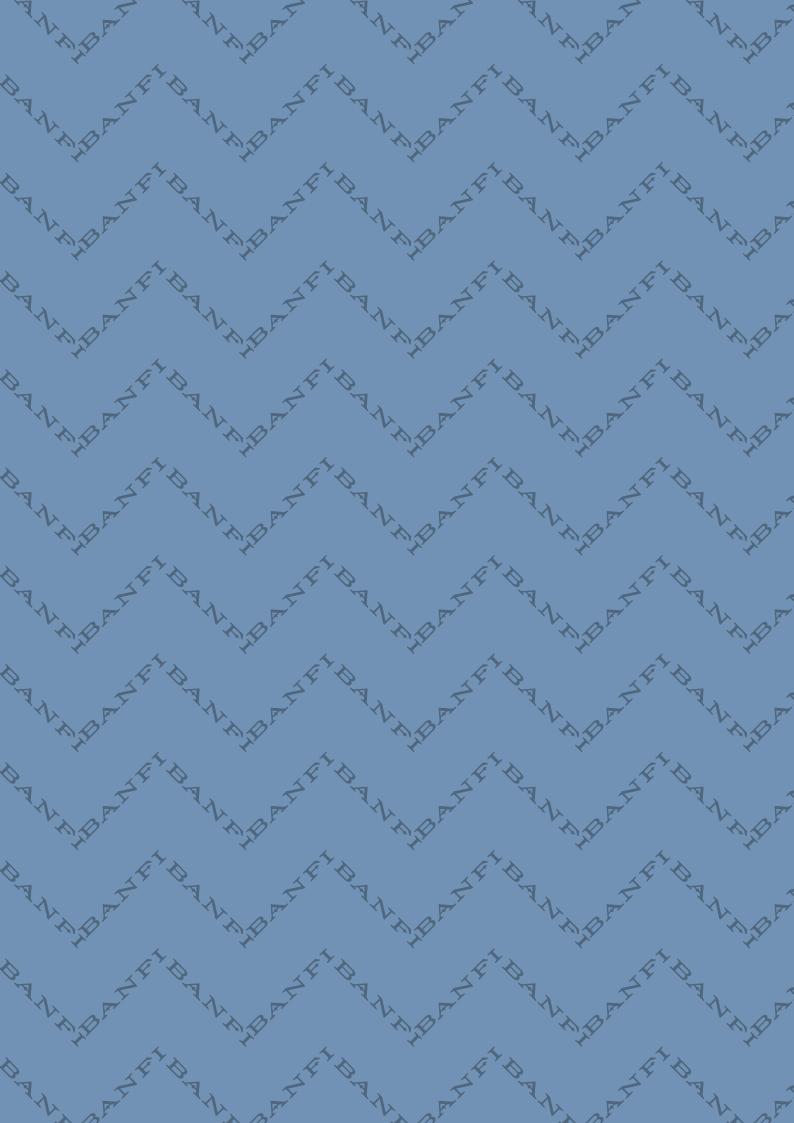


SUSTAINABILITY REPORT 2023



SUSTAINABILITY REPORT 2023



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LETTER FROM THE FAMILY

GRI 2-22

Dear Readers,

As I set out to write this letter of introduction to our Sustainability Report, which has reached its ninth consecutive year, I reflect on the innumerable changes that the world has experienced in these years, with the new decade, in particular, putting us constantly in front of exceptional events. This continued evolution involves, more or less directly, also the wine industry which, at this point, is living in a permanent alternation of different scenarios. We were born 45 years ago, and, over the years, we always were able to preempt the various scenarios, riding the challenges that each time presented themselves, and turning them in our favor.

Today, we are experiencing a time of transition, probably the most important of the last decades, in which it is obvious that what worked yesterday works less today and will no longer work tomorrow. Our commitment is to confront the challenges of the present, preparing for the opportunities of the future.

As CEO and proprietor of this company I am fully aware of the scenario we are facing. Facing the change of the consumers' tastes, and of their purchasing process, as well as speaking to the new generations in their language, in an approach in which experience joins education, are aspects on which today and in the future, we must concentrate all our attention, together with the promotion of responsible consumption. In these times of transformation, wine tourism, quality hospitality and the multitude of experiences that are offered, aspects we promote and in which we have always believed, play an increasingly central and synergic role.

How does sustainability enter in the current panorama? Being sustainable is one of our founding values, a principle which has always accompanied us, and which is an integral part of our actions. Together with innovation and research it performs a crucial role in improving the quality of our products, in addition to contributing to a more positive environmental and social impact.

Among the numerous activities concluded in 2023 I must mention the improvement achieved in the ESG rating class which sets us in the high-performance range, the underwriting of the Urbino Charter, but also the Whistleblowing procedure, as well as the attention directed on the Strategic Plan, confirmed by the new governance, to conclude objectives and targets in the period 2022 – 2024. These goals and awards all emphasize, once again, our attention and our investments for a better wine world.

I am more than ever confident in our many projects for the future, I hope you enjoy reading our Sustainability Report 2023.

Cristina Mariani-May

Justino Mariani - May



LETTER FROM THE PRESIDENTS

GRI 2-22

Dear all,

History teaches us that there is always a special moment in human existence in which an Individual tends to interrogate and reflect on time and, in particular, on the future: that is the moment of crises of transition, of important passages of an era; it is the moment of "no longer, but not yet", of when, that is, it becomes evident to all that what worked yesterday will no longer work tomorrow – and already today is working increasingly less.

Shaken, as we are, by the rush of great systemic shocks of the XXI century – financial, environmental, health, military crises – yet at the same time intrigued by the prospects that the flow of new technologies is opening in front of our eyes, we find ourselves increasingly more longing for future: scenarios, forecasts, trends, maps, are words that have never been more popular than today.

After all, we are intrigued and have always been fascinated by the future. However, it also instils in us fear, uncertainty, unpredictability, above all when it is experienced passively, standing still, waiting, as if in midst of the waves.

Our job, as wine producers in a global and connected world, has always held a special place for the future and its interpretation, and this due to the specificity of our business, oriented at dynamic, ever new, at times uncertain, often distant markets, but also due to the intrinsic characteristics of our main product, wine, a product, which, at times, takes over 10 years, precisely a future time, to be transformed from an idea, from a shoot, to a bottled wine, shipped out into the world, and appreciated.

We have always dealt with the future; what to plant today and what to drink tomorrow, how to interpret the tastes of the consumer and how to affect these tastes, in 5, 10, 15 years? There is one word which, among all, at this point has prevaricated our vocabulary to represent this dynamic and, in part, unpredictable evolution of the future: fluidity. Fluid market, fluid consumer, fluid future. All beautiful, fascinating, also stimulating, but also infernally dangerous, if not managed, if one stays in the waiting zone, passively, standing still.

So, we of Banfi have thought, precisely in this prolonged uncertainty on the future and in homage to our usual resourcefulness, to change our attitude, or at least to try. To leave the corner, the ropes and to think of the future in a proactive, propositional way, to be an active part of change and to try, therefore, to "design the future", to make it less unpredictable, more manageable.

"Design the Future", in 2023 and then even more so in the current year of 2024, has, thus, become our mantra, our vision, our way of interpreting change.

This is taking place in all facets of our actions and always coherently with our philosophy, which is to look to the future with the determination, to improve it, to make it safer, healthier, prosperous and available to all. In one word, at time abused, yet always central in our strategies, to make it more sustainable.

In this 2023 Sustainability Report, as we retrace the legs of this year that we have left behind, our determination is increasingly more evident to build solid "sustainable" bases for the future, through tangible actions which involve the territory in which we operate, the people we relate ourselves to, all colleagues with whom we share our path of growth.

These colleagues, in particular, take on an increasingly more central role in our future design, with actions, also innovative, for certain aspects pioneering, which set our company, once again, at the pinnacles of the relationship between company and human capital. It would be impossible to list them all. However, we like to mention, in particular, the underwriting of the Urbino Charter, an important document of intent for the promotion of the well-being of the workers in their workplaces, which recognizes how a good company organization represents the essential base for collective, present and future well-being.

Also in 2023, in cooperation with the main unions and employers' organizations we developed an experimental project, involving the workers in the agricultural and commercial departments and providing for the remodulation of the work hours, with a relating reduction, while maintaining compensations absolutely unvaried.

An important passage which most likely will be extended to all other company job categories and which represents a concrete and significative step forward in recognizing the centrality and the respect for human work, for the Human Capital.

Similar examples, of sustainable construction, coherent with the future, could easily be represented, and will be represented, without doubt, thanks to a careful study of this 2023 Sustainability Report, also in other company contexts; from the attention toward the environment, to good company practices and up to all new organizational processes, with a new Governance which became a reality exactly at the beginning of 2023, with the redefinition, in primis, of new company Boards of Directors, of Banfi Srl and Banfi Società Agricola Srl. Alongside the Boards the instrument of the Executive Committee was then created, an innovative body which is entrusted with the task of ensuring an increasingly greater degree of integration of the instances of the stakeholders in Italy and the United States and of formulating the best business and company growth strategies.

Finally, to ensure a greater stronghold on the topics of sustainable development, also in 2023, the ESG Committee was established, which is entrusted with the task of coordinating and promoting the strategics decision in the context of sustainability.

We conclude, then, with an important recognition, which, alone, summarizes and enhances the important work implemented up to now and the goodness of the sustainable path undertaken with conviction by all of the company. The most recent ESG rating, the synthetic super partes judgement which certifies the solidity of an organization from the point of view of environmental, social and governance aspects, in fact, in 2023 attained a BBB level, with a significant growth, vs. last year, placing us in the high-performance range

After this short discourse on the future, and on how our company will be able to read it, connecting it increasingly to the topics of sustainability and collective well-being, we leave you, with great pleasure and a touch of legitimate satisfaction, to the study of this 2023 Sustainability Report, with our sincere wish for a future of prosperity, well-being and peace.

We hope you will enjoy reading this Sustainability Report, even better if with a good bottle within reach.

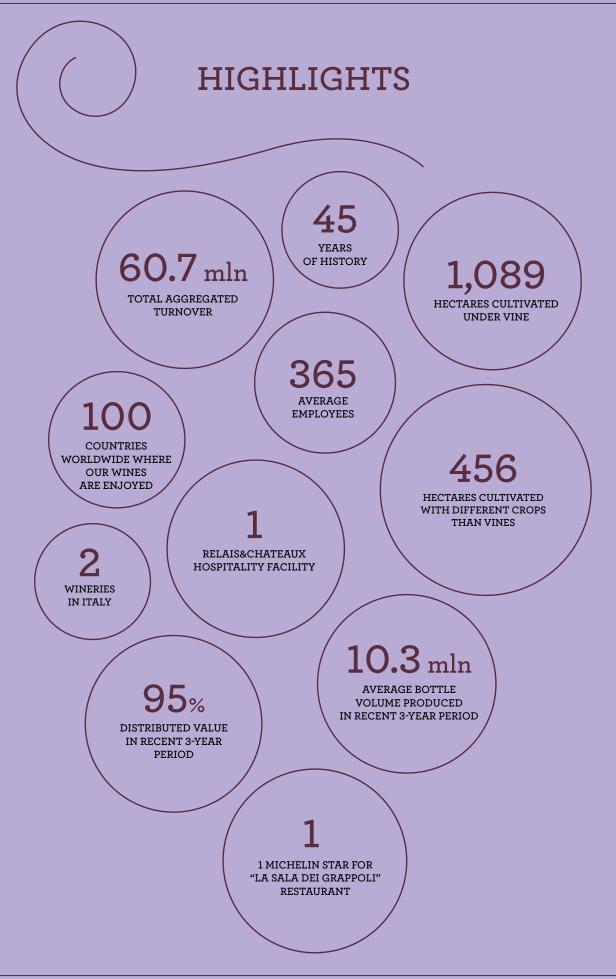
Enrico Viglierchio

PRESIDENT BANFI SOCIETÀ AGRICOLA SRL

Rodolfo Maralli

PRESIDENT BANFI SRL AND PRESIDENT FONDAZIONE BANFI

(droven boen



01. BANFI'S IDENTITY



WHO WE ARE

The history of Banfi tells an extraordinary success story, starting over 40 years ago, which has reached the present day and tells the story of a company with a reality that is deeply rooted in the territory and which has been able to play an undisputable leadership role in creating the extraordinary success of Brunello di Montalcino worldwide.

Over the years, the company has been able to accept challenges and to adapt to changes and currently represents a reference both for wine production and for other relevant local agriculture productions, as well as for the important role played in the hospitality industry with Castello Banfi Wine Resort.

OUR VALUES

PIONEERING

We have always blazed new trails, respecting the history of the territories and the individuals living there.

RESEARCH

We study to experiment and innovate, from the soil to the winery, all the way to the market.

SHARING

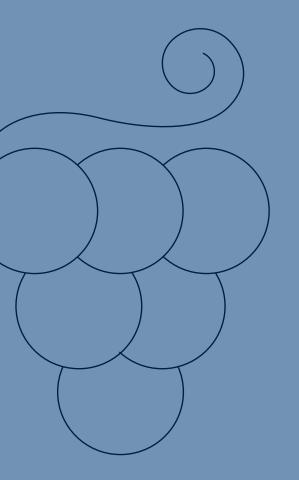
We support training and dissemination of knowledge which only has a value for us when it becomes a common legacy.

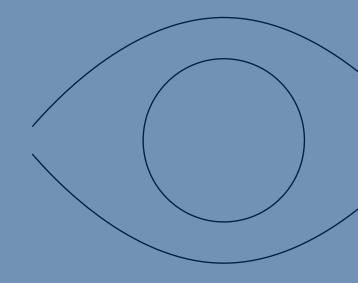
RESPECT

We are committed to building a better future, working, every day, in harmony with the environment, communities and our people.

VISION

We envisage a global and connected world, where differences represent prosperity. The products of our land, to be defended and valued, are the best expression of human work and talent.





MISSION

Always pioneers, we value research and people, in respect of the territories in which we operate. **For a better wine world.**

OUR GUIDING PRINCIPLES

GRI 2-16 | GRI 2-23 | GRI 2-24 | GRI 2-26

In its daily activities, Banfi draws inspiration from the respect and assertion of the values of the Constitution of the Italian Republic, the Universal Declaration of Human Rights, the Rio Declaration on Environment and Development, the Charter of Fundamental Rights of the European Union, the Paris Climate Agreement, the Global Compact, the International Food Standards of the Codex Alimentarius Commission, and the Urbino Charter for the well-being of working people. Furthermore, Banfi shares the vision of Earthday.org and the action programs.

Furthermore, Banfi recognizes the commitment to implement the sustainable development goals defined in the 2030 agenda adopted on 25 September 2015 by the United Nations General Assembly as a substantial element to guarantee a lasting progress.

The attention towards the recognition and the promotion of shared values and principles is affirmed in the numerous tools which strengthen the system of internal control and risk management: the Code of Ethics, the Organization, Management and Control Model pursuant to Leg. Decree no. 231/2001, and the procedure for reporting of illicit conduct (so-called Whistleblowing). These tools are adopted by both companies, Banfi Società Agricola Srl and Banfi Srl.

ETHICAL CODE

The Ethical Code sanctions the reference values and the **conduct rules** which regulate the relationships with consumers, workers, and suppliers and which, more in general, **direct and bind the conduct toward all company interlocutors.** These are the principle values and rules: compliance with regulations, honesty, transparency, confidentiality, fair competition, integrity, correctness in the relations with the employees, and protection of the environment. This year, the Ethical Code underwent an update process which will be submitted to the approval of the Board of Directors in the 2024 fiscal year.

ORGANIZATION, MANAGEMENT AND CONTROL MODEL, FORMER LEGISLATIVE DECREE 231/01

The legislative decree 231/01 "Discipline of the administrative liability of legal entities, companies and associations albeit without a legal entity", introduced into the Italian legal system the **administrative liability at the charge of entities for a series of**



violations committed to their advantage on behalf of certain specific categories on the executive level or individuals under their management or supervision. For the purpose of abiding with the orders of the law, an Organization, Management and Control Model was defined, submitted to a periodical update subsequent to the legal evolution.

CODE OF CONDUCT

The Code of Conduct represents the declaration of intent with which Banfi invites its staff to comply with the national and European legislation and the **principles of professionalism and correctness toward colleagues and external interlocutors of the company**. With this document it is also the intention to pursue and guarantee the psychological and physical well-being of its employees in the workplace, and the actual protection of health and safety. To reinforce this commitment, in June of this year, Banfi underwrote the **Urbino Charter**, where certain irrevocable values for the actual protection of health, safety and well-being of the working population are expressed. The Code of Conduct was approved by the Board of Directors in July.

DISCIPLINARY REGULATION

The Disciplinary Regulation, inspired by the principles contained in the Code of Conduct, represents the **tool with which the performance of the work activity of the staff is regulated**, both inside and outside of the company premises. The Disciplinary Regulation was adopted in July.

WHISTLEBLOWING PROCEDURE

The procedure introduces a system to **manage reports**, on behalf of employees and partners, **of possible illicit conduct**, that is in contrast with the European and national legislation, with the Ethical Code, with the Organization, Management and Control Model, with the Code of Conduct and with the company procedures. The procedure describes the modalities to present a report and how the report will be handled, guaranteeing the confidentiality of the individual submitting the report (and of its content) and the protection against possible retorsion or discrimination, subsequent to the report itself. The Whistleblowing procedure was approved by the Board of Directors in July.



A CERTIFIED SYSTEM

GRI 2-23 | GRI 2-24

From the very beginning, Banfi has recognized the importance of the social, environmental and economic dimension within its business model, adopting a management approach strongly oriented toward sustainable development. This attention has been recognized in the certification of the **environmental management system**, obtained by Banfi Società Agricola Srl, in the **work health and safety management system**, obtained by Banfi Srl and finally in the **ethical certification**, obtained by both companies. These certifications, over the years, were joined by others, in more specific contexts, and bear witness to the quality of the adopted management modalities. Recognitions which, by virtue of the provenance of the certification bodies external to the company, reinforce the credibility and the transparency of the entire system.

With the evolutionary spirit which has always characterized the company, over the next years, a course of development will be undertaken to **extend the environmental management and work health and safety systems to the areas in the company which are currently uncovered**, formalizing a unitarian management approach. An approach which will be taken up also in the future setting of the strategic sustainability planning, increasingly connecting the planned actions to specific incidents of external asseveration.

ESG RATING

The **ESG rating** is a concise judgement certifying the solidity of an organization from the point of view of environmental, social and governance aspects. Therefore, it represents a **modality with which the sustainability performances are evaluated**, increasing information for the benefit of the stakeholders and the degree of transparency in the communication of sustainability. This year again, Banfi has submitted its commitment to sustainability topics to the assessment of Cerved Rating Agency for the release of the update of its ESG rating. The conducted analysis led to an improvement of the rating category at BBB, with a correspondence to a high-performance range.

THE STRATEGIC SUSTAINABILITY PLAN

The Strategic Sustainability Plan represents the most important stronghold to govern the future challenges in managing the social, environmental, and economic dimension of the business. It identifies the planned topics, actions, and goals to be pursued in a defined timeframe, with the intent of developing an increasingly more structured and long-lasting approach in the management of sustainability topics.

The creation of a Strategic Sustainability Plan had its beginning in the definition process of the material topics to which it then was linked for the definition of its components (vision and actions). Furthermore, with the joined analysis of the **17** sustainable development goals (SDGs) and the company specifics, the 8 SDGs were identified toward which our commitment was to be directed. The process was completed by identifying specific goals and targets to be reached in the upcoming years.

The validity of the setting of the current Strategic Sustainability Plan and **related commitment in terms of goals and targets for the period of 2022-2024** was confirmed by the new governance organization which entered into force this year. The planning of the new commitments for future business years will be proposed in the new year.



THE 17 SUSTAINABLE DEVELOPMENT GOALS

TOPICS	VISION	ACTIONS	SDGs
GROWTH IN THE TERRITORY AND COOPERATION	Represent a reference for the development of the territory and of the local community, through commercial initiatives and public outreach of knowledge	DEVELOP Sustainability report for the territory Relationships with associations	
PERSONAL GROWTH AND EVOLUTION	Guarantee professional development and well-being at work, enhancing individual skills and attention to change	INVEST In professional development In technical professional training	
SAFEGUARD AND DEFENSE OF THE ECO-SYSTEM	Develop a sustainable production system to safeguard the environment and biodiversity, capable of containing the environmental impact	INCREASE Attention to energy consumption and used materials Variety of landscape and crops	
HIGH QUALITY AND PROGRESS	Invest in farming techniques, technological innovation and research to support the quality evolution of the product and technical and scientific progress	SUPPORT Research and public outreach of knowledge Technology and experimental vineyards	

OUR STRATEGIC GOALS

TOPICS	GOALS	
TERRITORY GROWTH IN THE TERRITORY	Develop the sustainability report of the territory	
AND COOPERATION	Determine the socio-economic impact of the activities implemented in favor of the territory and the local community	
	Increase the financial sustainability of the supply chain	
PEOPLE PERSONAL GROWTH AND EVOLUTION —	Facilitate work private life balance	
	Provide support to employees	
	Make employees aware of the importance of sustainability	
	Reinforce company training for all employees	
ENVIRONMENT PROTECTION AND DEFENSE OF THE ECOSYSTEM	Optimize energy consumption	
	Increase degree of independence in energy procurement	
	Reduce consumption of plastic	
	Calculate company impacts	

Complete update of company facilities

Certify company sustainability practices

QUALITY HIGH QUALITY AND PROGRESS

TARGETS	TIMING
Intensify the dialogue and interactions with the stakeholders, first of all, the associations operating in the territory and the companies of the supply chain	2022
Define the appropriate mechanisms of analysis and development to quantify the socio-economic impact of the activities taken into consideration	2022/2023
Increase the use of all tools to support financial sustainability of the supply chain, covering 50% of global suppliers (by number)	2023
Increase the use of all tools to support financial sustainability of the supply chain, covering 80% of local suppliers (by number)	2023
Define a company protocol to regulate the practices of home office in order to optimize the well- being of the employees and work efficiency	2022
Identify, also in discussions with the trade unions, the forms of company welfare most suitable for the work force	2022
Develop forms of company welfare to support all employees	2023
Identify, also by involving the Social Performance Team, an incentive plan, for every staff member, linked to the achievement of sustainability goals	2022
Increase the total training hours, planning an incremental variation of 3% annually	2022/2023 2024
Implement following energy efficiency actions at the Strevi winery: • replace the current relaunch pumps for drinking water in the winery • replace furnace used for production • replace spray pasteurizer with new heating system	2022
Expand use of renewable energy sources by building a new photovoltaic system in the area dedicated to cold storage at the Montalcino winery	2023/2024
Install, at the Montalcino winery, new equipment to wrap pallets (storage pallets and full pallets) which uses a particular type of paper (so-called Kraft paper) replacing plastic	2023
Initiate a study and the subsequent implementation of the best alternative to the use of: • shrink wrap film and plastic wrap film for packaging • single use plastic for the packaging of Banfi pasta and plums	2022/2023
Develop calculation of company water footprint	2022
Achieve BIODIVERSITY FRIEND certification	2023
Activate interventions to replace and dispose of asbestos roofing on company buildings	2022/2023 2024
Achieve EQUALITAS certification for Banfi Srl Piedmont	2022
Achieve EQUALITAS product certification for the following skus: • Brunello di Montalcino Riserva Poggio all'Oro 2016 • Brunello di Montalcino Vigna Marrucheto 2018	2022

- Brunello di Montalcino Riserva Poggio alle Mura 2017 Brunello di Montalcino Poggio alle Mura 2018

2023 GOALS

TOPICS	TARGETS FOR 2023		
TERRITORY GROWTH IN THE TERRITORY AND COOPERATION	Define the appropriate mechanisms of analysis and development to quantify the socio-economic impact of the activities taken into consideration		
	Increase the use of all tools to support financial sustainability of the supply chain, covering 50% of global suppliers (by number)		
	Increase the use of all tools to support financial sustainability of the supply chain, covering 80% of local suppliers (by number)		
PEOPLE PERSONAL GROWTH	Identify, also in discussions with the trade unions, the forms of company welfare most suitable for the work force		
	Develop forms of company welfare to support all employees		
	Identify, also by involving the Social Performance Team, an incentive plan, for every staff member, linked to the achievement of sustainability goals		
	Increase the total training hours, planning an incremental variation of 3% annually		
ENVIRONMENT PROTECTION	Expand use of renewable energy sources by building a new photovoltaic system in the area dedicated to cold storage at the Montalcino winery		
AND DEFENSE OF THE ECOSYSTEM	Install, at the Montalcino winery, new equipment to wrap pallets (storage pallets and full pallets) which uses a particular type of paper (so-called Kraft paper) replacing plastic		
	Initiate a study and the subsequent implementation of the best alternative to the use of:		
	 shrink wrap film and plastic wrap film for packaging single use plastic for the packaging of Banfi pasta and plums 		
	Achieve BIODIVERSITY FRIEND certification		

Activate interventions to replace and dispose of asbestos roofing on company buildings

QUALITY HIGH QUALITY AND PROGRESS

Achieve EQUALITAS certification for Banfi Srl Piedmont

 \Box

ACHIEVED RESULTS

During 2023 the assessments concerning the activities toward which to direct the project, to be analyzed during 2024, were perfected, on the occasion of the new strategic objectives for the upcoming years

The finance supply chain tools (confirming and reverse factoring and dynamic discount) have encountered a limited interest on behalf of the majority of the businesses of our supply chain. The identification of new targets, in relation to these specific tools, will be analyzed during 2024, on the occasion of the new strategic objectives for the upcoming years

During 2023, in cooperation with the union and employers' organizations, an experimental project was developed involving the workers of the agricultural and sales departments and which provides for the remodulation of the work hours, allowing for its reduction. After a period of verification and assessment with regard to the implementation of the project, the opportunity will be evaluated to extend it also the remaining part of the company staff

At the moment, the best modalities to implement the project have not been identified yet. This will be the subject of further study during 2024, on the occasion of the definition of the new strategic objectives for the upcoming years

During 2023, the various training programs that were activated were not sufficient to reach the set objective. For further details, see the chapter "The People"

The construction of the photovoltaic system has been completed and started operating in February 2024

The development of the project has been temporarily halted and its feasibility will be analyzed during 2024, on the occasion of the definition of the new strategic objectives for the upcoming years

Regarding the study on the alternatives to the use of shrink wrap film for packaging materials, the best modalities for the implementation of the project have not been identified yet. The development will be the subject of further assessment during 2024, on the occasion of the definition of the new strategic objectives for the upcoming years. However, the difficulties which were encountered last year in relation to the replacement of single-use plastic in the packages of Banfi pasta and plums are confirmed

During 2023, the activities of data collection for air, water and soil on the company propriety in the municipality of Montalcino were carried out, by applying biodiversity indexes of the WBA "Biodiversity Friend ®" protocol. The achievement of the certification will be the subject of evaluation during 2024, in the context of definition of new strategic goals for the upcoming years

During 2023, no specific interventions were activated. In 2024, the development of a study on the locations where to intervene during 2025 is scheduled

During 2023, the internal analysis activities continued aimed at the assessment of the specificities of the company reality in Piedmont. The preparatory audit activities for the issue of the certification have been scheduled for March 2024

DEVELOPMENT GOALS

2030 UN AC SDGs	GENDA	TARGET
2 =	2.4	By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality
4 885%	4.4	By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
	6.3 6.6	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes
8	8.3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services
	8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
	11.4	Strengthen efforts to protect and safeguard the world's cultural and natural heritage
12 11111	12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
\sim	12.6	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
13 and C	13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
15 #	15.2	By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally
-	15.5	Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

COMMITMENT OF BANFI PROJECTS AND ACTIVITIES	CHAPTER
 Experimental vineyard project Introduction of "Alberello Banfi" trellising system Introduction of micro-irrigation with variable flow rate for the management of the need of water of the vineyards 	The territory
• Sanguis Jovis – Alta Scuola del Sangiovese project	The territory
 Purification of water used in the winery and input to the environment Treatment of purified water and reuse for technical purposes in the winery Construction of reservoirs to collect rainwater for the service of vineyard irrigation 	The environment
• Project in support of the industry chain (reverse factoring and confirming, and dynamic discount)	Value chain
 Underwriting of the Urbino Charter for the well-being of the working individual Certification of the management system for health and safety former ISO 45001 	Our people
 Restoration project of the prehistoric whale fossil Conservation and protection of important archeological collections at the Glass and Bottle Museum 	The territory
 Transformation of the sludge generated by the purification of wastewater from the winery to soil corrector Sale of subproducts of the production process to distilleries for the creation of new products 	The environment
 Compilation of the Sustainability Report Certification of adopted practices according to the Equalitas standard Assessment of sustainability performance for the issue of ESG rating 	Quality The identity of Banfi
 Identification and management of risks associated with climate change Actions to contain soil erosion phenomena Use of packaging materials produced with variable components of recycled material to reduce the environmental impact 	The environment
• Selection of suppliers with PEFC or FSC certifications for the safeguard of responsible forest management	The environment
 Management of the agri-wildlife preserve in compliance with regional regulations Project for the safeguard of bees and the Amiata donkey 	

OUR HISTORY

1978

Founding of Banfi, thanks to the determination of the Italian American brothers, John and Harry Mariani.

1979

Founding of Banfi Piemonte, in the territories between Novi Ligure and Acqui Terme.

1980

Beginning of the estate zonation project, highlighting the interaction between genotype and environment, allowing for the optimization of the introduction of various varieties in the most suitable locations.

1982

Beginning of the clonal selection process, with the identification of specific clones of Sangiovese, with better adaptability to the pedoclimatic conditions and to the enological requirements.

1983

1984

1986

1992

Introduction of new

to increase quality in certain specific varieties.

pruning methods, allowing

Acquisition of the Castello di Poggio alle Mura estate which, thanks to importan restoration, becomes the central element for the development of the hospitality department.

Dedication of the winery

to preserve the maximum

integrity and richness of

the grapes. The winery is

also equipped with a water

Establishing of Fondazione

Banfi with the purpose of

vitivinicultural practices.

fondazione ban<u>fi</u>____

and enhancing the philosophy and culture of

promoting, disseminating

1998

Creation in Montalcino of the Jazz&Wine Festival, an event uniting the world of music and the world of wine, which becomes part of the enhancement of the territory and of the local community, always at the center of attention for Banfi.

2001

Banfi obtains the ISO 9001 (quality management system) and the ISO 14001 (environment management system) certifications.



2002

Introduction of the new «Alberello Banfi» trellising method, allowing to optimize the management and quality of red varieties, reducing the use of water, fertilizer and pesticides.

2005

Banfi obtains the SA8000 certification on corporate social responsibility.



2006

Banfi obtains the BRC and IFS certifications to guarantee the quality and safety of food products.

2007

Installation of a new vinification area, with 24 truncated cone vats in oak and steel with a capacity of 177 hl (HORIZON fermentors).

2008

Introduction of the variable flow rate micro irrigation system, capable of guaranteeing a targeted and efficient use of the water resource according to the incline and characteristics of the individual plots.

Introduction of BIO BED, a technique developed in cooperation with Pisa University, capable of reducing to zero the oily residues from agricultural treatments that remain in the water used to wash vehicles.

2009

Introduction of the use of the lightweight bottle, with a weight that for a Bordeaux bottle from 570 g passes to 400 g, significantly reducing the impact as to energy consumption for production and transportation and for CO₂ emission.

2012

An experimental survey is conducted, to advance the knowledge of the relationship between certain Fondazione Banfi promotes characteristics of berries and their ripening in the light of the significant pedologic variability of cultivated plots.

2015

The first Sustainability Report is drafted to illustrate the commitment towards the responsible management of the environment, care of human resources and attention to the territory and to the local community.

2016

Launch of the project for the reuse of water and modifications to the purification system, reducing the use of chemicals to soften water and the withdrawal of groundwater, to optimize the environmental impact.

2017

Banfi obtains the OHSAS 18001 (work health and safety management system) certification.

the creation of Sanguis Jovis - Alta Scuola di Formazione del Sangiovese (Sangiovese Higher Education School) with the purpose of training future professionals in industry through the study of the variety which is the symbol of the Montalcino territory.

fondazione banfi SANGUIS JOVIS

2018

Banfi celebrates its first 40 years of activity.



2019

Construction of a water purifying plant for the outflow from the treatment plant, enabling its re-use in some phases of the production process or for irrigation of green areas. Castello Banfi Wine Resort becomes a member of the prestigious Relais & Châteaux family, the association gathering gourmet restaurants, boutique hotels, resorts and villas.



2020

The Sala dei Grappoli restaurant is awarded a Michelin Star, the highest recognition in the restaurant industry.



2021

Banfi achieves the EQUALITAS certification for sustainability in the vitivinicultural department.



2022

Banfi obtains EQUALITAS Product certification for 4 of its most important wines. 2016 Brunello di Montalcino

Poggio all'Oro is the first Brunello di Montalcino to achieve this certification.



2023

Banfi improves its ESG rating reaching a highperformance range.

In June, the Urbino Charter is signed, the document of intents for the promotion of the well-being of the workers in the workplace.

OUR TERRITORIES

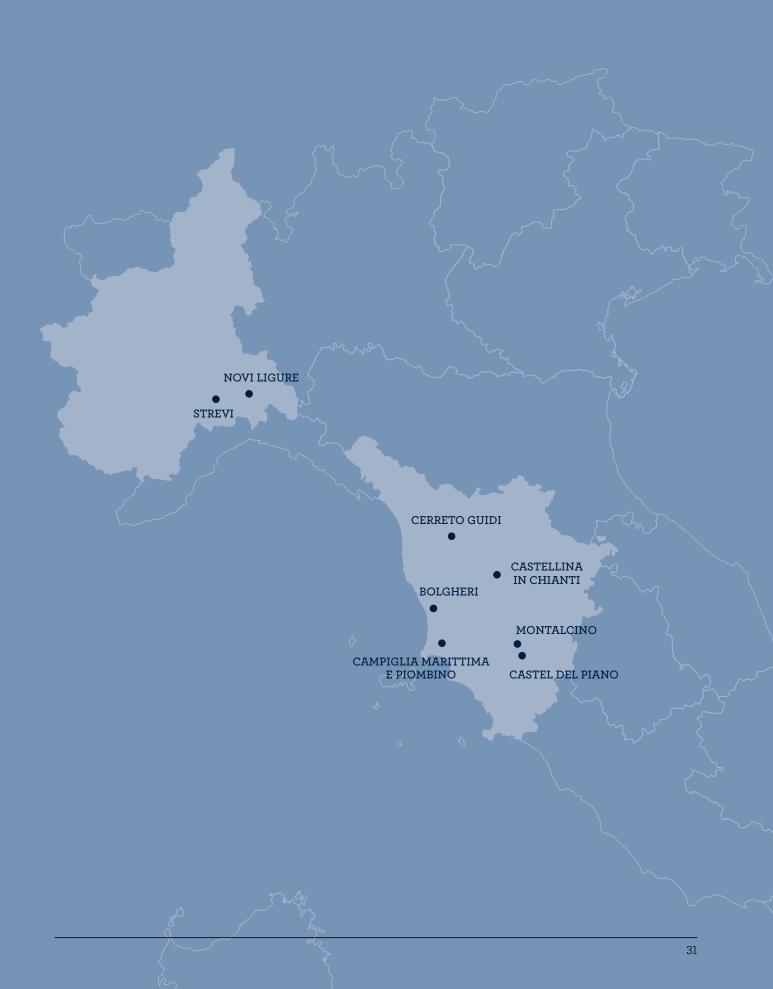
GRI 2-1

LOCALITY	EXTENSION (HECTARES)	CHARACTERISTICS	
Montalcino	1,308	855	vineyards
		102	plum orchards
		5	cherry orchards
		40	olive groves
		19	reforestation
		11	truffle groves
		4	cork oaks
		272	organic arable crops
Castel del Piano	19	19	vineyards
Campiglia Marittima	86	85	vineyards
e Piombino		1	olive groves
Bolgheri	15	15	vineyards
Castellina in Chianti	18	18	vineyards
Cerreto Guidi	60	58	vineyards
		2	olive groves
Strevi	7	7	vineyards
Novi Ligure	32	32	vineyards

OUR PRODUCTION

GRI 2-6

Wine is the primary production of Banfi. Since its inception, Banfi has always considered it essential to its strategic development and to the pursuit of its vision, to build its role as a producer, by focusing on the two territories of **Montalcino** and **Strevi**, planting vineyards with the most important varieties, accompanied by less known varieties, with the ability to expand the opportunities offered by the reference territories.



BRUNELLO

Poggio all'Oro - Brunello di Montalcino Riserva DOCG

Poggio alle Mura Riserva - Brunello di Montalcino Riserva DOCG

Poggio alle Mura - Brunello di Montalcino DOCG Vigna Marrucheto - Brunello di Montalcino DOCG Castello Banfi - Brunello di Montalcino DOCG

ROSSO DI MONTALCINO

Poggio alle Mura - Rosso di Montalcino DOC Castello Banfi - Rosso di Montalcino DOC

SUPERTUSCANS

Summus - Toscana IGT Excelsus - Toscana IGT Belnero - Toscana IGT Cum Laude - Toscana IGT

WHITE WINES FROM THE CASTELLO

Fontanelle - Toscana IGT San Angelo - Toscana IGT

SWEET WINES

Florus - Moscadello di Montalcino DOC

CHIANTI CLASSICO

Fonte alla Selva Gran Selezione - Chianti Classico Gran Selezione DOCG Banfi Chianti Classico Riserva DOCG Banfi Chianti Classico DOCG

CHIANTI

Traversa dei Monti - Chianti Colli Senesi DOCG Banfi Chianti Superiore DOCG Banfi Chianti DOCG

BOLGHERI AND TUSCAN COAST

Aska - Bolgheri Rosso DOC La Pettegola - Toscana IGT Badalei - Toscana IGT Cost'è - Toscana IGT

TOSCANA IGT

Centine Rosso - Toscana IGT Centine Rosso Varietale - Toscana IGT Centine Bianco - Toscana IGT Centine Rosé - Toscana IGT Col di Sasso -Toscana IGT Collepino - Toscana IGT Fumaio - Toscana IGT Le Rime - Toscana IGT Stilnovo - Toscana IGT Santa Costanza - Toscana IGT



METODO CLASSICO

Banfi Brut - Vino Spumante Metodo Classico Cuvée Aurora - Alta Langa DOCG Extra Brut Cuvée Aurora Rosé - Alta Langa DOCG Extra Brut Cuvée Aurora Blanc de Noirs - Alta Langa DOCG Cuvée Aurora Riserva 100 Mesi - Alta Langa DOCG

SPARKLING WINES

Tener - Vino Spumante Charmat Brut Tener - Vino Spumante Extra Dry

WHITE WINES

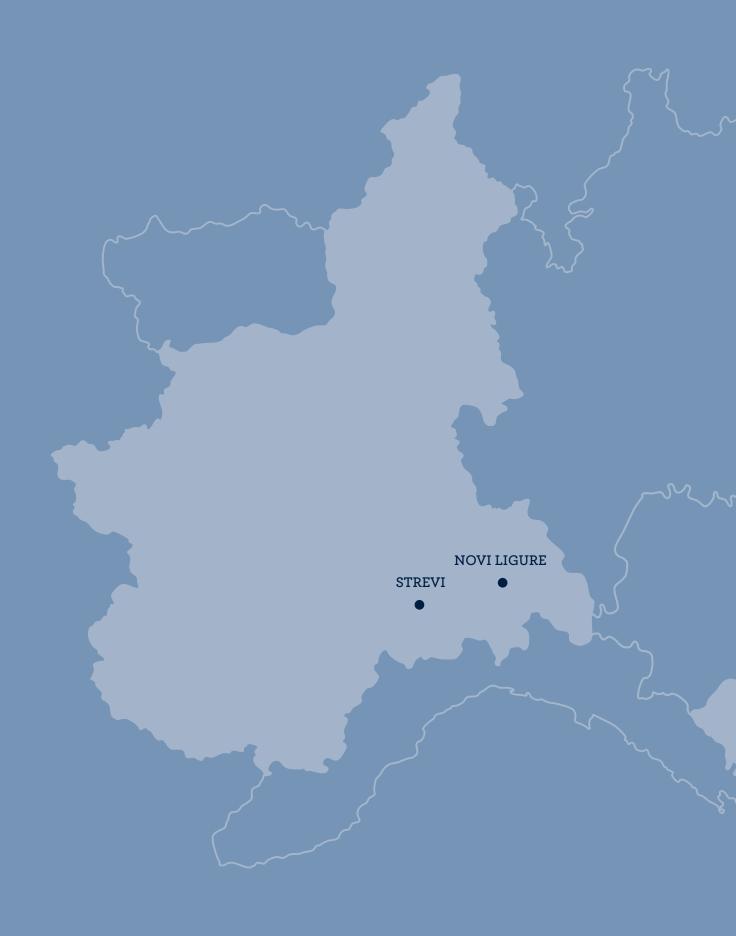
Principessa Gavia - Gavi DOCG

RED WINES

La Lus - Piemonte DOC L'Altra - Barbera d'Asti DOCG L'Ardì - Dolcetto d'Acqui DOC

SWEET WINES AND SPARKLING WINES

Rosa Regale - Brachetto d'Acqui DOCG Rosa Regale - Asti Spumante DOCG Sciandor - Moscato d'Asti DOCG





HOSPITALITY

GRI 2-6

"Castello Banfi Wine Resort" is the facility dedicated to hospitality, a complex situated in an agricultural area of historic and environmental interest, extending over approximately **3 hectares** and, in addition to the **Castello di Poggio alle Mura**, currently known as Castello Banfi, consisting of the boutique hotel "II Borgo", the restaurants "La Taverna" and "La Sala dei Grappoli", a wine shop and the balsameria. There is a staff of over 70 employed in the entire structure, with various tasks and jobs.

The Castle, dates to a period from the **9th to the 13th century**, and is not just the symbolic reference for the entire complex. While the Castle does not offer hotel services, inside, there are two large salons, the "Sala del Capitano" and the "Sala del Teatro" that are ideal locations for meetings, receptions or banquets. Outside, there are two courtyards to welcome guests. Furthermore, where the former stables and olive mill were located, the Castle houses the "Bottle and Glass Museum" with a display of an important collection of ancient wine bottles and glassware.

The boutique hotel "Il Borgo" is the structure dedicated to guest accommodations. It is set on the southern side, at the foot of the Castle and consists of 14 units, rooms and suites, a heated swimming pool with a pool bar and a gym.

Within the complex, there are the restaurants, "La Taverna" and the "Sala dei Grappoli", open to the public as well as to the hotel guests, and the wine shop where wine can be tasted and purchased.

Finally, under the north wing of the Castle there is the **Balsameria**, a small cellar where the Condimento Balsamico Etrusco, the estate balsamic vinegar, is produced, by ageing grape must over twelve years.

			3	CLASSIC SUITE	70-80 sq m
1	POGGIO ALL'ORO SUITE	110 sq m	7	JUNIOR SUITE	55-65 sq m
1	RISERVA SUITE	75 sq m	2	RISERVA DELUXE	40 sq m

BANFI PRODUCTION: BEYOND WINE

GRI 2-6

Alongside the production of wine, over the years, Banfi has also developed other agricultural productions in the **territory of Montalcino**, enhancing areas which are distinguished for specific agronomic characteristics with great differences. Among these productions, the most important is represented by **plums for drying**, of which Banfi is the **leader on the Italian market**.

The cultivation of **olives** and **Senatore Cappelli variety durum wheat** represent two other significant activities thanks to which the production of olive oil and Banfi branded pasta take place. Among the historical productions, **Condimento Balsamico Etrusco** must be mentioned. Finally, since 2019 Banfi is active in the production of honey, thanks to the installation of eighty hives in specific areas of the estate.



Plum tree blossom

Senatore Cappelli variety wheat field

02. OUR STAKEHOLDERS

Educational activity in the vineyards

OUR STAKEHOLDERS

GRI 2-29

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

• the **relationships** that Banfi creates with its surroundings;

• significant topics for the business of Banfi.

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, reaching out for their involvement to develop and consolidate long-lasting relationships.



BANFI

STAKEHOLDER	NATURE OF THE RELATIONSHIP
HUMAN RESOURCES	Sense of belonging and elevated professionalism
AGENTS	Sense of belonging and stable and lasting relationships
CLIENTS, CONSUMERS AND GUESTS	Continuity over time and development of commercial synergies
SUPPLIERS	Strong cooperation and innovative drive
COMPETITORS	Spirit of cooperation for the enhancement of the territories and the promotion of the product
UNIONS AND EMPLOYERS ORGANIZATIONS	Participation and innovative drive
JOURNALISTS AND BLOGGERS	Attendance and collaborative drive
SHAREHOLDERS	Sharing of decisions and proxies
CAPITAL PROVIDERS AND FINANCIAL INSTITUTIONS	Trust and continuity of the relationship
PUBLIC INSTITUTIONS AND CONSORTIA	Attendance, continuity over time and shared intentions
UNIVERSITIES, PRIMARY AND SECONDARY SCHOOLS AND RESEARCH CENTERS	Cooperation, innovation drive and continuity over time
LOCAL COMMUNITY	Support in developing and enhancing unique features
BANFI FOUNDATION	Strong cooperation

ENGAGEMENT TYPE

- Development of training projects and team building activities
- · Reorganization HR office to guarantee better attention and support for the workers, in particular during changes
- Creation of Supervisory Committee to manage the experimental agreement initiated with the workers under agricultural and commercial contracts
- Monitoring activities of health and safety topics in the workplace
- Setting up of a physical collection point for reports (views collection box)
- · Activation of formal mechanisms to reporting illicit incidents (whistleblowing procedure)
- · Activation of periodical meeting and dedicated meetings (i.e. the so-called "Wisemen Committee")
- · Activation of formal mechanisms to report illicit incidents (whistleblowing procedure)
- · Activation of meetings or special projects (i.e. "Banfi Brunello Ambassador Club")
- · Involvement in the context of events, fairs or other activities developed in reference to the related business sector
- Development of e-commerce channel (enotecabanfi.it)
- Activation of dedicated meetings in function of the business needs
- Involvement in ad hoc events in support of "historical" suppliers
- Cooperation in projects with common purposes
- · Participation in initiatives developed by associated organizations and consortia
- · Debate in the context of the management of contract aspects of the workers
- Formalization of experimental agreements and company welfare
- · Activation of tours of the production facility
- Participation in dedicated encounters (events, fairs)
- Development of initiatives on the social network
- Meetings in the context of the periodical Shareholders' Meetings
- Activation of dedicated meetings in function of the business needs
- Participation in the context of ad hoc meetings
- Presence in governance bodies (for certain Consortia)
- · Activation and support in the implementation of dedicated projects
- Cooperation on dedicated projects
- Support in research activities
- Hosting of PhD candidates or interns
- Support in elaborating theses
- Lecturing activities in the context of specific educational sessions
- Educational tours at the estate
- Support in developing various initiatives activated in the territory
- Support in developing various initiatives activated during the year

INITIATIVES AND MEETINGS IN 2023

In **May**, Banfi participated in Skopje in the constitution ceremony of the **Western Balkans Wine Network**, an alliance between wine producers of the countries of the Balkans: Serbia, Bosnia Herzegovina, Montenegro, Albania, Kosovo and Northern Macedonia. The constitution of this network was supported by FAO (Food and Agriculture Organization of the United Nations) and by EBRD (European Bank for Reconstruction and Development) and took place in the presence of the Minister of Agriculture of Northern Macedonia, the country hosting the ceremony. On the day, in addition to illustrating the project and signing the agreement, there were various debates among the participating operators, the journalists who followed the project and the guests in attendance. Banfi was involved in the debate on sustainability, recounting the course taken over the years and underlining the importance of the attention on these topics to the development of the Western Balkans Wine Network.

In June, Banfi took part in the second edition of the International Workplace Health and Safety Festival, organized by the Rubes Triva Foundation, jointly with the University of Urbino, in synergy with INAIL and the EU OSHA Agency of Bilboa. The topic chosen for this second edition was organizational well-being, that is how a good company organization represents a fundamental condition for the well-being of the workers in the workplace. The topic was analyzed in detail thanks also to the comparison between the various legal frameworks and realities of the member countries of the EU, with particular attention to digital innovation, psycho-social risks and the fragmentation of the production cycle. At the end of the debate the **Urbino Charter** was presented, a document of intent for promoting the well-being of the workers in the workplace which, on this occasion, Banfi formally underwrote, recognizing the value and the importance of the document.

Also, in **June**, at Castello Banfi Wine Resort, the constitution ceremony took place of the **Banfi Brunello Ambassador Club**, the group that reunites the sixty most historical and most important clients for Banfi and for its history, those who, from the initial years, believed in the project and the visionary development plan of the Mariani family. Among the "Banfi Brunello Ambassadors" there are specialists in the horeca industry, owners of important wine stores and renowned restaurants, that have provided a fundamental contribution to the affirmation of our Brunello di Montalcino on an international level. The investiture ceremony was the occasion to reunite all these professionals and make them the protagonists of this important project which, not only supports our most important products, but also aims at promoting an entire territory to engage in its growth and future development.

In October, in Rome, the meeting with the "Wisemen", the **agents of the sales network who have been working with Banfi for over twenty years** was organized. An opportunity to meet and to listen, to share and to dialogue which developed over two days where the sense of belonging, and the spirit of cooperation once again highlighted the strong bond which unites the individual and the business.



The Banfi Brunello Ambassador Club even



Enrico Viglierchio, President of Banfi Società Agricola Srl, and Gabriele Mazzi, Vice president of Banfi Srl and Banfi Società Agricola Srl, signing the Urbino Charter

INTERVIEW WITH PROF. PAOLO PASCUCCI

Full professor of Labor Law President of the "Olympus" Observatory Law Department University of Urbino Carlo Bo

On March 2 of this year, in Bilbao, the Urbino Charter was officially presented, the declaration of intent for the promotion of the well-being of the workers in the workplace, compiled by the Olympus Observatory of the University of Urbino Carlo Bo and the Rubes Triva Foundation. Prof. Pascucci, can you describe this text briefly to us and the goals it has outlined? What does the need to develop a decalogue dedicated to these topics originate from?

The Urbino Charter is a document which contains, in the form of a decalogue, inalienable principles-values with regard to the protection of the health and safety of working individuals. It obviously does not have the presumption of siding or replacing the reference legislative sources, but it aims at creating a wider consideration on a matter which we believe should become increasingly the property of the collectivity and not only an exclusive topic of interest of the directly involved. With a less technical, more conversational and certainly non-preceptive language, from the start the Urbino Charter encountered wide consensus and was underwritten not only by representatives of the business world, but also academics, scientists, representatives of the public institutions and of the unions, a series of individuals from different areas, attesting to the fact that this manifesto has really generated great interest. Behind this success, there probably is the need to make the recognition of the principles-values more evident and this, in the case of the businesses, represents the clarification of a further commitment, with regard to the many commitments they are already called to take on daily.

The Urbino Charter puts attention on the inalienable values for the actual protection of health, safety and wellbeing of those in the workplace. A document directed at



the business world and its representatives, with an echo in the entire civil society. Prof. Pascucci, how can businesses in their daily endeavors enact the content sanctioned by the Urbino Charter?

Businesses, but more in general organizations, whether public or private, must consider the topic of health and safety in the workplace exactly at the same level as all other matters the entrepreneur or the employer hold at heart. Anyone who organizes a production activity, and in doing so avails of the work of individuals, cannot not be preoccupied with their health and safety. And this must not occur in an accessory or subordinate manner to the organization of the activity. In this regard, there is a principle in the European directive framework of 1989 on health and safety in the workplace which experience has shown has not been well understood and which affirms: the individual first and then the job. Therefore, it is the organization that must adapt to the individuals and not the contrary and this must happen in the constitutive stages when it is possible to adopt the most appropriate choices to eliminate or mitigate as much as possible the risks for the individuals. Therefore, the real point is to understand that the management of health and safety of the workers is exactly doing business and nothing else. It is not something that has to be "supported" in force of the presence of legislative orders which impose certain obligations or determine precise criminal sanctions in case of violations. The break, which very often is evident between the idea of an economic enterprise and the safety of the workers, conceptually is totally wrong. If this vision is not abandoned, an approach will continue to perdure on this matters which is not very different from what in the past was the commodification of work, in which the worker substantially was considered a commodity and not a person.



Today, the topic of safety in the workplace is extremely current, increasingly emphasized by the elevated number of work-related fatalities which are recorded every year. The estimates referred to 2023 state not less than 1,500 cases and the confirmed industries at the highest risk are agriculture, transport and construction. The Urbino Charter, in its two first principles, affirms the centrality of the protection of life, subsequently underlining the importance of prevention. Prof. Pascucci, which is the course that must be undertaken to contrast in an efficient manner the cases of work-related injuries and fatalities? How has the behavior of the companies to change to confront these topics?

We must abandon the preconception that the topic of workplace safety concerns only the private sector and only certain of its parts. Certainly, construction and agriculture are two industries traditionally exposed to many risks for its workers. However, we must look at this as a topic that does not have boundaries and that concerns both the public and the private sector. When we read the statistics of work-related injuries and fatalities, we must consider what was said before on the dominance of the individual over the job and on the fact that we were not able to introject this principle. To affirm the value of the culture of safety and avoid that this culture becomes only an empty rhetoric formula it isn't necessary to ponder on the exacerbation of sanctions or the introduction of new legislation. Instead, it is necessary to understand that safety is implicit to the organization and that safety and organization are two terms with an inseparable bond. The Legislative Decree 81/08, the legislative act of reference on the topic of health and safety of the workers, is centered on this aspect. In acknowledging the indications of the European directive framework, the Legislative Decree 81/08 in fact introduces the method of so-called

"participated prevention" which, in recognizing the primary responsibility of the employers on topics of health and safety, creates a system of participation, identifying several company figures in support of the employers in the difficult task of risk prevention. So, therefore, with an organized system with a precise indication of tasks and responsibilities, as well as a regular and traced flow of information, in support of a constant monitoring of activities, it becomes possible to efficiently intervene on risk prevention and therefore, ultimately on the cases on work-related injuries. At least two further considerations are necessary. The first concerns the fact that work-related risks today are no longer only the traditionally interpreted risks, but they are joined by risks we define psycho-social, and it is not by chance that the Urbino Charter is dedicated to the well-being of working individuals and deals exactly also with this category of risks. The second, on the other hand, concerns the fact that, in addition to injuries, the topic of professional diseases should also be increasingly discussed, as they represent a phenomenon which is equally worrying and for certain aspects difficult to comprehend.

After sanctioning the sacrality of the life of the worker, the Urbino Charter insists on the topic of well-being of the working individuals. A topic perhaps more difficult to measure compared to the cases of work-related injuries, yet certainly not less important, if we consider the psychosocial repercussions that the daily work routine brings along. We know that sustainability is also built on a social pillar, in addition to the environmental and economic pillars, and the social aspects especially in the postpandemic years, have increasingly become a central topic for growth and development. Prof. Pascucci, what is the situation from this point of view in the companies in Italy? Does organizational well-being represent a priority? We must consider that in our legal system there is no definition of a concept of "organizational well-being". However, the Legislative Decree 81/08 states the definition of "health", resuming an indication of the World Health Organization of the end of the 1940s: "health is a complete state of physical, mental and social wellbeing of the individual, not corresponding to the sole absence of illness or infirmity". This is a definition which attributes a legislative significance to the concept of "well-being", as the legislator, by adopting this course, intended to protect not only the state of "absence of illness or infirmity", but also a condition of physical, mental and social well-being", of which a business cannot exempt itself. Working in an organization with a favorable social and environmental context, in which the individuals feel valued and reflected in the same values and principles, represents elements which increase the capability of the worker to be productive and efficient. Therefore, this is how between entrepreneur and worker a convergence of interests is manifested: on one side, for the entrepreneur offering better work conditions and on the other side, for the worker searching for a job able to value the individual. Then, we must consider another aspect of the concept of well-being, which is associated with the dignity of the individual, an incompressible constitutional value. When situations of burn-out, mobbing or other forms of marginalization occur, the causes must be looked for in a work environment which does not take the dignity of the individual into account, and also in this case, for the solution of the problem, it is necessary to intervene on the organization, by means of an adequate risk assessment, mainly of psycho-social risks, working intensely on the prevention system.

Companies are increasingly involved in projecting sustainability with a temporal horizon which looks to the future, planning commitments and objectives to be implemented in the years to come on topics of sustainable development. An approach which also Banfi has adopted, by defining a specific Strategic Sustainability Plan. Prof. Pascucci, which can be the initiatives to include in the strategic planning to support the topics dear to the Urbino Charter? This year, Banfi has worked on an experimental project with the agricultural workers for the reduction of the work hours, with the idea of extending this agreement in the future also to the remaining employees. Prof. Pascucci, to which extent is it possible to innovate on the topics?

Creating a structure encouraging organizational wellbeing, capable of valuing the personal dimension of the workers, represents the best way to address the topic of sustainability. And in this sense, the experimental project in which you have invested this year goes exactly in this direction. The idea of providing for more reasonable work rhythms that are more considerate to the needs of the workers, is certainly an aspect that touches the well-being of the individual and that, in a certain way, dedicates attention to the family dimension of the worker, where the so-called "freed up" time is invested, for example, in topics of parenthood, of the care and of the education of the children. A further element to focus on, to build a path of sustainability, is then certainly the topic of company welfare, defined as "second welfare", intending public welfare as "first welfare". There are many initiatives that can be activated and toward which the national legislation has shown attention and sensitivity (with, for example, measures of defiscalization to the advantage of businesses). However, I think that an

Cluster of Sangiovese



excessive commodification of company welfare must be avoided and its choices should be oriented toward the most suitable measures and interventions to satisfy the most important needs of the individuals (such as healthcare, culture or support of families), If it is considered that, for example, that article 36 of the Constitution mandates that salaries should, in any case, be sufficient to ensure a free and dignified existence for the workers and their families, a close interdependence can be found between company welfare and the topic of salaries, exactly, as today, but probably always the salary of a worker is no longer able to ensure the principle sanctioned in the Constitution.

Last year, the Italian Parliament definitively approved the modification of article 41 of the Constitution, recognizing, as a further limit to the private economic initiative, the protection of health and the environment. A particularly important sign that attests to the level of attention of the legislator on the topic. Prof. Pascucci, in light of this recognition and considering all aspects which have arisen so far, which instruments can the legislator adopt to provide support to the businesses and ensure an actual protection of health and safety and of the well-being of the workers? Which are the future challenges in this field and how is the European Union acting?

The modification of article 41 of the Constitution, in my opinion, makes the commitment for businesses more effective to take responsibility for health and the environment. These two aspects represent two intrinsic elements of doing business, which must be considered from the moment an organization is conceived. It is necessary here, in my opinion, to observe a further aspect with reference to the topic of the environment, that is, if the obligations lying on the employer, to safeguard the health and safety

of the workers must extend also to the protection of the environment on the outside. An indication of this aspect is present in the Legislative Decree 81/08 where, in two of its articles, we can find a clear reference to the protection of the environment on the outside and to the interest of the population, even if, then, aside from this, there are no further indications, presenting the idea that the legislator wanted to indicate the way but then stopped before identifying the technical instruments to continue in this direction. A further reference to the environmental topic can be found then in the Legislative Decree 231/01 regarding the administrative responsibility of legal entities, which, among the so-called "presumed violations", contemplates, in addition to the violations associated with work safety, also a series of environmental violations for which the business must demonstrate, with the prevision of a designated organizational structure, to be capable of prevention. And so, therefore, that we return again to the aspects associated with health and safety of the workers, as well as the environment on the outside. The topic is very wide, and certainly both on a national, as well as a European level we assist in continued considerations from which often specific interventions on the legislative level originate. Great teamwork which led to the definition of Legislative Decree 81/08 remains an example which today is difficult to replicated, which involved representatives of the Departments of Labor and of Health, the regions, the unions and all institutional actors involved variously. On the national level we have laws of great quality which, however, unfortunately have not been duly applied yet and therefore, the expectation to assist in an improvement from this point of view from which the businesses, the worker and the entire collectivity can benefit.

MATERIALITY ANALYSIS

GRI 3-1 | GRI 3-2

The materiality analysis was carried out, by identifying and evaluating primarily the **positive and negative impacts generated by the company activities or by the business relations** created in their function, according to the provisions of the GRI standard which entered force last year.

IDENTIFICATION OF TOPICS

The process for the definition of the material topics was developed, starting from the analysis of **GRI Sector Standard 13, Agriculture, Aquaculture and Fishing Sector**, considered applicable in relation to the specific company business. The standard offers a list of 26 potential material topics for the industry, providing for each topic a specific context on the most significant impacts and on the significant information to be considered.

EVALUATION OF THE IMPACT QUANTITY

For each topic proposed by the standard the generated positive and negative impacts have been identified, considering the first as current and the second as potential. Both types of impact were not identified for all topics. The evaluation of the quantity was conducted as follows:

- for **positive impacts**, with the attribution of a score for the following variables: capability of the company to increase the effect (low or high on a scale of 1 to 5) and the importance of the benefit (low or high on a scale from 1 to 5);
- for **negative impacts**, with the attribution of a score for the following variables: probability of occurrence (low or high on a scale from 1 to 5) and severity (low or high on a scale from 1 to 5).

The value obtained by the sum of the scores attributed to the two variables determines the importance of the impact, identifying, as material a value over 8. Therefore, to consider an impact as material, it must obtain a maximum value (5) in at least one of the two variables in which it is evaluated.

EVALUATION OF THE QUALITY IMPACT

Subsequently, a critical evaluation of the obtained results was conducted, further to the quantity methodology as described above. In certain cases, this led to the attribution of a level of higher or lower importance of certain impacts. In the case of the topic "Health and Work Safety", the quantity evaluation of the generated impact expresses a level of high importance. However, the topic is still considered material. The opposite case is recorded, on the other hand, in the topic "Rights over Soil and Resources", in

which the quantity evaluation of the impact expresses a level of material importance, whereas it is not considered material.

The topics associated to the impacts were then evaluated, considered the point of view of the stakeholders, with the results of the **sentiment analysis** activity, conducted in **January 2023**. This activity analyzed the conversations on the web around the reference topics, highlighting that the highest volume of mentions is generated around environmental topics which gather 3,622 conversations. Whereas, social topics record 1,257 conversations, as opposed to governance topics 1,189.

ENVIRONMENTAL TOPICS

CLIMATE ADAPTATION 1,850 conversations	WASTE	EMISSIONS 373 conv.
51%	39%	10%

The stakeholders showed attention and concern toward climate adaptation and vineyard soil degeneration, waste disposal, use of pesticides and fossil fuels for agricultural vehicles. A positive sentiment, on the other hand, is generated by the **conversations regarding research initiatives for the development of varietals**. Conversations with a negative sentiment, on emissions, mainly concern the environmental impact due to the use of chemicals, such as pesticides and fungicides.

SOCIAL TOPICS

OCCUPATIONAL PRACTICES	WELFARE INCOME AND	FOOD	ECONOMIC
	WELFARE SALARY	SAFETY	INCLUSION
	306 conv.	238 conv.	131 conv.
46%	24%	19%	11%

The stakeholders point out concern toward topics such as **lowcost labor** and **conditions of the workers**. A negative sentiment is generated by the apparent lack of transparency regarding the products used in the production of wine.

GOVERNANCE TOPICS

	ANTI-CORRUPTION 225 conv.
81%	19%

The stakeholders demand more **transparency in the traceability of the production chain** and positively judge the regulation activities carried out to limit phenomena associated with corruption.

The point of view of the stakeholders, identified based on these activities, at times has highlighted a deformity of judgement, in comparison to the evaluation of the company, with regard to certain topics. This evidence on the occasion of the identification of the material topics was taken into consideration and evaluated.

Biodiversity at Castello Banfi

IDENTIFICATION OF MATERIAL TOPICS

Further to the above-described evaluation process, the following topics were identified as material:

- emissions;
- climate adaptation and resilience;
- biodiversity;
- water and effluent;
- waste;
- food safety;
- local communities;
- occupational health and safety;
- employment practices;
- living income and living wage;
- economic inclusion.

The **quantity or quality indicators** which characterize each topic are debated within a specific chapter of this document, according to the following allocation:

TERRITORY

LOCAL COMMUNITIES

OUR PEOPLE

- OCCUPATIONAL HEALTH AND SAFETY
- EMPLOYMENT PRACTICES
- LIVING INCOME AND LIVING WAGE

QUALITY

• FOOD SAFETY

ENVIRONMENT

- EMISSIONS
- CLIMATE ADAPTATION AND RESILIENCE
- BIODIVERSITY
- WATER AND EFFLUENT
- WASTE

VALUE CREATION

• ECONOMIC INCLUSION

The specific management modalities of each topic as based on the GRI 3-3 indicator, as well as the indication of the evaluations expressed in reference to the topics considered nonmaterial, are listed in the **Content Index** of this document.

03. CORPORATE GOVERNANCE

Views of the Castello Banfi estate

THEFT

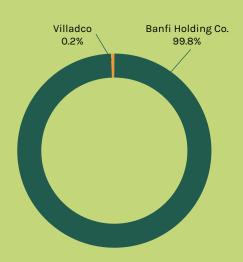
GOVERNANCE STRUCTURE

BANFI SOCIETÀ AGRICOLA SRL

President

Vice President Director Director Director

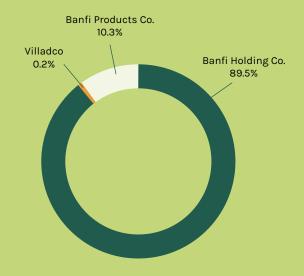
Enrico Viglierchio Gabriele Mazzi Cristina Mariani-May Phil Calderone Jason Arfin



BANFI SRL

President		
Vice President		
Vice President		
Vice President		
Director		
Director		
Director		

Rodolfo Maralli Enrico Viglierchio Gabriele Mazzi Elizabeth Koenig Cristina Mariani-May Phil Calderone Jason Arfin



BUSINESS MANAGEMENT

GRI 2-9 | GRI 202-2

Banfi Società Agricola Srl and Banfi Srl are the two Italian entities which deal with the business management. Both companies are governed by a **Board of Directors** which, subsequent to the completion of the reorganization of the governance model, is composed of five members in Banfi Società Agricola Srl and of seven members in Banfi Srl.

The **President** and **Vice President** (this appointment, in Banfi Srl, is fulfilled by multiple individuals) have been give specific operating proxies.

In addition to the Board of Directors a new body has been appointed, the **Executive Committee**, with the task of guaranteeing an increasingly higher level of integration of the instance of the stakeholders in Italy and the United States and of formulating the best strategies to sustain the growth and development of the business.

To ensure a greater stronghold on topics of sustainable development, this year a new body, the **ESG Committee**, has been appointed, which is entrusted with the task of supporting company decisions, in particular those of a strategic nature in the contexts pertinent to sustainability topics.

Among the governing bodies, the **Management Committee plays** a role of fundamental importance. This body assembles the managers of the various company departments with the goal of executing the lines of strategic direction and proposing new initiatives and innovations.

The companies have **sole auditors** and an **external auditor**, separating the activities of accounting control from the balance sheet review. Both companies have a Supervisory Body with the specific tasks defined by the Legislative Decree 231/01, among which the supervision over the observance of the Organizational Model 231, verifying its actual efficacy, as well as a possible need for an update.

COMPOSITION MANAGEMENT COMMITTEE

	BANFI SOC	BANFI SOCIETÀ AGRICOLA SRL			BANFI SRL		
	2021	2022	2023	2021	2022	2023	
Local Senior Managers	5	5	5	5	4	4	
Non-Local Senior Managers	2	2	2	9	11	10	
TOTAL	7	7	7	14	15	14	

Value expressed in numbers

WOMEN 19%	MEN 81%
-----------	---------

COLLEGE GRAD. 38%

UNIVERSITY GRAD. 62%

Number of meetings Average age

49

I Grandervei

IL Sangiovese del future Cambiamenti tra clima, vitigno, merce

> a cura di Roberto Miravalle

Lo Storytelling

TA

THE MANAGEMENT OF THE FOUNDATION

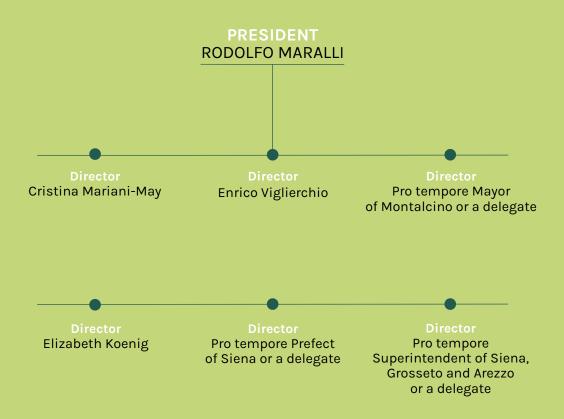
The company entities which are involved in the business management are joined by **Fondazione Banfi**, the institution which for over thirty years has been committed to promoting and disseminating the philosophy and the culture associated with the wine world. Its numerous activities are described in the dedicated paragraph.

The Foundation is governed by a **Board of Directors (BoD)**, assigned with the activities of ordinary and extraordinary management. The BoD is composed of seven members, among which the President is elected who is entitled to the legal representation.

An important body then is the **Scientific Committee** which assists the Board of Directors in defining and executing the programs of the scientific and cultural activities promoted by the foundation.

Lastly, there is a **Board of Auditors** which carries out the control on the administrative and financial management.

FONDAZIONE BANFI



04. VALUE CHAIN



VALUE CHAIN

GRI 2-6

Banfi has always operated in **agriculture,** mainly in vitivinicultural production, and in **hospitality**, managing **Castello Banfi Wine Resort**. Hereafter, the value chain of Banfi, represented according to the two business areas, is presented.

This presentation outlines the main figures involved in the business.

WINE DIVISION

PROCUREMENT	Total supplier	1,701 of which Local supplier 461
	Cultivation	1,089 ha vineyards*
	Harvest	19,856 hours of grape-harvest**
	Vinification	9 DOCG 5 DOC 1 IGT
	Bottling	6.6 million I equivalent to 8.8 million 0.75 I bottles
DISTRIBUTION	Turnover	53.2 mln
	Countries of distribution	100
	Distributed brands	4
	Sales agents	98

HOSPITALITY DIVISION

PROCUREMENT	Total supplier	220 of which Local supplier 111
PRODUCTION	Meals served	14,962
	Nights sold	2,607
DISTRIBUTION	Turnover	6.6 min
	Countries of origin	50
	Restaurants	2
	Hotel	1

* The data refers to the total of hectares under vine for Banfi Società Agricola Srl and for Banfi Srl
 ** The data refers to the total of harvest hours carried out by company staff for Banfi Società Agricola Srl and for Banfi Srl

SUPPLY CHAIN

GRI 2-6 | GRI 204-1

Banfi relies on an important and selected number suppliers to develop its activities. **Locally**, the main types of purchases for Agriculture and Hospitality are **food products** (grapes, bulk wine and local products).

At a national and international level, on the other hand, relations with suppliers mainly concern services (such as, p.e. utilities) and durable goods (such as, p.e. equipment and machinery).

In the management of the procurement cycle of goods and services, Banfi is committed with an approach built on the cooperation with its suppliers, promoting continued improvement, innovation and certification of its company processes as a virtuous practice. In this context, risk management, attention toward an increasingly greater transparency and precise compliance with contractual obligations, with particular attention to payment terms, represent the means with which to expand the sustainability principle of the entire chain. Thanks to this system, Banfi has been able to **consolidate increasing relationships** of trust which have developed a strong sense of belonging to the company reality on behalf of the partners.

SUPPLIERS FOR OVER 10 YEARS (490)



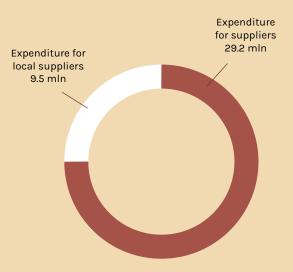
As a further support to its production chain, Banfi is committed to the implementation of two important projects in favor of the suppliers and of the economic growth of the territory: confirming and reverse factoring, developed in cooperation with Unicredit and dynamic discount in partnership with FinDynamic.

The **confirming and reverse factoring** service allows suppliers to obtain the immediate payment of their sales invoices from the bank, benefiting from the credit rating of Banfi, who, at the payment term, commits to paying the invoices directly to the bank. A system which allows the supplier companies to optimize the management of their circulating capital, further diversifying the sources of financing.

The **dynamic discount** service allows Banfi to offer its suppliers the advance payment of their invoices in exchange for a discount which varies "dynamically" in relation to the number of advance days. In this way, the suppliers will be able to shorten the payment times and optimize the management of their circulating capital.

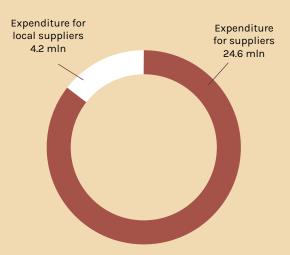
The charts on the next page identify the importance that the local suppliers play for Banfi, considering their weight on the total number of suppliers and on the value of their supplies, vs. the total. This year, a decrease shows in the total number of suppliers used in both companies, situations which has resulted in a similar reduction in the number of local suppliers.

LOCAL SUPPLIERS



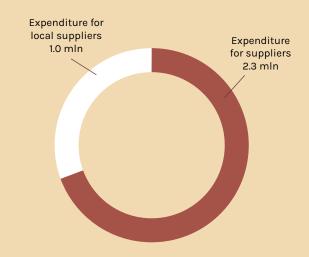
BANFI SOCIETÀ AGRICOLA SRL		
2021	2022	2023
206	201	195
34.0	32.1	32.8
36.0	32.2	32.4
	2021 206 34.0	2021 2022 206 201 34.0 32.1

Values expressed in numbers and %



	BANFI SRL		
	2021	2022	2023
Number of local suppliers	430	441	377
% of total number	24.3	24.7	28.4
% of total value	18.2	18.9	17.1

Values expressed in numbers and %



BANFI SRL - HOSPITALITY

	2021	2022	2023
Number of local suppliers	108	142	111
% of total number	40.8	49.8	50.5
% of total value	43.1	41.1	44.2

Values expressed in numbers and %

PRODUCTION

GRI 2-6

The aspects which characterize the production of Banfi are distinct in function of the areas of business;

- **agricultural production**: the agricultural department oversees the management of its production plantings (vineyards, orchards, arable crops), while the winemaking department deals with the transformation of grapes into wine and the subsequent processes until the finished product is obtained;
- **hospitality services**: the department management, in cooperation with other company departments, operates the restaurants, hotel and retail sales.

In production management, Banfi is committed to ensuring a constant attention in the safeguard of environmental aspects, mitigating the impact of its activity, and of the protection of human resources, through an attention to the safety standards, to the compliance with contracts and the labor legislation and to training. This approach is at the base of the development of a strong sense of belonging to the company reality on behalf of the human resources of Banfi.

EMPLOYEES FOR OVER 20 YEARS (151)



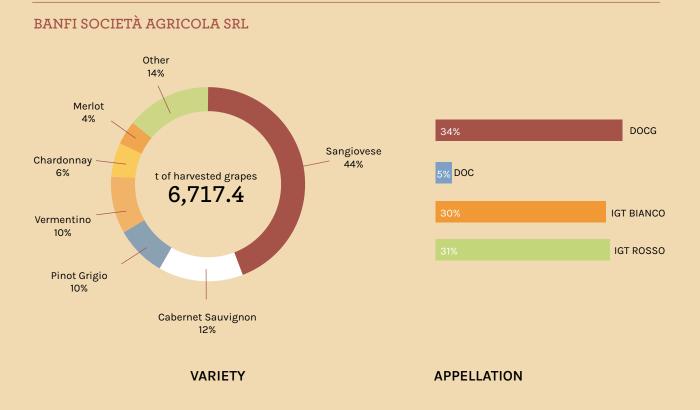
EMPLOYEES FOR OVER 30 YEARS (55)

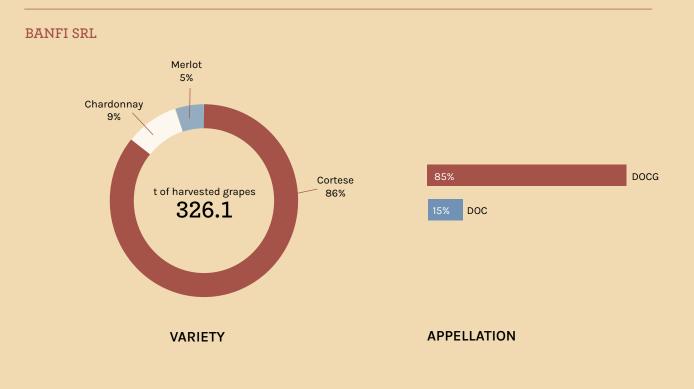


VINTAGE 2023

The production of grape in 2023 recorded a total increase in the harvested quantities, vs. last year. In **Tuscany**, the increase reached around **11%**, while it was higher, equal to **20%**, in **Piedmont** thanks to an increase of the cultivated area (4.5 hectares more than the previous year). The vintage was characterized by different weather conditions in the two regions which delayed the beginning of the harvest by one week. In Tuscany, heavy rainfall was recorded in May and June, whereas heat and warm temperatures characterized the following months, including during the harvest, facilitating the harvest. In Piedmont, on the other hand, there were no significant precipitations, with the exception of few days of rain at the end of August. The vintage is, therefore, marked by extreme draught and high temperatures. The quality of the grape remained at a **good level in both regions**.

PRODUCTION





69



DISTRIBUTION

GRI 2-6

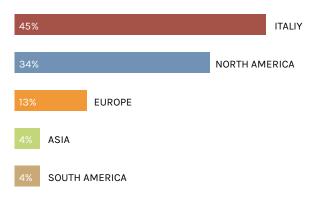
The aspects which characterize the distribution of Banfi products and services also differ in the two business areas:

- **agricultural products** are distributed by means of a network of intermediaries, agents and importers in 100 countries worldwide. Distribution is supported by the logistics organization which is responsible for handling and availability, while the marketing department manages promotional aspects;
- **hospitality services** are distributed through agencies in Italy and abroad and at promotional events and trade fairs, as well as on the website and by online services specific to the industry.



In the management of distribution, Banfi dedicates particular attention to the selection of sales partners, by looking for individuals who share and promote the cardinal principles of the fight against forgery, fraud, corruption and who guarantee the compliance with human rights and protect their workers. A further element which is sought after in sales relationships is the attention of the partners in promoting responsible conduct in the consumption of alcohol. Thanks to the strong sharing of this setting, Banfi has consolidated over the years in its sales force a strong sense of belonging to the company reality.

TURNOVER PER CONTINENT - WINE



05. VALUE CREATION



Interventions in the winery

GENERATED AND DISTRIBUTED ECONOMIC VALUE

GRI 201-1

The table shows value creation, with data shown per company without considering transactions with associated companies.

	BANFI SOCIETÀ AGRICOLA SRL			
	2021	2022	2023	
Generated economic value	36,780	39,723	35,353	
Operating costs	-25,195	-28,908	-25,868	
Remuneration of personnel	-6,430	-6,787	-6,766	
Remuneration of capital providers	-431	-1,105	-1,876	
Remuneration of public administration	355	791	468	
Investments in the community	-67	-65	-3	
Distributed economic value	-31,768	-36,075	-34,044	
Retained economic value	5,012	3,649	1,309	

Values expressed in Euro x 1,000

		BANFI SRL			
	2021	2022	2023		
Generated economic value	46,117	51,933	48,032		
Operating costs	-38,526	-43,382	-39,041		
Remuneration of personnel	-6,988	-7,822	-7,794		
Remuneration of capital providers	-495	-665	-736		
Remuneration of public administration	-26	49	227		
Investments in the community	-38	-84	-153		
Distributed economic value	-46,072	-51,904	-47,497		
Retained economic value	44	28	535		

Values expressed in Euro x 1,000

To represent the **patrimonial and economic dynamics** which characterized 2023 and which concurred in the creation of value, the following charts show the Balance Sheet and the Profit and Loss statement from the Balance Sheets of each company.

BALANCE SHEET

BANFI SOCIETÀ AGRICOLA SRL

	2022	2023
Intangible Assets	1,973,680	829,259
Property, Plant & Equipment	69,715,154	70,949,147
Financial Assets	4,046,368	2,704,874
Total Fixed Assets	75,735,202	74,483,280
Inventory	40,236,152	41,776,189
Accounts Receivable	1,669,090	1,132,629
Accounts Receivable from parent company	2,353,785	2,528,196
Accounts Receivable from affiliates	10,363,582	9,623,772
Tax credit	1,981,253	2,014,667
Deferred tax asset	-	-
Other credits	1,548,673	1,446,808
Prepaid expenses	89,351	96,432
Investments	13,586,454	8,188,420
Total Working Capital	71,828.340	66,807,113
Cash&cash equivalents	1,659,657	2,572,993
TOTAL ASSETS	149,223,199	143,863,386
Capital Stock	63,440,000	63,440,000
Reserves	34,897,050	32,719,541
Retained Earnings	(991,134)	(1,455,331)
Net Equity	97,345,916	94,704,210
Provision	1,219,772	601,958
Pension fund (TFR)	471,411	408,793
Financial Debts	39,171,474	39,783,728
Down-payments	448,295	454,701
Accounts Payable	5,805,890	3,730,429
Accounts Payables due to parent company	1,255,061	238,521
Accounts Payables due to affiliates	1,032,459	1,078,626
Tax liabilities	243,535	275,579
Accrued Liabilities	633,594	529,111
Other liabilites	947,430	895,270
Deferred and unearned revenues	648,362	1,162,460
Total current liabilities	50,186,100	48,148,425
TOTAL LIABILITIES & NET EQUITY	149,223,199	143,863,386

PROFIT & LOSS

BANFI SOCIETÀ AGRICOLA SRL

	2022	2023
TOTAL REVENUES	42,342,484	38,977,591
Net Revenues	38,363,124	32,914,454
Change in final inventory of finished goods	300,044	2,105,253
WIP	99,974	145,298
Increases in internally constructed fixed assets	1,905,765	1,591,064
Other revenues	1,673,577	2,221,522
TOTAL PRODUCTION COSTS	41,814,014	39,567,084
Raw material costs	16,609,403	14,062,242
Service costs	11,366,130	10,835,472
Lease costs	631,182	793,913
Manpower costs	6,787,449	6,764,767
Depreciations & amortization	5,726,555	5,792,638
Change in final inventory raw materials	(698,394)	710,514
Other accruals	500,000	47,500
Other costs	891,689	560,038
Value Added	528,470	(589,493)
FINANCIAL REVENUES & COSTS	(138,220)	(612,662)
Financial income	14,581	16,732
Other financial income	302,605	255,280
Financial costs	622,894	803,717
FX gains or losses	167,488	(80,957)
Net result before taxes	390,250	(1,202,155)
Taxes	1,381,384	253,176
Net Result	(991,134)	(1,455,331)

BALANCE SHEET

BANFI SRL

	2022	2023
Intangible Assets	492,961	725,382
Property, Plant & Equipment	17,827,158	18,371,754
Financial Assets	574,629	364,957
Total Fixed Assets	18,894,748	19,462,093
Inventory	11,289,370	10,750,437
Accounts Receivable	10,935,051	8,906,347
Accounts Receivable from parent company	881,625	919,359
Accounts Receivable from affiliates	1,032,459	1,078,626
Tax credit	783,720	1,035,876
Deferred tax asset	1,488,029	1,485,041
Other credits	412,179	397,485
Prepaid expenses	430,194	366,785
Investments	663,932	632,915
Total Working Capital	27,916,559	25,572,871
Cash&cash equivalents	2,287,924	2,130,979
TOTAL ASSETS	49,099,231	47,165,943
Capital Stock	3,066,511	3,066,511
Reserves	17,183,100	17,262,918
Retained Earnings	119,314	(1,209,882)
Net Equity	20,368,925	19,119,547
Provision	1,458,718	1,440,458
Pension fund (TFR)	2,360,539	2,260,751
Financial Debts	5,358,906	6,976,468
Down-payments	1,094,373	596,391
Accounts Payable	5,554,957	4,631,097
Accounts Payables due to parent company	592,285	350,661
Accounts Payables due to affiliates	10,363,582	9,623,772
Tax liabilities	338,449	272,657
Accrued Liabilities	532,564	503,037
Other liabilites	807,592	620,076
Deferred and unearned revenues	268,341	771,028
Total current liabilities	24,911,049	24,345,187
TOTAL LIABILITIES & NET EQUITY	49,099,231	47,165,943

PROFIT & LOSS

BANFI SRL

	2022	2023
TOTAL REVENUES	53,501,790	47,758,733
Net Revenues	50,825,568	46,886,855
Change in final inventory of finished goods	1,392,505	(725,825)
WIP	7,380	49,102
Increases in internally constructed fixed assets	79,496	105,985
Other revenues	1,196,841	1,442,616
TOTAL PRODUCTION COSTS	52,795,444	48,400,817
Raw material costs	28,826,713	24,801,083
Service costs	12,994,904	12,816,894
Lease costs	942,560	1,017,334
Manpower costs	7,805,608	7,775,853
Depreciations & amortization	1,268,328	1,377,980
Change in final inventory raw materials	44,658	(137,789)
Other accruals	(10,000)	80,000
Other costs	922,673	669,462
Value Added	706,346	(642,084)
FINANCIAL REVENUES & COSTS	(361,078)	(473,984)
Financial income	7,588	8,182
Other financial income	10,947	17,995
Financial costs	443,262	441,824
FX gains or losses	63,649	(58,337)
FINANCIAL ASSETS ADJUSTMENT	-	(100,000)
Net result before taxes	345,268	(1,216,068)
Taxes	225,954	(6,186)
Net Result	119,314	(1,209,882)

FINANCING FROM THE PUBLIC ADMINISTRATION

GRI 201-4

Again in 2023, financing from the Public Administration was received. The agricultural department can rely, in fact, on a variegated form of incentives and public contributions with particular reference to the modernization of facilities and of crops. Furthermore, contributions are provided in yearly public grants for certain crops or work practices.

	BANFI SOCIET	BANFI SOCIETÀ AGRICOLA SRL			BANFI SRL		
	2021	2022	2023	2021	2022	2023	
Funding	930	1,193	908	219	372	416	
Deductions	-	-	-	-	-	-	
Tax defiscalization for contributions	1,249	1,280	1,303	145	191	56	
TOTAL	2,179	2,473	2,211	364	563	472	



TAX SYSTEM MANAGEMENT

GRI 207-1 | GRI 207-2 | GRI 207-3 | GRI 207-4

OUR APPROACH

The approach adopted for the **management of taxes** is strongly connected to the role that Banfi Società Agricola Srl and Banfi Srl (here forth also "Banfi") play within the business model that characterizes the Banfi Group. As a legal entity with legal headquarters and management in Italy, both Companies are subject to fiscal responsibility for the entire global income. The companies are also subject to limited fiscal responsibility abroad, with regard to the commercial relations with the US parent company. Banfi Società Agricola Srl, unlike Banfi Srl, is subjected to a specific tax regime for agricultural companies, as per the previsions of the Italian law.

The management of the fiscal strategy is based on the **compliance with the applicable tax laws** and is inspired by a **good taxpayer behavior**, recognizing the importance of the role played by both companies as businesses. These principles guide the approach in the definition, rather than of a strategy, of a general behavioral **model as an inspiration and the basis of its economic success**.

In compliance with the guidelines sanctioned in the Ethical Code, Banfi refuses any form of tax evasion and commits with the highest priority to the compliance with the laws and norms contrasting tax evasion and tax violations. Both companies carried out their respective commercial activities in conformity with these requirements, in all jurisdictions and markets in which they operate.

These principles and aspects of **fiscal legitimacy** are also taken into consideration in all company actions and decisions. To guarantee a correct hold on tax matters, **procedures and control systems** have been put in place to identify and minimize tax risks, especially, resulting from the complexity of the economic circumstances which may implicate uncertainties with regard to the tax assessment of the relevant facts.

Both companies, as a tax substitute, regularly pay the taxes for the compensations dispensed to employees and independent contractors, as well as social security contributions for all employees. In particular, during 2020, contributions for all workers were regularly paid, deciding not to avail of the right provided by the Cure Italy Decree to postpone payments.

With the clear intent of continuing on the pathway of **transparency** and **truthfulness**, the companies and their tax consultants interact constantly with the regulatory agencies, both with regard to ordinary activities, as well as during auditing activities, always providing support, as needed.

TAX GOVERNANCE, RISK CONTROL AND MANAGEMENT

The responsibility for the compliance with the tax obligations lies with the **Board of Directors** which avails of the administrative organization for the execution and supervision of the tax reporting and the compliance with the regulations. Certain specific activities are fulfilled within certain company departments where professional knowledge is required on a particular topic.

The aspects pertaining to the risk control and management are superintended by the activity carried out by the **Supervisory Body**, by tax consultants, and also by the auditing company, by periodically activating control procedures and audits in cooperation with the dedicated company entities. The companies have also identified the tax risks which are managed and monitored in compliance with the tax policy regarding the risk management.

The tax reporting in the annual report is structured with the support and supervision of the **tax consultants** and submitted for verification on behalf of the **auditing company** in the context of the audit of the annual balance sheet.

STAKEHOLDER ENGAGEMENT

The main stakeholders engaged in the management process of the tax system are: the **tax consultants**, **the sole auditors**, the **Supervisory Body** and the **auditing company**. These entities interact at different times and in different modalities in the context of the entire process and also engage external stakeholders to the companies, such as the competent government administrative offices (locally and nationally), by making specific requests for advice, consultations and any other necessary form of consultancy.

The specific information required by the indicator (GRI 207-4) can be found in the balance sheets of both companies, which are deposited at the Chamber of Commerce.



06. TERRITORY



A UNIQUE TERRITORY

Banfi began its journey in **Montalcino** over **40 years ago**, a journey that has been rich in experiences, challenges, conquests, and extraordinary, as well as lasting, successes. Years that were an ongoing discovery of the incredible potential of this territory, an element to be sustained and enhanced with a constant commitment. In fact, the Montalcino territory represents an area over **31,000 hectares**¹ of which only 3,500 are under vine².

The majority of this vast area is covered by forest. A strong point which has contributed to the **province of Siena** becoming, since 2011, "**carbon neutral**", that means that the greenhouse gas emissions from human activity are totally compensated by the absorption of CO₂ of the local forest ecosystems. Further to this important component, the territory is then distinguished by the presence of olive groves, grain fields, pastures, fruit orchards and other crops. With the intention of strengthening our commitment on this front, this year, Banfi joined the Carbon Neutrality of Siena Territorial Alliance, confirming our intention to act to contrast climate change.

INITIATIVES IN THE TERRITORY

Attention toward the local community is a feature that has always distinguished the presence of Banfi in the territory, and it develops, also thanks to the support of many initiatives in sports, music and culture. Many of these initiatives were created thanks to the passion of a group of Montalcino residents and, every year, they see an increased participation and consensus on behalf of the local community, gaining also great interest from tourism.

In 2023, Banfi continued to provide support to various initiatives, as shown on the following page.

1. ugeo.urbistat.com/AdminStat/it/it/demografia/dati-sintesi/montalcino/52037/4.

 ${\small 2. www.consorziobrunellodimontalcino.it/files/mappa-produttori.pdf.}$

SPORTS

With regard to sports we must mention the support to "L'Eroica® Montalcino", "Brunello Crossing", the equestrian event "Endurance" and the "Rally del Brunello", in addition to the local sports associations, such as the Soccer School of Montalcino and of Sant'Angelo Scalo Banfi has supported since its early presence in the territory.

MUSIC

With regard to music certainly the most important event was the XXVI edition of Jazz&Wine in Montalcino which this year again was able to bring together wine and music lovers from all over the world and of which Banfi is the main partner and organizer. An edition developed over six evenings, the inaugural concert at Castello di Poggio alle Mura and the further five at the Fortress in Montalcino and which saw, as always, an extraordinary consensus of the audience.

CULTURE

In the context of culture the support of the many projects of the **Fondazione Banfi** must be considered, such "Sanguis Jovis - Alta Scuola del Sangiovese", the Glass and Bottle Museum and the restoration of the whale fossil discovered on the estate in 2007.

Among the other local organizations which were supported this year, there is the school district, l'**Istituto Scolastico Comprensivo Insieme di Montalcino**. As every year, then, the support continued to **Misericordia di Montalcino**, a very important town association which offers medical emergency and health services in the territory, thanks to the voluntary and free support by its members.

Among the other projects that Banfi provided support to this year were **Associazione Differenza Donna**, **Fondazione Operazione Vivere** and **Telethon**, all institutions in which social importance and great human value are recognized. Banfi continues to support **Lilt (Italian League for the Fight against Cancer**) to print our Christmas cards.

Sanguis Jovis - Exoeriential educational tour

FONDAZIONE BANFI

Fondazione Banfi was established in Montalcino on May 2, 1986, to promote, enhance and disseminate the philosophy and the culture of the wine world, on a national and international level.

SANGUIS JOVIS - SCHOOL FOR HIGHER EDUCATION OF SANGIOVESE

To pursue this ambitious goal, in 2017 Sanguis Jovis - School for Higher Education of Sangiovese, was founded, a major project which led to the creation of the first permanent Study Center on Sangiovese, the most widely planted grape variety in Italy. The activity of Sanguis Jovis rests on three fundamental pillars: higher education, scientific research, communication of knowledge. Continuously joint activities which simultaneously embrace the directives of viticulture/enology coordinated by Prof. Attilio Scienza, President of Sanguis Jovis - and marketing/communication supervised by Prof. Alberto Mattiacci, Director of Sanguis Jovis, two of the most eminent figures of academia in Italy.

EDUCATION

The training is carried out in campus mode in Montalcino, in the context of two fundamental appointments: the Summer School Sanguis Jovis, activated annually during the summer and the Winter School Sanguis Jovis, organized biannually during the winter. Each edition is dedicated to the study of a specific topic on enology and viticulture, marketing and communication. The sixth edition of the Summer School, titled "Phygital Sangiovese. The impact of technology from the vineyard to the Metaverse" was held in Montalcino from July 10 to 14.

SCIENTIFIC RESEARCH

Scientific research is at the base of evolution and progress and is implemented by the Foundation by establishing grants for doctorate candidates and researchers who commit to an original project.

COMMUNICATION

Communication represents a fundamental element with which the gained knowledge is shared with the reference community. With the Sanguis Jovis "I Quaderni", a series which to date includes three important publications, the different contexts of the research, training and cultural communication projects promoted by the Foundation are addressed. Furthermore, all teaching materials, related to the various editions of the Summer and Winter Schools, are available on the Foundation website.







THE GRADUATION AWARDS

In cooperation with two of the most prestigious enology schools in Italy, Fondazione Banfi has established the **"Rudy Buratti**" and **"Alberto Lazzarino**" graduation awards with which it intends to reiterate and diversify its support to the dissemination of wine culture throughout the world.

The two awards are also meant to be a tangible sign to remember the work of our two esteemed enologist colleagues whom we lost prematurely, their constant interest in research and enological innovation and their great opening toward the new generations.

The awards were assigned to the best experimental theses on topics on viticulture and enology. The 2023 **Rudy Buratti award**, promoted together with Centro Agricoltura Alimenti Ambiente of San Michele all'Adige was assigned to the paper titled: "Minerality of wines: survey on the sensorial significance of the term". The 2023 **Alberto Lazzarino award**, promoted together with the Department of Agriculture, Forest and Food Sciences of the University of Turin and in cooperation with Assoenologi Piedmont was assigned to the paper titled; "Agronomic evaluation of piwi varietals in mountain environment of Lombardy".

ACTIVITY OF THE FOUNDATION IN THE TERRITORY

Further to its engagement in the world of viticulture and enology, the Foundation is also active in the protection and promotion of the artistic beauty and of the cultural heritage of the territory, by championing three important projects, **the Glass and Bottle Museum**, the restoration of a whale fossil, found nearby Castello Banfi, and the creation of **Jazz &Wine**, the longstanding event which every year brings together the world of wine and the world of music.

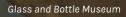
The Glass and Bottle Museum represents an important collection of Roman glassware, in addition to wine bottles, delicate carafes, Venetian wine glasses and contemporary masterpieces. Since 1992, the Foundation is engaged in protecting this important archeological collection, with the instrumental contribution of Banfi and under the supervision of the Archeological Superintendence of Siena, Grosseto and Arezzo.

The recovery project of the **whale fossil** from the Pliocene represents a fundamental moment of cross activity between restoration, research, education and public outreach. The work carried out on the specimen, found in 2007 in land by the castle of Poggio alle Mura, has represented a unique opportunity in Italy to learn restoration techniques of vertebrate fossils.

The Jazz&Wine in Montalcino festival began in 1998 in cooperation with the Rubei family who can be credited with the foundation of Alexanderplatz, the historical Jazz Club of Rome, and the town of Montalcino. It represents the longest lasting cultural project the Foundation has promoted and has opened the doors to spreading this event in Italy and worldwide, gifting the pride in being the first to have taken this path.







Sanguis Jovis - Lecture in the classroom

PROJECT IN THE TERRITORY

The cooperation with universities and research institutions represents a central element of Banfi activity, as well as the commitment to research and experimentation. The following are the most important projects carried out in the last years.

EXPERIMENTAL VINEYARDS PROJECT

In 2017, Banfi started a multi-year research project with the **CREA**³ Viticulture Research Unit and the **Edmund Mach Foundation**⁴ in San Michele all'Adige, with the purpose of experimenting newly introduced varietals.





The objective of the project is to **analyze the phytosanitary**, **agronomic and enological aspects of several promising genotypes** obtained by the crossing or by selections of varieties that have shown high standards of quality and/or lower sensitivity to the main fungal plant diseases. The implementation of the project included the planting of two experimental vineyards, situated in distinctive soil and climate zones over a total extension of 3.25 hectares. Upon completion of the experimentation, the varieties responding to certain agronomic and enological characteristics will be submitted for registration in the national register of varieties, if not already registered, and in the list of varieties suitable to be planted in the region of Tuscany.

The activity carried out in 2023 was focused mainly on the evaluation of the different impact of peronospera on the observed varietals. The year, in fact, was characterized by a climate trend which created ideal conditions for the development of this pathology. In this context, it is apparent that certain varietals were less affected by the attacks of the pathogen, among which the so-called "resistant" crossings, where the damage on the sanitary condition of the plants was very contained. On the contrary, several varieties showed decreases in production over 50%. The surveys will continue also in the 2024 vintage, for the purpose of evaluating over various vintages the growth and productive conduct of the various observed combinations.

4. The Fondazione Edmund Mach (FEM) carries out education and training, scientific research, experimentation, consultancy, and services to businesses, in the agricultural, agri-food and environmental sectors. FEM is an instrumental entity of the autonomous province of Trento.

^{3.} Is the main research Organization in Italy dedicated to the agrifood industry with a public law legal entity, monitored by the Ministry of Agriculture, Food and Forest Policies.

1

RESEARCH PROJECT ON THE COMPARISON BETWEEN TRELLISING SYSTEMS

In 2020, a study was initiated to compare the quality characteristics of Sangiovese grapes trellised in two different modalities: spurred cordon and albarello Banfi⁵. The study is positioned in the context of the multi annual research project "**Analysis of aromas in grapes and wines in relation to canopy management techniques and drying of the grapes**", developed by the Department of Agriculture, Food and Agri-Environmental Sciences, Viticultural and Enological Research Laboratory of the University of Pisa.

In 2023, the comparative analyses on the two trellising methods in the Marrucheto and Amorosa vineyards were continued. During the growing season the main growth and production parameters and the quality of the grapes from veraison to harvesting were monitored. From a growth perspective, the vines trellised with albarello showed a total reduction of the leaf surface, but a greater leaf area per single bud, along with greater vigor. The productivity per plant was, on the other hand, higher with spurred cordon, which, consequently, showed a lower ratio of leaf area over production. Regarding the aromatic profile, in the 2023 vintage, lower differences between the trellising methods are apparent, vs. the previous vintages, showing, in any case, the trend of the Marrucheto vineyard to have higher aroma contents than Amorosa.

PROJECT FOR THE CALCULATION OF THE STANDARD VALUE OF $\rm CO_2$ ABSORPTION PER HECTARE OF PLUM TREES

In 2022, a research project was initiated in cooperation with Cooperativa Modenese Essiccazione Frutta (MonteRè), our partner for the processing and packaging of dried plums, and with Nature 4.0, a startup active in the production of sensor and connection systems for the collection and monitoring of environmental data.

The project, in which we participated together with two other Italian companies located in different production areas (Modena and Metaponto), presents two goals:

To calculate the impact, in terms of production and absorption of CO₂, of the entire production process of the dried plum. 2

To determine a standard value of absorption of CO₂ per hectare of plum trees.

With reference to the first point, 20 sensors⁶ (so-called Tree Talkers) were installed on two estate sites, capable of collecting the necessary information for the determination

5. Alberello Banfi consists in 2 oblique branches, staked at approximately 60 cm, each with a single spur with 2 buds. This trellising method is adopted on approximately 200 ha of the 500 ha cultivated with Sangiovese.

6. These are low consumption miniaturized sensors which are applied to the trees capable of continuously monitoring, through the collection of a large quantity of data and parameters, the state of health of the trees and the surrounding environment.

of the quantity of CO₂ captured by the plant. On the other hand, regarding the emission of CO₂, deriving from the production stages and drying of the plum, the necessary data for the calculation were provided to the MonteRè Cooperative.

With reference to the second point, the definition of a standard value of carbon absorption by the plum tree was carried out by the Euro-Mediterranean Center on Climate Change⁷ from the collection and elaboration of data, thanks to the use of the Tree Talkers installed on the trees.

The data related to the initial results will be available in 2024.

RESEARCH PROJECT TO DETERMINE THE GEOGRAPHIC ORIGIN OF AGRICULTURAL AND AGRIFOOD PRODUCTS

In 2022, a cooperation was initiated with the University of Siena in the context of the **National Agritech Center**, financed by the National Recovery and Resilience Plan. In particular, the cooperation was initiated with the Center's Spoke 9, focusing on the topic of the **methodologies designed to ensure the certainty of the geographic origin of an agricultural product** or of its transformed product, fundamental element to determine quality and food safety and to enhance the connections with the production territory.

The goal intended to be reached is to arrive at determining the location of geographic origin, for agricultural products, with a margin of uncertainty within a maximum range of 10-15 km (currently, the data in the scientific literature indicate a margin of uncertainty not lower than 100 km).

Banfi cooperates with reference to the wine industry, supporting the research groups of the Biotechnology, Chemistry and Pharmacy Department, through the supply of various samples of material. Again this year, sampling was carried out in the vineyards and winery, functional to the analysis process, which is scheduled to be completed in the spring of 2024.

^{7.} The Euro-Mediterranean Center on Climate Change (CMCC) was founded in 2005 with the financial support of the Italian Ministry of Education, University and Research and the Italian Ministry of Environment and Protection of the Territory, and from December 10, 2015 the Center has become a Foundation.

PARTICIPATION IN TRADE ASSOCIATIONS

GRI 2-28

UNIONE ITALIANA VINI Associates



CONSORZIO VINO CHIANTI CLASSICO Associates



CONSORZIO ALTA LANGA DOCG Associates and presences in the Board of Directors



CONSORZIO BARBERA D'ASTI E VINI DEL MONFERRATO Associates



CONFAGRICOLTURA Associates



DISTRETTO RURALE MONTALCINO Presences



Associates and presences in the Sustainability Committee and in the Board of Directors



CONSORZIO VINO CHIANTI Associates



CONSORZIO TUTELA DEL GAVI Associates



CONSORZIO PER LA TUTELA DELL'ASTI DOCG Associates



CONFINDUSTRIA TOSCANA SUD Associates



FONDAZIONE TERRITORIALE BRUNELLO DI MONTALCINO Presences



CONSORZIO DEL BRUNELLO DI MONTALCINO Associates and presences in the Board of Directors



CONSORZIO VINO TOSCANA Associates and presences in the Board of Directors



CONSORZIO TUTELA BRACHETTO D'ACQUI DOCG Associates and presences in the Board of Directors



CONFCOMMERCIO Associates



DISTRETTO RURALE TOSCANA SUD Associates

> REGIONE TOSCANA

ALLEANZA TERRITORIALE CARBON NEUTRALITY SIENA Associates



07. OUR RESOURCES

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HUMAN CAPITAL OF BANFI: A NEW PARADIGM

Human resources are the starting point of all great organizational changes and represent a strategic asset of fundamental importance for the creation of a sustainable competitive advantage in a global context which has seen a rapid change in the approach of the individuals toward the organizations and the work modalities. A context in which not only change represents a distinctive element, but also the speed with which it happens, both in the social dynamics, as well as in the characteristics of the work world, never, as in this moment, as increasingly concentrated on the dominance of knowledge.

In this context, organizations must be able to **respond promptly**, **investing in a vision which can ensure concreteness to a new orientation in the management of human resources**. With this determination, this year, Banfi initiated an important project to intercept the change and favor the transition toward this new orientation. A project which finds among it founding elements the attention to the **enhancement of skills**, the commitment toward the definition of mechanisms able to increasingly engage the individuals in the organization, the care toward **well-being in the work environment** and the capability to attract and retain talent.

To ensure a major stronghold on these elements, this year, the Human Resource Office underwent a reorganization process, reinforcing the attention to the ability to **listen**, the **dialogue** and the **engagement of the individuals**, to offer a service of increased support, especially in managing times of change. An approach which intends to direct the attention of the company to the topics of organizational well-being, receiving the commitments sanctioned in the **Urbino Charter**, underwritten in June.

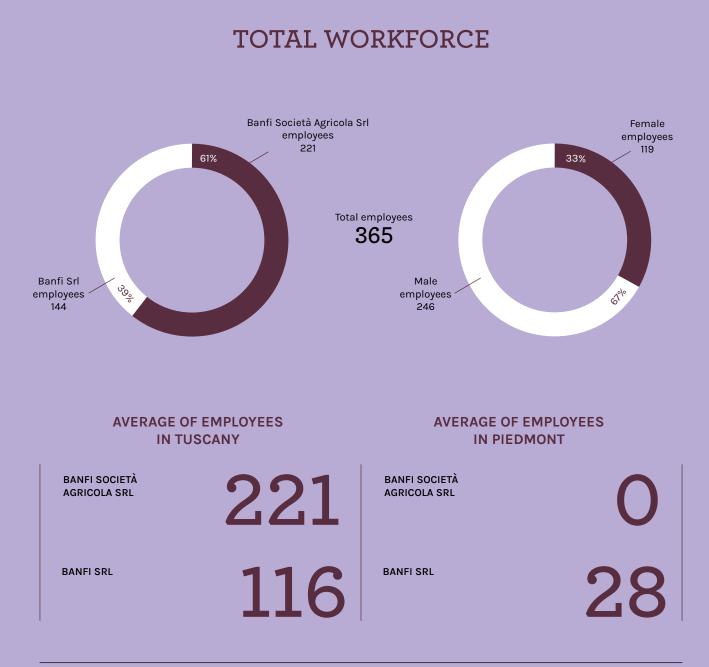
To favor the balancing of personal needs with professional life, the company, in January, formalized an agreement for the management of work activity in "**agile work**" mode, allowing its resources to modulate the work commitment with an approach of planned remote working, in the operating modalities, with each department head.

Finally, this year, an experimental project was developed which involves the workers with an agricultural and commercial contract and which foresees the acknowledgment of a **reduction of 30 minutes of the work hours for eight months per year**. A project that was created with the ambition to be extended in the upcoming years also to all other contracts. The project was achieved with the support of the trade unions and employers' associations and entered into force from January 2024. To oversee the correct implementation of the project and to propose possible actions of improvement, a dedicated **Assessment Committee** was established which will meet every quarter.

This new approach, also described thanks to the changes introduced from this year, represents a starting point for the development of new project processes and a new conception in the management of these topics. Aspects on which the work of the upcoming years will be centered.

In the following paragraphs the numbers and dynamics of the personnel in 2023 are addressed, by telling with numbers the extraordinary potential of the human capital of Banfi.

The represented data and indicators are referred to the average reported force, a calculation modality according to the Full Time Equivalent (FTE) approach which considers, by parametrizing, also the hiring and termination date of the worker. The best modality with which to represent the company specificities.



CHARACTERISTICS OF THE WORKFORCE

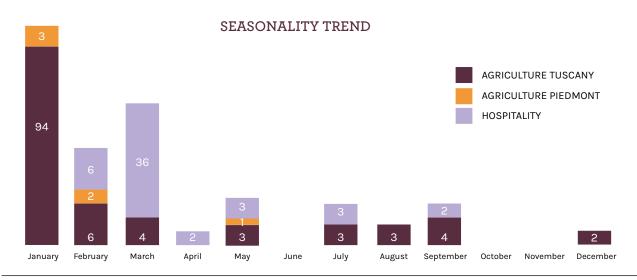
GRI 2-7 | GRI 2-30 | GRI 401-1 | GRI 401-3 | GRI 405-2

An aspect which characterizes the human resources of Banfi is the **seasonality** in the agriculture and hospitality departments. This results in the recruitment of personnel at certain times of the year. In any case, the management of this aspect occurs according to different modalities in the two companies.

In **Banfi Società Agricola Srl**, the recruitment of seasonal staff normally occurs in **January**, using contracts which expire by the end of the year, in order to guarantee that the employees can carry out the necessary workdays, thus managing the possible concentration/prolongment in the interventions due to the influence of the weather conditions. On the other hand, in **Banfi Srl** staff is hired **from March to November**. This different management modality is determined by the specificity of the agriculture department, characterized by numerous and different interventions (for example planting, uprooting, trellising and cultivating) which are carried out in different periods of the year. This results in a strong presence of fixed-term employees which create a variable workforce during the various periods of the year.

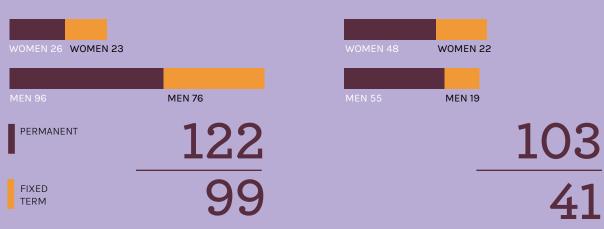
All employees are covered by **national or provincial labor contracts**. Due to the variety of the activities performed at Banfi, in the various operating sites, a variety of National Labor Contracts are adopted:

AGRICULTURAL WORKERS | at the Montalcino and Novi Ligure sites AGRICULTURAL OFFICE WORKERS | at the Montalcino and Novi Ligure sites AGRICULTURAL EXECUTIVES | at the Montalcino site SERVICE INDUSTRY CONFCOMMERCIO | at the Montalcino site SERVICE INDUSTRY EXECUTIVES | at the Montalcino site HOTELS TOURISM | at the Montalcino site RETAIL AND CATERING INDUSTRY | at the Montalcino site FOOD INDUSTRY | at the Strevi site



TYPE OF CONTRACT

BANFI SOCIETÀ AGRICOLA SRL



TYPE OF EMPLOYMENT

BANFI SOCIETÀ AGRICOLA SRL

WOMEN 47 WOMEN 2 MEN 171 MEN 1 FULL TIME 218 PART TIME 3

BANFI SRL

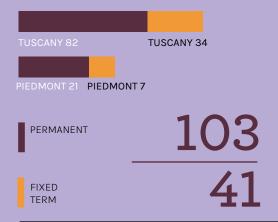
BANFI SRL



138 6

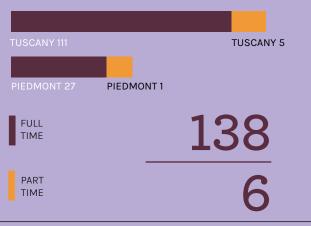
TYPE OF CONTRACT AND REGION

BANFI SRL



TYPE OF EMPLOYMENT AND REGION

BANFI SRL



In both companies, in 2023, a minor reduction of the number of average annual employees was recorded, due to the combined effect of two factors: an **optimization of the management of human resources in certain departments** (for example: winery, administration, logistics) **and a high rate of turnover in others** (agriculture and hospitality), elements which we know increasingly characterize HR management, on which we are adapting our management approach. As a consequence of the elevated number of resignations recorded in the recent third-year period, this year, a **minor reduction of the full-term staff** is noted, **in favor of seasonal or fixed-term** staff, as not all personnel that left was replaced with new full-term contracts.

In reference to the hiring of staff, for **new hires**, **the entry level is related to the actual job assignment that is carried out**. In case staff with experience is hired a salary increase is acknowledged, vs. the minimum prevision contained in the national contract of reference. The average increase recorded this year on the entire company staff has resulted in 21.4%.

% INCREASE VS. CCNL

Banfi Società Agricola Srl9.9Banfi Srl36.5

% AVERAGE INCREASE 2021 19.8 Banfi Società Agricola Srl 10.7 Banfi Srl 37.5

% AVERAGE INCREASE

21.1

Banfi Società Agricola Srl9.6Banfi Srl40.4

% AVERAGE INCREASE 2023

21.4

In Banfi Società Agricola Srl, in the line of 9 new hires, the majority of which in an age ranging under 30 years, 19 terminations are recorded, mainly resignations. The average age of the new hires is equal to 24.7 years of age. In Banfi Srl, as last year, **the hospitality department sees the highest number of hires** (20 over 27) with an increased average age of the new hires, equal to 34.6 years of age. The terminations are at 20 units, mainly due to resignations.

In the graph contained in the following page the numericals related to hirings and resignations in the two companies, divided by age range and geographical area. Where there are no indications to a specific age range, it means that, during the year, no hirings or resignations occurred.

NEW HIRES

BANFI SOCIETÀ AGRICOLA SRL	WOMEN M	EN	
TUSCANY	30-50 YEARS	< 30 YEARS 30-50 YEARS	
	RATE 0.5%	RATE 2.7% RATE 0.9%	
TOTAL	1	8	
BANFI SRL	WOMEN	MEN	

TUSCANY	< 30 YEARS	30-50 YEARS	s > 50 YEARS	< 30 YEARS	30-50 YEARS	> 50 YEARS
PIEDMONT	RATE 2.7%	RATE 1.3%	RATE 2.1% < 30 YEARS 1 RATE 0.7%	RATE 4.2% 30-50 YEARS 2 RATE 1.4%	RATE 5.6%	RATE 0.7%
TOTAL		10			17	

RESIGNATIONS

BANFI SOCIETÀ AGRICOLA SRL		WOMEN	MEN			
	30-50 YEARS	> 50 YEARS	< 30 YEARS	30-50 YEARS	> 50 YEARS	
TUSCANY	1	4	5	3	6	
	RATE 0.5%	RATE 1.8%	RATE 2.3%	RATE 1.4%	RATE 2.7%	
TOTAL		5		14		

BANFI SRL	WOMEN MEN						
TUSCANY	< 30 YEARS	30-50 YEARS	> 50 YEARS	< 30 YEARS	30-50 YEARS	> 50 YEARS	
PIEDMONT	RATE 2.1%	RATE 2.1%	RATE 1.4% < 30 years	RATE 1.4% 30-50 YEARS	RATE 2.8% > 50 YEARS 1	RATE 1.4%	
			RATE 0.7%	RATE 1.4%	RATE 0.7%		
TOTAL		9			11		

TURNOVER

8.6%

BANFI SOCIETÀ AGRICOLA SRL

BANFI SRL

13.9%

In both companies, the employees resorted to periods of parental leave, all returning to work at the end of their leave.

PARENTAL LEAVE

	BANFI SOC	BANFI SOCIETÀ AGRICOLA SRL			BANFI SRL			
	2021	2022	2023	2021	2022	2023		
Women	2	1	0	2	3	4		
Man	3	7	4	0	1	1		
TOTAL	5	8	4	2	4	5		

Values expressed in number

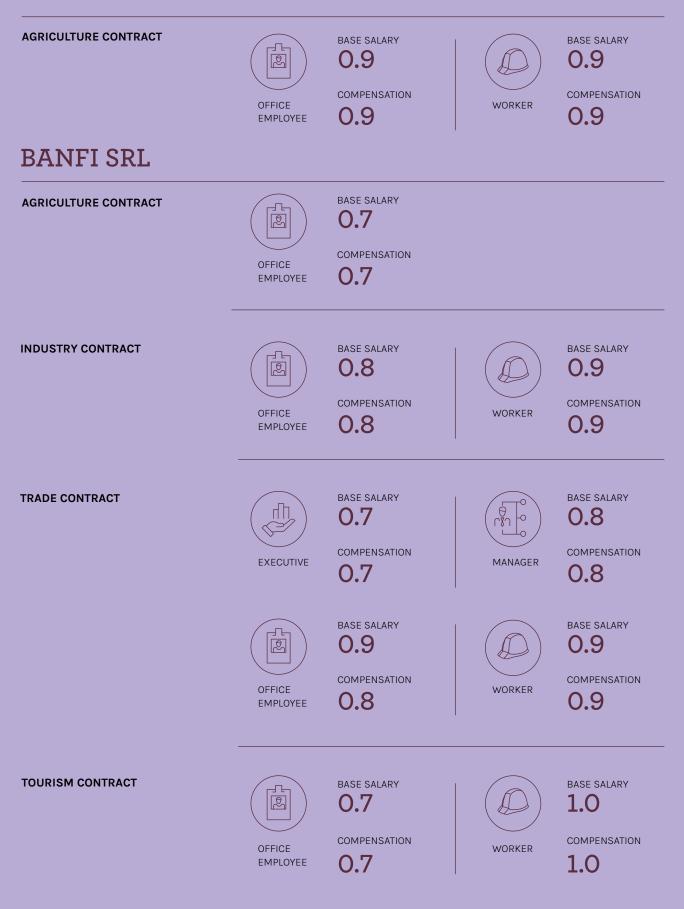
Regarding the female workforce, this year again, the difficulty in recruiting staff in the agricultural department is confirmed.

Due to the type of work that is carried out, the job applications by women are next to inexistant. In the other departments more comforting data is recorded: **in Banfi Srl the quota of women has slightly increased**, **vs. 2022** and if only the territorial unity of Tuscany is analyzed (excluding, therefore, the agricultural and winery departments in Piedmont), women represent the majority (54.9% of the total).

For a more detailed comparison regarding the **salary dynamics**, a ratio between the average base salary and the average compensation⁸ of women vs. men is shown. The data has been calculated by grouping the employees by contract type, in order to ensure a greater coherence and homogeneity in the comparison. Where no indications are present regarding a certain category of employment, it means that the category is not present for the specific type of contract.

8. To calculate the average base salary the gross yearly salary was considered, while to calculate the average salary the sum of the gross yearly salary, overtime and variable bonuses was considered.

BANFI SOCIETÀ AGRICOLA SRL





RELATIONSHIPS WITH TRADE UNIONS AND EMPLOYERS' ASSOCIATIONS

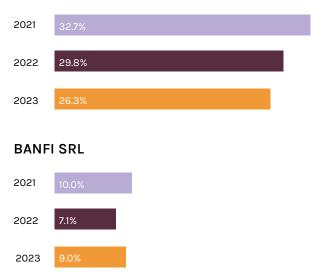
Trade unions and employers' associations represent an important interlocutor for the company reality. Their **involvement during a time of organizational change** represents a fundamental support in managing the impacts on human resources.

The relationships with trade unions and employers' associations are characterized by a **spirit of open cooperation and discussion**. Characteristics that have provided support to the experimental agreement for the **reduction of the work hours of the workers under agricultural and commercial contract** and which encounter a complete confirmation in the definition of the Assessment Committee, the body established to monitor the agreement.

In consideration of the importance of the role covered by the trade unions and the employers' association, Banfi welcomes an increasingly greater cooperation and participation in these unions and associations in the life of the company, to support the evolution and the growth of the organization. In the chart the three-year trend is represented of the participation of the workers in the trade unions.

% MEMBERSHIP IN TRADE UNIONS

BANFI SOCIETÀ AGRICOLA SRL



HEALTH, SAFETY AND TRAINING

GRI 403-1 | GRI 403-2 | GRI 403-3 | GRI 403-4 | GRI 403-5 GRI 403-7 | GRI 403-8 | GRI 403-9 | GRI 404-1

Banfi has developed a system to **manage the health and safety of the workers** in compliance with the legislative orders dictated by the Legislative Decree 81/08. This system is applied to all workers under contract, as well as workers not under direct contract whose work or workplace is controlled by the organization. In this latter category, for example, seasonal agricultural workers employed under a service contract with third-party companies are considered.

In 2017, Banfi Srl certified its management system for the health and safety of the workers according to the **ISO 45001 standard**. Whereas Banfi Società Agricola planned **specific procedures and protocols** which are inspired by the mandates of the standard, with the goal of standardizing the management approach and of achieving, in the near future, its certification.

Furthermore, the management system of the health and safety of the workers represents a component of the **Organization**, **Management and Control Model according to the Legislative Decree 231/01**, adopted by both companies and subject to periodical updates.

Following the completion of the reorganization process of the governance model which took place this year, the new roles of **Legal Employer (LE)** were appointed, the **Prevention and Protection Service (PPS)** was integrated, by including the role of **agent to the PPS (APPS)**, and the internal proxy system was updated with which the aspects of health and safety in the workplace are attended to and managed.

According to the provision of the Legislative Decree 81/08, Banfi has implemented an analysis and assessment process of the various risk categories present in the company in the three macro-areas of activity: agriculture, wine production and hotel and restaurant operations. The results of this process, together with the description of the measures of prevention and protection to be put into place, are included in the Risk Assessment Document (RAD). This year, a revision process of the RAD was carried out which concerned both companies and which involved the workers in the analysis of the processes and related risks.

Regarding the **services of labor medicine**, as provided for in the Legislative Decree 81/08, the company has appointed a specialist physician for each territorial reality. The physician cooperates actively with the Legal Employer and other members of the PPS for the assessment of the risks and all aspects associated with the

management of the health and safety of the workers. The specialist physician keeps all information confidential regarding the health surveillance of the company personnel, communicating to the Legal Employer, for all related pertinence, the results of this activity.

Education on topics of health and safety in the workplace, as provided for by the Legislative Decree 81/08, is carried out periodically by all employees, providing specific sessions for each type of task. Furthermore, information and training sessions were organized, alongside colleagues with greater experience, regarding specific activities and the use of machinery and equipment. All workers are informed and educated on the modality of reporting and management of possible situations of danger and/or near misses, furthering the continued improvement of the entire system.

The management of the relationships with suppliers of goods and services, and in general external entities with which business relations are entertained, in reference to topics of health and safety in the workplace, are dealt with on the level of contracts, providing for specific clauses also in relation to the Organization, Management and Control Model, according to the Legislative Decree 231/01 and in the specific Interfering Risk Assessment Document.

INJURIES

2023 records a different trend of the injuries in the two companies. In **Banfi Società Agricola Srl**, **the injury rate**⁹ **doubled**, **vs. 2022**, amounting at 7.6%, against a count of 12 cases (vs. 6 in the previous year) of which 3 pertinent to the winery and 9 to agricultural department. However, the average severity has decreased, despite the effects of 2 cases from 2022 have been recorded.

In **Banfi Srl, a decrease of the injury rate**, vs. the previous years has been recorded, amounting to 2.5%, against a count of 3 cases (2 less than last year), in hospitality logistics and at the Strevi winery. All cases are of minor entity.

	2021			2022			2023		
	Number	Length (days)	Average length (days)	Number	Length (days)	Average length (days)	Number	Length (days)	Average length (days)
Banfi Società Agricola Srl	11	278	25.3	6	261	43.5	12	396	33
Banfi Srl	2	62	31	5	141	28.2	3	18	6
TOTAL	13	340	26.2	11	402	36.5	15	414	37.6

Values expressed in numbers

9. For the calculation of the indicator for Banfi Società Agricola Srl 315,275 work hours and for Banfi Srl 241,478 work hours were used. In both cases, the rates were calculated on the base of 200,000 work hours.



TRAINING

As the data highlight in the following charts, this year, a **reduction of total value of the training hours in both companies is recorded**. However, in analyzing the detail for each professional category, an increase is noted regarding the executives and the office staff and a reduction in the remaining categories. In the first case, the increase is due to the activation of **specific training programs** on workplace health and safety and sustainability. In the second case, the highest reduction is encountered in the manager category, impacted to a lesser degree by the activation of the aforementioned courses. A more contained reduction is recorded, on the other hand, in the worker's category, sensitive to the timing of the mandatory training related to professional refresher courses and the renewal of various qualifications. The topic of training remains a central element to the sustainability strategy the company intends to sustain also in the upcoming years by planning new strategic commitments for the future business years entrusted to the ESG Committee.

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
BANFI SOCIETÀ AGRICOLA SRL						
Executive	0.5	0.0	0.0	0.0	4.6	0.0
Manager	17.8	0.0	3.0	0.0	2.0	0.0
Office employee	4.2	3.0	2.8	3.7	3.1	5.9
Worker	6.5	3.8	9.8	4.2	5.7	3.8
Total per gender	6.3	3.7	8.8	4.1	5.3	4.0
Total per Company	5	5.7	7.7		5.0	
BANFI SRL						
Executive	8.1	4.5	24.7	0.0	22.5	27.0
Manager	11.6	1.7	8.8	19.5	6.3	4.2
Office employee	14.1	12.4	8.3	11.9	8.3	13.5
Worker	5.2	4.8	8.1	9.8	6.9	6.2
Total per gender	9.8	9.4	8.8	11.3	7.7	10.7
Total per Company	9	9.6		0.0	9.2	

Values expressed in average hours

08. Environment

Vine blossom

CENTRALITY OF THE ENVIRONMENT FOR BANFI

To Banfi, working in harmony with the environment, represents a fundamental value. Over the years, this approach has resulted in a **perfect integration with the territory and the local communities**, in the respect and enhancement of the varied ecosystem characterizing our reality.

A commitment inspired by the global challenge embraced by numerous countries, complying with the principles established by various international agreements on climate change: the **Rio Earth Summit in 1992**, the **Kyoto Protocol in 1997**, the **Paris Agreement in 2015**.

In fact, **contrasting climate change** represents a central element guiding the **choices and attitudes of the company** in managing environmental issues, while being conscious of the relevant impacts the climate determines on agricultural production, strongly affecting availability, quantities and quality, as well as the sales price of products.

For this reason, Banfi, as an initial step, considers it necessary to analyze and understand the risks and opportunities characterizing its business, in order to make conscious choices and define sound contrast or development actions.

Evolving while respecting the environment means taking care of the surrounding situation, preserving the characteristics, in order to be able to **preserve the unique features of the territory** in the future. Banfi operates in an area at high risk of **erosion due to the orography**, the geo-pedological characteristics of the soils and the elevated seasonality of rain.

In order to assess the impact generated by its activities, last year a cooperation with the University of Siena was initiated to quantify the company **carbon footprint and water footprint**, as well as the absorptions of CO₂ on behalf of the areas with vegetation of the estate. The first two indicators were calculated following the LCA (Life Cycle Assessment) methodology, considering for wine production three different areas: **vineyard**, **winery** and **bottling**. The calculation of the absorptions was carried out, based on the IPCC guidelines. These indicators were subject to periodical monitoring and their quantification for 2023 will be reported in the next edition of this document. In the following charges the data relating to 2022 are reported.

	WINE DEPARTMENT	PLUM DEPARTMENT	TOTAL
BANFI SOCIETÀ AGRICOLA SRL			
Carbon Footprint	13,888	566	14,454
			Values expressed in t CO₂ Eq
Water Footprint	449,603	2,232	451,835
			Values expressed in m ³
CO2 Absorption			10,087
			Values expressed in t CO₂

	WINE DEPARTMENT	HOSPITALITY DEPARTMENT	TOTAL
BANFI SRL			
Carbon Footprint	5,192	853	6,045
			Values expressed in t CO₂ Eq
Water Footprint	263,731	22,053	285,784
			Values expressed in m ³
CO2 Absorption			149
			Values expressed in t CO₂

RISKS AND OPPORTUNITIES DERIVING FROM CLIMATE CHANGE

GRI 201-2

PHENOMENON (R)/(O)

DESCRIPTION

LEGISLATIVE CHANGES IN RELATION TO THE ENVIRONMENT REGULATORY RISK	Risk associated to the need to oversee the regulatory evolution in relation to the environmen t impacting on the execution of company activities
DEVELOPMENT NEW TECHNIQUES AND CROP EXPERIMENTATION OPPORTUNITY	Opportunity deriving from the possibility of implementing innovations in agriculture and in production , subsequent to research and development activities
APPEARANCE OF EXTERNAL ATMOSPHERIC EVENTS PHYSICAL RISK	 Risk connected to the occurrence of the following environmental phenomena: change in the precipitation regime (reduction in the frequency of rainfall and the increase of its intensity) availability of water resource (increase of scarcity of resource in function of prolonged periods of draught, reduction of flow of affluxes of resource due to the scarcity of precipitations, competition among departments for the request of resource in particular in certain periods of the year) sudden changes of temperature (drop of air temperature below zero in the spring, in conjunction with the vegetative development of the crops) hydrogeological instability (intense and localized precipitation contributing to the increase of the risk of surface landslide phenomena, especially in soils with higher permeability)

INCREASE OF COST OF ENERGY SUPPLIES PROCUREMENT RISK



Risk connected to the **price increases** of electricity subsequent to the policies against climate change (e.g. increase of price of permits for CO₂ emission)

POTENTIAL IMPACTS

MANAGEMENT MODALITIES

Sanctions for delay in the compliance or implementation of a new regulation Financial implications : monetary value of the sustained specific sanctions (event not occurred to date) Sustained cost : hours of work	 The main undertaken actions are: continued monitoring of binding regulatory compliance participation, through trade associations, in information and support activities internal implementation of specific procedures
Improvement/increase of quantity/quality of product Potential impacts are difficult to measure in terms of financial implications Sustained cost : economic value of R&D activities	 The main undertaken actions are: experimentation of resistant crops and their introduction to the cultivatable varieties replacement of traditional treatment techniques with new and less impacting techniques defense of biodiversity and multi crop systems instead of specialization
Damage to company assets and interruption of activities Financial implications: loss of economic value of the company assets/reduction of revenue Sustained cost: economic value of the supply of goods and services	 The main undertaken actions are: adoption of specific Business Continuity and Disaster Recovery procedures, not only regarding IT protection of facilities and territorial diversification, where possible, for production
Default based on the entity of the damage and on the lack of sufficient financial resources to face the emergency Financial implications : financial upheaval of the company Sustained cost : economic value of the executed initiatives	 The main undertaken actions are: development of transparent and collaborative relationships with the financial institutions to obtain sufficient lines of credit execution of internal territory consolidation works and care of the non-productive part
Loss annual production Financial implications: decrease/total loss of revenue Sustained cost: economic value of insurance products and of facilities	 The main undertaken actions are: underwriting of multi-risk insurance products for climate events delocalization of production where possible construction of company irrigation systems for the support and sustenance of the crops
Increase of purchase price of energy Financial implications: higher cost sustained for energy procurement Sustained cost: economic value of the construction and of the maintenance of the facility	 The main undertaken actions are: construction of a photovoltaic system with 29.7 kWh capacity evaluation of possibility to increase the quota of selfproduced energy with the construction of new facilities

Amiata breed donkeys

PROTECTION OF BIODIVERSITY

The landscape which characterizes the Banfi estate shows remarkable **complexity from a morphological point of view**, characterized by extremely varied soil at different altitudes, ranging from 80-100 masl up to 330 masl. The **forests and Mediterranean scrub** are a fundamental feature of this landscape in which, along with the presence of numerous **tree and plant species**, a rich and **diversified natural fauna develops**.

This natural richness is expressed in an even more marked manner in the agri-wildlife preserve, an area of 842 hectares which Banfi has always managed in compliance with the regional regulations, maintaining an optimal ratio between fauna and territory (in terms of extension and characteristics), with focused selective culling, capture and transfer of the present species in other areas.

To preserve and protect this important and vast biodiversity, particularly the plant biodiversity, Banfi has been committed to the **protection of bees**, by installing eighty hives to support the presence of this very important pollinating insect and its fundamental role in preserving an ample array of crops and wild plants.

For some time now, Banfi has been committed to the protection and **safeguard of the Amiata breed donkey** of which it owns three animals which are bred in compliance with animal well-being with the sole purpose of maintaining the breed.

In April, surveys were carried out on the estate property in the municipality of Montalcino, in order to verify the biologic quality of the soil, water and air, by means of the application of biodiversity indexes of the "**Biodiversity Friend**®" protocol. The results of the survey confirmed the effectiveness of the approach the company adopted to protect and preserve biodiversity.

CONSUMPTION: ENERGY

GRI 302-1 | GRI 302-3

The multiple activities that are carried in the various operating departments make it necessary to use **various energy sources**, as such, for example, electricity, in a small part self-produced thanks to the photovoltaic system installed at the company fruit factory¹⁰ and fuel used for transportation and heating.

	BANFI SO	CIETÀ AGRIC	COLA SRL	I	BANFI SRL			
	2021	2022	2023	2021	2022	2023		
Transportation	11,313	13,404	13,020	1,634	1,881	2,116		
Gasoline	145	254	233	258	270	290		
Diesel fuel	11,168	13,150	12,787	1,376	1,611	1,826		
Production	22,130	26,842	23,779	6,668	7,119	6,541		
Electricity	15,531	16,198	16,030	6,451	6,769	6,217		
LPG	6,599	10,644	7,749	170	303	229		
Diesel fuel				43	36	78		
Gasoline				4	11	17		
Heating	621	1,185	683	3,281	2,916	2,614		
Diesel fuel	501	1,074	605					
LPG	120	111	78	242	199	179		
Methane gas				2,032	1,836	1,415		
Pellet				1,007	880	1,020		
TOTAL	34,064	41,131	37,482	11,584	11,916	11,271		
Electricity consumption over hectoliters of wine	0.069	0.067	0.074	0.090	0.073	0.090		

Values expressed in Gj

ENERGY CONSUMPTION

BANFI SOCIETÀ AGRICOLA SRL







10. The photovoltaic system generates on average each year a quantity of electricity equal to approximately 150 GJ.

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CONSUMPTION: WATER

GRI 303-1 | GRI 303-3

As a result of the numerous and different activities, Banfi utilizes **huge quantities of water**, which vary significantly from one year to an other, mainly due to climate variations. This consumption is mainly determined by the agricultural estate, by the winery and by hospitality.

WATER IN AGRICULTURE

In agriculture, water is mainly used to irrigate the crops, to wash vehicles and, in the context of the drying process, to cleanse the plums.

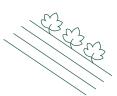
To guarantee a more sustainable use of the resource, thus limiting the quantity of water pumped from the Orcia and Ombrone rivers and in order to cope with possible water crises in particularly dry years, Banfi has set up an important **system of artificial reservoirs** (reservoirs and basins to collect rainwater) which are interconnected, located throughout the **Montalcino estate**. The total capacity of the reservoirs is approximately 605,500 m³. Furthermore, in 2008, the **technique of variable rate micro-irrigation** was introduced, adapting it over the years to the specificities and the great soil variability which characterizes the entire cultivated territory. A technique thanks to which it is possible to ensure the correct water supply and limit the quantity of resource that is used.

WATER IN THE WINERY

In the winery, water is mainly used to wash and clean areas and machinery as well as in production to wash equipment, pipes, tanks, barrels and barriques. The water for these activities is provided for from wells on the estate (similarly to the water used in agriculture to wash the plums).

Again, in order to contain consumption and reduce the impact on the environment, Banfi, from the beginning, has installed a **biological water treatment plant**, in order to decontaminate the water used in the winery and in the production process and return it to the ecosystem, pumping it back to the Orcia river.

Thanks to a constant commitment to technological innovation and to research and development, in 2019, a new plant for the treatment and recovery of the water has been put into operation which, through an ultrafiltration and reverse osmosis system, allows the reuse of the water for the irrigation of the parks, gardens and for technological uses in the winery. The system will allow to reduce consumption of water, by enabling its reuse.





WATER IN HOSPITALITY DIVISION

In the hospitality department, in addition to the domestic use for the restaurants and hotel rooms, water is also used to irrigate gardens for which water accumulated in the reservoirs is used.

	BANFI SO	CIETÀ AGRI	COLA SRL	BANFI SRL		
	2021	2022	2023	2021	2022	2023
Rivers and lakes (crop irrigation)	650.5	985.2	562.9	-	-	-
Rivers and lakes (irrigation of gardens Castello Banfi Wine Resort)	13.4	11.9	8.4	-	-	-
Well	66.9	93.4	83.5	5.4	-	-
Water main	2.5	0.2	0.3	12.6	16.2	16.0
TOTAL	703.3	1,090.7	655.2	18.0	16.2	16.0
Treated water pumped back to the Orcia river	58	57.1	65.2	-	-	-
Treated water for technological purposes and irrigation	11	12.4	14,6	-	-	-
Consumption of hectoliters of water over hectoliters of wine	3.4	3.8	3.7	1.8	1.8	2.2

Values expressed in MegaLiters



BANFI WATER WELLS Water utilized at the CYCLE winery is drawn from 3 wells WATER PLANT **OTHER USES** Water drawn from the wells is directed A minor percentage of the purified to the water plant where it is purified well water is allocated for other uses for use in the winery (e.g. Banfi farmhouses) WINERY Water from the water plant is pumped to the winery and used also for purposes other than strictly production (water is also used in offices, restrooms, laboratory, etc.)

WATER TREATMENT PLANT

All the water used in the winery is directed to the treatment plant and subjected to a treatment which allows for it to be reintroduced into the ecosystem. In particular, the outflow of the treatment plant takes two directions: • pumped to the Orcia river • re-used in the winery

TREATMENT PLANT

Part of the water outflow from the water treatment plant is directed to the treatment plant (ultrafiltration and subsequent reverse osmosis). The outflow water from the plant is re-used for technological purposes and for the irrigation of the parks and gardens of the winery

ORCIA RIVER

Part of the outflow from the treatment plant is pumped to the Orcia river

CROP PROTECTION AND NUTRITION

Banfi has developed a farming program with a low environmental impact, thanks to a careful monitoring of the treatments with fertilizers and agrichemicals.

Fertilization is carried out considering the different soil types which characterize each agricultural area, the cultivated variety and the yield of the previous year, assessing both the quantity and quality aspects of production. The treatments with agrichemicals have significantly decreased in quantity and an exclusive use of **nonaggressive active principles**, adopting a technical approach that uses defense methods only when necessary and not preventively, also thanks to the **support of the system of weather stations**.

The sensor system for weather data tracking relies on electronic tracking stations, placed in 11 different sites, 8 in Montalcino and 3 in the other territories, which allows to cover all the estate vineyards. Weather stations transmit data to a portal which allows to check the weather situation in real time, directly from a smartphone or PC. In addition, the management system of the weather stations, analyzing the collected data, processes forecast models for the development of fungal disease. These models are useful for the technical staff. Thanks to the forecast models, their experience and the constant monitoring of the 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.

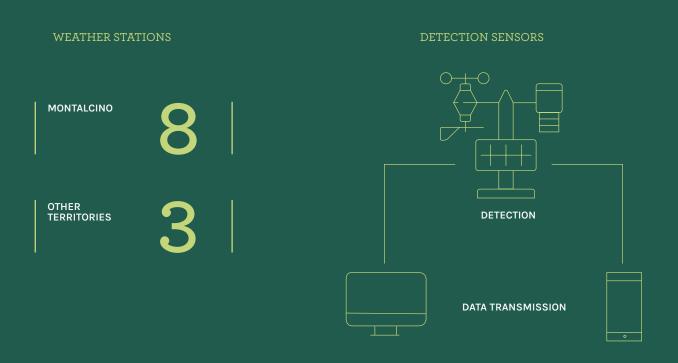
This effort joins scouting operations, close control and verification of quantities and limits of use for each individual product, sharing of information and knowledge with our partners and the zonation project, as well as the historical data of previous harvests.

Joint elements thanks to which it is possible to optimize, both in number and effectiveness, the various crop treatments.

	BANFI SC	BANFI SOCIETÀ AGRICOLA SRL			BANFI SRL			
	2021	2022	2023	20	21	2022	2023	
Vineyard treatments								
Average fungicides	97.2	75.0	76.5	122	.2	54.0	99.2	
Average pesticides	0.6	1.1	2.2	2	.5	1.6	0.7	
						Values exp	oressed in Kg/ha	
Fertilization								
Fertilization	535,605	606,517	509,028	29,9	56	22,730	47,006	
						Value	s expressed in Kg	
Orchards treatments								
Average fungicides	17.0	14.8	63.5					
Average pesticides	38.9	54.1	33.2					

Values expressed in Kg/ha

WEATHER DATA DETECTION STATIONS



WASTE AND SUBPRODUCTS

GRI 306-1 | GRI 306-2 | GRI 306-3 | GRI 306-4 | GRI 306-5

The large variety of activities by the company in the various operating departments leads to the inevitable production of an important quantity of waste which varies year by year according to the operations that are carried out and which Banfi has always managed according to a structured approach, in compliance with the previsions of the reference legislation, among which Legislative Decree no. 152 of 2006.

PRODUCTION OF WASTE

In the **agriculture department**, the production of waste is generated in the context of various activities connected to crop management:

• vineyard planting and uprooting operations can lead to the production of waste, such as cement, wood and metal from the **disposal/replacement of poles used to support the vines** (from cement poles to poles in metal/wood);

• vineyard fertilization and treatment operations can lead to the production of waste, such as **packaging in paper and cardboard or plastic material** from the packs of the used products;

• use of **machinery** and specific equipment can lead to the production of waste related to their **maintenance** (such as, for example, motor oil and filters).

In the **winery**, the generation of waste derives from the operations connected to wine production. The following fall into the most representative categories: **packaging** and **containers** in various materials (paper and cardboard, plastic and glass), materials connected to the **maintenance of machinery** (filters, oils and resins, etc.) and **coarse particles** deriving from the processing of grapes which reach the treatment plant together with the washing water (for example sieve).

Among the waste products which over the years were generated in large quantities are the dregs from the in loco treatment of the effluents, a non-dangerous common waste from both the activities in agriculture and in the winery. With the intention of implementing virtuous practices in waste management, which can increasingly support the development of actions in perspective of a circular economy, this year the **dregs generated by the treatment of the wastewater from the winery at the company water treatment plant were distributed as a natural soil conditioner**, during the spring and the summer. Before being distributed, the dregs underwent a dehydration process with specific treatments and then were subjected to control and analysis activities. Company vehicles were used to spread this product in the vineyards and, after distributed as is, with over 31 tons of dry material.

In the **hospitality** department the areas that contribute to generating waste are mainly the restaurants (kitchens) and hotel services (cleaning of the indoor and outdoor spaces of the facility). The main types of waste are: **dry and humid waste**, **comparable to urban waste** (packaging materials, wrappers, scrap and food waste), and **special waste**, such as, for example, food oils and greases which are disposed of by specialized companies. Furthermore, with the scheduled renewal of machinery and equipment, others can be added to these categories, such as, for example, the machinery no longer in use.

WASTE MANAGEMENT

The generated waste is identified by a specific **EWC code (European Waste Code**) which is assigned by the manager of the company department where the waste was produced. Subsequently, the waste is stored in dedicated areas within the company, before it is collected and transported, by an authorized company, to the specialized center which will carry out the treatment (disposal or recovery). Waste storage at the estate occurs in defined areas, according to whether it is dangerous or non-dangerous waste.

WASTE BY TYPE AND DISPOSAL METHOD

	BANFI SC	OCIETÀ AGRICO	LA SRL	BANFI SRL			
	RECYCLING	DISPOSAL	TOTAL	RECYCLING	DISPOSAL	TOTAL	
Paper and cardboard	50.8		50.8	27.8		27.8	
Concrete	27.1		27.1	14.1		14.1	
Sludge		14.2	14.2		74.6	74.6	
Wood	34.0		34.0	11.4		11.4	
Metal	85.5		85.5	4.3	30.4	34.7	
Oil	1.8	3.0	4.8	0.8		0.8	
Plastic	40.0		40.0	3.8		3.8	
Glass	29.3		29.3	18.4		18.4	
Other materials	36.1	0.7	36.8	10.1	2.8	12.9	
TOTAL	304.5	17.9	322.4	90.7	107.8	198.5	

Values expressed in tons

	BANFI SOCIETÀ AGRICOLA SRL			BANFI SRL		
	2021	2022	2023	2021	2022	2023
Non hazardous						
Recycling	648.8	188.8	297.1	57.6	181.1	89.1
Disposal	31.9	20.7	14.2	172.4	78.1	107.7
TOTAL	680.7	209.5	311.4	230.0	259.2	196.8
Hazardous						
Recycling	9.5	8.8	7.4	0.4	0.6	1.6
Disposal	3.7	4.1	3.6	0.2	0.1	0.1
TOTAL	13.2	12.9	11.0	0.6	0.7	1.7

Values expressed in tons

Discarded grapes after selection

SUBPRODUCTS

Various **subproducts** originate from the vinification process, among which for example: **stems**, **pumace** and **lees**. These materials, which represent waste products for Banfi, are sold every year to the distilleries which use them as ingredients for the production of other products, such as grappa, alcohol, liqueurs and spirits. The production of these beverages then generates subproducts, such as, for example, the exhausted pumace generated from the distillation process which is used for the production of energy.

From 10 tons of pumace the following		10 t	TARTARIC ACID	0.08 t
 can be extracted: approximately 0.08 tons of tartaric acid approximately 400 liters of spirits (grappa or 	alcohol).	10 0	SPIRITS	400 l
Furthermore, from 10 tons of incoming pumace, approximately 8 tons of de-alcoholized pumace remain which are destined for the production of energy.		10 t	DE-ALCOHOLIZED PUMACE	8 t
From 10 tons of lees the following	A	10 t	TARTARIC ACID	0.2 t
can be extracted:approximately 0.2 tons of tartaric acid;			SPIRITS	0.8 t

• approximately 0.8 tons of spirits (grappa or alcohol).

Therefore, the **responsible management of the subproducts represents a concrete commitment** to affirming circular economy criteria in the company management.

QUANTITIES OF SUBPRODUCTS TO DISTILLERIES

BANFI SOCIETÀ AGRICOLA SRL BANFI SRL	
100.8	19.5
189.8	145.1
1,008.1	166.1
1,298.7	330.7
	100.8 189.8 1,008.1

Values expressed in tons

INITIATIVES OF CONSUMPTION REDUCTION

GRI 302-4

ATTENTION TOWARD THE ENTIRE COMPANY

The contribution of Banfi to fighting climate change sees an important strategic direction in the actions to **save energy and reduce CO**₂ emissions to be included in every new structural and non-structural investment.

The following were the various interventions which were carried out over the years.

YEARS 2015 AND 2016

- in the hospitality department a heating system for the rooms of Castello Banfi Wine Resort was installed, with a pellet burner in replacement of the previous burner fueled by LPG. In the restaurant kitchen a high efficiency heat pump was implemented which replaced the electric boiler in use until then. Finally, a diesel condensation burner was introduced, to replace the previous combustion chamber burner, which is used in emergency situations;
- in the **balsameria** the previous heat generator was replaced with an LPG condensation burner;
- in the offices of the administration building and the reception office the low efficiency heat pump was replaced with a high efficiency pump which is used for air-conditioning of the spaces in summer and winter;
- in the **offices of the administration** building a new Toshiba printer was introduced, equipped with technology which allows for the reuse of the same sheet of paper for multiple printings, thanks to the possibility to cancel previous printings.

The overall contribution these initiatives produce each year leads to a reduction of CO₂ emissions equal to 42.17 tons and a reduction of energy consumption equal to 328 GJ.

YEAR 2018

The project to replace the light fixtures in the production areas and in the warehouse with **LED lights** was completed. This intervention allows to record an annual savings of electricity equal to 1,505 GJ and a reduction of emissions of CO₂ equal to 132 tons.

YEAR 2019

At the company Fruit Center an intervention was carried out to replace the light fixtures with LED lights. In various company offices there are **Toshiba printers which allow the re-use of paper sheets**, both for black/white and color printing.

YEAR 2020

A project was carried out that implied the **virtualization of all physical servers**, as well as the **virtual desktop infrastructure (VDI)**, which was also present on physical servers which took up the two rooms of the Data Center present in the company. Furthermore, at the company Fruit Center a **photovoltaic system** was installed with a capacity of 29.7 kWh. At the winery in Strevi two **condensation burners** were introduced to replace the previous combustion burners for heating the office and the enoteca.

YEAR 2021

A project was implemented aiming at searching for and **repairing the leaks of compressed air in the pipelines and in the components at the Montalcino winery**. Compressed air is used for various purposes, mainly to activate automations and equipment valves, during the harvest also to inflate the membranes for the pressing of the grapes. Furthermore, it is used to clean components. The air is generated by a station, operating 24 hours a day, which distributes it to all areas of the winery through a pipeline system. At the end of the activity, 55 leaks were found and repaired. This intervention brought an annual savings of electricity equal to 515 GJ and a nonemission of 41 t of CO₂.

Finally, from when the photovoltaic system began operating energy equal to 147 GJ has been generated.

At the Strevi winery the work continued to replace the light bulbs with LED lamps in various company areas. This activity, which started five years ago, to date has been completed in the following areas: Metodo Classico, storage and autoclaves, as well as in the warehouse building, detached from the main building.

YEAR 2022

An agreement was formalized with our supplier of liquid gas, Air Liquide, to join the ECO ORIGIN service. This service establishes the commitment of the supplier to **purchase renewable energy for an amount equivalent to the quantity of energy necessary to produce and transport the volume of purchased liquid gas**. The ECO ORIGIN service is certified by an independent body, that guarantees the methodology and verifies the values used to calculate the procurement of the necessary quantities of renewable energy with an annual audit activity.

The ECO ORIGIN service guarantees a reduction of the carbon intensity for the purchases that are made. On the basis of the volume of liquid gas purchased last year, the supplier has calculated an intensity of carbon equal to 72.7 tons of CO₂eq/year. By joining the service and equal to the purchased quantity, a reduction of the carbon intensity is estimated of 94%, reaching a value equal to 4.36 tons of CO₂eq/year.

ATTENTION TO THE USE OF MATERIALS

GRI 301-1 | GRI 301-2 | GRI 302-5

Banfi is aware that the commitment toward the containment of environmental impacts deriving from the production process is achieved also through the **attention in the choice of packaging materials, favoring productions of cardboard and glass from recycled materials**. These productions require lower consumption of electricity and raw materials and allow for a reduction in impact in terms of CO₂ emissions.

This year, the weighted average of recycled material present in the cardboard boxes that were used is estimated in 89%, whereas, regarding the bottles the weighted average value of the recycled component is equal to 56%. Thanks to the use of these materials a total savings is estimated, on behalf of the producer, equal to 25,507 GJ of electricity and an omitted emission of CO_2 equal to 1,065 t. Furthermore, regarding recycled cardboard, a savings of 135 mega liters and an omitted felling of 3,962 trees is estimated. All suppliers of cardboard that was used this year hold the Forest Stewardship Council/(FSC) certification.

Regarding then the impact in terms of weight of the component of recycled materials over the total of the materials that were used in production, this year, a value of equal to 53% for Banfi Società Agricola Srl and 50% for Banfi Srl is recorded.

In the following charts the consumptions of materials per composition and type are reported. As the data show, the prevalent impact is determined by glass which represents 84% of the total consumptions in weight.

MATERIALS BY TYPE

	BANFI SOCIETÀ AGRICOLA SRL			
	2021	2022	2023	
Bottles	3,788	3,587	3,234	
Capsules	8	7	6	
Labels	14	13	12	
Packaging	397	384	341	
Wine making materials	332	335	250	
Corks	37	35	30	
Other materials	25	21	15	
TOTAL	4,600	4,383	3,888	

BANFI SRL				
2021	2022	2023		
2,097	1,836	1,306		
3	3	2		
9	8	6		
264	225	167		
20	25	16		
27	26	18		
2	3	1		
2,422	2,125	1,516		

BANFI SRL

1,836

2,125

-

-

2,097

2,422

Values expressed in tons

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1,306

1,516

MATERIALS BY COMPOSITIONS

	BANFI SC	BANFI SOCIETÀ AGRICOLA SRL			
	2021	2022	2023		
Paper	371	343	312		
Glue	6	5	4		
Wood	40	55	41		
Lubricant	1	2	1		
Organic material	332	335	250		
Metal	8	7	6		
Plastic	18	14	10		
Cork	37	35	30		
Fabric	0	0	0		
Glass	3,788	3,587	3,234		
TOTAL	4,600	4,383	3,888		

Values expressed in tons



CONTRIBUTION OF HOSPITALITY TO RESPECTING THE ENVIRONMENT

The hospitality department has always paid attention to the management of environmental issues, acting on various levels to reduce consumption and the impact on the territory.

The first aspect of attention concerns the **responsible management of water resources**, through initiatives to optimize consumption in the rooms and outdoor areas. In the rooms, consumption generated by laundering of linens is monitored, informing guests that bed sheets and towels are only changed upon request. In the outdoor areas, interventions concern the use of water resources generated by the irrigation of green areas. Only water collected in the artificial lakes is used for this activity, thus reducing to zero the direct pumping of water from the rivers.

There are several areas of intervention to **reduce emissions of pollutants**. To guarantee the reduction of emissions for service staff transportation three electric golf cars are used on the property.

Furthermore, an electric van is available for offsite transportation. Another area of intervention to reduce emissions, is managing the heating of the hotel, using a pellet furnace in the A1 quality class (which therefore uses virgin wood or non-treated wood residues with an extremely low ash content).

Regarding waste management, an initial aspect to be considered is **waste sorting**, carried out in all areas of the department and by the housekeeping staff for the rooms and green areas.

Furthermore, an important contribution to reduce waste was generated by the project to **reduce the consumption of plastic**. Thanks to the installation of water dispensers in all areas (hotel, wine shop, offices and staff canteen) the use of bottled water has been reduced to zero.

With reference to the attention towards energy consumption, in addition to using energy from renewable sources, a gradual replacement of light fixtures with LED lights in the outdoor areas is in progress. **LED lights** are already currently in use in certain areas of the complex.

Lastly, particular attention is dedicated to the use of certified **products and materials with regard to quality and environment**. Many cleaning products have relevant certifications, as well as the pellet used for heating. The attention toward these aspects will result in the total replacement of products currently without these standards.

09. QUALITY

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Pupitres in Strevi

FOOD QUALITY AND SAFETY

A key point in the daily nature of Banfi is the goal to pursue a quality and safety production of food.

It is of primary importance to satisfy the needs of the consumers, care for their health and ensure responsible consumption; these goals are identified in the following management methods:

- compliance with legal regulations in the various agrifood and other sectors;
- · certification and external auditing program of both products and processes;
- implementation and development of an integrated system of analysis from the field to the consumer which increases knowledge and guides the company's choices toward higher standards;
- an ongoing and intensive investment program in R&D, both regarding process and product, which is aimed at respecting tradition.

O1 COMPLIANCE With legal regulations.

03

IMPLEMENTATION

Implementation and development of an integrated system of analysis from the field to the consumer which increases knowledge and guides the company's choices toward higher standards.

02

CERTIFICATION

Certification and external auditing program of both products and processes.

04

INVESTMENT

An ongoing and intensive investment program in R&D, both regarding process and product, which is aimed at respecting tradition.

CERTIFICATIONS

2001. ISO 9001 AND ISO 14001 CERTIFICATIONS

From the early 2000s, Banfi decided to move forward with management tools which determined a strong orientation of the company toward sustainability, leading to the achievement of the ISO 9001 and ISO 14001 certifications regarding the management **systems in the context of quality and environment**. This setting made it possible to guarantee high quality standards for the company processes and a vision which is oriented at a continuous improvement achieved by **research and development projects on quality and efficiency of the production and cultivation processes**.

2005. SA 8000 CERTIFICATION

In 2005, Banfi was the first vineyard estate in the world to obtain the SA 8000 ethical certification which guarantees and verifies the **equity and correctness of the work relations pertinent to social responsibility**. For the management of this context, the Social Performance Team was created, composed of a management representative, representatives elected by the workers and union representatives. The Social Performance Team has the task of promoting positive actions for the improvement of the company system and for the support of the workers, who can report possible issues to be analyzed and whenever possible resolved by promoting adjustment actions. This year, Banfi did not renew the certification which, therefore, is valid until May 2023. This decision is part of a process of assessment of the entire company certification system which will be completed in 2024 with the goal of identifying the best standards to continue on the virtuous path of managing ethical and social topics and to support the planning of new strategic commitments for future business years.

2006. IFS AND BRC STANDARDS

With regard to the aspects relating to the products, Banfi operates in conformity with two important **quality standards regarding food safety**, IFS and BRC, which are in high demand on the European market and aim at guaranteeing high quality and conformity of the products.

2011. AEOF AND AEOS STANDARDS

In the context of the management of aspects related to the sales of the products, Banfi holds two important certifications. The first is the AEO, Authorized EcoOperator, certificate, issued by the customs agency. It represents a status of **liability and solvency** which guarantees a rigorous compliance with customs regulations and with product safety. The second certification then is associated to the **wine import activity**, in particular of organic wines. To carry out this activity, Banfi has established a certification relation with ICEA, Institute for Ethical and Environmental Certification, which periodically assists and audits the company in its importing operations.

2017. ISO 45001 CERTIFICATION

In 2017, Banfi achieved the certification of its **health and workforce safety management** systems, according to the OHSAS 18001 regulations. This year in November, the transition toward the new version of the regulations, ISO 45001, was completed.

2021. EQUALITAS ORGANIZATION CERTIFICATION

The attention toward the implementation of a production model, which is increasingly more oriented to sustainability, this year, has allowed us to achieve the Equalitas certification for Banfi Società Agricola Srl. The Equalitas standard identifies the good practices, the indicators and the reference requirements to manage operations, defining an **approach integrated in the sustainability of the wine industry**.

The Equalitas model, in fact, embraces sustainability in its three cores, social, environmental and economic, with the opportunity to certify three different dimensions: the business (Organization standard), the final product (Product standard), the territory (Territory standard).

2022 AND 2023. EQUALITAS PRODUCT CERTIFICATION

After obtaining the EQUALITAS organization certification, this year, Banfi has obtained for four important wines: Brunello di Montalcino Riserva Poggio all'Oro 2016, Brunello di Montalcino Vigna Marrucheto 2018, Brunello di Montalcino Riserva Poggio alle Mura 2017, Brunello di Montalcino Poggio alle Mura 2018. Continuing on this virtuous path, this year, three further important products were certified: Brunello di Montalcino Poggio alle Mura 2019, Brunello di Montalcino Riserva Poggio alle Mura 2018 and Brunello di Montalcino Vigna Marrucheto 2019. This certification assures the product conformity in all production process stages, as established by the Equalitas – Sustainable Products sustainability standard.

In the following tables the number of non-conformities detected in reference to the management context of each certification is reported, distinguishing the data between internal control and external audit.





QUALITY: ISO 9001 BRC IFS

	BANFI SOCIETÀ AGRICOLA SRL			I	BANFI SRL		
	2021	2022	2023	2021	2022	2023	
Internal activities							
Controls when accepting products/ services from suppliers	8	3	8	12	10	8	
Control of internal processes	29	26	17	17	19	18	
Third-party activities							
Audit by certification body	4	4	4	5	3	4	

Values expressed in numbers

ENVIRONMENT: ISO 14001

	BANFI SOCIETÀ AGRICOLA SRL			
	2021	2022	2023	
Internal activities				
Controls when accepting products/services from suppliers	0	0	0	
Control of internal processes	4	4	10	
Third-party activities				
Audit by certification body	0	0	0	

Values expressed in numbers

HEALTH AND SAFETY: ISO 45001

		BANFI SRL			
	2021	2022	2023		
Third-party activities					
Audit by certification body	1	4	9		
	Values expressed in numbe				

EQUALITAS

	BANFI SO	BANFI SOCIETÀ AGRICOLA SRL			
	2021	2022	2023		
Internal activities					
Control of internal processes	3	2	2		
Third-party activities					
Audit by certification body	11	6	4		

Values expressed in numbers



INTERNAL ANALYSIS PROCESS: ROLE OF THE LABORATORIES

GRI 416-1

The presence of **laboratories at the Montalcino and Strevi wineries**, with the support of external laboratories and consultants, is a decisive factor in improving the quality of our products and, concurrently, their food safety. The plan of the analytical controls carried out in the company allows to follow in detail each stage of the production process, from the grapes to the finished product, ensuring the compliance of the parameters provided by the law and an elevated quality standard, according to the company philosophy for the benefit of the final consumer.

Analyses are not only conducted on wine but on incoming materials (such as corks), on the quality of the treated water and on furnaces, extending, in fact, possible **applications to the process, as well as to the product**.

For each category subjected to analysis, various parameters are tested, for a reference sample, based on the category.

	BANFI SOCIETÀ AGRICOLA SRL	BANFI SRL	
Wine	129,674	8,680	
Grapes	1,536	447	
Incoming materials	25,066	212	
Water treatment plant	6,043	397	
Osmosis system	840		
Furnace	6		
TOTAL	163,165	9,736	

INTERNAL ANALYSES

No. of internal analyses

DYNAMIC FILTRATION, A TECHNOLOGY IN SUPPORT OF SUSTAINABILITY

An important contribution in improving aspects of sustainability in the vinification process derives from the use of an innovative filtration system which **allows to recover so-called dregs**, that is that residual part of product which is generated by the fining operations of musts and of white wines and from the racking of red wines after malolactic fermentation; with a traditional filtration process musts and wines of a lower quality level are obtained, mainly due to the prolonged contact with air.

The Dynamic Cross Flow technology, adopted at Banfi, uses a filter composed of multiple layers formed by rotating ceramic disks which allow to carry out filtration operations protected from air and the possible phenomena of dilution, therefore transforming the dregs in new wine with a quality level in line with the required standards.

In addition to allowing the optimization of the vinification process, by reducing the production of waste, the use of such technology provides a further important advantage, that is of avoiding the use of perlite, a very bulky product of volcanic origin which requires the use of PPE on behalf of the staff which comes in contact with it. Such product is used as a co-adjuvant in the normal filtration process and currently its use at Banfi is extremely reduced. A choice that also benefits the functionality of the wastewater treatment plant in which the waters from the winery containing this product are collected. In fact, as perlite is an extremely abrasive material, its presence generates very rapid phenomena of wear on certain components of the facility, creating permanent damage.

RESEARCH AND DEVELOPMENT

Research and development activity represents a fundamental stronghold on the topic of innovation, to ensure the continued improvement of the products and processes and to sustain future growth. This activity sees in experimentation and knowledge the primary road toward improving the quality of its productions, also thanks to the creation of important partnerships with the academic community, with external professionals and research institutions. A fundamental contribution to scientific research and the sharing of knowledge then comes from the activity of Sanguis Jovis, School for Higher Education on Sangiovese, the study center of Fondazione Banfi, which for years has been involved in these topics.

In the following table the data relating to research and development is reported, recognized for the purpose of obtaining a tax credit for the three-year period 2020-2022. The data relating to 2023 will be available in the next edition of this document.

	BANFI SC	BANFI SOCIETÀ AGRICOLA SRL			BANFI SRL	
	2020	2021	2022	2020	2021	2022
No. of projects	2	2	2	3	6	2
Internal hours	19,898	16,458	4,984	12,525	8,495	5,811
Investment (euro)	108,044	588,240	162,799	58,176	465,778	398,684

Values expressed in number

PURSUIT OF EXCELLENCE

Pioneering and research are two fundamental values that have marked the history of Banfi since its inception, and that continue to be at the center of the corporate mission. The passion for study, research and experimentation animates the production philosophy of Banfi and is attested by a course of study and experimentation which has lasted over forty years and has involved various aspects of technological and agronomic knowledge. In the following notes, several stages of the various studies, performed over the years, are highlighted, again with the territory as a starting point, with its characteristics and its specificities, and its environment of reference.

CLIMATE STUDY

The climate represents a very important variable in viticulture, significantly affecting yield and product quality.

It is therefore essential to pursue the study of the relationship between climate factors and production characteristics. Using electronic weather monitoring stations, several parameters are analyzed daily: air temperature (minimum and maximum), rainfall and evapotranspiration, length of daylight (heliophany), wind intensity, leaf wetness, air and soil humidity.

Thanks to the study of these parameters and to the historicity of the collected information, the climate characteristics of the territory were able to be determined.



Thanks to the soil study, it was possible to divide the vineyard land into four separate environments or landscapes:

- flat to **slightly declining areas**: characterized by geological forms of prevailingly fluvial origin, the soils are deep, pedologically preserved and well developed;
- prevailingly hill areas: these are hills with moderate incline, characterized by rectilinear or slightly convex slopes, the soils are moderately deep, but well developed, with abundant skeleton (rocks and pebbles), at times with emerging sediments of leaner sand;
- hill areas: characterized by slightly declining terraces and slopes, with soils with higher clay content, lean, from moderately deep to scarcely deep, with less skeleton, presence of gray-blue clay lenses and sandy stratifications;



• **modified hill** areas: the soils were modified by past cultivation interventions; they often show abundant skeleton with evident surface erosion on the slopes with a steeper incline. Soils vary from moderately to scarcely deep.

This analysis reveals that the soils are extremely varied, both as to origin and as to mineralogic composition, such to make the estate, from this point of view, a true constellation of very different production units.

VINEYARD STUDY

The research to improve the production and quality aspects of the vineyard started from clonal selection and estate zonation studies.

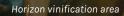
Clonal selection is a technique that can **improve the characteristics of varietals**, based on specific requirements. In 1982, Banfi started clonal selection projects which resulted in the registration of 11 specific clones of Sangiovese which are able to adapt to different pedoclimatic conditions and enological requirements.

Zonation is the multidisciplinary study of the territory aimed at optimizing the interaction between a varietal and its cultivation environment. Thanks to this activity, Vocational Units were defined on the estate, consistent as to vegetative, production and quality performances, with the purpose of enhancing the typicity of individual varietals in the main microenvironments. Therefore, thanks to the estate zonation it was possible to optimize the planting of several varieties in the various landscapes of the estate.

TRELLISING METHOD STUDY

The **trellising method represents a fundamental aspect for quality production** as well as for an efficient vineyard management modality. Over the years, Banfi has known how to experiment in this field as well, accompanying the traditional trellising system ("spurred cordon") with new trellising methods. Initially, the "Casarsa" trellising method was introduced which allowed to rationalize vineyard mechanization and guarantee a better quality of the harvest. This trellising method was adopted on a large scale in the estate vineyards. Through subsequent trials, a new original trellising method was developed, suitable for difficult soil and low-input cultivation conditions, and able to optimize the management and quality of red varietals: the **alberello Banfi method**.





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VINE NUTRITION STUDY

Nutrition is a critical aspect in the quality cycle of the vine, as it deeply **influences the production and maturation process of the berries**. To ensure a correct nutrition for the plant, it is necessary to start from a soil analysis to understand the pedologic, physical and chemical features and evaluate the most appropriate agronomic improvement plan for the future. At Banfi, based on the results of these analyses, it can be several years before planting a new vine.

The provision of **adequate water resources** is decisive for the maturation process, particularly during veraison. To guarantee an adequate supply, a water stress control system was implemented, at the level of the soil (using various types of probes), as well as at the level of the plant (stomatal chambers, and thermal imaging), in order to conduct very precise interventions.

Furthermore, to guarantee the adequate supply of water for all plants, considering the different characteristics of cultivated soils (texture, skeleton content, depth of the available layer for the roots to explore) a **variable flow rate micro-irrigation system** was introduced, able to guarantee a targeted and efficient use of the water resource according to the incline and characteristics of the various soils.

THE HORIZON FERMENTOR

The passion for study and research has achieved important results, not just in the vineyards but also with regard to technology in the winery, where the **partnership** with Banfi and two of the leading companies in the barrel and fermentation tank industries (Gamba for the wood component, Di Zio for the steel component) resulted in a new concept of fermentation tank: the Horizon fermentor. This is a vat in oak and steel which, as a main feature, brings together the benefits of both materials, that is steel technology with the benefits of fermentation in wood.

The Horizon fermentor is composed of:

- a steel base consisting of a an upward-facing cone, on to which grape seeds are deposited, sliding to the base of the angled surface for removal, when needed;
- a central body with a truncated cone in oak with staves associated to a steel cylinder equipped with a heating jacket for the must or wine;
- a truncated cone steel extension at top (the so-called "cap") with a cooling jacket.

The fermentor is placed **on a dedicated steel tank**, mainly used to receive wines racked from the upper tank (without using transfer pumps, thus avoiding oxidative stress), and also used as a holding tank for must for any type of operation (must oxygenation, cooling or heating in a heat exchanger before pumping over or "délestages").



Because of its technological features, this construction has many advantages:

- passage of micro-quantities of oxygen into the wine with a resulting optimal evolution of anthocyanins, color and taste of the wine;
- control of fermentation temperature of the must, thanks to the possibility to cool the cap;
- maintaining temperature of the joint must and solid parts, within the vat, at programable levels according to the wine style;
- optimal management of fermentation, post-fermentation maceration, malolactic fermentation and ageing issues, thanks to the integration of the cooling systems on top and of the heating systems at the base of the vat;
- possibility of conveying must under the cap at the beginning of fermentation when yeast reproduction activity needs to be encouraged without involving the skins, thus avoiding extraction of anthocyanins, or over the cap for normal pumping over;
- possibility of achieving the positive results of "white" vinification also for "red" wine vinification: more stable wines, less astringent, with a softer and more complex taste.

Over the years, vinification trials have been conducted, adopting different maceration techniques and comparing traditional fermenters and Horizon fermentors. The analysis of analytical data and organoleptic tests revealed that the Banfi Horizon vat proved to be able to result in a better expression of color and fragrance for Sangiovese.



HOSPITALITY AND QUALITY PROTECTION

A unique experience and emotions. These are the features that describe the **"Castello Banfi Wine Resort**" hospitality service.

A service where quality is foremostly expressed by a discerning attention to the needs of the guest, by enhancing human relationships and looking after details.

A commitment carried out thanks to the attitude and passion of the staff of the facility which since 2019 is part of the prestigious association, **Relais&Châteaux**.

Quality is also the ability to develop a tourism program which is integrated in the territory and in harmony with the environment and which is capable of offering the best of local culture. From this point of view, the attention toward local suppliers, privileging excellence and the search for certified suppliers, are aspects with a primary role. A quality offer also recognized by the affiliation with several networks in the industry, which are engaged in providing visibility to the hospitality facilities and in promoting the services that are offered.

To date, the affiliations are with **Virtuoso Hotels & Resorts**, **Signature Travel Network** and **Select Hotels & Resorts**, mainly used for the US market. Through these networks, guests can receive recommendations and manage room reservations, as well as winery tours and tastings. A fundamental aspect to retain the affiliation is the constant improvement in the quality of services that are offered, as well as the attendance of important industry trade shows. To promote hospitality services, particularly in the United States, Latin America and Australia, contacts have been developed with leading agencies in the industry that also manage the relationships with the many affiliated circuits.

The attention toward a quality offer is also expressed in the two restaurants of Castello Banfi Wine Resort with the search for local ingredients, the respect of seasonality and the preparations which allow to maintain the freshness of the ingredients intact. These are elements which, together with the passion and constant dedication of Chef Domenico Francone and his brigade, led "La Sala dei Grappoli" restaurant to obtaining in 2020 the highest recognition in the restaurant industry, the Michelin Star. A recognition, also reconfirmed this year, fruit of an endeavor which places the culture of excellence at the center and not only awards Banfi, but an entire territory.









10. METHODOLOGY NOTE



METHODOLOGY NOTE

GRI 2-2 | GRI 2-3 | GRI 2-4 | GRI 2-5



PERIMETER Banfi Società Agricola Srl e Banfi Srl

> DATE OF APPROVAL February 22, 2024

PUBLICATION DATE May 20, 2024 REFERENCE PERIOD January 2023 - December 2023

PUBLICATION FREQUENCY

annual

DATE OF ASSURANCE May 15, 2024

> FORMAT print, pdf

A PATHWAY OF GROWTH

In 2015, the first issue of the Sustainability Report (hereafter also the "Report"), the "issue zero" was published, and the two companies, Banfi Società Agricola Srl and Banfi Srl, started their **reporting pathway**, in a joint document, with the publication in 2016 of the "issue 1", based on the GRI (Global Reporting Initiative) guidelines, which was handed out to all stakeholders. Over the years, Banfi has renewed its commitment, increasing compliancy to the reference guidelines in the subsequent editions. From 2020, the Sustainability Report is submitted to an external assurance activity and presented to the Board of Directors for approval contextually with the balance sheet.

APPLIED GUIDELINES

The present document has been achieved according to the **GRI Sustainability Reporting Standards (2021) guidelines, as defined by the Global Reporting Initiative (GRI)**. When present, the 2018, 2019 and 2020 updates of the guidelines were applied. For the definition of the material topics GRI Sector Standard 13, Agriculture, Aquaculture and Fishing Sector was also used, considered applicable in relation to the specific company business.

DEFINITION OF CONTENTS

The contents of the document were identified by the company management also on the base of the results of the dialogue with our stakeholders. As in the previous edition, in compliance with the materiality principal, the most important topics for the Company and its stakeholders were reported, to represent the context of sustainability in which Banfi operates, in a complete and balanced manner. The data and information were transmitted to the most possible extent by using a clear language and offering complete, timely and temporally comparable information, thanks also to the indication of the values of the previous years (2022 and 2021). The list of the reported indicators and the positioning within the Report are contained in the GRI Content Index presented at the end of the document. There are no significant changes to be reported in dimension, structure, ownership asset and supply chain of the organization during the period of reporting. This year also, the database to calculate the indicators was refined, and this led to an update of the historical data recorded in the charts. These variations were never determining in the analysis of the trends and in the comparison with the previous editions. There are no changes of perimeter of analysis and objectives, vs. previous editions, to be reported.

PROCESS OF STRUCTURING OF THE REPORT

The process of data collection aims at guaranteeing the accuracy and the liability of the data. The present document represents the result of an articulated pathway which transversally involved the entire organization committed to the **collection and verification of data and information** to be reported. To oversee the entire process the Company set up a dedicated committee, actively involved in the consolidation and final verification of the data, with specific roles and supervision of the project. The data was collected using the current company IT systems, in addition to specific internal documentation which is available and other official resources. Regarding the financial data, it must be specified that the data were acquired from the respective company balance sheets, as there is no consolidated balance sheet for the companies.

EXTERNAL ASSURANCE

The Sustainability Report was **submitted to limited assurance, according to the ISAE 3000 Revised Standard**.

This activity, carried out by an external party, aims at certifying the compliance of the contents of the document with the guidelines which are adopted for the compilation and are substantiated in document collection activities, interviews with the management team responsible for the compilation of the report, studies of topics, review of calculations and sample verifications. The document review was assigned to **PricewaterhouseCoopers Business Service S.r.l.** At the end of the activity, the auditing company issued their report, titled Independent Report on the Limited Assurance of the 2023 Sustainability Report.

If you have questions or are looking to discuss a topic in further detail, you can write to the team that compiled the Sustainability Report at the following email address: sustainability@banfi.it.

11. CONTENT INDEX

MALLA

View of Castello Banfi

USER STATEMENT

Banfi has presented a report in conformity to GRI standards for the period 01/01/2023 - 12/31/2023

GRI 1 USED

GRI 1 Fondamental Principles version 2021

GRI standard	Information
General disclosures	
GRI 2 -	2-1 Organizational details
General Disclosure version 2021	2-2 Entities included in the organization's sustainability reporting
	2-3 Reporting period, frequency and contact point
	2-4 Restatements of information
	2-5 External assurance
	2-6 Activities, value chain and other business relationships
	2-7 Employees

2-8 Workers who are not employees

2-9 Governance structure and composition

2-10 Nomination and selection of the highest governance body

2-11 Chair of the highest governance body

RELEVANT GRI SECTOR STANDARDS

GRI 13 Agriculture, Aquaculture and Fishing Sectors 2022

Page number/Direct information	Note/omissions	Ref. No. GRI Sector Standard
30		
154-155		
154-155		
154-155		
154-155		
30-38; 64-71		
100-105 In reference to point b. jij) of this indicator the presence of on-call workers for Banfi	Srl. at the Montalcino facilities.	

In reference to point b. iii) of this indicator the presence of on-call workers for Banfi Srl, at the Montalcino facilities, must be pointed out. The average value of this category of workers is equal to 2,38 of which 0,27 male worker and 2,11 female.

	BANFI SOCIETÀ AGRICOLA SRL			BANFI SRL		
	2021	2022	2023	2021	2022	2023
Administrators	2	2	2	2	2	4
Women	0	0	0	0	0	1
Man	2	2	2	2	2	3
Interns	0	0	0	3	3	3
Women	0	0	0	2	2	2
Man	0	0	0	1	1	1
Workers not under direct contract	0	1	1	0	0	0
Women	0	0	0	0	0	0
Man	0	1	1	0	0	0
TOTAL	2	3	3	5	5	7
						Average number

59

The Board of Directors (BoD) is appointed by the Shareholders' Meeting, according to the provisions of the legal orders (Civil Code) and the Company Statute. The Statute does not provide specific indications with regard to the criteria of appointment. For the current composition of the BoD, the Shareholders' Meeting has adopted selection criteria such to include specific expertise in the various management contexts which characterize the reference business activities.

In both companies, the role of the President of the BoD is attributed to individuals who are also in an executive position. This organization guarantees a higher control of the company departments regulating the core business. The situations of conflict of interest are managed according to the provisions of the applicable orders in this matter (for example art. 2475-ter Civil Code).

GRI standard	Information
General disclosures	
	2-12 Role of the highest governance body in overseeing the management of impacts
	2-13 Delegation of responsibility for managing impacts
	2-14 Role of the highest governance body in sustainability reporting
	2-15 Conflicts of interest
	2-16 Communication of critical concerns
	2-17 Collective knowledge of the highest governance body
	2-18 Evaluation of the performance of the highest governance body
	2-19 Remuneration policies
	2-20 Process to determine remuneration
	2-21 Annual total compensation ratio

Page number/Direct information

Note/omissions

Ref. No. GRI Sector Standard

The Board of Directors (BoD), on the occasion of the approval of the Sustainability Report, approves the specific goals and targets of the Strategic Sustainability Plan, the instrument which directs the company conduct on the topics of sustainable development.

The goals and targets are defined with the contribution of the department heads and validated by administrators preliminarily to the approval by the BoD.

The achievement of the targets is assigned to each department head for their areas of competence. The achievement of the targets is monitored during the year by non-formalized modalities. The administrators are informed in this regard during the meetings of the Management Committee or the ESG Committee.

The Board of Directors (BoD) has appointed the Legal Employer and has assigned to certain of its members specific proxies for the management of the various business areas (e.g., organization of HR, management of production, management of sales and finance).

Currently, there is no specific assignment with regard to the management of impact on environmental topics. The supervision of this aspect is assigned to the role carried out by each department head. In the context of the periodical meetings of the Management Committee, in which all Italian members of the BoD take part, the verbal reporting with regard to the management of impacts of the organization takes place.

The Sustainability Report is approved annually by the Board of Directors (BoD). The contents of the document are preliminarily validated by the department heads and by the administrators for the sections pertaining to their authority.

The Ethical Code establishes that each employee/associate must avoid situations in which conflicts of interest can arise and in the case in which it occurs, he/she must communicate this to their department head or employee with whom they cooperate. Similarly, the Organizational Model explicitly prohibits bringing about or facilitating operations with a (actual or potential) conflict of interest with the Company, as well as activities which may interfere with the capability to adopt, in an impartial manner, decisions in the best interest of the Company and in full compliance with the regulations of the Ethical Code.

16-17

Currently, no specific measures have been set up for the Board of Directors. The increase of competence regarding sustainable development is entrusted to individual training sessions.

Currently, there are no planned processes of evaluation of the performance of the Board of Directors.

The remuneration of the members of the Board of Directors (BoD) provides for the concession of a compensation for the board position and a compensation for the specific role within the company.

Currently, also in accordance with the provisions of the Strategic Sustainability Plan incentive mechanisms are under study linked to specific goals regarding sustainable development.

For the executive roles/department heads, in addition to the compensation for the company role they perform, the assignment of a variable component to be determined based on the achievement of specific business goals is provided for.

The legal aspects to define the salary policies are overseen by the Shareholders' Meeting and by the BoD. Currently, there are no specific committees dedicated to the management of salary policies.

a) Ratio between the total yearly salary of the individual who receives the highest salary and the average total yearly salary of all employees (the aforementioned individual excluded)

- Banfi Società Agricola Srl: 4,6

- Banfi Srl: 5,7

b) Reporting the ratio between the increase in percentage of the total yearly salary of the individual who receives the highest salary and the average increase in percentage of the total yearly salary of all employees (the aforementioned individual excluded)

- Banfi Società Agricola Srl: -33,8

- Banfi Srl: -21,8

In order to calculate this indicator, the value of the "salary" calculated according to the provisions of the 405-2 indicator was used.

GRI standard	Information
General disclosures	
	2-22 Statement on sustainable development strategy
	2-23 Policy commitments
	2-24 Embedding policy commitments
	2-25 Processes to remediate negative impacts
	2-26 Mechanisms for seeking advice and raising concerns
	2-27 Conpliance with laws and regulations
	2-28 Membership associations
	2-29 Approach to stakeholder engagement
	2-30 Collective bargaining agreements
MATERIAL TOPICS	
GRI 3 - Material topics	3-1 Process to determine material topics
version 2021	3-2 List of material topics

Page number/Direct information	Note/omissions	Ref. No. GRI Secto Standard
7-9		
 16-19 The represented setting is promoted internally with speciexternally, regarding commercial relations, to the specific concerning the implementation of the principles and comrelated integration in the strategic decisions è entrusted. This attribution occurs in absence of formalized mechani proxies or formal attributions of responsibility are presented. 	c contractualization which is set out. The responsibility mitments for a responsible company conduct and the to each department head for their contexts of expertise. sms, with the exception of the cases in which specific	
Complaints on behalf of stakeholders are managed by fo plaint. In the case that there are aspects associated with t department. In the case of other types of complaints, the nisms, directing the complaints to the reference area in management of the notification is communicated to the	he products, they are taken on and managed by the sales ey are taken on and managed by non-structured mecha- the company. The acknowledgement with regard to the	
16-17		
No cases of non-conformities against laws or regulations	during the reporting period have been reported.	
95		
42		
100-105		
52-55		
55		

GRI standard	Information
13.1 Emissions	
GRI 3 - Material topics - version 2021	3-3 Management of material topics

GRI 305: Emissions 2016 305-1 Direct (Scope 1) GHG emissions

305-2 Energy indirect (Scope 2) GHG emissions

Non GRI indicators

Carbon Footprint

Contribution to capturing CO $_{\rm 2}$

Page number/Direct information	Note/omissions	Ref. No. GRI Sector Standard
a. Description of impacts Positive impacts: contribution to the the absorption of CO ₂ by the green areas of th Negative impacts: pollution due to emissions with negative effect on the territory a		13.1.1
b. Involvement of the Organization The Organization is involved in the negative impacts due to the activities carried or duction.	ut referring to its wine pro-	
 c. Policy or obligations of the Organization In reference to the management of the impacts of the specific top, the integrated c 1) the reduction of the environmental impact of its activities and the improvement through: energy savings a more careful and scrupulous use of water resources the continued commitment to improving and reducing the effects, and conseque with its activities 	in the use of its resources	
 the management of sound pollution the optimized management of waste the continued monitoring of emissions into the water and atmosphere an increasingly better awareness of the staff to respect and protect the environme the guarantee of the compliance with the current legislation with regard to envir 		
d. Undertaken activities To reduce the generated negative impact the measures described in the chapter "In duction" were adopted.	itiatives of consumption re-	
e. Monitoring of undertaken activities In reference to the management of environmental topics, the Organization has ider the Strategic Sustainability Plan, specific actions and targets which it intends to a monitoring with regard to the management of these aspects occurs during the yea pany representatives and in the context of the Management Committee meetings. Sustainability Report the Organization reports on the level of achievement of the ta information regarding the lacked achievement.	chieve in the near future. The r in interactions with the com- Furthermore, each year, in the	
f. Involvement of the stakeholders In reference to this topic a specific involvement with Universities, Research Centers the context of specific collaborations for the execution of common or company pro- stakeholders are informed regarding the achieved results through the publication lity Report and during ad hoc events.	jects has been developed. The	
Banfi Società Agricola Srl: 1,463 t CO₂ eq. Banfi Srl: 261 t CO₂ eq.		
It is pointed out that the electricity, as it is not self-produced, produces indirect em gory of Scope 2 emissions.	nissions and falls in the cate-	
Location Based emission factors (electricity, ISPRA), which consider electricity g non-renewable resources:	generated from renewable and	
Banfi Società Agricola Srl: 1,376 t CO₂ eq. Banfi Srl: 533 t CO₂ eq.		
Market Based emission factors (electricity, AIB Residual Mix Results), which consid newable resources:	der only electricity from non-re-	
Banfi Società Agricola Srl: 1,491 t CO₂ eq. Banfi Srl: 578 t CO₂ eq.		
114-115		
114-115		

GRI standard	Information
13.2 Climate adaption and res	silience
GRI 3 - Material topics - version 2021	3-3 Management of material topics
GRI 201: Economic performances 2016	201-2 Financial implications and other risks and opportunities due to climate change
GRI 301:	301-1 Materials used by weight or volume
Materials 2016	301-2 Recycled input materials used
GRI 302: Energy 2016	302-1 Energy consumption within the organization
	302-3 Energy intensity
	302-4 Reduction of energy consumption
	302-5 Reductions in energy requirements of products and services
13.3 Biodiversity	
GRI 3 - Material topics - version 2021	3-3 Management of material topics

Non GRI indicators

Extension agricultural wildlife preserve

Number of hives for the protection of bees

Initiatives for the protection of animal species

Page number/Direct information Note/omissions	Ref. No. GRI Sector Standard
a. Decription of impacts Negative impacts: damage to landscape and acceleration of soil erosion phenomena with resulting damage to vineyards.	13.2.1
b. Involvment of the Organization The Organization is involved in the negative impacts by way of the conducted activities referring to wine pro- duction.	
c. Policy or obligations of the Organization Refer to point c) of the topic 13.1 Emissions.	
d. Undertaken actions To reduce the generated negative impact the measures described in the chapter "The centrality of the environment for Banfi" were adopted.	
e. Monitoring of the undertaken actions Refer to point e) of the topic 13.1 Emissions.	
f. Involvement of the stakeholders Refer to point f) of the topic 13.1 Emissions.	
116-117	13.2.2
132-133	
132-133	
120	
With reference to point f), with regard to the consumption of energy, in the perimeter of the reporting the consumption used by the organization in the context of the production processes in agriculture and in the winery are included. The consumption for domestic use of the company staff houses and the Amorosa residence are excluded.	
120	
130-132	
132-133	
a. Decription of impacts Positive impacts: promotion and enhancement of animal and plant species present in the territory.	13.3.1
b. Involvment of the Organization No negative impacts have been detected for which to report the indications requested by the standard.	
c. Policy or obligations of the Organization The respect, protection and safeguard of the ecosystem are principles of reference which guide and inspire the activities of the Company. Evolving while respecting the environment means to take care of the surrounding rea- lity, preserving its characteristics to be able to preserve in the future the unique features which characterize the territory.	
d. Undertaken actions In support of the generated positive impacts the initiatives described in the chapter "Protection of biodiversity"	
were adopted.	
were adopted. e. Monitoring of the undertaken actions	
were adopted. e. Monitoring of the undertaken actions Refer to point e) of the topic 13.1 Emissions. f. Involvement of the stakeholders	
were adopted. e. Monitoring of the undertaken actions Refer to point e) of the topic 13.1 Emissions. f. Involvement of the stakeholders Refer to point f) of the topic 13.1 Emissions.	

GRI standard	Information
13.7 Water and waste water	
GRI 3 - Material topics - version 2021	3-3 Management of material topics
GRI 303:	303-1 Interaction with water as a shared resource
Water and waste water 2018	303-3 Water withdrawal
13.8 Waste	
GRI 3 - Material topic - version 2021	3-3 Management of material topics

a. Description of impacts 13.71 Negative impacts: - contamination and pollution of underground and surface water; - contamination and pollution of underground and surface water; - contamination and pollution of underground and surface water; - contamination surface water resources, reduction of water levels in the water table and the natural rivers in the driest seasons. - Involvement of the Organization - Contamination is involved in negative impacts due to the conducted activities referring to wine production. - Colley and obligations of the Organization Refer to point c) of the topic 13.1 Emissions. - Monitoring of the undertaken actions - Consumptions: water "were adopted. Refer to point c) of the topic 13.1 Emissions. - Involvement of Stakeholders - Stakeholders involved: suppliers of goods and consultants. Type of involvement: refer to point e) of the topic 13.1 Emissions. - Involvement: refer to point e) of the topic 13.1 Emissions. - Involvement of the Argueduct Water Risk Atlas tool of the World Resources Institute it was possible to identify the exposure to water stress of the areas in which Banfi operates. The risk for the territory of Montalcino results as high, whereas for the territories of Strevi and Novi Ligure, it results as medium high. - Description of impacts a. Description of impacts - Nolvement of the Organization - Neganization is involved in negative impacts due to the conducted activities referring to wine production. - Refer to point c) of the topic 13.1 Emissions. b. Involvement of the Org	Negative impacts: - - contamination and pollution of underground and surface water: - - excessive exploitation of water resources, reduction of water levels in the water table and the natural rivers in the drivest seasons. - b. Involvement of the Organization - The organization is involved in negative impacts due to the conducted activities referring to wine production. - c. Policy and obligations of the organization - Refer to point c) of the topic 13.1 Emissions. - d. Undertaken actions - To reduce the generated negative impact the measures described in the chapter "Consumptions: water" were adopted. - e. Monitoring of the undertaken actions - Refer to point e) of the topic 13.1 Emissions. - f. Involvement of Stakeholders - Stakeholders involved: suppliers of goods and consultants. - Type of involvement: refer to point e) of the topic 13.1 Emissions. - 121-122 13.72 With the use of the Aqueduct Water Risk Atlas tool of the World Resources Institute it was possible to identify the exposure to water stress of the areation of emission, to water and soil pollution. - b. Involvement of the Organization - - Negative impacts: contribution to the circular	Page number/Direct information	Note/omissions	Ref. No. GRI Secto Standard
Negative impacts:	Negative impacts: - - contamination and pollution of underground and surface water: - - excessive exploitation of water resources, reduction of water levels in the water table and the natural rivers in the drivest seasons. - b. Involvement of the Organization - The organization is involved in negative impacts due to the conducted activities referring to wine production. - c. Policy and obligations of the organization - Refer to point c) of the topic 13.1 Emissions. - d. Undertaken actions - To reduce the generated negative impact the measures described in the chapter "Consumptions: water" were adopted. - e. Monitoring of the undertaken actions - Refer to point e) of the topic 13.1 Emissions. - f. Involvement of Stakeholders - Stakeholders involved: suppliers of goods and consultants. - Type of involvement: refer to point e) of the topic 13.1 Emissions. - 121-122 13.72 With the use of the Aqueduct Water Risk Atlas tool of the World Resources Institute it was possible to identify the exposure to water stress of the areation of emission, to water and soil pollution. - b. Involvement of the Organization - - Negative impacts: contribution to the circular			
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Stakeholders involved: suppliers of goods and consultants.	Stakeholders involved: suppliers of goods and consultants.	•		
		Stakeholders involved: suppliers of goods and consultants.		

GRI standard	Information
GRI 306:	306-1 Waste generation and significant waste-related impacts
Waste 2020	306-2 Management of significant waste-related impacts
	306-3 Waste generated
	306-4 Waste diverted from disposal
	306-5 Waste directed to disposal

13.10 Food safety

GRI 3 - Material topics version 2021 3-3 Management of material topics

GRI 416: Customer health and safety 2016 416-1 Assessment of the health and safety impacts of product and service categories

416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

Page number/Direct information	Note/omissions	Ref. No. GRI Sector Standard
126-129		13.8.2
126-129		
126-129		
126-129	With reference to the requirements of	
126-129	 point b) and c) the following is to be noted: based on the currently available information, it is apparent that 10% of the recoverable waste undergoes recycling, whereas for the remaining 90% it was not possible to identify a precise indication with regard to the received treatment. However, with regard to the disposable waste, it is apparent that 24% are brought to a landfill, where for the remaining 76% it was not possible to identify a precise indication with regard to the regard to the remaining 76% it was not possible to identify a precise indication with regard to the regard to the received treatment. 	
 a. Description of impacts Positive impacts: guarantee of food safety of products sold in favor of consumers; contribution to the creation of products with increasingly better quality 	y features.	13.10.1
b. Involvement of the Organization There are no apparent negative impacts for which to report the indicatio	ns requested by the standard.	
c. Policy and obligations of the Organization		

c. Policy and obligations of the Organization

With reference to the management of the impacts of the specific topic, the integrated company Policy provides for: compliance with the applicable legal requirements and the satisfaction of the needs and expectations of the customers for the achievement of the highest possible standards of safety and food quality.

d. Undertaken actions

In support of the generated positive impacts the initiatives described in the following chapters were adopted; "Food quality and safety", "Certifications", "Internal analysis process; the role of the laboratories".

e. Monitoring of the undertaken actions

Refer to point e) of the topic 13.1 Emissions.

f. Involvement of stakeholders

Stakeholders involved: Human resources of the organization and customers. Type of involvement: refer to point f) of the topic 13.1 Emissions.

143

13.10.2

In the period subject to reporting no episodes of non-conformity were detected.

GRI standard	Information
3.12 Local community	
GRI 3 - Material topics - version 2021	3-3 Management of material topics
Non GRI indicators	Number/description activated initiatives
	Value of economic investments toward the community and the territory
3.19 Health and work safety	
GRI 3 - Material topics - version 2021	3-3 Management of material topics
GRI 403:	403-1 Occupational health and safety management system
Health and work safety	403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and incident investigation
Health and work safety	403-2 Hazard identification, risk assessment, and incident investigation

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

403-8 Workers covered by an occupational health and safety management system

403-9 Work-related injuries

Page number/Direct information Note/omissions	Ref. No. GRI Sector Standard
	12.12.1
a. Description of impacts Positive impacts: contribution to economic development of the territory and the local community.	13.12.1
b. Involvement of the Organization There are no negative impacts for which to report the indications required by the standard.	
c. Policy and obligations of the Organization Banfi is aware of the importance of the territory and the local communities, as elements to support and promote. The bond created with the territory represents an asset that must be protected and enhanced through a vision embracing a reality beyond the company to which to transfer the sustainability culture.	
d. Undertaken actions In support of the generated positive impacts the initiatives were adopted described in the chapter: "A unique ter- ritory".	
e. Monitoring of the undertaken actions Refer to point e) of the topic 13.1 Emissions.	
f. Involvement of the stakeholders Stakeholders involved: suppliers and representatives of local institutions. Type of involvement: refer to point f) of the topic 13.1 Emissions.	
86-87	
220,000 euro	
	10.10.1
 a. Description of impacts Negative impacts: exposure of workers to physical risks due to the nature of the conducted work activities, in par- ticular in agricultural operations. 	13.19.1
b. Involvement of the Organization The Organization is involved in negative impacts due to the conducted activities referring to wine production.	
 c. Policy and Obligations of the Organization With reference to the management of the impact of the specific topic, the integrated company Policy provides for: 1) guarantee of compliance with the applicable legislation regarding environment and work; 2) promotion and improvement of safety and psychological-physical well-being of its employess with both preventive and corrective actions. 	
d. Undertaken actions To reduce the generated negative impact the measures were adopted described in the chapter: "Health, safety and training".	
e. Monitoring of the undertaken actions Refer to point e) of the topic 13.1 Emissions.	
f. Involvement of the stakeholders Stakeholders involved: HR of the organization. Type of involvement: Refer to point f) of the topic 13.1 Emissions.	
108-111	13.19.2
108-111	
108-111	
108-111	
108-111	
108-111	
108-111	
108-111	

GRI standard	Information
13.20 Occupational practices	
GRI 3 - Material topics - version 2021	3-3 Management of material topics
GRI 401: Employment 2016	401-1 New employee hires and employee turnover
	401-3 Parental leave
GRI 404: Training	404-1 Average hours of training per year per employee
and Education 2016	

Page number/Direct information	Note/omissions	Ref. No. GRI Sector Standard
 a. Description of impacts Positive impacts: contribution to the creation of work positions in particular for individuals in the contribution to the creation of a work environment able to favor professional gro promotion of dignified work conditions and in compliance of the rules of work et 	wth and staff development;	13.20.1
b. Involvement of the Organization There are no negative impacts for which to report the indications required by the s	standard.	
 c. Policy and obligations of the Organization With reference to the management of the impacts of the specific topic, the integra 1) optimization of the growth process of the human resources through the promot cation and training programs for the staff at all levels; 2) correct and transparent management of its human assets by: maintaining adequate facilities for the optimization of the work conditions; organizing meetings, acknowledgements and incentives motivating the staff to training activities on specific aspects of the department where the individual op growth. 3) promotion and improvement of the conditions of safety and psychological-physical with both preventive and corrective actions. 	ion and implementation of edu- achieve set goals; perates which favor professional	
d. Undertaken actions In support of the generated positive impascts the initiatives were adopted descr stic of the workforce".	ibed in the chapter: "Characteri-	
e. Monitoring of the undertaken actions Refer to point e) of the topic 13.1 Emissions.		
f. Involvement of the stakeholders Refer to point f) of the topic 13.19 Health and work safety.		
100-105 We consider ceased all employees who terminate the relationship during the year nations at the end of a fixed term; the termination date is effective from the follow who ends on December 31 is considered in force.		
100-105		
108-111		
100-105		

GRI standard	Information
13.21 Welfare income and wel	fare salary
GRI 3 - Material topics - version 2021	3-3 Management of material topics
Non GRI indicators	Compensation increase vs. CCNL
13.22 Economic inclusion	
GRI 3 - Material topics - version 2021	3-3 Management of material topics
GRI 201:	201-1 Direct economic value generated and distributed
GRI 201: Economic performances 2016	201-1 Direct economic value generated and distributed 201-4 Financial assistance received from government
Economic	
Economic performances 2016 GRI 202: Market	201-4 Financial assistance received from government
Economic performances 2016 GRI 202: Market presence 2016 GRI 204: Procurement	201-4 Financial assistance received from government 202-2 Proportion of senior management hired from the local community
Economic performances 2016 GRI 202: Market presence 2016 GRI 204: Procurement practices 2016	201-4 Financial assistance received from government 202-2 Proportion of senior management hired from the local community 204-1 Proportion of spending on local suppliers
Economic performances 2016 GRI 202: Market presence 2016 GRI 204: Procurement practices 2016 GRI 207:	201-4 Financial assistance received from government 202-2 Proportion of senior management hired from the local community 204-1 Proportion of spending on local suppliers 207-1 Approach to tax

Page number/Direct information Note/or	nissions	Ref. No. GRI Secto Standarc
a. Description of impacts Positive impacts: contribution to a dignified life style for the employees and their families.		13.21.1
b. Involvement of the Organization There are no negative impacts for which to report the indications requested by the standard.		
c. Policies and obligations Banfi is convinced that the quality of its production is strongly linked to developing and mainta motivated workforce. For this reason, the company recognizes the value of its human resource tion to all without distinction between new hires and the staff already in the company.	aining a trained and s, dedicating atten-	
d. Undertaken actions In support of the generated positive impacts the initiatives were adopted described in the cha of the workforce".	pter "Characteristic	
e. Monitoring of the undertaken actions Refer to point e) of the topic 13.1 Emissions.		
f. Involvement of the stakeholders Refer to point f) of the topic 13.19 Health and work safety.		
102		
 a. Description of impacts Positive impacts: - contribution to the value creation and distribution to its stakeholders; - contribution to the economic development of the territory and the local community, also that practices which include local suppliers. 	nks to procurement	13.22.1
b. Involvement of the Organization There are no negative impacts for which to report the indications requested by the standard.		
c. Policies and obligations Banfi believes that the bond with the territory represents an asset that must be protected and i vision embracing a wider reality than the company reality in which to transfer a sustainability	-	
d. Undertaken actions In support of the generated postive impacts the initiatives were adopted described in the chap	oter "Procurement".	
e. Monitoring of the undertaken actions Refer to point e) of the topic 13.1 Emissions.		
f. Involvement of the stakeholders Refer to point f) of the topic 13.12 Local community.		
75		13.22.2
80		
59 The local community includes the neighboring municipalites to the estates in Tuscany and in Società Agricola Srl, the local community corresponds to the provinces of Siena and Grosser province of Alessandria is added.		
66 Local suppliers are intended as: - for Banfi Società Agricola Srl companies with legal headquarters in the provinces of Siena an - for Banfi Srl companies with legal headquarters in the provinces of Siena, Grosseto and Aless		
82-83		
82-83		
82-83		
82-83		

INDUSTRY STANDARD TOPIC	CS CONSIDERED NON-MATERIAL
TOPIC	
GRI 13: Agriculture, Aquacu	Iture and Fishing Sectors 2022
13.4	Natural ecosystem conversion
13.5	Soil health
13.6	Pesticides use
13.9	Food security
13.11	Animal health and welfare
13.13	Land and resource rights
13.14	Rights of indigenous people
13.15	Non discrimination and equal opportunity

EXPLANATION

The topic is to be considered non applicable to the company reality.

The topic is not considered material in relation to the capability, the implemented actions, to mitigate the generated negative impacts, drastically reducing the probability of the occurrence of these impacts.

Among the implemented actions to reduce negative impacts there are the following:

- balanced ratio between cultivated surfaces and the total surface which in the specific case is equal to one third;
- adoption of precision agriculture techniques during fertilization operations;
- development of studies on the chemical-physical and pedoclimatic characteristics of the soil to guarantee the best intervention modalities;

- containment actions of erosion phenomena (i.e., construction of water regulation ditches, underground drainages, drywalls or levies, planned green cover in the vineyards).

In consideration of the efficacy of the implemented actions and the consistency of their execution in future years, the topic is attributed a **medium level** of importance.

The topic is not considered material, in relation to the capability, of the implemented actions, to mitigate the generated negative impacts, drastically reducing the probability of the occurrence of these impacts.

Among the implemented actions to reduce the negative impacts there are the following: - reduction of treatment with agrichemicals, thanks to the use of precision agricultural techniques, in order to plan interventions in the most appropriate times and manners, minimizing wastefulness and reducing the impact on the environment, operators and the consumer.

In consideration of the efficiency of the implemented action and of their consistency in the execution in future years, the topic is attributed a **medium level** of importance.

The topic is to be considered non applicable to the company reality.

The topic is not considered material, as it does not represent a context related to the business activity. However, the company commitment must be highlighted to the protection of the Amiata breed donkey, of which Banfi owns three specimens, raised in compliance with the conditions of animal well-being with the exclusive purpose of maintaining the breed.

In consideration of this commitment and the company culture, the topic is attributed a high level of importance.

The topic is managed through the application of the reference legislation, promoting conduct compliant to the law (for example, contracts for the purchase or rent of land, authorizations for the withdrawal of water, legislative orders for the management of the agri-wildlife preserve, etc.).

In consideration of the context in which the business operates in relation to the specific topic (national context where the management of the topic is highly regulated), as well as the above indicated management modalities, the topic is not considered material, and it is attributed a **medium level** of importance.

The topic is to be considered non applicable to the company reality.

The topic is not considered material in relation to the capability, to the implemented actions, to mitigate the possible generated negative impacts, drastically reducing the probability of occurrence of these impacts.

Among the implemented actions to reduce the negative impacts are the following:

- adoption of the company Ethical Code;

- adoption of the Code of Conduct;

- adoption of the disciplinary regulation.

In consideration of the efficacy of the implemented actions and of their consistency of execution in future years, the topic is attributed a **medium level** of importance.

INDUSTRY STANDARD TOPICS CONSIDERED NON-MATERIAL		
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022		
13.16	Forced or compulsory labor	
13.17	Child labor	
13.18	Freedom of association and collective bargaining	
13.23	Supply chain traceability	

13.24	Public policy
13.25	Anti-competitive behavior
13.26	Anti-corruption

EXPLANATION

The topic is not considered material in relation to the specific management modalities of the staff hiring process, directed at adopting practices and measures aimed at contrasting the phenomenon of forced or compulsory labor, by establishing work relationships regulated by the applicable legislation.

In consideration of the efficacy of the adopted management approach and and of their consistency of execution also in future years, the possibility of forced or compulsory labor can potentially be excluded. Therefore, the topic is attributed a **medium level** importance.

The topic is not considered material in relation to the specific management modalities of the staff hiring process, directed at adopting practices and measures aimed at contrasting the phenomenon of child labor, by establishing work relationships regulated by the applicable legislation.

In consideration of the efficacy of the adopted management approach and and of their consistency of execution also in future years, the possibility of cases of child labor potentially can be excluded. Therefore, this topic is attributed a **medium level** importance.

The topic is not considered material in relation to the commitment of the company to comply with the applicable legal orders with regard to freedom of association and collective negotiation.

In consideration of the efficacy of the adopted management approach, and of their consistency of execution also in future years, the possibility of cases of deprivation of the right to association and collective negotiation on behalf of the workers can be excluded. Therefore, the topic is attributed a **medium level** importance.

The topic is not considered material in relation to the capability, of the implemented actions, to mitigate the generated negative impacts, by drastically reducing the probability of their occurrence.

Among the implemented actions to reduce negative impacts are the following:

- tracing of raw materials used for the production of wine in the specific ledgers provided for by the related legislation;
- tracing of the origin of grape purchases in transport document of the goods.

In consideration of the efficacy of the implemented actions and their consistency of execution in future years, the topic is attributed a **medium level** importance.

The topic is to be considered non applicable to the company reality.

The topic is to be considered non applicable to the company reality.

The topic is not considered material in relation to the capability, of the implemented actions, to mitigate the generated negative impacts, by drastically the probability of their occurrence.

Among the implemented actions to reduce negative impacts are the following:

- adoption of an Ethical Code;

- adoption of an Organization and Management Model former Legislative Decree 231/01;

- adoption of measures and practices to contrast corruption practices (e.g., information/clause on the adoption of an Organization and Management Model former Legislative Decree 231/01 in the majority of the contracts stipulated with suppliers).

In consideration of the efficacy of the implemented actions and their consistency of execution in future years, the topic is attributed a **medium level** importance.



BANFI SRL BANFI SOCIETÀ AGRICOLA SRL

LIMITED ASSURANCE REPORT ON SUSTAINABILITY REPORTING

YEAR ENDED 31 DECEMBER 2023



Limited Assurance report on Sustainability Reporting

To the Boards of Directors of Banfi Srl and Banfi Società Agricola Srl

We have been engaged to undertake a limited assurance engagement on the Sustainability Report of Banfi Srl and Banfi Società Agricola Srl (hereinafter the "Companies") for the year ended 31 December 2023.

Responsibilities of the Directors for the Sustainability Report

The Directors of Banfi Srl and Banfi Società Agricola Srl are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued in 2016, and updated to 2021 by GRI - Global Reporting Initiative (the "GRI Standards"), as illustrated in the "Methodology note" section of the Sustainability Report.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for defining the sustainability performance targets of Banfi Srl and Banfi Società Agricola Srl, as well as for identifying its stakeholders and material topics to be reported on.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Management 1 (ISQM 1)* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers Business Services Srl

Società a responsabilità limitata a socio unico

Sede legale: Milano 20145 Piazza Tre Torri 2 Tel. 02 725091 Cap. Soc. Euro 100.000,00 i.v. - C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 06234620968 – Altri Uffici: Bari 70122 Via Abate Gimma 72 Tel. 080 5640311 Fax 080 5640349 - Bologna 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - Bolzano 30100 Via Alessandro Volta 13A Tel. 0471 066650 - Bressia 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 -Cagliari 09125 Viale Diaz 29 Tel. 070 6848774 - Firenze 50121 Viale Gramsei 15 Tel. 052 2482811 Fax 055 2482899 - Genova 16121 Plazza Plecapietra 9 Tel. 010 29041 - Napoli S0121 Via del Mille 16 Tel. 081 36181 - Padova 35138 Via Vicenza 4 Tel. 049 873431 Fax 049 8734399 | Rubano 35030 Via Belle Putte 36 - Palermo 90141 Via Marchese Ugo 60 Tel. 091 6256313 Fax 091 7829221 | 90139 Via Roma 457 Tel 091 6752111 - Parma 43121 Viale Tanara 20/A Tel. 0521 275911 Fax 0521 781844 - Pescara 05127 Piazza Ettore Trollo 8 - Roma 00154 Largo Fochetti 29 Tel. 06 602731 - Torino 10122 Corso Palestro 10 Tel. 011 5773211 Fax 041 5773299 - Trento 38121 Viale della Costituzione 33 Tel. 0461 237004 Fax 0461 2390771 | 38121 Via Adalberto Libera 13 - Treviso 31100 Viale Felissent 90 Tel. 042 315711 Fax 0422 315798 - Trieste 34125 Via Cesare Battisti 18 Tel. 040 3480781 Fax 040 364737 - Verona 37135 Via Francia 21/C Tel. 045 8203001



Our Responsibility

Our responsibility is to express a conclusion, based on the procedures performed, on whether the Sustainability Report complies with the requirements of the GRI Standards. We conducted our work in accordance with "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Information" (hereinafter also "ISAE 3000 *Revised*") issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

The work performed was less significant than in a reasonable assurance engagement conducted in accordance with ISAE 3000 *Revised* and, consequently, we did not obtain assurance that we became aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgement and included inquiries, primarily of personnel of the companies responsible for the preparation of the information presented in the Sustainability Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

- 1. We analysed the process of definition of the material topics reported in the Sustainability Report, with reference to the method of their identification in terms of priority for the various categories of stakeholders and to the internal validation of the results of the process;
- 2. We compared the financial information reported in the Sustainability Report with the information included in Companies annual financial statements;
- 3. We obtained an understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Sustainability Report.

In detail, we inquired of and discussed with the management of Banfi Srl and of Banfi Società Agricola Srl and we carried out limited analyses of documentary evidence, in order to obtain information about the processes and procedures supporting the collection, aggregation, processing and submission of non-financial information to the corporate function in charge of the preparation of the Sustainability Report.

Furthermore, for significant information, taking into account the activities and characteristics of the Companies:

- a) with reference to the qualitative information presented in the Sustainability Report, we carried out interviews and obtained supporting documents to verify its consistency with available evidence;
- b) with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation, in addition, we discussed with the persons responsible and obtained documentary evidence, on a sample basis, about the correct application of the procedures and calculation methods applied for the indicators.



Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Banfi Srl and Banfi Società Agricola Srl for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the "Methodology note" section of the Sustainability Report.

PricewaterhouseCoopers Business Services Srl

Signed by

Gaia Giussani (Partner)

Milan, 15 May 2023

This report has been translated into English from the Italian original solely for the convenience of international readers. We have not performed any controls on the Sustainability Report 2023 translation.

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