

Heart of Hospitality

Southern Glazer's Wine & Spirits

2021 Corporate Social Responsibility Report



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About Southern Glazer's Wine & Spirits

Southern Glazer's Wine & Spirits (SGWS) 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, the District of Columbia, and Canada. Southern Glazer's urges all retail customers and adult consumers to market, sell, serve, and enjoy its products responsibly.

In 2021, Southern Glazer's was selected as a U.S. Best Managed Company by Deloitte Private and *The Wall Street Journal*, a program that recognizes outstanding U.S. private companies and the achievements of their management teams. The Company was also named a Top 100 Most Loved Workplace by *Newsweek*.

Expertise in Wine and 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 10,700 wine, sake and spirits education programs, from introductory to master-level achievements. These include:

- Master of Wine 1
- WSET Wine Certified Educators 11
- WSET Sake Certified Educators 10
- WSET Diploma 6
- WSET Level 3 Wines 148
- WSET Level 3 Sake 25
- WSET Level 3 Spirits 1
- WSET Level 2 Wine & Spirits 4,787
- WSET Level 2 Wines 683
- WSET Level 2 Spirits 2,324
- WSET Level 1 Sake 785
- Court of Master Sommeliers Level 1 1,809
- CMS Certified Sommeliers 122
- CMS Advanced Sommeliers 21
- Master Sommeliers 9
- Over 640 Certified Specialists of Wine 642
- SWE Certified Wine Educators 20
- SWE Certified Spirits Educators 3
- Certified Specialists of Spirits 140
- Italian Wine Professionals 180
- French Wine Scholars 83
- Spanish Wine Scholars 14

Southern Glazer's employs 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, Wine & Spirit Education Trust, Society of Wine Educators, and Cicerone Certification Program, to name a few. Southern Glazer's also boasts the industry's first national wine team, comprised of 11 employees dedicated to providing top quality wine education and certification for their teams across the country.

41

distribution centers

6.4M

customer deliveries annually

14.8M

square feet of warehouse space

2.6K

trucks in fleet

1.7K+

wine, spirits, beer and beverage suppliers

7K+

brands distributed

The Heart of Hospitality: A Message from Southern Glazer's Wine & Spirits Leadership

It's incredible to look back on yet another year and everything we have accomplished as an SGWS FAMILY.

With the ongoing, residual impacts of COVID-19, we focused on ensuring that our employees, customers, suppliers, and partners knew and felt our support every step of the way. We saw what a devastating impact the pandemic had on the hospitality industry, and we knew that doing our part to help ease some of the burden was paramount. In 2021, Southern Glazer's committed to being a Silver Partner to Children of Restaurant Employees (CORE), aiding the organization's mission of serving food and beverage operations employees with children to provide financial relief in the face of a health crisis, injury, death, or natural disaster. The new partnership has further enabled us to extend our continued support to an industry that has given us so much.

In addition to joining forces with a new charitable partner, we supported our extensive community of customers in a variety of ways, including but not limited to: sponsoring a fine wine and spirits auction that raised \$1.6 million for hospitality businesses across the U.S., providing trade customers with valuable tips and resources for rebuilding business amid the "new normal" via a refreshed SGWS Customer Care online hub, and teaming up with supplier partner Diageo North America to raise \$3 million for struggling New York restaurants.

One of the most significant moments of the year for us at SGWS was the celebration of our Company's anniversary—five years since the integration of Southern Wine & Spirits and Glazer's in 2016. To commemorate the milestone, we donated \$10,000 to 50 charities across the markets we operate in, for a total of \$500,000. This was an amazing opportunity to show our gratitude to all the communities that have continued to support us year after year. We know we couldn't be a leader in the industry without them. In addition, we renewed our commitment to SGWS' four key Corporate Social Responsibility (CSR) pillars: promoting responsible consumption, supporting education, cultivating Diversity & Inclusion, and empowering local market giving.

As part of our renewed focus on environmental sustainability, we focused on a variety of initiatives, from piloting electric vehicles in our fleet, to forming partnerships with leaders in renewable energy, and making progress on our electronic waste disposal, and recycling and composting programs.

Over the past year, we have demonstrated what it means to be "SGWS Strong," and we've grown the heart of hospitality both within our organization and beyond. We look forward to a year filled with limitless opportunities and continuing to make a lasting impact on the communities we serve.



Harvey Chaplin
Chairman



Wayne E. Chaplin
CEO



Bennett Glazer
Executive Vice Chairman



Shelly Stein
President

Caring for Our Communities

Southern Glazer's is a company that cares and we demonstrate that every day through our passionate employees, community engagement programs, and collaboration with trading partners.

Sharing Our Successes

Our SGWS FAMILY came together to celebrate a special milestone during 2021—the five-year anniversary of Southern Wine & Spirits and Glazer's integration in 2016. In traditional Southern Glazer's style, the Company wanted to share its success with the communities it serves. This was accomplished through the "5-50-500" charitable giving campaign, where in honor of the five year anniversary, SGWS donated \$10,000 to 50 charities across its national footprint, totaling \$500,000 in donations.

The benefiting charities were chosen through an internal survey process where all Southern Glazer's employees were able to submit their favorite local charities for consideration. From a list of more than 3,000 submissions, Southern Glazer's VolunCheers Ambassadors, who are stationed across the Company's footprint to champion local volunteering and giving efforts, narrowed down their market's submissions to make the final charity selections.

This selection process helped ensure that all certified 501(c)(3) charities chosen to receive \$10,000 donations were deeply meaningful to Southern Glazer's employees and their local communities, in addition to ensuring a broad impact across a wide range of diverse causes. Please [click here](#) to see a full list of charities that benefited from the 5-50-500 campaign.



SGWS Nevada 5-50-500 Donation to **Keep Memory Alive**



SGWS Arkansas 5-50-500 Donation to **Ronald McDonald House Charities**



SGWS Idaho 5-50-500 Donation to **CDAIDE**

Empowering Our Employee VolunCheers

There is no shortage of compassion and commitment to social impact among Southern Glazer's employee population. Whether navigating the throes of COVID-19 or rushing into action after natural disaster struck, SGWS employee VolunCheers never hesitated to support those in need, touching the lives of their local communities and those in crisis across the globe.

With VolunCheers Online, Southern Glazer's employees can organize and track their volunteer events, fundraising efforts, and personal charitable activities—all on one platform. This one-stop-shop for all things charitable allows us to capture a detailed picture of all the time and resources our SGWS FAMILY has dedicated to charitable impact.

Highlights from 2021 include:



7,638

total employee
volunteer hours

186

total employee-led
volunteer events

154

total benefiting
charities

\$105.8K

total employee
donations

In addition to the unwavering compassion of Southern Glazer's employees, which is the backbone of VolunCheers, our Company-wide CSR campaigns, network of VolunCheers Ambassadors, and employee recognition programs all played a part in a truly impactful year.

Southern Glazer's VolunCheers Ambassador Program is comprised of more than 90 employees across 44 U.S. markets, plus the District of Columbia, and Canada. These charitable champions were hand-selected by local leaders for their passion and experience in leading volunteer activities. Ambassadors help drive local participation and leverage VolunCheers Online to organize and promote their volunteer events. The program celebrated its second anniversary in 2021 and continues to expand across markets and divisions.

VolunCheers Ambassadors participate in monthly calls where Company-wide campaigns are announced, and participating employees can provide updates on local volunteer activities or ask for guidance on upcoming volunteer events or ideas. Each month, the call is kicked off by a guest speaker from a national nonprofit. During 2021, speakers from [CORE: Children of Restaurant Employees](#), [Homes for Our Troops](#), [American Diabetes Association](#), [Wings of Rescue](#), [Restaurant Workers' Community Foundation](#), [Kids in Need Foundation](#), [ECPAT USA](#), [Meals on Wheels](#), [Feeding America](#), and [Disabled American Veterans](#) took the time to join these monthly discussions. Participating charities were selected based on Ambassador feedback and upcoming observances, providing the group with relevant volunteer opportunities for their teams.

Since the platform was launched in July 2018, SGWS employees across the United States and parts of Canada have created more than 720 volunteer events, logged over 45,600 volunteer hours, and given nearly \$386,000 in donations. Additionally, 31% of employees, consisting of more than 7,000 of our team members, are active on VolunCheers Online. A majority of events created throughout the year supported the following categories: Community Development, Social Services, Education.

Celebrating Community Champions

We implement several employee recognition programs to celebrate those employees who go the extra mile to serve others, raise awareness of Southern Glazer's national VolunCheers program, and generate excitement around paying it forward.

The VolunCheer of the Month and VolunCheer of the Year programs allow us to recognize employees who successfully leverage the VolunCheers Online platform to organize volunteer events for their colleagues and loved ones. Plus, it provides a fun opportunity for employees to support their team members!

Finalists are chosen based on qualitative results, including the impact of volunteer activities on their colleagues and local communities. Our SGWS FAMILY is then asked to vote for the candidate they think is most deserving of the distinction. The employee who receives the most votes is named VolunCheer of the Month and awarded a certificate of recognition and \$250 gift card.

At the end of the year, SGWS employees voted among the VolunCheer of the Month finalists to select the recipient of the 2021 VolunCheer of the Year Award, who received a \$5,000 donation to their charity of choice. This year's winner is Marc Anglade, who selected [Epworth Children's Home](#) to receive the donation on his behalf. Nearly 5,300 employee votes were cast during our 2021 VolunCheer of the Month and Year polls.

The Company's monthly incentives program also plays an important role in increasing employee engagement. Through the VolunCheers Online Monthly Incentives Program, employees are eligible to win exciting prizes through volunteerism. Calls to action range from volunteering to support Breast Cancer Awareness Month during October, to providing online mentorship to underrepresented students, to dropping off canned goods at one's local food bank. Winners are chosen at random and the prizes offered vary from month to month. Opportunities to win everything from VolunCheers merchandise to charitable donations made on the winner's behalf make volunteerism that much more rewarding for employees.



January Winner
Dewayne Brown
SGWS Indiana



February Winner
Duffy Smallwood
SGWS Kentucky



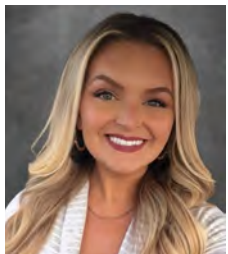
March Winner
Lisa Espinosa
SGWS Arizona



April Winner
Bailey Gins Pataki
SGWS Texas



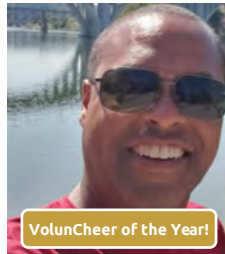
May Winner
Tyler Row
SGWS Missouri



June Winner
Michal Webb
SGWS Illinois



July Winner
Peggy Hobart
SGWS Arizona



August Winner
Marc Anglade
SGWS South Carolina



September Winner
Emily Turner
SGWS National Call Center



October Winner
Priscila Navarro
SGWS Texas

Making the Season Bright

While employees find ways to give back all year, during the holidays, employees ramp up their efforts to make the season brighter for those in need.

During its annual holiday giving campaign, from November 1 to December 31, Southern Glazer's matches volunteer hours with dollars designated toward an impactful charity. In 2021, every volunteer hour logged on VolunCheers Online was matched with a \$25 donation to Water.org, a global nonprofit organization working to bring water and sanitation to the world.

Today, 785 million people (that's one in nine) lack access to safe water at home. Every two minutes, a child dies from a water and sanitation-related disease. For millions of women, children, and communities, access to safe water unlocks access to education, economic opportunity, and improved health.

Fueled with the knowledge that their volunteer efforts could make a serious, lasting impact on others, SGWS employees logged an incredible 1,325 volunteer hours during the campaign period, resulting in a \$33,118.75 donation to Water.org.

Together, employees supported 6,600 people around the world with access to safe water.





Response and Relief, Where and When it's Needed

In addition to Southern Glazer's many ongoing CSR commitments, the Company is poised to respond at any given moment to support employees and communities affected by disaster.

Following the devastation from Hurricane Ida in Louisiana, many of our own SGWS family members found themselves displaced and/or needing immediate assistance. The Company activated its disaster response program through its SGWS Relief & Charitable Foundation to provide tax-free disaster relief grants to employees and their families. The Foundation relies primarily on individual donations from employees and support from Southern Glazer's to fund the program. Separate from the SGWS Relief & Charitable Foundation, affected employees had the ability to apply for an Emergency Bridge Loan from Southern Glazer's. The purpose of this program is to provide a source of expedient cash flow to employees and their families to "bridge the gap" between the time a major catastrophe hits and when an employee has secured longer term recovery resources, such as receipt of payments on insurance claims or federal disaster assistance.

The desire to respond and help communities recover from disaster extends to our employee VolunCheers. Following the tragic collapse of the Champlain Towers, a 12-story condominium building in the Surfside, Florida area, employees volunteered alongside the [Little Lighthouse Foundation](#) throughout the month of July. The team met at the [Global Empowerment Mission's](#) warehouse to sort and pack #BStrong Family Necessities Kits for survivors of the Surfside building collapse. These kits are designed to provide a family of five with the basic necessities to survive: food, hygiene, and COVID-19 protective gear. In addition to providing local support, employees also packed kits for island communities impacted by natural disasters.

When a devastating resurgence of COVID-19 resulted in an unprecedented crisis for India, employees extended their generosity to India and their fellow colleagues whose loved ones were affected. Employees raised an incredible \$10,730 for the [Spandana Foundation](#), a registered 501(c)(3) nonprofit organization led by SGWS Principal Solution Analyst SAP, Kiran Nidamanur. Kiran and his team in India helped procure critical medical equipment, like oxygen concentrators, and accelerated COVID-19 testing and surveillance with the help of local healthcare professionals and facilities. With an additional \$10,000 donation match from Southern Glazer's, a total of \$20,730 was donated to the Spandana Foundation to help provide much-needed relief and resources.

In Service to the Hospitality Industry

At SGWS, we pride ourselves on the strong customer and supplier relationships we build and nurture. At the heart of all those relationships is our level of care. It's the driving force behind the many different steps we continue to take to ensure we are not only meeting our customers where they are, but also extending a helping hand in their time of need.

Financial Support for Restaurant Families

Southern Glazer's is committed to supporting food and beverage service employees, who are at the heart of all we do. This year, the hospitality industry faced the difficult challenge of rising from the aftermath of COVID-19 while remaining safe and pivoting amid resurgences of the virus. This is why SGWS selected [Children of Restaurant Employees \(CORE\)](#) as its charitable partner during 2021.

CORE is a national nonprofit dedicated to serving food and beverage operations employees with children to provide financial relief when either the employee or their child faces a health crisis, injury, death, or natural disaster. Southern Glazer's donated a total of \$40,000 to CORE during 2021, including an initial \$25,000 grant to support those in crisis, a \$10,000 donation made through the 5-50-500 campaign, and an additional \$5,000 donated during Negroni Week.

"Southern Glazer's embodies serving customers and community in their support of CORE. They have helped provide necessary funding to directly help families, engage their employees, and created a Culinary Ambassador Program to increase awareness of CORE. We could not accomplish our work without valuable partners like Southern Glazer's Wine & Spirits."

– Sheila Bennett, Executive Director of CORE

In addition to providing financial support, Southern Glazer's also helped establish CORE's Culinary Ambassador Program to help increase awareness for the organization and its critical grants program. The highly renowned chefs who comprise the Culinary Ambassador Group are Chef Lindsay Autry, Chef Einat Admony, Chef Lamar Moore, Chef Brother Luck, and Chef Mourad Lahlou, all representing different regions of the country. These Culinary Ambassadors will lend their voices to expand awareness of CORE among their restaurant communities and beyond.

During 2021, CORE granted more than \$700,000 to qualifying food and beverage service employees with children across the country. You can watch [this video](#) to hear directly from some of the incredible families that received CORE's support. Southern Glazer's is proud to help bridge the gap for food and beverage service employees facing crisis.



Celebrities and Suppliers Rally for Restaurants

In the month of April, Southern Glazer's teamed up with *Wine Spectator Magazine* to sponsor The Conscious Collection: A Virtual Fine Wine & Spirits Auction, benefiting **The Barstool Fund**. The Conscious Collection—featuring Guy Fieri, Dave Portnoy, and Antonio Galloni and hosted by Zachys, the number one wine auction house and retailer in the world—raised more than \$1.6 million for hospitality businesses in the U.S. The auction offered insider experiences with celebrity influencers, along with a unique selection of rare wines, high-end spirits, and luxury goods. Stars such as Sting, Jon Bon Jovi, Matt Damon, George Strait, Kendall Jenner and George Clooney, as well as some of Southern Glazer's most premium supplier brands, stepped up to offer unique experiences and products for bidders. The Barstool Fund earmarked contributions for hospitality businesses, such as restaurants and bars that have faced the brunt of local safety and health restrictions and closure orders during the COVID-19 pandemic. The Conscious Collection was kickstarted in early March with a generous \$100,000 donation from The Wine Spectator Scholarship Foundation.

A Resource for Rebuilding Business

In March 2021, we refreshed the SGWS Customer Care online hub for trade customers, offering best practices and guides for minimizing recovery time and aimed at helping on- and off-premise customers rebuild their businesses amid the "new normal." As part of the site refresh, a new Customer Recovery section was created, providing detailed articles and resources specifically targeted to address the unique challenges facing restaurants, bars, retailers, and other hospitality businesses as they adjust to a new way of operating. New content supporting the on-premise has included updated operating checklists, to-go and delivery programming, and marketing and business optimization best practices. For the off-premise, content has highlighted numerous guides for retailers looking to transform their businesses by leveraging e-commerce and other digital strategies. A robust social media section offers tips for both on- and off-premise customers looking to either get started or evolve their social media marketing programs.

SGWS Customer Care on southernglazers.com is a free online resource center established by SGWS early in the pandemic to provide customers with timely operational updates, financial and relief, information, public health resources, and virtual learning and education opportunities from many of our suppliers.

Raising the Bar for Restaurant Recovery

In January, SGWS' Coastal Pacific Wine & Spirits division joined Diageo North America to fund the **Raising the Bar Restaurant Recovery Fund**. Together, the two organizations raised \$3.4 million for the Fund, which provided up to \$5,000 each to almost 800 qualifying New York restaurants affected by the pandemic.

Cocktails for a Cause

SGWS contributed \$10,000 to **Negroni Week**, presented by Imbibe and supplier partner Campari, a celebration of one of the world's great cocktails and an effort to raise money for charities around the world. SGWS' charitable donation supports **Children of Restaurant Employees (CORE)** and the **United States Bartenders' Guild (USBG)**—\$5,000 benefiting each organization. This is the fifth consecutive year the Company supports the week-long initiative, which has raised \$3.3 million for charitable causes since 2013.

Investing in Hospitality Employee Education

During National Culinary Arts Month in July, SGWS partnered with supplier Constellation Brands to host a virtual info session for both organization's employees that served to educate attendees on the important work of the **National Restaurant Association Educational Foundation (NRAEF)**. Matt Deegan, Constellation Brands SVP & Chief Sales Officer, and Greg Rabinovich, Southern Glazer's EVP & Managing Director, Atlantic Division, joined the conversation to discuss Constellation's impactful partnership with the NRAEF, whose mission is to enhance the industry's training and education, career development, and community engagement efforts. The session helped to further support in getting restaurant workers everywhere back in the kitchen, back to service with a smile, and back on their feet.

THE CONSCIOUS COLLECTION
A VIRTUAL FINE WINE & SPIRITS AUCTION

BID NOW at zachys.com/ConsciousCollection
and join co-hosts Antonio Galloni, Dave Portnoy and Guy Fieri on **Friday, April 9, at 6 p.m. EST** for a livestream auction of celebrity experiences and exclusive wines and spirits, benefiting The Barstool Fund's efforts to support the struggling hospitality industry.

Three circular portraits of the co-hosts: Antonio Galloni, Dave Portnoy, and Guy Fieri.

Logos at the bottom: Wine Spectator, zachys, vincus, MEDIA SPONSOR THE WALL STREET JOURNAL, and wine.com.

We are FAMILY

Helping our Customers Navigate COVID-19

The banner features a large, faint background logo of Southern Glazer's Wine & Spirits. A small circular logo with the letters 'SG' is positioned to the right of the word 'FAMILY'.

Promoting Responsible Decision Making for Beverage Alcohol

As a key pillar of our CSR program, the Company remains focused on alcohol safety, including the prevention of underage drinking and the safe and responsible use of alcohol among legal drinking aged adults.

Southern Glazer's Youth Alcohol Awareness and Education Foundation, Inc. sponsors an alcohol safety education course called [AlcoholEdu® for High School](#) for public and private high schools in Miami-Dade and Broward counties in Florida, Dallas and Collin counties in Texas, and Bronx, Kings, Nassau, New York, Queens, and Richmond counties in New York. The program, developed by leading education technology company [EVERFI](#), is a 90-minute, interactive course that engages students in high school with science-based alcohol education and interactive exercises, providing an individualized experience that changes perceptions, motivates behavior change, and supports healthier decisions regarding alcohol. Through this scalable online program, which has been proven to reduce negative consequences associated with underage drinking, schools can reach all students with a consistent message and empower them to make safer and healthier decisions about alcohol.

For the 2020-2021 school year, the program saw significant increases in reach and impact. After having completed the Southern Glazer's-sponsored course, students' assessment scores increased by 27%, from 70% to 89% knowledge gains, compared to the 24% average increase of national student assessment scores. The number of participating schools increased by 54% from the 2019-2020 school year to the 2020-2021 school year, attributed largely to Southern Glazer's expansion of the program into New York schools during the school year. Since the kickoff of Southern Glazer's program in 2017, the initiative has impacted 18,271 students across more than 140 high schools, with the completion of more than 17,490 hours of learning.

"Providing critical skills education to ensure the younger generation is as well prepared for the future as they can be is central to our mission, and a key component of Southern Glazer's youth alcohol education program. Southern Glazer's is committed to ensuring students understand the risks associated with unsafe drinking and have the knowledge to make safe choices. It has truly been a pleasure to work with them and expand our strategic partnership over the years to serve students in Florida, Texas, and New York, and we look forward to working together for many years to come."

– Jon Chapman, Co-Founder and President of [EVERFI](#)



During Alcohol Responsibility Month in the month of April, SGWS partnered with Diageo and the National Restaurant Association to deliver a panel focused on responsibility in the three tiers. Diageo North America's Director of Activation BBG Taylor Blades moderated the panel, which featured panelists Barkley Stuart, SGWS Executive Vice President of Government Affairs, and Jay Lerdal, ServSafe Program Manager for the National Restaurant Association. The panel explored topics around responsibility and the important role that each tier--supplier, wholesaler, and customer--plays in the space.

In addition, SGWS focused on educating members of its workforce on the importance of alcohol safety. SGWS employees who are part of the Company's dedicated sales division for supplier partner Diageo completed "[Wrong Side of the Road](#)," Diageo's new online experience and tool. The virtual learning experience conveys to users the effects of alcohol and driving, as well as the stigma and consequences that result from making the decision to drive while impaired.

Everyone Deserves an Education

At SGWS, we are dedicated to supporting educational opportunities for people of all backgrounds. The Company's goal is to reach underserved students while attracting a diverse pool of candidates to the SGWS FAMILY and the hospitality industry.

Southern Glazer's renewed its partnership with [Step Up](#) in 2021. The Step Up organization—which successfully pivoted its in-person programming to virtual programming amid the pandemic—propels girls facing system barriers to pursue their dreams of success by empowering them to become confident, career-focused, and ready to join the next generation of leaders. SGWS has partnered with Step Up since 2019, and this year, sponsored a series of program initiatives throughout the course of the year, including two virtual mentorship sessions in the Spring—one focused on prioritizing yourself and finding balance, and another centered on careers in science, technology, engineering, and mathematics (STEM). Southern Glazer's female employees served as mentors for both 90-minute workshops. SGWS also hosted and coordinated a Spring Careers in Hospitality session for students, which featured a virtual panel discussion with Bridget Albert, Southern Glazer's Sr. National Director of Education - Beam Suntory, Allison Hupp, Southern Glazer's Director of Wine Education, and Dr. Lisa Cain, Associate Professor at Florida International University; breakout sessions for speed networking among the mentors and mentees; and breakout sessions that delved into real-world scenarios within the hospitality industry. In the fall, several of SGWS' female employees served as mentors during Step Up's four-part mentorship series, "Fly Together," which provided girls with a chance to build relationships with peers and mentors to gain leadership skills that will support their career pursuits. SGWS employees with a background in social media, content creation, and other related fields also participated as mentors in Step Up's virtual "So You Wanna... Work Social Media" workshop, where students received a behind-the-scenes glimpse into the industry and learned about the powerful influence of social media.

In line with SGWS' commitment to the advancement of young women, SGWS also partnered with [Women of Tomorrow](#) to support the organization's mission to inspire, motivate, and empower at-risk young women to live up to their full potential through a unique group mentoring program with highly accomplished professional women and scholarship opportunities. As part of the partnership, SGWS participated in Women of Tomorrow's Career Discovery Summit, for which Southern Glazer's Special Events Manager Shelly Lungstrum served as a guest speaker and mentor. Ms. Lungstrum shared her career experience and advice with the students, detailing her role in supporting the Food Network & Cooking Channel South Beach Wine & Food Festival presented by Capital One (SOBEWFF®) and the different ways students can get involved. Approximately 200 Women of Tomorrow student members across Broward, Miami-Dade, and Palm Beach counties participated in the Summit, many of whom expressed interest in volunteering at SOBEWFF® as a result of Ms. Lungstrum's presentation. In addition, SGWS coordinated a joint session for Women of Tomorrow student members from Spanish River High School and iPrep Academy. Southern Glazer's Senior Director of Events and Special Projects Zoraida Suarez shared her career path with the students and led the group through an interactive activity focused on restaurant concept development.

Additionally, SGWS sponsored and coordinated two virtual job shadow workshops in the spring for 170 [Junior Achievement of Greater Miami](#) student members in four schools across Miami-Dade county. Southern Glazer's partnership with Junior Achievement, an organization whose mission is to inspire and prepare young people to succeed, is part of SGWS' commitment to community outreach initiatives focused on education and racial equality. The workshops featured eight panelists, including six SGWS employees of diverse backgrounds representing different professions within the hospitality industry, Old Elk Head Distiller Kate Douglas, and Casa Dragones CEO Bertha Gonzalez Nieves. The panelists shared what their career paths have been like, what it's taken to make it to where they are, and the importance of fostering diversity and inclusion in the workplace. The students also participated in a breakout activity, where they were guided through discussion around ways to creatively open different types of pop-up restaurants—everything from menu curation to promotion efforts.



"Like Step Up, Southern Glazer's believes in shaping and lifting up future generations of leaders. We thank all our friends at SGWS for helping us continue programming through the pandemic, making mentorship accessible for high school teens everywhere."

– Delores Morton,
Step Up CEO

The Company also continues to support its charitable partner [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. SGWS made a \$150 million commitment to the organization for the 2020-2021 school year, which funded a total of 21,228 scholarships. For the 2021-2022 school year, SGWS increased its support and is currently making contributions for a total pledge commitment of \$170 million, which will fund 22,305 scholarships. Including the current 2021-2022 pledge, SGWS has committed a total of \$1.1 billion and funded 168,749 scholarships since first partnering with Step Up for Students in 2010!

In 2021, the Company maintained its long-standing partnership with [Florida International University's \(FIU\) Chaplin School of Hospitality & Tourism Management](#) through a variety of initiatives. SGWS once again sponsored SOBEWFF®, which has raised more than \$31.8 million to date for the Chaplin School. More about this program is included in the next section of this report. In addition to support for the 2021 Festival, SGWS leaders participated in various panel and podcast discussions for students, alumni, and members of the hospitality community. SGWS also formed a partnership with the School to research AI and data visualization as it relates to wine quality. SGWS Executive Vice President and General Manager Patrick Cassidy serves as an advisor and guest speaker for the School's program.

Southern Glazer's was pleased to yet again serve as the Exclusive Sponsor of the [University of Miami \(UM\)'s Herbert Business School 2021 Distinguished Leaders Lecture Series](#), which attracts some of the most respected business leaders from around the country. For the third consecutive year, SGWS made a \$100,000 contribution to support the Lecture Series that brings together top business leaders and students, alumni, other members of the UM community, and Southern Glazer's employees. Southern Glazer's Chief Executive Officer Wayne E. Chaplin serves on the University's Board of Trustees, is a double alumnus, and graduated from both the Business School and Law School at UM.

Southern Glazer's and Tito's Handmade Vodka teamed up to create the [Robert Qualls Scholarship Fund](#) in memory of Robert Qualls, an extraordinary hospitality and spirits industry veteran. Each year, the scholarship will award a total of four \$5,000 scholarships to students pursuing studies in the hospitality industry. The scholarship, which is open to alcohol suppliers, wholesalers, retailers, and their children, is part of the Wine & Spirits Wholesalers of America (WSWA) Educational Foundation Scholarship Program.



Engaging Consumers in Good Causes

Southern Glazer's is proud to support several of the world's most well-known wine and food festivals. For more than four decades, the Company has supported local educational, arts, and hunger-relief programs in our communities by founding, hosting, and sponsoring a variety of signature charitable events.

In 2021, Southern Glazer's celebrated its 20th consecutive year as the exclusive wine and spirits sponsor of the [Food Network & Cooking Channel South Beach Wine & Food Festival presented by Capital One \(SOBEWFF®\)](#). Southern Glazer's worked collaboratively with its world-class suppliers to secure more than 6,000 cases of top wine and spirits brands for the Festival's 75+ curated events, held throughout Miami-Dade, Broward, and Palm Beach Counties, all to benefit the [Chaplin School of Hospitality & Tourism Management at Florida International University \(FIU\)](#). Approximately 1,300 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. Scholarships are also funded by proceeds from SOBEWFF® and awarded to standout students annually.

As a result of the pandemic, thousands of hospitality employees were left unemployed and hundreds of businesses permanently shuttered their doors. It was more critical than ever to support local chefs, mixologists, event planners and small businesses. With the help of FIU's top epidemiologists and infectious disease scientists, the Festival adopted many new health and safety protocols to ensure the wellbeing of attendees, staff, participants, volunteers, talent and exhibitors, and, by extension, keep its beloved community safe. Although the program of events looked and felt a little different, the Festival's mission to EAT. DRINK. EDUCATE. remained the same.

During SOBEWFF® weekend, 30 Southern Glazer's employees volunteered to support the Festival's important mission, and recruited loved ones to participate as well. In addition to the more than \$31.8 million raised for the Chaplin School of Hospitality & Tourism Management to date, the Festival also partnered with the School to create a relief fund, raising \$1.6 million that went directly to unemployed cooks, servers, dishwashers and other staff at over 500 restaurants and bars across South Florida.

Southern Glazer's is also proud to serve as the exclusive wine and spirits provider for the [Food Network & Cooking Channel New York City Wine & Food Festival presented by Capital One \(NYCWFF\)](#), benefiting [God's Love We Deliver](#), New York City's metropolitan area's leading provider of medically tailored meals and nutrition counseling for individuals living with severe illness and [Food Bank For New York City](#), the city's largest hunger-relief organization. More than 28,000 guests safely attended the 14th annual NYCWFF in October, making it the largest-scale wine and food event to return to the city since the pandemic unfolded. With more than 65 live events, the Festival remained steadfast in its commitment to celebrate the robust and resilient New York hospitality industry by providing a vital platform for more than 400 participating chefs, restaurants, and wine and spirit producers throughout the weekend. To date, the Festival has raised more than \$13.8 million for its charitable causes.

The annual [Chicago Gourmet](#) food festival returned in 2021 for a month-long celebration of food and drinks. Participating chefs and restaurants prepared events throughout the month of September, championing Chicago's diverse culinary landscape while reuniting food and drink enthusiasts with their favorite chefs, fellow foodies and the memorable experiences. The annual food festival benefits the Illinois Restaurant Association Educational Foundation (IRAEEF), a group dedicated to building and promoting the health and prosperity of the restaurant industry by investing in both youth and workforce. The IRAEEF has awarded more than \$3.2 million in scholarships since its inception. Since October 2020, the IRAEEF Employee Relief Fund has also provided \$270,000 in cash relief grants to hospitality employees facing financial crisis because of COVID-19.



"The unique, hands-on experience that students gain during the Festival propels our educational mission to cultivate the future leaders of hospitality."

**– Michael Cheng,
Dean of Chaplin School
of Hospitality & Tourism
Management at FIU**



Investing in Our People & Culture

SGWS is focused on Diversity and Inclusion in action. We know making a meaningful impact goes far beyond making a financial donation. It means investing time in educating our people on important causes, promoting equality in our own business, inviting our SGWS FAMILY members to participate in transformative mentorship volunteer opportunities, and creating pathways to success for the underrepresented among our communities.

Promoting Progress Toward Equality

Diving into Diversity at SGWS

This past year, SGWS provided virtual, educational programming to SGWS employees Company-wide for various months of awareness, including Black History Month in February, Women's History Month in March, National Diversity Awareness Month and National Volunteer Month in April, and PRIDE Month in June. This was the first time the D&I-focused virtual programming focused on educating employees on the work of various nonprofits tied to important causes that SGWS supports. Through virtual lunch and learns, info sessions, and round table discussions, approximately 1,000 employees learned about the different ways to get involved with the following organizations and causes that SGWS has supported: [Equal Justice Initiative \(EJI\)](#), [Thurgood Marshall College Fund](#), [Women of the Vine & Spirits](#), [Step Up Women's Network](#), and [PFLAG](#). As part of Women's History Month, SGWS coordinated its first-ever virtual self-defense course provided by success coach, speaker, author, and self defense expert Jennifer Cassetta, benefiting the [National Domestic Violence Hotline](#) and [Women's Shelters Canada](#).

A Higher Purpose for Higher Education

In the summer, SGWS made a \$50,000 donation to the University of Montevallo (UM) to create the Southern Glazer's Wine & Spirits and Gerry Rivero Scholarship for the University's [Minorities Achieving Dreams of Excellence \(M.A.D.E.\) program](#). As a result of the donation, \$1,000 scholarships will be awarded to 25 deserving students in the M.A.D.E. program over the course of the next two academic school years, while the remainder of the donation will be used to endow the scholarship in perpetuity. M.A.D.E. assists minority students at UM in overcoming the social, emotional, academic, and professional challenges that can come with college, and provides a safe and supportive environment for them to grow, connect with relatable students, and build a community of peers, faculty, and staff committed to their success. Gerry Rivero, whom the scholarship is named after, is a UM alumni, a current member of the University of Montevallo Foundation Board, and Southern Glazer's Executive Vice President and Managing Director of the Company's Coastal-Pacific Wine & Spirits Division.

In 2021, SGWS announced the winners of five [Black Hospitality Initiative \(BHI\)](#) student scholarships. SGWS and the Greater Miami Convention & Visitors Bureau (GMCVB), the official marketing organization for Greater Miami and Miami Beach, awarded these scholarships as part of the BHI program, a nonprofit focused on advancing economic participation and opening doors of opportunity for Black employees in the Greater Miami hospitality industry. The Southern Glazer's Wine & Spirits Scholarship is based on student academic achievement, industry experience, personal strengths, and leadership. The program is part of SGWS' philanthropic initiatives to help fight racial injustice and provide educational opportunities for Black students.

In line with this commitment to fostering diversity, SGWS also announced four recipients of its "Southern Glazer's Against Social Injustice and Racial Inequality Endowed Scholarship Fund" at [Florida A&M University \(FAMU\)](#). The Fund was established in 2020 as part of SGWS' efforts to support racial equality and will grant four \$2,500 scholarships a year for five years to deserving candidates that have an unmet financial need.



"We are very appreciative of Southern Glazer's bold steps to not only talk the talk, but walk the walk to financially support our students."

– Shawnta Friday-Stroud,
Dean of the School of Business
and Industry and Vice President,
University Advancement &
Executive Director, FAMU
Foundation

Southern Glazer's is also proud of its \$1 million commitment with the [Thurgood Marshall College Fund](#) – the pre-eminent national organization dedicated to promoting educational excellence among students attending Historically Black Colleges and Universities (HBCUs) and Predominantly Black Institutions (PBIs). The 10-year agreement establishes a partnership that gives Southern Glazer's access to TMCF's diverse talent pipeline, connects SGWS employees with HBCU students for mentoring and professional development, and provides student leaders with opportunities to pursue future careers with the Company. In addition to recruiting and on-campus events, Southern Glazer's participated in the 21st Annual Thurgood Marshall College Fund Leadership Institute. The Leadership Institute is a power-packed, four-day virtual conference intended to develop students' leadership skills, provide organizations access to a talented and diverse student population, and help students make connections that lead to careers. About 400 students from the 47 publicly-supported HBCUs and PBIs were selected from thousands of candidates and received full scholarships to participate in the week of career development activities as TMCF Scholars. Southern Glazer's Chief Human Resources Officer Terry Arnold and Chief Executive Officer Wayne E. Chaplin both serve as executive sponsors of the program.

Knowing that conversations about diversity are as important in high school as they are in college, Southern Glazer's funded digital courses from EVERFI – "306: African-American History" and "306: Continuing the Story" – to reach nearly 2,500 students across 49 schools, resulting in more than 4,030 hours of learning. Participating students achieved an 80% learning gain, with 90% of students agreeing that the course shared stories they had not previously heard. In addition to the 306 courses, developed by leading education technology company [EVERFI](#), Southern Glazer's funded EVERFI's Diversity Foundations course, which provided more than 830 students at 15 schools content around the concepts of identity, bias, power, privilege and oppression. Through SGWS' sponsorship, these courses were available at no cost to all public and private high schools in Miami-Dade and Broward counties in Florida, and Dallas and Collin counties in Texas. Students who completed the courses were invited to participate in the "Cheers to Diversity Student Essay Contest" for a chance to win \$2,500 college scholarships. Four students, who reflected on the content covered in the digital courses with a 300-word essay, were awarded \$2,500 college scholarships in the form of Leaf College Savings gift cards.



2,481

students

Dallas, TX - 919 students
Miami, FL - 1,562 students



49

schools

Dallas, TX - 25 schools
Miami, FL - 24 schools



4,033

hours of learning

Dallas, TX - 1,432 hours of learning
Miami, FL - 2,601 hours of learning

Fighting Hate and Intolerance

SGWS reaffirmed support for equality and justice, following the disturbing increase in violence against people of Asian descent resulting from the COVID-19 pandemic. Committed to partnering with and supporting organizations that fight for racial justice and equality, while also working to ensure our own Southern Glazer's FAMILY members feel supported and safe, SGWS pledged to financially support two organizations that are taking action to fight against acts of hate against the Asian community—the [Asian American Legal Defense and Education Fund](#) and [Stop AAPI Hate](#).

In May 2021, in support of AAPI Heritage Month, SGWS hosted a virtual Educational Panel, open to the general public. The panel was led by Liem Le, who spearheads inclusion-building workshops through her company Little Lion, and speakers included Eli Johnson, Sr. Manager On Premise, Beam Suntory, New York; Maria Liza Santos, Sales Director, Upstate New York, SGWS; and Andrea Fang, Wine Buyer, Brooklyn, New York. Julie Milroy—a Korean American and Vice President of On-Premise, Southern Glazer's Wine & Spirits, who also serves as co-host of SGWS' Served Up podcast—and Marty Crane, Executive Vice President & General Manager, SGWS of New York, were the panel's executive sponsors. The virtual event was focused on providing Southern Glazer's AAPI colleagues, partners, and the broader community with a thoughtful opportunity to be actively heard, seen, and supported. It also engaged in a critical conversation about ways we can all contribute to building a more inclusive culture in which we all live and work. The panel focused on bringing awareness to racial discrimination, unconscious biases, and microaggressions that exist all around us against AAPI and other communities in order to proactively prevent. Lastly, it focused on improving our leadership skills to better serve as impactful allies, neighbors, and leaders who can provide a safe and productive environment for all to thrive.

Serving Up Meaningful Conversations among the Beverage Community

The Company's "[Served Up](#)" podcast, launched in October 2020, reached a milestone of 50 aired episodes in September 2021. Served Up serves as a source for beverage professionals to advance their skills, customer experiences, and work environments through insights and ideas shared by celebrated industry leaders. The weekly podcast—which is currently available on Apple, Amazon Music, and Spotify—has welcomed 74 guests and garnered more than 18,000 plays to date, reaching listeners around the world in 14 different countries. The podcast is hosted by SGWS National Director of Education Beam Suntory Bridget Albert and SGWS Vice President of On-Premise Julie Milroy, who focus on topics that matter most to Southern Glazer's customers and members of the hospitality industry. Diversity and inclusion continue to be central points of discussion, with the show hosts welcoming thought leaders in social justice and industry influencers representing Black, AAPI, and LGBTQ communities.

Creating Pathways for Minority and Underrepresented Talent

In 2021, we also announced our new, global groundbreaking Alliance focused on Diversity, Equity and Inclusion (DEI) at Florida International University's Chaplin School of Hospitality and Tourism Management. The initiative is part of an ongoing commitment to DEI, addressing inequities across the hospitality industry. The Alliance will provide not only educational programming, but opportunities to promote and elevate DEI through academic research, career pathing and recruiting, mentoring and scholarships, employee training, and other partnerships. This also includes the first-ever [endowed Diversity, Equity, and Inclusion professor](#) at the school, of which Southern Glazer's was the charter supporter.

Asian American
Legal Defense and
Education Fund



STOP
AAPI
HATE



The Podcast

Workplace Culture

Southern Glazer's is always working to develop and nurture both existing and potential talent. From Company-sponsored leadership programs, to a best-in-class internship program, we are constantly identifying new ways to drive diversity in the workplace and foster a workplace that is welcoming to all members of our SGWS FAMILY.

Becoming a Top 100 Most Loved Workplace

In 2021, Newsweek named Southern Glazer's a **Top Most Loved Workplace** because of its people-first culture – from cultivating the next generation of leaders, to providing innovative tools and resources to help employees reach their full potential, and investing in meaningful causes that promote equality and create a positive social impact. The results were determined after surveying more than 800,000 employees from businesses with workforces varying in size from 50 to more than 10,000. The list pays tribute to companies that put respect, caring and appreciation for their employees at the center of their business model and, in doing so, have earned the loyalty and respect of the people who work for them. For the full Newsweek list of 2021's Most Loved Workplaces, please visit [America's Most Loved Workplaces 2021](#). To view Southern Glazer's certified profile as a Most Loved Workplace, please [click here](#).

Empowering Female Leaders at SGWS

In 2021, Southern Glazer's launched the first-of-its-kind "EmpowHER" program, founded by Jennifer Chaplin Tolkin, SGWS Vice President of Family Owned Brands. The Company set out to implement a program that would increase the number and quality of female leaders within the organization, as well as build a coalition of women in leadership allies. The program, which welcomed 72 participants and 70 allies across three different cohorts, serves to develop leaders across the Company, all while furthering Southern Glazer's ability to innovate, collaborate, and increase performance. Over the course of the six-month program, participants, which include both women and men, are challenged to make changes, propose solutions, and provide insights to their experience in the program and with the BOLD curriculum. The EmpowHER curriculum incorporates SGWS' Leadership Competencies and the BOLD Leaders model to create a talented, diverse team of empowered leaders, who will advance a culture of growing women leaders within SGWS. The program is spearheaded by Gisele Garcia Shelly, founder of The Glenbrook Group and a PCC-certified Executive Coach and Speaker at the Columbia Business School, whose work has continually demonstrated that unlocking women's potential not only elevates business results and leads to the retaining and advancement of key talent, but also empowers and liberates them from the biggest challenges that get in their way. Employees who were selected to participate in the program demonstrated a passion to drive a culture of coaching and change within SGWS and included diversity of geography, function, role level, and experience.

In addition to EmpowHER, SGWS women participated in the Women in Leadership (WIL) program that SGWS has spearheaded and been involved in for the past three years. The program, which is facilitated in partnership with Columbia University and the Wine & Spirits Wholesalers of America (WSWA), welcomed 12 SGWS women virtually this year, along with nine other women from other WSWA member companies. Other WSWA member companies that have participated in the program over the years include Breakthru Beverage Group, Martignetti Companies, Winebow, Allied Beverage Group, Major Brands, Great Lakes Wine & Spirits, Fedway, United Distributors, Badger Liquor, Central Distributors, Republic National Distributors Co., and Young's Market Company. By including SGWS' competitors, we have been able to create a network and build connectivity across company lines, influencing not only the participants themselves, but also the overall progress of the industry as a whole. The intensive curriculum is designed to accelerate the advancement of women leaders in the wine and spirits industry, enabling them to navigate the business landscape, develop and leverage their talents, and step into roles of greater influence and leadership. For the first time this year, a peer-to-peer networking component was incorporated, in which previous program graduates were paired with 2021 classmates to share their feedback, learnings, and successes from WIL. Barkley Stuart, SGWS' Executive Vice President - Federal Government Affairs and former WSWA Chairman, said the focus of the program is on accelerating growth, which starts with building confidence. Since the program's launch in 2019 to date, more than 60 women have graduated from the impactful program.

"My favorite part of the program is every time I hear that someone from the program has been promoted."

– Barkley Stuart, EVP - Federal Government Affairs, Southern Glazer's



Southern Glazer's Interns Virtually Volunteering with Volunteers of America

Fostering a Culture of Belonging

SGWS C.H.E.E.R.S. (Connecting, Hard-Working, Empowering, Educating, Respecting, Serving) launched two new employee resource groups in 2021—C.H.E.E.R.S. to Black Excellence and C.H.E.E.R.S. to Caregivers C.A.N. The two new groups join five existing employee resource groups at SGWS: C.H.E.E.R.S. to I.M.P.A.C.T., C.H.E.E.R.S. to Diversity, C.H.E.E.R.S. to Veterans, C.H.E.E.R.S. to Pride, and C.H.E.E.R.S. to Women in Wine & Spirits.

C.H.E.E.R.S. to Black Excellence is dedicated to championing an inclusive environment for Black team members who grew up in the U.S., are of African or West Indian heritage, come from mixed families, or identify most closely as allies. Through networking, cultural events, community service, and educational opportunities, the group's vision is to create a platform that enhances professional development, career advancement, and health/wellness for members and allies. C.H.E.E.R.S. to Black Excellence's key focus areas include community outreach, education, awareness, allyship, professional development, and member benefits.

C.H.E.E.R.S. to Caregivers C.A.N., featuring the tagline "Collaborate. Advocate. Navigate.," hones the mission of creating a community of support for working caregivers through a supportive workplace culture. The group provides resources allowing all employees to better balance caregiving responsibilities while excelling at their careers. The group is also focused on listening to employees' needs and providing feedback and awareness to the unique challenges facing working caregivers and families. SGWS aims to set a precedent within the industry to better support working caregivers.

The expansion of C.H.E.E.R.S. supports the program's overarching mission to build a wholly inclusive and diverse culture that ensures each member of the Southern Glazer's community is respected, engaged, and motivated to grow professionally and personally.

Investing in the Next Generation

SGWS welcomed 79 interns from across 39 universities to its 2021 virtual internship program. Students—56 percent female and 44 percent male—represented 25 unique fields of study and majors and 15 different cities across the country. Forty-four percent of interns were underrepresented minorities: Black, Latino/Hispanic, and Asian/Pacific Islander, with three interns coming from the Thurgood Marshall College Fund, a valued SGWS charitable partner. As part of the program, interns were introduced to the importance of Corporate Social Responsibility at SGWS and completed a total of 237 volunteer hours. The group virtually participated in a volunteer activity benefiting **Volunteers of America**, in which they crafted no-sew blankets, packed hygiene kits, and wrote cards of support for homeless veterans. Through this volunteer effort, the group was able to make an impact on 475 beneficiaries.

Making Our Business More Sustainable and Safe

Southern Glazer's commitment to environmental sustainability continues to grow and evolve. Ensuring we are doing our part to reduce the Company's carbon footprint and support the environmentally responsible values of our FAMILY, both current and prospective, is paramount. From our vehicles on the road to our warehouses, SGWS is continuing to make thoughtful, environmentally-sound decisions. The Company is also engaging with suppliers and customers to identify collaborative opportunities to advance our collective sustainability efforts.

Tapping into Alternative Fuel

Electric vehicles can reportedly emit 64% less carbon emissions than petrol cars, giving them the capacity to significantly contribute to cleaner air around us and to our overall footprint. The 2021 SGWS Exceptional Leaders Program (ELP) cohort worked with local operations leaders in Arizona to deploy pilot with vans leased from Ryder that were retrofitted using Lightning Motors electric engines. The pilot was conducted over a six-month period, from March through August 2021. The results included a positive return on the environment, increased driver enthusiasm around sustainability, and the potential to realize 14% cost savings above the status quo. Following the completion of this program, Southern Glazer's received a [Clean Air Campaign Award](#) from Valley Metro, the area's public transportation agency, in the category of Sustainable Options/Corporate Sustainability. The award, sponsored by the Arizona Department of Environmental Quality, Maricopa Association of Governments, Maricopa County Air Quality Department and Valley Metro, recognizes Valley commuters who are committed to promoting and using alternative modes of transportation.

Southern Glazer's also signed a purchase order with [Xos, Inc.](#) for 10 Xos Class 7 refrigerated beverage trucks. The 10, first-of-their-kind vehicles will be deployed from Southern Glazer's Dallas/Ft. Worth distribution center and used as part of the Company's delivery fleet supporting the North Texas market in the second half of 2022. Plans to invest in electric vehicle charging stations at the facility are also underway. By implementing an electric vehicle fleet, the Company further aligns with trading partner initiatives, attracts professional driver talent, and increases driver retention. We look forward to continuing to explore alternative fuel vehicle solutions to conserve fuel and reduce our carbon footprint.

In addition to this initiative, SGWS' existing traditional vehicle fleet is SmartWay certified, entailing that we work closely with the [Environmental Protection Agency](#) (EPA) to measure, benchmark, and improve freight transportation efficiency. The SmartWay Program helps carriers demonstrate their efficiency achievements, show continuous improvement, and learn best practices to become even better. This program partnership is one of the several ways we ensure we are operating a sustainable fleet.



“Electric vehicles can emit on average 64% less carbon emissions than traditional fuel vehicles, giving them the capacity to significantly contribute to cleaner air around us and to our overall footprint.”

– Kay M. Yoder, VP of Environmental, Health, and Safety, Southern Glazer's

Managing Energy and Waste

Managing waste products in a responsible and efficient manner is critical at SGWS. When product is expired or bottles are damaged, making sure the alcohol is properly disposed of is essential. Did you know that alcohol greater than 24% by volume, which is considered flammable/hazardous, is distilled and biofuel is produced from it? Fifteen years ago, SGWS began its partnership with Parallel, the leader in renewable energy and biofuels production within the recycling community. Southern Glazer's contributes approximately 5.6M gallons of fuel-grade ethanol to Parallel's production annually, which reduces CO2 by more than 17,500 tons.

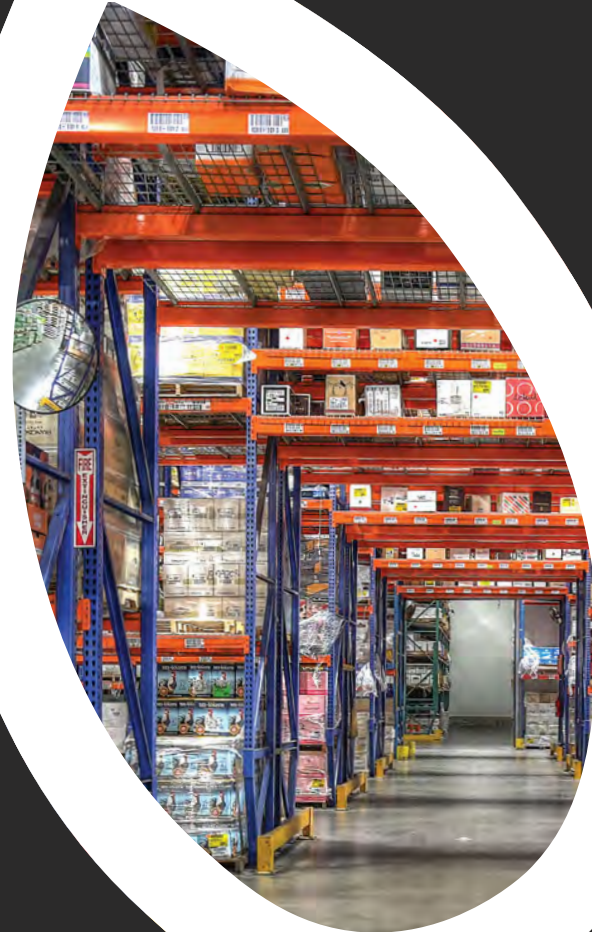
Another successful SGWS initiative that is reducing waste is a recycling and composting program currently in place at SGWS' warehouse in Austin, TX. In 2018, SGWS Austin became part of the Universal Recycling Ordinance (URO) program, which supports the URO's goal of reaching zero waste by 2024 in the city of Austin.

Examples of items recycled at the facility include pallets, light bulbs, batteries, and shrink wrap. The SGWS Austin facility uploads its recycling info into a comprehensive report that gets shared with the URO annually.

What sets the Austin facility apart from other SGWS warehouses is its composting program, which eliminates food waste in a sustainable way. Each week, 36-gallon carts are brought to the facility for food composting, equating to 0.25 cubic yards. According to information submitted to the city of Austin, 5,000 pounds of metal scrap and 696 individual pieces of wood or plastic were recycled in the city of Austin in 2020, along with 130 gallons of paper per month. SGWS employees are trained annually on both the recycling and composting programs, in addition to the warehouse's third-party vendor that routinely maintains the cleanliness of the facility.

Safely and sustainably disposing of our electronics is another key element of SGWS' environmental sustainability program. We partner with Procurri—an experienced IT asset disposition (ITAD) services provider, that keeps environmental, social and governance (ESG) standards as sustainable as possible by extending product life whenever possible to reduce society's carbon and waste footprint—to collect IT equipment from more than 20 SGWS locations nationwide. Since the inception of the program, 6,800kg of solid waste, 970,000 kWh of energy, and 169 kg of GHG emissions have been saved.

Pre-pandemic, about 50% of SGWS' suppliers used slip sheets to transport product. Now, 75% to 80% of supplier goods are being transported on slip sheets instead of wood pallets. A key driver around this change was the surging cost of lumber, which more than doubled during the pandemic. As a result of this shift, there are fewer loads and containers coming in, creating cost savings on both sides. Slip sheets, which are lightweight and reduce loading and unloading time, also create greater transportation efficiency, resulting in emissions savings. They are fully recyclable, limit deforestation, and prevent unnecessary waste from being deposited into landfills. Partnering with suppliers on this transition has been a success that is driving positive results across the board.





Setting a Strategy for Sustainable Leadership

As the largest wholesaler in the industry, we believe we have a responsibility to take a leadership role and set a standard not only for the wholesale tier, but for the entire ecosystem that Southern Glazer's operates. This means finding new and innovative ways to operate our own business more efficiently, as well as engaging suppliers, customers, partners and the communities where we do business. With a solid foundation in place, in 2021 SGWS leadership committed to take the Company's environmental commitment to the next level by investing in a new sustainability vision and long-term strategy. The vision and strategy, to be fully launched in 2022, will include short- and medium-term goals informed by environmental data collected from an audit on Southern Glazer's impacts, as well as stakeholder input across its value chain.

Stakeholder engagement included a company-wide Idea Distillery Competition for Environmental Sustainability, open to all employees in the month of November. The Idea Distillery is Southern Glazer's proprietary innovation program that solves business challenges through the cultivation of employee's ideas. This Environmental Sustainability Challenge was designed to inspire creative and innovative ideas to help Southern Glazer's contribute to a more sustainable future through:

- Reducing SGWS' Environmental Impact
- Promoting Sustainability Across Our Supplier/Customer Value Chain
- Enhancing Environmental Stewardship in Our Communities

Keeping Our People Safe

Many of the safety measures that Southern Glazer's implemented at the onset of the pandemic have remained in place throughout 2021. Examples include temperature screenings for employees and visitors in the workplace, enforced mask wearing in shared spaces, and restrictions on in-person meetings and business travel, just to name a few. The Company also continues to reinforce its safety culture through safety programs specifically designed for its drivers and warehouse employees. The Elite Safe Driver Recognition Program, for example, is available to all SGWS drivers who qualify based on having 20 consecutive quarters, or five years, of safe driving without a preventable collision. Rewards include a gold ring set and monetary bonus rewards. Warehouse employees regularly discuss safety topics as a team, taking on a lessons-learned approach. Weekly safety messages are shared with staff, facilitating open and honest health and safety discussions. SGWS remains dedicated to fostering a culture in which every employee feels free to raise safety concerns of any kind.

Operating Responsibly and Ethically

Being a Resilient Enterprise

Southern Glazer's 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. This Center and its cross-functional team of leaders led the Company's complete and ongoing response to the COVID-19 pandemic.

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. It also 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 communicate 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. The team regularly used CAN to share important health and safety updates throughout the pandemic.

The safety and health of all SGWS employees is top priority. COVID-19 vaccines are one more important tool in our toolbox, in addition to mask wearing, proper hygiene and other safety protocols. Employees were encouraged to take the "Arm Yourself. Get the Shot." survey to provide leadership with more information to help keep employees as safe as possible. As an additional incentive, full-time U.S. employees who completed the survey and provided proof of vaccination were eligible to win one of 20 \$10,000 prizes. More than 14,000 Southern Glazer's FAMILY members participated in our "Arm Yourself. Get the Shot." vaccine survey and contest, representing almost 70% of our employee population.

Policies Against Harassment and Discrimination

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.

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.

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 operate 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.

Enforcing and Training Trade Compliance

As a leader in the industry, we take our responsibility to operate our business in compliance with federal and state alcoholic beverage laws seriously. Southern Glazer's requires that 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.

A Toast to Our Local Market VolunCheers

Southern Glazer's employees have an unparalleled passion for paying it forward. Our people take the time to support their local communities year-round through their volunteerism and generosity. Below are just a few of the impactful stories that our employees have shared with us.



"Just before the pandemic in January 2020, I crocheted bird's nests in response to the horrible wildfires in Australia. I wanted to assist them with bird's nests to help with abandoned and new baby birds. Around the same time, I also donated 120 preemie crochet hats to a local children's hospital in St. Louis, Missouri. This was the second time I crocheted hats for premature babies, and have donated more than 200 altogether.

To the left, you can see a photograph of a nurse holding boxes I decorated with wrapper paper and trinkets. The mothers that were receiving the crochet hats were not able to have baby showers because their babies arrived early. I wanted them to feel as if they had something handmade from a baby shower, especially since most of these precious little ones don't make it.

While the St. Louis Blues were competing for the Stanley Cup a few years ago, I found yarn with the team colors (yellow, blue and white) and crocheted 15 baby hats so that all of the babies born at [Missouri Baptist Medical Center](#) on the day the St. Louis Blues won the Stanley Cup could have a souvenir. The Blues didn't win that day, so I crocheted for two more nights until midnight, and made another 15 hats, along with a special pink one for a baby named Gloria. I took them to the hospital on the Blues' final chance to win the Stanley Cup, and they WON! Those babies went home with special hats to remember the Blues finally winning the Stanley Cup on their birthdays." - **Karen Blecher, Clerk - Accounts Receivable, SGWS MO**



"Over the past three years, one of my top accounts and I have been collecting beverage can tabs and donating these to our [Ronald McDonald House Charity \(RMHC\)](#) in Morgantown, West Virginia. The organization's tabs program is important because it provides funds from recycling, which helps RMHC's expenses for housing families, providing meals, and other necessities to make their stays as stress-free as possible during difficult times. For each pound recycled, RMHC typically receives 40 to 50 cents.

I have picked up hundreds of pounds of metallic tabs all over the state and delivered them to my local RMHC, which is on-site at one of the top children's hospitals in West Virginia. Thousands of family members, including siblings, mothers, and fathers from across the state have stayed here during difficult times. This charity has provided so many families in West Virginia who can't afford hotel stays or meals with daily necessities while going above and beyond to care for them. This is near and dear to my heart because I personally know a family who stayed here while their newborn son was undergoing open-heart surgery.

From volunteering at RMHC's ice cream socials to donating tabs over the past three years, I know I have made a huge impact on others who need so much help. Every month, I stop by with a carload of tabs. My customer account and I plan to give as much as we can to help struggling families for years to come." - **Nikki Dalesio, Off/On Sales Consultant, SGWS WV**

A Toast to Our Local Market VolunCheers

Southern Glazer's employees have an unparalleled passion for paying it forward. Our people take the time to support their local communities year-round through their volunteerism and generosity. Below are just a few of the impactful stories that our employees have shared with us.



"I went to Medellin, Colombia in January 2012 to look at churches and orphanages (now called Hope Centers) that needed funding. I went with two lifelong friends, as well as around 10 other men from around the country, with an organization called [International Cooperating Ministries \(ICM\)](#). First stop was to visit a young woman in the hills named Erika (we still keep in touch) who would drive up to the mountains to care for 20 to 30 kids every day after work. We fell in love with her and the kids. All they had were four cinderblock walls, a tin roof, and a dirt floor.

We left there with short-sighted goals of taking care of one Hope Center and ended up founding [A Sheltered Life](#). We have one annual event with amazing entertainment, food, wine, an auction, and more. All funds raised support two 501(c)(3) charities: ICM and [Boys and Girls Country of Houston](#). Through ICM, we fund the construction of Hope Centers around the world. We have about 38 that each care for around 50 kids in Colombia, Honduras, Bolivia, Haiti, Malawi, Cambodia, El Salvador, Guatemala, the former Soviet Union, and more. Locally, we partner with the Boys and Girls Country so we can have a place for volunteers to help serve and get involved. They send a child speaker ranging from 12 to 18 years old to our yearly event, and it's the highlight and tearjerker of the night. Many of our SGWS employees volunteer to work the event each year and several suppliers participate with donations.

To top it off, I met a woman who volunteered as a translator on that first trip in January 2012. We are now married with 6-year-old and 3-year-old girls." - **Mike Morrison, Director, Trade Development, SGWS TX**



"For our final event of 2021, SGWS Arizona rallied to help feed the hungry. We partnered with a local charity, [Kingdom Helps Center](#), to purchase the food items through a generous donation from Fifth Generation (Tito's Handmade Vodka).

Southern Glazer's Director of Human Resources Michael Harper, fellow VolunCheers Ambassador Lisa Espinosa, and myself had all the food items shipped to our Phoenix warehouse, where 25 eager volunteers boxed and palletized 350 cases of food.

We secured a parking lot for distribution, where we staged six people with signs on the sidewalks to direct cars to our receiving line. Most people were overwhelmed and so gracious. Turkeys were very hard to find, so volunteers handed \$25 gift cards to each car. With this, families could go and purchase whatever meat item they wished.

We also set aside 70 boxes for our SGWS employees that needed help. We sent 25 to Tucson, AZ, and John Vlahogorge, Southern Glazer's Tucson Manager, distributed them to employees in need. The rest were handed out to employees in the Phoenix warehouse. We welcomed many new employees in December and they were overcome by Southern Glazer's generosity.

It was a huge endeavor, but so gratifying and humbling. We're looking forward to repeating the event."

- **Peggy Hobart, Sales Coordination & Events Manager, SGWS AZ**



Connect with Southern Glazer's Wine & Spirits

For more information, contact the SGWS Communications & Corporate Social Responsibility team at VolunCheers@sgws.com.

Connect with us across each of our social media platforms for the latest on Company news and activities. Include **#SGWSGivesBack** to showcase your local VolunCheers philanthropic activity to our team members and industry partners.



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