



Sustainability Report 2022



Sustainability lives
together



Sustainability lives *together*

*We are not alone:
we are mindful and proud
to share our knowledge with
those, close to us, in the fields
alongside, in the nearby towns,
in the territories in Tuscany
and in Piedmont and wherever
we operate in the world, who
live every day to protect and
expand a great culture.*

for a better wine world



LETTER FROM THE FAMILY

GRI 2-22

Dear colleagues and dear readers,

Narrating the Sustainability Report has always been an unmissable opportunity to illustrate, together with our most important “sustainable” results, also the outstanding evolution of our company.

Our company is transforming and growing, adapting to the changed environment, also in these very complex, unusual, absolutely “non normal” times, as we have been experiencing for some years now, with the pandemic first and the Russian-Ukrainian war today.

And if not enough, all magnified by an unparalleled energy crisis, by a resulting rise of inflation, and by a perduring economic and social uncertainty.

We all would have easily done without. However, perhaps exactly these “non normal” times have been able to bring out all our latent strength and our resilient capability for adaptation, stimulating, in the end, our creativity and our boundless project talent.

As once the great Van Gogh said, “Normality is a paved road. It is comfortable to walk on, but no flowers grow on it”.

And this was just what 2022 was able to show us, that in difficult moments we are present, that our project is set to win, that our team is made of individuals who love their work, who live in harmony with the environment they work in, who are able to face “together” difficulties, and

who also “together” are able to find the most appropriate and sustainable responses.

The word “together” is then the word we have chosen to narrate the complex year 2022 and to illustrate the guidelines of this new and much anticipated Sustainability Report.

As CEO and proprietor of this extraordinary company, I can only express all my appreciation and gratitude for the work accomplished by the entire Banfi community and for the excellent results achieved in the year that has just come to an end. Positive results in all areas, from our wine business – which has returned forcefully to pre-Covid levels – to our ever more important and strategic hospitality business, now a point of reference and pride in the international wine industry.

What to say about sustainability and its increasingly more central and synergic role in our daily work? 2022 has presented us with immense satisfaction, especially, the Equalitas product certification and the ESG rating which reiterate and underline our undiscussed leadership in many aspects of company sustainability.

More and more aware of our strong and lasting bond with our surrounding environment and the community, I hope you will enjoy reading our 2022 Sustainability Report, and I look forward to welcoming you to Montalcino to share, together, our success and our production and culture philosophy.

Cristina Mariani-May





LETTER FROM THE PRESIDENTS

GRI 2-22

Dear all,

From the origins of our company, sharing has represented one of our strongest and most founding values, a value representing us and distinguishing us throughout the world, along with pioneering, research and respect.

An important value, distinctive in every step we take and every operating and strategic decision we make, which has always guided our company decisions. A reflection of the sharing of values and perspectives which, only in a clear and forward-looking overall vision, can be pursued and achieved.

Sharing is a concept which, re-elaborating the philosophy we cherish of “giving back”, originates and grows, as a matter of fact, *together* with the history of Banfi, tracing and marking important goals and innovations, in respect of winemaking tradition. We have always been driven and motivated by an authentic sentiment of love for research and innovation in all areas of our company. An ambitious design, the design of research, which cannot have a fulfilled meaning if not accepted and treasured all *together* by everyone subsiding and leading their lives in the beautiful territory surrounding us and in the fascinating world of wine in which we operate. Therefore, the *fil rouge* is exactly the concept of *togetherness* we have chosen to narrate this 2022 Sustainability Report, the key to interpreting the direction Banfi takes all year round, and, most importantly from its roots upward.

When it all started, long ago in 1978, in fact, it was immediately evident that every important goal we achieved, fostered by our thirst for knowledge and for the desire of improvement, would be shared

with as many people and institutions as possible, with the purpose of protecting and expanding the great wine culture of the world, *together* with those, with us, who shared the uniqueness of the territory of Montalcino, and not only.

An example among all. It was 1986 when the concept of *togetherness* and sharing was interpreted in a new and, until the, never explored way. It was for our determination, fostered by the desire to share the beauty and the uniqueness of the culture of the wine world that Fondazione Banfi was established, a project which every year promotes initiatives to explore, enhance, share and disseminate this culture, with its ambitious and unique projects, such as Sanguis Jovis, the first permanent research center on Sangiovese, which, with training, communication and research, intends to promote culture and share the knowledge produced with the entire community, in an increasingly more coherent and integrated way with respect for the tradition of the territory.

With the same spirit and ambition, we also confronted the year that has just come to an end. A year which certainly was difficult and complex and which, although characterized by a gradual return to a post-pandemic normality, was strongly conditioned by the still ongoing war between Russia and Ukraine. A devastating war from a humanitarian economic standpoint, and with still uncertain future evolutions, difficult to interpret and, for this reason, even more concerning.

The tangible effects are for all to see; a generalized and exponential increase of production costs, in part linked to increased energy costs, in part to related speculation,

increase of mistrust of the consumer, perduring uncertainty on an international level.

Despite this dark picture, our company has, in any case, been able to achieve important and for certain aspects unexpected economic and financial results, summarized in an increase of turnover over 10% vs. 2021, and a gradual recovery of market share and appeal.

A generalized growth in all our business areas, wine, agriculture and hospitality – and extended on a domestic level, as well as, most importantly on an international level. However, especially, this growth is made possible by the strong, brave and supportive determination to internalize most of the increased costs, in order to reduce their scope and effects on a consumer already profoundly tried by the recent restrictions.

A growth we are counting on confirming and strengthening also in 2023, drawing on our ability to design projects and on our ideas, and for now also comforted by an excellent 2022 harvest which represents the best and most concrete auspice for the future years.

To best confront all these challenges, to look *together* to the future with a renewed confidence and to best manage the distinctive complexities of our company, we have then worked on a new Corporate Governance. A new and renewed business model which, by building a bridge between the past and the future, has redefined roles, processes and responsibilities, enabling a more fluid and cohesive and absolutely more synergic relationship with our US parent company.

With regard to sustainability, our satisfaction in 2022 was, if possible, even higher; first of all, the achievement of the Equalitas product certification, which our Brunello di Montalcino family boasts, and which has seen our most iconic

wine, 2016 Poggio all'Oro, becoming the first Brunello di Montalcino DOCG to obtain the Equalitas Sustainable Product certification. An important goal which, along with our daily and mindful commitment to sustainable practices in respect of the environment, has yet again sanctioned the perfect integration of Banfi with the territory and the local community.

Another important pillar was the achievement of the ESG rating, which sets the company at the pinnacle of the world sustainability map, along with internationally acclaimed companies with an undisputed attention to the topic of sustainability. A rating which not only recognizes our increasing visibility, but also drives us to improve, allowing us to measure our performance and guiding the path to its constant upgrade. The determination to create a Sustainability Committee this year will guarantee, finally, our greater attention to topics associated with sustainability and a greater capability in managing environmental, social and economic impacts generated by our actions.

At the end of this dutiful premise, we leave you, then, to peruse this 2022 Sustainability Report which has the ambitious task to prove and reiterate how sharing, in the sense of the final value of all our actions and all our research, acquires a high and authoritative sense of accomplishment, only if read and interpreted *together*.

We hope that you will enjoy reading the report, better yet if with a good bottle within reach.

Enrico Viglierchio
President Banfi
Società Agricola Srl



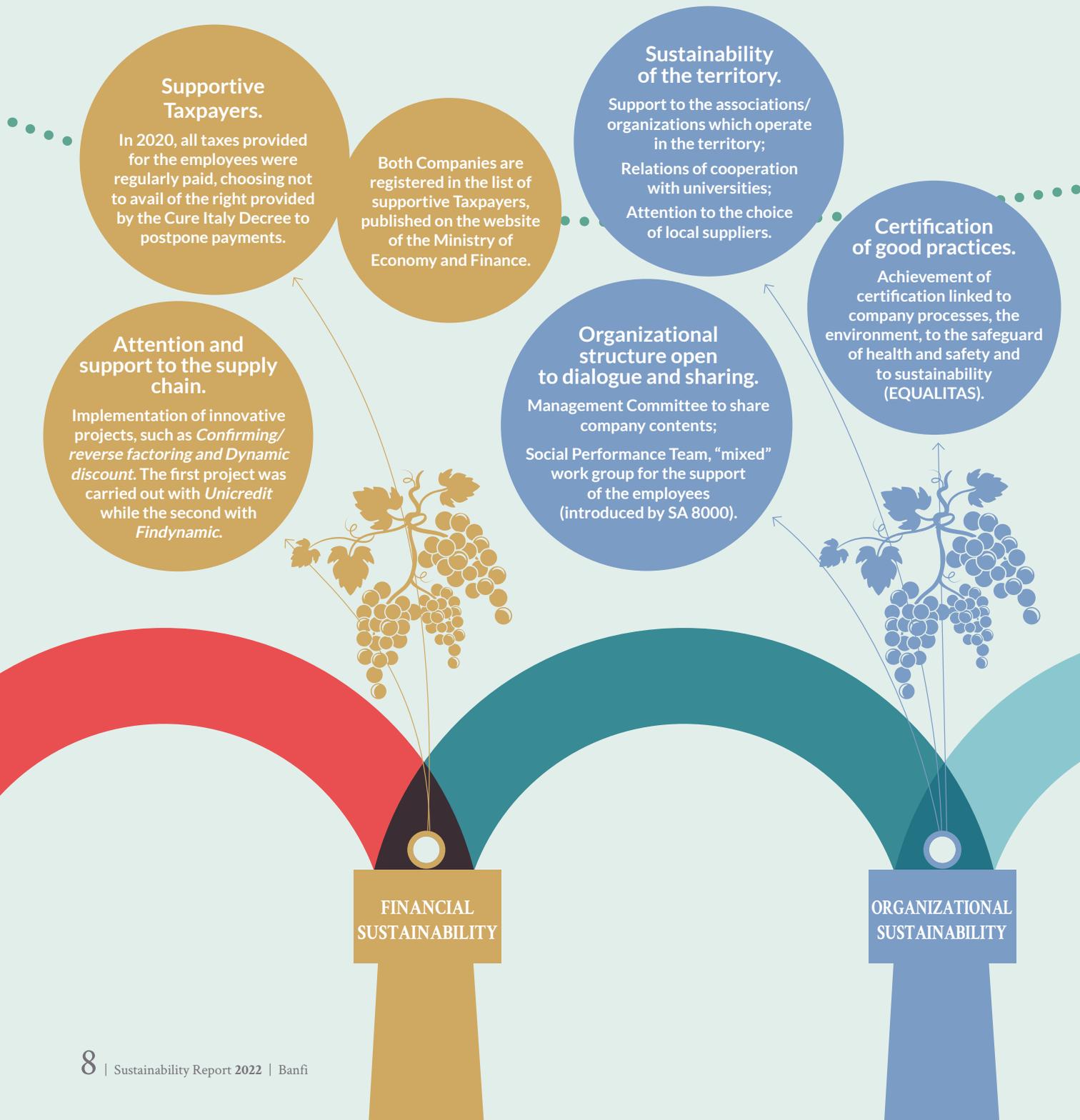
Rodolfo Maralli
President Banfi Srl
and President Fondazione Banfi



Embellishing a bottle with a personalized inscription



The Banfi system guides the challenge of change because it is founded contemporarily on three pillars of sustainability.



Supportive Taxpayers.

In 2020, all taxes provided for the employees were regularly paid, choosing not to avail of the right provided by the Cure Italy Decree to postpone payments.

Both Companies are registered in the list of supportive Taxpayers, published on the website of the Ministry of Economy and Finance.

Sustainability of the territory.

Support to the associations/ organizations which operate in the territory;
Relations of cooperation with universities;
Attention to the choice of local suppliers.

Certification of good practices.

Achievement of certification linked to company processes, the environment, to the safeguard of health and safety and to sustainability (EQUALITAS).

Attention and support to the supply chain.

Implementation of innovative projects, such as *Confirming/ reverse factoring and Dynamic discount*. The first project was carried out with *Unicredit* while the second with *Findynamic*.

Organizational structure open to dialogue and sharing.

Management Committee to share company contents;
Social Performance Team, "mixed" work group for the support of the employees (introduced by SA 8000).

FINANCIAL
SUSTAINABILITY

ORGANIZATIONAL
SUSTAINABILITY



DURABILITY
toward
the future

Study and experimentation activities.

Development of the Alberello Banfi trellising method, Experimental fields for new grape varieties, Study of the difference between trellising methods.

Commitment in the management of water resources.

Treatment plant for the re-introduction of water into the Orcia river;
Treatment plant for the re-use of water in the winery;
Use of reservoirs to collect water for the irrigation of the vines limiting the withdrawal from the rivers.

Protection of biodiversity.

Agri-wildlife preserve of over 800 ha, protection of bees and ancient breeds (Amiata breed donkey).
Multi-crop system: vineyards, olive groves, plum trees, cherry trees, organic arable crops.

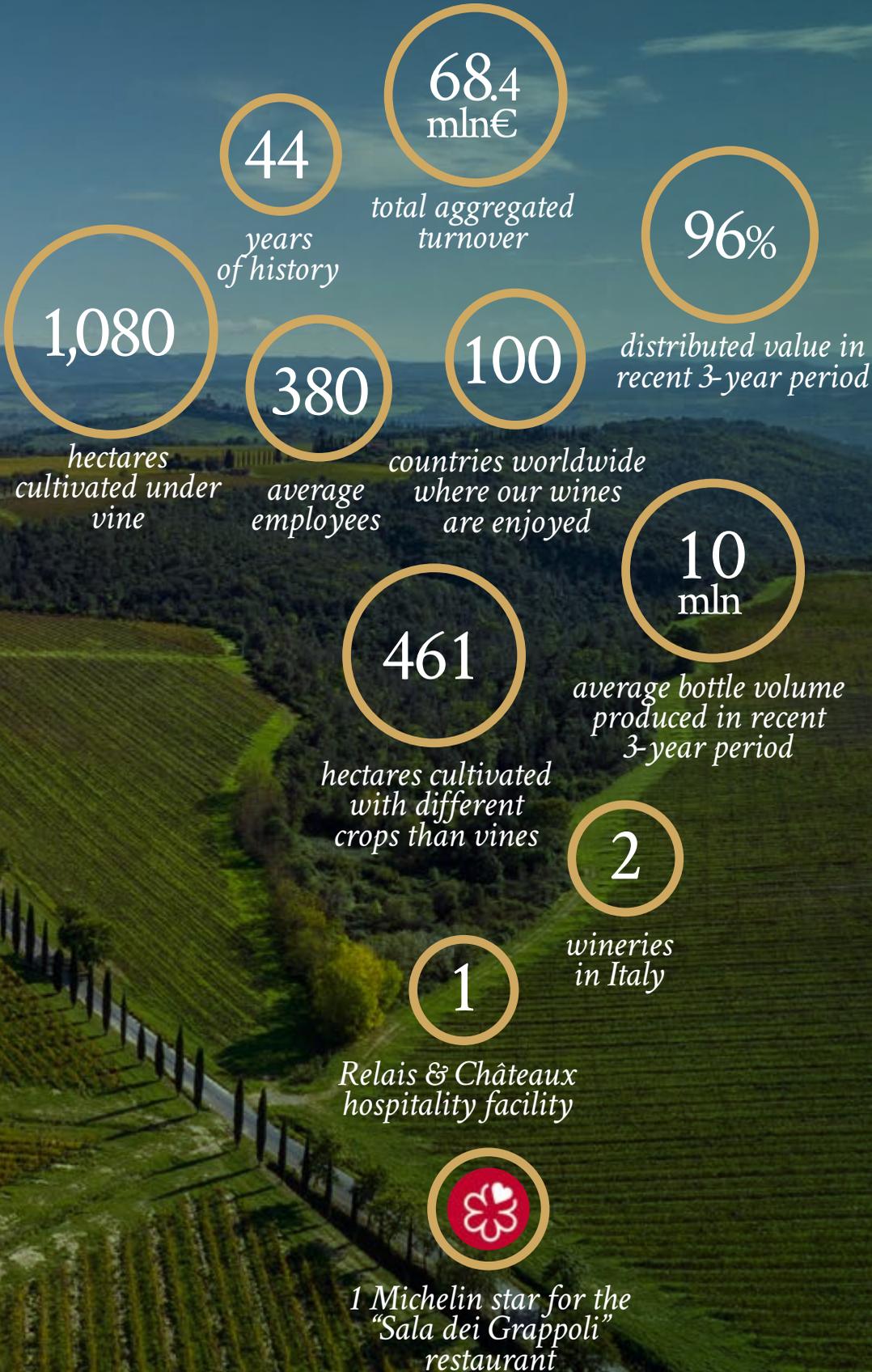


**AGRICULTURAL
SUSTAINABILITY**





HIGHLIGHTS





VI SI ON

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.

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Sustainability lives *together*



together with Banfi

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together with Banfi

To feel part of the history of a people and of the places they inhabit, wishing that future generations can enjoy the same beauty. I believe that this is the awareness from which the sustainability principles animating the pursuits of Banfi and its Foundation originate. Pursuits which continue to model an otherwise harsh landscape into “gardens as beautiful as useful” which interprets the spirit of a people in the production of its wine, and which entrusts the heritage of this Genius Loci to research and education.

Giacomo Eccheli
Student of the 2022 Summer School



As a company, we are profoundly attached to our territory of origin which has been able to play an undisputed leadership role in creating the extraordinary worldwide success of Brunello di Montalcino.

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.

A virtuous path, which started in a territory that Banfi has been able to safeguard and enhance over the years. A territory not only composed of environmental peculiarities, but also history, culture and tradition, a true heritage in which production aspects and sustainability topics are perfectly integrated.

View of the Castle of Poggio alle Mura





Identity



Stakeholder



Governance



Value



Economics



Territory



People



Environment



Quality



Methodology
note



GRI

OUR VALUES



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 and the International Food Standards of the Codex Alimentarius Commission.

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 guides the conduct of all at Banfi and is also ratified in the Code of Ethics and in the Organization, Management and Control Model pursuant to Leg. Decree no.231/2001, tools which strengthen the internal control and risk management system.

Both Banfi Società Agricola Srl and Banfi Srl have adopted the Code of Ethics which ratifies the reference values and conduct rules regulating relationships with consumers, personnel and suppliers and, more in general, addresses and binds the conduct with all corporate interlocutors. Among these, compliance with regulations, honesty, transparency, confidentiality, fair competition, integrity, correctness in relationships with employees, safeguard of the environment must be highlighted.

Starting from this setting and recognizing the importance of the entire value system, Banfi has identified the four values that best represent its corporate identity, expressing the values that have always differentiated Banfi, making the company unique.

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.

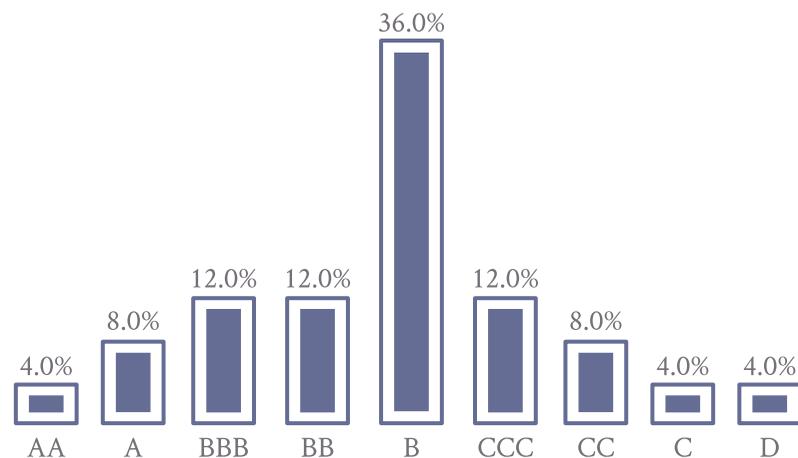
ESG RATING

This year, Banfi decided to submit its commitment to sustainability to the evaluation of Cerved Rating Agency¹, obtaining the company 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.

The evaluation was conducted by collecting and elaborating information on the environmental, social and governance profile, obtaining this information from the sustainability report and, in general, from all available supporting documents, considering in the analysis the data from both companies (Banfi Società Agricola Srl and Banfi Srl).

As a result of the conducted evaluation, Banfi obtained an ESG rating equal to BB, a medium level judgement which positions us, in any case, better than the industry average which is at a rating equal to B.



AAA	AA	A	BBB	BB	B	CCC	CC	C	D
Very High		High		Medium		Low		Very Low	

¹ Cerved Rating Agency is a specialized independent Italian agency, not only for the credit rating of non-financial businesses, but also for the evaluation of the degree of sustainability of economic operators.

In the upcoming years, we will continue the evaluation process, pursuing on a path of continued improvement which, together with our pioneering and innovating spirit, characterizes the company approach in all areas of management.



Identity



Stakeholder



Governance



Value



Economics



Territory



People



Environment



Quality



Methodology
note



GRI

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

The 2030 Agenda and the creation process of the Strategic Sustainability Plan

The 2030 Agenda for sustainable development is an action plan presented in New York in September 2015, underwritten by the governments of the 193 member Countries of the United Nations and approved by the general Assembly of the UN. This program defined the global challenges that the participating Countries will have to face, identifying 169 goals toward sustainable development, global growth and cooperation among the Nations.

The goals defined by the 2030 Agenda are positioned along the following 5 trajectories:

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

The construction of the Strategic Sustainability Plan

The joint analysis of the Sustainable Development Goals and of our specificities allowed us to identify the topics of interest on which to build the Strategic Plan.

The 17 Sustainable Development Goals are illustrated below:



The topics of the Plan are related to the following SDGs:

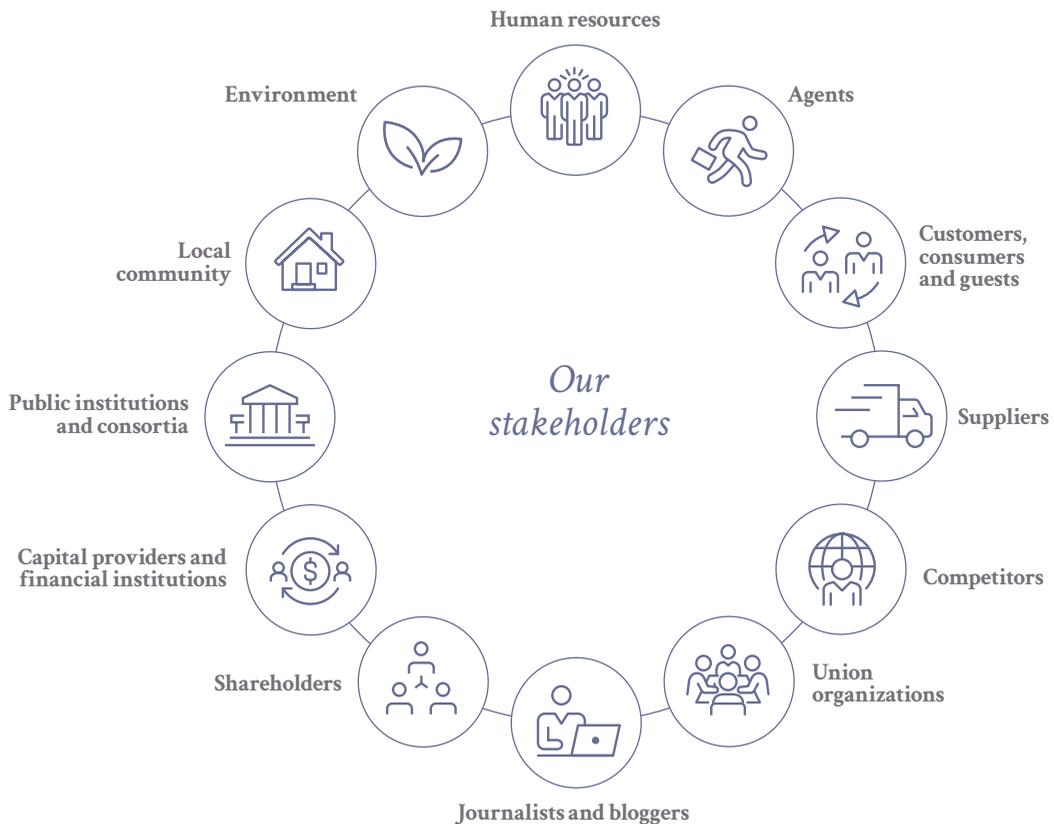


These topics, in line with the material subjects reported in the Sustainability Report, are directly connected with these **8 SDGs**.

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

- the most involved **stakeholders**;
- the **vision**, expressing our thought as to how Banfi intends to implement its commitment to conduct future actions;
- the **actions** in which to invest in the upcoming years, to develop our vision;
- the specific **goals** and **targets** toward which the resources and the commitment of the organization are to be directed.

The Strategic Sustainability Plan is represented in the graph on the following page. Subsequently, there are two tables: in the first table the targets associated to the Plan are listed, whereas in the second table the targets defined for 2022 and their level of execution are indicated.





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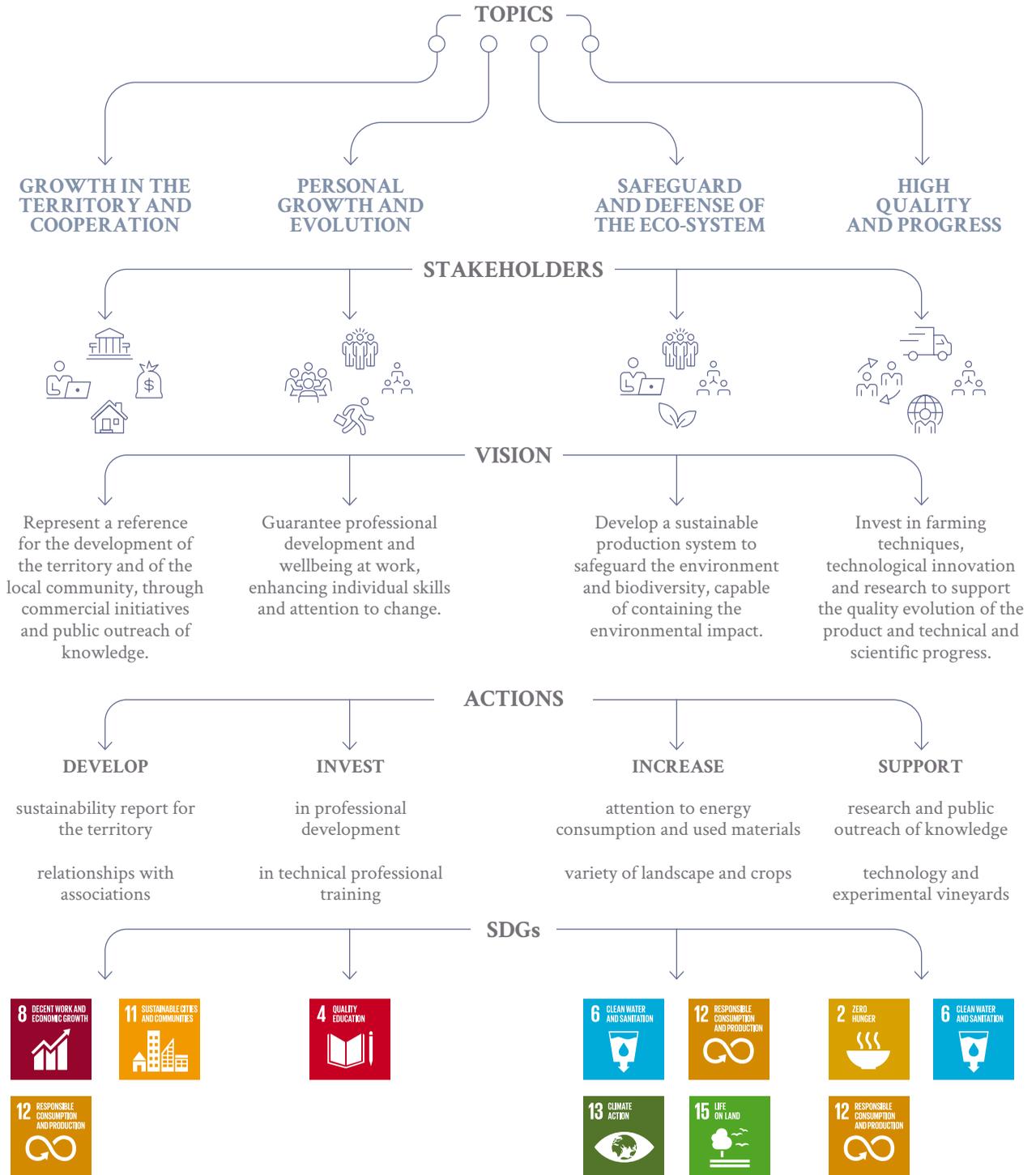


Methodology
note



GRI

Strategic Sustainability Plan



Our strategic goals

TOPICS	GOALS
<p>TERRITORY Growth in the territory and cooperation</p> 	<ul style="list-style-type: none"> Develop the sustainability report of the territory 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
<p>PEOPLE Personal growth and evolution</p> 	<ul style="list-style-type: none"> Facilitate work private life balance Provide support to employees Make employees aware of the importance of sustainability Reinforce company training for all employees
<p>ENVIRONMENT Protection and defense of the ecosystem</p> 	<ul style="list-style-type: none"> Optimize energy consumption Increase degree of independence in energy procurement Reduce consumption of plastic Calculate company environmental impacts Complete update of company facilities
<p>QUALITY High quality and progress</p> 	<ul style="list-style-type: none"> Certify company sustainability practices



Identity



Stakeholder



Governance



Value



Economics



Territory



People



Environment



Quality



Methodology
note



GRI

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 wellbeing 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 FRIENDLY 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
• Brunello di Montalcino Riserva Poggio alle Mura 2017
• Brunello di Montalcino Poggio alle Mura 2018



2022

2022 goals

TOPICS	TARGETS FOR 2022	ACHIEVED RESULTS	
TERRITORY Growth in the territory and cooperation 	1 Intensify the dialogue and the interactions with the stakeholders, first among the associations operating in the territory and the industry network.	The topic of territorial sustainability was sustained in all opportunities of interaction with the associations. Thanks to the cooperation with the Territorial Foundation Brunello di Montalcino and Santa Chiara Lab of the University of Siena a training program was initiated on the topics of sustainability, aimed at the entrepreneurs and companies operating in the territory.	
	2 Define opportune mechanisms of analysis and development of the quantification of the social-economical impact of the activities conducted in favor of the territory and the local community.	The target refers to a period of two years (2022 and 2023). This year, the partner for the development of the project was identified, as well as the related modalities of execution. During 2023, the best modalities of implementation will be evaluated.	
PEOPLE Personal growth and evolution 	3 Define a company protocol for the regulation of remote working, in order to optimize the wellbeing of the workers and work efficiency.	In January 2023, an individual agreement was formalized between the workers and the legal employer to manage the work activity in "remote working" modality. The agreement regulates the relationship between the parties and currently ends on June 30, 2023 with the intent on renewal for the remainder of the year and foresees an annual contract from 2024.	
	4 Identify, also during meetings with the trade unions, company welfare programs most suitable for the work force.	Discussions with the trade unions have been initiated, in order to evaluate the most suitable company welfare programs.	
	5 Identify, also by involving the Social Performance Team, an incentivization plan, for the entire staff, associated to the achievements of sustainability goals.	A preliminary analysis and study activity has been activated for the best modalities to implement the goals. In any case, further to the reorganization process of the company governance which has involved both companies, this has been postponed to 2023.	
	6 Increase the total hours of training, providing for an incremental variation of annually 3%.	The target refers to a 3-year period (2022 - 2024). For 2022, the goal shows as achieved. As a matter of fact, an increase of the average hours of training in both companies above the estimated level has been recorded. For further details, refer to the chapter "The People".	



Identity



Stakeholder



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Value



Economics



Territory



People



Environment



Quality



Methodology
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GRI

TOPICS	TARGETS FOR 2022	ACHIEVED RESULTS	
ENVIRONMENT Protection and defense of the eco-system 	7 Implement the following actions to increase energy efficiency at the winery in Strevi: - replacement of the current relaunch pumps for drinking water in the winery - replacement of the burner used for production - replacement of the rainfall pasteurizer with a new heating system	All planned actions to increase energy efficiency have been executed.	
	8 Initiate the study activities and subsequent implementation of the best alternatives to the use of shrink wrap film in packaging and single use plastic in the packaging materials of Banfi branded pasta and plums.	The target refers to a 2-year period (2022 and 2023). Regarding the study of alternatives to the use of shrink wrap film in packaging materials, a potential supplier has been identified who is able to produce a cardboard carton with a tamper evident system which would replace the shrink wrap film for many of our products. Further analysis and feasibility studies in this regard will be conducted during 2023. Regarding the study of alternatives to the use of single use plastic in the packaging of pasta and plums, a material has not been found which can adapt to the specifics of the packaging machines of our suppliers. During 2023, possible alternatives will be identified. These alternatives will be reported in the subsequent edition of this document.	
	9 Develop the calculation of the company water footprint.	The calculation of the company water footprint for Banfi Società Agricola Srl and for Banfi Srl has been developed. For further details, refer to the chapter "The Environment".	
	10 Activate interventions to replace and dispose of the asbestos roofing in the company facilities.	The target refers to a 3-year period (2022 – 2024). In July, the restructuring at the Strevi winery led to the replacement of the old roofing of the bottling area.	
QUALITY High quality and progress 	11 Achieve EQUALITAS certification for Banfi Srl Piedmont.	The internal analysis activity has been initiated for the evaluation of the specificities for Banfi Piedmont. These activities have delayed the execution of the target, postponing it to 2023.	
	12 Achieve EQUALITAS product certification for the following SKUs: - 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	In October, the EQUALITAS certification was achieved for the planned SKUs. Poggio all'Oro 2016 is the first Brunello di Montalcino to achieve this certification.	

Commitment to sustainable development goals

2030 UN AGENDA

SDG	Specific goal
 <p>2 ZERO HUNGER</p>	<p>2.4</p> <p>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.</p>
 <p>4 QUALITY EDUCATION</p>	<p>4.4</p> <p>Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>6.3</p> <p>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.</p>
 <p>6.6</p>	<p>6.6</p> <p>Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>8.3</p> <p>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.</p>
 <p>8.8</p>	<p>8.8</p> <p>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.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>11.4</p> <p>Strengthen efforts to protect and safeguard the world's cultural and natural heritage.</p>
 <p>11.A</p>	<p>11.A</p> <p>Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.</p>



Identity



Stakeholder



Governance



Value



Economics



Territory



People



Environment



Quality



Methodology
note



GRI

COMMITMENT OF BANFI

Developed projects and undertaken activities

Chapter

Development of a multi-year research project to experiment newly introduced varieties in cooperation with the Viticultural Research Unit of CREA and the Fondazione Edmund Mach of San Michele all'Adige.

The territory - Experimental fields project

Development of a study project on "Alberello Banfi" trellising system.

The territory - Study project on the comparison of trellising systems

Activitation of interdisciplinary training programs with the Cerved Academy training project and specific on sustainability.

Our people - Training

Development of interdisciplinary training strongly connected also to the business world with the Sanguis Jovis - Alta Scuola del Sangiovese project conducted by Fondazione Banfi.

The territory- Fondazione Banfi

Water management in outflow from the production processes with a water treatment plant which allows its re-immission into the Orcia river and a treatment plant which allows its re-use for the irrigation of parks and gardens or technological purposes in the winery.

The environment- Consumptions: water

Reduction of withdrawals of water from the rivers for emergency irrigation thanks to the use of rainwater in the artificial reservoirs.

Development of projects supporting the production chain implemented in cooperation with banks or specialized partners (reverse factoring and confirming and dynamic discount).

The value chain - Supply chain

Certification of good practices adopted in the management of human resources, for the specific aspects of workers' health and safety, and social topics, according to the SA 8000 and ISO 45001 standards.

Quality - Certifications

Our people - Health, safety and training

Conservation and catalogization of historical specimens from the Etruscan age at the Glass and Bottle Museum.

The territory - Fondazione Banfi

Recovery and restoration of a prehistoric whale fossil found on company land nearby the Castle of Poggio alle Mura.

Support of associations operating in the territory and cooperation with universities.

The territory - A unique territory

Our stakeholders – Meetings during the year

2030 UN AGENDA

SDG	Specific goal
 <p>12.5</p>	<p>Substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>
<p>12.6</p>	<p>Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</p>
 <p>13.1</p>	<p>Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>
<p>15.1</p>	<p>Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.</p>
 <p>15.2</p>	<p>Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.</p>
<p>15.5</p>	<p>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.</p>



Identity



Stakeholder



Governance



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People



Environment



Quality



Methodology
note



GRI

COMMITMENT OF BANFI

Developed projects and undertaken activities

Chapter

Transfer of subproducts of the vinification process for the creation of new products (grappa and distillates) and the generation of energy from biomass.

The environment - Waste products and subproducts

Use of dregs from the water treatment process as a natural soil conditioner.

Development of the Sustainability Report as the main instrument for the company reporting on social, environmental, and economic topics.

Quality - Certifications

Certification of sustainability good practices adopted according to the specific EQUALITAS standard for the wine industry.

Attention in the choice of energy procurement:

- use of electricity entirely deriving from renewable energy sources;
- production of electricity with a photovoltaic plant.

Attention to the landscape with containment actions of erosion phenomena (construction of water regulation ditches, subterranean drainages, dry walls or containment levies, scheduled green cover of the vineyards).

The environment

Attention in the choice of materials used for packaging (cardboard and glass present variable percentages of recycled materials).

Attention toward CO₂ emissions in the context of distribution activities with the use of electric vehicles for part of the shipments.

Water treatment in outflow of the production processes and its re-immission into the Orcia river.

The environment - Consumptions: water

Reduction of water withdrawals from the rivers for emergency irrigation thanks to the use of rain water collected in the artificial reservoirs.

Use of suppliers for packaging materials with specific certifications, such as PEFC and FSC to safeguard the responsible forest management.

The environment - Attention to the use of materials

Protection of the territory by establishing an agri-wildlife preserve offering shelter and nourishment for many animal species.

Safeguard and protection of bees and of their fundamental role as pollinating insects with the installation of forty hives.

The environment - Protection of biodiversity

Protection of the agri-biodiversity with the cultivation of other crops in addition to the vines: plums, cherries, olives and grains, the latter cultivated organically.

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

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

1984

Dedication of the winery in Montalcino, conceived to preserve the maximum integrity and richness of the grapes. The winery is also equipped with a water treatment plant

1986

Establishing of Fondazione Banfi with the purpose of promoting, disseminating and enhancing the philosophy and culture of vitivinicultural practices



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



1992

Introduction of new pruning methods, allowing to increase quality in certain specific varieties

2001

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





Identity



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Governance



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Environment



Quality



Methodology
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GRI

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 emissions

2012

An experimental survey is conducted, to advance the knowledge of the relationship between certain 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 re-use 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

Fondazione Banfi promotes 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



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

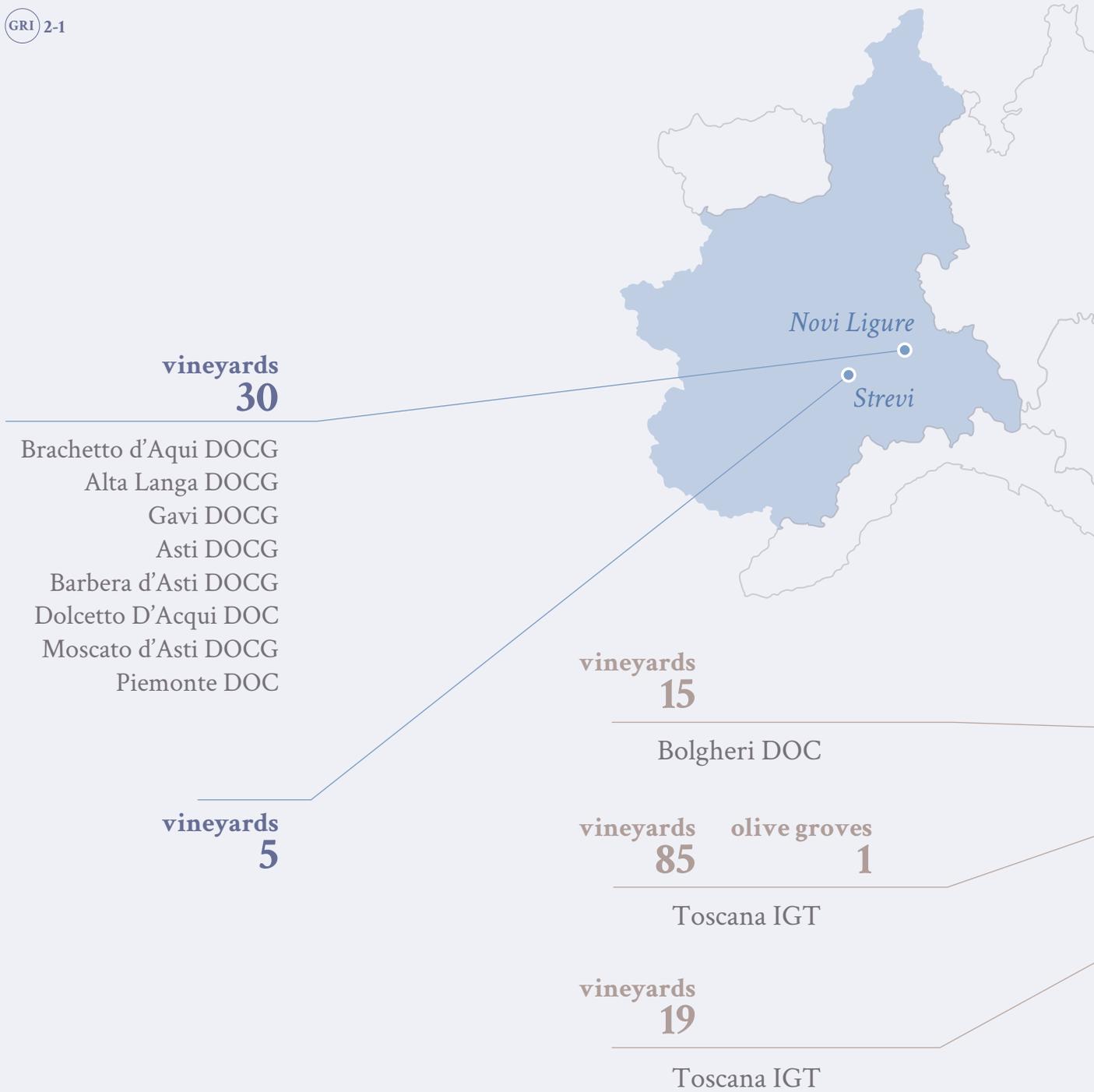
Banfi obtains EQUALITAS product certification for 4 of its most important wines. 2016 Brunello di Montalcino Poggio all'Oro is the first Brunello di Montalcino to achieve this certification



OUR TERRITORIES

Hectares

GRI 2-1





Identity



Stakeholder



Governance



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Economics



Territory



People



Environment



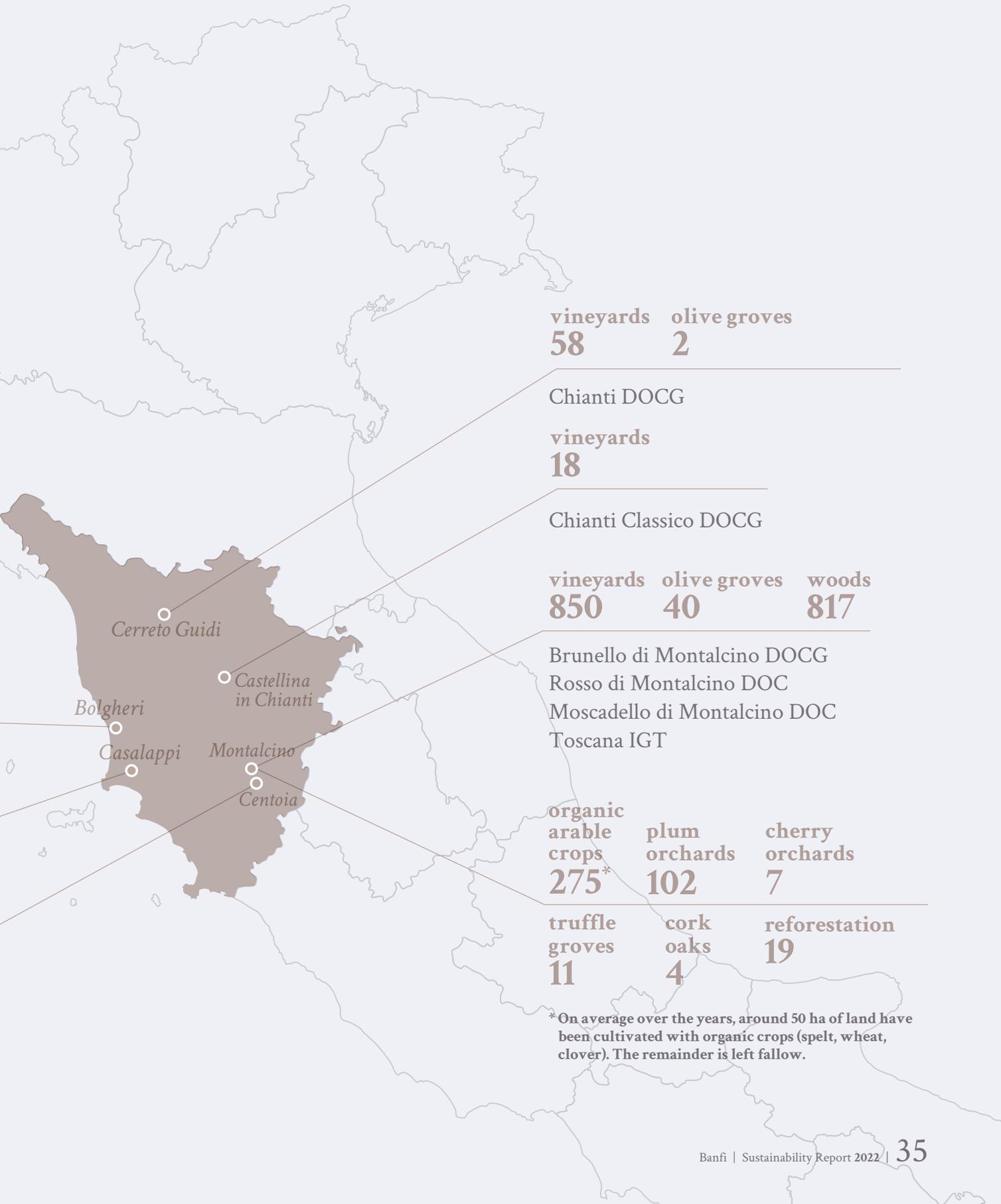
Quality



Methodology
note



GRI



*On average over the years, around 50 ha of land have been cultivated with organic crops (spelt, wheat, clover). The remainder is left fallow.

OUR PRODUCTION

Wines from Tuscany

GRI 2-6

Bolgheri Costa Toscana

Aska - Bolgheri DOC

La Pettegola - Toscana IGT

Supertuscans

Belnero - Toscana IGT

Cum Laude - Toscana IGT

Summus - Toscana IGT

Excelsus - Toscana IGT

Toscana IGT

Col di Sasso - Toscana IGT

Collepino - Toscana IGT

Fumaio - Toscana IGT

Le Rime - Toscana IGT

Badalei - Toscana IGT

Cost'è - Toscana IGT

Stilnovo - Governo all'Uso Toscano - Toscana IGT

Novello

Santa Costanza - Toscana IGT





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GRI



Castellina
in Chianti

Montalcino

Centoia

Chianti Collection

- Fonte alla Selva - Chianti Classico Gran Selezione DOCG
- Fonte alla Selva - Chianti Classico DOCG
- Banfi - Chianti Classico Riserva DOCG
- Banfi - Chianti Classico DOCG
- Banfi - Chianti DOCG
- Banfi - Chianti Superiore DOCG
- Traversa dei Monti - Chianti Colli Senesi DOCG

Centine Style

- Centine Rosso - Toscana IGT
- Centine Bianco - Toscana IGT
- Centine Rosé - Toscana IGT

Montalcino Red Wines

- Castello Banfi - Rosso di Montalcino DOC
- Castello Banfi - Brunello di Montalcino DOCG
- Poggio all'Oro - Brunello di Montalcino Riserva DOCG
- Poggio alle Mura - Rosso di Montalcino DOC
- Poggio alle Mura - Brunello di Montalcino DOCG
- Poggio alle Mura - Brunello di Montalcino Riserva DOCG
- Vigna Marrucheto - Brunello di Montalcino DOCG

Montalcino White Wines

- San Angelo - Toscana IGT
- Fontanelle - Toscana IGT
- Serena - Toscana IGT

Dessert Wines

- Florus - Moscadello di Montalcino DOC

OUR PRODUCTION

Wines from Piedmont

GRI 2-6

Metodo Classico & Charmat Method Sparkling Wines

Banfi Brut - Metodo Classico

Cuvée Aurora - Alta Langa DOCG

Cuvée Aurora Rosé - Alta Langa DOCG

Cuvée Aurora - Alta Langa Riserva 100 mesi DOCG

Tener - Vino spumante

Tener Extra Dry - Vino spumante

Sweet Sparkling Wines and Dessert Wines

Rosa Regale - Asti Spumante DOCG

Rosa Regale - Brachetto D'Acqui DOCG

Sciandor - Moscato d'Asti DOCG

Strevi ●





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GRI



Novi Ligure

Red Wines

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

White Wines

Principessa Gavia - Gavi DOCG

Banfi production: beyond wine

GRI 2-6

The passion and love for the Montalcino territory of Banfi tell a story that goes beyond wine, encouraging productions that are just as authentic and prestigious. Although the grape continues to represent the main crop, over the years Banfi has developed other agricultural activities, aiming at enhancing the value of the very diverse areas of the estate characterized by specific agronomic features while preserving the uniqueness of the typical Tuscan countryside.

In fact, the plum orchards are in extension the second most important arboreal crop. The cultivated areas are mainly situated along the Orcia and Ombrone rivers and are allocated to the production of **plums** for the drying process of which Banfi is the main producer in Italy.

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

On the land allocated to all organically farmed field crops, in addition to spelt, **Cappelli durum wheat is cultivated which is used for the production of Banfi pasta**, for use in the hotel and restaurants and the sale at the wine shop.

Furthermore, since 2019, **a small production of honey** from 40 hives is active.

In addition to pasta and honey, a historical product, the **Condimento Balsamico Etrusco**, a balsamic vinegar, is made.

Cappelli durum wheat

12,840_{kg}



Spelt

1,473,402_{kg}



Identity



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GRI



Details of the Banfi Specialties

Terrace of the Sala dei Grappoli restaurant





Identity



Stakeholder



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Quality



Methodology
note



GRI

CASTELLO BANFI WINE RESORT

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 “Il Borgo”, the restaurants “La Taverna” and “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.

The offerings of “Castello Banfi Wine Resort” Relais & Châteaux are completed this year by providing guests with **six itineraries, immersed in nature**, calibrated on various distances and levels of difficulty, ideal for walking, running or taking advantage of the e-bikes available at the hotel.

Rooms are composed
as follows:



2 Deluxe
Riserva
40m²

7 Suite
Junior
55-65m²

3 Classic
Suite
70-80m²

1 Suite
Riserva
75m²

1 Suite
Poggio
all'Oro
110m²



together with our stakeholders

An inclusive report means considering the nature of Fondazione Banfi as a synergy and synthesis between the mission of its charter and the context surrounding Montalcino.

An approach which strengthens the concept of a landscape as a cultural mediation, in respect of and with attention to enhancing every dimension.

Jacopo Tabolli

Lecturer of Economy of Culture and Etruscology - University for Foreigners of Siena and Member of Scientific Committee Fondazione Banfi



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.



STAKEHOLDER	MATERIAL TOPICS		
	Enhancement and development of the territory	Enhancement and development of human resources	Safeguard of the environment
Human resources	6	6	6
Agents	6	6	6
Clients, consumers and guests	6		
Suppliers	6	6	6
Competitors	6	6	6
Trade unions			6
Journalists and bloggers	6	6	6
Shareholders	6	6	6
Capital providers and financial institutions	6		
Public institutions and consortia	6	6	6
Local community	6	6	6
Environment			6

SUSTAINABLE DEVELOPMENT GOALS



NATURE OF THE RELATIONSHIP ENGAGEMENT TYPE

Protection of quality

<p>6 Sense of belonging and high professionalism represent distinctive elements of the human resources of Banfi.</p>	<p>Banfi has adopted specific communication processes with its human resources, setting up boxes where employees can anonymously deposit their requests and findings. These requests and findings from the personnel are furthermore discussed at the periodical meetings of the so-called Social Performance Team, the internal structure in charge of supervising criticalities in managing relationships with human resources. The Team meets several times a year.</p>
<p>6 Strong sense of belonging and stable and lasting relationships.</p>	<p>Relationships with agents are implemented during formal annual meetings, where not only technical and commercial topics are discussed, but also aspects are identified for which Banfi considers it opportune to develop a specific involvement. In addition, a specific meeting is held with agents with over twenty years of cooperation, the so-called "Wise Wo*men Committee" representing a think tank for agents who have a long-standing relationship with the Company.</p>
<p>Continuity in time and development of commercial synergies.</p>	<p>Banfi develops periodical meetings with customers (entities to whom the Company sells its products to be then resold to end consumers) to manage business relationships. For consumers (the category including end users of the product, who cannot be specifically identified) and guests (customers of hospitality services) Banfi does not develop specific meeting initiatives. However, such categories are involved in events, exhibitions or other activities developed with reference to the individual business unit.</p>
<p>6 Strong cooperation and innovation incentive.</p>	<p>Relationships with suppliers are managed with periodical meetings depending on business needs.</p>
<p>6 Spirit of cooperation for the enhancement of the territory and promotion of products.</p>	<p>The relationships between Banfi and its competitors mainly take place at periodical initiatives developed by trade organizations and consortia.</p>
<p>Strong cooperation and innovation incentive.</p>	<p>The trade unions, with the workers' union representative, are involved in the periodical meetings of the Social Performance Team.</p>
<p>6 Additional point of reference to be updated on the performance of the market of the company and to promote the image of Banfi to consumers.</p>	<p>Banfi has frequent relationships with journalists and bloggers according to two formats: by activating specific meetings, such as attending events, fairs or at production sites such as wineries, and by developing initiatives on social networks.</p>
<p>6 Sharing decisions and proxies.</p>	<p>Relationships with shareholders mainly consist in periodical shareholders' meetings where, as needed, economic-financial aspects and the management of the company are analyzed.</p>
<p>Trust with operators in the banking industry forms the basis of the mutual continuous relationship.</p>	<p>Banfi has developed consolidated relationships with capital providers and financial institutions, with specific meetings according to the needs of the business.</p>
<p>6 Frequency, continuity and shared intents.</p>	<p>Relationships with public institutions and consortia consist in dedicated meetings, organized to share relevant aspects for the development of the territory and local communities regarding the relationships with public institutions, or issues shared by the various companies operating in the territory regarding the relationships with the Consortium.</p>
<p>6 The safeguard of the local community, the development of cultural initiatives and the protection of the local economic fabric represent qualifying elements in the relationships Banfi develops with this stakeholder.</p>	<p>The encounter with the local community is initiated by developing specific activities in the territory. Each year Banfi is involved in a number of activities, to support the local social fabric and its territorial setting.</p>
<p>Reduction of impact and enhancement in the reference territory.</p>	<p>Protection of the environment is implemented by developing specific initiatives which can implicate, case by case, the encounter with the other stakeholders of Banfi.</p>



INITIATIVES AND MEETINGS IN 2022

During 2022, Banfi participated in many initiatives and meetings, some of which were held in virtual engagement modes.

In **March**, Banfi participated in the first edition of the Executive Education program of the LUISS Business School, with the title of “*ESG and sustainable development*”. The goal of the program is to promote the integration of sustainability in the strategies and business models along with the implementation of concrete actions in the company. Banfi participated offering its case history during the first module of the program with the title “*Framework business 2030: integration of sustainability in the management system*”. It presented the opportunity not only to exchange experiences, but also to discuss the main sustainability topics with the participants. Due to the great success, we also joined the second edition of the program which was held in **November**.

In **April**, Banfi joined the project developed by Unioncamere Toscana and the Chamber of Commerce of Arezzo – Siena in cooperation with the Scuola Superiore S. Anna di Pisa to incentivize environmental sustainability in the businesses in Tuscany and circular material management. The project saw the engagement of companies operating in nine different industry sectors. The activity was developed by collecting data and information on behalf of the University regarding the company management of sustainability, focusing in particular on the existing circular economy practices. The project allowed to evaluate the comprehensive state of the art of these topics. The conclusions were presented during a road show in September in nine different appointments, one for each of the analyzed industry sectors.

In **May**, Banfi participated in a webinar organized by the University of Siena on the occasion of the National Day of Bioeconomy, sharing our experience of circular economy topics in the session dedicated to sustainability in the agrifood industry.

*On the next page:
Moments of an event at Banfi Piedmont*



Also in **May**, Banfi participated in Green Wine Future, a conference on environmental topics, dedicated entirely to the wine industry. In 4 days, the event gathered the testimonials of over 180 speakers from 8 different countries in the world: United States, Chile, Portugal, Spain, France, South Africa and New Zealand. Banfi participated in the last days of the sessions, bringing to the session its story with the title “*Benefits of a circular economy*”. The session was sponsored by the Brunello di Montalcino Wine Consortium.

In **June**, at its winery, Banfi welcomed a group of students of the Siena International School on Sustainable Development, the higher education school organized by Santa Chiara Lab with the support of ASviS, Fondazione Enel and Sustainable Development Solutions Network. The meeting allowed the students to enter in contact with the company reality by telling its history and its evolution, a tour of the winery and the discovery of the commitment to sustainability. It was also an opportunity for discussions, thanks to the debate developed with the students with regard to the topics of sustainable development and to the contribution the entrepreneurial realities, such as Banfi, can bring to the dissemination of a real sustainability culture.

In **July**, Banfi took part in a round table with the title “*The role of the territorial districts in migrant integration policies*”, developed in the context of the XIII edition of “Luci sul Lavoro”, the event created and promoted by Eidos (European Institute for Documentation and Social Studies) and the Town of Montepulciano in cooperation, among others, with Equalitas. The discussion, in

E-bike tour of the vineyards



which representatives of the business world, trade unions, university and politics participated, developed around the centrality of the production districts (such as wine) in the light of a social and economic context in which migrants play an increasingly more important role.

In **September**, in the context of the cooperation initiated in February with the National Agritech Center, a sampling campaign was carried out in the vineyards to initiate the research project on the tracing of the origin of food products, promoted by Santa Chiara Lab of the University of Siena. Further information on this project can be found in the chapter “Territory”.

In **October**, at Castello Banfi Wine Resort, the meeting with the “Wisemen”, the sales agents who have been working with Banfi for over twenty years, took place. An opportunity to meet and listen, to share and dialogue which extended over two days during which the sense of belonging and the spirit of cooperation was highlighted, again, and the great bond which joins the individual and the company.

Finally, in **November**, Banfi participated in the inaugural lecture of Siena Food Lab Academy 2022/2023 Edition, the free educational project which aims at increasing the skills of students, entrepreneurs, agronomists and other professionals of the agrifood industry. The meeting took place in the presence of representatives from the university and the business world and was focused on the topic of precision agriculture, bringing testimonials of practical cases.

E-bike tour of the vineyards



Sustainability in the future reporting obligations for businesses



Interview with Prof. Roberto Di Pietra,
Dean University of Siena

February 27, 2023

Q

Which scenario is expected in Europe on the topic of non-financial reporting?

A

It is interesting to see how the attention in Europe (and not only) on the topic of the regulation of the reports of a non-economic financial nature has changed. Until a few years ago, this topic was addressed by some organizations, first among all, the Global Reporting Initiative (GRI), but also the Organization for Economic Cooperation and Development (OECD) and the United Nations, which in time defined guide lines and *soft regulations* on non-financial reporting. However, currently, on this subject, new actors, and in particular the European Union, have entered, with the emanation of the Corporate Sustainability Reporting Directive (CSRD) in 2021 which will gradually extend the reporting obligations to an increasingly higher number of businesses.

Furthermore, an important stance on the topic must be brought to mind on behalf of the IFRS Foundation, the organization with an international scope which with the International Accounting Standards Board (IASB) has defined accounting standards recognized on a global level. In 2021, the IRFS Foundation

established a new Committee alongside IASB, the International Sustainability Standards Board (ISSB) with the precise task of defining reporting standards on sustainability topics.

We should then not forget that reporting standards exist which regulate the *integrated reporting* process, in support of those entities which already currently compile their reports integrating economic-financial information with sustainability topics. This represents another interesting question, that is, understanding how new standards will be able to interact with the already present standards.

In my opinion, the entry of IFRS Foundation represents an extremely relevant element in this context which, considering the importance on a global level that this organization holds, inevitably will modify the structure of the rules on the topic of non-financial reporting in various countries worldwide.

Q

What does this mean for the businesses?

A

Certainly, these compliances represent a cost for the businesses, we can say an “administrative cost”, and, if we stop at this vision, certainly we will find companies that will try to stay as far away as possible from these topics. However, if we change perspective, we find ourselves in front of an extraordinary opportunity, mainly for those businesses that will believe that they cannot not be sensitive to sustainability topics and not for a kind of “pietism”, but in virtue of a strong coherence with the market and its evolution.

In order to fully capture the new needs of the market, it is fundamental to modify one’s internal processes, one’s company procedures and the management and production systems, forming all these elements on sustainability. Therefore, a profound change in the organization representing the real

turning point to make a difference on these topics and to stay engaged with reality and its changes.

From this derives the relevance of the definition of reporting tools which are foremostly directed internally, to control the processes also from a point of view of sustainability, and which must, in any case, also address the expectations and the requests for information coming from external sources, from various company stakeholders, increasingly more focused on these topics.

Q

Who will the economic operators be to be more interested in the non-financial data the businesses will be reporting? And how will be the businesses be evaluated with regard to their sustainability performances?

A

First of all, all those who support the decisions by the investors and therefore, all actors who carry out a role as intermediaries in the capital and finance markets, such as, for example, credit institutes, but let's not forget also rating agencies. For these operators, it will be fundamental to have the opportunity to express evaluations which will look at to which extent a company actually has included sustainability in its make-up and operations, to prove the real internal change in the management processes, as highlighted previously, that allow to distinguish the companies that have interiorized and made sustainability intimate from those companies that have simply carried out a *green washing* operation.

From this point of view, the non-financial reports must be tools that can be proof of this internal change which is the central element in the evaluations carried out in support of investment decisions.

This approach in the evaluation is fundamental to responding to the needs of those investors who decide to invest their savings in something that is actually sustainable and to consolidating one's reputation of sustainable companies or credit intermediaries or rating agencies intending to direct investors toward sustainable companies.

Q

Which role can the universities play in this transition? How can they provide support to the businesses in guiding them toward these changes?

A

By working on our identity missions, first of all the educational mission, training graduates who are aware of these topics from different perspectives: the technical prospective more associated to company or management skills, a legal prospective to understand the system of rules in support of change and the technological perspective, associated to the training programs in engineering, chemistry, biology and life sciences. These are areas that are all present in the University of Siena, offered and developed both with regard to the three-year degree as well as the master's degree, but also with regard to research doctorate programs where there are many theses taking on these topics from different disciplinary perspectives. Therefore, our commitment is certainly aimed at contributing from a cultural point of view, training individuals who will operate in a company with specific skills and knowledge on these topics.

Then, there is the research mission we are working on to develop skills and knowledge able to direct and favor sustainability topics to then transfer the results of the research to the third mission which is patenting and creating entities (university spin-offs and start-ups) which work on these topics. Jointly, public engagement is part of the third mission, therefore, the transfer of this knowledge to the citizens.

In the light of this commitment, I believe that I can say that for a long time the University of Siena has built its first, second and third mission activities on the attention toward sustainability, investments in education and research. Furthermore, I call to mind that we are the headquarters of three National Research Centers with regard to National Recovery and Resilience Plan projects, of which two are explicitly dedicated to topics that are very close to sustainability, that is Agritech and Biodiversity.

Drawing on the undertaken path, our commitment is to continue in this direction in all our lines of activity, developing skills in support of the businesses and all their stakeholders.

MATERIALITY ANALYSIS



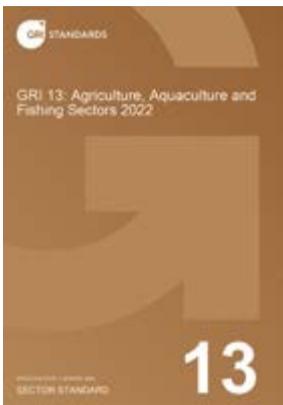
As this year a new GRI standard has entered into force, the materiality analysis has been updated, identifying and evaluating primarily the positive and negative impacts generated by the company activity or by the business relationships created in function of activities and relationships.

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.

Therefore, the 26 topics proposed by the standard have been compared to the 22 topics taken into consideration in the materiality analysis conducted in the previous business year. This comparison has highlighted the possibility to internally link the topics among each other. And therefore, to focus subsequently on the analysis of the 26 topics proposed by the standard.



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).

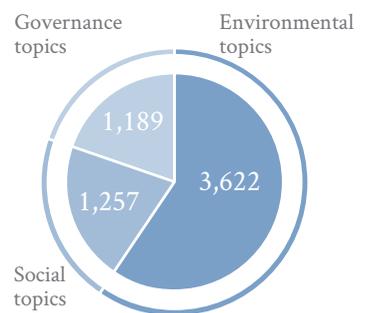
The value obtained by the sum of the scores attributed to the two variables determines the importance of the impact, identifying, as material a value over 8. Therefore, to consider an impact as material, it must obtain a maximum value (5) in at least one of the two variables in which it is evaluated.

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.

Conversations on the web



Among the environmental topics, the most debated are as follows:

- climate adaptation, with 1,850 conversations (51% of the total);
- waste, with 1,399 conversations (39% of the total);
- emissions, with 373 conversations (10% of the total).

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 varieties. Conversations with a negative sentiment, on emissions, mainly concern the environmental impact due to the use of chemicals, such as pesticides and fungicides.

Among the social topics, the following mainly emerge:

- occupational practices, with 582 conversations (46% of the total);
- welfare income and welfare salary, with 306 conversations (24% of the total);
- food safety, with 238 conversations (19% of the total);
- economic inclusion, with 131 conversations (11% of the total).

The stakeholders point out concern toward topics such as low-cost 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.

Among the governance topics, the following mainly emerge:

- transparency in the traceability of the production chain, with 934 conversations (81% of the total);
- anti-corruption, with 225 conversations (19% of the total).

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.

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 sewer;
- waste;
- food safety;
- local community;
- health and work safety;
- occupational practices;
- welfare income and welfare salary;
- 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:

- value creation: economic inclusion;
- territory: local community;
- our people: health and work safety, occupational practices, welfare income and welfare salary;
- environment: emissions, climate adaptation and resilience, biodiversity, water and sewer, waste;
- quality: food safety.

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.

Nature between the rows





Governance is conducted *together*



In the wine industry, in which sustainability is a native element, Banfi is positioned as one of the more mature companies, having demonstrated over recent years excellent results in terms of increasing efficiency in the processes to reduce the environmental impacts and of generating positive impacts on the territory, giving evidence that its sign of distinction lies in the transparency of its governance processes and the organizational approach to sustainability.

Andrea Cincinnati
*Head of ESG Solution
Cerved Rating Agency*

GOVERNANCE STRUCTURE

Banfi Società Agricola Srl

Board of Directors



Enrico Viglierchio
President

Remo Grassi *Director* Cristina Mariani-May *Director* Gabriele Mazzi *Vice President* Philip Calderone *Director* Jason Arfin *Director*

Statutory auditors

Francesco Bonelli
Sole statutory auditor
Marco Turillazzi
Alternate statutory auditor

Auditor

PricewaterhouseCoopers SpA

Supervisory board

Marco Turillazzi
Chairman
Lorenzo de Martino
Supervisor

Banfi Srl

Board of Directors



Rodolfo Maralli
President

Enrico Viglierchio *Vice President* Gabriele Mazzi *Vice President* Elizabeth Koenig *Vice President* Cristina Mariani-May *Director* Philip Calderone *Director* Jason Arfin *Director*

Statutory auditors

Emanuela Giorgini
Sole statutory auditor
Marco Turillazzi
Alternate statutory auditor

Auditor

PricewaterhouseCoopers SpA

Supervisory board

Marco Turillazzi
Chairman
Lorenzo de Martino
Supervisor

Business Management

GRI 2-9 GRI 202-2

Banfi Società Agricola Srl and Banfi Srl are the two Italian entities involved in the business management. Both companies are governed by a Board of Directors which, during 2022, maintained the same organization as the previous year.

At the beginning of 2023, a reorganization process of the company governance model was completed which modified the composition of the Board of Directors of both companies.

In order to guarantee an increasingly higher level of specific competence within the highest company governing entity, as well as to favor the integration between the US and Italian management, from January 1, 2023, three new directors belonging to the Italian executive team and a director, an executive of the US company, Banfi Products Corp., were appointed.

In the new organization a different numerical presence of directors between the two realities is provided for, moving to five components in Banfi Società Agricola Srl and to seven in Banfi Srl.

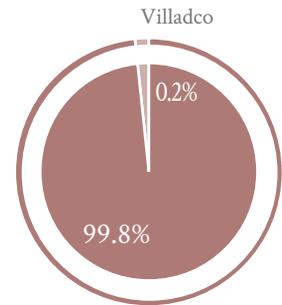
Finally, the new figures of **President** and **Vice President** were appointed (in Banfi Srl, this role is covered by multiple individuals) to whom, specific operating proxies have been conferred.

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. This new body replaces the previous Strategic Committee.

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.

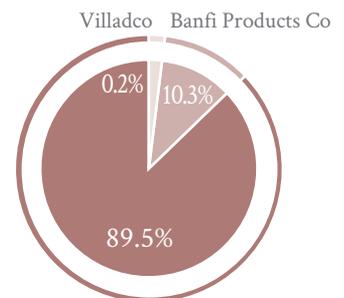
The companies have **sole auditors** and an external auditor, separating the activities of accounting control from the balance sheet review. Both companies have a **Supervisory Body** with the specific tasks defined by the Legislative Decree 231/01, among which the supervision over the observance of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

Banfi Società Agricola Srl



Banfi Holding Co.

Banfi Srl



Banfi Holding Co.

Composition Management Committee

BANFI SOCIETÀ AGRICOLA SRL

Value expressed in numbers	2020	2021	2022
Local Senior Managers	5	5	5
Non-Local Senior Managers	2	2	2
Total	7	7	7

BANFI SRL

Value expressed in numbers	2020	2021	2022
Local Senior Managers	5	5	4
Non-Local Senior Managers	10	9	11
Total	15	14	15

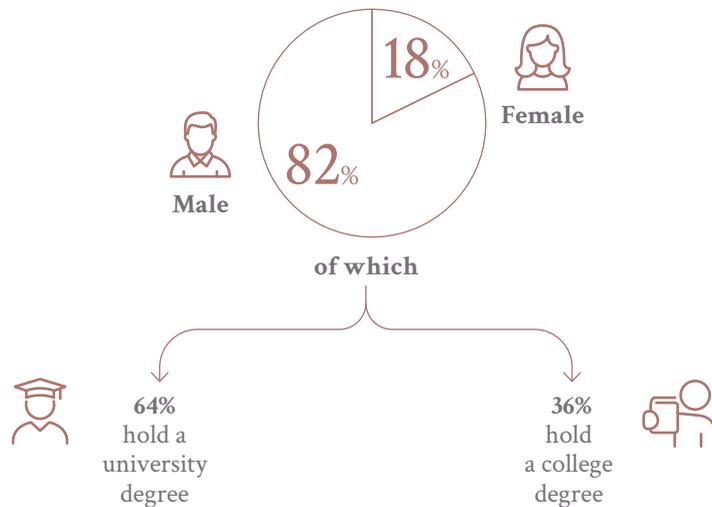
Management Committee

The Management Committee met 3 times during 2022



The average age of the Management Committee is 48 years.

The composition of the Management Committee is



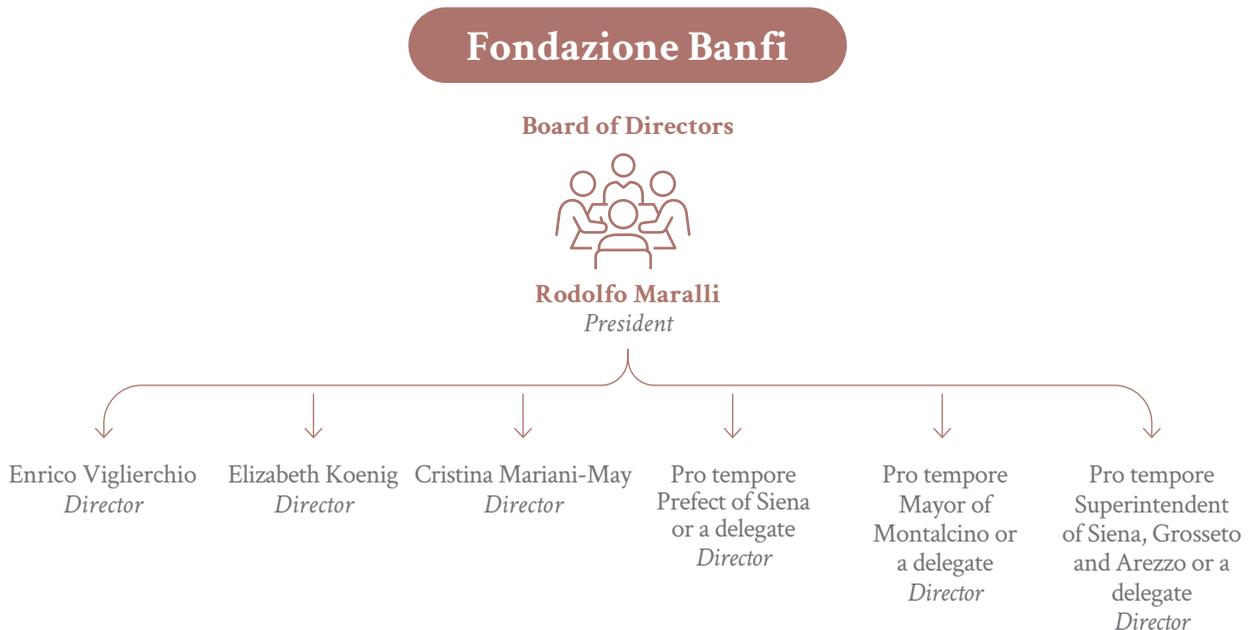
The management of the Foundation

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**, composed of seven members and assigned with the activities of ordinary and extraordinary management. **The President** is elected among the members of the Board of Directors and is vested with the role of legal representative of the foundation. Further to the reorganization process of the governance model which has involved Banfi Società Agricola Srl and Banfi Srl, at the beginning of 2023, the Board of Directors of Fondazione Banfi also underwent a change in its composition, with the replacement of a director.

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.







Producing *together*

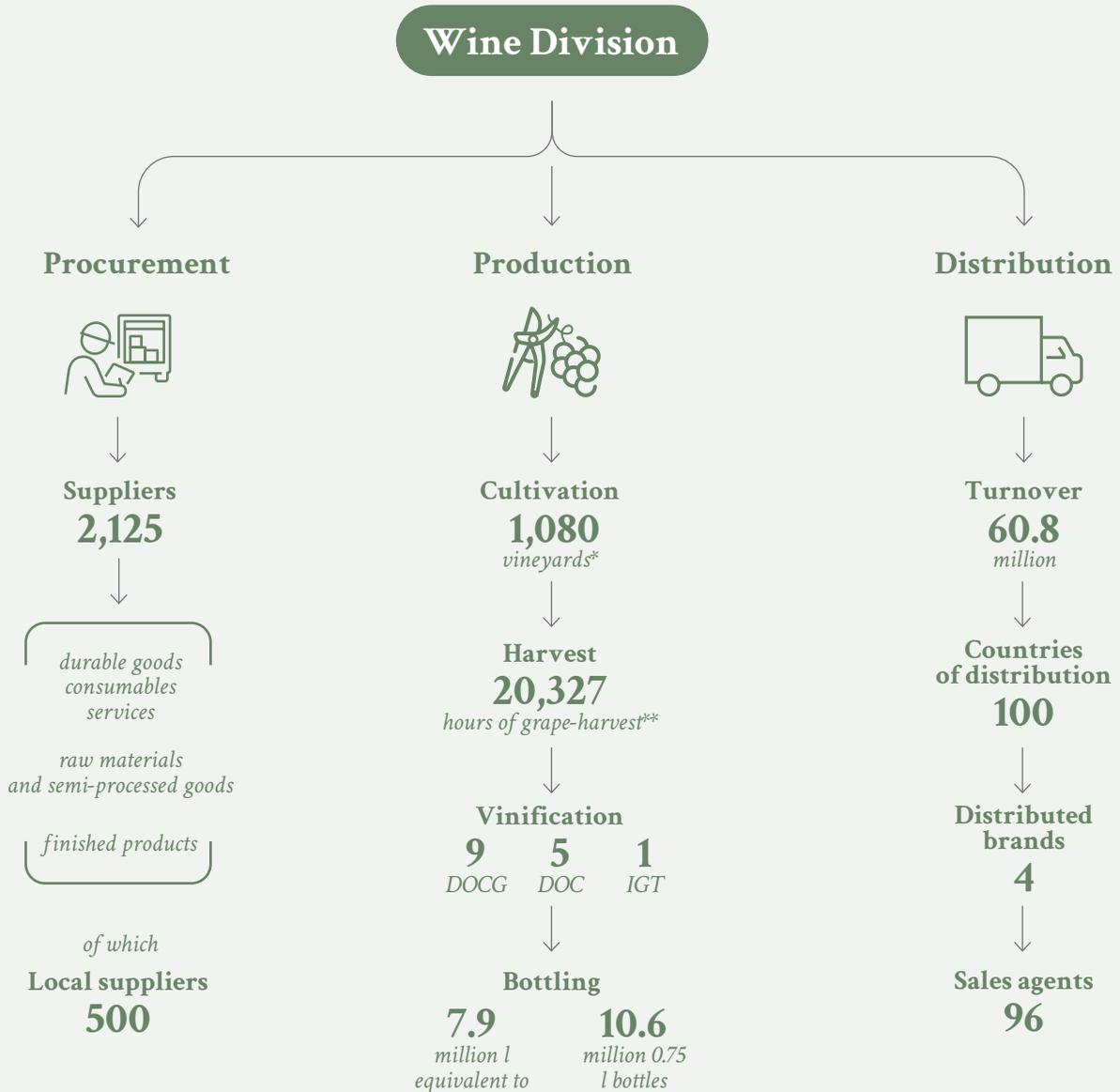
Sustainability is sharing the resources of the Earth, of the economy and of a future vision. Living is sharing, also in our trade. Which connects us with wine, the “medium” to narrate the territories, joining their beauties to a “territory” communication of our assets: agriculture and tourism. Such as for Brunello di Montalcino, of which Banfi is the leader, which must have an open mind, so that there are many ideas and experiences that can be shared. So, communication becomes the accelerator of sustainability.



Alessandro Regoli
Director of WineNews

VALUE CHAIN

GRI 2-6

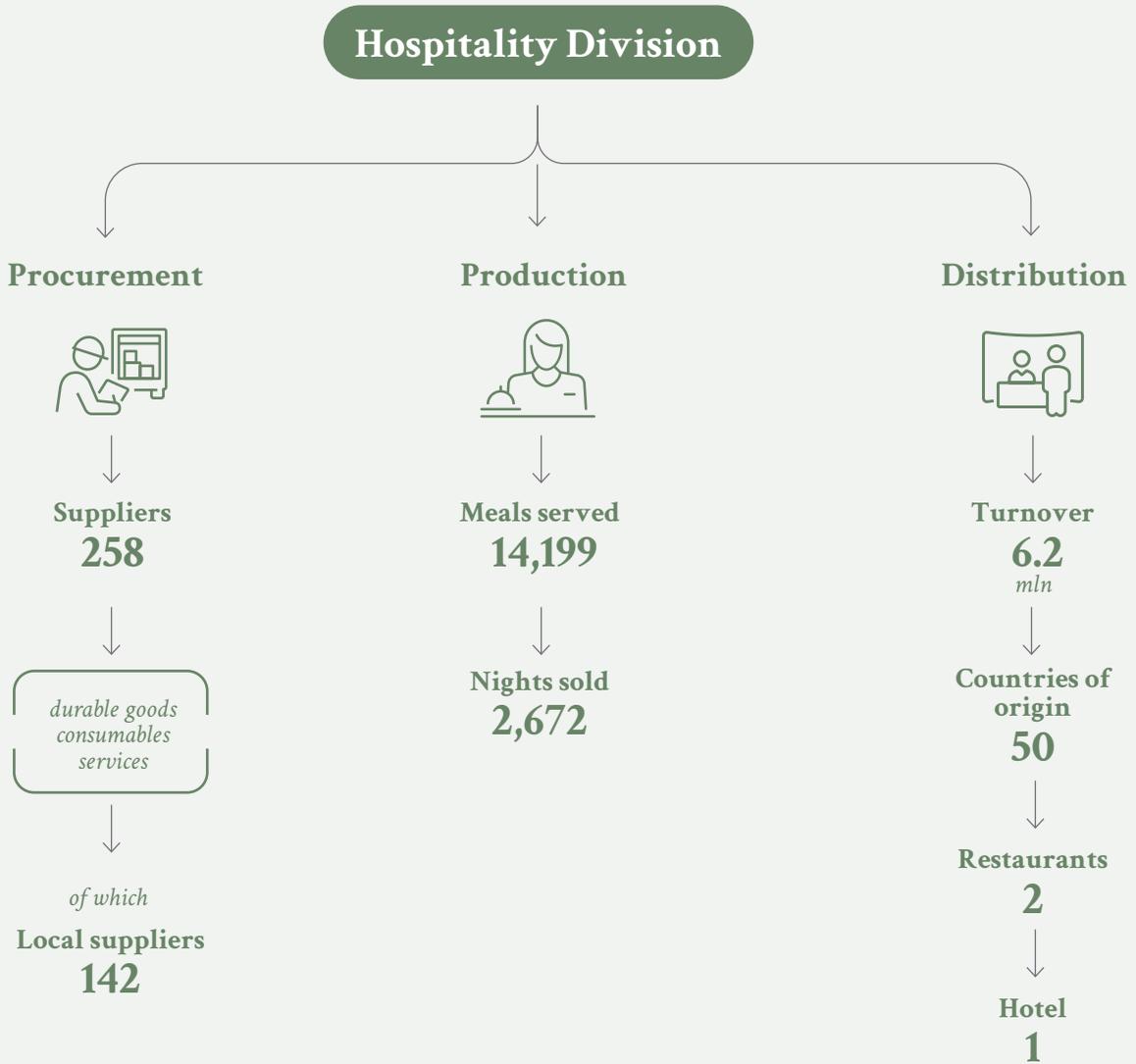


(*) The data refers to the total of hectares under vine for Banfi Società Agricola Srl and for Banfi Srl

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

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.



SUPPLY CHAIN

GRI 2-6

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).

Banfi has adopted a sustainable approach in the management of its goods and services procurement cycle. It works actively with its suppliers to search for practices which aim at the continuous improvement and innovation and promote the certification of its corporate processes as much as possible.

The objectives that Banfi pursues in the management of its procurement cycle are: managing the main risks and mitigating their effects; working with its partners in uniting efforts to improve its services and products; increasing transparency as the means for extending sustainability principles to the entire chain.

Among the aspects which characterize the ethical conduct of Banfi in managing supply contracts, the attention to precise respect of contractual clauses, particularly regarding payment term obligations can be mentioned.



Identity



Stakeholder



Governance



Value



Economics



Territory



People



Environment



Quality



Methodology
note



GRI

Wine Division

Agriculture

DURABLE GOODS	CONSUMABLE GOODS	SERVICES
farm vehicles	fuel	consultancy
vine cuttings	fertilizers	agricultural services
construction material for planting	pesticides	utilities
irrigation systems	ppe for workers	maintenance
	uniforms	

Winemaking

DURABLE GOODS	CONSUMABLE GOODS	RAW MATERIALS AND SEMI-PROCESSED GOODS	SERVICES
winemaking equipment	winemaking materials	grapes	consultancy
tanks	products for laboratory	bulk wine	utilities
casks	ppe for workers		maintenance
barriques			

Bottling

DURABLE GOODS	CONSUMABLE GOODS	SERVICES
bottling equipment	bottles	consultancy
warehouse management equipment	packaging	utilities
	packing materials	maintenance
	ppe for workers	

Distribution

DURABLE GOODS	CONSUMABLE GOODS	FINISHED PRODUCTS	SERVICES
trucks	pallets	other food products	transportation
semi trucks	shipping materials	wines to be distributed	utilities
	fuel		
	ppe for workers		

Hospitality Division

Hotel

DURABLE GOODS	CONSUMABLE GOODS	SERVICES
furniture	food products	laundry
upholstered furniture	hygiene products	rental
electronic materials	consumables	utilities
	ppe for staff	magazine subscriptions
		maintenance

Restaurants

DURABLE GOODS	CONSUMABLE GOODS	SERVICES
furniture	consumables	laundry
equipment	food products	utilities
kitchen appliances	ppe for staff	maintenance

Wine Shop

DURABLE GOODS	CONSUMABLE GOODS	SERVICES
furniture	food products	utilities
shop equipment	wine	maintenance
	ceramics	
	leather goods	
	ppe for staff	

Castello Banfi Il Borgo: interior





Identity



Stakeholder



Governance



Value



Economics



Territory



People



Environment



Quality



Methodology
note



GRI

Local suppliers

GRI 204-1

The graphs and tables below show how important local suppliers are for Banfi, considering their number over the total number of suppliers and the value of their supplies in proportion to the total value.

Local suppliers

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in numbers and %	2020	2021	2022
number of local suppliers	213	206	201
% of total number	34.3	34.0	32.1
% of total value	39.3	36.0	32.2

BANFI SRL

Values expressed in numbers and %	2020	2021	2022
number of local suppliers	411	430	441
% of total number	26.4	24.3	24.7
% of total value	20.7	18.2	18.9

BANFI SRL (HOSPITALITY)

Values expressed in numbers and %	2020	2021	2022
number of local suppliers	96	108	142
% of total number	42.5	40.8	49.8
% of total value	51.5	43.1	41.1

Expenditure for suppliers
31.4 mln

32%
Expenditure for local suppliers
10.1 mln



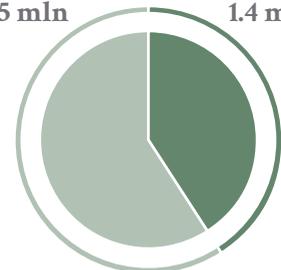
Expenditure for suppliers
23.8 mln

19%
Expenditure for local suppliers
4.5 mln



Expenditure for suppliers
3.5 mln

41%
Expenditure for local suppliers
1.4 mln



ATTENTION TO OUR PRODUCTION CHAIN AND TO THE TERRITORY

Developed projects

The use of Banfi's credit rating allows the suppliers to access very convenient credit conditions, creating a competitive advantage for the entire chain which will be able to benefit from higher liquidity and financial solidity.

In the last two years, the attention toward the economic growth of the territory and the support of the production chain saw us engaged in the implementation of two important projects in favor of our suppliers: **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.

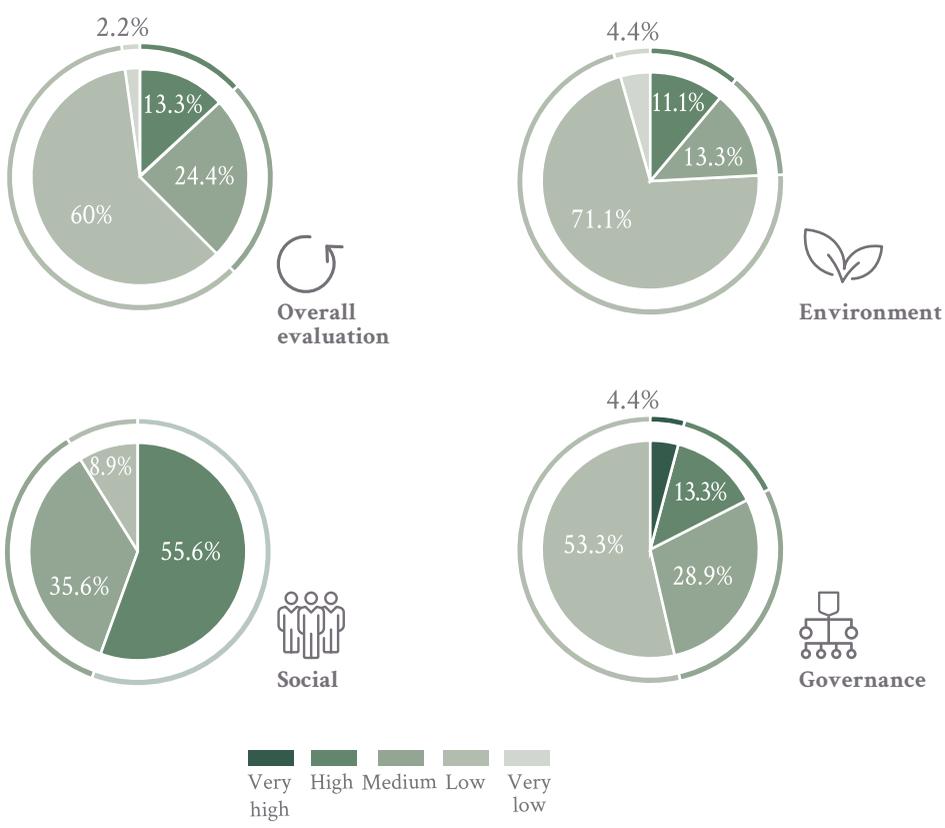
During 2022, a volume of expenditure of over one million Euro was managed with the modalities of confirming and reverse factoring. The dynamic discount service allows Banfi to offer its suppliers the advance payment of their invoices in exchange for a discount which varies "dynamically" in relation to 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 ESG industry chain score

With the intent of developing an increasingly higher control of our supply chain and of creating a synergy with the tools of *supply chain finance* we introduced in the last years, this year, we started a project with Cerved to evaluate the degree of sustainability of our industry.

This project involved around one hundred of our suppliers who were asked to fill out a questionnaire focused on environment, social and governance-related topics. Further to the evaluation of the responses, Cerved assigned each supplier a specific rating representing the level of awareness on sustainability topics (ESG score).

The project had a low participation rate, arriving at around 50% of the participants, whereas the distribution of the scores highlighted the trend shown in the following graph:



As indicated above, the goals of this project are not only associated with ESG, but they aspire to create synergy between the achievement of sustainability goals and financial advantages for our industry. As a matter of fact, we are looking to making the adoption of supply chain finance tools increasingly more convenient for our suppliers, favoring those suppliers presenting better sustainability scores.

PRODUCTION

GRI 2-6

The aspects which characterize the Banfi production differ according to business departments:

- **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.

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

- **regarding environmental impacts** constant attention to respecting and protecting the environment, with a special commitment to reducing the consumption of materials, water, energy and to reducing the production of waste and CO₂ to the maximum extent;
- **regarding the management of human resources** a decisive element in the production activities, the compliance with employment contracts and related regulations, attention to safety standards, a direct commitment to promoting these standards in all forms and concern for training matters. These are the factors which mainly characterize the vision of Banfi, and which help to develop a strong sense of belonging.

As these topics are materiality issues for Banfi, they are dealt with at length in the relevant chapters.

Bottling line



Wine

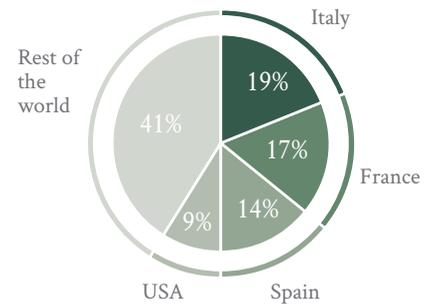
Wine is the primary production of Banfi. Since its inception, Banfi has always considered it essential to its strategic development and to the pursuit of its vision, to build its role as a producer, by focusing on the two territories of Montalcino and Strevi, planting vineyards with the most important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

In 2022, the production of grape recorded a different trend in the harvested quantity between Tuscany and Piedmont: overall, the Tuscan realities recorded an increase vs. the previous year of 12%, drawn by the full production of the vineyards in the Casalappi territory which compensated the reduction of production in the territory of Montalcino, where the company decisions to operate in marginal soils, thanks to the Alberello Banfi trellising system, brought on a reduction in the produced quantities. Different situation in Piedmont, where, due to a year characterized by scarce rainfall and high temperatures, a reduction of production of 8% vs. last year was recorded. The more recent vineyards were most affected by the difficult weather conditions. In any case, the rainfall recorded in July and August guaranteed a good quality level of the harvested grapes. Similarly, the trend of the precipitations recorded in Tuscany in the period prior to the harvest, compensated the effects of a warm and dry summer, safeguarding the quality level of the produced grapes.

In Tuscany, the production was concentrated for 63% on red wines, with a predominance of Sangiovese (approximately 40%) which represents the most cultivated variety. The second most cultivated variety among the red wines is Cabernet Sauvignon (over 12%). Among the most representative varieties regarding white wines are, again this year, Pinot Grigio, Vermentino and Chardonnay, which together make up approximately 30% of the total. 63% of the production is represented by IGT, 33% by DOCG and 5% by DOC.

In Piedmont, the production is focused on white wines which, in 2022, represent approximately 92% of the total, with a predominance of the varieties, Cortese and Chardonnay. 82% of the production is represented by DOCG, 17% by DOC and 1% vino da tavola.

Partition worldwide wine production 2022



<http://www.inumeridelvino.it/2022/11/la-produzione-di-vino-nel-mondo-2022-primastima-oiv.html>

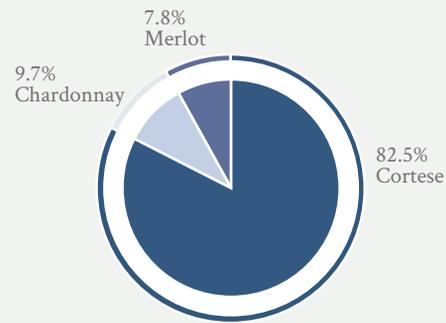
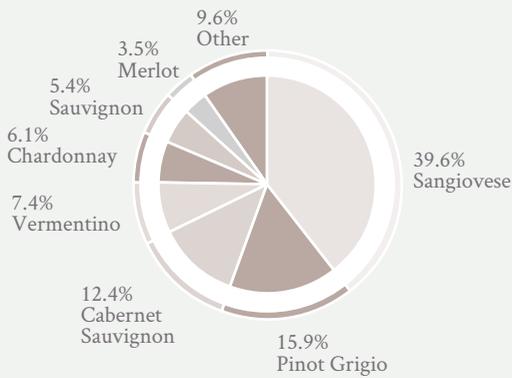


Q of harvested grapes

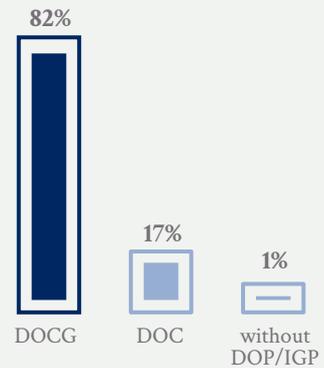
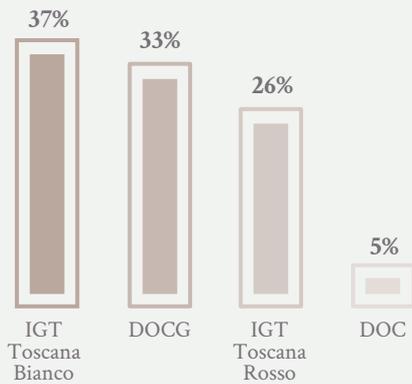
60.7_K

2.7_K

By variety



By appellation



DISTRIBUTION

GRI 2-6

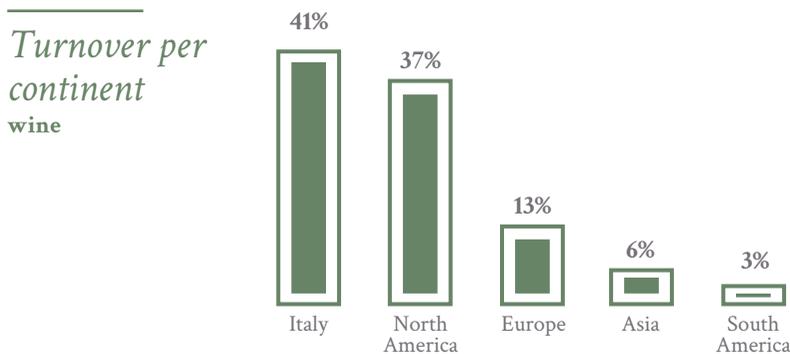
The aspects which characterize the distribution of Banfi products and services also differ in the two business areas:

- **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** (provided at the Castle of Poggio alle Mura) 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.

The particular care taken in selecting commercial partners is emphasized among the aspects of the ethical conduct of Banfi in the management of the distribution of its products and services. The company selects commercial counterparties which share and promote the fundamental principles in the fight against counterfeiting, fraud and corruption, and guarantee the respect for human rights and protect their workers.

Another element pursued in the commercial relations is that partners should promote responsible drinking of alcoholic beverages.

Finally, also with reference to the aspects of distribution Banfi is committed to building long-standing relationships with its partners, again emphasizing the importance of developing a sense of belonging.

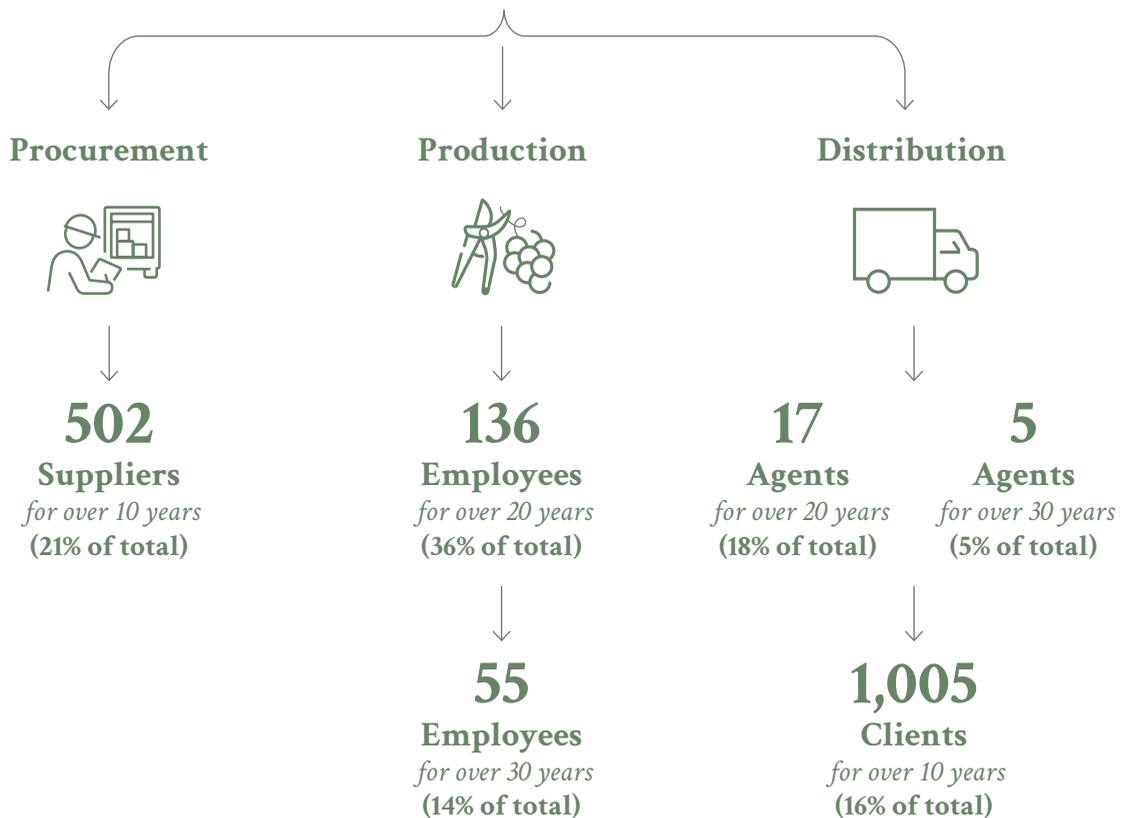


SENSE OF BELONGING

Over the years, Banfi has cultivated and consolidated relations of trust with the categories of suppliers, employees, agents and customers, generating a strong sense of belonging on behalf of these categories.

The figures which are the best evidence of this sentiment are illustrated in this infographic, which shows the number of employees, suppliers, agents and customers who have had continuous relations with Banfi over time.

The information provided for the employee category relates to their recruitment date and considering the actual time of service.





Identity



Stakeholder



Governance



Value



Economics



Territory



People



Environment



Quality



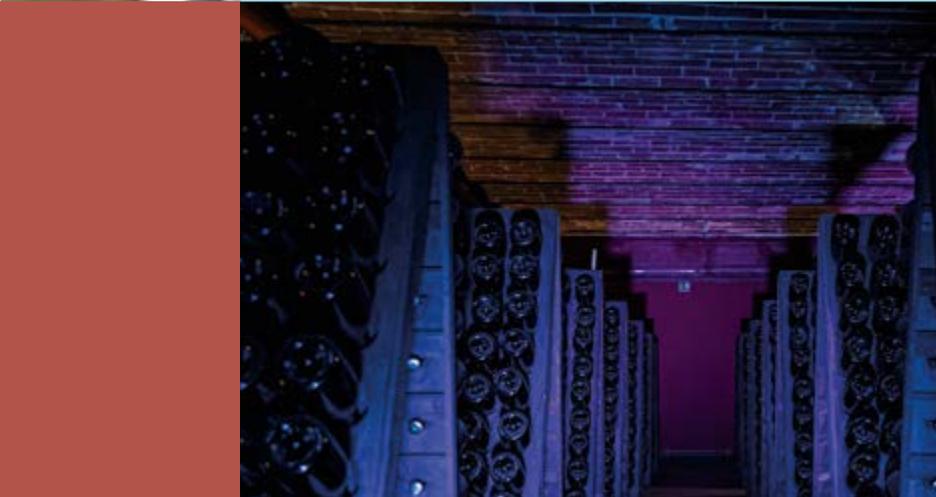
Methodology
note



GRI

*Moments of an event
at Banfi Piedmont*





Creating value *together*



When the 2030 Agenda was adopted on behalf of the UN Assembly, which I was honored to witness, the principle was definitively affirmed that businesses are responsible not only for their own wellbeing, but also for the wellbeing of future generations.

On this path, the skills and experiences matured by Banfi are a reference and an incentive for all realities that are committing to a more sustainable planet, a more inclusive society and a better relationship with the territory.



Angelo Riccaboni
*President of Prima Foundation
and Santa Chiara Lab,
Full Professor of Corporate Economy*

ECONOMIC TREND

After a year of transition, as 2021, after a pandemic scenario which left a profound aftermath, 2022 was a year of consolidation and further company growth.

For Banfi Società Agricola Srl a value of turnover equal to € 38,363,124, with an increase of 17%, vs. the value of the previous year, was recorded. The value of production was € 42,342,484.

Banfi Srl also recorded an increase of the value of turnover at € 50,825,568, with a 14% increase, vs. the value of the previous year. The value of production was € 53,501,790.

This positive context has to consider several aspects, both domestic, but mainly international, which already from the beginning of 2022 led to an increase of the uncertainties, first of all the Russian-Ukrainian conflict which generated an increase of the energy costs and the subsequent growing increase of the general level of the prices of the raw materials. In this scenario, the strategic company perspectives must always be up against macro-economic variables which are extremely instable and uncertain, assessing their impacts on the business not only in a short period, but also in a medium/long period.

Balance Sheet

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in Euro x 1,000

FSLI	31.12.2022	31.12.2021	Delta
Intangible Assets	1,973,680	3,261,768	(1,288,088)
Property, Plant & Equipment	69,715,154	68,563,587	1,151,567
Financial Assets	4,046,368	287,340	3,759,028
Total Fixed Assets	75,735,202	72,112,695	3,622,507
Inventory	40,236,152	39,137,739	1,098,413
Accounts Receivable	1,669,090	485,201	1,183,889
Accounts Receivable from parent company	2,353,785	2,435,967	(82,182)
Accounts Receivable from affiliates	10,363,582	8,010,656	2,352,926
Tax credit	1,981,253	1,536,657	444,596
Deferred tax asset	-	1,176,065	(1,176,065)
Other credits	1,548,673	848,760	699,913
Investments	13,586,454	13,515,521	70,933
Cash&cash equivalents	1,659,657	7,364,047	(5,704,390)
Total Working Capital	73,398,646	74,510,613	(1,111,967)
Prepaid expenses	89,351	79,158	10,193
TOTAL ASSETS	149,223,199	146,702,466	2,520,733
Capital Stock	63,440,000	63,440,000	-
Reserves	34,897,050	30,213,760	4,683,290
Retained Earnings	(991,134)	463,638	(1,454,772)
Net Equity	97,345,916	94,117,398	3,228,518
Provision	1,219,772	1,281,121	(61,349)
Pension fund (TFR)	471,411	454,414	16,997
Financial Debts	39,171,474	41,140,405	(1,968,931)
Down-payments	448,295	1,410	446,885
Accounts Payable	5,805,890	5,245,470	560,420
Accounts Payables due to parent company	1,255,061	1,228,965	26,096
Accounts Payables due to affiliates	1,032,459	1,500,913	(468,454)
Tax liabilities	243,535	203,663	39,872
Accrued Liabilities	633,594	649,706	(16,112)
Other liabilities	947,430	758,236	189,194
Deferred and unearned revenues	648,362	120,765	527,597
Total current liabilities	50,186,100	50,849,533	(663,433)
TOTAL LIABILITIES & NET EQUITY	149,223,199	146,702,466	2,520,733

Profit & Loss

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in Euro x 1,000

FSLI	2022	2021
A) TOTAL REVENUES	42,342,484	38,104,802
1) Net Revenues	38,363,124	32,888,431
2) Change in final inventory of finished goods	300,044	(882,074)
3) WIP	99,974	69,728
4) Increases in internally constructed fixed assets	1,905,765	1,800,791
5) Other revenues	1,673,577	4,227,926
B) TOTAL PRODUCTION COSTS	41,814,014	37,541,049
6) Raw material costs	16,609,403	14,767,841
7) Service costs	11,366,130	9,721,808
8) Lease costs	631,182	449,089
9) Manpower costs	6,787,449	6,429,576
10) Depreciations & amortization	5,726,555	5,577,068
11) Change in final inventory raw materials	(698,394)	(232,601)
13) Other accruals	500,000	200,000
14) Other costs	891,689	628,268
Value Added (A-B)	528,470	563,753
C) FINANCIAL REVENUES & COSTS	(138,220)	228,614
15) Financial income	14,581	14,882
16) Other financial income	302,605	294,727
17) Financial costs	622,894	313,700
17-bis) FX gains or losses	167,488	232,705
Net result before taxes	390,250	792,367
E) 22) Taxes	1,381,384	328,729
a) current tax	198,576	267,629
b) deferred tax	1,184,520	61,100
previous year	(1,712)	-
23) Net Result	(991,134)	463,638

Balance Sheet

BANFI SRL

Values expressed in Euro x 1,000

FSLI	31.12.2022	31.12.2021	Delta
Intangible Assets	492,961	598,527	(105,566)
Property, Plant & Equipment	17,827,158	17,774,651	52,507
Financial Assets	574,629	315,922	258,707
Total Fixed Assets	18,894,748	18,689,100	205,648
Inventory	11,289,370	9,934,143	1,355,227
Accounts Receivable	10,935,051	9,727,120	1,207,931
Accounts Receivable from parent company	881,625	832,506	49,119
Accounts Receivable from affiliates	1,032,459	1,500,913	(468,454)
Tax credit	783,720	541,718	242,002
Deferred tax asset	1,488,029	1,614,063	(126,034)
Other credits	412,179	167,545	244,634
Investments	663,932	866,466	(202,534)
Cash&cash equivalents	2,287,924	4,382,242	(2,094,318)
Total Working Capital	29,774,289	29,566,716	207,573
Prepaid expenses	430,194	454,185	(23,991)
TOTAL ASSETS	49,099,231	48,710,001	389,230
Capital Stock	3,066,511	3,066,511	-
Reserves	17,183,100	17,481,495	(298,395)
Retained Earnings	119,314	(505,303)	624,617
Net Equity	20,368,925	20,042,703	326,222
Provision	1,458,718	1,618,376	(159,658)
Pension fund (TFR)	2,360,539	2,173,069	187,470
Financial Debts	5,358,906	8,752,032	(3,393,126)
Down-payments	1,094,373	523,742	570,631
Accounts Payable	5,554,957	5,113,590	441,367
Accounts Payables due to parent company	592,285	605,655	(13,370)
Accounts Payables due to affiliates	10,363,582	8,010,656	2,352,926
Accounts Payables due to affiliates	338,449	336,148	2,301
Accrued Liabilities	532,564	548,449	(15,885)
Other liabilities	807,592	778,095	29,497
Deferred and unearned revenues	268,341	207,486	60,855
Total current liabilities	24,911,049	24,875,853	35,196
TOTAL LIABILITIES & NET EQUITY	49,099,231	48,710,001	389,230

Profit & Loss

BANFISRL

Values expressed in Euro x 1,000

FSLI	2022	2021
A) TOTAL REVENUES	53,501,790	46,342,867
1) Net Revenues	50,825,568	44,516,916
2) Change in final inventory of finished goods	1,392,505	241,354
3) WIP	7,380	(13,492)
4) Increases in internally constructed fixed assets	79,496	69,087
5) Other revenues	1,196,841	1,529,002
B) TOTAL PRODUCTION COSTS	52,795,444	46,617,689
6) Raw material costs	28,826,713	26,438,934
7) Service costs	12,994,904	10,492,348
8) Lease costs	942,560	900,616
9) Manpower costs	7,805,608	6,974,995
10) Depreciations & amortization	1,268,328	1,556,065
11) Change in final inventory raw materials	44,658	(422,268)
13) Other accruals	(10,000)	210,000
14) Other costs	922,673	466,999
Value Added	706,346	(274,822)
C) FINANCIAL REVENUES & COSTS	(361,078)	(190,560)
15) Financial income	7,588	5,404
16) Other financial income	10,947	4,073
17) Financial costs	443,262	431,437
17-bis) FX gains or losses	63,649	231,400
Net result before taxes	345,268	(465,382)
E) 22) Taxes	225,954	39,921
a) current tax	107,538	57,159
b) deferred tax	120,049	(17,238)
previous year	(1,633)	-
23) Net Result	119,314	(505,303)

Financing from the Public Administration

GRI 201-4

Again in 2022, 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.

The chart shows the main financing received from the Public Administration, detailed in the various forms and modalities.

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in Euro x 1,000	2020	2021	2022
Funding	665	930	1,193
Deductions	-	-	-
Tax defiscalization for contributions	1,254	1,249	1,280
Total	1,919	2,179	2,473

BANFI SRL

Values expressed in Euro x 1,000	2020	2021	2022
Funding	166	219	372
Deductions	-	-	-
Tax defiscalization for contributions	40	145	191
Total	206	364	563

Vineyard panorama



GENERATED AND DISTRIBUTED ECONOMIC VALUE

GRI 201-1

The table shows value creation, with data shown per company without considering transactions with associated companies. The course leading to the value creation is narrated in the chapter “Value chain”, in which the factors are represented which overall lead to the represented economic value appreciation.

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in Euro x 1,000	2020	2021	2022
Generated economic value	27,650	36,780	39,723
Operating costs	- 19,602	- 25,195	- 28,908
Remuneration of personnel	- 6,565	- 6,430	- 6,787
Remuneration of capital providers	- 536	- 431	- 1,105
Remuneration of public administration	289	355	791
Investments in the community	- 57	- 67	- 65
Distributed economic value	- 26,471	- 31,768	- 36,075
Retained economic value	1,179	5,012	3,649

BANFI SRL

Values expressed in Euro x 1,000	2020	2021	2022
Generated economic value	34,050	46,117	51,933
Operating costs	- 28,671	- 38,526	- 43,382
Remuneration of personnel	- 5,954	- 6,988	- 7,822
Remuneration of capital providers	- 521	- 495	- 665
Remuneration of public administration	- 37	- 26	49
Investments in the community	- 38	- 38	- 84
Distributed economic value	- 35,222	- 46,072	- 51,904
Retained economic value	-1,173	44	28

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.

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, 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.

Details of Rosa Regale





together with the territory

The actions of Banfi in terms of sustainability exceed its corporate culture. It is a culture of the territory: so that after asserting it, its success can become sustainable.

Gabriele Gorelli
Master of Wine





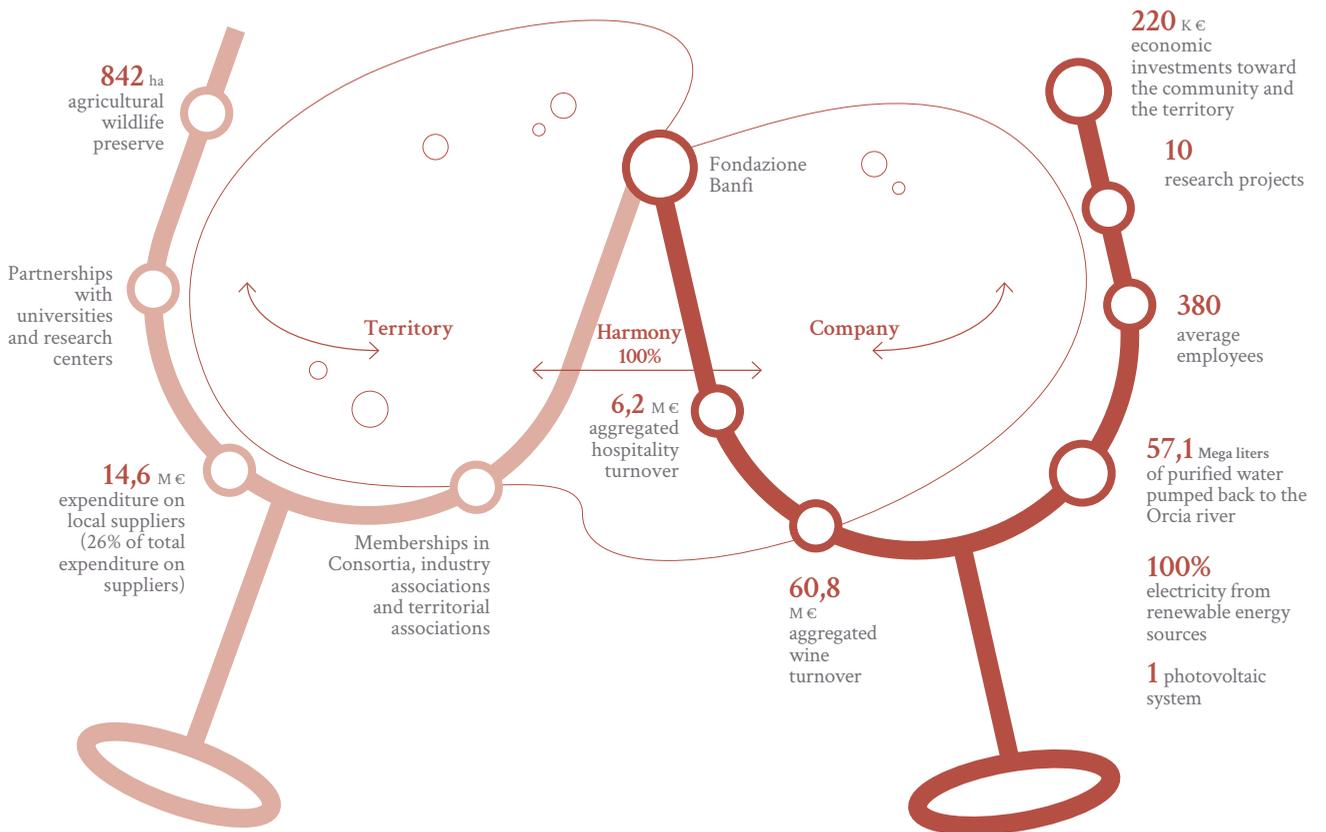
Glass and Bottle Museum: work of art: "From Rome" S. De Rossi

CIRCUIT OF RESPECT

The territory in which Banfi operates is a unique and extraordinary set, made up not only of natural resources, but also of history, individuals, cultural endeavor and aggregation.

In this territory, Banfi has always acted with respect and care, affirming its value in harmony with all elements it is made of.

The care of the bond with the local community, the promotion of the territory, the participation in the associations, the love for research and experimentation and the central role of Fondazione Banfi are the main features which describe the over 40-year relationship between Banfi and the territory and which define the encounter between these two realities in the most authentic way.



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 hectares¹, 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.



A unique set of biodiversity, **but also an asset for the agri-food industry. As Banfi is aware of such wealth, it has always adopted a production system which is dedicated to the protection of the surrounding environment, by preserving the wealth of the territory in its entirety: its culture, its history and its evolutions.**

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. The Alliance represents an informal network of entities, united by the sensitivity toward environmental topics, that intend to pursue common goals. It was founded in 2017 by the following entities: Fondazione MPS, Province of Siena, University of Siena, Municipality of Siena and Region of Tuscany. Among the goals the Alliance has set the following are mentioned:

- maintaining the status of carbon neutrality of the territory of Siena
- facilitating the adoption of the model of the Alliance in other areas of the region of Tuscany
- ensuring the awareness, participation and sharing of this project yet, more in general, contributing to the sustainable development by a concrete commitment to the topic of carbon neutrality.

 www.unisi.it/sienacarbonneutrality

¹ <https://ugeo.urbistat.com/AdminStat/en/it/demografia/dati-sintesi/montalcino/52037/4>

² www.consorzioBrunelloMontalcino.it/files/mappa-produttori.pdf

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 2022, Banfi continued to provide support to various initiatives:

- 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;
- with regard to music, certainly the most important event was the XXV 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;
- 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.

Brunello Crossing

February 13, 2022

Endurance

May 21 and 22, 2022

Rally del Brunello

December 9, 10 and 11, 2022

Eroica

May 29, 2022



Moments of the Eroica race







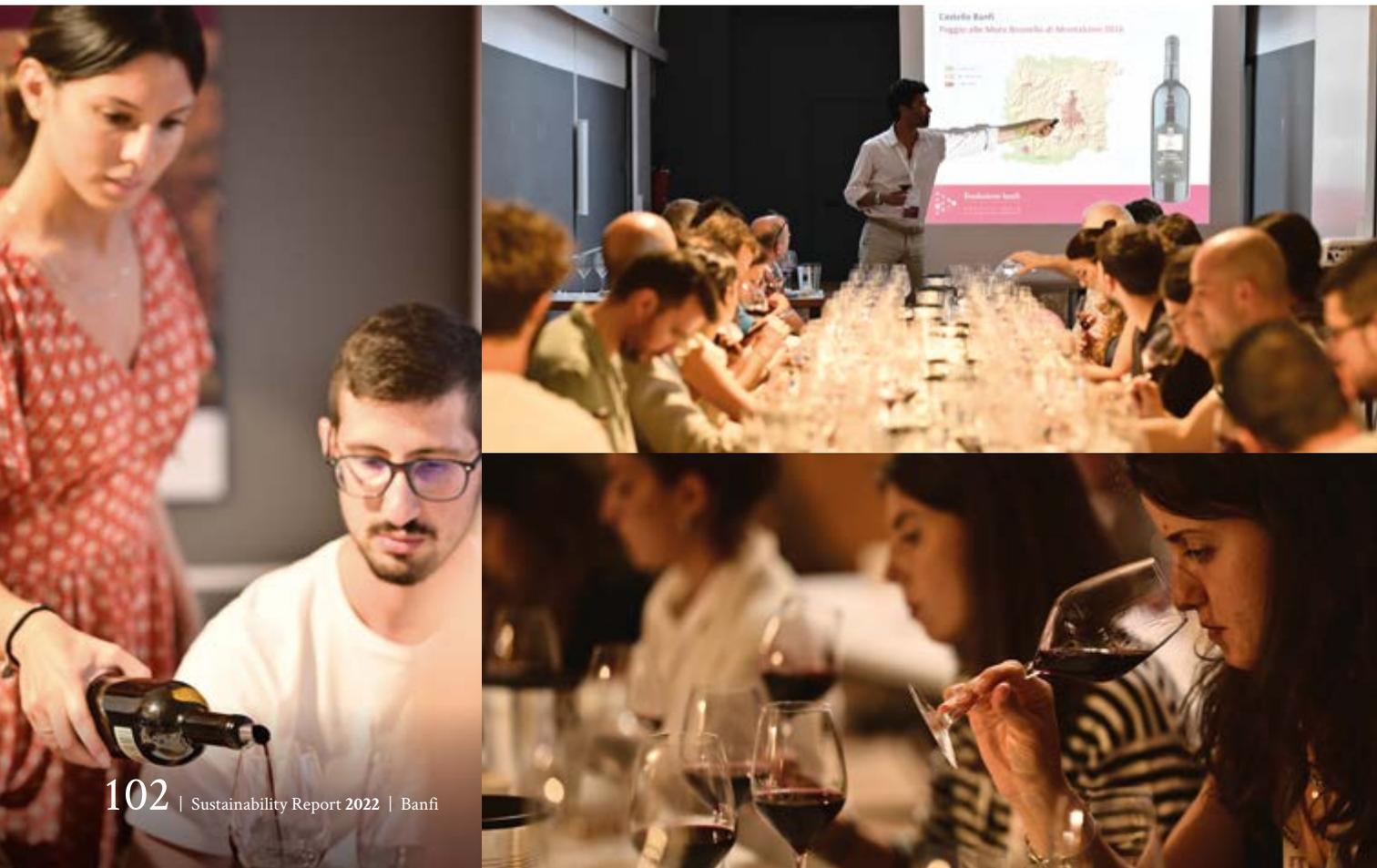
FONDAZIONE BANFI

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. To increase and promote the culture of Sangiovese in Italy and worldwide, 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.

Fondazione Banfi - meetings



Education

Education represents the fundamental starting point for the advancement of future professionals of Sangiovese. An education which is interdisciplinary in its contents and innovative in its teaching modalities with a strong connection to the business world and a positive return on research and cultural development. With this spirit, two fundamental education programs are organized in campus mode in Montalcino, the **Summer School Sanguis Jovis**, scheduled annually during the summer, and the **Winter School Sanguis Jovis**, organized biannually during the winter. Each edition is built around the study of a specific subject of enology and viticulture, marketing and communication. The lectures are carried out in the presence of a rich and diversified faculty, with representatives of academia and civil society with diverse experience and skills who contribute to the advancement of a study program of excellence. The fifth edition of the Summer School, titled “The offsprings of Sangiovese in the world. Stories, wines, territories and markets” took place in Montalcino from July 11 to 15.

Each edition is built around the study of a specific subject of enology and viticulture, marketing and communication.

Fondazione Banfi - meetings



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. The projects, so-called *grants*, are designed directly by the Foundation and developed with the support of Italian and international scientists. So far, six grants have been concluded, while others are still in progress. **All projects share merit, solidity and relevance**, the three keywords on which the scientific research activity promoted by the Foundation are based.

Communication

Communication represents a fundamental element with which the gained knowledge is shared with the reference community. In this context, the Foundation operates with an approach which joins the traditional channels of scientific communication consolidated by the tools of general public outreach. To this extent, **“I Quaderni” Sanguis Jovis** were created, a series of journals which, so far, gathers three important publications, addressing the different contexts of the research, education and cultural communication projects, sponsored by Fondazione Banfi. Furthermore, the education and scientific research projects are presented in ad hoc events and meetings.

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.

On the website of the Foundation, in addition to “I Quaderni” Sanguis Jovis, the **teaching materials from the past Summer and Winter Schools are available.**

The Rudy Buratti award

The award, promoted together with the Center for Agriculture Food and Environment of San Michele all'Adige, is assigned to a student of the three-year degree program in Viticulture and Enology who has prepared an experimental thesis on subjects in viticulture and enology. The 2022 Rudy Buratti award was assigned to the paper titled: *“Characterization and evaluation of the response of vine rootstock submitted to reduced water resources, elevated active limestone and their interaction”*, judged the most deserving for the practical repercussions on viticulture in Italy.

The Alberto Lazzarino award

The award, promoted together with the Department of Agriculture, Forest and Food Sciences of the University of Turin and in cooperation with the Enologist Association Piedmont, was established in March of last year and is assigned to the best experimental thesis in Viticultural and Enological Sciences. The 2022 Alberto Lazzarino award was assigned to the paper titled: *“Impact of the use of oenological processing aids and additives on the genetic traceability of ‘Nebbiolo’ wines”*, unanimously judged the most deserving for the importance and innovation of the scientific content, together with a good applicative prospective.

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.

Financed with a grant from the Foundation in 2020, in 2021 the cataloguing of the Etruscan collection of the Museum, consisting of over 200 ceramic and bronze artifacts stored in the archives of the Castle, was concluded. **The restoration project of the whale fossil, named “Brunella”**, dating back to the Pliocene, represents a fundamental moment of intersection between restoration activity, research, education and public outreach.

The fossil was discovered in 2007 and in 5 months of excavation was brought to light in its entirety and **now is stored in a dedicated facility at the castle of Poggio alle Mura**.

In 2016, the restoration, study, and promotion of the specimen were launched, organizing a field school which was active between 2016 to 2018, a rare opportunity in Italy to learn restoration techniques of fossil vertebrates. In 2021, a workshop was held for the closure of the lab, with the presence of the Superintendent for Archeology, Fine Arts and Landscape and the team of researchers involved in the project.

Jazz & Wine in Montalcino was created in 1998 and today, with increasing consensus, proclaiming its extraordinary success over the years, represents the longest lasting cultural project promoted by the Foundation. **It is not only a festival, but the synergic and original union of two of the most intimate and intense passions on earth: quality wine and quality music**. A project created in partnership with the Rubei family, who founded Alexanderplatz, Rome’s historical Jazz Club, and the Town of Montalcino, that granted space to this initiative from the beginning, investing time, resources and ideas. Jazz&Wine in Montalcino, an absolute first, which opened the doors to the diffusion of this event in Italy and in the world, making Banfi proud to be its initiator.

EXPERIMENTAL VINEYARDS PROJECT

The project

In 2017, Banfi started a multi-year research project with the CREA³ Viticulture Research Unit and the Edmund Mach Foundation in San Michele all'Adige, with the purpose of experimenting newly introduced varieties.

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.

For the execution of the project, two experimental vineyards were planted, in distinct pedoclimatic areas (hill and valley), in order to compare results achieved in varying climate conditions. The vineyards were planted with 25 different varieties, 17 red varieties, 7 white and 1 gray. The vineyards extend over 1.75 hectares in the hill location (where 24 out of total 25 varieties are cultivated) and 1.50 hectares in the valley (where 18 out of total 25 varieties are cultivated). The vineyards are managed with innovative agronomic techniques that foresee a significant reduction in the use of pesticides. **Weather stations have been installed in each vineyard with forecasting programs which detect and report the critical moments for the development of plant diseases**, such as downy mildew and powdery mildew.

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 conclusion of the experimentation, planned for this year, was delayed to 2023, due to last year's frost which limited the experimental activities of 2021.



Is the main research Organization in Italy dedicated to the agri-food industry with a public law legal entity, monitored by the Ministry of Agriculture, Food and Forest Policies.

Its scientific competences range from agriculture, zootechnics, fishery, forest, agro-industry, nutrition to social-economic matters.



The Foundation continues the purposes and activity of the Agricultural Institute of San Michele all'Adige and the Alpine Ecology Center and carries out scientific research, **education and training, experimentation, consultancy and services for businesses in the agricultural, agri-food and environmental sectors.**

³ Council for agricultural research and analysis of agrarian economy.

The 2022 season was particularly warm and dry. In the spring there were no relevant precipitations, and the draught period was extended for most of the summer.

The temperatures had very different trends in the two experimental fields. As observed in the previous vintages, the Cardeta vineyard resulted in being warmer during the day and cooler during the night.

Among the red grape varieties, Morellone and ECO 1 resulted in being the most productive, with a load of grapes very similar to Sangiovese (approximately 3 kg/vine). Alexandrouli, with less than 1 kg per vine, was the least productive

Conducted activities

From 2022, the plant disease management of the Marchigiana vineyard has followed an organic defense protocol, without the use of synthetic products and with treatments based on sulfur and copper. The defense in the Cardeta vineyard was conducted with conventional methods.

The seasonal trend was particularly unfavorable to the insurgence of the main adversities (downy mildew and powdery mildew) and the number of treatments was very low (7 in Cardeta and 5 in Marchigiana) and limited to the period May-June. The resistant varieties underwent only 3 scheduled treatments to avoid phenomena of pathogen adaptation.

As for the previous vintages, from the month of **August** on, the activity focused on monitoring and analyzing the main parameters of the quality of the grapes. After the first half of August, in both vineyards and for all available varieties, samples were taken on a weekly basis for the purpose of monitoring the ripening trend. In particular, the grapes' sugar content, total acidity, pH and concentration of the main organic acids were determined. With the samples from August 23 onward, for the red grape varieties, the indices of phenolic maturity were evaluated.

On the date determined for the **harvest**, for each variety the following parameters were measured: average production per vine, average weight of the grape bunches and average weight of the berries. Extracts obtained from the harvested grapes, both white and red, were prepared in the laboratory and analyzed by HPLC to determine the anthocyanin profiles (for red grape varieties) and the main phenolic compounds. As for the previous year, at the time of harvest, it was decided to leave behind non harvested vines. This allowed to continue monitoring the parameters of technologic and phenolic maturity for an additional three weeks after the harvest date, to further characterize the performance of the varieties.

All grapes from the Marchigiana vineyard were vinified in the experimental area of the estate winery. For the varieties, Morellone and ECO 1, considering the good results of the previous vintages, the grapes from the Cardeta vineyard were also vinified, to evaluate the influence of the two different environments on the quality of the wines.

The wines and grape musts were periodically analyzed to verify both the correct development of the fermentation processes, as well as the possible insurgence of issues related to their preservation. The basic parameters highlighted a correct management of the fermentation processes: all wines had negligible residual sugars and very low volatile acidities.

All red wines showed very good color intensity with a lively color typical of young wines, with the exception of Merlot Khorus which presented orange reflections, as well as the wines from Alexandrouli.

In May 2022, in the company facilities a tasting was organized of the wines produced in the 2021 vintage. The tasting was conducted with the same modalities of the previous vintages, presenting the wines anonymously to a panel of 14 judges. In detail, an evaluation was requested on a numerical scale from 1 to 10 of 16 descriptors, 6 olfactory and 10 taste related, and an overall appreciation of the wine.

The vinification processes were conducted in 5-hectoliter stainless steel tanks, with temperature control and according to standardized protocols in line with the procedures used in the previous season.

Tasting



RESEARCH PROJECT ON THE COMPARISON BETWEEN TRELLISING SYSTEMS

In the context of the multi-year research project “**Analysis of aromas in grapes and wines in relation to the canopy management methods and drying of grapes**”, developed with the Department of Agriculture, Food and Agri-Environment Sciences, Viticultural and Enological Research Laboratory of the University of Pisa, in 2020, a study was initiated to compare the quality features of Sangiovese grapes trellised with 2 different methods: spurred cordon and Alberello Banfi.

Alberello Banfi consists in 2 oblique branches, staked at approximately 60 cm, each with a single spur with 2 buds, and therefore, with a total of 4 buds per vine. This trellising method is adopted on approximately 200 ha of the 500 ha cultivated with Sangiovese.

The experimentation that was conducted led to the collection of the main growth and production parameters, the determination of the maturation curves and the analysis of the main quality parameters of the grapes at harvest. This activity was possible also thanks to the ample estate-owned vineyard area and the different soil types, more or less fertile, which are featured.

In the upcoming years, it will be necessary to continue the comparisons between these 2 trellising methods, in order to confirm the preliminary results which have been obtained in the 2-year experimentation.

Performed activities

The activities performed this year led to the collection and evaluation of several parameters, for the purpose of continuing the evaluations on the different impact of the training method on Sangiovese vines. The comparative tests between the Alberello Banfi and spurred cordon training methods were performed in parallel on two different vineyards: Marrucheto and Amorosa.

In order to evaluate the physiological activity of the plants, during the month of July several parameters of leaf efficiency were measured, using an infrared analyzer. The results that were obtained highlighted a higher rate of photosynthesis in the leaves of plants trained with Alberello Banfi. Furthermore, considering the greater photosynthesizing surface that was measured, it is possible to postulate with Alberello Banfi a higher rate of carbon organization made available for the fruit, compared to buds of vines trained with spurred cordon.

From veraison on, berry samples were carried out which were used for the determination of parameters relating to the **technological maturity** of the grapes. The leaf area that was measured at the beginning of veraison allowed to evaluate the canopy established by the plants in the two training methods, at the end of the active growth phase of the buds. The buds of the vines in the Amorosa vineyard showed higher values for both training methods, whereas, in the same vineyard, the buds of the vines trained with Alberello Banfi had a greater leaf surface, compared to the vines trained with spurred cordon. Similar results were observed also in the Marrucheto vineyard where the difference between the two training methods was more distinct, probably accentuated by the more severe soil and climate conditions compared to the Amorosa vineyards. Therefore, overall, the buds of the vines trained with Alberello Banfi showed a greater vegetative expression which, considering both vineyards, was around +13%.

Given the lower number of buds, Alberello Banfi shows lower quantities of grapes per vine, vs. the spurred cordon. In both vineyards, the **rate of maturation** of the grapes on the Alberello was higher compared to the spurred cordon. A particularly evident situation in the Marrucheto vineyard where the accumulation of sugar and the reduction of acidity was very rapid. At harvest, however, there were no significant differences measured between the two training methods in both vineyards. From a climate point of view, the significant rainfall in August visibly influenced the maturation of the grapes, yet with particular effects in the two vineyards: in the Marrucheto vineyard only a slight and in part physiological delay in the maturation from the end of August showed, in the Amorosa vineyard, after the rainfall, the rate of accumulation of sugar increased in the grapes with spurred cordon and reduced in the grapes with Alberello Banfi. This difference can be interpreted as a recovery of a higher leaf efficiency on the spurred cordon subsequent to rainfall, and an elevated (perhaps excessive) use of water in the already efficient leaves of the Alberello.

The results of the characterization of the aromatic profiles of the wines produced from the vineyards subject to analysis are currently in definition.

PROJECT FOR THE CALCULATION OF THE STANDARD VALUE OF CO₂ ABSORPTION PER HECTARE OF PLUM TREES

This year, 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;
- to determine a standard value of absorption of CO₂ per hectare of plum trees.

Calculation of the impact of the production cycle

In order to determine the quantity of CO₂ captured by the trees, in 2022, 20 sensors were installed (so-called Tree Talkers⁴) in two estate sites, capable of detecting the necessary information and transmitting it, through IoT technology, to a server capable of elaborating it in real time. The Tree Talkers were installed on trees with different planting years (2012 and 2017), in order to evaluate the possible differences in capturing carbon.

On the other hand, regarding the emission of CO₂, deriving from the production and drying stages of the plum, the requested data, necessary for the calculation, were provided to the Cooperativa MonteRè.

An initial analysis of the data detected by the Tree Talkers shows how the more recent plantings, in all production areas, underline a considerably higher value of captured carbon compared to the older plantings.

⁴ These are low consumption miniaturized sensors which are applied to the trees, usually at a height of 130 centimeters, 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. In fact, these sensors measure for example: growth of the biomass, quantity of consumed water, absorbed carbon dioxide, stability of the tree, etc.

Definition of the standard of absorption

The definition of a standard value of carbon absorption on behalf of the plum tree will be carried out by the Euro-Mediterranean Center on Climate Change (CMCC), from the collected and elaborated data thanks to the use of the Tree Talkers installed on the trees. This calculation will have to be approved by an external certification body. The obtained value, together with the quota of CO₂ captured in the ground by the green cover between the rows⁵, will determine the absorption of carbon per hectare of cultivation⁶. There are multiple implications of this activity: in the wider European course to reduce CO₂ emissions and reach carbon neutrality by 2050, this project will be able to facilitate the compensation mechanisms based on the exchange of carbon credits⁷, allowing the producers of plums to valorize credits to the companies that are not able to reduce their own emissions.

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



Fruit orchards

5 It is estimated that 72% of the organic material contained in the ground is CO₂.

6 This measurement has proven to be easy and reliable, as it is referred to a homogenous setting of trees. A different situation would be in the case of woods or a forest where, on the contrary, an extreme variability of plant species is found.

7 The carbon credit represents the reduction or removal of a tone of equivalent CO₂ from the atmosphere. It is a financial tool used in corporate strategies to mitigate climate change, to compensate residual emissions of greenhouse gas.

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

This year, Banfi has undertaken a cooperation with the University of Siena in the context of the National Agritech Center, financed by the National Recovery and Resilience Plan.

The cooperation was launched, in particular, with the Center's Spoke 9, pertinent to "Measurement, certification and enhancement of quality, origin, typicity, safety and sustainability of products, processes of the industry chain and agrifood companies", of which prof. Angelo Riccaboni is the Principal Investigator and dr. Cristiana Tozzi is Project Manager.

Winery - the new aging area



One of the topics addressed by Spoke is represented by the methodologies aimed at assuring the certainty on the geographic origin of an agricultural product or of one of its transformed products, fundamental to determining its quality and food safety, and to enhancing 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 one of the production industries which most characterizes the territory of Siena: the wine industry, in the context of a Team coordinated scientifically by prof. Claudio Rossi and composed by the professors Pogni and Tamasi and the research teams of the Department of Biotechnologies, Chemistry and Pharmacy.

The scientific approach intended to be adopted is based on the integration of the experimental results obtained from the use of multiple measurement techniques, exceeding the limits currently found in literature and practice, where usually an approach based on a single technique is followed. This integration will allow to significantly increase the degree of reliability of the obtained result, minimizing the margin of error on the territorial positioning of the products.

Our involvement includes the supply of several samples of material. Therefore, in the vineyard, sampling of grapes, leaves and soil was carried out, selecting four different vineyards located in territorial areas with distinct soil and climate characteristics: Marrucheto, Tavernelle, Marchigiana, Caciaio.

For each plot three samplings in three distinct areas were carried out, adopting a specific survey protocol.

In the winery, sampling of grape must and wine in two different moments was carried out: at racking from the fermentation tank and after malolactic fermentation. All withdrawn samples were transferred to the laboratory of the University of Siena to carry out specific surveys.

PARTICIPATION IN TRADE ASSOCIATIONS

GRI 2-28



UNIONE ITALIANA VINI

UNIONE ITALIANA VINI

Associates



FEDERVINI

FEDERVINI

Associates and presences in the Sustainability Committee and in the BOD



CONSORZIO DEL VINO BRUNELLO DI MONTALCINO

CONSORZIO DEL VINO BRUNELLO DI MONTALCINO

Associates and presences in the Board of Directors



ALTA LANGA
ALTE BOLLICINE PIEMONESI

CONSORZIO ALTA LANGA DOCG

Associates and presences in the Board of Directors



CONSORZIO TUTELA DEL GAVI

CONSORZIO TUTELA DEL GAVI

Associates



BdA Brachetto d'Acqui

CONSORZIO TUTELA BRACHETTO D'ACQUI DOCG

Associates and presences in the Board of Directors



Confagricoltura

CONFAGRICOLTURA

Associates



CONFINDUSTRIA TOSCANA SUD

CONFINDUSTRIA TOSCANA SUD

Associates



REGIONE TOSCANA

DISTRETTO RURALE TOSCANA SUD

Associates



**CONSORZIO VINO
CHIANTI CLASSICO**

**CONSORZIO VINO
CHIANTI CLASSICO**

Associates



Chianti.
 CONSORZIO VINO CHIANTI

**CONSORZIO
VINO CHIANTI**

Associates



**CONSORZIO VINO
TOSCANA**

**CONSORZIO
VINO TOSCANA**

*Associates and presences in
the Board of Directors*



**CONSORZIO
BARBERA D'ASTI
E VINI DEL MONFERRATO**

**CONSORZIO BARBERA
D'ASTI E VINI DEL
MONFERRATO**

Associates



**DOCG ASTI DOCG
MOSCATO D'ASTI**

**CONSORZIO
PER LA TUTELA
DELL'ASTI DOCG**

Associates



CONFINDUSTRIA
 IMPRESE PER L'ITALIA

CONFCOMMERCIO

Associates



**DISTRETTO
RURALE
MONTALCINO**

**DISTRETTO
RURALE
MONTALCINO**

Presences



**FONDAZIONE
TERRITORIALE
BRUNELLO
DI MONTALCINO**

**FONDAZIONE
TERRITORIALE BRUNELLO
DI MONTALCINO**

Presences



**ALLEANZA TERRITORIALE
CARBON NEUTRALITY
Siena**

**ALLEANZA
TERRITORIALE CARBON
NEUTRALITY SIENA**

Associates



together with our people

In what I have defined more than once the Montalcino system, quality is set at the center of a path that joins worldwide unique productions, culture and tradition.

Banfi is an active part of this system, a company that has contributed to the development of our territory from the beginning, creating job opportunities for many in the local population and championing the prestige of Brunello di Montalcino around the world.

The commitment to sustainability which characterizes Banfi is shown in the attention to the people, the community, the environment and quality. It is the attention to today's challenges, which will determine the future.

Silvio Franceschelli
Mayor of Montalcino

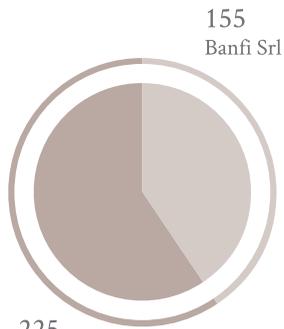


OUR RESOURCES

GRI 2-7 GRI 2-8 GRI 2-30

380 employees

(+2,7% increase, vs. 2021)



225
Banfi Società Agricola Srl

34%
female
employees

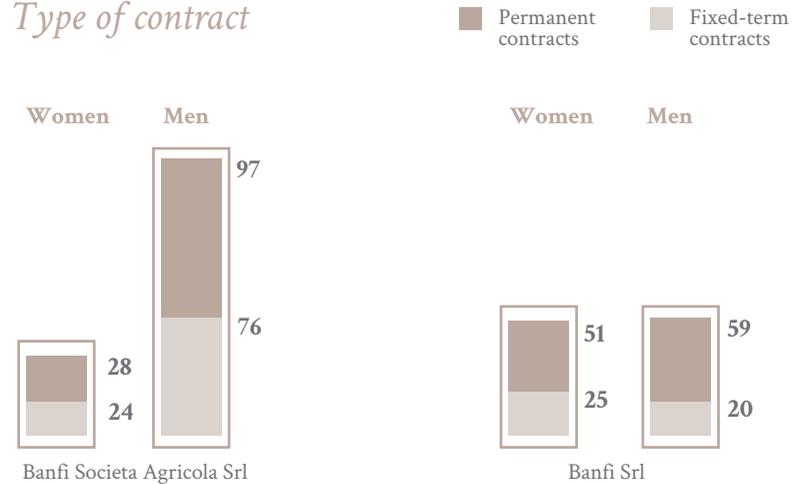


66%
male
employees



Banfi is a reality consisting of a very variegated workforce which operates every day to guarantee a production of excellence. **Knowledge, culture and personal experiences represent the unique contribution each individual is able to express in the work environment.** Banfi recognizes this value, which, together with the bond with the territory, represents a unique and distinctive element.

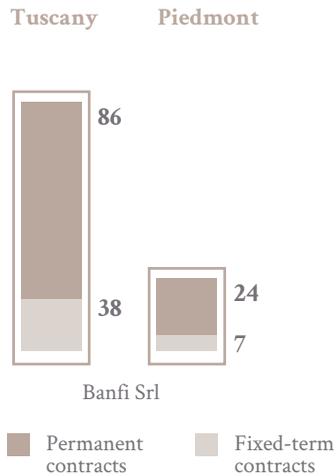
Type of contract



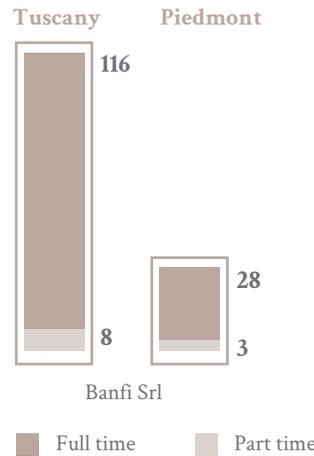
Type of employment



Type of contract and region



Type of employment and region



46% of the workforce is seasonal



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. In Banfi Srl, the recruitment of personnel is concentrated at the beginning of the seasonality periods. 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. In order to represent this reality correctly in the analyses and the indicators in the chapter, the data which is used refers to the average workforce.

For further details of the workforce composition in the three-year period 2019-2021 and for the data relating to the workforce at the end of the year, refer to the Content Index at the end of this document.

All employees are covered by national or provincial labor contracts, whereas there are no company agreements. 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 - Confcommercio** (at the Montalcino site);
- **Hotels Tourism** (at the Montalcino site);
- **Retail and Catering Industry** (at the Montalcino site);
- **Food Industry** (at the Strevi site).

Winery tour





Identity



Stakeholder



Governance



Value



Economics



Territory



People



Environment



Quality



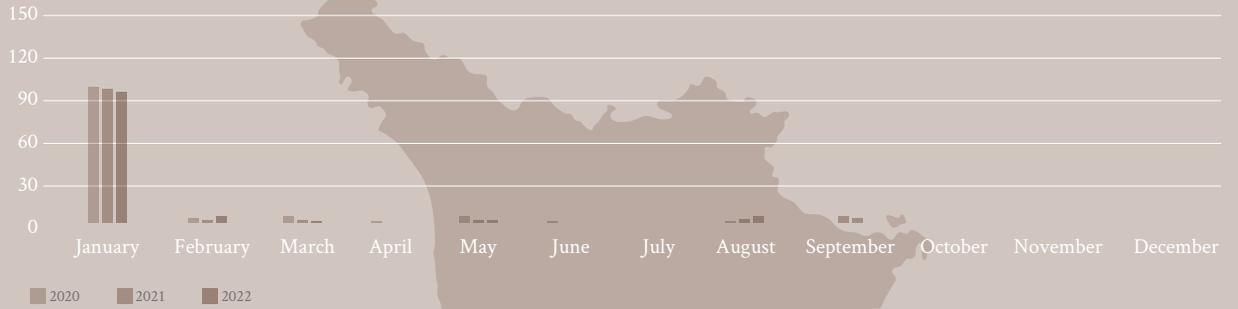
Methodology note



GRI

Seasonal trend

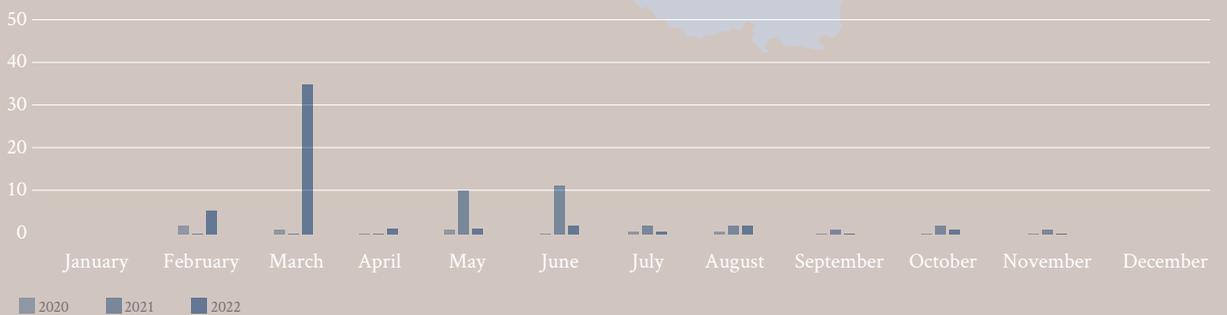
Banfi Società Agricola Srl - wine sector



Banfi Srl - wine sector



Banfi Srl - hospitality sector



WORK FORCE TREND

GRI 401-1 GRI 401-3

In 2022, an increase of 2.7% of the average employees vs. the previous year was recorded, with a different dynamic in the two companies. For Banfi Società Agricola Srl, despite a positive differential between new hires and terminations (9 new hires vs. 4 terminations), the final value of the average force is lower by 4 units vs. the previous year. For Banfi Srl, the growth trend recorded in 2021 continues with an increase of the value of the average force of 14 units, returning almost entirely to the pre-pandemic level. The new hires are referred almost entirely to the hospitality department (30 of 34) and the prevalent age range is, in 67% of the cases, lower than 30 years of age. However, considering the total of new hires, the average age of the new hires is just slightly over 30 years of age.

New hires

The average age of new hires is slightly over

30 years

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in numbers and %	Women	%	Men	%
Tuscany				
Age < 30 years			5	2.2%
Age 30-50 years			3	1.3%
Age > 50 years			1	0.4%
Total			9	

BANFI SRL

Values expressed in numbers and %	Women	%	Men	%
Tuscany				
Age < 30 years	7	4.5%	14	9.0%
Age 30-50 years	6	3.9%	5	3.2%
Age > 50 years			1	0.6%
Piedmont				
Age < 30 years			1	0.6%
Age 30-50 years				
Age > 50 years				
Total	13		21	

For Banfi Società Agricola Srl, the terminations are, with a vast majority, due to voluntary resignations (75% of cases), confirming the increasingly growing propension of the workers toward the search for more stable and less strenuous employment. A tendency already observed in the previous year which makes not only the search, but also the fidelity of the staff in the agricultural department increasingly more difficult. This situation is evident with even higher emphasis with reference to female workers.

On the other hand, regarding Banfi Srl, more than half of the terminations (12 units of 19, equal to 63.1% of the cases) occurred in the hospitality department and, for the total data, almost all were due to voluntary resignations (16 units of 19, equal to 84.2%).

Resignations

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in numbers and %	Women	Turnover	Men	Turnover
Tuscany				
Age < 30 years			1	0.4%
Age 30-50 years			2	0.9%
Age > 50 years			1	0.4%
Total			4	

BANFI SRL

Values expressed in numbers and %	Women	Turnover	Men	Turnover
Tuscany				
Age < 30 years	1	0.6%	2	1.3%
Age 30-50 years	6	3.9%	4	2.6%
Age > 50 years	1	0.6%	2	1.3%
Piedmont				
Age < 30 years			1	0.6%
Age 30-50 years	1	0.6%	1	0.6%
Age > 50 years				
Total	9		10	

Turnover
1.8%

Banfi Società Agricola Srl

12.3%
Banfi Srl

For further details regarding the data related to new hires and terminations in the three-year period 2020-2022, refer to the Content Index at the end of the document.

In 2022, one of the 12 individuals who used parental leave did not return to work at the end of their leave.

Parental leave

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in numbers	2020	2021	2022
Women	2	2	1
Men	4	3	7
Total	6	5	8

BANFI SRL

Values expressed in numbers	2020	2021	2022
Women	3	2	3
Men	3	0	1
Total	6	2	4

HUMAN RESOURCES ENHANCEMENT

GRI 202-1 GRI 405-2

The commitment of Banfi in acknowledging and enhancing its human resources is translated in an attention toward all employees, without distinction among staff already in the company and new hires. Among the most important actions, the average increase, vs. the National Labor Contract (CCNL), this year equal to 21.1%, recognized by the company to its employees, and in the majority of cases, a higher first entry level for new hires, must be emphasized. This policy clearly appears when reading the data in the following charts.

% increase vs. CCNL

Values expressed in %	2020	2021	2022
Banfi Società Agricola Srl	8.9	9.9	10.7
Banfi Srl	37.3	36.5	37.5
Average increase	18.7	19.8	21.1

Salary analysis

Values expressed in %

Qualification	Contract	Company level	CCNL minimum level	% increase	
Worker	Agricultural workers	1° LEVEL SUPER SPEC. PERM LAB	6° LEVEL ORD PERM LAB	30.3	
	Agricultural workers	5° LEVEL QUALIFIED FIXED TERM LAB	6° LEVEL ORD PERM LAB	11.0	
	Agricultural workers	6° LEVEL COMMON FIXED TERM LAB	6° LEVEL ORD PERM LAB	0.0	
	Agricultural workers	2° AREA LEVEL D QUALIFIED FIXED TERM LAB	3° AREA LEVEL F MIN. LEVEL FIXED TERM LAB	9.9	
	Service Industry Confcommercio	5° level	7° level	12.6	
	Service Industry Confcommercio	6° level	7° level	6.7	
	Hospitality Industry	4° level	7° level	20.8	
	Hospitality Industry	4° level	7° level	40.7	
	Hospitality Industry	5° level	7° level	17.0	
	Hospitality Industry	6° Super level	7° level	8.6	
	Hospitality Industry	6° level	7° level	7.0	
	Office employees	Service Industry Confcommercio	2° level	4° level	28.5
		Service Industry Confcommercio	3° level	4° level	6.0
Hospitality Industry		3° level	4° level	6.2	
Hospitality Industry		3° level	4° level	23.5	
Service Industry Confcommercio		4° level	4° level	0.0	
Service Industry Confcommercio		Manager	4° level	186.8	
Service Industry Confcommercio		3° level	4° level	14.7	

For a more detailed comparison regarding the salary dynamics, a ratio between the average base salary and the average compensation¹ 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.

Ratio between salary female-male

BANFI SOCIETÀ AGRICOLA SRL - AGRICULTURE CONTRACT

Value expressed in %	Base salary	Compensation
Executive	-	-
Manager	-	-
Office employee	0.9	0.9
Worker	0.9	0.9

¹ 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 SRL - AGRICULTURE CONTRACT

Value expressed in %	Base salary	Compensation
Executive	-	-
Manager	-	-
Office employee	0.7	0.7
Worker	-	-

BANFI SRL - INDUSTRY CONTRACT

Value expressed in %	Base salary	Compensation
Executive	-	-
Manager	-	-
Office employee	0.8	0.8
Worker	0.9	0.8

BANFI SRL - TRADE CONTRACT

Value expressed in %	Base salary	Compensation
Executive	0.8	0.7
Manager	0.8	0.7
Office employee	0.8	0.7
Worker	0.9	0.9

BANFI SRL - TOURISM CONTRACT

Value expressed in %	Base salary	Compensation
Executive	-	-
Manager	-	-
Office employee	0.7	0.7
Worker	1.0	1.0



Identity



Stakeholder



Governance



Value



Economics



Territory



People



Environment



Quality



Methodology
note



GRI



Attention to detail, from the vineyards to the winery



Filling of the cask funnel



RELATIONSHIPS WITH TRADE UNIONS

The relationship with trade unions represents a fundamental opportunity for discussion, during which important information for human resource management can be gathered and shared. Transparency, trust and participation characterize the relationship between the parties. The chart shows the three-year trend in the membership of employees in trade unions.

% membership in trade unions

Values expressed in %	2020	2021	2022
Banfi Società Agricola Srl	30.2	32.7	29.8
Banfi Srl	6.9	10.0	7.1

HEALTH, SAFETY AND TRAINING

-  GRI 403-1
-  GRI 403-2
-  GRI 403-4
-  GRI 403-5
-  GRI 403-6
-  GRI 403-7
-  GRI 403-8
-  GRI 403-9
-  GRI 404-1

Characteristics of the operating departments

The agriculture department represents an intrinsically exposed reality to a high level of risk for the health and the safety of the individuals working within. The variety of activities which are carried out, both in the field (for example, pruning, harvest, treatments, etc.) and in the winery (for example, vinification, racking, bottling, lab analyses, etc.) presents an elevated level of manual labor, in addition to requiring the use of specific products. Similarly, also for the hospitality department, the nature of certain operations (for example, kitchen, garden maintenance, etc.) highlights a relevant level of risk.

Health and safety management

The management of the aspects related to the health and safety of the workers takes place, in both companies, in compliance with the regulations dictated by the Legislative Decree 81/2008, as well as, regarding Banfi Srl, also in conformity with the ISO 45001 norm, according to which the company was certified in 2017 (at the time the reference norm was OHSAS 18001). Banfi Società Agricola Srl also has put a system of procedures and protocols in place which is inspired by the requirements of the ISO 45001 norm and is extended to all employees and all activities that are carried out.

In compliance with such regulatory provisions the management of the workers under contract, as well as the workers who are not under contract and are represented, in the latter case, mainly by seasonal workers employed in the field operations with subcontracts with cooperatives. These contracts are managed according to the specific reference regulations, among other, as provided in the Civil Code and by the Legislative Decree 276/2003.

Further to the legislative orders with regard to the health and safety of the workers, the company has implemented a capillary system of executive proxies with which the management of these aspects is to be overseen, as locally as possibly.

Furthermore, Banfi has always directed a primary and constant attention to the reduction of risks and danger for the workers by implementing training programs. In this way, the dissemination of good practices and of the necessary skills for the reduction of risks is promoted, provided not only by lecturers and trainers, but, mostly, by colleagues who have acquired higher company seniority.

Injuries

2022 recorded a different trend of the injuries in the two companies. In Banfi Società Agricola the injury rate² was almost cut in half vs. 2021, arriving at 3.8%, with 6 cases (vs. 11 in the previous year). However, the average severity of the injuries almost doubled, due to the effect of the relapse of an old injury of 2016, with a duration of over 100 days, which is continuing also in 2023. For Banfi Srl an increase of the injury rate vs. 2021, arriving at 4.0%, was recorded, with 5 cases (3 more than last year) which occurred in the hospitality department.

² For the calculation of the indicator for Banfi Società Agricola Srl 318,724 work hours and for Banfi Srl 248,055 work hours were used. In both cases, the rates were calculated on the base of 200,000 work hours.

Injuries

Values expressed in numbers	2020			2021			2022		
	Number	Length (days)	Average length (days)	Number	Length (days)	Average length (days)	Number	Length (days)	Average length (days)
Banfi Società Agricola Srl	7	232	33.1	11	278	25.3	6	261	43.5
Banfi Srl	1	58	58.0	2	62	31	5	141	28.2
Total	8	290	36.3	13	340	26.2	11	402	36.5

Training

As highlighted by the data in the following chart, this year, a generalized increase in both companies of the average hours of implemented training was recorded. The increase is due to professional refresher courses, qualifications to use equipment and specific training on topics of health and safety that were carried out. The awareness on the topic of training, also incentivized by the goals indicated in the strategic sustainability plan, is increasing on all levels of the company and on many transversal topics in the company departments.

Training

Values expressed in average hours	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
Banfi Società Agricola Srl						
Executives	-	-	0.5	0.0	0.0	0.0
Managers	12.0	-	17.8	0.0	3	0.0
Office employees	3.7	6.4	4.2	3.0	2.8	3.7
Workers	3.1	2.9	6.5	3.8	9.8	4.2
Total per gender	3.2	3.4	6.3	3.7	8.8	4.1
Total per Company	3.2		5.7		7.7	
Banfi Srl						
Executives	4.0	-	8.1	4.5	24.7	0.0
Managers	7.0	-	11.6	1.73	8.8	19.5
Office employees	8.5	7.9	14.1	12.43	8.3	11.9
Workers	7.6	2.1	5.2	4.75	8.1	9.8
Total per gender	7.8	6.0	9.8	9.4	8.8	11.3
Total per Company	7.0		9.6		10.0	



together with the environment

If I think of the word sustainability in Italian wine, I can only admire the work that Banfi has accomplished in recent years.

The commitment to the use of renewable energy sources, thanks to solar panels and the reforestation and biodiversity conservation programs are only some of the illuminated examples of shared environmental sustainability.

Ultimately, it is a strong signal which doesn't stop with the production of a natural product, such as wine, but also expresses a profound responsibility toward nature and toward the future of the planet we share.

René Sorrentino
Managing Director
Brand Compendium GmbH



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.

The table on page 138-139 illustrates the main risks/opportunities connected with climate change that can impact Banfi, defining the effects such risks and opportunities can determine and the resulting 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.

To contrast the negative environmental impact arising from such aspects, Banfi has always been committed to actions to reduce erosion, and, over the years, has built over 150 km of water regulation ditches, 80 km of subterraneous drainage, 10 km of drystone walls or levies, and planned green cover in the vineyards.

Furthermore, **attention for the environment also results from precise choices of consumption reduction,** such as in agriculture and in the winery where particular care is dedicated to the reduction

China, the United States, the UE, India, Russia and Japan are the economies with the highest CO₂ emissions in the world. Together, they represent 49.2% of the world population, 62.4% of the global GDP, 66.4% of the consumption of fossil fuels, 67.8% of global fossil CO₂ emissions. All six have increased CO₂ emissions in 2021, vs. 2020.

 <https://1ab24.ilsole24ore.com/cop27-dati-CO2-mondo/#:~:text=Cina%2C%20Stati%20Uniti%2C%20Ue%2C,emissioni%20globali%20di%20CO2%20fossile.>

of diesel and water consumption. In addition, renewable energy has always been a sensitive issue for Banfi, by purchasing electricity exclusively from renewable sources. These aspects, together with the attention paid in purchasing materials with a lower impact on the environment for the production cycle, also contribute to decreasing the effects of greenhouse gas emissions.

This year, we started cooperating with the University of Siena for the calculation of the company Carbon Footprint and Water Footprint, in addition to the calculation of the absorption of CO₂ on behalf of the vegetated areas of the estate.

Regarding the first two indicators, for Banfi Società Agricola Srl they were calculated relating to the grape and wine production department and the plums for the drying process. For Banfi Srl, on the other hand, the grape and wine production department and the hospitality department were considered.

These indicators were calculated following the Life Cycle Assessment (LCA) methodology, considering three distinct areas for the grape and wine production department: vineyards, winery and bottling. In the following charts the values calculated relating to 2022 are shown.

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in t CO ₂ eq	Department WINE	Department PLUMS	Total
Carbon footprint	13,888.4	566.1	14,454.5
Values expressed in m ³			
Water footprint	449,603.6	2,232.0	451,835.6

BANFI SRL

Values expressed in t CO ₂ eq	Department WINE	Department HOSPITALITY	Total
Carbon footprint	5,192.0	853.6	6,045.6
Values expressed in m ³			
Water footprint	263,731.0	22,053.8	285,784.8

The calculation of the absorption of CO₂ of the vegetated areas of the estate was made based on the IPCC guidelines. Regarding the wooded areas, the management method, the age and the composition of the existing plants, as well as the annual absorption in the soil and in the necromass were considered. Regarding the tree crops, the cultivation residues and the production of fruits were also considered, elaborating three different scenarios, based on the absorption coefficients and reporting the representative data in an average scenario. For Banfi Società Agricola Srl an absorption equal to 10,087 t CO₂ was calculated, whereas for Banfi Srl the absorption is equal to 149.3 t CO₂.

IPCC, the principal international agency for the evaluation of climate change, identifies four key risk categories for Europe. The level of each risk increases with the increase of global warming. The four risk categories are:

- risks of heat waves on populations and ecosystems
- risks for agricultural productions
- risks of scarcity of water resources
- risks produced by higher frequency and intensity of inundations.


<https://ipccitalia.cmcc.it/il-rapporto-ipcc-spiegato-dagli-esperti-italiani-con-i-contenuti-principali-su-europa-mediterraneo-e-italia/>

Risks and opportunities deriving from climate change

GRI 201-2

PHENOMENON (R) / (O)	DESCRIPTION
<p>Legislative changes in relation to the environment</p> <p>REGULATORY Risk</p>	<p>Risk associated to the need to oversee the regulatory evolution in relation to the environment impacting on the execution of company activities.</p>
<p>Development new techniques and crop experimentation</p> <p>OPPORTUNITY</p>	<p>Opportunity deriving from the possibility of implementing innovations in agriculture and in production, subsequent to research and development activities.</p>
<p>Appearance of external atmospheric events</p> <p>PHYSICAL Risk</p>	<p>Risk connected to the occurrence of the following environmental phenomena:</p> <ul style="list-style-type: none"> • 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).
<p>Increase of cost of energy supplies</p> <p>PROCUREMENT Risk</p>	<p>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).</p>

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.

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. Forests and the Mediterranean scrubland represent a fundamental feature of this landscape, which extends from flat land to moderate slopes to areas prevailingly characterized by hills, and hills.

Italy not only is the richest country in Europe for its fauna and flora, but it is also characterized by a very elevated rate of endemism, that is the presence of species that only live within the borders of Italy.

A variegated territory where a **rich and diversified natural fauna develops**, finding nourishment in the scrubland, meadows (natural and seeded) and grain and silage cultivations that are included into the natural habitat and are not harvested (so-called cover crops). A similarly rich natural flora completes this articulated ecosystem, **consisting of over 120 spontaneous herbaceous species**, some now rare or almost extinct, besides the strong presence of arboreal and shrub species characterizing the forteto, the typical thick forest of this area.

View of the Castle of Poggio alle Mura



This reality characterizes the entire territory in which Banfi operates and is even more emphasized in the agricultural **wildlife preserve**, an area of 842 ha Banfi has always managed in compliance with regional regulations, maintaining the optimal ratio between fauna and the territory (as to extension and attributes), through targeted plans of selective culling, capture and transfer of species that are present to other areas.

To preserve and protect this important and vast biodiversity, particularly the plant biodiversity, as of last year, Banfi has been committed to the **protection of bees**, by installing forty hives to support the presence of this very important pollinating insect. The presence of bees is a strong indicator of a healthy ecosystem and their protection is a fundamental instrument to guarantee the preservation of a large range of crops and wild plants over the years.

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 wellbeing with the sole purpose of maintaining the breed.

The current knowledge tells us that the Italian flora consists of an actually consistent number of entities, in other words, species and subspecies, with 1,169 bryophytes and 2,704 lichens and indeed 8,185 entities of vascular plants. The Italian fauna (marine, land and fresh water) is estimated in over 60,000 species, of which approximately 98% consist in invertebrates and the remaining in approximately 1,300 species of vertebrates.


https://www.isprambiente.gov.it/en/activities/biodiversity?set_language=en

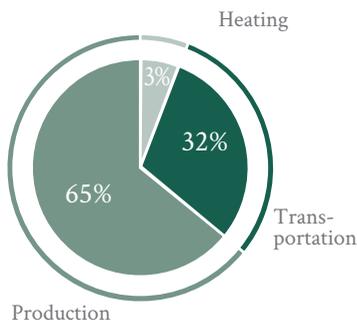


CONSUMPTION: ENERGY

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, coming exclusively from renewable energy sources, and fuel used for transportation and heating.

In the charts the energy consumption is reported by source and use for both companies. The data of the electricity used at the winery is also reported with the annual production of hectoliters of wine, determining a parameter with which the efficacy and efficiency of the production process can be measured.



Energy consumption

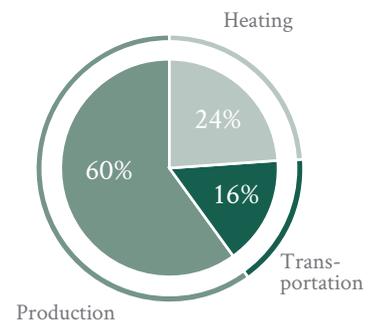
BANFI SOCIETÀ AGRICOLA SRL

Values expressed in GJ	2020	2021	2022
Transportation	12,182	11,313	13,404
Gasoline	357	145	254
Diesel fuel	11,825	11,168	13,150
Production	22,841	22,130	26,842
Electricity	15,483	15,531	16,198
LPG	7,358	6,599	10,644
Diesel fuel			
Gasoline			
Heating	1,025	621	1,185
Diesel fuel	931	501	1,074
LPG	94	120	111
Methane gas			
Pellet			
Total	36,048	34,064	41,431
Electricity consumption over hectoliters of wine (GJ/hl)	0.067	0.069	0.067

Energy consumption

BANFI SRL

Values expressed in GJ	2020	2021	2022
Transportation	518	1,634	1,881
Gasoline	23	258	270
Diesel fuel	495	1,376	1,611
Production	6,159	6,668	7,119
Electricity	6,017	6,451	6,769
LPG	101	170	303
Diesel fuel		43	36
Gasoline	41	4	11
Heating	2,418	3,281	2,916
Diesel fuel			
LPG	96	242	199
Methane gas	1,546	2,032	1,836
Pellet	776	1,007	880
Total	9,095	11,584	11,916
Electricity consumption over hectoliters of wine (GJ/hl)	0.090	0.073	0.079



Harvest



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 another, mainly due to climate variations. This consumption is mainly determined by the agricultural estate, by the winery and by hospitality.

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 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.

Water in agriculture

The water consumption used in the winery operations was also reported with the annual production of hectoliters of wine, as shown for electricity.

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.

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 the 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.

In the charts, the water consumption per type of withdrawal for both companies is listed. The water consumption used in winery operations are also put in relation with the annually produced hectoliters of wine, similarly to the electricity consumption.

Water consumption

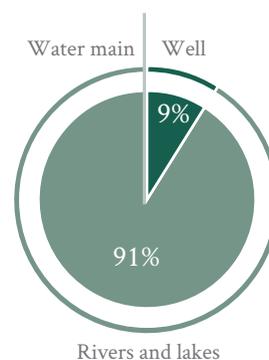
BANFI SOCIETÀ AGRICOLA SRL

Values expressed in MegaLiters	2020	2021	2022
Rivers and lakes (crop irrigation)	747.1	620.5	985.2
Rivers and lakes (irrigation of gardens Castello Banfi Wine Resort)	11.7	13.4	11.9
Well	54.9	66.9	93.4
Water main	10.0	2.5	0.2
Total	823.6	703.3	1,090.7
Treated water pumped back to the Orcia river	41.7	58	57.1
Treated water for technological purposes and irrigation	8.2	11	12.4
Consumption of hectoliters of water over hectoliters of wine	2.7	3.4	3.8

BANFI SRL

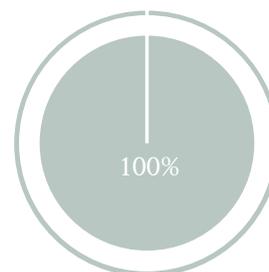
Values expressed in MegaLiters	2020	2021	2022
Well	5.4	5.4	-
Water main	6.4	12.6	16.2
Consumption of hectoliters of water over hectoliters of wine	1.4	1.8	1.8

BANFI SOCIETÀ AGRICOLA SRL



Rivers and lakes

BANFI SRL



Water main

Awakening of the vine



BANFI: WATER CYCLE



CROP PROTECTION AND NUTRITION

From the 1990s, Banfi started 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 non-aggressive 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.

The presence of organic crops of grains and silage has allowed to add new techniques to the traditional methods used so far and is an opportunity to continue to also study the topic of organic farming for orchards and vineyards.



Identity



Stakeholder



Governance



Value



Economics



Territory



People



Environment



Quality



Methodology
note



GRI

Treatments and fertilization

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in kg/ha	2020	2021	2022
Vineyard treatments			
Average fungicides	130.2	97.2	75.0
Average pesticides	0.6	0.6	1.1
Orchard treatments			
Average fungicides	18.5	17.0	14.8
Average pesticides	44.7	38.9	54.1
Values expressed in kg			
Fertilization			
Fertilization	493,997	535,605	606,517

BANFI SRL

Values expressed in kg/ha	2020	2021	2022
Vineyard treatments			
Average fungicides	118.7	122.2	54.0
Average pesticides	0.8	2.5	1.6
Values expressed in kg			
Fertilization			
Fertilization	34,774	29,956	22,730

Detail of the vineyards



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 (agriculture, winery and hospitality) 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 provisions 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 distribution, subsequently it was dug under. During 2022, almost 153 tons of dregs were distributed as is, with over 33 tons of dry material.

In hospitality, the generated waste refers to the category of the dregs of the septic tanks used to treat the wastewater.

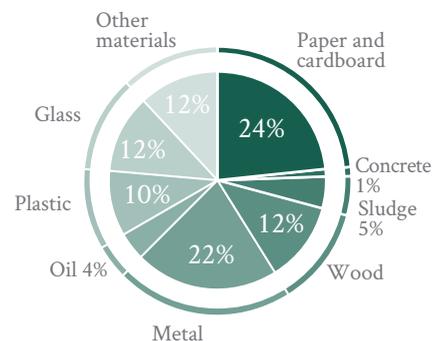
Waste management

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

BANFI SOCIETÀ AGRICOLA SRL

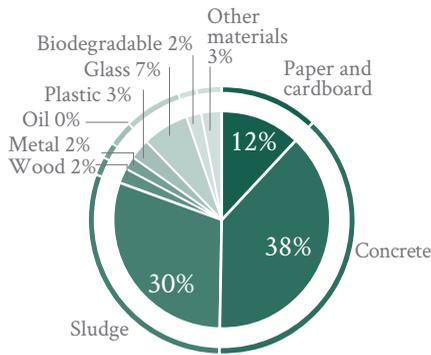
Waste by type in tons	RECYCLING	DISPOSAL	TOTAL
Paper and cardboard	52.5	-	52.5
Concrete	1.7	-	1.7
Sludge	-	10.6	10.6
Wood	25.7	-	25.7
Metal	49.8	-	49.8
Oil	4.6	3.5	8.1
Plastic	21.3	-	21.3
Glass	25.6	-	25.6
Other materials	16.4	10.7	27.1
Total	197.6	24.8	222.4





79%
of waste is destined
to recycling

97%
of waste is
nonhazardous



Waste by type and disposal in tons	2020	2021	2022
Non hazardous			
Recycling	306.9	648.8	188.8
Disposal	237.9	31.9	20.7
Total	544.8	680.7	209.5
Hazardous			
Recycling	24.2	9.5	8.8
Disposal	0.3	3.7	4.1
Total	24.5	13.2	12.9

BANFI SRL

Waste by type in tons	RECYCLING	DISPOSAL	TOTAL
Paper and cardboard	32.1	-	32.1
Concrete	98.7	-	98.7
Sludge	-	78.1	78.1
Wood	5.1	-	5.1
Metal	5.8	-	5.8
Oil	0.7	-	0.7
Plastic	6.9	-	6.9
Glass	18.7	-	18.7
Biodegradable	6.1	-	6.1
Other materials	7.6	0.1	7.7
Total	181.0	78.3	259.9

Waste by type and disposal in tons	2020	2021	2022
Non hazardous			
Recycling	74.2	57.6	181.1
Disposal	99.6	172.4	78.1
Total	173.8	230.0	259.2
Hazardous			
Recycling	0.1	0.4	0.6
Disposal	0.1	0.2	0.1
Total	0.2	0.6	0.7

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 used 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 can be extracted:

- approximately 0.08 tons of tartaric acid;
- approximately 400 liters of spirits (grappa or alcohol).

Furthermore, from 10 tons of incoming pumace, approximately 8 tons of de-alcoholized pumace remain which are destined for the production of energy.

From 10 tons of lees the following can be extracted:

- approximately 0.2 tons of tartaric acid;
- 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.

In 2022 Banfi Società Agricola Srl sold the following subproducts:

- **Stems: 68.9 t**
- **Pumace: 994.7 t**
- **Lees: 136.2 t**

In 2022, Banfi Società Agricola Srl sold the following subproducts:

- **Stems: 17.2 t**
- **Pumace: 172.4 t**
- **Lees: 84.4 t**

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 CO₂ 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 non-emission of 41 t of CO₂.

The photovoltaic system at the company Fruit Center in Montalcino has generated energy equal to 147 GJ.

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.

Regarding the interventions at the facility in Strevi, refer to the indications on page 27 of this document, in relation to point 7 and 10 of the table "Results of 2022".

Attention to the use of materials

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

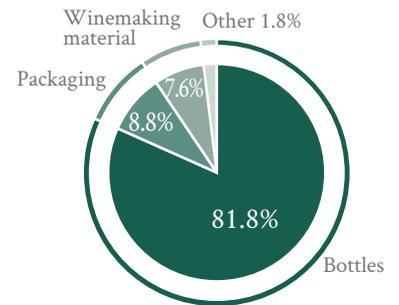
Banfi is aware that the commitment to the containment of the environmental impacts which derive from the production process, is achieved also through the attention in the choice of the use of materials. For this reason, relationships were created historically with suppliers who are sensitive to this matter. An attention which concerns both the context of the production of the bottles, as also of packaging materials and which is witnessed by the recognition, for the suppliers, of specific certifications concerning process and product.

In the following charts the consumption of materials is reported by composition and type. As the data show, the prevalent impact is determined by glass which represents on average for the two Companies approximately 83% of consumptions in weight.

Materials by type

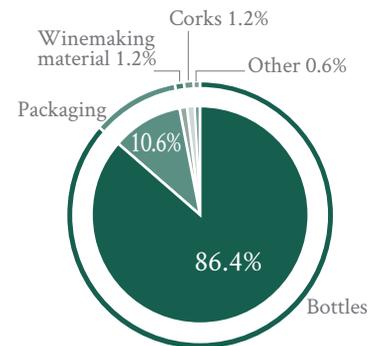
BANFI SOCIETÀ AGRICOLA SRL

Values expressed in tons	2020	2021	2022
Bottles	2,841	3,788	3,587
Capsules	5	8	7
Labels	10	14	13
Packaging	281	397	384
Winemaking material	224	332	335
Corks	27	37	35
Other materials	15	25	21
Total	3,404	4,600	4,383



BANFI SRL

Values expressed in tons	2020	2021	2022
Bottles	1,118	2,097	1,836
Capsules	2	3	3
Labels	4	9	8
Packaging	156	264	225
Winemaking material	18	20	25
Corks	15	27	26
Other materials	2	2	3
Total	1,316	2,422	2,125



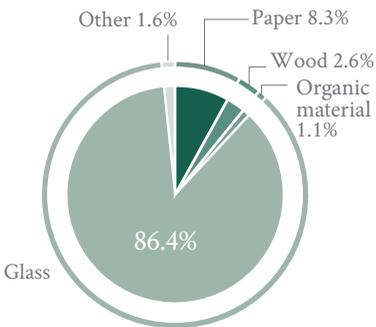
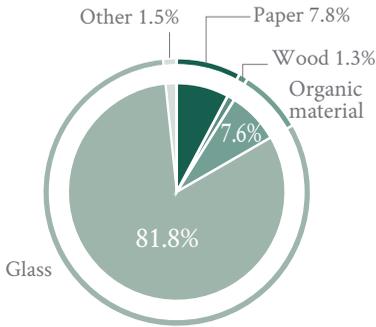
Materials by composition

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in tons	2020	2021	2022
Paper	260	371	343
Glue	4	6	5
Wood	32	40	55
Lubricants	1	1	2
Organic material	224	332	335
Metal	5	8	7
Plastic	10	18	14
Cork	27	37	35
Fabric	-	0	0
Glass	2,841	3,788	3,587
Total	3,404	4,600	4,383

BANFI SRL

Values expressed in tons	2020	2021	2022
Paper	117	207	177
Glue	1	1	1
Wood	43	65	55
Lubricants	-	-	-
Organic material	14	18	24
Metal	7	15	15
Plastic	1	1	2
Cork	9	15	13
Fabric	4	1	1
Glass	1,118	2,097	1,836
Total	1,316	2,422	2,125



Bottling of La Pettegola



Thanks to the choice of materials produced in total or in part with recycled components, also this year, it was possible to contribute to the reduction of energy consumption and CO₂ emissions¹. Regarding packaging, recycled cardboard is used in almost all productions. This year, the component of recycled material has an average value of over 91% (increased, vs. 89% of last year). All of our suppliers holds specific certifications, such as PEFC and FSC, for the safeguard of the responsible management of the forests and the supply chain. Likewise, also the glass bottles that are used present a percentage of recycled material which, this year, reaches an average value equal to almost 56% (increased, vs. 53% recorded last year). The use of such materials has allowed for a savings², in terms of electricity, equal to 27,123 GJ, and a non-emission of CO₂ equal to 1,143 t. Thanks to the use of recycled cardboard it was then possible to avoid felling 4,405 trees and save 148 Mega liters of water.

The impact in terms of weight of the component of recycled material on the total of used materials in production is equal to 51% for Banfi Società Agricola Srl and to 36% for Banfi Srl.

In addition to the use for bottles and packaging material Banfi has decided to contribute to the safeguard of the environment also in the context of the responsible management of labels. From 2015, Banfi Srl takes part in the RafCycle project, thanks to which, in the light of a circular economy, it is possible to transform the subproducts of the pressure sensitive labels (siliconed paper) into new paper or composite material or new energy. It has been estimated that in 5 years, thanks to the conferment of 30 t of siliconed paper, it has been possible to recover 23 t of cellulose paste, a quantity which can produce 38 t of paper for magazines, saving 390 trees from being felled.

Attention in delivery services

Also this year, the project with the MadDi Group has continued for the delivery of our products with vehicles with zero environmental impact in the city of Rome, due to which, the non-emissions of CO₂ over 12.5 t were recorded (increasing data, vs. previous year which recorded 10.4 t of CO₂). From 2017, when the initiative began, in total non-emissions of CO₂ over a quantity equal to 81.4 t were registered.

91%
average recycled cardboard component in packaging materials.

56%
average recycled glass component in bottles.

¹ The production of cardboard and bottles with recycled materials leads to lower consumption (of electricity and dry materials), vs. the same production carried out with virgin dry materials.

² The total savings is referred to, among various suppliers, deriving from the production of cardboard and bottles with recycled, in total or in part, materials.

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 **laundrying 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.

Detail of Castello Banfi Wine Resort







together for quality

Shared sustainability in the wine industry: an ambitious goal which, as an operator in the Ho.Re.Ca channel, I see in the distance on the horizon. There have been many appreciated investments on behalf of Banfi to reach the company sustainability goal, in a context in which its value is only partially assimilated and shared by the participants in the wine industry: for this, as of today, it still does not have a discriminating importance in sales. The road yet to be traveled is long. However, with time and the right communication, sustainability will become first a shared value and then a shared practice, giving the planet a chance to survive its most damaging inhabitant.



Tommaso Fabbrini
Sales agent - Firenze

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.

Cum Laude



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.

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

Finally, 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 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. 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. This certification assures the product conformity in all production process stages, as established by the Equalitas – Sustainable Products sustainability standard.

Management of non-conformities

The path of certification and its management systems allow for a controlled management of the processes and also of the non-conformities, that is, all those services or products not in line with the expected quality standards or environmental compliance standards.

In the tables on the following page the trends of detection of the non-conformities are shown, divided by reason, area of interest, and mainly if detected internally or during an audit process by external bodies. All reported non-conformities were managed and solved correctly. The trend of each entry is stable, and the few variations depend on well identified elements.

Functional to the achievement of the Sustainable Product Equalitas certification for our wines was the achievement last year on behalf of Banfi Società Agricola Srl of the Sustainable Organization Equalitas certification.

Vineyards



Quality: ISO 9001 BRC IFS

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in numbers	2020	2021	2022
Internal activities			
Controls when accepting products/services from suppliers	11	8	3
Control of internal processes	38	29	26
Complaints on products by consumers	41	47	46
Third-party activities			
Audit by certification body	4	4	4

BANFI SRL

Values expressed in numbers	2020	2021	2022
Internal activities			
Controls when accepting products/services from suppliers	9	12	10
Control of internal processes	24	17	19
Complaints on products by consumers	12	6	6
Third-party activities			
Audit by certification body	5	5	3

Environment: ISO 14001

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in numbers	2020	2021	2022
Internal activities			
Controls when accepting products/services from suppliers	-	-	-
Control of internal processes	3	4	4
Third-party activities			
Audit by certification body	-	-	-

Health and safety certification: ISO 45001

BANFI SRL

Values expressed in numbers	2020	2021	2022
Third-party activities			
Audit by certification body	1	1	4

Equalitas Certification

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in numbers	2021	2022
Internal activities		
Control of internal processes	3	2
Third-party activities		
Audit by certification body	11	6

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 analytical testing programs carried out internally allow to follow each phase in the “life” of a wine in detail, from the grape to the finished product. For each stage of processing, the decision was made to check certain parameters which indicate the correctness of the various passages during the stages of processing, in order to obtain a product which corresponds to the technical-enological standards of the wine while succeeding in standardizing a high level of quality of the finished product. Microbiological control on the bottled wine, in order to rule out any possible re-fermentation, allows to guarantee the distribution of a stable product on the market, from both a microbiological and a sensory standpoint. In addition to internal testing, analyses of residues of phytopharmaceuticals, biogenic amines and ochratoxin A, carried out by external laboratories, confirm that legal limits are complied with in full and assure a healthy product for the final end consumer.

Ultimately, a precise program of analytic tests guarantees that the distributed product is safe, responding to the legal parameters, without harmful effects on human beings, and at the same time maintains a high standard of quality according to the company philosophy to the benefit of the end 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.

The tables show the number of analyses performed during the year for each category.

Internal analyses

BANFI SOCIETÀ AGRICOLA SRL

No. of internal analyses

Wine	126,821
Grapes	1,810
Incoming materials	23,254
Water treatment plant	6,479
Osmosis system	1,188
Furnace	24
Total	159,576

BANFI SRL

No. of internal analyses

Wine	11,082
Grapes	600
Incoming materials	331
Water treatment plant	395
Osmosis system	-
Furnace	-
Total	12,408

Tasting in the winery



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-adjutant 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. In December 2020, Banfi became available to take part in a research project conducted by Andritz, supplier of the filtration system, in cooperation with the Technical University of Munich and the Karlsruhe Institute of Technology. The goal of the project is to increase the potentiality of the software which manages the filtration system, arriving at developing artificial intelligence skills, by developing specific algorithms. A technologic development which, from the data collected regarding the filtration process, will become advantageous to the efficiency of the entire vinification process, with consequences on the consumption of water and electricity.

RESEARCH AND DEVELOPMENT

Importance of the topic

Product and process innovation, which in the wine industry are often confounded and combined in a single logic, **is at the base of the development and of the sustainability of the company.**

The partnerships with the academic world, with external professors, with public entities or consortia reflect the need to dedicate increasingly more important time and resources to innovation, both to “generate” new products and to improve the production processes, lowering their impact on the resources of the planet.

Farming practices which are less impacting on the environment, methods from the past which are readapted and enabled in an organized production, consolidation of the ties with local suppliers, with reference to the production of grapes and bulk wine, are the keys of competition and of ties with the history of the product and of the territory of which the value is inseparable from the finished bottle.

The opportunity to experiment and research new winemaking methods, to refine the existing methods and to invest in the notions of the estate vineyards and the estate production, continuously improving quality, is the primary goal of the research and development activity. With this, the sharing of the conducted work and achieved results with all stakeholders represents the natural completion of the accomplished efforts and the implemented actions. Publications, such as **“The Pursuit of Excellence”** are the summary of almost 40 years of study and research on the projects of which Banfi was a protagonist: zonation and clonal selection, water savings, reduction of treatments in the vineyard, revival of ancient winemaking methods, most often eliminated due to the high cost. 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 elevating and sharing the culture of Sangiovese in Italy and in the world.

Performed activities

This year again, projects were activated involving the areas of agricultural production, as well as product development and company processes.

Banfi Società Agricola Srl continued the activities on last year's projects and also developed two new projects: treatment against "esca disease" and control of the development and maturation dynamic of Sangiovese grapes.

The first project involves the treatment for the cure of plants effected by esca disease by administering a specific product. The experimentation, performed on a sample of 1,000 vines with strong symptoms of the disease, has shown positive results in 82% of cases, reducing the relapses and deceases considerably. The second project concerns the modification of the photosynthesis activity by using various techniques with the goal of modulating the maturations of the grapes. Further to the performed activity, it was possible to observe, in the vineyard selected for the tests, a delay of over a week in the accumulation of sugar in the berries.

In relation to last year's projects, related to the study of the Alberello Banfi training method and the experimental vineyards, the topics can be studied further in the dedicated chapters. Concerning the project then for the enhancement in the drying facility of grapes obtained from an early harvest, this year, a comparative analysis was defined between samples of grapes dried in the drying facility and in the field. The results of the analysis will be used to direct the experimental tests of 2023.

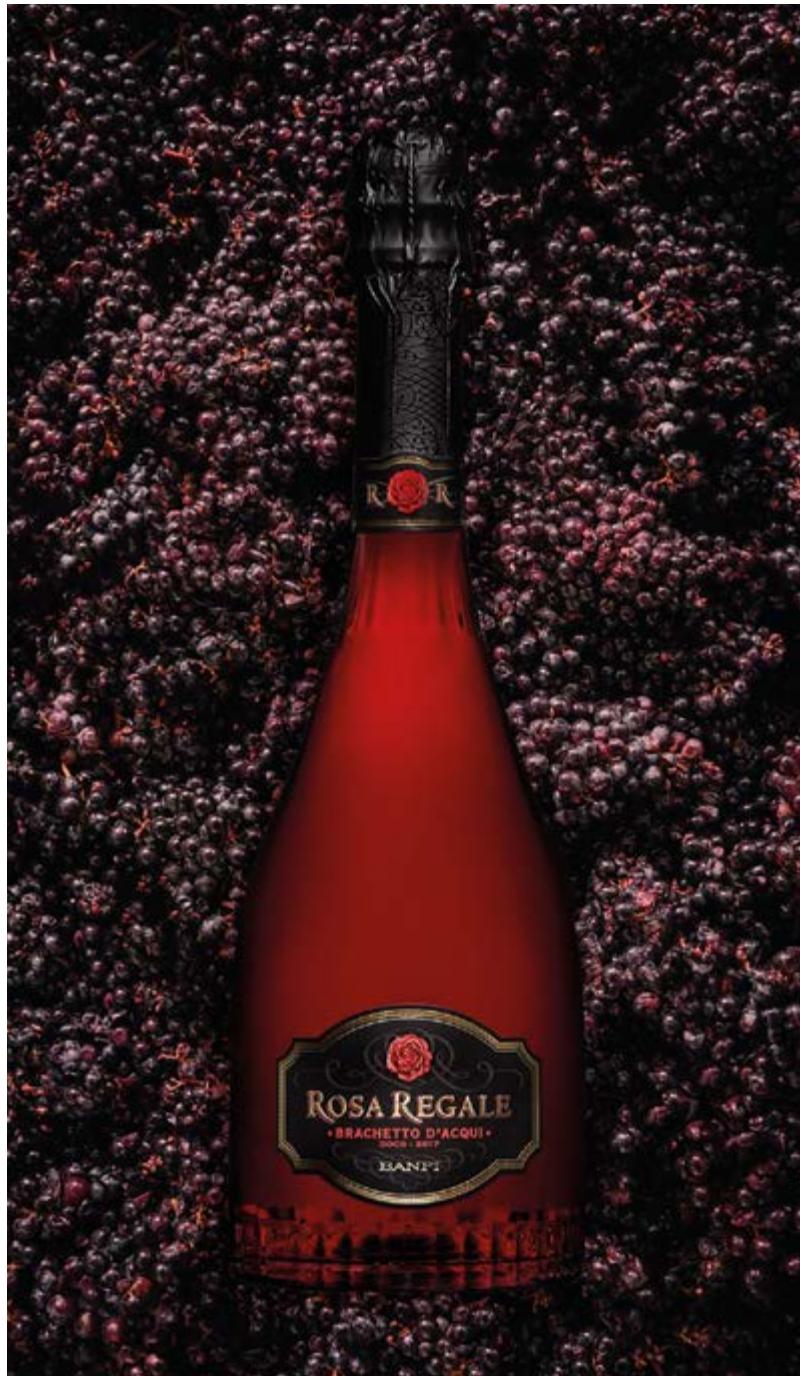
Banfi Srl also continued the activities on last year's projects and developed new projects with regard to the improvement of the quality features of the products.

Regarding the project started last year on the comparison between mechanical and manual harvest of Cortese di Gavi grapes, the analytical and sensory evaluations on the wines that were produced highlighted the lack of significant differences between the two techniques. In relation then to last year, the project related to the comparison of different barriques for the aging of Albarossa wine was continued. Updates on this project will be provided next year.

With reference to the new projects, tests were carried out pressing Cortese di Gavi grapes in conditions of protected atmosphere, tests using enological coadjuvants on musts and tests on refermentation for sparkling wines to improve the fermentation management.

Finally, a project was developed related to the company processes concerning the experimentation of new production management and warehouse logics.

Rosa Regale



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.

Soil study

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 prevalingly fluvial origin, the soils are deep, pedologically preserved and well developed.
- Prevalingly 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 varieties, 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 variety 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 typicality of individual varieties 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 varieties: the Alberello Banfi method. Further details with regard to this trellising method are available in the chapter “Study project on the comparison between trellising methods”.

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.

Finally, to identify the actual nutrition state of the vines, at Banfi a specific analysis of the petiole of the basal leaf node (opposite to the bunch) is performed in the initial setting phase.

Each year, at least 25% of vineyards is controlled using this method. These analyses allow to detect the trends in the overall nutrition state of plants in advance and therefore, together with yield and quality characteristics, they form the basis to decide possible corrections to previously scheduled fertilizing plans.

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 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”).

Since 2007,
**there are 24
177-hl Horizon
fermentors.**

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 fermentors 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.

Horizon, the fermentation area



HOSPITALITY AND QUALITY PROTECTION



Established in 1954, Relais & Châteaux is an Association of 580 hotels de charme and exceptional restaurants with 562 members in 67 countries around the globe.



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 employed at the structure.

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 the “**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.

La Sala dei Grappoli





Methodology note
GRI content index



METHODOLOGY NOTE

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

Reference period

January 2022 - December 2022

Perimeter

Banfi Società Agricola Srl and Banfi Srl

Publication frequency

Annual

Date of approval

February 16, 2023

Date of assurance

April 20, 2023

Publication date

April 22, 2022

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 (2021 and 2020). 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

This year, 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 2022 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 addresses:

sustainability@banfi.it
hr_sustainability@banfi.it
stakeholder_sustainability@banfi.it

Your opinion matters!

Detail of the Castle of Poggio alle Mura



GRI CONTENT INDEX

User statement	Banfi has presented a report in conformity to GRI standards for the period 01/01/2022 - 12/31/2022
GRI 1 used	GRI 1 Foundation 2021
Relevant GRI sector standards	GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
General disclosures				
GRI 2 - General Disclosure - version 2021	2-1 Organization details	34-35		
	2-2 Entities included in the organization's sustainability reporting	184-186		
	2-3 Reporting period, frequency and contact point	184-186		
	2-4 Restatements of information	184-186		
	2-5 External assurance	184-186		
	2-6 Activities, value chain and other business relationships	36-43; 68-72; 76-79		
	2-7 Employees	120-123	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 of which 1 male worker and 1 female.	The average force is calculated considering the average monthly number of employees occupied during the year. Therefore, the seasonal employees under contract for a period under 1 year are repropotioned to that period.

BANFI SOCIETÀ AGRICOLA SRL

Average number	2020	2021	2022
Permanent	134	127	125
Women	32	28	28
Men	102	99	97
Fixed term	111	102	100
Women	30	28	24
Men	81	74	76
Total	245	229	225

BANFI SRL

Average number	2020	2021	2022
Permanent	113	114	110
Women	54	56	51
Men	59	58	59
Fixed term	18	27	45
Women	8	13	25
Men	10	14	20
Total	131	141	155

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
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BANFI SOCIETÀ AGRICOLA SRL

Average number	2020	2021	2022
Full time	243	227	222
Women	60	54	49
Men	183	173	173
Part time	2	2	3
Women	2	2	3
Men	-	-	-
Total	245	229	225

BANFI SRL

Average number	2020	2021	2022
Full time	113	130	144
Women	54	60	67
Men	59	70	77
Part time	18	11	11
Women	8	9	9
Men	10	2	2
Total	131	141	155

BANFI SRL

Average number	2020	2021	2022
Permanent	113	113	110
Tuscany	90	91	86
Piedmont	23	22	24
Fixed term	18	28	45
Tuscany	7	18	38
Piedmont	11	10	7
Total	131	141	155

BANFI SRL

Average number	2022
Full time	144
Tuscany	116
Piedmont	28
Part time	11
Tuscany	8
Piedmont	3
Total	155

BANFI SOCIETÀ AGRICOLA SRL

Average number	2020	2021	2022
Administrators	2	2	2
Women	-	-	-
Men	2	2	2
Interns	-	-	-
Women	-	-	-
Men	-	-	-
Workers not under direct contract			1
Women			-
Men			1
Total	2	2	3

BANFI SRL

Average number	2020	2021	2022
Administrators	2	2	2
Women	-	-	-
Men	2	2	2
Interns	-	3	3
Women	-	2	2
Men	-	1	1
Workers not under direct contract			-
Women			-
Men			-
Total	2	5	5

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
	2-8 Workers who are not employees	120-123		
	2-9 Governance structure and composition	63-64		
	2-10 Nomination and selection of the highest governance body	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.		
	2-11 Chair of the highest governance body	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).		
	2-12 Role of the highest governance body in the control of the management of impacts	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 are monitored during the year by non-formalized modalities. The administrators are informed in this regard during the meetings of the Management Committee.		
	2-13 Delegation of responsibility for managing impacts	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.		

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
2-14	Role of the highest body of governance in the sustainability reporting		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.	
2-15	Conflicts of interest		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.	
2-16	Communication of critical concerns		Specific communication modalities have been implemented by setting up a physical touch point where the workers can anonymously deposit their reports. The instances of the workers are also discussed during the periodical meetings of the Social Performance Team, the internal structure appointed to supervise criticalities in the management of the relationships with HR, which meets several times during the year.	
2-17	Collective knowledge of the highest governance body		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.	
2-18	Evaluation of the performance of the highest governance body		Currently, there are no planned processes of evaluation of the performance of the Board of Directors.	
2-19	Remuneration policies		<p>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.</p> <p>Currently, also in accordance with the provisions of the Strategic Sustainability Plan incentive mechanisms are under study linked to specific goals regarding sustainable development.</p> <p>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.</p>	
2-20	Process to determine remuneration		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.	

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
2-21	Annual total compensation ratio	<p>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)</p> <ul style="list-style-type: none"> - Banfi Società Agricola Srl: 8.55% - Banfi Srl: 5.45% <p>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)</p> <ul style="list-style-type: none"> - Banfi Società Agricola Srl: 2.64% - Banfi Srl: 1.18% 	In order to calculate this indicator the value of the "salary" calculated according to the provisions of the 405-2 indicator was used.	
2-22	Statement on sustainable development strategy	3-5		
2-23	Policy commitments	19		
2-24	Embedding policy commitments	<p>Both companies are endowed with a Management and Control Organizational Model, former Legislative Decree 231/2001, and with an Ethical Code in which principles and obligations to guarantee a responsible company conduct are contained. Furthermore, the presence of ISO norm certified management systems guarantees similar supervision over the various contexts which are subject to certification (quality, environment, workers' health and safety). The compliance with human rights is a specific obligation enshrined in the Ethical Code, both in relation to the conduct of the employees, as well as in relation to the relationships with the suppliers. As established in the company policy document: "In order to optimize the entire company System, the company is constantly committed to rationalizing the organizational, management and production processes, in the perspective of a continuous improvement with particular attention to identifying, when possible, preempting, and satisfying all the needs of the stakeholders".</p> <p>The dissemination of this setting is guaranteed internally by specific training sessions directed to the employees and externally, with regard to sales relationships, by the specific contract system in place. All stakeholders can become aware of the principles and commitments on behalf of the organization through the Sustainability Report and the company Ethical Code which are both published on the company website. The responsibility with regard to the implementation of the principles and commitments to a responsible company conduct and their integration in the strategic decisions is entrusted to each department head for the contexts of their responsibilities. This attribution occurs in absence of formalized mechanisms, with the exception of the cases in which there are specific proxies or formal attributions of responsibilities.</p>		

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
2-25	Processes to remediate negative impacts	Complaints on behalf of stakeholders are managed by following specific mechanisms based on the type of complaint. In the case that there are aspects associated with the products, they are taken on and managed by the sales department. In the case of other types of complaints, they are taken on and managed by non-structured mechanisms, directing the complaints to the reference area in the company. The acknowledgement with regard to the management of the notification is communicated to the stakeholder who brought it forth.		
2-26	Mechanisms for seeking advice and raising concerns	A specific procedure is being set up to manage whistleblowing, in order to regulate the notifications of offences or irregularities reported in the work place. These will be subjects to be reported: - unlawful conduct which is considered a criminal offence former Legislative Decree 231/02; - unlawful conduct, while not considered a criminal offence, is carried out violating rules of conduct, procedures, protocols or orders contained in the Organizational Model or in the attached documents therein. The notifications, which will be directed to the Supervisory Body, must provide useful elements, so that the individuals in charge can carry out the necessary controls. The notification procedure must be explained to the employees in a clear and precise manner, in order to incentivize the use of internal systems and to promote the dissemination of a culture of legality.		
2-27	Compliance with laws and regulations	No cases of non-conformities against laws or regulations during the reporting period have been reported.		
2-28	Membership associations	116-117		
2-29	Approach to stakeholder engagement	46-47		
2-30	Collective bargaining agreements	120-123		

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
MATERIAL TOPICS				
GRI 3 - Material topics- version 2021	3-1 Process to determine material topics	56-59		
	3-2 List of material topics	56-59		
13.1 Emissions				
GRI 3 - Material topics - version 2021	3-3 Management of material topics	<p>a. Description of impacts Positive impacts: contribution to the the absorption of CO₂ by the green areas of the estate. Negative impacts: pollution due to emissions with negative effect on the territory and on the population.</p> <p>b. Involvement of the Organization The Organization is involved in the negative impacts due to the activities carried out refering to its wine production.</p> <p>c. Policy or obligations of the Organization In reference to the management of the impacts of the specific topic, the integrated company Policy provides for: 1) The reduction of the environmental impact of its activities and the improvement in the use of its resources through: - energy savings; - a more careful and scrupulous use of water resources; - the continued commitment to improving and reducing the effects, and consequently the impacts, associated with its activities; - 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 environment. 2) the guarantee of the compliance with the current legislation with regard to environment and work.</p> <p>d. Undertaken activities The following protections have been adopted to reduce the generated negative impact: - increased efficiency of the consumption management; - use of electric vehicles for some shipments (distribution activities); - use of electricity from renewable energy resources.</p>	13.1.1	

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard	
		<p>e. Monitoring of undertaken activities In reference to the management of environmental topics, the Organization has identified, within the context of the Strategic Sustainability Plan, specific actions and targets which it intends to achieve in the near future. The monitoring with regard to the management of these aspects occurs during the year in interactions with the company representatives and in the context of the Management Committee meetings. Furthermore, each year, in the Sustainability Report the Organization reports on the level of achievement of the targets, providing, if applicable, information regarding the lacked achievement.</p> <p>f. Involvement of the stakeholders In reference to this topic a specific involvement with Universities, Research Centers and commercial partners in the context of specific collaborations for the execution of common or company projects has been developed. The stakeholders are informed regarding the achieved results through the publication of the latter in the Sustainability Report and during ad hoc events.</p>			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Banfi Società Agricola Srl: 1,723 t CO ₂ eq. Banfi Srl: 275 t CO ₂ eq.	Following is the link to the emission factors used to calculate the CO ₂ emissions: - BEIS emission factor: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022 To be noted that electricity, as it is not self-produced, produces indirect emissions and falls under the emissions category: Scope 2.		
	305-2 Energy indirect (Scope 2) GHG emissions	Banfi Società Agricola Srl: 1,172 t CO ₂ eq. Banfi Srl: 490 t CO ₂ eq.	The indicated values refer to purchased electricity. They were calculated by using Location Based emission factors (Electricity, ISPRA/Higher Institute for Environmental Protection and Research) which consider electricity generated from renewable and non-renewable sources. Following is the link: https://www.isprambiente.gov.it/en If the Market Based emission factors (Electricity, AIB Residual Mix Results) are used, which consider only electricity generated from non-renewable sources, the value of emissions in t CO ₂ eq. is equal to 0.		
Non GRI indicators	Carbon Footprint	137			
	Contribution to capturing CO ₂	137			

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
13.2 Climate adaption and resilience				
GRI 3 - Material topics - version 2021	3-3 Management of material topics	a. Description of impacts Negative impacts: damage to landscape and acceleration of soil erosion phenomena with resulting damage to vineyards.		13.2.1
		b. Involvement of Organization The Organization is involved in the negative impacts by way of the conducted activities referring to wine production.		
		c. Policy or obligations of the Organization Refer to point c) of the topic 13.1 Emissions		
		d. Conducted actions The following measures to reduce the generated negative impact have been adopted: - actions to contain erosion (e.g., construction of water regulation trenches, underground drainages, dry walls or containment levies, scheduled green cover in the vineyards).		
		e. Monitoring of conducted actions Refer to point e) of the topic 13.1 Emissions		
		f. Involvement of stakeholders With reference to this topic a specific involvement with Universities and Research Centers in the context of specific collaborations for the execution of common projects has been developed. The stakeholders are informed regarding the achieved results through the publication of the latter in the Sustainability Report or in the context of ad hoc events.		
GRI 201: Economic performances 2016	201-2 Financial implications and other risks and opportunities due to climate change	138-139		13.2.2
GRI 301: Materials 2016	301-1 Materials used by weight or volume	156-159		
	301-2 Recycled input materials used	156-159		

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
GRI 302: Energy 2016	302-1 Energy consumption within the organization	142-143	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.	
	302-3 Energy intensity	142-143		
	302-4 Reduction of energy consumption	154-156		
	302-5 Reductions in energy requirements of products and services	156-159		

13.3 Biodiversity

GRI 3 - Material topics - version 2021	3-3 Management of material topics	a. Description of impacts Positive impacts: promotion and enhancement of animal and plant species present in the territory.	13.3.1
		b. Involvement 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 reality, preserving its characteristics to be able to preserve in the future the unique features which characterize the territory.	
		d. Undertaken actions The following initiatives have been adopted to support the generated positive impacts: - establishment and management of an agricultural wildlife preserve on over 800 hectares of the estate; - cultivation of a plurality of crops (vineyards, olives, plums, cherries and grains); - positioning of 40 hives to protect bees and their role as a pollinating insect.	
		e. Monitoring of the undertaken actions Refer to point e) of the topic 13.1 Emissions.	

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
		f. Involvement of the stakeholders With reference to the topic, an involvement with suppliers and consultants for the execution of specific company projects has been developed. The topic is brought to the attention of the stakeholders through the Sustainability Report, in which the developed initiatives are reported or in the context of ad hoc events (such as webinars or participation in university courses).		
Non GRI indicators	Extension agricultural wildlife preserve	140-141		
	Number of hives for the protection of bees	140-141		
	Initiatives for protection of animal species	140-141		
13.7 Water and waste water				
GRI 3 - Material topics - version 2021	3-3 management of material topics	a. Description of 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 driest seasons.		13.7.1
		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 Refer to point c) of the topic 13.1 Emissions.		
		d. Conducted actions The following interventions to reduce the generated negative impact were adopted: - purification of water outflow from the production processes and their re-introduction to the Orcia river; - use of a system of artificial lakes which collect water during the winter and resulting savings of water withdrawn from natural sources; - recovery and reuse of water used in the winery thanks to an ultra-filtration and inverse osmosis system.		
		e. Monitoring of conducted actions Refer to point e) of the topic 13.1 Emissions.		
		f. Involvement of Stakeholders With reference to this topic, an involvement with the suppliers and consultants for the construction of water purification and treatment has been developed. The topic is brought to the attention of the stakeholders through the Sustainability Report, in which the performances related to water management are reported or in the context of ad hoc events (e.g., webinars or participation in university courses).		

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
GRI 303: Water and waste water 2018	303-1 Interaction with water as a shared resource	144-147		13.7.2
	303-3 Water withdrawal	144-147		
13.8 Waste				
GRI 3 - Material topic - version 2021	3-3 Management of material topics	<p>a. Description of impacts Positive impacts: contribution to the circularity measures for the reduction of waste production. Negative impacts: contribution to the generation of emission, to water and soil pollution.</p> <p>b. Involvement of the Organization The Organization is involved in negative impacts due to the conducted activities referring to wine production.</p> <p>c. Policy and obligations of the Organization Refer to point c) of the topic 13.1 Emissions.</p> <p>d. Conducted actions The following initiatives have been adopted in support of the generated positive impacts: - use of the sludge from the water purification process as a natural soil corrector; - sale of the byproducts of the production process for the creation of beverages or energy; - use of packaging materials with a variable percentage of recycled materials. The following intervention for the reduction of the generated negative impacts have been adopted: - use of electric vehicles for part of the shipments (distribution activities); - use of electricity from renewable energy sources; - purification of water outflow from the production processes and re-introduction to the Orcia river; - reduction of treatments with agrichemicals, thanks to the use of precision agriculture techniques, to schedule the interventions in the most appropriate time and manner, by minimizing wastefulness and reducing the impact on the environment, the operators and the consumer.</p> <p>e. Monitoring of the conducted actions Refer to point e) of the topic 13.1 Emissions.</p> <p>f. Involvement of stakeholders With reference to this topic, suppliers and consultants have been involved in particular for the implementation of the project to spread the sludges. The topic is brought to the attention of the stakeholders through the Sustainability Report in which the performances regarding the management of waste is reported or in the context of ad hoc events (such as, e.g., webinars or participations in university courses).</p>	13.8.1	

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	150-153		13.8.2
	306-2 Management of significant waste-related impacts	150-153		
	306-3 Waste generated	150-153		
	306-4 Waste diverted from disposal	150-153	With reference to the requirements of point b) and c) the following is to be noted: based on the currently available information, it is apparent that 29% of the recoverable waste undergoes recycling, whereas for the remaining 71% 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 14% are brought to a landfill, where for the remaining 86% it was not possible to identify a precise indication with regard to the received treatment.	
	306-5 Waste directed to disposal	150-153	Regarding point d) refer to the reported information in the paragraph "Waste management".	

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
13.10 Food safety				
GRI 3 - Material topics - version 2021	3-3 Management of material topics	<p>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 features.</p> <hr/> <p>b. Involvement of the Organization There are no apparent negative impacts for which to report the indications requested by the standard.</p> <hr/> <p>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: 1) 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.</p> <hr/> <p>d. Conducted actions The following initiatives have been adopted in support of the generated positive impacts: - implementation and development of an integrated analysis system from the field to the consumer, thanks also to the presence of an internal analysis laboratory; - adoption of certification and external revision procedures, both on products, as well as processes; - implementation of research and development activities with specific focus on the product.</p> <hr/> <p>e. Monitoring of conducted actions With reference to the management of the topics associated with quality, the Organization has identified, in the context of the Strategic Sustainability Plan, specific actions and targets it intends to achieve in the near future. The monitoring regarding the management of these aspects occurs during the year through the interaction with the company spokespersons and in the context of the Management Committee meetings. Every year, the Organization renders an account of the level of achievement of the targets in the Sustainability Report, providing, if necessary, information regarding the failed achievement.</p> <hr/> <p>f. Involvement of stakeholders With reference to this topic, an involvement has been created with the customers in the context of the sales of the product. The topic is brought to the attention of the stakeholders through the Sustainability Report, in which an account is rendered of the performances of the management of quality and the data of the laboratory analysis or in the context of ad hoc events (such as, e.g., webinars or participations in university courses).</p>		13.10.1

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	169-170		13.10.2
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	In the period subject to reporting no episodes of non-conformity were detected.		
13.12 Local community				
GRI 3 - Material topics - version 2021	3-3 Management of material topics	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. Conducted actions The following initiatives were adopted to support the generated positive impacts: - support of initiatives in the territory, such as e.g.: Eroica Montalcino, Endurance equestrian event, Rally del Brunello, Jazz&Wine in Montalcino; - support of associations operating in the territory, such as e.g.: soccer school of Montalcino and Sant'Angelo Scalo and Misericordia, emergency medical services, of Montalcino.		
		e. Monitoring of conducted actions With reference to the management of the topics associated with the territory, the Organization has identified, within the context of the Strategic Sustainability Plan, specific actions and targets it intends to achieve in the near future. The monitoring regarding the management of these aspects occurs during the year through interactions with company representatives and in the context of the Management Committee meetings. Furthermore, every year, the Organizations renders an account within its Sustainability Report of the level of achievement of the targets, providing, if necessary, information related to the failed achievement.		
		f. Involvement of the stakeholders Refer to point f) of the topic 13.22 Economic inclusion.		

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
Non GRI indicators	Number/ description activated initiatives	99		
	Value of economic investments toward the community and the territory	97		
13.19 Health and work safety				
GRI 3 - Material topics - version 2021	3-3 Management of material topics	<p>a. Description of impacts Negative impacts: exposure of workers to physical risks due to the nature of the conducted work activities, in particular in agricultural operations.</p> <p>b. Involvement of the Organization The Organization is involved in negative impacts due to the conducted activities referring to wine production.</p> <p>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 wellbeing of its employees with both preventive and corrective actions.</p> <p>d. Conducted actions The supervision to reduce the generated negative impacts has been adopted, as follows: - management of the company activities compliant with the ISO 45001 norm for Banfi Srl. For Banfi Società Agricola Srl the supervision of these topics is guaranteed by a system of procedures and protocols inspired by the ISO 45001 norm and extended to all employees and all conducted activities.</p> <p>e. Monitoring of conducted activities With reference to the management of social topics, the Organization has identified, within the context of the Strategic Sustainability Plan, specific actions and targets it intends to achieve in the near future. The monitoring regarding the management of these aspects occurs during the year through interactions with the company representatives and in the context of the Management Committee meetings. Furthermore, every year, the Organization renders an account with its Sustainability Report of the level of achievement of the targets, supplying, if necessary, information regarding the failed achievement.</p>		13.19.1

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
		f. Involvement of the stakeholders With reference to the topic, the human resources of the Organization have been involved for whom training programs and information regarding the management of health and safety have been developed. The topic is brought to the attention of the stakeholders through the Sustainability Report, in which an account is rendered regarding the management of human resources or in the context of ad hoc events (such as, e.g., webinars or participation in university courses).		
GRI 403: Health and work safety 2018	403-1 Occupational health and safety management system	131-133		13.19.2
	403-2 Hazard identification, risk assessment, and incident investigation	131-133		
	403-4 Worker participation, consultation, and communication on occupational health and safety	131-133		
	403-5 Worker training on occupational health and safety	131-133		
	403-6 Promotion of workers' health	131-133		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	131-133		
	403-8 Workers covered by an occupational health and safety management system	131-133		
	403-9 Work-related injuries	131-133		

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
13.20 Occupational practices				
GRI 3 - Material topics - version 2021	3-3 Management of material topics	<p>a. Description of impacts Positive impacts:</p> <ul style="list-style-type: none"> - contribution to the creation of work positions in particular for individuals in the territory; - contribution to the creation of a work environment able to favor professional growth and staff development; - promotion of dignified work conditions and in compliance of the rules of work ethics. <hr/> <p>b. Involvement of the Organization There are no negative impacts for which to report the indications required by the standard.</p> <hr/> <p>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:</p> <ol style="list-style-type: none"> 1) optimization of the growth process of the human resources through the promotion and implementation of education and training programs for the staff at all levels; 2) correct and transparent management of its human assets by: <ul style="list-style-type: none"> - maintaining adequate facilities for the optimization of the work conditions; - organizing meetings, acknowledgements and incentives motivating the staff to achieve set goals; - training activities on specific aspects of the department where the individual operates which favor professional growth. 3) promotion and improvement of the conditions of safety and psychological-physical wellbeing of its employees with both preventive and corrective actions. <hr/> <p>d. Conducted actions The following initiatives have been adopted in support of the generated positive impacts:</p> <ul style="list-style-type: none"> - introduction of bonus systems; - development of specific training programs; - compliance with the rules of work ethic according to the approach of the SA 8000 certification. <hr/> <p>e. Monitoring of conducted actions Refer to point e) of the topic 13.19 Health and work safety.</p> <hr/> <p>f. Involvement of the stakeholders With reference to the topic, the human resources of the Organization have been involved. The topic is brought to the attention of the stakeholders through the Sustainability Report, in which an account is rendered regarding the performances related to human resource management or in the context of ad hoc events (such as, e.g., webinars or participations in the context of university courses).</p>		13.20.1

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
GRI 401: Occupation 2016	401-1 New employee hires and employee turnover	124-126	We consider ceased all employees who terminate the relationship during the year with the exclusion of the terminations at the end of a fixed term; the termination date is effective from the following day on, so that the employee who ends on December 31 is considered in force.	
	401-3 Parental leave	124-126		

New hires Values expressed in numbers and %	2020		2021				2022					
	M	% rate	W	% rate	M	% rate	W	% rate	M	% rate	W	% rate
Banfi Società Agricola Srl												
Tuscany	5	2.0								9		
Age < 30 years	2	0.8								5	2.2	
Age 30-50 years	2	0.8								3	1.3	
Age > 50 years	1	0.4								1	0.4	
Banfi Srl												
Tuscany	1	0.8	3	2.3	4	2.6	7	4.5	20	12.9	13	8.4
Age < 30 years			1	0.8	1	0.6	1	0.6	14	9.0	7	4.5
Age 30-50 years	1	0.8	2	1.5	2	1.3	5	3.2	5	3.2	6	3.9
Age > 50 years					1	0.6	1	0.6	1	0.6		
Piedmont	2	1.5			2	1.3	1	0.6	1	0.6		
Age < 30 years	2	1.5			1	0.6	1	0.6	1	0.6		
Age 30-50 years					1	0.6						
Age > 50 years												
Total	8		3		6		8		30		13	

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
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Resigned Values expressed in numbers and %	2020				2021				2022			
	M	% rate	W	% rate	M	% rate	W	% rate	M	% rate	W	% rate
Banfi Società Agricola Srl												
Tuscany	6	2.4	5	2	9	4.0	3	1.3	4	1.8		
Age < 30 years	1	0.4			1	0.4			1	0.4		
Age 30-50 years	1	0.4	1	0.4	4	1.8			2	0.9		
Age > 50 years	4	1.6	4	1.6	4	1.8	3	1.3	1	0.4		
Banfi Srl												
Tuscany	4	3.0			8	5.2	11	7.1	8	5.2	8	5.2
Age < 30 years	1	0.8			1	0.6	1	0.6	2	1.3	1	0.6
Age 30-50 years	1	0.8			5	3.2	6	3.9	4	2.6	6	3.9
Age > 50 years	2	1.5			2	1.3	4	2.6	2	1.3	1	0.6
Piedmont	1	0.8	1	0.8	3	1.9	2	1.3	2	1.3	1	0.6
Age < 30 years	1	0.8			1	0.6	1	0.6	1	0.6		
Age 30-50 years			1	0.8					1	0.6	1	0.6
Age > 50 years					2	1.3	1	0.6				
Total	11		6		20		16		14		9	

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	131-133		
GRI 405: Diversity and equal opportunity 2016	405-2 Ratio of basic salary and remuneration	126-128		
13.21 Welfare income and welfare salary				
GRI 3 - Material topics - version 2021	3-3 Management of material topics		<p>a. Description of impacts Positive impacts: contribution to a dignified life style for the employees and their families.</p> <p>b. Involvement of the Organization There are no negative impacts for which to report the indications requested by the standard.</p> <p>c. Policies and obligations Banfi is convinced that the quality of its production is strongly linked to developing and maintaining a trained and motivated workforce. For this reason, the company recognizes the value of its human resources, dedicating attention to all without distinction between new hires and the staff already in the company.</p> <p>d. Conducted actions The following initiatives have been adopted in support of the generated positive impacts: - increase vs. the National Collective Work Contract and increase of entry level for new hires (in the majority of cases).</p> <p>e. Monitoring of conducted actions Refer to point e) of the topic 13.19 Health and Work Safety.</p> <p>f. Involvement of the stakeholders With reference to the topic, the human resources of the Organization have been involved. The topic is brought to the attention of the stakeholders through the Sustainability Report, in which an account is rendered regarding the performances related to human resource management or in the context of ad hoc events (such as, e.g., webinars or participations in university courses).</p>	
GRI 202: Presence on the market 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	126-128		

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
13.22 Economic inclusion				
GRI 3 - Material topics - version 2021	3-3 Management of material topics	<p>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 thanks to procurement practices which include local suppliers.</p> <hr/> <p>b. Involvement of the Organization There are no negative impacts for which to report the indications requested by the standard.</p> <hr/> <p>c. Policies and obligations Banfi believes that the bond with the territory represents an asset that must be protected and increased through a vision embracing a wider reality than the company reality in which to transfer a sustainability culture.</p> <hr/> <p>d. Conducted actions The following initiatives have been adopted in support of the generated positive impacts: - procurement practices which include and, wherever possible, privilege local suppliers.</p> <hr/> <p>e. Monitoring of the conducted actions Refer to point e) of the topic 13.12 Local Community.</p> <hr/> <p>f. Involvement of the stakeholders With reference to the topic, suppliers and the representatives of local institutions have been involved in a dialogue on the execution of specific events in support of the territory. The topic is brought to the attention of the stakeholders through the Sustainability Report, in which an account is rendered regarding the initiatives developed in the territory and the data related to the management of local suppliers or in the context of ad hoc events (such as, e.g., webinars or participations in the context of university courses.</p>		13.22.1
GRI 201: Economic performances 2016	201-1 Direct economic value generated and distributed	90		13.22.2
	201-4 Proportion of spending on local suppliers	89		

GRI standard	Information	Page number/ Direct information	Notes/ Omissions	Ref. no. GRI sector standard
GRI 202: Market presence 2016	202-2 Proportion of senior managers hired from the local community	63-64	The local community includes the neighboring municipalities to the estates in Tuscany and in Piedmont. For Banfi Società Agricola Srl, the local community corresponds to the provinces of Siena and Grosseto. For Banfi Srl the province of Alessandria is added.	
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	73	Local suppliers are intended as: - for Banfi Società Agricola Srl companies with legal headquarters in the provinces of Siena and Grosseto; - for Banfi Srl companies with legal headquarters in the provinces of Siena, Grosseto and Alessandria.	
GRI 207: Taxes 2019	207-1 Approach to tax	91-93		
	207-2 Tax governance, control, and risk management	91-93		
	207-3 Stakeholder engagement and management of concerns related to tax	91-93		
	207-4 Country by country reporting	91-93		

Industry standard topics considered non-material

TOPIC	EXPLANATION
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022	
13.4	<p>Natural ecosystem conversion</p> <p>The topic is to be considered non applicable to the company reality.</p>
13.5	<p>Soil health</p> <p>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.</p> <p>Among the implemented actions to reduce negative impacts there are the following:</p> <ul style="list-style-type: none"> - 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). <p>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.</p>
13.6	<p>Pesticides use</p> <p>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.</p> <p>Among the implemented actions to reduce the negative impacts there are the following:</p> <ul style="list-style-type: none"> - 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. <p>In consideration of the efficiency of the implemented actions and of their consistency in the execution in future years, the topic is attributed a medium level of importance.</p>
13.9	<p>Food security</p> <p>The topic is to be considered non applicable to the company reality.</p>
13.11	<p>Animal health and welfare</p> <p>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 wellbeing with the exclusive purpose of maintaining the breed.</p> <p>In consideration of this commitment and the company culture, the topic is attributed a high level of importance.</p>
13.13	<p>Land and resource rights</p> <p>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.</p>
13.14	<p>Rights of indigenous people</p> <p>The topic is to be considered non applicable to the company reality.</p>
13.15	<p>Non discrimination and equal opportunity</p> <p>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.</p> <p>Among the implemented actions to reduce the negative impacts are the following:</p> <ul style="list-style-type: none"> - adoption of the company Ethical Code; - establishment of the Social Performance Team for the supervision of aspects associated with the protection of workers. <p>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.</p>

Industry standard topics considered non-material	
TOPIC	EXPLANATION
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022	
13.16	<p>Forced or compulsory labor</p> <p>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.</p> <p>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.</p>
13.17	<p>Child labor</p> <p>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.</p> <p>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.</p>
13.18	<p>Freedom of association and collective bargaining</p> <p>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.</p> <p>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.</p>
13.23	<p>Supply chain traceability</p> <p>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.</p> <p>Among the implemented actions to reduce negative impacts are the following:</p> <ul style="list-style-type: none"> - 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. <p>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.</p>
13.24	<p>Public policy</p> <p>The topic is to be considered non applicable to the company reality.</p>
13.25	<p>Anti-competitive behavior</p> <p>The topic is to be considered non applicable to the company reality.</p>
13.26	<p>Anti-corruption</p> <p>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.</p> <p>Among the implemented actions to reduce negative impacts are the following:</p> <ul style="list-style-type: none"> - 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). <p>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.</p>

*Cuvée Aurora Blanc de Noirs,
Alta Langa Docg*





**BANFI SRL
BANFI SOCIETÀ AGRICOLA SRL**

**LIMITED ASSURANCE REPORT ON SUSTAINABILITY
REPORTING**

YEAR ENDED 31 DECEMBER 2022



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 2022.

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 Control

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
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Società soggetta all'attività di direzione e coordinamento della PricewaterhouseCoopers Italia Srl
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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 2022 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

Paolo Bersani
(Partner)

Milan, 20 April 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 2022 translation.

Tasting of Brunello di Montalcino







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We thank all Banfi colleagues
who worked with us on
the compilation of this Report

Creative concept, design and layout



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