourishing habitat for beneficial insects to breed.
- For several years, Gallo viticulturists experimented with 23 different types of cover crops, searching for the right beneficial blends. Even carrots were considered, because they break up compacted soil. Gallo has even researched the most effective time to mow these cover crops so as to not disturb the insect or encourage it to seek refuge in the vines. Currently, five natural weed control systems are under observation in all vineyards. Gallo also uses sheep and goats instead of tractors on various ranches to control weeds and brush which reduces energy use, soil compaction and labor costs.
- Aleutian geese were once listed as an endangered species. Over the years, as acres of critical habitat throughout Canada and the western United States were urbanized, the geese populations were decimated to the point of being in a fight for survival as a species. To aid the geese and provide additional habitat, the Gallo family placed a conservation easement on more than two thousand acres of land which has been added to the San Luis National Wildlife Refuge. This land is located on the Pacific Flyway, the major winter migration route for Aleutian geese and a variety of other migratory birds. For these efforts, the Gallo family has been honored with a National Wetlands Conservation Award from the United States Fish and Wildlife Service for their contribution in helping restore and revive the Aleutian geese population to the point that the geese are no longer listed as an endangered species.
- At the Cowell Ranch in Merced County, Gallo is working with the East Merced Resource Conservation District on a river-wide assessment of the baseline conditions and population counts for fish, bird and macro-invertebrate species. Nearly one-third of the property provides habitat for rookeries for Snowy Egret and

Blue Heron as well as a vast array of native flora and fauna. Additionally, miles of banks along the Merced River have been planted with oak trees and other native species.

- Gallo has created 16.5 acres of new wetlands which, when added to existing habitat, provides 37.5 acres of diverse wetlands at Gallo's Laguna Ranch in the environmentally- sensitive Laguna de Santa Rosa area of Sonoma County. Additional, riparian areas along the waterways at our MacMurray Ranch in the Russian River Valley of Sonoma County have been enhanced by removing ranch roads near creeks while planting and maintaining native vegetation. By lessening pressure on these sensitive lands, the wildlife habitat has improved to the benefit of a variety of plants, fish and animals.
- Along the densely wooded banks of the San Joaquin River, under century-old oak and cottonwood trees on the Gallo's Faith Ranch, the riparian brush rabbit was recently reintroduced in a cooperative effort with the U.S. Fish and Wildlife Service to establish a self-sustaining colony of what some experts consider to be California's most endangered mammal. The ranch contains about 200 acres of Central Valley riparian habitat which is critical to the endangered rabbit's future as well as a host of other species.
- Gallo has enhanced the natural habitat for other animals as well such as providing housing for wood ducks to keep predators away from nests, eggs and small ducklings.
- At the Olson Ranch in Monterey County, about 360 acres of land have been set aside as a wildlife preserve. Gallo has planted over 1,500 oak trees on the ranch. In fact, so important is oak preservation at Gallo that the Winery has established several oak nurseries to grow and develop young oak trees for planting to increase the number of oaks on its ranches.
- At MacMurray Ranch in Sonoma County, Gallo has restored spawning grounds for steelhead trout in Porter Creek. The extensive stream-bed restoration was the product of a partnership among Gallo and state and federal agencies to improve the breeding grounds for steelhead and endangered salmon species.
- Gallo is restoring the original stream course at Archer Creek, located at MacMurray Ranch. In the 1940s, the creek was moved and channeled into a culvert to provide more pasture acreage for cattle grazing. This unique project seeks to relocate the stream in its original location and restore the land to its original condition.
- With municipal landfills rapidly reaching their capacity and local governments searching for ways to limit the flows of waste to the landfills, the Gallo Winery in Fresno offered an innovative solution to community leader to significantly reduce the city's green waste flows (such as grass clippings and pruning cuttings) to the local landfill. For the past ten years, urban-generated green waste has been sent to Gallo's composting facility where Gallo mixes this green waste with by-products from our winery (such as grape skins and wash water) to create a valuable compost that is used by farmers, gardeners, landscapers and others in lieu of synthetic fertilizers.

