



**SUSTAINABILITY
REPORT
2018**



**SUSTAINABILITY
REPORT
2018**





*Our deepest wish is that this project
should be good for the people of Montalcino, good for Italy,
good for America and good for all those
who love quality wines.*

JOHN F. MARIANI, 12TH SEPTEMBER 1984
FROM THE SPEECH INAUGURATING
THE BANFI WINERY AT MONTALCINO

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GRI 102-14

CHAIRMEN LETTER

The passion characterizing Banfi in the creation of excellence products and services has driven our company in the past and still continues to represent the source of inspiration in the creation of a sustainable development model, able to finetune the needs, incentives and constraints the outside world currently presents. A sustainable development means that we believe that only a fair and even management of economic, social and environmental issues can create the balance necessary to support the present and guarantee our future.

In this perspective, the Sustainability Report represents the most important instrument to summarize our commitment, the commitment of our company as a whole, not just in presenting data and information, but in creating a true culture of sustainability to be more and more spread and shared.

2018 has rewarded wine production in Italy, which has reached 50.4 million hectoliters, for the first time exceeding the record threshold of 20 million hectoliters of production of quality wine (DOC and DOCG). Such positive data are accompanied by climatic events that reveal how this year has been characterized by severe events that hit the Italian territory.



GRI 102-14

The rapid alternating of sun and bad weather, short and very powerful rainfalls as well as sudden hailstorms with temperatures beyond the season average, increasingly call our attention to the issue of climate change, an element more and more characterizing seasons these last years.

This is the subject dealt with by Cristina Mariani May in the course of the second session of the Climate Change Leadership Summit held in Porto, pointing out that at Banfi, wine production has always been accompanied by a commitment to the preservation of the territory. To continue to operate in a healthy environment, it is fundamental to limit the use of substances in the soil and in cellars, at the same time developing a deeper awareness of wine manufacturing process. Cristina also noted that such a commitment can be carried out thanks to a long education process that Banfi has been developing, more and more calling public attention on the territory and products.

The work we have started this year in preparing the Sustainability Report sets the foundation for the creation of our sustainable development model. With the purpose of increasing awareness of imminent global challenges, we have integrated in our material issues the Sustainable Development Goals defined

in the UN 2030 Agenda, the action programme for people and the planet that the governments of the 193 member countries subscribed in September 2015.

Attention to these objectives has thus enabled to finetune the definition of the Sustainability Strategic Plan, an essential instrument to govern in the long-term economic, environmental and social issues, already introduced in our previous Report and discussed in a dedicated paragraph in this document. While we are aware of the importance of producing more and more reliable and accurate data and information, we have improved our reporting and data collection system, reflecting such care both in 2018 data and in data for prior years. These efforts serve to start a process of Report certification, to complete our path and transfer reliability to our stakeholders' need for information.

Last, but not least, we are reviewing our approach for stakeholders engagement, with the purpose of improving effectiveness and developing relationships able to focus on shared value and common growth. These are the challenges characterizing our nature and that we strive for. We will keep you informed on their development, sharing targets achieved and the new goals.

We are aware that the Sustainability Report is a primary instrument of knowledge and training. We are therefore proud to share this year as well our passion and corporate identity and to continue the path of constant growth that still drives our sustainability vision.

With this spirit, we hope you enjoy reading this Report!

Chapter 1

BANFI: NUMBERS, MANIFESTO AND REFERENCE VALUES. OUR STRATEGY.



Italian regions

2

Tuscany
Piedmont

Territories

3,139

in ha

Tuscany
3,089 ha of which
1,600 ha cultivated

Montalcino (SI)
Casalappi (LI)
Cerreto Guidi (FI)
Castellina in Chianti (SI)
Centoia (GR)
Bolgheri (LI)

Piedmont
50 ha of which
35 ha vineyard

Novi Ligure (AL)
Acqui Terme (AL)



Average employees

397

Italy combined



Turnover

67.8

in mln Euro

Total combined
turnover in ItalyValue distributed
to third parties

91.5%

Generated combined
value distributed
to third parties

Certifications

6

ISO 9001
ISO 14001
SA 8000
BRC
IFS
OHSAS 18001



MANIFESTO

Since it came into being nearly forty years ago now, Banfi has always understood the importance of its area as an asset to sustain and promote by constant effort.

In fact wine, more than other products, is an intrinsic expression of the bond between the soil and man's skillful toil. Aware of this, therefore, Banfi has tended to operate by not only adopting a sustainable system of production, careful to safeguard the surrounding environment, but also by preserving the area's heritage in its entirety: its culture, its history, its evolution.

Banfi's undisputed leading role in creating the extraordinary success of Brunello and Montalcino all over the world has been played while uninterruptedly sustaining its surrounding area and its community.

"No man is an island", John Donne says in his poem, because he is part of the main, and the same can be said of the Company, according to its philosophy: it could only have achieved the extraordinary success of its wines through supporting its area and the community of which it is an integral part.



GRI 102-12

GRI 102-16

REFERENCE PRINCIPLES AND VALUES

In going about its day-to-day activities, Banfi bases its behaviour on the observance and affirmation of the universal principles laid down in the following international documents:

- Universal Declaration of Human Rights (1948);
- Rio Declaration on Environment and Development (1992);
- Paris Climate Agreement (2015);
- Global Compact (2000);
- International Food Standards by Codex Alimentarius Commission.

Banfi's commitment to laying down and affirming the principles and ethical values which guide and bind the behaviour of our stakeholders and all those with whom the Company comes into contact has taken the form of the preparation of a Code of Ethics, which has been adopted by both Banfi Società Agricola S.r.l. and Banfi S.r.l.

In the Code of Ethics Banfi has enshrined the principles by which it stands and the rules of conduct which govern our relations with consumers, workers and suppliers, in addition to the procedures for putting the provisions of the Code into practice.

We draw attention to the following principles among those stated in the Code of Ethics:

- compliance with rules and regulations;
- honesty;
- transparency;
- confidentiality;
- fair competition;
- integrity;
- fairness in relationships with employees;
- safeguard of the environment.

In addition to preparing the Code of Ethics, Banfi has adopted an Organisational, Management and Control Model under Legislative Decree 231/2001, thus further strengthening its own internal control and risk management system.

SUSTAINABILITY STRATEGIC PLAN

With the purpose of developing a more and more structured and long-term approach in managing sustainability issues, in the course of 2018 Banfi has continued its path towards the definition of the Sustainability Strategic Plan, the most important instrument to govern future challenges in managing the economic, social and environmental dimension of the business.

The Sustainability Strategic Plan, over a medium/long-term period, identifies all the objectives and actions to be developed, at the same time associating resources and goals to be achieved. In addition, assigning responsibilities to each identified action, it will be possible to guarantee constant monitoring of the plan, with a periodic report on the achievement of predetermined goals within the Sustainability Report.

The Plan development has started from the analysis of the 17 Sustainable Development Goals (SDGs) defined in the 2030 Agenda for Sustainable Development.

The document was presented in New York in September 2015, and has defined the global challenges that member countries will have to face, identifying 169 goals towards sustainable development, global growth and cooperation among Nations.

The objectives set out in the 2030 Agenda are based on these 5 directives:

- **People:** eliminate hunger and poverty in all its forms, guarantee dignity and equality;
- **Prosperity:** guarantee prosperous and full lives in harmony with nature;
- **Peace:** promote pacific, fair and inclusive societies;
- **Partnership:** implement the agenda through sound partnerships;
- **Planet:** protect natural resources and the climate of our planet for future generations.

The 17 sustainable development goals are illustrated below:



The joint analysis of the Sustainable Development Goals and of our peculiarities enabled to identify the interesting issues where to build the Strategic Plan.

These issues, in line with the relevant subjects reported in the Sustainability Report, are directly connected with these 8 SDGs:



For each identified goal, we have defined the following elements:

- the most involved **stakeholders**;
- the **vision**, expressing our thought as to how Banfi intends to carry out its commitment to realize future actions;
- the **actions** where to invest in the next few years, to develop our vision.

The Sustainability Strategic Plan is represented in the following chart that shows the above-mentioned elements.

SUSTAINABILITY STRATEGIC PLAN

Issues	Personal growth and evolution	Safeguard and defense of the eco-system	High quality and progress	Growth in the territory and cooperation
Stakeholders				
Vision	Guarantee professional development and well-being valuing individual skills and paying attention to change.	Develop a sustainable production system to safeguard the environment and biodiversity, able to limit the environmental impact.	Invest in agronomic techniques, technological innovation and research to support the quality evolution of products and technical and scientific progress.	Represent a reference point for the development of the territory and of the local community, through commercial initiatives and knowledge dissemination.
Actions	Invest in <ul style="list-style-type: none"> • professional development • technical-professional training 	Increase <ul style="list-style-type: none"> • attention to power consumption and materials utilized • variety of landscape and crops 	Support <ul style="list-style-type: none"> • research and knowledge dissemination • technology and pilot vineyards 	Develop <ul style="list-style-type: none"> • territory sustainability report • association relationships
Sustainable Development Goals		   	  	  



Chapter 2

HISTORY, TERRITORIES, PRODUCTS AND HOSPITALITY SERVICES



OUR FIRST FORTY YEARS 1978 - 2018



3,139 ha

The territories
+14 ha compared with 2017



94

Wine distribution
countries

CULTIVATED TERRITORY

Tuscany



1,039 ha vineyards
114 ha orchards olive
39 ha groves arable
325 ha land various
41 ha crops



32 References
Tuscany

Piedmont



34 ha vineyards



14 References
Piedmont



60,000

visitors per year



62.1

in mln Euro
Wine total combined
turnover*

5.2

in mln Euro
Hospitality total combined
turnover*

* Net of Intercompany sales

BANFI HISTORY



1978

Foundation of Villa Banfi in Montalcino.



1980

Beginning of the zoning process.



1982

Beginning of clone selection process on Sangiovese.



1984

Inauguration of Montalcino winery – a milestone in modern wine production.



1998

Birth of the Jazz&Wine festival in Montalcino.



2001

The UNI EN ISO 9001 and ISO 14001 certifications are obtained.



2005

The SA 8000 certification is obtained.



2009

The use of the light bottle becomes reality.



2015

First issue of the Sustainability report.

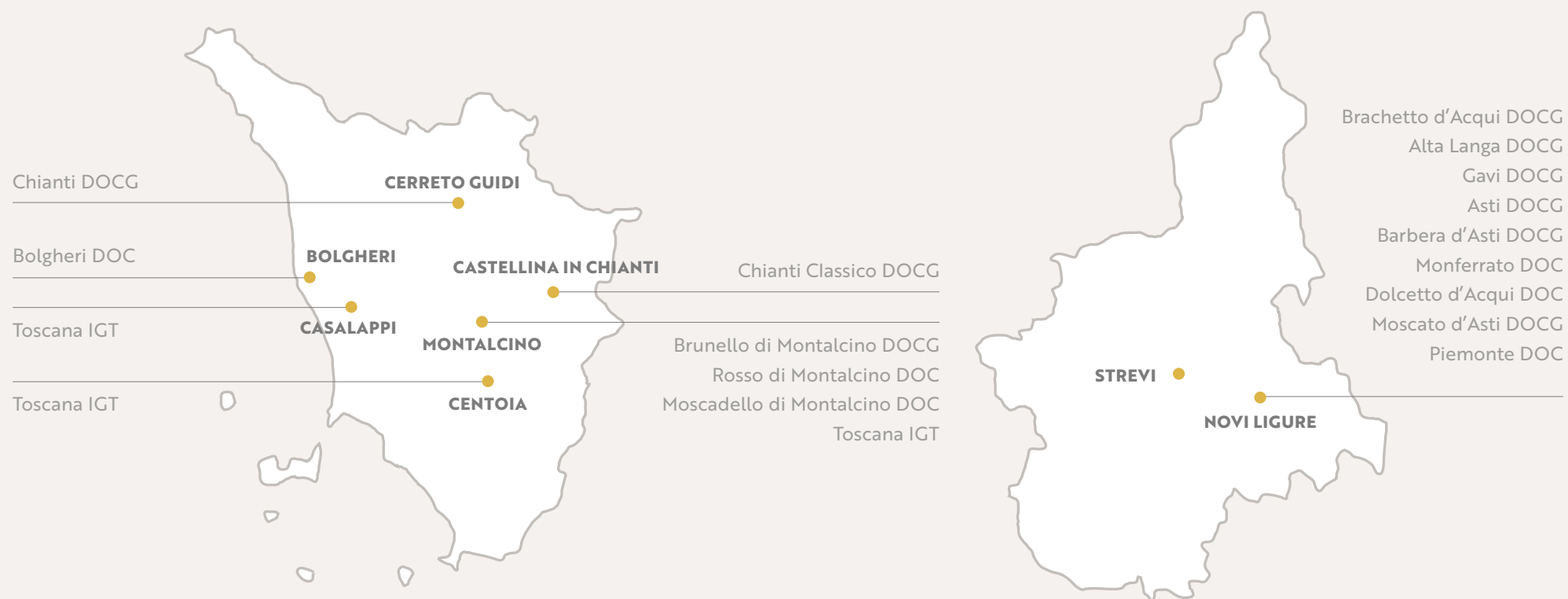


2018

Banfi's 40th anniversary.

GRI 102-4

BANFI TERRITORIES

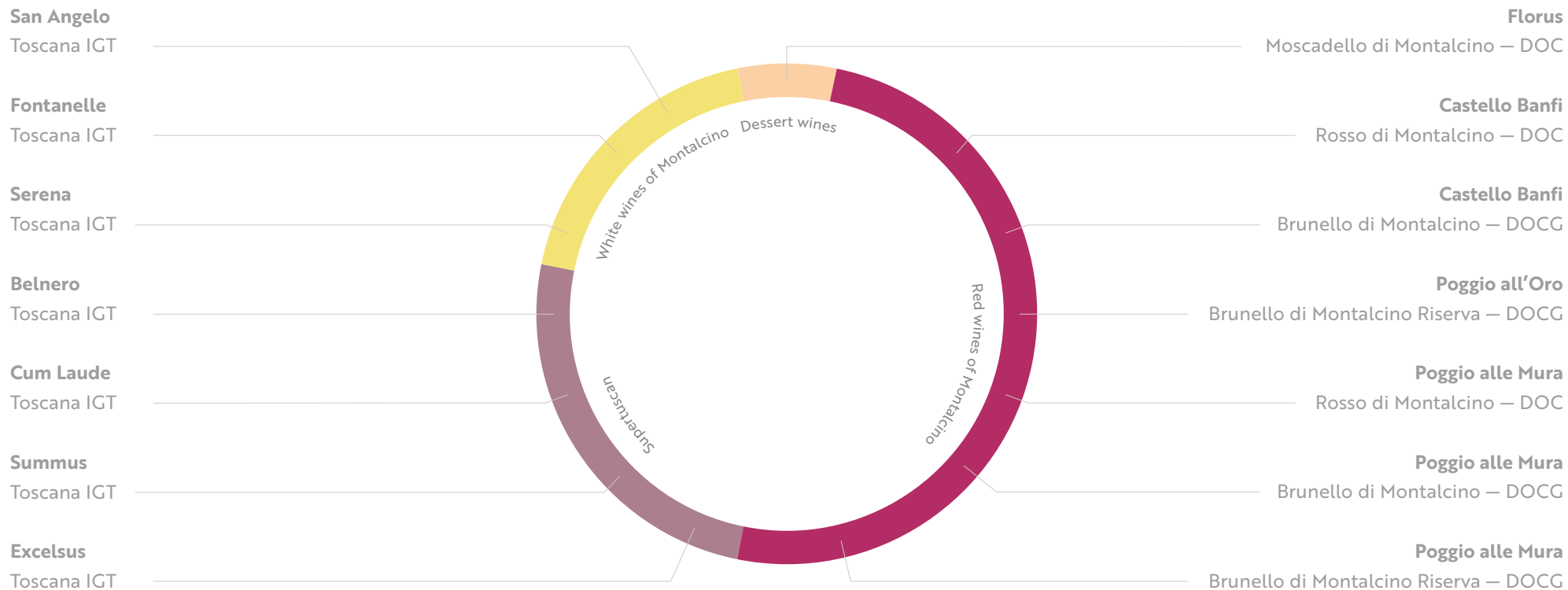




GRI 102-2

WINE

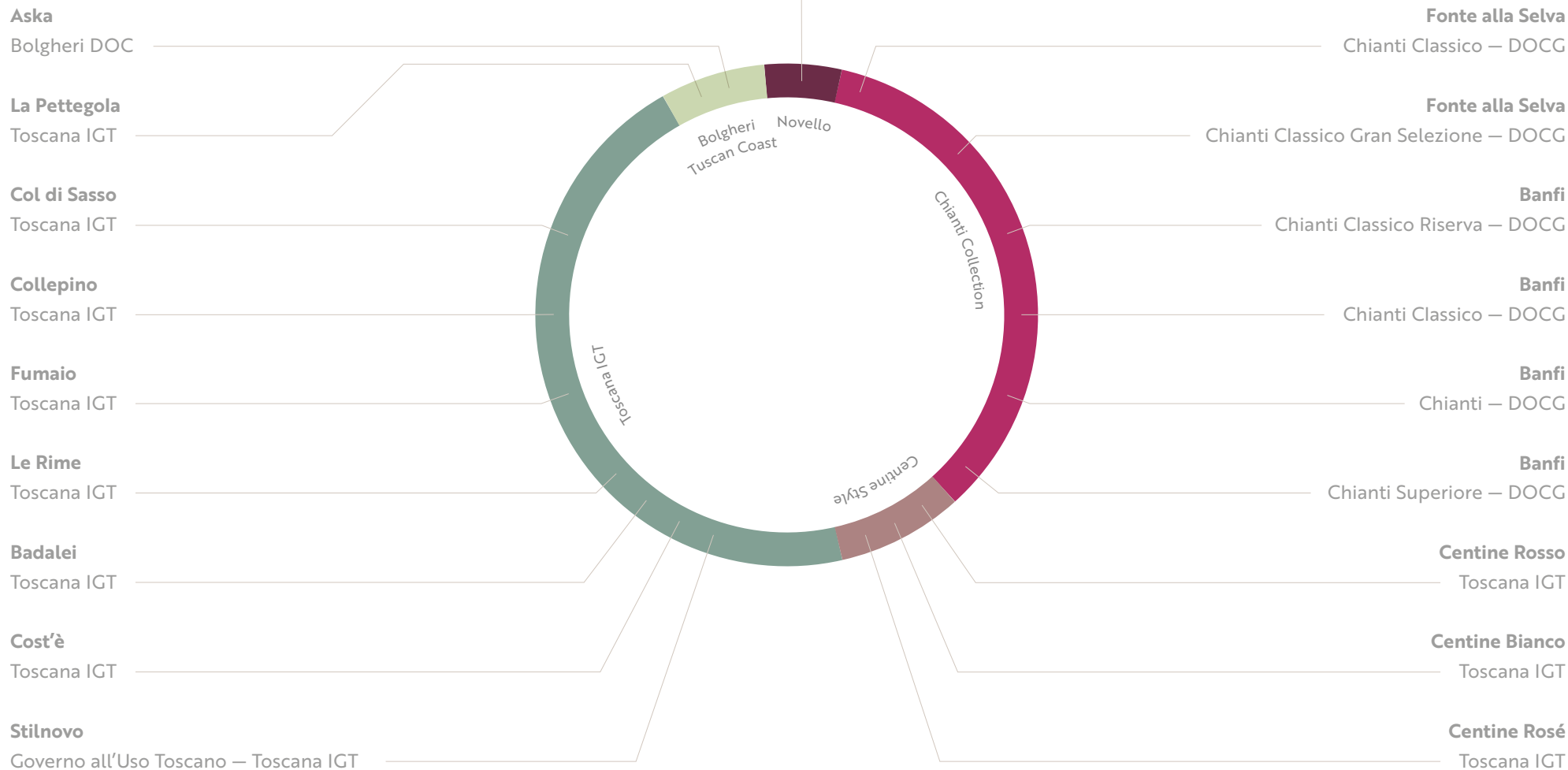
Tuscany — Castello Banfi



GRI 102-2

WINE

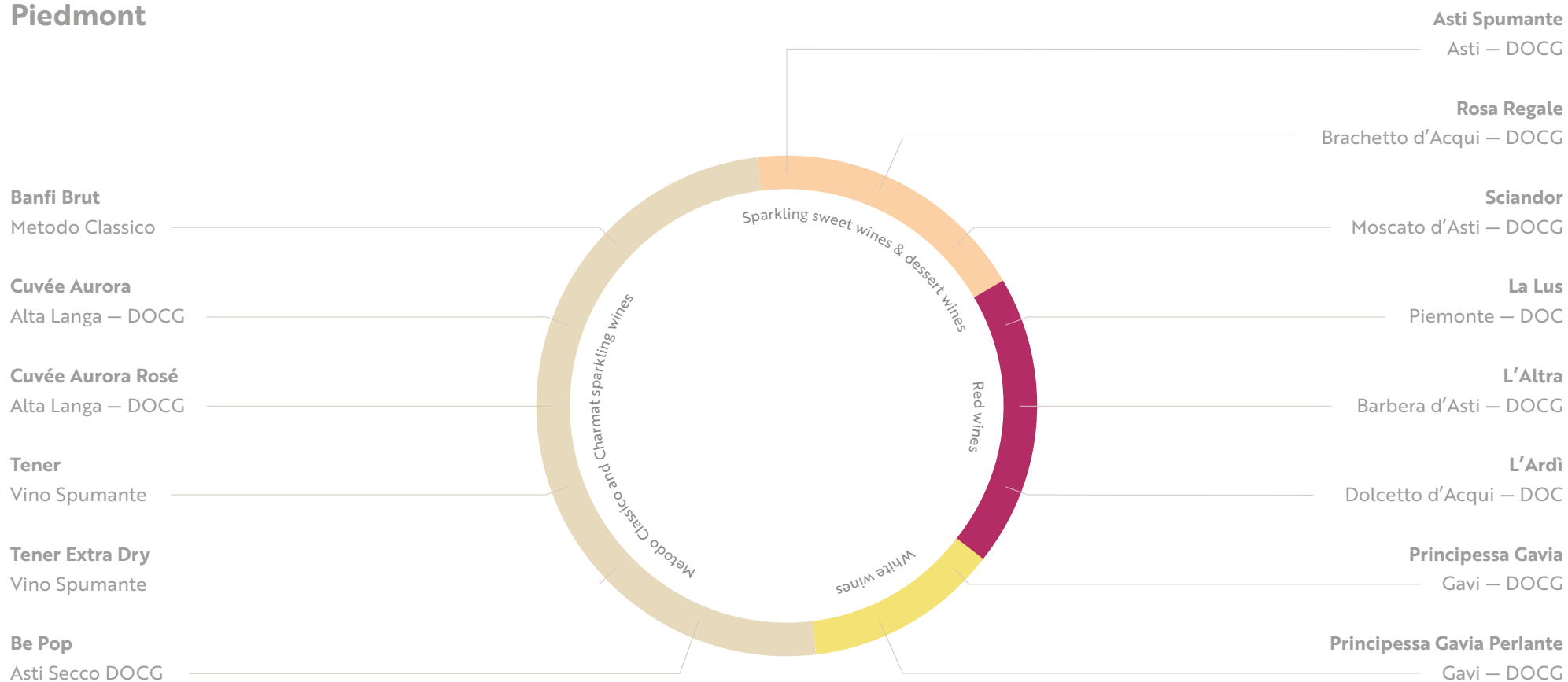
Tuscany



GRI 102-2

WINE

Piedmont







GRI 102-2

BANFI PRODUCTION: BEYOND WINE

Banfi's passion and love for Montalcino tell a story that goes beyond wine, encouraging similarly authentic and prestigious productions. Even though vines continue to represent the main crop, along the years Banfi has developed other agricultural activities, aiming at enhancing the value of the area of the estate characterized by specific agronomic products very different among them, at the same time preserving the peculiarities of the typical Tuscany countryside.

In fact, as to extension, prune trees are the second most important orchard. Cultivated land is mainly situated along the Orcia and Ombrone rivers, and is destined to the production of **Agen plums** of which Banfi is the main Italian producer. Drying and grading are performed at Banfi's Fruit Centre, while products are subsequently sent to Modena, to a packaging cooperative centre.

Furthermore, **olive tree** groves are cultivated in the southern part of the estate, and produce Banfi Olive Oil and the Poggio alle Mura oil: delicious nectars, a gift of this extraordinary land.

Cherry trees represent another important orchard. Part of the territory is destined to organic arable crops, such as **Cappelli durum wheat** (started in 2016) and **hulled wheat**.

In addition, **pasta** is manufactured under Banfi's trademark, for internal use and the exclusive sale at the Winery and the **Etruscan Balsamic Dressing**.

GRI 102-2

HOSPITALITY

IL BORGO



2 Deluxe Rooms
Riserva

40 m²



7 Junior Suites

55 – 65 m²



3 Classic Suites

70 – 80 m²



Suite Riserva

75 m²



Suite Poggio all'Oro

110 m²



2 Restaurants



Pool Bar



Heated
swimming pool



Wedding and
events hall



Meeting area



Winery



Balsameria



Agritourism

IL BORGO

MOST RECENT AWARDS AND ACKNOWLEDGEMENTS



**TRAVEL+
LEISURE**

#8
hotel in Italy



Winner
Wine Country Retreat



**Condé Nast
Traveler**

#20
hotel in Europe



**Andrew
Harper®**

TOP 100
hideways in the world
#20
hotel in the world

IL BORGO

AFFILIATES



VIRTUOSO.
SPECIALISTS IN THE ART OF TRAVEL



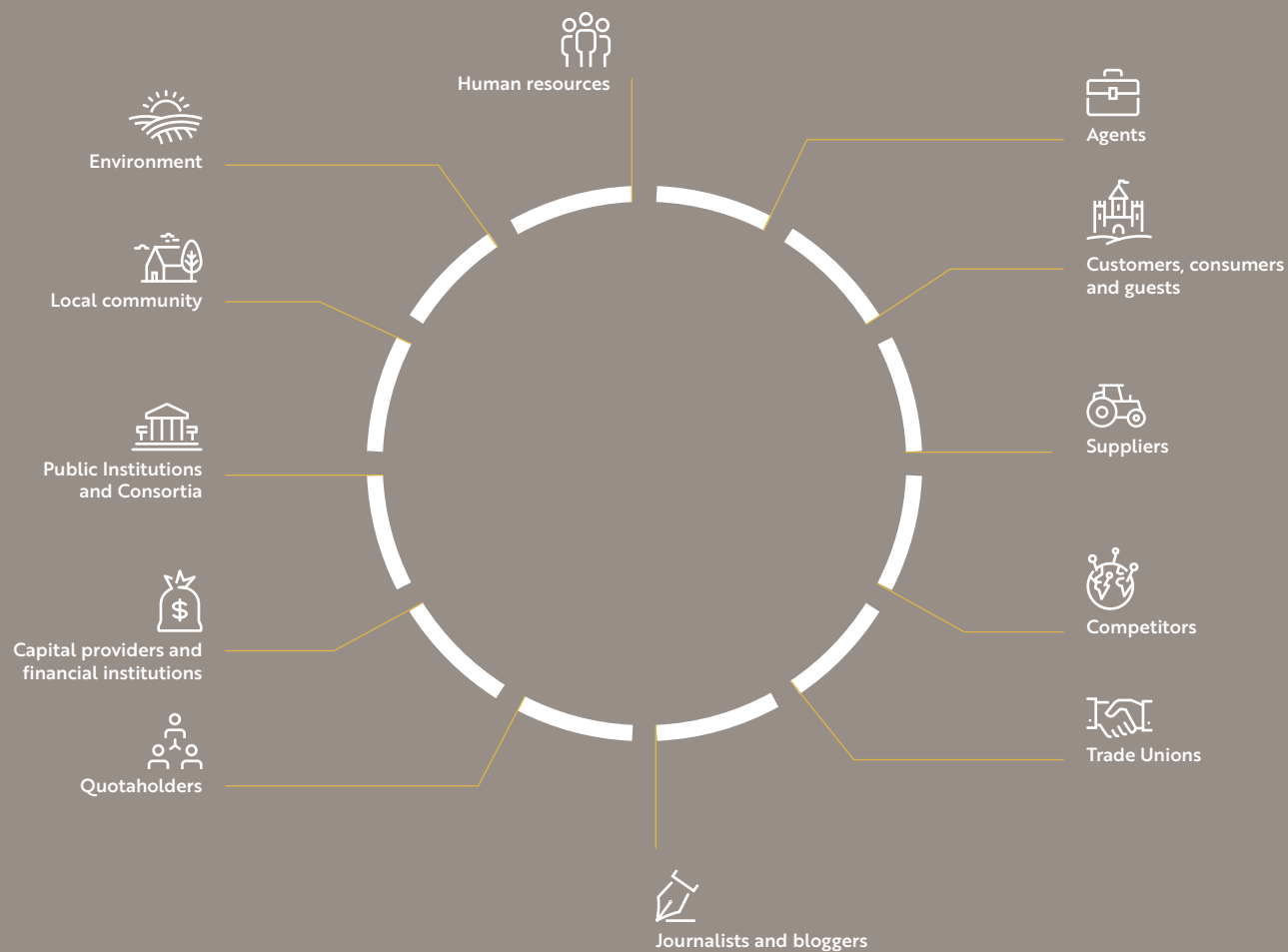
SIGNATURE
TRAVEL NETWORK



**Traveller
Made®**

Chapter 3

BANFI STAKEHOLDERS



GRI 102-42

STAKEHOLDERS



























The process for the identification of stakeholders has involved Banfi's senior management in an analysis process, focused on the following dimensions:

- **the relationships Banfi creates with the surrounding reality;**
- **issues relevant for Banfi's business.**

In this perspective, all entities influencing and/or influenced by activities performed by Banfi, its products and services as well as performances have been identified. Banfi is committed to such entities in various manners and frequency, searching their commitment to develop and consolidate long-lasting relationships.
































BANFI STAKEHOLDERS

STAKEHOLDER	MATERIAL ISSUE				NATURE OF THE RELATIONSHIP	ENGAGEMENT TYPE
	Value and development of human resources	Safeguard of the environment	Quality protection	Value and development of the territory		
Human resources					Sense of belonging and high professionalism represent key features of Banfi's human resources.	Banfi has adopted specific communication forms with its human resources, setting up a local reporting point where employees can anonymously file their requests and findings. Employees' requests and findings are furthermore discussed within the periodical meetings of the so-called Social Performance Team, the internal structure in charge of supervising criticalities in managing relationships with human resources. The committee meets several times a year.
Agents					Strong sense of belonging and permanent relationships lasting along the years.	Relationships with agents consist in formal annual meetings, where technical and commercial issues are discussed at the same time identifying aspects where Banfi considers it appropriate to develop a specific involvement. In addition, a specific meeting is held with agents who have been working for over twenty years, the so-called "Wisemen Committee" representing a listening point for agents who have a long-lasting relationship with the Company.
Clients, consumers and guests					Continuity and development of commercial synergies.	Banfi develops periodical meetings with customers (entities to whom the Company sells its products to be then resold to end consumers) to manage business relationships. With regard to consumers (the category including end users of the product, who cannot be specifically identified) and guests (customers of hospitality services) Banfi does not develop specific meeting events however involving such categories in events, exhibitions or other activities developed with reference to the individual business segment.
Suppliers					Strong cooperation and innovation-oriented.	Relationships with suppliers are managed with periodical meetings depending on business requirements.
Competitors					Cooperation in valuing the territory and promoting products.	Banfi's relationships with competitors mainly take place within periodical initiatives developed by category organizations and consortia.
Trade Unions					Strong participation and innovation-oriented.	The trade unions, with employees' representatives, are involved in the periodical meetings of the Social Performance Team.
Sustainable Development Goals		 	 	 	 	  

GRI 102-40 GRI 102-43

BANFI STAKEHOLDERS

STAKEHOLDER	MATERIAL ISSUE				NATURE OF THE RELATIONSHIP	ENGAGEMENT TYPE
	Value and protection of human resources	Safeguard of the environment	Quality protection	Value and development of the territory		
Journalists and bloggers					Additional reference point to know trends in the Company's market and to spread Banfi image to consumers.	Banfi has frequent relationships with journalists and bloggers according to two formalities: creating specific meetings, such as attending events, exhibitions or at production sites such as wineries, and developing initiatives on social networks.
Quotaholders					Sharing decisions and power delegations.	Relationships with quotaholders mainly consist in periodical Quotaholders' meetings where, according to the requirements, economic-financial aspects and company's management are analyzed.
Capital providers and financial institutions					Trust with operators in the segment forms the basis of the continuity relationship with Banfi.	Banfi has developed consolidated relationships with capital providers and financial institutions, with specific meetings according to business requirements.
Public insitutions and consortia					Frequency, continuity and sharing intents.	Relationships with public institutions and consortia consist in meetings for the purpose, organized to share relevant aspects for the development of the territory and local communities with regard to relationships with public institutions, or issues shared by the various companies operating in the territory with regard to relationships with the Consortium.
Local community					The safeguard of the local community, the development of educational initiatives and the protection of the local economic fabric represent qualifying elements in relationships Banfi develops with the stakeholder.	Meetings with the local community consist in developing specific initiatives in the territory. Each year Banfi is engaged in several initiatives, to support the local social fabric and its territory.
Environment					Decrease in impact and value reference territory.	Protection of the environment developing specific initiatives with Banfi stakeholders, as required.
Sustainable Development Goals		 	 	 	 	 

GRI 102-44

GRI 203-1

MOST IMPORTANT INITIATIVES STARTED THIS YEAR

In 2018, Banfi has responded to stakeholders' requirements in the course of meetings organized, in particular with the trade unions, public institutions and consortia and the local community. During such meetings, requests were made concerning employees' safeguard, the development of initiatives to support the territory and for the safeguard of consumers.

We illustrate below the most important initiatives developed:

- meeting with the **trade unions**;
- joint participation with Siena province and Consorzio 6 Toscana Sud for activities concerning the **arrangement and depulverization of a section of Provincial Road 117 «la Maremmana»** in the section Tavernelle – Sant'Angelo Scalo;
- within the project **"Montalcino cardioprotetta"** jointly developed with the Municipality and the Association "Misericordia" in Montalcino, purchase of a defibrillator at the disposal of the people and territory of Sant'Angelo Scalo;
- development of the project **"orti nelle scuole"** (vegetable gardens at school) jointly with a local partner, to spread and improve food culture and to encourage healthy and correct nutrition. The project involved some primary school children in the territory;
- **"Vino Veritas"** project, supported jointly with the Police, realizing some Brunello di Montalcino bottles with a specific label on responsible drinking;
- subscription to a project of the Soprintendenza Archeologia Belle Arti e Paesaggio for Siena, Grosseto and Arezzo (SABAP-Si) to recover the **whale fossil found in the Montalcino territory** and currently guarded by the Company, in order to be able to exhibit the fossil to the public;
- Organization of the event for the presentation of the **Sustainability Report** to communicate to the local public authorities, to competitors and journalists the main results achieved on the subject of sustainability.

GRI 102-13

RELATIONSHIPS WITH THE MOST IMPORTANT TRADE ASSOCIATIONS

Banfi actively participates, with different formalities, to some trade associations, such as:

Unione Italiana Vini

Presence in the Management Board and Chairmanship of the Food Segment

Federvini

Presence in the Management Board

Confagricoltura

Supporting many initiatives periodically started

Confindustria Toscana Sud

Presence in the Management Board and Chairmanship of the Food Segment

Consorzio Chianti Classico

Presence in the Management Board

Confcommercio

Supporting many initiatives periodically started

Distretto Toscana Sud

Participation to specific projects, through Vice Chairmanship

Distretto Montalcino

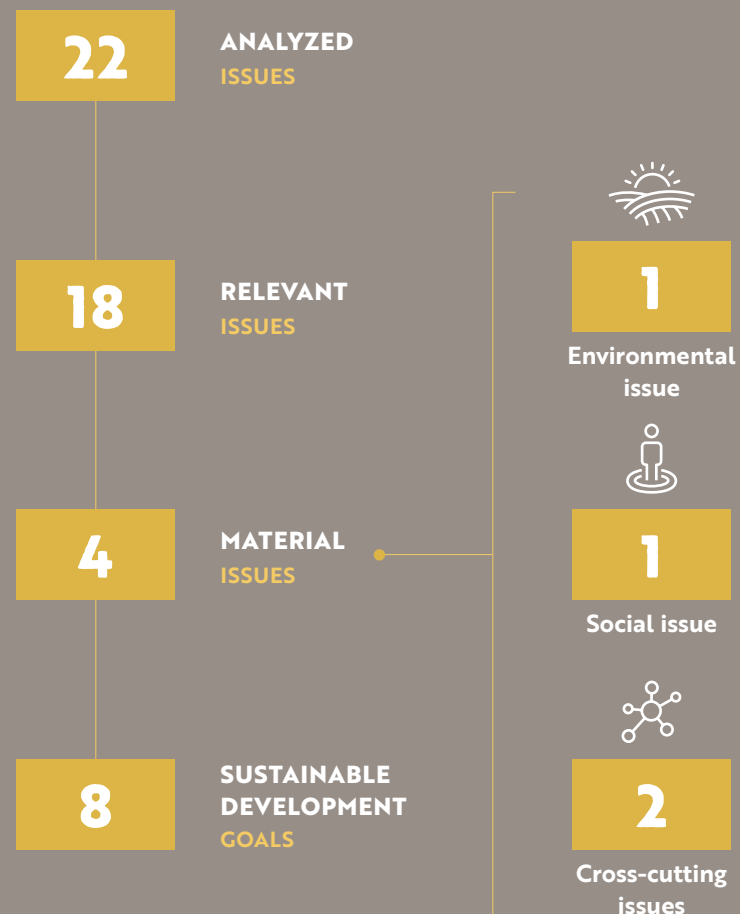
Participation to specific projects

Fond. Territoriale Brunello di Montalcino

Supporting many initiatives periodically started



Chapter 4

MATERIALITY
ANALYSIS

GRI 102-47

Banfi started the materiality analysis process in 2015, at the time of the preparation of the first Sustainability Report. The process involved the company's senior management, with the definition of Banfi materiality matrix, starting from the identification and analysis of corporate stakeholders, investigating the relevance each stakeholder assigns to activities and the role performed by Banfi.

The comparison between corporate and stakeholder points of view revealed identified issues and material issues. The materiality matrix represents such elements in a chart, considering material those issues that are significant both for stakeholders and for the company. The materiality analysis process is periodically updated, to validate its content and to reflect possible changes that might occur along the years. A specific Chapter is dedicated to each material issue in the Report.

In the course of 2018, the materiality matrix was integrated with the results of the analysis of the Sustainable Development Goals (SDGs). In particular, for each material issue, the SDGs with a higher impact on such issue were identified, as shown in the image.

GRI 102-47

**MATERIAL ISSUES**

- 01 Social issues**
Enhancement and development of human resources
- 10 Environmental issues**
Protection of the environment
- 18 Cross cutting issues**
Quality defence
- 19**
Enhancement and development of the territory

SUSTAINABLE DEVELOPMENT GOALS**RELEVANT ISSUES****Social issues**

- 02** Consumer education
- 03** Shortage of skilled labour
- 04** Corporate welfare
- 05** Diversity
- 06** Performance assessment
- 07** Developing and spreading good practices in the chain
- 08** Attracting talents
- 09** Maintaining employment levels

Environmental issues

- 11** Climate change
- 12** Biodiversity protection
- 13** Intensity of cultivation

Economic issues

- 14** Supporting wine production
- 15** Generated economic impacts
- 16** Corporate value
- 17** Brand

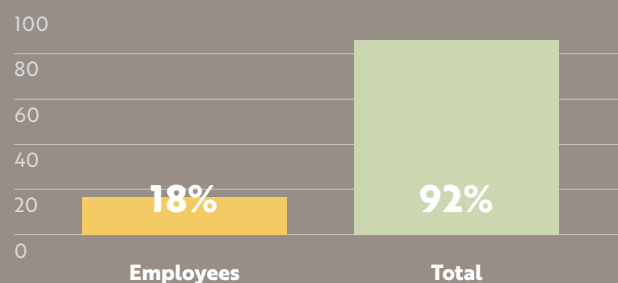
Cross-cutting issues

- 20** Logistics
- 21** Suppliers' selection
- 22** Fighting fraud and forgery

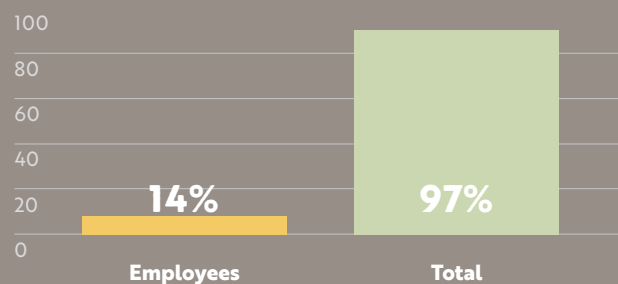
Chapter 5

GOVERNANCE AND
VALUE CREATION

Average economic value distributed 2018-2016



BANFI SOCIETÀ AGRICOLA S.R.L.



BANFI S.R.L.

GRI 102-1 GRI 102-5 GRI 102-18

GOVERNANCE

Banfi Società Agricola S.r.l. and Banfi S.r.l. are the two companies responsible for business management. Both companies are governed by a board of directors consisting of five members, joined by John Mariani, Honorary Chairman with an advisory function.

The chairman and vice-chairman of the board of directors have been given specific operational authority and some executives have also been given certain powers to manage the activities for which they are competent.

The companies have also appointed sole statutory and independent auditors, separating accounting control from auditing the financial statements. Finally both companies have appointed a supervisory board. The following chart describes the Company's governance bodies.

Banfi Società Agricola S.r.l.

Banfi Holding Co.

99.76%

Villadco

0.24%**Remo Grassi**
Chairman**James William Mariani**
Director**Cristina Mariani-May**
Director**Philip Calderone**
Director**Enrico Viglierchio**
Vice Chairman**STATUTORY
AUDITORS**Sole statutory auditor
Alternate statutory auditor
Francesco Bonelli
Marco Turillazzi**AUDITORS**

PricewaterhouseCoopers

**SUPERVISORY
BOARD**Chairman
Supervisor
Marco Turillazzi
Lorenzo de Martino**Banfi S.r.l.**

Banfi Holding Co.

89.529%

Banfi Products Co.

10.254%

Villadco

0.197%**Enrico Viglierchio**
Chairman**James William Mariani**
Director**Cristina Mariani-May**
Director**Philip Calderone**
Director**Remo Grassi**
Vice Chairman**STATUTORY
AUDITORS**Sole statutory auditor
Alternate statutory auditor
Emanuela Giorgini
Marco Turillazzi**AUDITORS**

PricewaterhouseCoopers

**SUPERVISORY
BOARD**Chairman
Supervisor
Marco Turillazzi
Lorenzo de Martino

GRI 102-7 GRI 202-2

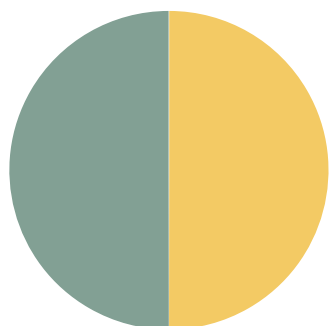
LOCAL SENIOR MANAGERS

Working side by side with the board of directors is the Operations Committee, composed of the heads of department and having the twofold duty of transforming the lines of strategy laid down by the governing bodies and acting as the venue for proposing and discussing new projects and innovations. The expertise and aptitudes vary greatly; the charts which follow show their places of origin and the proportions of persons born in the various areas with which the companies are associated.

BANFI SOCIETÀ AGRICOLA S.R.L.

Local
50%

Non-local
50%

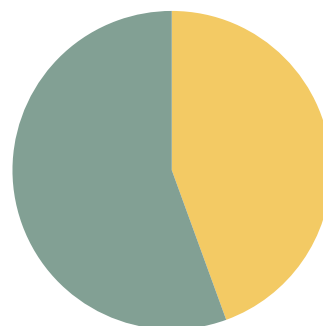


SENIOR MANAGERS	2018	2017	2016
Local	1	1	1
Non-local	1	2	2
Total	2	3	3

BANFI S.R.L.

Local
44%

Non-local
56%



SENIOR MANAGERS	2018	2017	2016
Local	4	4	4
Non-local	5	5	5
Total	9	9	9

EQUITY

In 2018, **Banfi Società Agricola Srl** reported turnover of € 36.9 mln, registering a decrease over the prior year. Taking into account the other items forming the value of production (changes in inventory, other revenues, capitalized costs), Value of Production shows a 6.28% decrease, and amounts to € 42 mln.

BANFI SOCIETÀ AGRICOLA S.R.L.

	2018	2017	2016
Equity	95.4	94.7	93.3
Turnover	36.9	38.9	42.2

amounts in Euro mln

On the contrary, in 2018 **Banfi Srl** turnover remained substantially unchanged, amounting to € 53.2 mln. Taking into account the other items forming value of production (changes in inventory, other revenues, capitalized costs), the Value of Production amounts to € 55.5 mln, just less than one percentage point compared with 2017. Data shown refer to the 2018 EEC financial statements of the two Companies.

BANFI S.R.L.

	2018	2017	2016
Equity	24.0	23.7	23.5
Turnover	53.2	53.0	53.2

amounts in Euro mln





GRI 201-1

GRI 201-4

GENERATED AND DISTRIBUTED ECONOMIC VALUE

The table below shows value creation, with data broken down per company without taking into account related concerns. In addition, the chart below shows the average data for the three-year period concerning total distributed value, as well as the portion of economic value allocated to human resources. The next Chapter discusses how value is created, presenting factors that on the whole result in the economic valuation represented above. As far as all the additional economic and financial aspects are concerned, refer to the 2018 financial statements of both companies, deposited with the Chamber of Commerce.

ECONOMIC VALUES [€/000]	BANFI SOCIETÀ AGRICOLA S.R.L.			BANFI S.R.L.		
	2018	2017	2016	2018	2017	2016
Generated economic value	38,688	40,198	40,820	55,244	55,146	56,502
Operating costs	(28,676)	(30,115)	(27,632)	(45,121)	(46,043)	(46,218)
Remuneration of personnel	(6,959)	(6,892)	(6,930)	(7,543)	(7,320)	(6,819)
Remuneration of capital providers	(325)	(315)	(292)	(519)	(611)	(166)
Remuneration of Public Administration	633	(311)	(739)	(450)	(518)	(359)
Investments to the community	(80)	(42)	(30)	(133)	(51)	(30)
Distributed economic value	35,407	37,675	35,623	53,766	54,544	53,592
Retained economic value	3,281	2,523	5,197	1,478	603	2,910

In the agricultural sector, there are various forms of incentives and both contributions from public funds to the modernisation of equipment and crops and operating grants for certain cultivations or working practices. We illustrate below the most important grants received from the Public Administration.

ECONOMIC VALUES [€]	BANFI SOCIETÀ AGRICOLA S.R.L.			BANFI S.R.L.		
	2018	2017	2016	2018	2017	2016
Public Administration grants	1,066,805	453,589	947,756	153,650	25,719	215,632
Tax deductions	1,206,298	1,440,253	-	1,206,298	1,440,253	-
Advanced capital grants	114,484	105,631	43,192	133,983	90,961	33,707
Exemption from tax on Social Security Contributions	1,325,363	1,271,630	1,273,136	39,014	54,798	54,278
Total	3,712,949	3,271,104	2,264,084	1,532,944	1,611,731	303,617

Chapter 6

OUR VALUE CHAIN AND SENSE OF BELONGING

GRI 102-2

GRI 102-7

GRI 102-9

THE VALUE CHAIN

Banfi has always been working in agriculture, mainly in wine and vineyard production, and in Hospitality, managing the Castello Banfi Il Borgo.

Below we present Banfi's value chain seen through these two areas of business; this presentation outlines the main figures involved in the business.



GRI 102-9

WINE PURCHASES



AGRICULTURE

LASTING GOODS

- Agricultural vehicles
- Shoots
- Plant construction material
- Watering plants

CONSUMABLES

- Fuel
- Fertilizers
- Antiparasitic and phytomedicines
- Equipment and protection of workers
- Uniforms

SERVICES

- Consultancy
- Agricultural services
- Utilities
- Maintenance



WINEMAKING

LASTING GOODS

- Winemaking equipment
- Tanks
- Barrels
- Barriques

CONSUMABLES

- Winemaking material
- Products for laboratory analyses
- Equipment and protection of workers

RAW MATERIALS AND SEMIPROCESSED GOODS

- Grapes
- Bulk wine

SERVICES

- Consultancy
- Utilities
- Maintenance



BOTTLING

LASTING GOODS

- Bottling plants
- Stock management equipment

CONSUMABLES

- Bottles
- Packaging
- Packaging material
- Equipment and protection of workers

SERVICES

- Consultancy
- Utilities
- Maintenance



DISTRIBUTION

LASTING GOODS

- Lorries
- Trucks

CONSUMABLES

- Pallets
- Shipping material
- Fuel
- Equipment and protection of workers

FINISHED PRODUCTS

- Other food products
- Wine to be distributed

SERVICES

- Transport
- Utilities

GRI 102-9

PROCUREMENT

Banfi relies on a selected number of first-rate **suppliers** for the conduct of its activities. Locally, the main types of purchases for Agriculture and Hospitality are raw food products (grapes, bulk wine and local products).

At **national and global level**, on the other hand, relations with suppliers mainly concern services (such as, for example, utilities) and durable goods (such as, for example, equipment and machinery).

Banfi has adopted a sustainable approach to the management of its goods and services procurement cycle. It works with its suppliers constructively in searching to apply practices which aim at continuous improvement and innovation and does all in its power to certify its corporate processes.

The objectives the Company sets itself in the management of its procurement cycle are:

- **manage the main risks** and mitigate their effects;
- **work with its partners** in uniting efforts to make its services and products better and better;
- **enhance transparency** as the means for extending sustainability principles to the entire chain.

Among the aspects which are features of Banfi's ethical conduct in managing supply contracts, we mention our keenness on **precise compliance with contractual clauses**, especially as regards payment obligations.

HOSPITALITY PURCHASES



HOTEL

LONG LASTING GOODS

- Furniture
- Tapestries
- Electric material

CONSUMABLES

- Food products
- Hygiene products
- Consumables
- Equipment and goods for the protection of workers

SERVICES

- Laundry
- Rental
- Utilities
- Magazines subscription
- Maintenance



CATERING

LONG LASTING GOODS

- Furniture
- Equipment
- Kitchen plants

CONSUMABLES

- Food products
- Wine
- Equipment and goods for the protection of workers

SERVICES

- Laundry
- Utility
- Maintenance



WINE SHOP

LONG LASTING GOODS

- Furniture
- Shop equipment

CONSUMABLES

- Food products
- Wine
- Ceramics
- Leather
- Equipment and goods for the protection of workers

SERVICES

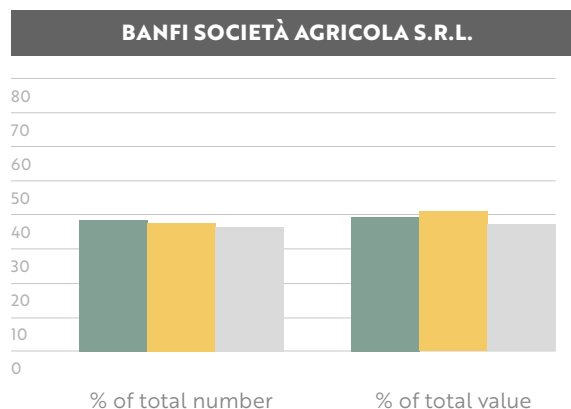
- Utility
- Maintenance

GRI 102-9

GRI 204-1

LOCAL SUPPLIERS

2018 2017 2016

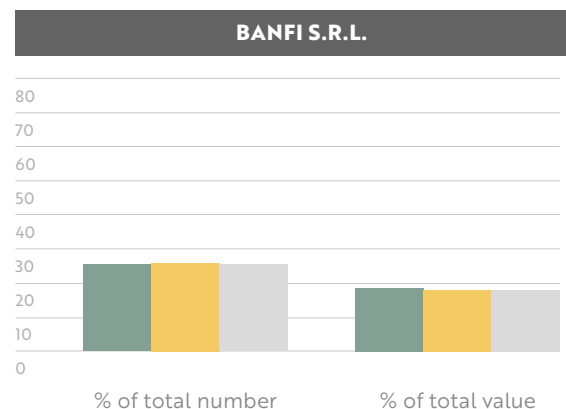


LOCAL SUPPLIERS	2018	2017	2016
Number of local suppliers	248.0	246.0	240.0
% of total number	38.63	37.96	36.2
% of total value	39.45	41.26	37.36

EXPENSES FOR SUPPLIERS 32.3 mln

EXPENSES FOR LOCAL SUPPLIERS 12.7 mln

2018 Euro

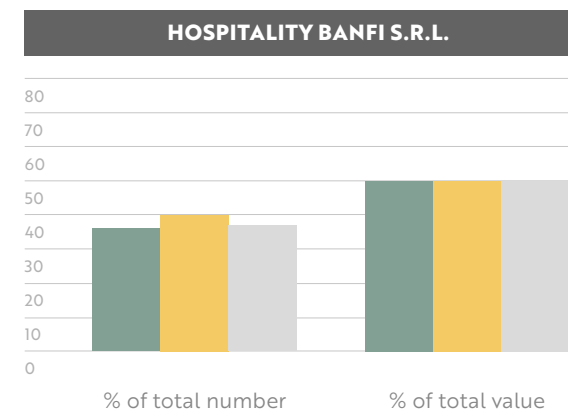


LOCAL SUPPLIERS	2018	2017	2016
Number of local suppliers	550.0	550.0	534.0
% of total number	25.53	25.98	25.19
% of total value	18.17	17.48	17.28

EXPENSES FOR SUPPLIERS 25.1 mln

EXPENSES FOR LOCAL SUPPLIERS 4.5 mln

2018 Euro



LOCAL SUPPLIERS	2018	2017	2016
Number of local suppliers	140.0	157.0	150.0
% of total number	36.36	40.36	36.86
% of total value	49.8	49.92	49.91

EXPENSES FOR SUPPLIERS 0.9 mln

EXPENSES FOR LOCAL SUPPLIERS 0.9 mln

2018 Euro

Local suppliers consist of:

- for Banfi Società Agricola S.r.l. it means suppliers with registered office in the Siena and Grosseto provinces;
- for Banfi S.r.l. it means suppliers with registered office in the Siena, Grosseto and Alessandria provinces.

Please note that intercompany transactions were eliminated for Banfi Srl.

PRODUCTION

The factors responsible for Banfi's output differ according to business areas:

- the agronomy area oversees the management of its **agricultural production** plants (vineyards, orchards, cereals), while the winemaking area deals with the transformation of grapes into wine and the subsequent processes until the finished product is obtained;
- the managers of the **hospitality services**, collaborating with other company departments, run catering, guest reception and sales to the public.

The main aspects of Banfi's ethical conduct in managing its businesses are:

- **as regards environmental impact**, constant attention to respecting and protecting the environment, with a special commitment to reducing the consumption of materials, water, energy and to cutting down the production of waste and CO₂ as much as possible;
- **as regards the management of human resources**, a decisive factor in production activities, the

compliance with employment contracts and related regulations, attention to safety standards, a direct commitment to fostering these standards in all forms and concern for training issues. These are the factors which are most characteristic of Banfi's vision and which help to develop a strong sense of belonging.

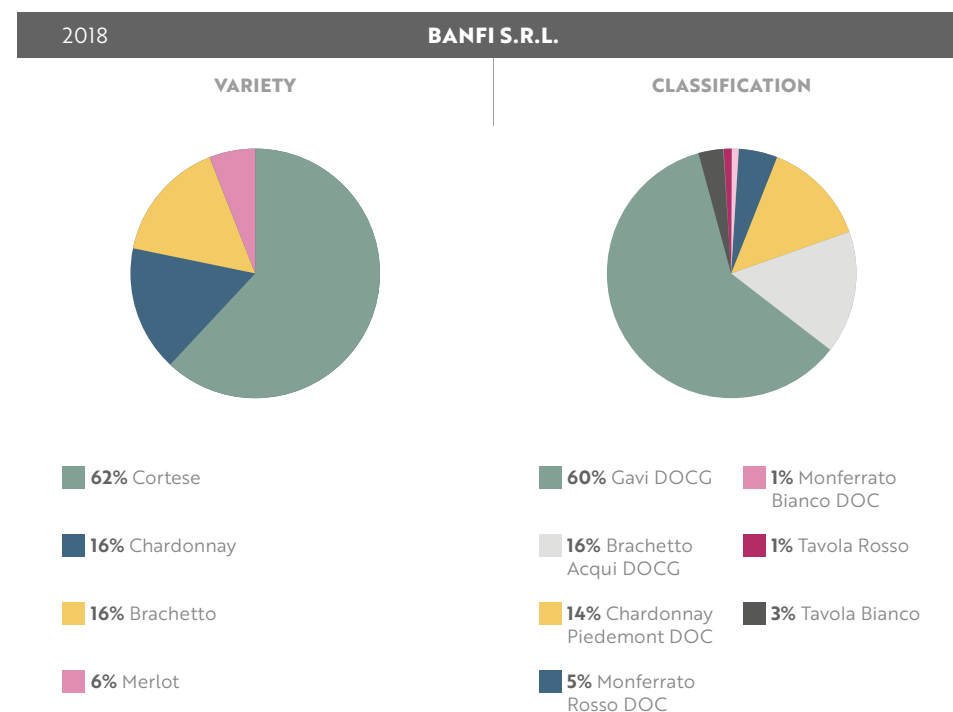
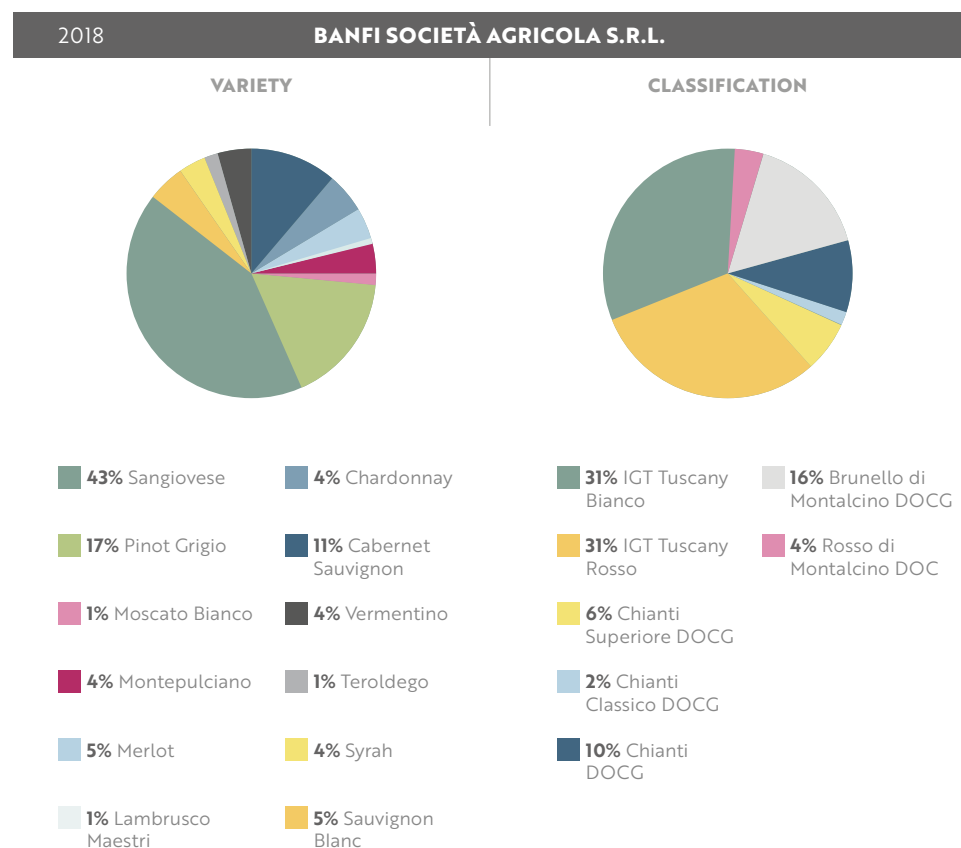
As these themes are materiality issues for Banfi, they are dealt with at length in the chapters devoted to them.



BANFI PRODUCTION: WINE

Wine is Banfi's main production. Since its inception, Banfi has always considered it essential to its strategic development and to pursue its vision, to build its role as producer, focusing on the two Montalcino and Strevi territories, planting vineyards of the most important varieties, accompanied by less important ones, able to widen the opportunities offered by reference territories. We illustrate below the breakdown of production for 2018 according to wine classification. As can be noted in the charts

below 70% approximately of grapes production in Montalcino is focused on red wines, with Sangiovese accounting for 43%, the best local production. As far as white wines are concerned, the most representative varieties in the company's production are Chardonnay, Pinot Grigio and Vermentino. In Piedmont, production is the opposite, with 78% of white wines (Cortese and Chardonnay) and 22% of red grapes, Brachetto mainly.



GRI 102-6

DISTRIBUTION

The manner in which Banfi's products and services are distributed in the two business areas also differ:

- **agricultural products** are distributed by means of a network of intermediaries, agents and importers in 94 countries worldwide. Distribution is supported by the logistics unit, which is responsible for handling and availability, while the marketing unit manages promotional aspects;
- **the hospitality services** (provided at the Castello Banfi Poggio alle Mura) are distributed through agencies in Italy and abroad and at promotional events and trade fairs, as well as through the website and online services specific to the sector.

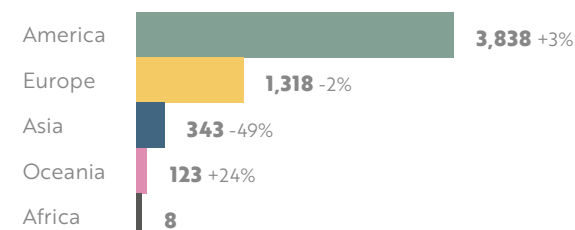
Among the aspects of Banfi's ethical conduct in the management of the distribution of its products and services, it is worth mentioning the particular care taken in selecting commercial partners. The Company seeks out firms which share and foster the basic principles of the fight against counterfeiting, fraud and corruption, commit themselves to respect for human rights and safeguard their workers. Another factor sought for in Banfi's commercial relations is that their partners should promote responsible drinking.

Finally, another aspect of the distribution of Banfi's products and services is that it commits itself to building up long-standing relationships with its partners, again emphasizing the importance of developing a sense of belonging.

2018



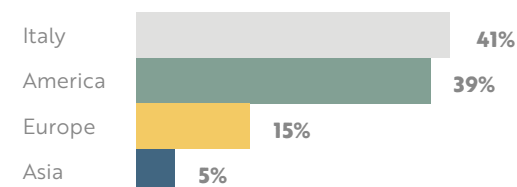
HOSPITALITY | BREAKDOWN BY HOTEL GUESTS



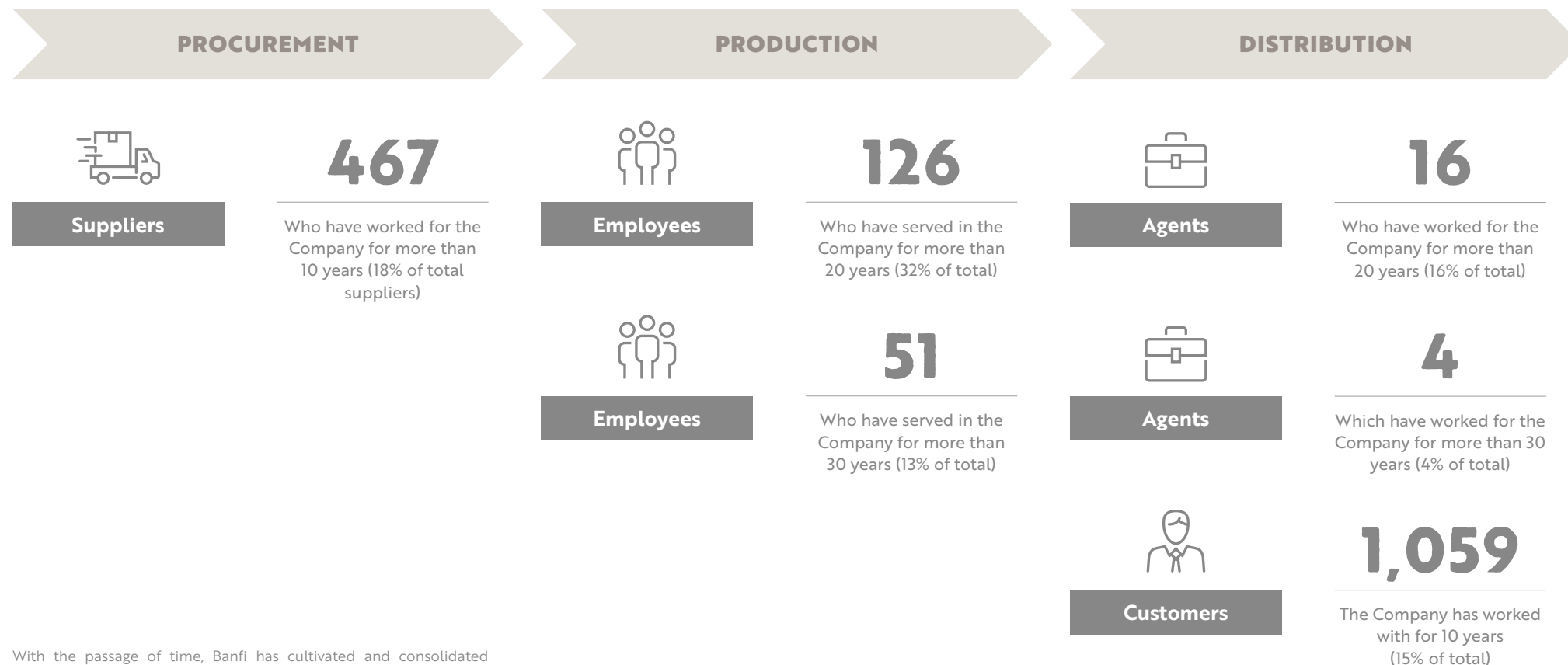
2018



AGRICOLTURA | BREAKDOWN BY WINE SALES



SENSE OF BELONGING



With the passage of time, Banfi has cultivated and consolidated relations of trust with its suppliers, employees, agents and customers generating a strong sense of belonging. The figures which are the best evidence of this feeling are illustrated in the chart above, which shows the number of employees, suppliers, agents and customers who have had continuous relations with Banfi over time. The information provided for employees relates to their recruitment date and the actual time spent in service for Banfi.



Chapter 7

VALUING AND DEVELOPING HUMAN RESOURCES

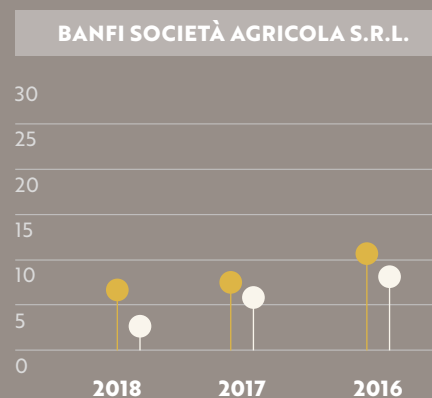
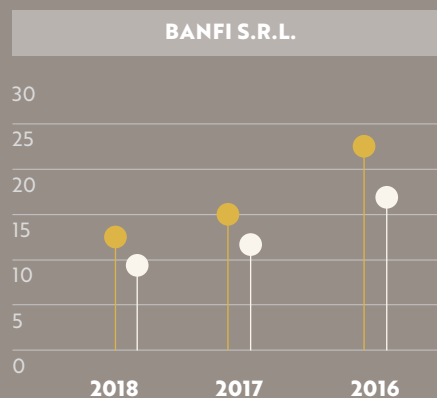
Sustainable
Development
Goals



TOTAL FOR THE 2 COMPANIES

Total for the 2 Companies

■ Year end employees
■ Average employees



BANFI'S EMPLOYEES

Average for the 2 Companies

■ 64%
men
■ 36%
women



364

Employees
in Tuscany



33

Employees
in Piedmont



43 | 8

Employees' average age
years months



15 | 0

Average number of
years with the Company
years months



587,360

Worked hours



WHY MATERIAL?

Banfi believes that production **quality is strictly connected with the development and maintenance of a trained and motivated workforce**. Creating a strong sense of belonging in people working at Banfi is crucial to develop people enrichment and increase their value.



BORDERS

Value recognition and development of human resources have a significant impact on the organization internal borders, directly connected with how it is managed.



HUMAN RESOURCES MANAGEMENT

The issue is managed with the purpose of increasing the positive aspects arising from the creation of a work environment able to develop well being for its human resources. At Banfi this is carried out implementing specific actions with the purpose of creating a strong sense of belonging to the Company. Among such actions, we indicate the following:

- introduction of **rewarding systems**;
- development of career paths that recognize the **value of specific skills**;
- **development of specific training paths**, in addition to those required by the law;
- constant attention to the creation of a **work environment** that encourages coimunication and cooperation.

In 2005, Banfi obtained the certification of its corporate responsibility system, in accordance with the SA 8000 standard, thus confirming the validity of its present management system. Furthermore, in 2017 Banfi obtained the certification of the health and safety management system for employees, in accordance with the OHSAS 18001 standard.



ASSESSMENT AND MONITORING

The corporate responsibility system is periodically tested to guarantee the standards for the certification. The following monitoring activities accompany these specific assessment phases:

- analysis of training hours performed and of the number of trained employees;
- analysis and sharing results and objectives achieved.

GRI 103-1

GRI 103-2

GRI 103-3

GRI 102-7

GRI 102-8

WHO WE ARE

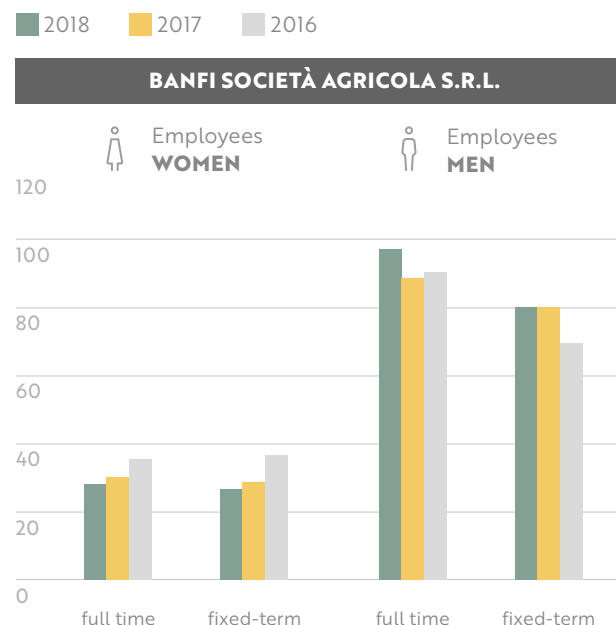
Human resources represent the starting point to tell our **sustainability approach**.

Banfi has a very varied workforce, with approximately **400 persons** constantly engaged to achieve corporate goals, overcome everyday challenges and pursue excellence.

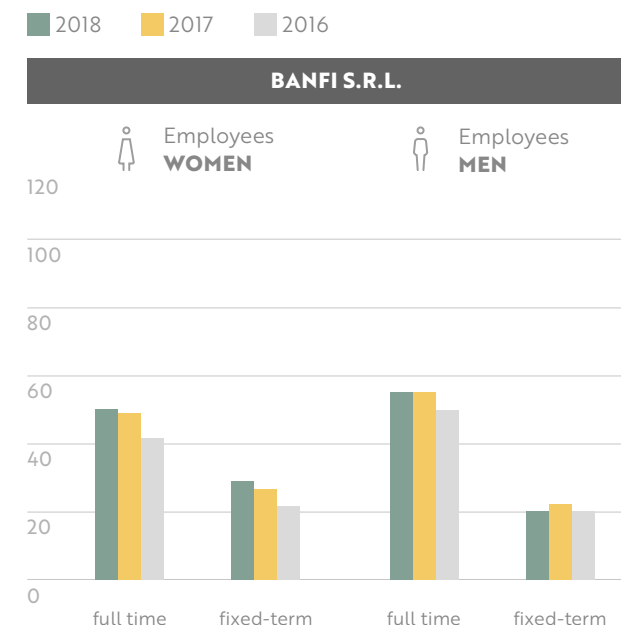
Banfi recognizes the unique and unquestionable value of each individual with his or her own knowledge, culture, experience, making the work environment more and more challenging. Human resources are in fact characterized by the peculiarities of their local territory and activity type.

The unbreakable union between products and services in the reference territory is the focus characterizing the streamlining of culture arising from the territory and external influences.

TOTAL AVERAGE ANNUAL EMPLOYEES



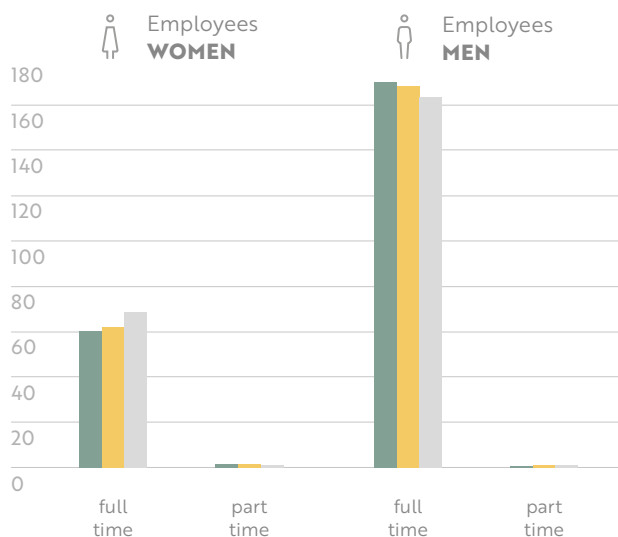
TOTAL EMPLOYEES	2018	2017	2016
Full time	131	129	132
Women	33	35	37
Men	98	94	95
Fixed-term	113	114	111
Women	33	34	38
Men	80	80	73
Total	244	243	243



TOTAL EMPLOYEES	2018	2017	2016
Full time	107	105	98
Women	51	49	44
Men	56	56	54
Fixed-term	46	46	41
Women	26	24	21
Men	20	22	20
Total	153	151	139

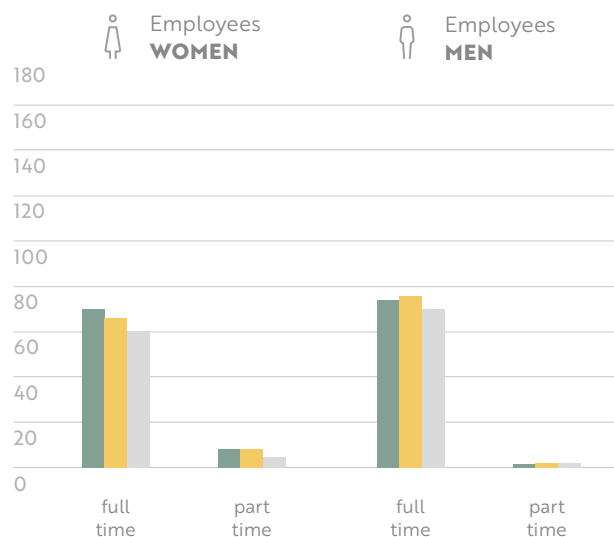
GRI 102-8

2018 2017 2016

BANFI SOCIETÀ AGRICOLA S.R.L.

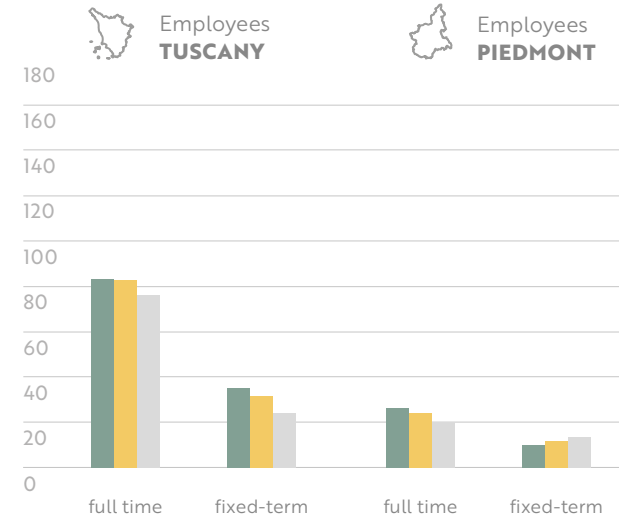
TOTAL EMPLOYEES	2018	2017	2016
Full time	240	238	239
Women	63	66	73
Men	177	172	166
Part time	4	5	4
Women	3	3	2
Men	1	2	2
Total	244	243	243

2018 2017 2016

BANFI S.R.L.

TOTAL EMPLOYEES	2018	2017	2016
Full time	143	140	130
Women	70	66	60
Men	73	74	70
Part time	10	11	9
Women	7	7	5
Men	3	4	4
Total	153	151	139

2018 2017 2016



BANFI S.R.L.

TOTAL EMPLOYEES	2018	2017	2016
Full time	107	105	98
Tuscany	84	83	78
Piedmont	23	22	20
Fixed-term	46	46	41
Tuscany	36	35	29
Piedmont	10	11	12
Total	153	151	139



GRI 102-8

TOTAL AVERAGE ANNUAL EMPLOYEES

BANFI SOCIETÀ AGRICOLA S.R.L.

OTHER WORK RELATIONSHIPS		2018	2017	2016
	Directors	2	2	2
	Women	-	-	-
	Men	2	2	2
	Stage	-	-	-
	Women	-	-	-
	Men	-	-	-
Total		2	2	2

BANFI S.R.L.

OTHER WORK RELATIONSHIPS		2018	2017	2016
	Directors	2	2	2
	Women	-	-	-
	Men	2	2	2
	Stage	1	3	3
	Women	1	2	3
	Men	-	1	-
Total		3	5	5

GRI 102-8

WORK FORCE PERFORMANCE

Another factor significantly characterizing Banfi's human resources is the typical seasonality in the agricultural segment and hospitality.

The characteristic results in the recruitment of personnel at certain times of the year, corresponding to season peaks. Seasonality management varies according to company. As far as Banfi Srl is concerned, personnel recruitment is concentrated at the beginning of the season, while for Banfi Società Agricola Srl, personnel recruitment usually occurs in January, with contracts expiring within the year end, to guarantee to employees the possibility of working necessary days, thus managing the possible increase/decrease in processing due to the weather conditions.

Such differences are determined by the significant number and diversity of processing regarding planting, explanting, growing and cultivating.

This results in a strong presence of fixed-term employees, making workforce variable in the various periods of the year, and is also reflected in the analysis in the Chapter discussing the average workforce data. The reference period for our analyses is the solar year. 100% of employees is covered by national or province labour contracts. There is no company agreement.

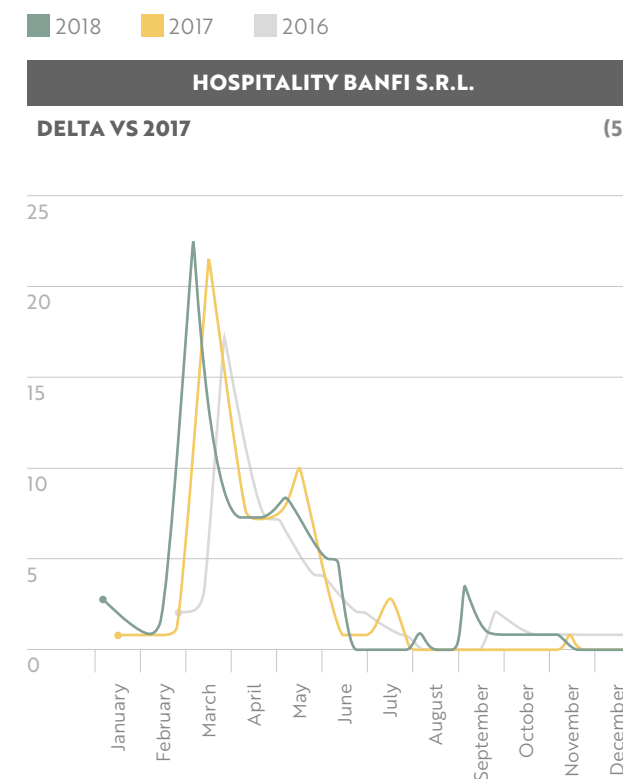
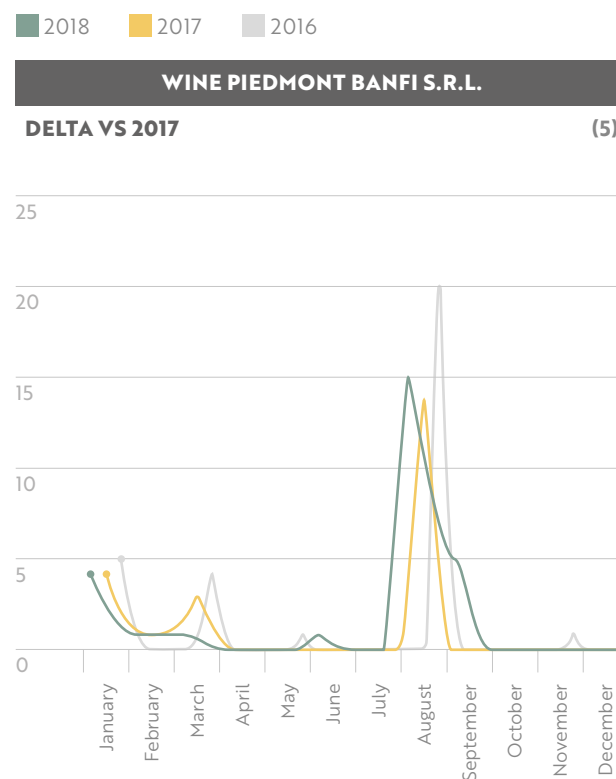
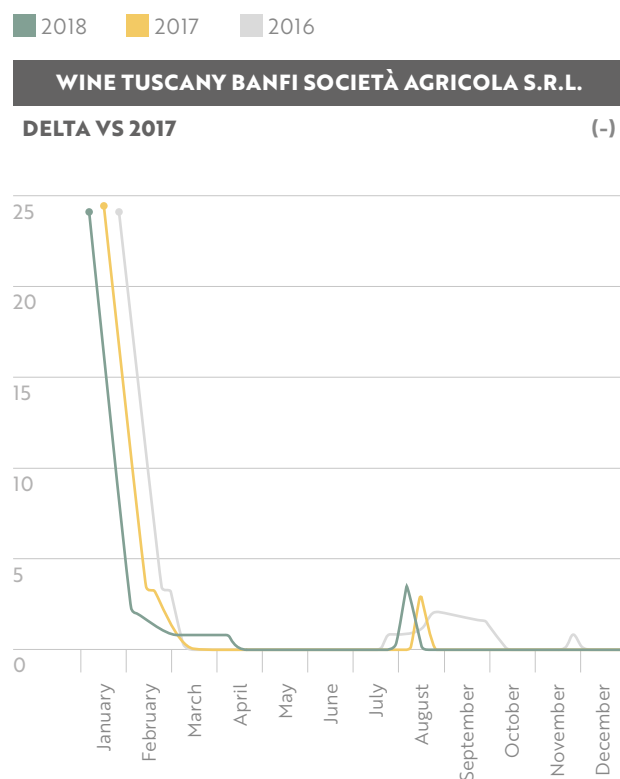
GRI 102-41

Due to the variety of activities performed at Banfi in the various operating sites, several National Labour Contracts (CCNL) are applied:

- **Agricultural Workers** (at the Montalcino and Novi offices);
- **Agricultural Employees** (at the Montalcino and Novi offices);

- **Agricultural Executives** (at the Montalcino office);
- **Services Sector - Confcommercio** (at the Montalcino office);
- **Executives in the Services Sector - Confcommercio** (at the Montalcino office);
- **Public Commercial Concerns** (at the Montalcino office);
- **Food Industry** (at the Strevi office).



Owing to this peculiarity, Banfi considers it a value to operate a Human Resources Office directly in house, which handles both administrative matters (recording attendance, preparing payslips, relations with public bodies, personnel budget and statistical analyses), as well as plans and evaluates training programmes and career development (making use of incentive schemes among other methods).



GRI 202-1

SUPPLEMENTARY COMPANY AGREEMENT

Banfi's commitment to recognizing and valuing its resources is translated into total attention to its employees, without distinction between "senior" and new recruits. Among the most remarkable actions, we can mention the average 20% increase compared with the National Labour Contract (CCNL) recognized by the company to its employees, and, in the majority of instances, the progress in the first-entry level for new recruits. This policy clearly appears when reading data illustrated in the following pages.

% INCREASE COMPARED TO THE CCNL		2018	2017	2016
	Banfi Società Agricola S.r.l.	11.63	13.93	13.80
	Banfi S.r.l.	39.50	39.12	36.22
Average increase		22.25	23.79	22.34

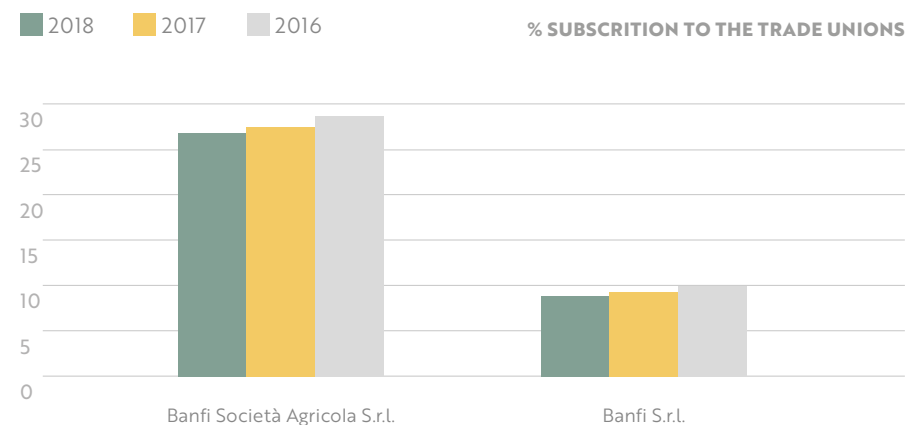
AZIENDA BANFI S.R.L.

Qualification	Contract	Level	Minimum CCNL Level	% Increase
Employee	Alimentari Industria	4° level	6° level	12.81
	Pubblici esercizi	3° level	7° level	27.39
	Terziario Confcommercio	1° level	7° level	178.26
	Terziario Confcommercio	3° level	7° level	39.85
Worker	Pubblici esercizi	4° level	7° level	20.25
	Pubblici esercizi	5° level	7° level	12.62
	Terziario Confcommercio	6° level	7° level	9.95

RELATIONSHIPS WITH THE TRADE UNIONS

Relationships with the trade unions represent a fundamental opportunity to confront, share and gather important information for human resources management. Transparency, trust and participation characterize the relationship between the parties. The chart shows the three-year trend in employees' participation to the trade unions.

% SUBSCRIPTION TO THE TRADE UNIONS OUT OF TOTAL	2018	2017	2016
Banfi Società Agricola S.r.l.	27.47	27.60	28.46
Banfi S.r.l.	8.49	8.68	10.02



WORK FORCE VARIATION

In 2018 Banfi's constant care in attracting and retaining staff with the skills necessary to conduct its different business activities again took the form of a **rise in the trend of new hires** that had been recorded in previous years.

This sensibility led to the recruitment of 25 new resources, 9 of whom under 30 years of age.

Net of terminations – 18 persons on the whole in 2018 (-18% compared to 2017), the average age of employees is still just over 43 in line with that recorded in 2017 (+1.32%). The youngest person in the company is 19 years old and the oldest 72.

2018 again confirmed the strength of the bond between employees and the Company; there was an increase of about three months, equal to +1.63%, in average length of service compared to 2017.

Further evidence of this trend is a similar increase in employees returning to work after **parental leave**, even if the amount of such leave rose: all these members of staff came back to work after their leave.

50% 50%

NEWLY RECRUITED

FIXED FORCE*

60%

*Data calculated on the total for the 2 Companies



Banfi S.r.l.

9

Age < 30 years

16

Age 30 - 50 years

Data calculated on the total for the 2 Companies

77% 23%

TURNOVER

60% 40%



Banfi Società Agricola S.r.l.



Banfi S.r.l.

+3.7%

Banfi Società Agricola Srl

+11.7%

Banfi Srl

Data calculated on year-end values

GRI 102-8 GRI 401-1

NEW HIRES



	2018						2017						2016					
Banfi Società Agricola Srl	Men	Average % rate	Annual% rate	Women	Average % rate	Annual% rate	Men	Average % rate	Annual% rate	Women	Average % rate	Annual% rate	Men	Average % rate	Annual% rate	Women	Average % rate	Annual% rate
Tuscany	9	3.7%	6.7%	-			11	4.5%	8.5%	1	0.4%	0.8%	13	5.4%	10.4%	2	0.8%	1.6%
Age < 30 years	3	1.2%	2.2%	-			3	1.2%	2.3%	-	-	-	6	2.5%	4.8%	2	0.8%	1.6%
Age 30 - 50 years	6	2.5%	4.5%	-			8	3.3%	6.2%	1	0.4%	0.8%	4	1.7%	3.2%	-	-	-
Age > 50 years	-	-	-	-			-	-	-	-	-	-	3	1.2%	2.4%	-	-	-
Total	9			-			11			1			13			2		

	2018						2017						2016					
Banfi Srl	Men	Average % rate	Annual% rate	Women	Average % rate	Annual% rate	Men	Average % rate	Annual% rate	Women	Average % rate	Annual% rate	Men	Average % rate	Annual% rate	Women	Average % rate	Annual% rate
Tuscany	7	4.6%	6.3%	7	4.6%	6.3%	7	4.7%	6.2%	8	5.3%	7.1%	9	6.4%	8.5%	13	9.3%	12.3%
Age < 30 years	2	1.3%	1.8%	3	2.0%	2.7%	4	2.7%	3.5%	5	3.3%	4.4%	2	1.4%	1.9%	4	2.9%	3.8%
Age 30 - 50 years	5	3.3%	4.5%	4	2.6%	3.6%	3	2.0%	2.7%	3	2.0%	2.7%	6	4.3%	5.7%	9	6.4%	8.5%
Age > 50 years	-	-	-	-	-	-	-	-	-	-	-	-	1	0.7%	0.9%	-	-	-
Piedmont	1	0.7%	0.9%	1	0.7%	0.9%	3	2.0%	2.7%	-			2	1.4%	1.9%	-		
Age < 30 years	1	0.7%	0.9%	-	-	-	3	2.0%	2.7%	-			1	0.7%	0.9%			
Age 30 - 50 years	-	-	-	1	0.7%	0.9%	-	-	-	-			1	0.7%	0.9%			
Age > 50 years	-	-	-	-	-	-	-	-	-	-			-	-	-			
Total	8			8			10			8			11			13		

GRI 102-8 GRI 401-1

TERMINATED



	2018						2017						2016					
Banfi Società Agricola Srl	Men	Average % rate	Annual% rate	Women	Average % rate	Annual% rate	Men	Average % rate	Annual% rate	Women	Average % rate	Annual% rate	Men	Average % rate	Annual% rate	Women	Average % rate	Annual% rate
Tuscany	3	1.2%	2.2%	2	0.8%	1.5%	5	2.1%	3.9%	4	1.6%	3.1%	11	4.5%	8.8%	7	2.9%	5.6%
Age < 30 years	-	-	-	1	0.4%	0.7%	-	-	-	-	-	-	-	-	-	-	-	-
Age 30 - 50 years	-	-	-	-	-	-	-	-	-	3	1.2%	2.3%	8	3.3%	6.4%	6	2.5%	4.8%
Age > 50 years	3	1.2%	2.2%	1	0.4%	0.7%	5	2.1%	3.9%	1	0.4%	0.8%	3	1.2%	2.4%	1	0.4%	0.8%
Total	3			2			5			4			11			7		

	2018						2017						2016					
Banfi Srl	Men	Average % rate	Annual% rate	Women	Average % rate	Annual% rate	Men	Average % rate	Annual% rate	Women	Average % rate	Annual% rate	Men	Average % rate	Annual% rate	Women	Average % rate	Annual% rate
Tuscany	7	4.6%	6.3%	3	2.0%	2.7%	8	5.3%	7.1%	4	2.7%	3.5%	3	2.1%	2.8%	1	0.7%	0.9%
Age < 30 years	3	2.0%	2.7%	1	0.7%	0.9%	3	2.0%	2.7%	3	2.0%	2.7%	-	-	-	-	-	-
Age 30 - 50 years	3	2.0%	2.7%	2	1.3%	1.8%	4	2.7%	3.5%	1	0.7%	0.9%	3	2.1%	2.8%	1	0.7%	0.9%
Age > 50 years	1	0.7%	0.9%	-	-	-	1	0.7%	0.9%	-	-	-	-	-	-	-	-	-
Piedmont	3	2.0%	2.7%	-			1	0.7%	0.9%	-			2	1.4%	1.9%	1	0.7%	0.9%
Age < 30 years	1	0.7%	0.9%				1	0.7%	0.9%				1	0.7%	0.9%	-	-	-
Age 30 - 50 years	-	-	-				-	-	-				-	-	-	1	0.7%	0.9%
Age > 50 years	2	1.3%	1.8%				-	-	-				1	0.7%	0.9%		-	-
Total	10			3			9			4			5			2		

GRI 401-3

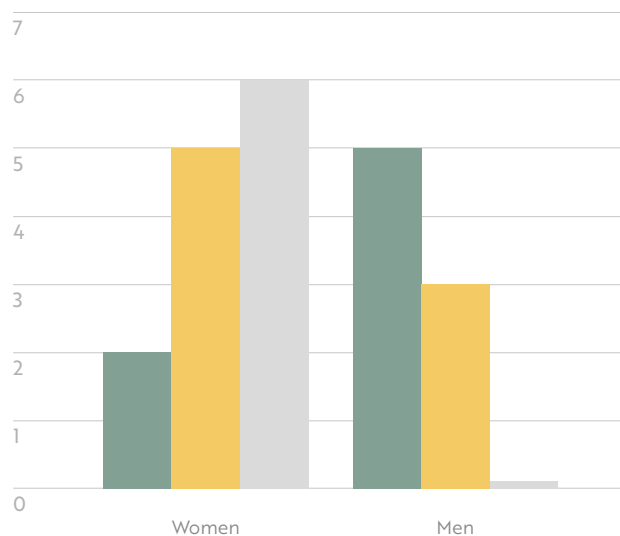
PARENTAL LEAVE

2018 2017 2016

BANFI SOCIETÀ AGRICOLA S.R.L.

DELTA VS 2017

(1)



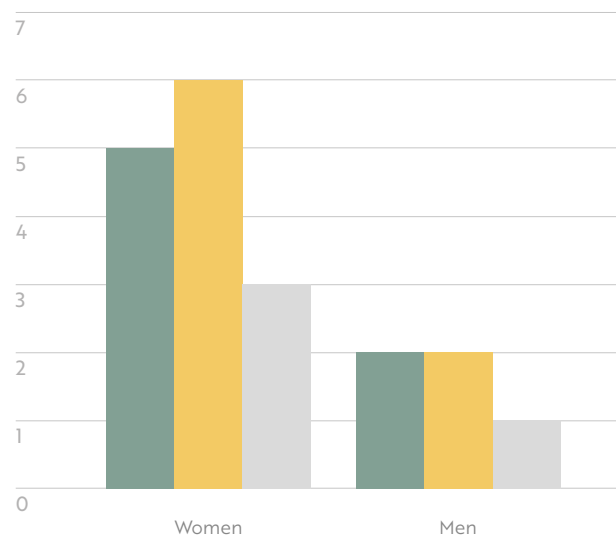
PARENTAL LEAVE	2018	2017	2016
Women	2	5	6
Men	5	3	0
Total	7	8	6

2018 2017 2016

BANFI S.R.L.

DELTA VS 2017

(1)



PARENTAL LEAVE	2018	2017	2016
Women	5	6	3
Men	2	2	1
Total	7	8	4

GRI 403-2

HEALTH, SAFETY AND TRAINING

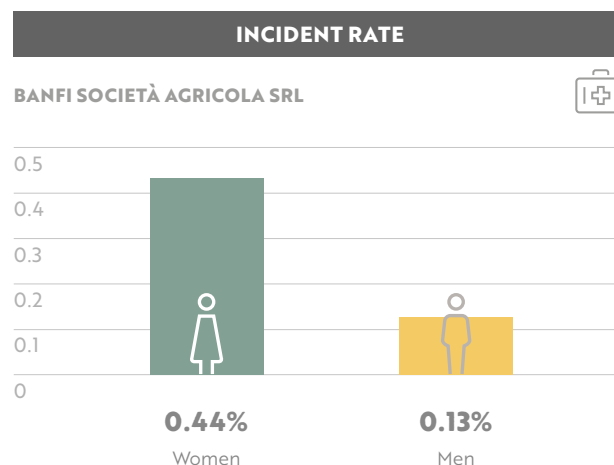
The agricultural segment is intrinsically characterized by a high level of risk for the health and safety of the individuals operating in it. There is a **substantial amount of manual labour** in the various jobs in the field (such as pruning, harvesting, treatments, etc.) and in the winery (such as wine-making, decanting, bottling, laboratory testing, etc.) in addition to the need to use special products.

Similarly, there are intrinsic risks in the hospitality sector (such as cooking, gardening, etc.) owing to the very nature of these tasks.

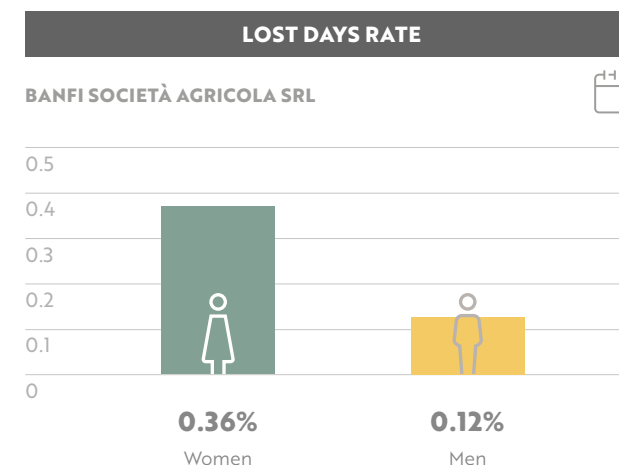
Banfi is aware of the strong exposure to risk, and has always paid particular and constant attention to decrease hazard, implementing training programmes, thus promoting best practices and the necessary skills to reduce risk, with the support of teachers and training experts and mainly colleagues who have a higher seniority with the company.

In addition to the provisions of workers' health and safety regulations, the Company has put an **extensive system of delegated authority** in place whereby not only are supervisors designated but these aspects are managed as near to the scene as possible.

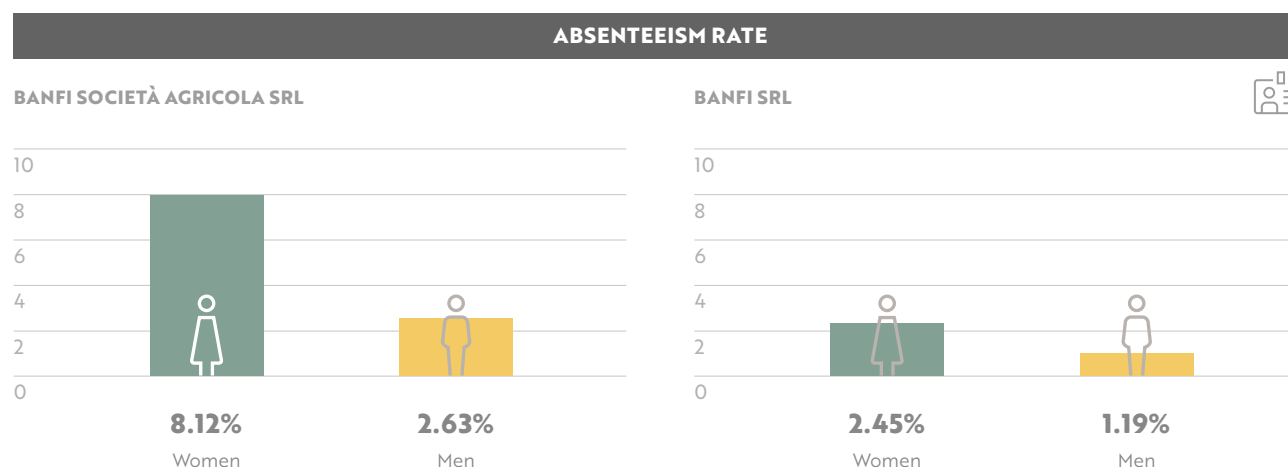
2018



2018



2018



GRI 403-2

One of the most important goals Banfi wants to achieve as to health and safety is to reduce the number of incidents to zero.

An analysis of data for the three-year period 2018-2016 shows that the number of incidents is constantly decreasing, as well as their length (even though the trend shows some differences between the two companies).

In 2018 incident hours registered a significant decrease compared with 2017 (-64.2%). Similarly, the incident rate shows the same decreasing trend.

In 2018, 6 incidents were recorded at Banfi Società Agricola Srl and 2 at Banfi Srl.

Banfi Società Agricola Srl

- 3 incidents in agriculture, with an average prognosis of 12 days;
- 3 incidents in wine manufacturing, with an average prognosis of 13 days.

Banfi Srl

- 2 incidents in catering, with an average prognosis of 11 days.

In 2018, the average value of prognosis days for Banfi Società Agricola also takes into account days regarding an incident occurred in 2016 (that generated a relapse in 2018) and an incident occurred in 2017 terminated in the first five days of 2018. Both incidents refer to agricultural activities. Therefore, the average prognosis days value is 21.8.

INCIDENTS	2018			2017			2016		
	Number	Length (days)	Average length (days)	Number	Length (days)	Average length (days)	Number	Length (days)	Average length (days)
Banfi Società Agricola Srl	6	131	21.8	9	208	23.1	14	359	25.6
Banfi Srl	2	22	11	3	128	42.7	3	99	33
Total	8	153	19.1	12	336	28	17	458	26.9

GRI 403-2

**ABSENTEEISM RATE (AR)**

	2018		2017		2016	
	Men	Women	Men	Women	Men	Women
Banfi Società Agricola Srl	2.6%	8.1%	4.3%	6.2%	3.5%	7.9%
Tuscany	2.6%	8.1%	4.3%	6.2%	3.5%	7.9%
Average rate	4.1%		4.8%		4.8%	
Banfi Srl	1.2%	2.5%	1.7%	2.1%	0.9%	2.2%
Tuscany	0.7%	1.6%	1.2%	1.8%	0.7%	2.4%
Piedmont	2.4%	10.1%	2.8%	4.5%	1.4%	0.7%
Average rate	1.8%		1.9%		1.5%	

**INCIDENT RATE (IR)**

	2018		2017		2016	
	Men	Women	Men	Women	Men	Women
Banfi Società Agricola Srl	0.1%	0.4%	0.3%	1.1%	0.2%	1.8%
Tuscany	0.1%	0.4%	0.3%	1.1%	0.2%	1.8%
Average rate	0.2%		0.5%		0.6%	
Banfi Srl		0.1%	0.1%	0.6%	0.1%	0.4%
Tuscany		0.1%		0.6%	0.1%	0.5%
Piedmont			0.2%			
Average rate	0.1%		0.3%		0.3%	

**LOST DAYS RATE (LDR)**

	2018		2017		2016	
	Men	Women	Men	Women	Men	Women
Banfi Società Agricola Srl	0.1%	0.4%	0.2%	0.9%	0.2%	1.4%
Tuscany	0.1%	0.4%	0.2%	0.9%	0.2%	1.4%
Average rate	0.2%		0.4%		0.5%	
Banfi Srl		0.1%	0.1%	0.5%	0.1%	0.4%
Tuscany		0.1%		0.6%	0.1%	0.4%
Piedmont			0.2%			
Average rate	0.0%		0.3%		0.2%	

GRI 404-1

TRAINING

Average training hours show a different trend for the two companies. Banfi Società Agricola Srl registered a sharp decrease compared with 2017, when a high number was registered due to the renewal of safety training courses and compliance with Italian Decree 81/2008.

On the contrary, Banfi Srl confirms the **growth trend** for 2018 as well. In particular, together with compulsory training, the majority of training hours refer to specialization courses to improve knowledge, both internal and external.

The goals set the previous year remain valid for 2018, thus confirming the willingness to increase training hours issued and to develop a reporting system able to support, in a more structured manner, monitoring of training activities. It will thus be possible to include non compulsory training hours that despite being performed were not accounted for.

BANFI SOCIETÀ AGRICOLA S.R.L.

AVERAGE HOURS	2018		2017		2016	
	Men	Women	Men	Women	Men	Women
Banfi Società Agricola Srl	3.7	2.9	12.9	4.9	11.4	5.1
Executives	-	-	1.7	-	4.0	-
Middle management	8.5	-	36.0	-	14.5	-
Employees	9.0	0.2	15.1	0.7	10.8	1.5
Workers	3.2	3.4	12.6	5.7	11.6	5.9
Total	3.5		10.7		9.5	

BANFI S.R.L.

AVERAGE HOURS	2018		2017		2016	
	Men	Women	Men	Women	Men	Women
Banfi Srl	13.5	12.9	10.2	8.6	7.0	4.5
Executives	103.0	2.0	57.5	16.0	-	10.0
Middle management	9.1	34.0	16.4	15.8	-	-
Employees	11.1	15.5	12.5	10.8	4.2	2.3
Workers	8.9	6.9	3.0	3.9	10.4	7.5
Total	13.2		9.4		5.8	



GRI 102-8

APPENDIX

YEAR-END DATA

BANFI S.R.L.

TOTAL NO. OF EMPLOYEES	2018	2017	2016
Full time	106	104	101
Women	51	48	47
Men	55	56	54
Fixed-term contracts	5	9	5
Women	2	6	4
Men	3	3	1
Total	111	113	106

BANFI S.R.L.

TOTAL NO. OF EMPLOYEES	2018	2017	2016
Full time	102	104	99
Women	46	48	47
Men	56	56	52
Part time	9	9	7
Women	7	6	4
Men	2	3	3
Total	111	113	106

BANFI S.R.L.

RELATIOSHIP	2018	2017	2016
Directors	2	2	2
Women	-	-	-
Men	2	2	2
Stage	-	1	1
Women	-	1	1
Men	-	-	-

BANFI SOCIETÀ AGRICOLA S.R.L.

TOTAL NO. OF EMPLOYEES	2018	2017	2016
Full time	131	126	125
Women	33	35	34
Men	98	91	91
Fixed-term contracts	3	3	-
Women	-	2	-
Men	3	1	-
Total	134	129	125

BANFI SOCIETÀ AGRICOLA S.R.L.

TOTAL NO. OF EMPLOYEES	2018	2017	2016
Full time	130	125	120
Women	30	34	31
Men	100	91	89
Part time	4	4	5
Women	3	3	3
Men	1	1	2
Total	134	129	125

BANFI SOCIETÀ AGRICOLA S.R.L.

RELATIOSHIP	2018	2017	2016
Directors	2	2	2
Women	-	-	-
Men	2	2	2
Stage	-	-	-
Women	-	-	-
Men	-	-	-

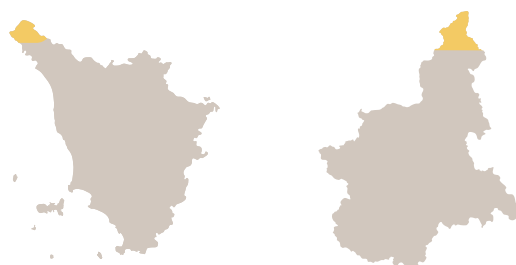
GRI 102-8

Fixed-term

Full time

BANFI S.R.L.

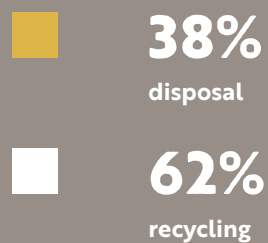
2018



TOTAL NO. OF EMPLOYEES	2018	2017	2016
Full time	106	104	101
Tuscany	85	82	81
Piedmont	21	22	20
Fixed-term contract	5	9	5
Tuscany	3	8	5
Piedmont	2	1	-
Total	111	113	106



Chapter 8

ENVIRONMENT
PROTECTIONSustainable
Development
Goals

Total percentages for both companies



RECYCLED CARDBOARD

**1,460**

Trees not cut down

**42,000 m³**

Saved water

RECYCLED GLASS

**2,000 t**Less CO₂**3 mln Kwh**

Saved electric power

RECYCLED WATER

**69,000 m³**

Purified water re-utilized



WHY MATERIAL?

Protecting the environment is a primary element in Banfi's activities.

Respecting, protecting and safeguarding the ecosystem are basic principles which rule and inspire the work of our Company. Banfi is aware that only a similar care for the environment can ensure the continuity, growth and development of our produce.



BORDERS

The protection of the environment is an issue with a **major impact on the organization's external borders.**

The impact is determined both by operating activities in business management, and by activities performed by suppliers who have commercial relationships.



MANAGEMENT

The issue is managed in order to mitigate the business impact on the environment, increasing attention to the protection of the ecosystem. At Banfi, protection of the environment is carried out implementing specific actions and procedures, to achieve the following most important goals, strictly coordinated and connected with quality protection:

- **limit consumption** and exploitation of natural resources (e.g. water, energy, soil);
- **develop and use alternative agronomic techniques** (e.g. integrated management, organic) to replace traditional techniques with a heavy impact on the environment;
- support and participate in **research and development projects** (e.g. experimenting resistant vineyards);
- **share and spread reference principles for environment protection** both within and outside the organization, also using training and teaching.

In 2001 Banfi received the certification of its environment management system in accordance with ISO 14001, confirming the validity of the current operating methods.



ASSESSMENT AND MONITORING

The environment management system is periodically assessed to guarantee the conditions of compliance with the certification requirements.

Such assessment activities are accompanied by periodical monitoring, control and assessment activities regarding the organization ability to achieve established goals in the protection of the environment.

The use of our **internal analysis laboratory**, together with the cooperation with universities and external experts, represent a constant and high-standard control in measuring the effectiveness of implemented actions.

GRI 103-1

GRI 103-2

GRI 103-3

GRI 102-11

THE PARAMOUNT ROLE OF THE ENVIRONMENT FOR BANFI

Banfi's integration in the surrounding environment is the result of a process of safeguarding and **appreciating the value of the ecosystem** which has intensified over the years and is continuing to evolve. This commitment draws its inspiration from the global challenge that many countries have espoused, accepting the principles laid down in various international climate agreements (Rio Conventions on Environment – 1992, Kyoto Protocol – 1997, Paris Agreement – 2015).

The fight against **climate change**, in fact, is a vital element which guides the Company's decisions and behaviour in handling environmental issues and in its awareness of the substantial impacts of the climate on agricultural products, which strongly affects their availability, quantity and quality, as well as their selling price.

The careful management of the **variegated ecosystem** in which Banfi operates is a positive example of perfect harmony between the management of production and the protection of the vast bio-diversity of the Company's environment. Indeed the Company has one of the highest ratios between wooded and cultivated areas. Various measures have been taken to preserve this wealth, including planting local varieties, conserving and managing the Company's own woods

and creating some water access points for fire-fighting purposes and giving wild animals access to water. In addition to the different crops (plum tree, cherry tree, olive tree, durum wheat, spelt, legume crops), there are over 120 species of spontaneous herbaceous plants on the Banfi estate, some of them rare by now, which thus constitute a veritable floral bio-diversity reserve.

Banfi operates in an area that is at serious risk of erosion owing to its physical features, the geological and soil characteristics of the terrain and the marked seasonality of rainfall. Banfi has always obviated the unfavourable impact on the environment of these aspects **by taking measures to keep erosive phenomena in check**, while realising more than 150 km of ditches for water control, 80 km of underground drainage systems, 10 km of dry stone walls or embankments and planting new grass in the vineyards over time. The great variety of activities which the Company carries out in its various sectors of operations inevitably entails the production of a considerable amount of **waste**, which Banfi has always managed by means of a structured approach. The quantity of waste produced from one year to another varies according to the work done, such as planting and uprooting vineyards, in which cement posts are replaced by metal and chestnut wood posts.

Again, owing to the nature of its many different

activities, Banfi uses huge quantities of **water**, which vary substantially from one year to another, above all owing to differences in weather conditions. Requirements for water are managed in various ways, all aiming at keeping environmental impacts down to a minimum, such as using artificial ponds which collect rainwater during the winter in order to draw less water from the rivers, developing a variable rate irrigation system for the efficient utilisation of water resources and taking care to reduce waste in the use of water in the work done in wineries.

The main aspects of this commitment are the many different initiatives directed at **reducing greenhouse gas emissions**. Steps have been taken to reduce the consumption of diesel oil in cultivation and the various winery work phases: consumption is being gradually shifted to electricity, which is now procured entirely from renewable sources, leading to the abatement of CO₂ emissions.

GRI 201-2

CLIMATE CHANGE AND BANFI CONTRIBUTION

To effectively fight climate change, as a first step, Banfi considers it necessary to analyze and understand the risks and opportunities that characterize its business, in order to be able to take aware decisions and to define practical actions to contrast risks or to develop opportunities.

The table below shows the main risks/opportunities connected with climate change that might impact Banfi, defining their effects and resulting actions.

RISKS (R)/OPPORTUNITIES (O)	TYPE	POTENTIAL IMPACT	ACTION
Environmental legislation changes (R)	Legislative	<ul style="list-style-type: none"> Penalties for delayed compliance 	<ul style="list-style-type: none"> Ongoing monitoring of regulatory formalities to be complied with Taking part in information and supporting activities through trade associations In-house implementation of specific procedures
Extreme weather events (R)	Physical	<ul style="list-style-type: none"> Damage to the Company's assets and stoppage of work Default based on the extent of damage and the shortage of sufficient financial resources to tackle emergencies 	<ul style="list-style-type: none"> Adopting specific Business Continuity & Disaster Recovery procedures, not just regarding IT security Protecting facilities and diversifying production at a local level, where possible Transparent and collaborative relations with financial institutions for sufficient lines of credit Internal land consolidation works, including the treatment of non-productive plots
Extreme weather events (R)	Physical	<ul style="list-style-type: none"> Loss of annual production 	<ul style="list-style-type: none"> Taking out all-risk insurance policies against climate events Relocation of production, where possible Constructing irrigation systems to support and sustain crops
Developing new techniques and cultivation experiments (O)	Physical/Legislative	<ul style="list-style-type: none"> Improvement/increase in product quality/quantity 	<ul style="list-style-type: none"> Experimenting with resistant crops and officially introducing them into cultivable varieties Replacing traditional treatment techniques with new and less impacting ones Defending bio-diversity and multi-cropping, instead of specialisation

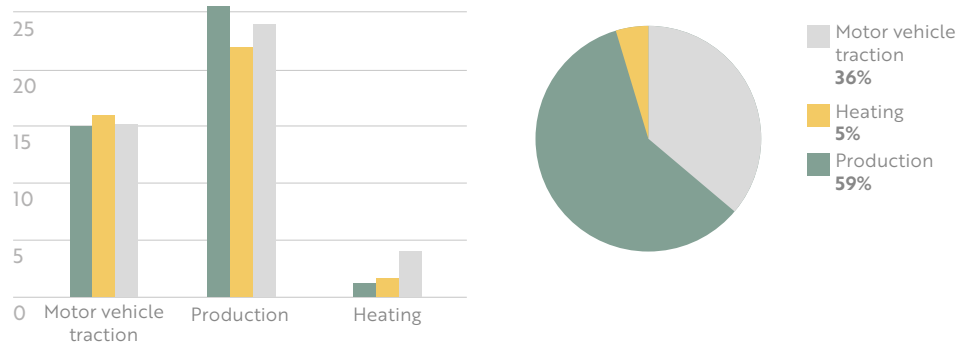
GRI 302-1

CONSUMPTION: ENERGY

2018 2017 2016

2018

BANFI SOCIETÀ AGRICOLA S.R.L.



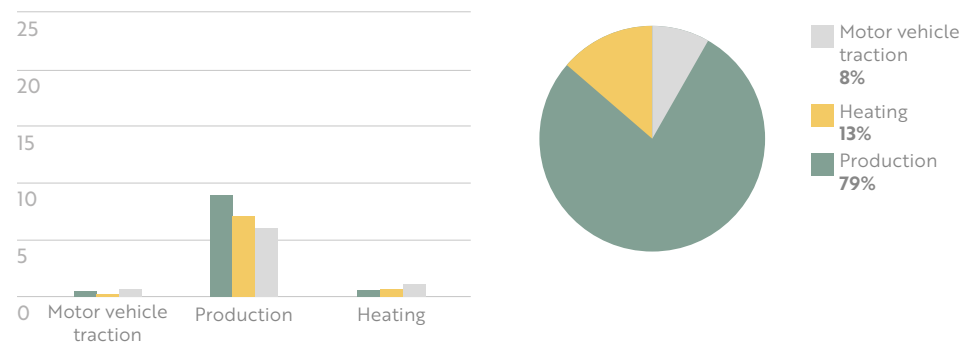
ENERGY CONSUMPTION BY USE AND SOURCE MJ	2018	2017	2016
Motor vehicle traction	15,423,142	16,373,724	15,942,936
Petrol	342,400	171,200	342,400
Diesel fuel	15,080,742	16,202,524	15,600,536
Production	25,344,594	23,858,943	24,228,511
Electric power	16,099,728	18,192,762	16,738,528
Electric power produced	(40,471)	(38,770)	(41,805)
GPL	9,285,337	5,704,950	7,531,788
Diesel fuel	-	-	-
Heating	2,050,916	2,399,515	4,244,564
Diesel fuel	706,200	1,155,600	1,284,000
GPL	1,344,716	1,243,915	592,241
Methane	-	-	-
Oil	-	-	2,368,323
Pellet	-	-	-
Total	42,818,652	42,632,182	44,416,010

CHAPTER 8

2018 2017 2016

2018

BANFI S.R.L.



ENERGY CONSUMPTION BY USE AND SOURCE MJ	2018	2017	2016
Motor vehicle traction	764,878	672,003	858,054
Petrol	-	-	-
Diesel fuel	764,878	672,003	858,054
Production	7,198,783	6,768,790	6,173,473
Electric power	7,187,655	6,759,374	6,160,633
Electric power produced	-	-	-
GPL	-	-	-
Diesel fuel	11,128	9,416	12,840
Heating	1,217,934	1,398,162	1,587,137
Diesel fuel	89,880	77,040	312,440
GPL	265,191	292,736	267,693
Methane	286,779	356,898	335,638
Oil	-	-	-
Pellet	576,084	671,488	671,366
Total	9,181,595	8,838,955	8,618,664

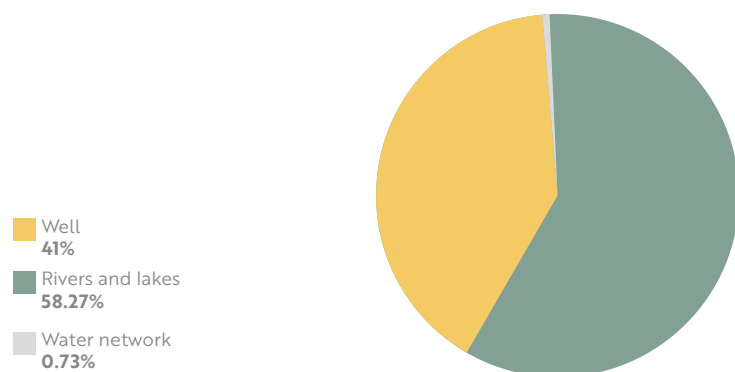
We illustrate below, according to source type and use, power and water consumption data for the three-year period.



GRI 303-1 GRI 303-3

CONSUMPTION: WATER

GROSS WATER CONSUMPTION BY SOURCE 2018



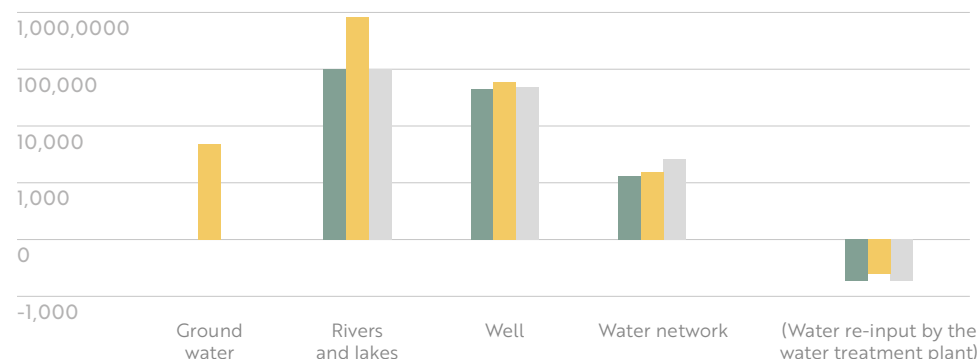
In view of the possibility of severe **shortages of water**, our Montalcino facility is provided with an extensive system of water basins (ponds and tanks) to counter such serious crises. If water is well dosed and used in some specific stages (such as the onset of ripening) it is an important factor in safeguarding both the quality of production or to rescue the vines. 2018 was characterized by trends in consumption in line with 2016. Exceptional consumption recorded in 2017 resulted from the need of supply caused by extraordinary drought throughout the year.

Water treatment and the percentage of recovered water have always been at the heart of Banfi's sustainability. Since 1982, the Company has invested in a water treatment plant, and has continued to significantly invest in technological innovation and research and development in order to increase effectiveness and efficiency and to be able to re-utilize, in the near future, water for different purposes. In 2018, against water input in the water treatment plant of 68,414 m³, the outflow amounted to 69,180 m³. The difference (800 m³ approximately is due to ponds and tanks washing operations.

2018 2017 2016

NET WATER CONSUMPTION (m³)

BANFI SOCIETÀ AGRICOLA S.R.L.



WATER CONSUMPTION m³

	2018	2017	2016
Ground water	-	7,041	-
Rivers and lakes	104,519	929,368	105,481
Well	73,538	81,895	79,479
Water system	1,321	2,282	4,835
(Water re-input by the water treatment plant)	(69,180)	(64,859)	(67,584)
Total	110,198	955,727	122,211

WATER CONSUMPTION m³

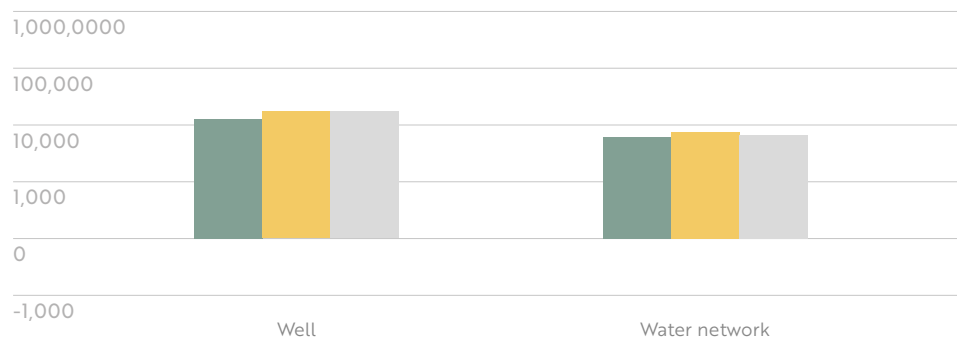
	2018	2017	2016
Water input in the water treatment plant	68,414	66,431	68,980
(Water re-input by the water treatment plant)	(69,180)	(64,859)	(67,584)
Total	(766)	1,572	1,396
% recycling	101%	98%	98%

GRI 303-1 GRI 303-3

2018 2017 2016

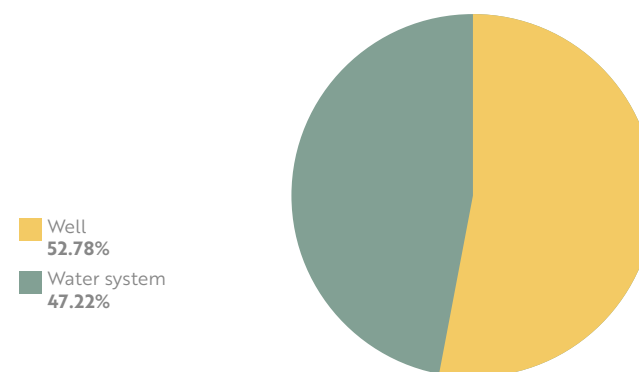
NET WATER CONSUMPTION (m³)

BANFI S.R.L.



WATER CONSUMPTION m³	2018	2017	2016
Ground water	-	-	-
Rivers and lakes	-	-	-
Well	10,023	13,592	13,047
Water network	8,966	9,424	8,426
(Water re-input by the water treatment plant)	-	-	-
Total	18,989	23,016	21,473

GROSS WATER CONSUMPTION BY SOURCE 2018



In order to make the consumption of water drawn from the Orcia and Ombrone rivers more sustainable, limiting its amount, the Company first created a comprehensive water **system composed of ponds and tanks which mainly collect rainwater** and communicate with each other and then further reduced consumption substantially by using variable rate irrigation, i.e. by only giving the vines as much water as they actually need. The total capacity of the ponds and tanks is about 662,500 m³.

CONSUMPTION: WATER AND ENERGY

Data regarding the consumption of water by the amount of litres and megajoules necessary to produce a litre of wine are set out below. These are considered the best indicators to measure the efficacy and efficiency of the production process.

Such data are affected by various factors such as the characteristics of each vintage: weather conditions as well as temperature can determine important changes in quantities produced, generating a corresponding variation in data due to the steadiness in fixed consumption.

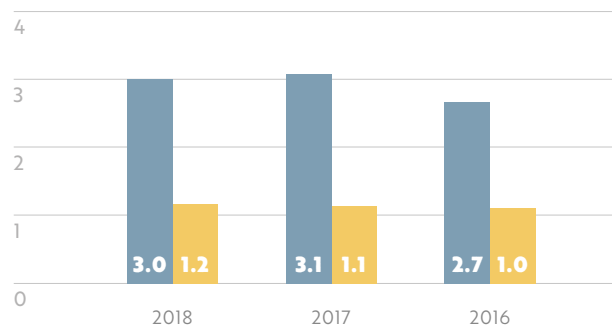
In recent years Banfi made efforts to reduce and limit the consumption of water and electricity, making investments in the wineries of Montalcino and Strevi. With reference to water consumption for 2007 of 5.05 litres for Montalcino and of 2.21 litres for Strevi, the year when the most important projects started, to date, consumptions amounts to 3 litres for Banfi Società Agricola Srl and to 1.6 litres for Banfi Srl. 2018 data show a decrease in values, due to the variation in quantities produced, with a decrease compared with 2017 (-15%), and to the overall decrease in electric power consumption (-13%).

MJ litres

BANFI SOCIETÀ AGRICOLA S.R.L.

1.2 MJ
Electric power
per litre of wine

3.0 litri
Water per litre
of wine

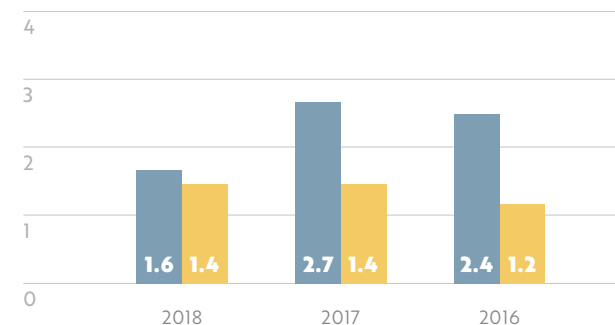


MJ litres

BANFI S.R.L.

1.4 MJ
Electric power
per litre of wine

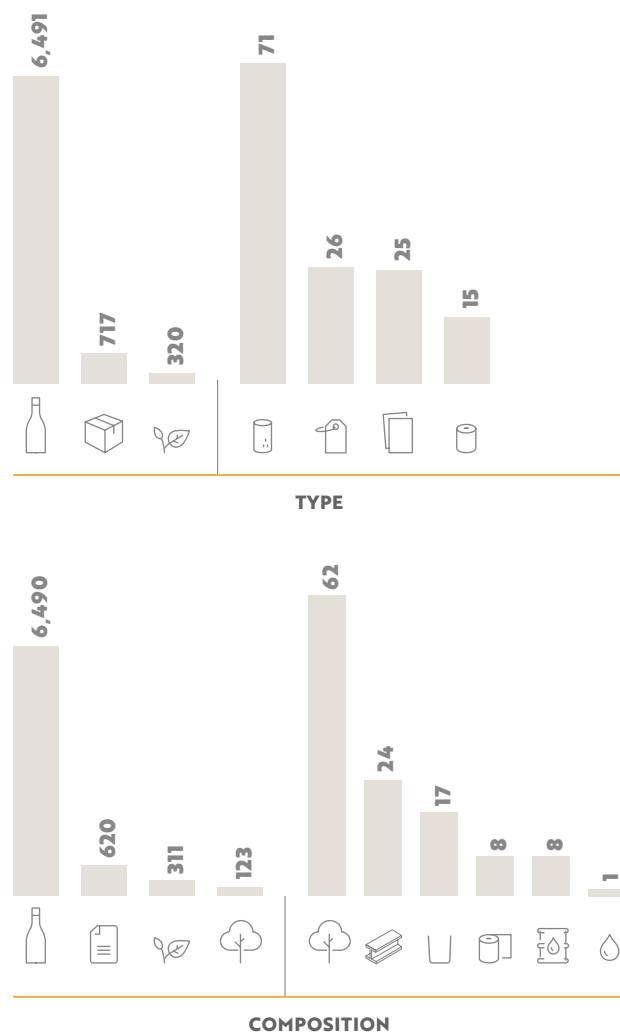
1.6 litri
Water per litre
of wine



GRI 301-1

CONSUMPTION: MATERIALS

The materials used in wine production are very specific and a very high proportion of these materials consists of glass, which accounts for about 90% of consumption in terms of weight as shown in the charts and tables below. Hence Banfi's commitment to use lightweight bottles and recycled glass has a strong impact on the saving of energy and materials to safeguard the environment.



BANFI SOCIETÀ AGRICOLA S.R.L.

MATERIALS BY TYPE IN T	2018	2017	2016
Paper	410	439	440
Glue	7	7	6
Wood	70	70	68
Lubricants	1	1	1
Organic material	295	339	317
Metal	10	11	10
Plastic	15	16	19
Cork	43	51	48
Fabric	-	-	-
Glass	4,260	4,940	5,021
Total	5,111	5,875	5,930

MATERIALS BY TYPE IN T	2018	2017	2016
Bottles	4,261	4,941	5,021
Capsules	10	11	10
Labels	16	16	16
Packaging material	463	493	492
Wine manufacturing material	296	339	317
Corks	43	51	48
Other materials	22	24	26
Total	5,111	5,875	5,930

BANFI S.R.L.

MATERIALS BY TYPE IN T	2018	2017	2016
Paper	210	218	196
Glue	1	1	1
Wood	54	55	57
Lubricants	-	-	-
Organic material	16	17	25
Metal	14	14	14
Plastic	2	3	2
Cork	19	21	19
Fabric	8	9	7
Glass	2,230	2,271	2,015
Total	2,554	2,608	2,336

MATERIALS BY TYPE IN T	2018	2017	2016
Bottles	2,230	2,271	2,015
Capsules	5	5	5
Labels	9	10	9
Packaging material	254	263	243
Wine manufacturing material	24	26	34
Corks	28	30	28
Other materials	3	4	3
Total	2,554	2,608	2,336

PROTECTING CROPS AND THE ENVIRONMENT: FERTILIZATION AND TREATMENTS

Since the 90s, Banfi has started a **low-impact environment programme**, thanks to a careful control of fertilizers and agro-chemical treatments, significantly decreasing quantities used and exclusively utilizing non-aggressive active principles. These last years, constant innovation and grading are based on a technical approach that uses defense methods just when necessary and not as prevention, also thanks to the support of the new weather stations system.

The **sensors system for weather data detection** **relies** on electronic detection stations, situated in 8 Company's sites (5 in Montalcino and 3 in external sites) and enables to cover all the company's estate as a whole. Weather stations transmit data to a portal that enables to check the weather situation in real time directly from a smartphone or PC.

In addition, the weather stations management system, using gathered data, processes forecast models on the development of fungi disease. These models help technicians. In fact, together with experience and constant monitoring of vineyards, it is possible to assess the phytosanitary status of vineyards and take the most appropriate actions to fight diseases, minimizing waste and reducing

the impact on the environment, operators and consumers.

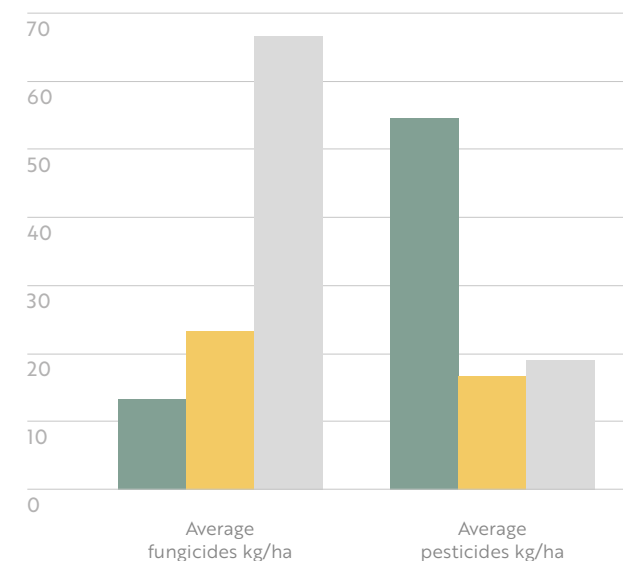
With the support of scouting operations, strict control and verification of quantities and limits of each individual product, sharing information and knowledge with our partners and thanks to the zoning project and to the database of previous grape harvests, the company is able to optimize both in number and as to effectiveness, the various treatments to crops.

The recent addition of organic crops of cereals and fodder is also a new technique to supplement the traditional methods used until recently and is an opportunity for continuing to study the question of organic products for orchards and vineyards too.

TREATMENT OF ORCHARDS

2018 2017 2016

BANFI SOCIETÀ AGRICOLA S.R.L.

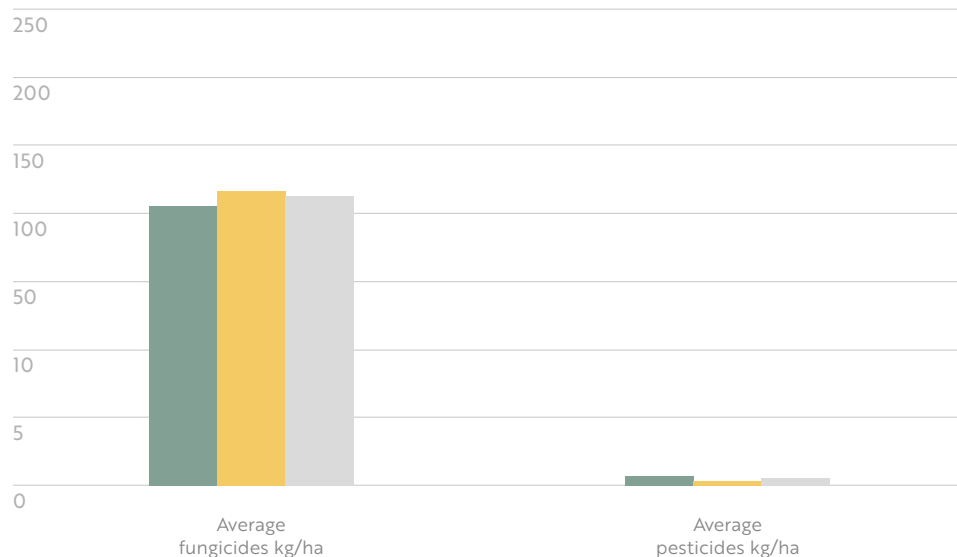


TREATMENT IN KG	2018	2017	2016
Average fungicides kg/ha	13.72	24.38	68.21
Average pesticides kg/ha	55.00	17.32	19.11

TREATMENT OF VINEYARDS

2018 2017 2016

BANFI SOCIETÀ AGRICOLA S.R.L.

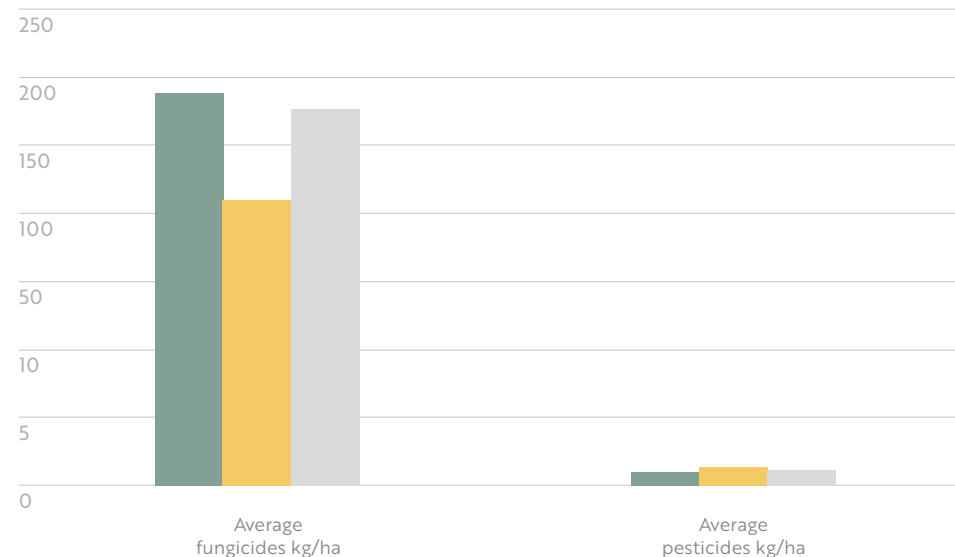


VINEYARDS TREATMENTS IN KG/HA	2018	2017	2016
Average fungicides kg/ha	117.24	121.64	120.78
Average pesticides kg/ha	0.68	0.52	0.67

Data for the three-year period illustrated below are calculated starting from the commercial product quantities used, not just from the active principle. For the next few years, the Company intends to shift its reporting to the active principle only, as such datum can be easily understood and compared with the conditions, particularly the weather, determining its use.

2018 2017 2016

BANFI S.R.L.

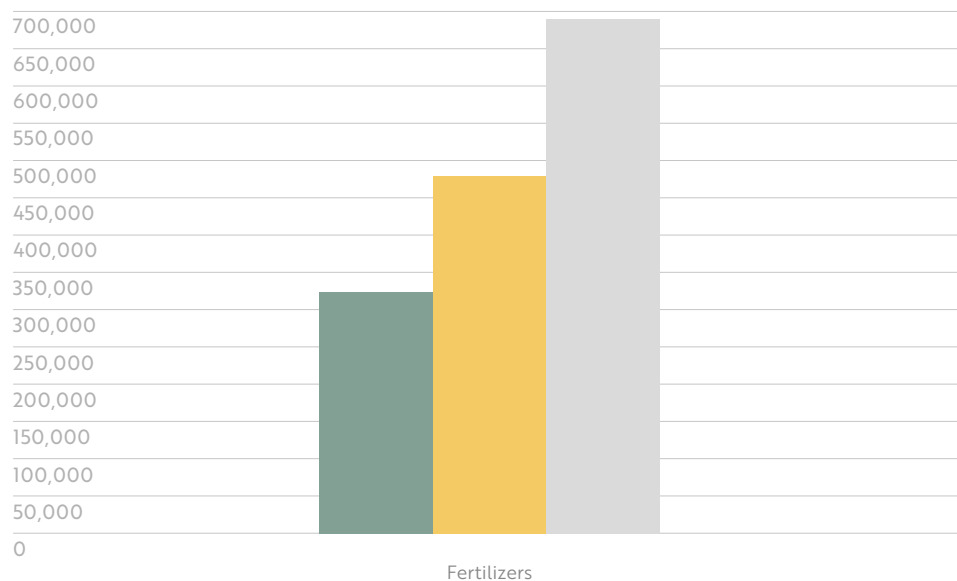


VINEYARDS TREATMENTS IN KG/HA	2018	2017	2016
Average fungicides kg/ha	180.76	114.79	167.64
Average pesticides kg/ha	1.71	2.26	2.23

FERTILIZERS

2018 2017 2016

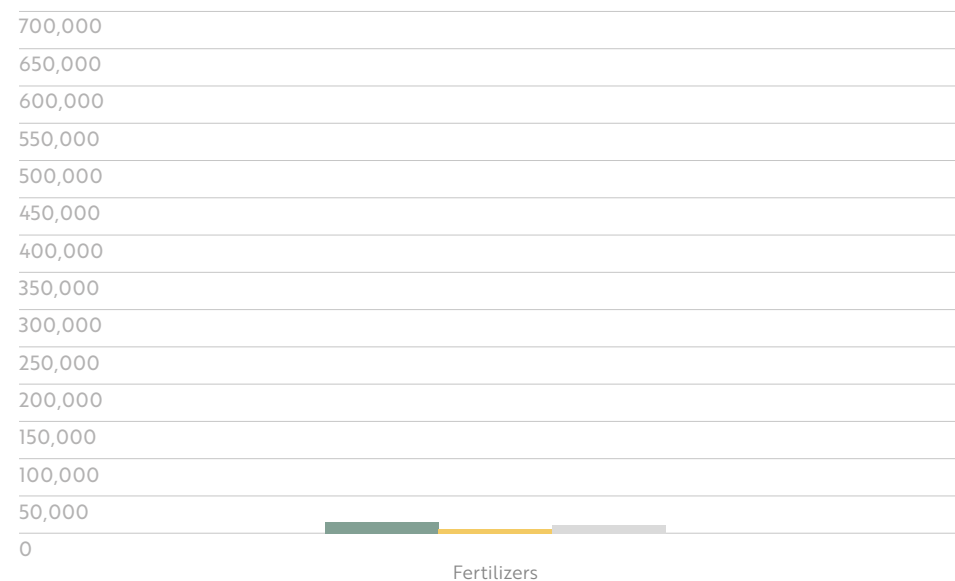
BANFI SOCIETÀ AGRICOLA S.R.L.



FERTILIZERS IN KG	2018	2017	2016
Fertilizers	335,042	474,703	670,886
Total	335,042	474,703	670,886

2018 2017 2016

BANFI S.R.L.



FERTILIZERS IN KG	2018	2017	2016
Fertilizers	20,335	14,616	17,200
Total	20,335	14,616	17,200

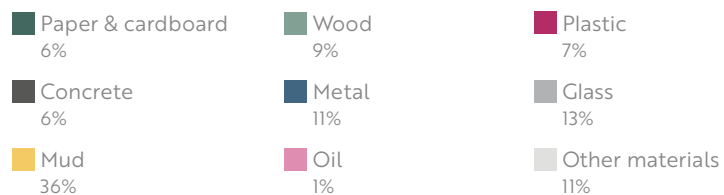
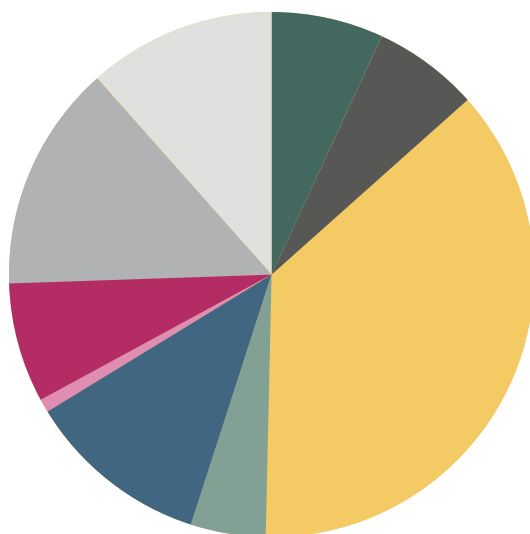


GRI 306-2

WASTE BY TYPE 2018



BANFI SOCIETÀ AGRICOLA S.R.L.



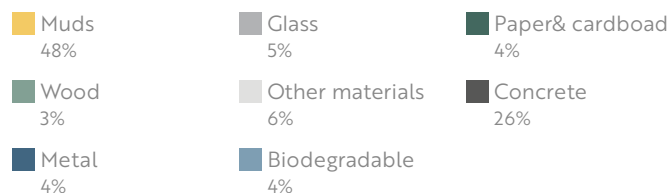
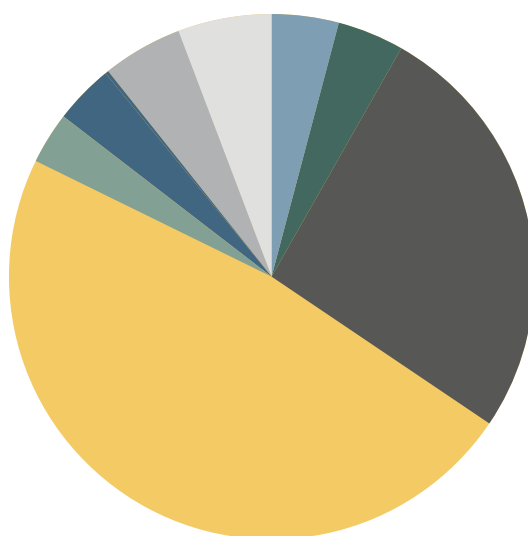
WASTE BY TYPE IN KG	2018	2017	2016
Biodegradable	-	14,760	-
Paper & cardboard	45,347	75,414	61,784
Cement	42,350	578,410	390,920
Mud	245,530	238,530	22,901
Wood	60,210	24,540	17,010
Metal	74,851	56,999	34,393
Oil	4,067	10,090	14,070
Plastic	48,080	38,145	25,380
Resins	-	-	2,220
Glass	92,280	32,870	21,820
Other materials	76,612	120,840	142,789
Total	689,327	1,190,598	733,287

WASTE BY TYPE AND DISPOSAL IN KG	2018	2017	2016
TOTAL NON HAZARDOUS	677,336	1,171,854	711,079
Recycling	415,336	921,784	676,988
Disposal	262,000	250,070	34,091
TOTAL HAZARDOUS	11,991	18,744	22,208
Recycling	11,256	17,423	17,577
Disposal	735	1,321	4,631
Total	689,327	1,190,598	733,287
% HAZARDOUS WASTE	1.74%	1.57%	3.03%

GRI 306-2

Banfi is constantly committed in the decrease and reduction of waste and scraps, a virtuous attitude to substantially decrease the sources of environmental impact. However, the decrease in waste and scraps is not the only variable, as the hazardousness and the disposal method (recycling vs disposal) have a significant weight with regard to impact on the environment.

BANFI S.R.L.



WASTE BY TYPE IN KG	2018	2017	2016
Biodegradable	11,000	-	-
Paper & cardboard	12,310	15,238	19,010
Cement	77,420	-	-
Mud	139,290	175,120	84,595
Wood	9,120	20,550	-
Metal	11,050	6,630	110
Oil	90	120	40
Plastic	500	4,150	3,960
Resins	-	-	940
Glass	13,660	9,280	5,630
Other materials	17,001	22,488	6,783
Total	291,441	253,576	121,068

WASTE BY TYPE AND DISPOSAL IN KG	2018	2017	2016
TOTAL NON HAZARDOUS	290,740	252,848	119,645
Recycling	140,450	59,478	28,650
Disposal	150,290	193,370	90,995
TOTAL HAZARDOUS	701	728	1,423
Recycling	397	570	190
Disposal	304	158	1,233
Total	291,441	253,576	121,068
% HAZARDOUS WASTE	0.24%	0.29%	1.18%

GRI 302-4

CONSUMPTION REDUCTION INITIATIVES



Banfi's contribution in the fight to climate changes considers **energy saving and CO₂ emissions decreases** an important strategic goal to be included in any new structural and non-structural investment. The following table shows the most important interventions in the three-year period in energy saving and CO₂.

Please note that data for 2018 is consistent with the prior year, to take into account the inception of a process to improve calculation methods and a more timely data identification.

The process will be concluded in the course of 2019 and will be reported in the Sustainability Report for the subsequent year. At present, data for 2017 represents the best estimate of consumption reductions as a result of these initiatives.

In 2018 the project for the replacement of the lighting system in the production area and warehouse with **LED plants** was completed, with an electric power saving equal to 1,505,003 MJ and a decrease in CO₂ emissions equal to CO₂ 132 t.

As to energy and CO₂ savings achieved through savings of materials and services in the production phase, we illustrate in the following table the most important interventions carried out in the three-year period.

REDUCTION IN CONSUMPTION	COMPANY	2018	2017	2016
Toshiba Printer	Banfi Srl			
Paper (no. sheets)		20,000	20,000	15,000
CO ₂ (t)		0.17	0.17	0.13
Pellet stove (Borgo)	Banfi Srl			
CO ₂ (t)		23.34	23.34	23.34
Electric power (MJ)		183,121	183,121	183,121
Air conditioning (cube)	Banfi Srl			
CO ₂ (t)		6.90	6.90	6.90
Electric Power (MJ)		54,958	54,958	54,958
Air conditioning (operator)	Banfi Società Agricola Srl			
CO ₂ (t)		5.11	5.11	5.11
Electric Power (MJ)		40,010	40,010	40,010
Diesel condensing boiler (Borgo)	Banfi Srl			
CO ₂ (t)		0.16	0.16	-
Electric Power (MJ)		1,959	1,959	1,959
Heat pump (Castello kitchen)	Banfi Srl			
CO ₂ (t)		1.67	1.67	-
Electric Power (MJ)		13,058	13,058	-
LPG condensing boiler (Balsameria)	Banfi Srl			
CO ₂ (t)		4.82	4.82	-
Electric Power (MJ)		72,370	72,370	-
Total CO₂ reduction (t)		42.17	42.17	35.48
Total electric power reduction (MJ)		365,476	365,476	278,089

GRI 302-5



REDUCTION IN CONSUMPTION	COMPANY	2018	2017	2016
Recycled cardboard	Banfi Società Agricola Srl			
Trees (no.)		1,460	1,282	1,300
Water (m³)		42,816	37,594	38,122
CO ₂ (t)		318	279	283
Electric power (MJ)		2,662,398	2,337,638	2,370,470
Recycled glass	Banfi Società Agricola Srl			
CO ₂ (t)		2,398	2,813	3,048
Electric power (MJ)		13,323,085	15,625,451	16,935,528
Deliveries in Rome with electrical motor vehicles	Banfi Srl			
CO ₂ (t)		15	14	-
Total CO₂ reduction (t)		2,731	3,092	3,331
Total electric power reduction (MJ)		15,985,483	17,963,089	19,305,998
Total water reduction (m³)		42,816	37,594	38,122



HOSPITALITY CONTRIBUTION TO THE PROTECTION OF THE ENVIRONMENT

LAUNDRY MANAGEMENT

Not having our own laundry but well aware of the large consumption of both water and electricity, we inform our guests that bed linen and towels will be changed **on request only**.

WASTE MANAGEMENT

Waste in the bins in rooms and gardens is **recycled** by the housekeeping staff. In the kitchen we also recycle paper, cardboard, metals, cans and glass.

WEED FLAMING

This technique is used throughout the area of the Castello, enabling the control and **elimination of weeds with the use of fire**.

From an ecological point of view, weed flaming has a negligible environmental impact, as burning LPG produces only water vapor and carbon dioxide, with a clean flame free of particulates.

Therefore, there are no additional costs following treatment associated with the disposal of additional waste and toxic residues.

POTABLE WATER CONSUMPTION MANAGEMENT

The objective of **reducing plastic waste** started in 2017 has continued in 2018. The project provides for the installation, which has started this year, of water supply machines, instead of plastic bottles.

In 2018, the project involved the canteen, while in the first months of 2019 the project continued with the installation of machines at the companies' offices, the wine shop and the borgo.

Besides decreasing plastic consumption (that passed from 7,752 1.5 l bottles in 2017 to 2,778 in 2018) **the investment enabled to decrease waste management costs and to create a tidier and cleaner workplace**.

Installed machines are connected to potable water pipes, with a water cooling and sparkling system.

A thermostat regulates water temperature.



Chapter 9

QUALITY
PROTECTIONSustainable
Development
Goals**1 mln****+12%**euro invested
in R&D projects**16,000****+13%**internal hours
invested in R&D**180,000**analyses of products
and plants



WHY MATERIAL?

Product quality is the most important and distinctive element Banfi is committed to daily pursue, in the belief that high-quality production, both of products and services, represents the best solution to gain ground and to grow. The vision inspiring such commitment is well reflected in our thought: "We work with our hands, we think with our heart. For a better wine world".



BORDERS

Defending quality is a major issue for the organization's internal borders. The company is directly responsible for the constant increase in the quality level of its products and services, thanks to the daily choices made also with regard to its suppliers.



HOW TO MANAGE THE ISSUE

The issue is managed in order to increase products and services quality as well as the production cycle as a whole.

The quality of products and services is due to the excellent raw material and the ability to turn it into a finished product. Quality is defended and improved mainly thanks to the following initiatives::

- research for improved **best practices** in production;
- research for **improved wine making practices** in cellars;
- research for **service** more and more careful to consumers requirements.

As acknowledgment of the validity of the current management model, in 2001 Banfi Società Agricola and Banfi Srl obtained the certification of the quality management system in accordance with the ISO 9001 standard. Furthermore, in 2006 Banfi Società Agricola and Banfi Srl obtained the certifications in accordance with the BRC and IFS standards, to guarantee quality and security of food products proposed to consumers.



ASSESSMENT AND MONITORING

GRI 103-1

GRI 103-2

GRI 103-3

The use of our internal analysis laboratory, together with the cooperation with universities and external experts, represent a constant and high-standard control in measuring the effectiveness of implemented actions. The quality management system is periodically controlled to guarantee the conditions of compliance with the certification.

Such specific assessments are accompanied by periodical monitoring, control and verification activities regarding the actual ability of achieving predetermined objectives in quality protection.

In particular:

- **internally**, the daily measuring of quality parameters differentiating Banfi products serves to validate the effectiveness of production processes;
- **externally**, the ranking analysis, consumers valuations, assigned rewards serve to measure consumers appreciation both of products and services offered.

FOOD QUALITY AND SAFETY

A keystone in Banfi's day-to-day affairs is the objective of producing safe and quality food products. It is of primary importance to satisfy consumers' requirements, care for their health and well-being and ensure responsible consumption; these aims are pursued in the following ways:

- **compliance with regulations** in the various agrifood and other sectors;
- **certifications** and external auditing of both products and processes;
- **implementation and development of an integrated system of analysis from the field** to the consumer which increases know-how and steers the Company's decisions with higher standards in view;
- **an ongoing and intensive programme of investment** in R&D, both process and product, which is aimed at respecting tradition.



CERTIFICATES

At the beginning of the 2000s, Banfi decided to start adopting management tools which characterized and determined its strong corporate approach to sustainability, obtaining two certifications for its management systems, **ISO 9001** and **ISO 14001**, with which it makes progress in the fields of quality and the environment at all levels. The systems take in all the Company's processes and ensure that they meet high quality standards and that Banfi's vision is one of continuous improvement by means of R&D projects regarding crop and production quality and efficiency. Furthermore, Banfi acts in conformity to two important food safety standards, **IFS** and **BRC**, highly demanded in the European market, which guarantee the high product quality and conformity.

Both require certification audits by Third-party Bodies. In 2005 Banfi was the first wine-growing company in the world to obtain the **ethical SA 8000 certification**, which guarantees and verifies the fairness and correctness of employment relationships concerning social responsibility. The **Social Performance Team** was formed, composed of a representative from the management and representatives elected by the employees for the social responsibility management.

The Committee's duty is to take positive action to improve the Company's system and support workers in reporting issues which are analysed and resolved if possible by taking steps to make the appropriate changes.

Banfi holds the **Full (AEO) Authorised Economic Operator** certificate issued by the Customs Agency. This gives it a status as a reliable, solvent company and guarantees that it strictly complies with customs regulations and product safety requirements.

Most of the wines Banfi sells in Italy and all round the world are their own produce but they also sell imported wine including organic wines; in order to import these, the Company had to ask to be certified by **ICEA, the Italian Institute for Ethical and Environmental Certification**, which assists and monitors the Company's importing transactions periodically.

- Banfi Società Agricola S.r.l.
- Banfi S.r.l.



December 2017

OHSAS 18001



July 2006

BRC AND IFS



September 2005

SA 8000



September 2001

ISO 14001



July 2001

ISO 9001

NON CONFORMITY

The certification process and its systems provide a better way of managing non-conformities, i.e. services or products which do not meet the expected standards of quality or degree of respect of the environment. The table below shows the non-conformity trends that have been observed broken down by reason, area of interest and, especially, if the non-conformities have been found internally or during a process of audit conducted by an outside body. All the non-conformities in the table have been correctly handled and resolved. The trend of each item is stable and the few variations depend on easily identified factors.

NON-CONFORMITIES OBSERVED	BANFI SOCIETÀ AGRICOLA S.R.L.			BANFI S.R.L.		
	2018	2017	2016	2018	2017	2016
Production/ Procurement quality	13	25	23	15	10	13
Production/Quality non-conformities observed internally	15	17	8	17	13	6
Production/Quality non-conformities observed by the certifying body	2	6	5	5	7	3
Product Distribution/Complaints	10	7	21	6	3	4
Environmental procurement	-	3	-			
Environmental non-conformities observed internally	8	9	16			
Environmental non-conformities observed by the certifying body	-	-	-			
Total non conformities	48	67	73	43	33	26

THE INTERNAL ANALYSIS PROCESS: THE ROLE OF THE ANALYSIS LABORATORIES

The presence of testing laboratories in the Montalcino and Strevi wineries, assisted by external **laboratories and consultants**, is a decisive factor in improving the quality of our products and their food safety. The testing analysis programmes carried out in house follow each phase in the “life” of a wine in detail from the grape to the finished product.

It has been decided to check certain **parameters** in each phase of production in order to obtain a product which corresponds to the **wine’s proper specific and enological characteristics**, while succeeding in standardising a high level of quality of the finished product.

Microbiological control over bottled wine rules out any possible re-fermentation, ensures that the product put on the market is stable from both the microbiological and sensory points of view.

In addition to in-house tests, analyses of residues of phytopharmaceuticals, biogenic amines and ochratoxin A carried out by external laboratories confirm that legal limits are complied with in full and assure the end consumer a healthy product.

In short, a careful programme of analytic tests

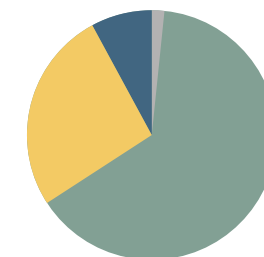
guarantees that the **product distributed is safe**, meets the criteria laid down in law, has no harmful effects on human beings and at the same time maintains a **high standard of quality** in conformity to the Company’s policy and to the benefit of the end consumer.

Tests are not just conducted on wine but on incoming materials (such as corks), on quality of purified water and on boilers, extending, in practice, possible applications to the process as well as to the product.

BANFI SOCIETÀ AGRICOLA S.R.L.

NO. OF INTERNAL TESTS	2018
Grapes	3,062
Wine	107,456
Incoming material	45,214
Purifier	12,500
Boilers	322
Total	168,554

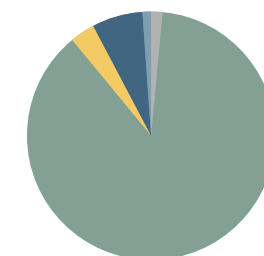
■ Grapes	2%
■ Wine	64%
■ Incoming material	27%
■ Purifier	7%



BANFI S.R.L.

NO. OF INTERNAL TESTS	2018
Grapes	190
Wine	11,285
Incoming material	350
Purifier	894
Boilers	100
Total	12,819

■ Grapes	1%
■ Wine	88%
■ Incoming material	3%
■ Purifier	7%
■ Boiler	1%



R&D

The **product/process innovation** that so often in the wine industry merges and blends into a single concept represents the foundation of the development and sustainability of the Company. Less environmentally invasive agronomic practices, age-old techniques adapted and made feasible by organized production processes are the keys to competition and a link with the history of our product and our land, whose value is inextricably tied to the finished bottle.

The opportunity for experimenting and developing new enological techniques, refining existing approaches and investing in understanding our vineyards and our product, continuously improving its quality, are the primary objective of research and development. One major element is seeking to strengthen bonds with local suppliers in the cultivation of grapes and/or the production of bulk wines.

Work with internal and external experts and broader cooperation with the academic world and with support agencies, public entities and consortia reflect the need to dedicate an increasing amount of time and resources to innovation, both to “generate” new products and to improve production processes to soften their impact on the planet’s resources.

Saving water, reducing chemical applications in the vineyard, reviving ancient wine-making techniques often discarded because of high costs, are the main projects in which Banfi is involved. Publications such as **La Ricerca dell’Eccellenza** (The Search for Excellence) are the outcome of about 40 years of study and research, the zonal organization of company land and the analysis of historic vintages.

The table reports the value of R&D investments that are certified for the purposes of the acknowledgment of tax credit.

COMPANY	2018	2017	2016
Banfi Società Agricola S.r.l.			
No. of projects	1	2	2
Internal hours	11,320	10,665	9,449
Invested value	821,323	762,366	737,080
Banfi S.r.l.			
No. of projects	1	1	1
Internal hours	5,446	3,891	2,518
Invested value	375,413	289,370	209,070



THE SEARCH FOR EXCELLENCE AND BANFI 3.0 RESEARCH PROJECT (2016-2024)

The search for excellence is the enthralling chronicle of the voyage which began 40 years ago in the discovery of our Montalcino area and its incredible potential. The attention Banfi has paid to sustainability has led to its concern with production aspects, which also involve the necessary processes and treatments. By adopting **new and alternative forms of training vines**, attaching importance to scouting in order to analyse possible attacks by the various pathogens as soon as they appear and treating vines with plant health products only as necessary, the Company reduces the use of various commodities in treatments thus diminishing their residues in its wines.

The reader may consult the two editions of the “La Ricerca dell’Eccellenza” on our website for further details. The **Experimental Vineyards Project** is a part of our Corporate Research, Experimentation and Development Policy. The project’s aims are to try out Agronomic Management practices ensuring greater Environmental Sustainability and to assess the worth of newly planted vineyards, characterised by promising new genotypes obtained from crosses or selections, with conspicuously high standards of quality and/or lower sensibility to the main fungal plant diseases.

Two vineyards have been planted with 25 different varieties of grape, 18 from selected crosses, 17 from black grape vines, 7 from white grape vines and 1 from a grey grape vine.



HOSPITALITY AND QUALITY PROTECTION

Quality protection for **hospitality services** in addition to quality and safety of food products requires additional close attention to customers' needs and must fit in with the offer to the market. Integration with the production chain and the surrounding area are crucial factors in being able to provide an all-round tourist experience. The various **certifications** which Banfi S.r.l. has obtained are essential parts of a process in which the Company looks internally and externally in order to enhance its offer to visitors. In support of these certifications, the Company's **affiliations** to sundry circuits in itself is an element of "certification" and quality standards in addition to serving to award it a class.

HOSPITALITY: AFFILIATES

Our membership of Virtuoso Hotels & Resorts and Signature Travel Network, mainly for the US market, and Traveler Made, mainly for European agencies, is the best of the best in the present luxury sector: about 23,000 travel agencies belong to only one of these three networks, which they use to book hotels and, in our case, tours of the winery and lunches or suppers accompanied by Banfi wines.

As we belong to this community, we make an ongoing commitment to improving the **standards** of our services, which is necessary in order to go on collaborating with these circuits. In these **networks**, it is also vital to attend the various annual trade fairs, where we present the latest news regarding our facilities to our partner agencies and which certainly provide us with the best opportunity to prepare for the following tourist seasons from the points of view of sales and visibility.



Chapter 10

ENHANCING THE VALUE AND DEVELOPING THE TERRITORY

Sustainable
Development
Goals



SPORT

2^a edition
L'Eroica Montalcino

2^a edition
Brunello Crossing

2^a edition
Endurance



MUSIC

21^a edition
Jazz&Wine

6^a edition
Musicisti Nati



CULTURE

2^a edition
Sanguis Jovis - Alta Scuola
del Sangiovese



200,000

euro
Investments
in the community

2016: 160,000 euro

2017: 175,000 euro

2018: 200,000 euro

GRI 103-1

GRI 103-2

GRI 103-3



WHY MATERIAL?

Banfi is aware of the importance of its territory and the local communities as elements to support and value. The link created with our territory is an asset to safeguard and enhance in a vision which takes in a world which is wider than that of our Company, to which we can transfer our sustainability culture.



BORDERS

Enhancing value and developing the **territory** represent an issue with major impact on external borders. The development of initiatives and knowledge enable the company to play a fundamental role in generating impact for such issues.



MANAGEMENT

The issue is managed with the purpose of increasing the positive aspects arising from the constant action exercised by the Organization on the territory and community.

Banfi takes an active part both organisationally and through its own representatives in the Local Bodies which protect, promote and develop produce and the territory, such as the various protection consortia, to which the Company contributes its experience to enhancing and raising the value of local products. Banfi also fosters **cultural and sports** events both directly and indirectly. This helps to support the services sector. Finally, acknowledging that a sense of belonging to one's territory is an added value, Banfi prefers to recruit staff and develop commercial relations at a local level.



ASSESSMENT AND MONITORING

Banfi's constant presence locally by means of carrying out projects and activities which are repeated in new forms every year and the **high level of loyalty of employees and suppliers** provide continual feedback for appraising and monitoring our commitment to the enhancement and development of our territory and the local communities.

SUSTAINABILITY PROJECTS

Banfi started its adventure in Montalcino 40 years ago, an adventure full of experience, challenges, rewards and exceptional and lasting success. Those years have been characterized by a constant discovery of the unbelievable potential of the territory, an element to be supported and valued with constant commitment. Bearing this in mind, the Company has adopted a sustainable production system, careful to protect the surrounding territory, preserving the territory heritage as a whole, its culture, history and evolution. Support to the territory and to its community represents the assumption and incentive for the birth and development of the extraordinary success, all over the world of Brunello and of Montalcino, thus confirming the Company's leadership.

Along the years, to strengthen its roots in the territory, Banfi has supported several initiatives: sports, music, culture in all its forms.

Among these, we mention the support to the Montalcino tourism development agency in various events and activities and to local sports associations, such as Montalcino and Sant'Angelo Scalo Soccer teams, that Banfi has been supporting since the beginning.

These last years, thanks to the passion of some Montalcino residents, new activities have arisen, more

structured and very welcome to the Company. Again in 2018, the Company has supported the **"Brunello Crossing"** event, as well as **"L'Eroica® Montalcino"** and the horse-riding event **"Endurance"**. Furthermore, in 2018, Banfi has supported the **"Tuscany Orienteering Classic"** for the first time in Montalcino.

Banfi's commitment is also directed to visual arts and music, for instance the **Jazz&Wine** festival, one of the the most long-lasting and successful festivals in our country. The Company is the main partner and organizer. The **"Filarmonica Puccini Montalcino"**, with its band, chorus and music school is another educational activity supported by Banfi, as well as the **"Musicisti Nati"** musical project with its 6th edition in 2018 successfully gathering in Montalcino **"made in Tuscany"** artists.

Among the other educational activities, the Company supports the Banfi foundation for the **Sanguis Jovis-Alta Scuola del Sangiovese project**, with the Winter and Summer Schools, the **"Museo del Vetro e della Bottiglia"** hosted in a wing of Castello di Poggio alle Mura, now Castello Banfi, and the restoration of the fossile whale discovered in 2007 in the estate.

In the light of a constant commitment to local culture, Banfi has developed important synergies with **O.C.R.A. Officina Creativa dell'Abitare**, supporting

the organization of courses, events and seminars, and has supported the **"Laboratorio Winenews per l'educazione al gusto"**, a project with its roots well in the past, in the peculiarities of our territory, where it is still possible to see the old orchards in the heart of Montalcino and where a green corner was created, to bring back ancient shapes, customs and culture.

Banfi sponsors **Misericordia di Montalcino**, a very important town association, offering emergency interventions and health and social services in the territory, thanks to the voluntary and free support of its members.

Another recent project committing Banfi in territory activities was the subscription to **"Fondazione territoriale Brunello di Montalcino"** whose mission is to re-invest in Montalcino a portion of profits obtained from the production and sale of Brunello.



Chapter 11

METHODOLOGY
NOTE

GRI 102-3

GRI 102-50

GRI 102-52

GRI 102-53

GRI 102-56

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Reporting area

The report refers to the two associated companies

BANFI SOCIETÀ AGRICOLA S.R.L.and **BANFI S.R.L.**

Document content

The Report content is based on discussions with our stakeholders, on the requirements of the Global Reporting Initiative - GRI STANDARD and on sustainability rating requirements.

Global Reporting Initiative (GRI)

The Report was realized in accordance with the **GRI-STANDARD – CORE OPTION** standard.

If you have any question, or would like to discuss any issue in deeper detail, please write to the Sustainability Report team at the following email addresses:

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Your opinion is important to us!

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GRI 102-10 GRI 102-45 GRI 102-46 GRI 102-48 GRI 102-49 GRI 102-51 GRI 102-54

In 2015 the first “Zero issue” of the Sustainability Report (hereafter also the Report) was published, and the two companies Banfi Società Agricola S.r.l. and Banfi S.r.l. started their reporting path, with the publication in 2016 of the first issue report, inspired to the GRI Global Reporting Initiative guidelines and communicated to all stakeholders.

Banfi’s committed again in 2017 with the publication of the second issue of the Sustainability Report, prepared in accordance with the GRI G4 guidelines, with Core reporting level.

This year, with the intention of remaining in line with GRI guidelines, the Company developed the 2018 issue, in line with the new GRI standards, maintaining the Core reporting level, adopted the previous edition. Company’s management identified the document content, which has been reported in line with the standards referred to in the GRI guidelines. Similarly to the previous issue, in accordance with the materiality principle, the most important issues for the Company and its stakeholders have been reported, in order to represent in a complete and balanced manner, the sustainability environment where Banfi operates. Data and information are transmitted using as much

as possible a clear language, supplying complete, timely information that can be compared with prior years indicating relevant values for 2017 and 2016. Last, the data collection process aims at guaranteeing data accuracy and reliability.

This document is the result of a complex path, across the company as a whole with a commitment to the collection and verification of data and information to be reported. The Company appointed a specific committee to control the process as a whole, in charge of consolidating and of the final verification of data, with specific functions to supervise the project.

Data were collected using the Companies’ information systems currently in use, besides specific internal documents available and other official sources.

The reporting period is annual, and the reporting area includes Banfi Agricola S.r.l. and Banfi S.r.l. Please note that for these companies the consolidated financial statements are not prepared. The relevant economic and financial data are drawn from the financial statements for the year.

The list of reported indicators and their inclusion in the Report are shown in the GRI Content Index presented at the end of the document. No significant changes in dimensions, in the structure, in the ownership structure

or in the supply chain of the organization have been noted in the reporting period.

In the course of 2018, the data base used to calculate indicators was fine-tuned, with an update of historical data included in the tables. These variations are not significant with regard to the analysis of trends and in comparisons with the Reports for prior years. No variations in analyses perimeter and objectives have occurred compared with the Reports for prior years.

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