



Sustainability Report
2021

Guiding the challenge of change





To change to stay oneself, to safeguard an original and unique value.

We are, as every part of the universe, in continued evolution and therefore, we use our resources to reach out to innovation, to knowledge and co-participation.

We are part of a social and territorial system which looks upon us as those who experiment and at the same time are custodians of tradition, and together with passion and respect we give life to change.

for a better wine world



LETTER FROM THE FAMILY

GRI 102-14

Dear colleagues and dear readers,

The release of the new Sustainability Report not only represents an extraordinary and effective image of our actions and of our relationship with the people and the territories in which we operate, it is also an unmissable opportunity to reflect, all together, on the growing complexity of the current times and on the challenges that the ongoing change puts in front of us.

2021, the year recounted in this report, has been again a particular period, exceptional in certain ways, marked by the ongoing pandemic which has become structural, yet also by important and visionary responses by our company, as well as by the wine industry more in general.

Our awareness of the problems made us stronger, while our innate resilience allowed us to handle the complexities to our best, reducing them to normality, if not, even, transforming them into positive opportunities for change.

The company has, in fact, grown and has diversified further, in its actions and its processes, fully recovering the gap of 2020, and achieving important recognitions, both with regard to production, as well as in matters of economic, social and environmental sustainability.

And sustainability, the key topic of this interesting report, is increasingly becoming a founding value of our actions, an ethical discipline guiding our course, with the ambitious intention, as my father proclaimed many years ago at the dedication of the Montalcino winery, to “leave for the future generations a healthier, more livable and richer territory than we found”.

As CEO and proprietor of this extraordinary company, I am proud of the results that have been achieved, thanks to the contributions of the many colleagues who everyday dedicated their best energies to the future of our endeavors, and I am even more confident that the incessant and productive “seeding” – of ideas and projects – will project our historical and lasting leadership into the future.

I hope you will all enjoy reading this report, and I am certain that we will continue our course and our continued and attentive evolution of sustainability also in the years to come, to reiterate our role as leaders in the industry and to strengthen our Brand and our “sustainable” wine, food and hospitality experience on an international level.

Cristina Mariani-May



LETTER FROM THE PRESIDENTS

GRI 102-14

Dear stakeholders,

The challenge of change, the topic we have chosen this year to narrate the 2021 Sustainability Report of Banfi, is a concept, in a certain way a true strategic approach, tightly linked, from our origins, to the history and the success of our company. When everything began, in the distant year 1978, our company, in fact, made its debut in the traditional, difficult, yet fascinating wine industry in Italy, by introducing – with courage and farsightedness – important elements of innovation and of discontinuity, precisely of change, while still in the respect of the values of tradition and of the typical nature of the territories in which we confronted ourselves: in Montalcino first, and then in all of Tuscany and in Piedmont later.

The challenge, at the time, was to demonstrate that a new and dynamic business, production and sales approach, in the respect of century-old values of the Italian wine tradition, was possible.

New varieties were introduced, new cultivation and vinification techniques developed, new communication languages and styles were approached, which had never even been considered before. Research, at all levels and in all economic and social fields, was the “driver” of this important change and one of the reasons of the international success which our company and the entire Montalcino territory are unanimously recognized for today. And the challenge of change, an absolutely dynamic, evolutionary concept, which looks to the future, became, also thanks to these

actions, one of the main distinctive features of our acting, up to becoming the true and most recognizable “point of difference” of our company.

Today, also in the light of continued and sudden mutations which are marking, as never before, this economic and social stage on an international level, the challenge of change has become a current and unfortunately indispensable topic, as never before. With the still ongoing pandemic – which at this point is structural, as it has had an effect on the change of the consumer – and with the war between Russia and Ukraine which has entered our lives impertinently in these weeks, with effects which are still difficult to interpret in the long term, yet already dramatically negative on our daily lives, challenging change, interpreting it, reading it and providing precise answers, becomes not only indispensable, but also the only road to effectively undertake.

With this dutiful premise, we wish to reveal some of the topics which we will take on in the narration of the 2021 Sustainability Report, a year that has been particularly rich in great satisfactions, recognitions, and success.

A year which, after a very difficult 2020, closed with an important progression of our turnover, and with a growth well beyond the rosier expectations. A strong growth, over 30%, both on the domestic market and on the international market, the result also of important and timely corrective actions on the

level of distribution and production, coherently with the strong ongoing change. The sensations for 2022, which has just started, are also good and should finally project us toward a definitive recovery of the pre-Covid figures, with a general improvement of productivity and profitability.

2021 was the year during which Direzione Futuro saw the light, an important project of the strategic development of the company, which, involving all actors of our production chain, has the ambition of gradually bringing the company back to the pinnacle of the international wine industry, redesigning the growth path for the next years, the priorities, the sales and distribution focuses, the reputation and the corporate communication. The ongoing change and the resulting challenges, as already reiterated, demand courageous, coherent and farsighted choices, in addition to the punctual sharing within the company of strategies, goals and processes.

Regarding the topics more closely linked to Sustainability, we are also proud to highlight several fundamental recognitions which were achieved during 2021, as the result of a

course which started years ago. Firstly, the achievement, in August 2021, of the Equalitas certification, the highest recognition with regard to sustainability in the wine industry, according to the three social, economic and environmental pillars. Equally important was then joining the territorial carbon neutrality Alliance of Siena, to reiterate our strong, coherent and increasingly more heart-felt commitment in the territory in which for years we have operated. Last but not least, Cristina Mariani at the pinnacle of the company and the worldwide ambassador of our wine culture, was awarded with the 2021 WINWSA prize for sustainability, in recognition of her ability to motivate social business responsibility and once again a final recognition to our commitment to ethical and sustainable production practices.

We leave you to the study of this 2021 Sustainability Report of Banfi, centered on our ability to interpret the Challenge of Change, providing innovative solutions which at the same time are coherent with our history. We hope that you will enjoy reading it, better yet if with a good glass of wine within reach.

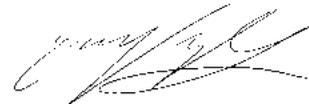
Remo Grassi
President
Banfi Società Agricola Srl



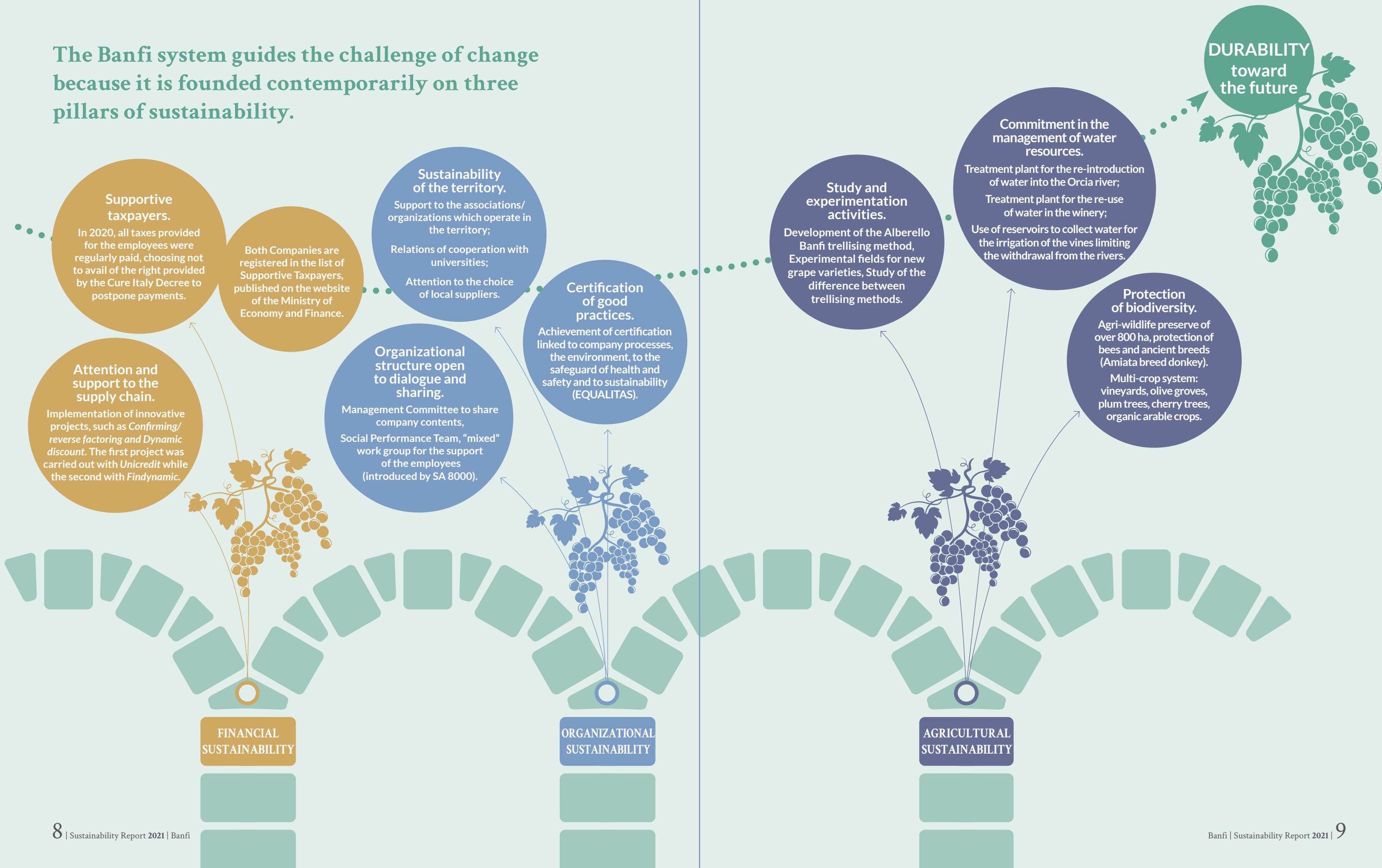
Rodolfo Maralli
President
Fondazione Banfi



Enrico Viglierchio
President & General Manager
Banfi Srl



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



HIGHLIGHTS

43

years
of history

58.1
mln€

total aggregated
turnover

370

average
employees

100

countries worldwide
where our wines are
enjoyed

94.8%

distributed value in
recent 3-year period

1,062

hectares
cultivated under
vine

479

hectares cultivated
with different
crops than vines

10.7
mln

average bottle volume
produced in recent
3-year period

1

Relais&Châteaux
hospitality facility

2

wineries
in Italy



1 Michelin star for the
"Sala dei Grappoli"
restaurant

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.

MI SSI ON

ALWAYS PIONEERS, WE VALUE RESEARCH AND PEOPLE, IN RESPECT OF THE TERRITORIES IN WHICH WE OPERATE.

FOR A BETTER WINE WORLD.

Guiding the challenge of change

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Wine comes from the transformation of nature; thus, a sustainable company cannot exempt itself from transformation.

Remo Grassi,
President Banfi Società Agricola Srl



Guiding the challenge of change
BANFI'S IDENTITY

WHO WE ARE

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.

GRI 102-12 GRI 102-16

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.

Castello di Poggio alle Mura



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.

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 17 Sustainable Development Goals are illustrated below:



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 ONU. 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.

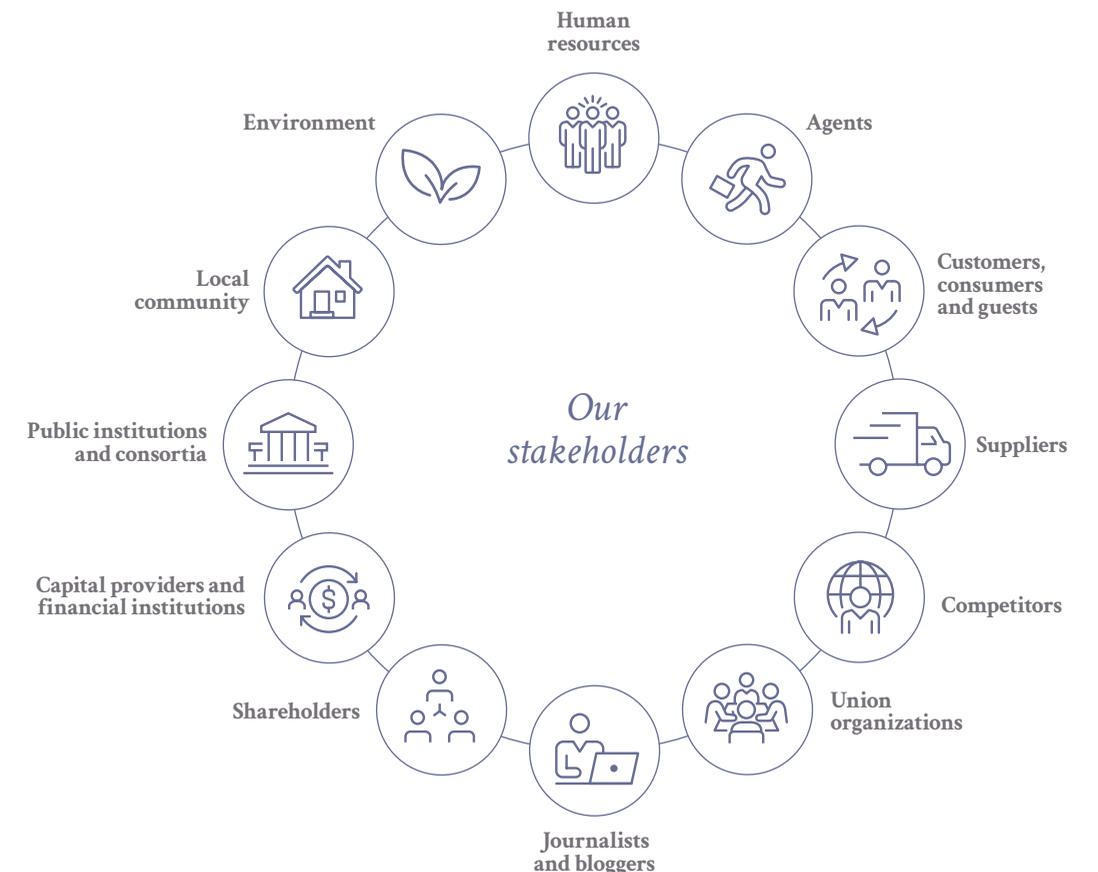
These topics, in line with the material subjects reported in the Sustainability Report, are directly connected with these 8 SDGs:

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

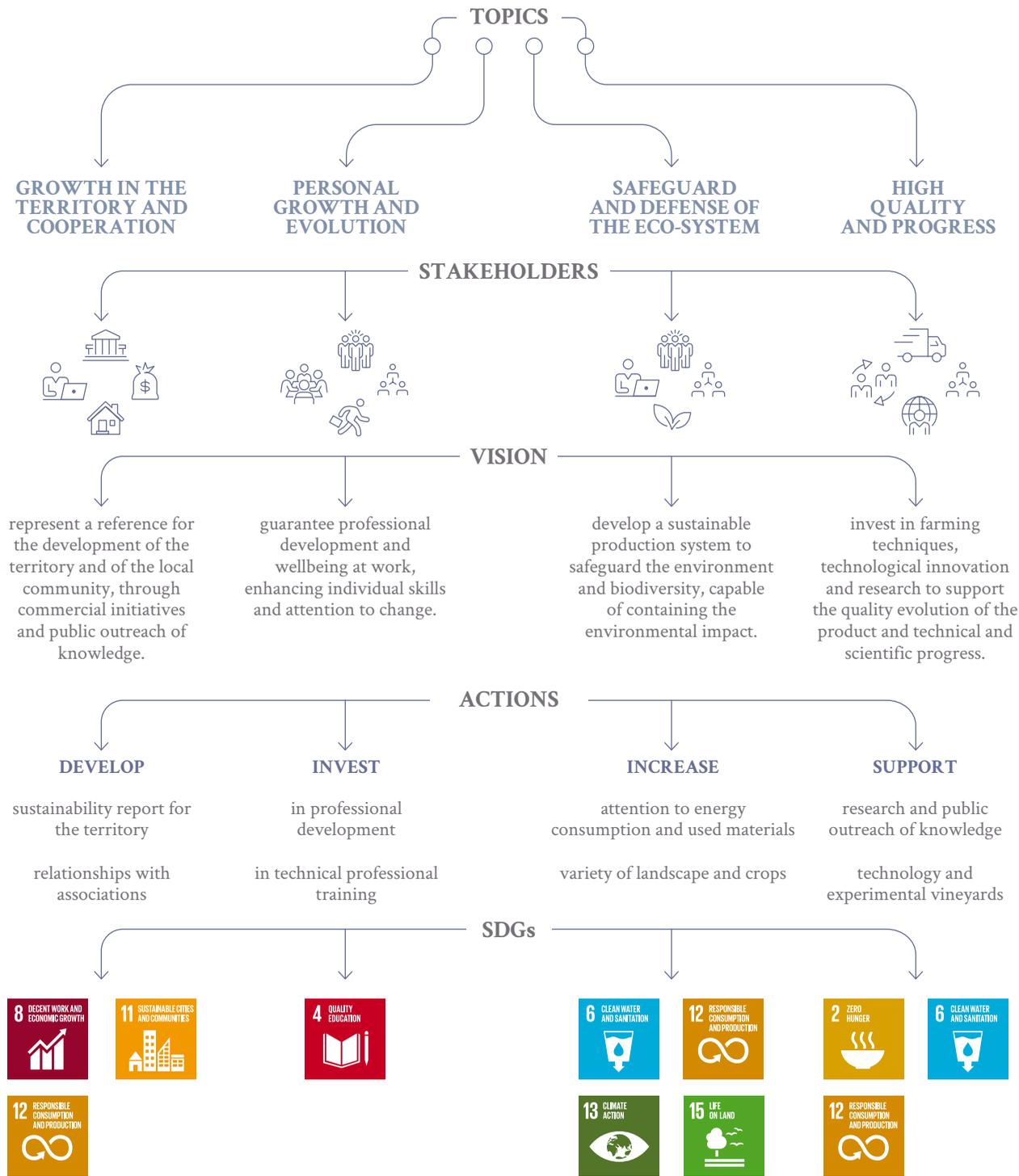
- the most involved **stakeholders**;
- the **vision**, expressing our thought as to how Banfi intends to implement its commitment to conduct future actions;
- the **actions** in which to invest in the upcoming years, to develop our vision;
- the specific **goals** and **targets** toward which the resources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

The Strategic Sustainability Plan is represented in the following chart that shows the above-mentioned elements. Subsequently, two charts are shown: in the first chart the targets defined for 2021 are indicated and their level of execution, whereas in the second chart the new targets for the next three years are identified.

The topics of the Plan are related to the following SDGs



Strategic Sustainability Plan



2021 goals

TOPICS	TARGETS FOR 2021	ACHIEVED RESULTS
TERRITORY Growth in the territory and cooperation 	1 Activate interlocutions with Agencies, territorial institutions and reference associations (e.g. Local Agencies, Consortia, Universities, other producers, etc.)	The topic of territorial sustainability was sustained within the Fondazione Monte dei Paschi di Siena with the activity of the President of Banfi Società Agricola. The development of the topic also involved Santa Chiara Lab of the University of Siena.
PEOPLE Personal growth and evolution 	2 Regulate home office, providing the opportunity for the workers to use such instrument as a normal modality	While awaiting the release of national Guidelines regulating the topic, the company has initiated an internal analysis project of the company specificities, in order to best plan for the adoption of future national Guidelines.
	3 Carry out specific training on topics inherent to sustainability	A specific training session was carried out on sustainability topics according to the Equalitas standard, for the members of the Management Committee. Furthermore, two training programs were activated which involved the company associates in charge of the sustainability report and of training and company management systems.
ENVIRONMENT Protection and defense of the ecosystem 	4 Develop calculation of the company Carbon Foot Print and absorption of CO ₂ of the estate forestland	The calculation of the carbon footprint for the production facilities in Tuscany and Piedmont was developed. In addition to emissions, the absorption of CO ₂ was calculated. For more detailed information refer to the chapter "Centrality of the environment for Banfi".
	5 Start energy analysis project for the facilities in Montalcino and Strevi	The project has started in both facilities, identifying the areas of intervention and the actions to be implemented. Furthermore, at the Montalcino winery an intervention has been completed which was planned to optimize consumptions (in advance of the goal scheduled for 2022). For more detailed information refer to the chapter "Initiatives of consumption reduction". The areas of intervention identified for the Strevi winery are listed in the strategic planning of this chapter.
QUALITY High quality and progress 	6 Achievement of EQUALITAS certification for Banfi Società Agricola Srl (in Montalcino)	In August, the Equalitas certification for Banfi Società Agricola Srl was achieved.

Our strategic goals

TOPICS	GOALS	TARGETS	TIMING
TERRITORY Growth in the territory and cooperation 	Develop the sustainability report of the territory	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
	Determine the socio-economic impact of the activities implemented in favor of the territory and the local community	Define the appropriate mechanisms of analysis and development to quantify the socio-economic impact of the activities taken into consideration	 2022/2023
	Increase the financial sustainability of the supply chain	Increase the use of all tools to support financial sustainability of the supply chain, covering 50% of global suppliers (by number) Increase the use of all tools to support financial sustainability of the supply chain, covering 80% of local suppliers (by number)	 2023  2023
PEOPLE Personal growth and evolution 	Facilitate work private life balance	Define a company protocol to regulate the practices of home office in order to optimize the wellbeing of the employees and work efficiency	 2022
	Provide support to employees	Identify, also in discussions with the trade unions, the forms of company welfare most suitable for the work force Develop forms of company welfare to support all employees	 2022  2023
	Make employees aware of the importance of sustainability	Identify, also by involving the Social Performance Team, an incentive plan, for every staff member, linked to the achievement of sustainability goals	 2022
	Reinforce company training for all employees	Increase the total training hours, planning a incremental variation of 3% annually	 2022/2023/2024
ENVIRONMENT Protection and defense of the ecosystem 	Optimize energy consumption	Implement following energy efficiency actions at the Strevi winery: <ul style="list-style-type: none"> • replace the current relaunch pumps for drinking water in the winery • replace furnace used for production • replace spray pasteurizer with new heating system 	 2022
	Increase degree of independence in energy procurement	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
	Reduce consumption of plastic	Install, at the Montalcino winery, new equipment to wrap pallets (storage pallets and full pallets) which uses a particular type of paper (so-called Kraft paper) replacing plastic Initiate a study and the subsequent implementation of the best alternative to the use of: <ul style="list-style-type: none"> • shrink wrap film and plastic wrap film for packaging • single use plastic for the packaging of Banfi pasta and plums 	 2023  2022/2023
	Calculate company environmental impacts	Develop calculation of company water footprint Achieve BIODIVERSITY FRIENDLY certification	 2022  2023
	Complete update of company facilities	Activate interventions to replace and dispose of asbestos roofing on company buildings	 2022/2023/2024
	QUALITY High quality and progress 	Certify company sustainability practices	Achieve EQUALITAS certification for Banfi Srl Piedmont
		Achieve EQUALITAS product certification for the following skus: <ul style="list-style-type: none"> • 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

Commitment to sustainable development goals

2030 UN AGENDA		COMMITMENT OF BANFI	
SGD	Specific goal	Developed projects and undertaken activities	Chapter
 2 ZERO HUNGER 2.4	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.	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 The territory - Study project on the comparison of trellising systems
		Development of a study project on "Alberello Banfi" trellising system.	
 4 QUALITY EDUCATION 4.4	Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	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
 6 CLEAN WATER AND SANITATION 6.3 6.6	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. Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.	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.	
 8 DECENT WORK AND ECONOMIC GROWTH 8.3 8.8	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. 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.	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
 11 SUSTAINABLE CITIES AND COMMUNITIES 11.4 11.A	Strengthen efforts to protect and safeguard the world's cultural and natural heritage. Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.	Conservation and catalogization of historical specimens from the Etruscan age at the Glass and Bottle Museum.	The territory - Fondazione Banfi The territory - A unique territory
		Recovery and restoration of a prehistoric whale fossil found on company land nearby the Castle of Poggio alle Mura.	

2030 UN AGENDA

COMMITMENT OF BANFI

SGD	Specific goal	Developed projects and undertaken activities	Chapter
	<p>12.5</p> <p>Substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>	<p>Transfer of subproducts of the vinification process for the creation of new products (grappa and distillates) and the generation of energy from biomass.</p> <p>Use of dregs from the water treatment process as a natural soil conditioner.</p>	<p>The environment - Waste products and subproducts</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>Development of the Sustainability Report as the main instrument for the company reporting on social, environmental, and economic topics.</p> <p>Certification of sustainability good practices adopted according to the specific EQUALITAS standard for the wine industry.</p>	<p>Quality - Certifications</p>
	<p>13.1</p> <p>Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>	<p>Attention in the choice of energy procurement:</p> <ul style="list-style-type: none"> • use of electricity entirely deriving from renewable energy sources; • production of electricity with a photovoltaic plant. <p>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).</p> <p>Attention in the choice of materials used for packaging (cardboard and glass present variable percentages of recycled materials).</p> <p>Attention toward CO₂ emissions in the context of distribution activities with the use of electric vehicles for part of the shipments.</p>	<p>The environment</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>Water treatment in outflow of the production processes and its re-immission into the Orcia river.</p> <p>Reduction of water withdrawals from the rivers for emergency irrigation thanks to the use of rain water collected in the artificial reservoirs.</p>	<p>The environment - Consumptions: water</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>Use of suppliers for packaging materials with specific certifications, such as PEFC and FSC to safeguard the responsible forest management.</p>	<p>The environment - Attention to the use of materials</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>	<p>Protection of the territory by establishing an agri-wildlife preserve offering shelter and nourishment for many animal species.</p> <p>Safeguard and protection of bees and of their fundamental role as pollinating insects with the installation of forty hives.</p> <p>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.</p>	<p>The environment - Protection of biodiversity</p>

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

1992
Introduction of new pruning methods, allowing to increase quality in certain specific varieties

1998
Creation in Montalcino of the Jazz&Wine Festival, an event uniting the world of music and the world of wine, which becomes part of the enhancement of the territory and of the local community, always at the center of attention for Banfi

2001
Banfi obtains the ISO 9001 (quality management system) and the ISO 14001 (environment management system) certifications

2002
Introduction of the new «Alberello Banfi» trellising method, allowing to optimize the management and quality of red varieties, reducing the use of water, fertilizer and pesticides

2005
Banfi obtains the SA8000 certification on corporate social responsibility

2006
Banfi obtains the BRC and IFS certifications to guarantee the quality and safety of food products

2007
Installation of a new vinification area, with 24 truncated cone vats in oak and steel with a capacity of 177 hl (HORIZON fermentors)

2008
Introduction of the variable flow rate micro irrigation system, capable of guaranteeing a targeted and efficient use of the water resource according to the incline and characteristics of the individual plots

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

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

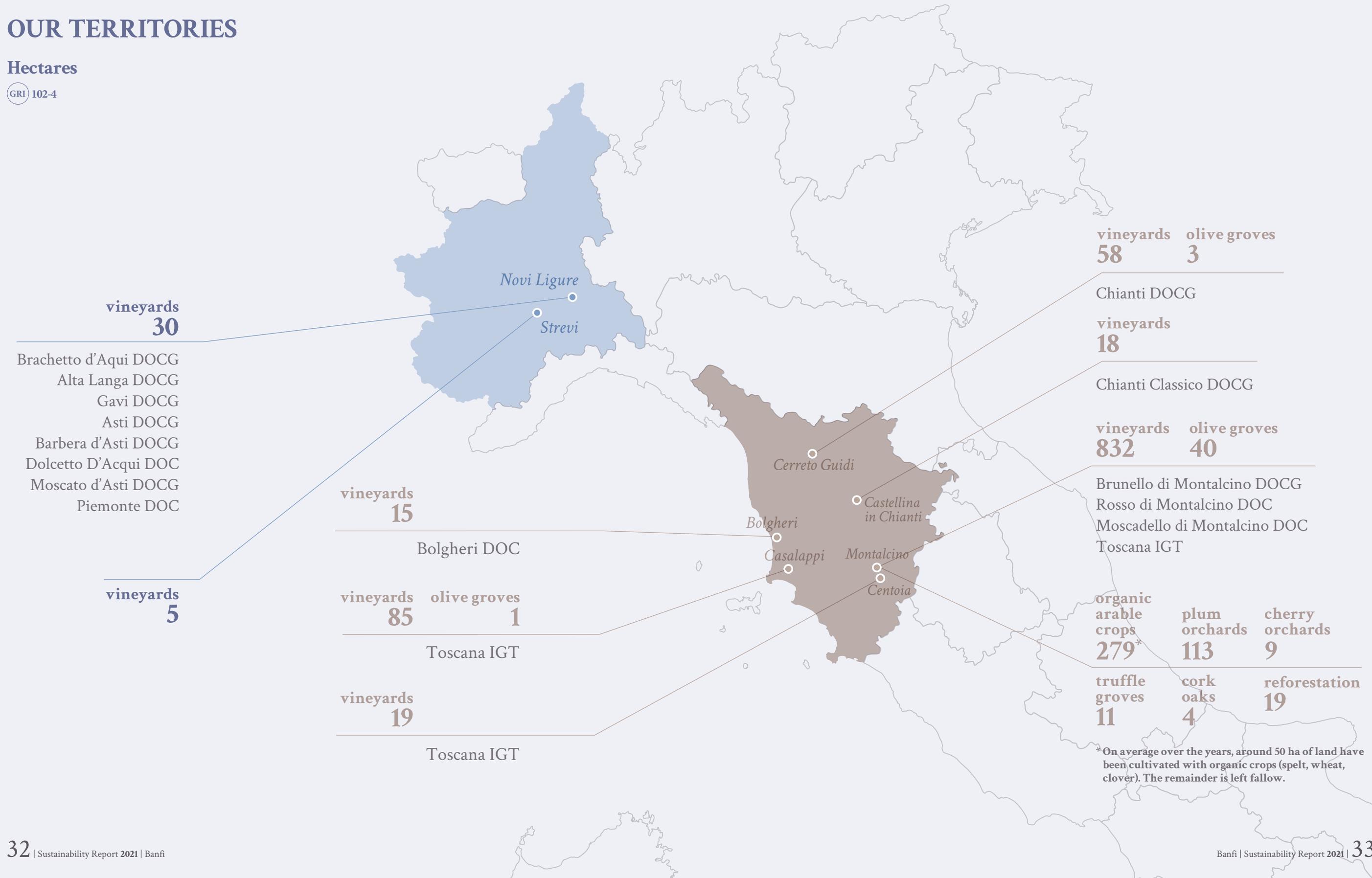
2020
The Sala dei Grappoli restaurant is awarded a Michelin Star, the highest recognition in the restaurant industry

2021
Banfi achieves the EQUALITAS certification for sustainability in the vitivinicultural department

OUR TERRITORIES

Hectares

GRI 102-4



*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 102-2

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



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 102-2

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 2010 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



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 102-2

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

7,820 kg



Spelt
17,010 kg

Wheat fields Cappelli variety





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

CASTELLO BANFI WINE RESORT

GRI 102-2

“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.



Identity



Stakeholder



Governance



Value



Economics



Territory



People



Environment



Quality

Methodology
note

GRI

In order to guarantee health and safety for all guests, Castello Banfi Wine Resort has adopted the regulations recommended by the World Health Organization, as well as the decrees of the Prime Minister of the Italian Government, organized specific measures to assure safe environments and to contrast the risk of infection. As a result of this organization, in June of this year the **My Care standard**, Readiness assessment, was obtained from the DNV certification institute, which testifies to the correct management in the mitigation of the risk of infection from pathogenic agents.

Castello Banfi Wine Resort - Pool



“

The Banfi system held up to the pandemic, as it is founded on three pillars: financial sustainability, organizational sustainability, agricultural sustainability

Enrico Viglierchio,
President & General Manager Banfi Srl



Guiding the challenge of change
OUR STAKEHOLDERS

OUR STAKEHOLDERS

GRI 102-40 GRI 102-42 GRI 102-43

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				NATURE OF THE RELATIONSHIP	ENGAGEMENT TYPE
	Enhancement and development of the territory	Enhancement and development of human resources	Safeguard of the environment	Protection of quality		
Human resources	“	“	“	“	Sense of belonging and high professionalism represent distinctive elements of the human resources of Banfi.	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.
Agents	“	“	“	“	Strong sense of belonging and stable and lasting relationships.	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.
Clients, consumers and guests	“				Continuity in time and development of commercial synergies.	Banfi develops periodical meetings with customers (entities to whom the Company sells its products to be then resold to end consumers) to manage business relationships. 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.
Suppliers	“	“	“	“	Strong cooperation and innovation incentive.	Relationships with suppliers are managed with periodical meetings depending on business needs.
Competitors	“	“	“	“	Spirit of cooperation for the enhancement of the territory and promotion of products.	The relationships between Banfi and its competitors mainly take place at periodical initiatives developed by trade organizations and consortia.
Trade unions			“		Strong cooperation and innovation incentive.	The trade unions, with the workers’ union representative, are involved in the periodical meetings of the Social Performance Team.
Journalists and bloggers	“	“	“	“	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.	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.
Shareholders	“	“	“	“	Sharing decisions and proxies	Relationships with shareholders mainly consist in periodical shareholders’ meetings where, as needed, economic-financial aspects and the management of the company are analyzed.
Capital providers and financial institutions	“				Trust with operators in the banking industry forms the basis of the mutual continuous relationship.	Banfi has developed consolidated relationships with capital providers and financial institutions, with specific meetings according to the needs of the business.
Public institutions and consortia	“	“	“	“	Frequency, continuity and shared intents.	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.
Local community	“	“	“	“	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.	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.
Environment			“		Reduction of impact and enhancement in the reference territory.	Protection of the environment is implemented by developing specific initiatives which can implicate, case by case, the encounter with the other stakeholders of Banfi.

SUSTAINABLE DEVELOPMENT GOALS



MATERIALITY ANALYSIS

GRI 102-47

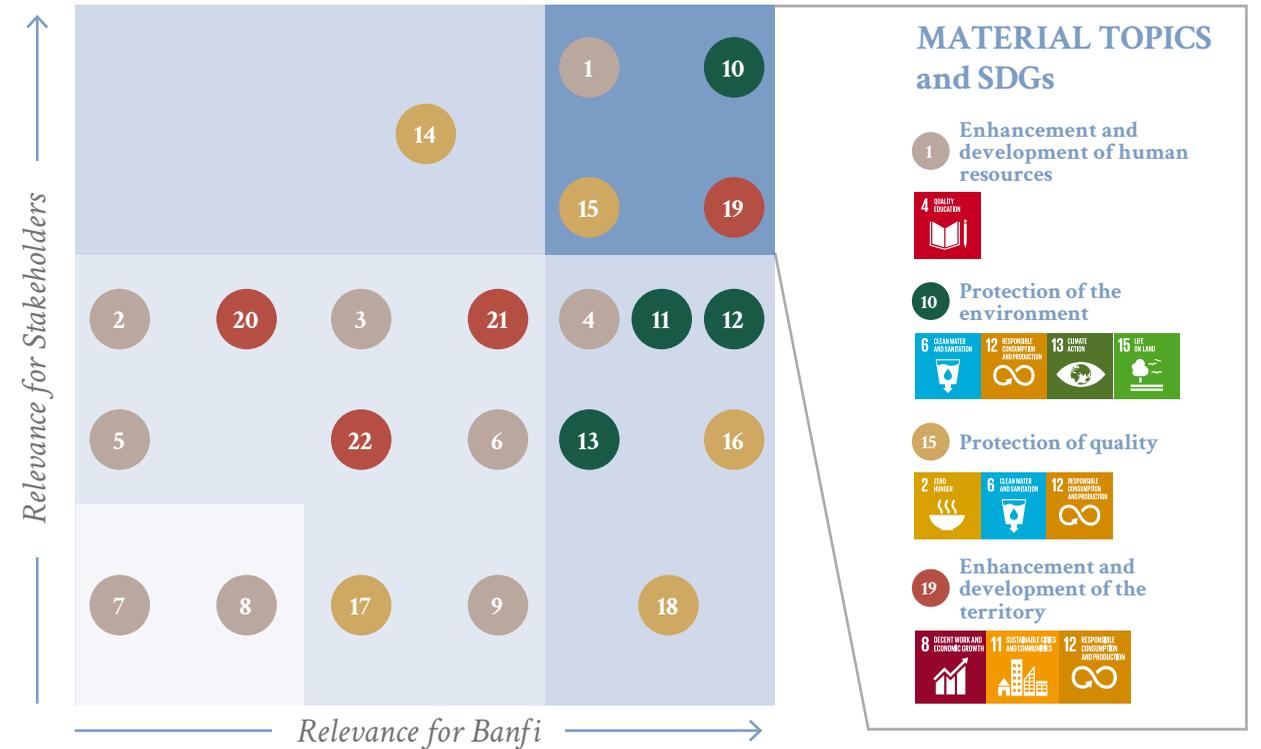
Banfi started the materiality analysis process in 2015, when the first Sustainability Report was drafted. **The process involved the company's senior management and led to the definition of the materiality matrix of Banfi**, starting from the identification and analysis of corporate stakeholders, investigating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

The comparison between corporate and stakeholder points of view classified the **identified topics and material topics**. The materiality matrix represents these elements in a chart, considering material those topics that are significant both for stakeholders and for the company. **The materiality analysis process is periodically updated**, to validate its content and to reflect possible changes that might occur over time. A specific chapter is dedicated to each material topic in the Report.

In the course of 2018, the materiality matrix was integrated with the results of the analysis of the Sustainable Development Goals (SDGs).

In particular, the SDGs which had a major impact on each material topic were identified, as shown in the graph.

MATERIALITY MATRIX



SOCIAL TOPICS

- 1 Enhancement and development of human resources
- 2 Shortage of skilled labor
- 3 Consumer education
- 4 Performance assessment
- 5 Developing and promoting good practices in the industry
- 6 Maintaining employment levels
- 7 Corporate welfare
- 8 Attracting talents
- 9 Diversity

ENVIRONMENTAL TOPICS

- 10 Protection of the environment
- 11 Climate change
- 12 Biodiversity protection
- 13 Intensity of cultivation

ECONOMIC TOPICS

- 14 Generated economic impacts
- 15 Protection of quality
- 16 Brand

TRANSVERSAL TOPICS

- 19 Enhancement and development of the territory
- 20 Logistics
- 21 Supplier selection
- 22 Fight against fraud and forgery
- 17 Support for wine production
- 18 Corporate value

MAIN INITIATIVES DURING THE YEAR

GRI 102-44

The Consorzio del Vino Brunello di Montalcino was established in 1967, subsequently to the recognition of the D.O.C., as a free association of producers intending to protect their wine and to enhance its characteristics.

During 2021, there were many meetings Banfi participated in, some of which were held in virtual engagement modes. Among the initiatives that were promoted, on the other hand, the **meeting with the Italian sales force must be mentioned and the organization of the presentation of the Sustainability Report which**, in printed form, was also sent to all wineries associated with the **Consorzio del Vino Brunello di Montalcino**. This gesture was meant to underline the importance of sustainability, not only on a company level, but, even more so, for an entire territory.

Following are the main meetings during this year. In February, the webinar, titled **“Trend Talks – Eco-sustainable labels”**, took place, an important occasion for discussion to underline the importance of environmental protection in the choices associated with the labelling of products. The meeting saw the participation of Banfi together with other companies operating in various production sectors and allowed for a dynamic exchange of experiences on the undertaken actions with regard to important topics such as: the choice of materials used in production and their composition, the practices for the end of life of products and the impacts generated on the environment.

In June, Banfi took part in the cycle of on-line lectures organized by **Siena Food Lab Academy**, a free training program open to students and professionals of the agri-food industry. The webinar which we were involved in, titled **“Sustainability as an opportunity for the agri-food businesses in Italy”**, offered the opportunity to affirm the importance of adopting a management approach that integrates the sustainability goals with the company strategy, the business model, the decision processes and the performance evaluation systems.

In September, Banfi participated in the panel discussion, titled **“Wine and work 2021: second conference on sustainable work development in the wine industry”**, promoted as part of the twelfth edition of “Lights on Work”, the event organized by Eidos (European Institute of Documentation and Social Studies) and the municipality of Montepulciano. The debate took place in the presence of representatives from businesses, universities and politics and was centered on the importance of social topics within company management.

Also in September, on the occasion of the conferment ceremony of the Rudy Buratti graduation award, event organized by **Fondazione Banfi** at the Astrusi Theater in Montalcino, **the fifth edition of the Sustainability Report was presented**. The meeting between academia and businesses allowed to unite topics that have always been close to Banfi and that represent a distinctive feature of the company operations.

In October, at the Castello Banfi Wine Resort the **meeting with the “Wisemen”**, the sales agents who have been working with Banfi for over 20 years, was organized. An occasion to meet and listen, share and dialogue over 2 days during which the sense of belonging and the spirit of cooperation again highlighted the strong bond which unites individuals and a business.

Finally, in November, Banfi participated in the meeting promoted by **Fondazione Monte dei Paschi di Siena** and **Santa Chiara Lab** to discuss future project plans of the Siena Food Lab, the project developed to bring together research, technologic innovation and agricultural entrepreneurship. The meeting was held in the presence of industry associations and businesses from the agri-food sector and developed a constructive dialogue around the agri-tech topics provided for in the PNRR (National Recovery and Resilience Plan).

Fondazione Monte dei Paschi di Siena was established on August 28, 1995, by conferring the banking activity on behalf of the former Public Law Credit Institute to the Monte dei Paschi di Siena Bank SpA, which dates back in origin to 1472.

Presentation Sustainability Report 2020, Teatro degli Astrusi of Montalcino



Sustainability as an opportunity for agri-food companies.



Interview with Prof. Angelo Riccaboni, President Prima Foundation and Santa Chiara Lab, full professor of Business Administration.

February 22, 2022

We are experiencing a period characterized by an urgent need to transform the complex systems which regulate our societies. However, as the recently concluded COP in Glasgow has highlighted, there is no unanimity of visions, of strategies, and of tools to reach indispensable goals, such as climate neutrality and the 2030 Agenda. It is fundamental to have a favorable political and legislative framework for the transition, but the contribution of the private sector and civil society is equally essential.

Q Prof. Riccaboni, in your opinion, why is the alignment of the businesses with the 2030 Agenda an important concept for the entire agri-food industry in Italy?

A The transition we must complete requires an effort on behalf of all, and we cannot postpone our actions to a post-Covid period. Other global challenges require similar coordination and commitment. The private sector is essential in reaching the goals that the International Community has defined, and specifically the food industry needs an increasingly greater alignment with the SDGs and the Paris Agreement on climate change to improve its financial, social, environmental and legislative sustainability. All those who produce, transform, distribute and consume food and beverages need to be aware of their impact and their potential for transformation. It is necessary to start from the awareness of the problems if they are to be overcome. Therefore, businesses have to do more, in the awareness that, firstly, all food has a close relation with health. Consequently, it cannot be treated in the same way as any other resource.

Furthermore, it has a strong impact on the environment and on the economy. Additionally, many have acknowledged that sustainability can offer interesting opportunities and better relationships with the stakeholders, first of all financial backers. In fact, the agri-food systems need new agricultural, technological, organizational, social and digital solutions to assure safety, health, fairness, resilience and sustainability. For that purpose, it becomes indispensable to favor the access of the agri-food businesses to a system of innovation and to adopt, on behalf of the businesses, a structure and professional management approach.

Q Very often promoting circular and efficient food chains is discussed in the use of resources and in strengthening the bioeconomy. What can you tell us about this?

A Optimizing circular and efficient food chains in the use of resources will play an important role in the transition toward more sustainable food systems. There are many starting points, for example, using the natural resources in an efficient way, limiting the quantity of waste, using recyclable, reusable and compostable packaging or avoiding single use plastic, just to highlight a few. The European Platform of the interested parties for the circular economy represents an effective network to provide inspiration, innovative ideas and solutions in this context. Circular bioeconomy constitutes an advantageous approach for all. The exploitation and the reuse of biomass make productions more sustainable and can create new businesses and income opportunities for farmers, the fishing industry and the entire food system. For this reason, great attention must be given to the entire management cycle of biomass (production, transformation, exploitation and reuse, creation of “multi-output” production chains linked to the medical sector, to the materials, the biorefineries and energy, and the creation of a market for such uses).

The agri-food systems give off one third of the emissions of those gases that are the cause of climate change, in addition to playing an important role in the health of the environment and of humankind.

“Aligning the strategies and the operations of the food industry with the goals of sustainable development for a sustainable recovery post COVID-19”

Prof. Angelo Riccaboni, Opinion presented to the Economic Social Committee of the European Commission, adopted on December 8, 2021

Q
Currently, the debate on transparent labelling of products is very important. What can you tell us regarding the national debate?

A
 A more responsible consumption and a greater attention on behalf of the public authorities, of the businesses and of the consumers toward healthy and sustainable nutrition, such as the Mediterranean diet, are fundamental in realizing more sustainable food systems. The food companies must continue to strive to offer more sustainable and healthier products. Furthermore, they should adopt responsible codes of conduct for their marketing practices.
 The food companies can promote healthy and sustainable lifestyles also through labels, marketing campaigns, social media, company canteens and company communication policies. The labelling should highlight the contribution of each product to a healthy and sustainable nutrition. In this context, a transparent framework for the labelling of food products could help the consumers to purchase more sustainable products with awareness of the facts.

Q
Prof. Riccaboni, you talk about “sustainability grammar” and therefore, of the way of succeeding in understanding and better communicating the relevant aspects of the sustainability of a company. Can you elaborate further?

A
 Consumers, public opinion, regulatory authorities, policy makers and the civil society are asking the food companies to improve their performances with regard to sustainability. Therefore, the question is not if, but how to align the agri-food industry with the 2030 Agenda and the Paris agreement.
 However, it is not easy to evaluate performances, as there is not a single global indicator for sustainability. Nor is there a single

solution for all, as there are differences between sub-sectors and the dimensions of the business count when a formal approach to sustainability is adopted.
 The companies should integrate metrics and flexible sustainability goals in their governance and management systems. Without references to the sustainability goals in the balance sheets, in the key performance indicators (KPI), in the monitoring mechanisms and in the career paths, it is very difficult to improve performances in terms of sustainability.

Q
What is your vision for the future with regard to sustainable development?

A
 Sustainability must be seen as an opportunity for our agri-food companies. Overall, the implementation of the obligations of the 2030 Agenda is not in line with what we should have achieved, and many goals risk not being reached. In the agri-food industry, in any case, Europe is very active and, with the Green Deal and the Farm to Fork Strategy, has clarified that the European agri-food sector is becoming the world standard for sustainability. This is only right if we have the future of our children at heart.
 At the same time, it is important that our businesses are supported in this transition, guaranteeing for them an adequate profitability, also in relation to their irreplaceable role as custodians of the territory. The Next Generation EU, with the National Recovery and Resilience Plans, the AGRITECH National Center together with the new Common Agricultural Policy can represent, with the renewed attention to social, economic and environmental sustainability of the important occasions for a fair and sustainable transformation. If accompanied adequately, there is the prospect not so much of a threat, but a great opportunity for growth, for the producers of our Country.

“

By accepting the challenge of change, the pact of co-responsibility among the parties of our company is fundamental.

Luca Devigili,
Business Development Manager, Banfi Srl

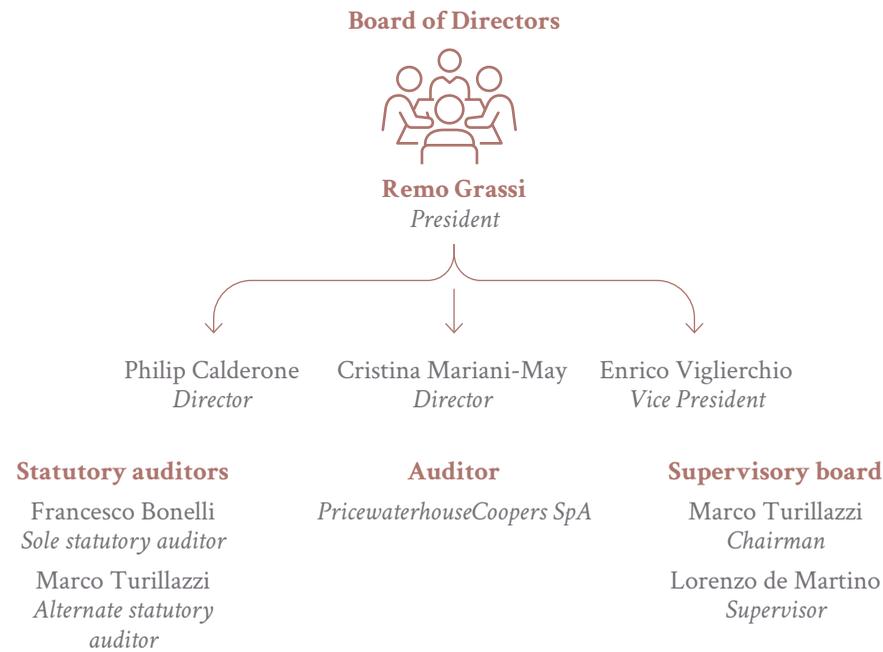


Guiding the challenge of change

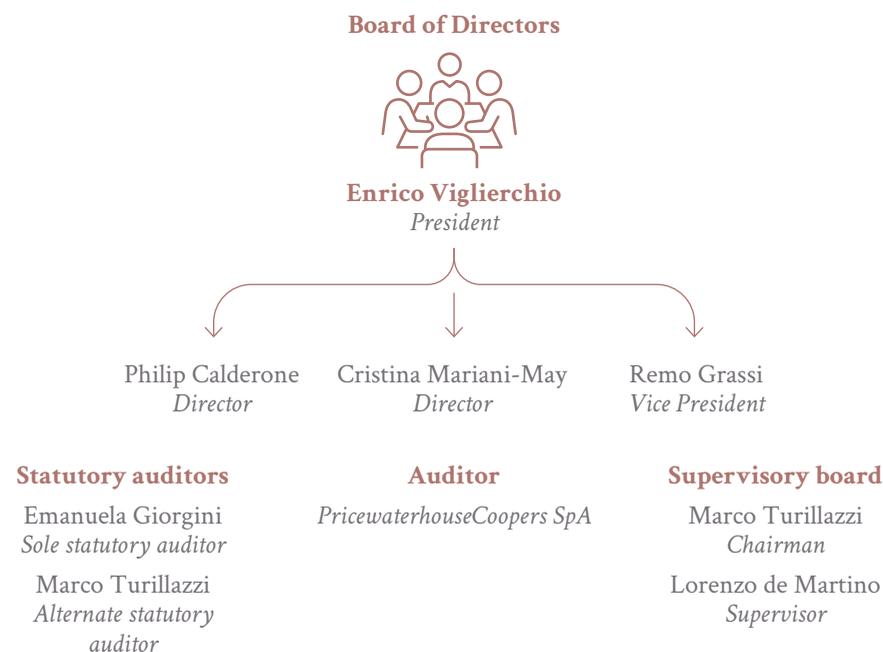
CORPORATE
GOVERNANCE

GOVERNANCE STRUCTURE

Banfi Società Agricola Srl



Banfi Srl



Business Management

GRI 102-1 GRI 102-5 GRI 102-18 GRI 202-2

Banfi Società Agricola Srl and Banfi Srl are the two entities involved in the business management. Both companies are governed by a **Board of Directors** composed of four members, which are joined, in an advisory role, by John Mariani, the honorary president.

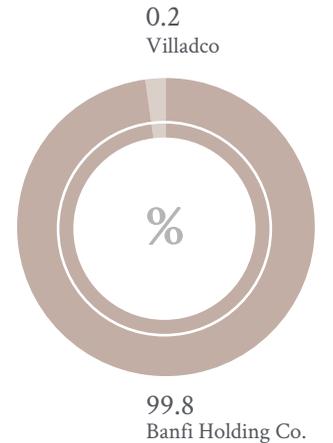
Specific operative proxies have been conferred to the **President** and to the **Vice President**, as well as specific proxies to certain executives for the management of their areas of activity.

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

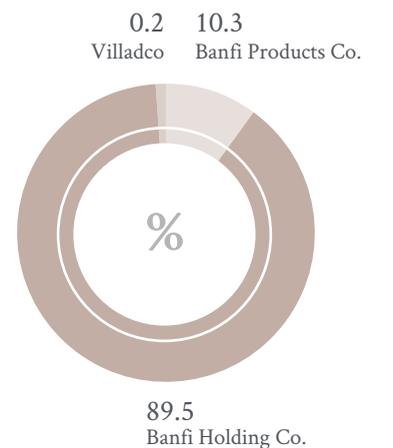
The **Strategic Committee**, a body composed of four members operates in support of the Board of Directors and was established to assist the Board of Directors in defining the lines of strategic direction.

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.

Banfi Società Agricola Srl



Banfi Srl



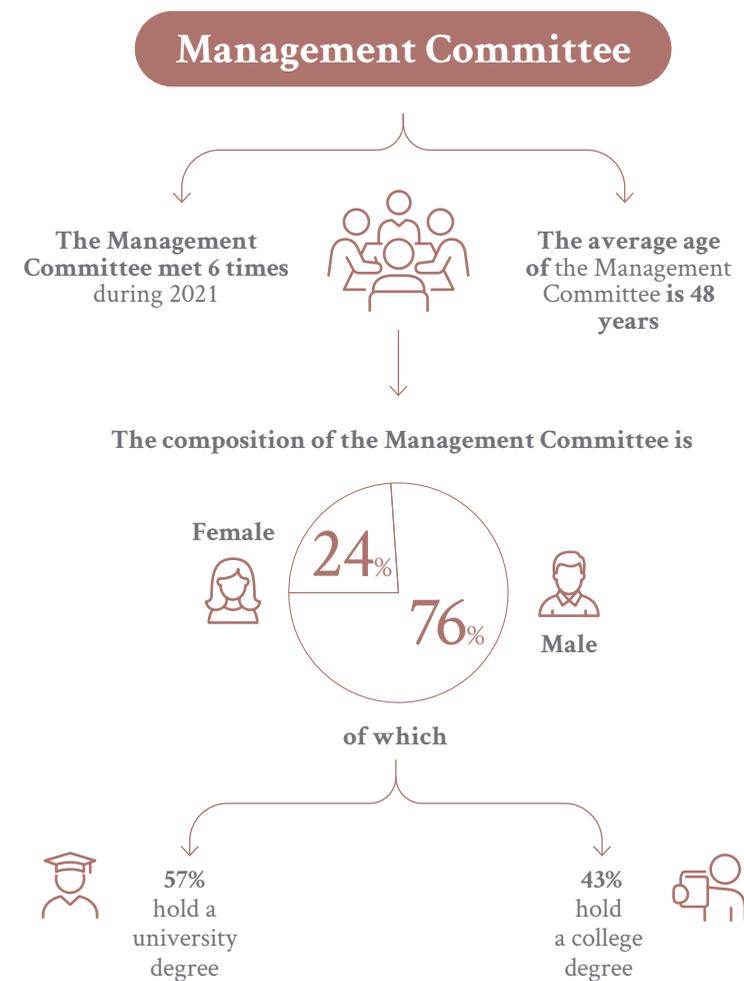
Composition Management Committee

BANFI SOCIETÀ AGRICOLA SRL

Value expressed in numbers	2019	2020	2021
Local Senior Managers	1	5	5
Non-Local Senior Managers	1	2	2
Total	2	7	7

BANFI SRL

Value expressed in numbers	2019	2020	2021
Local Senior Managers	3	5	5
Non-Local Senior Managers	4	10	9
Total	7	15	14



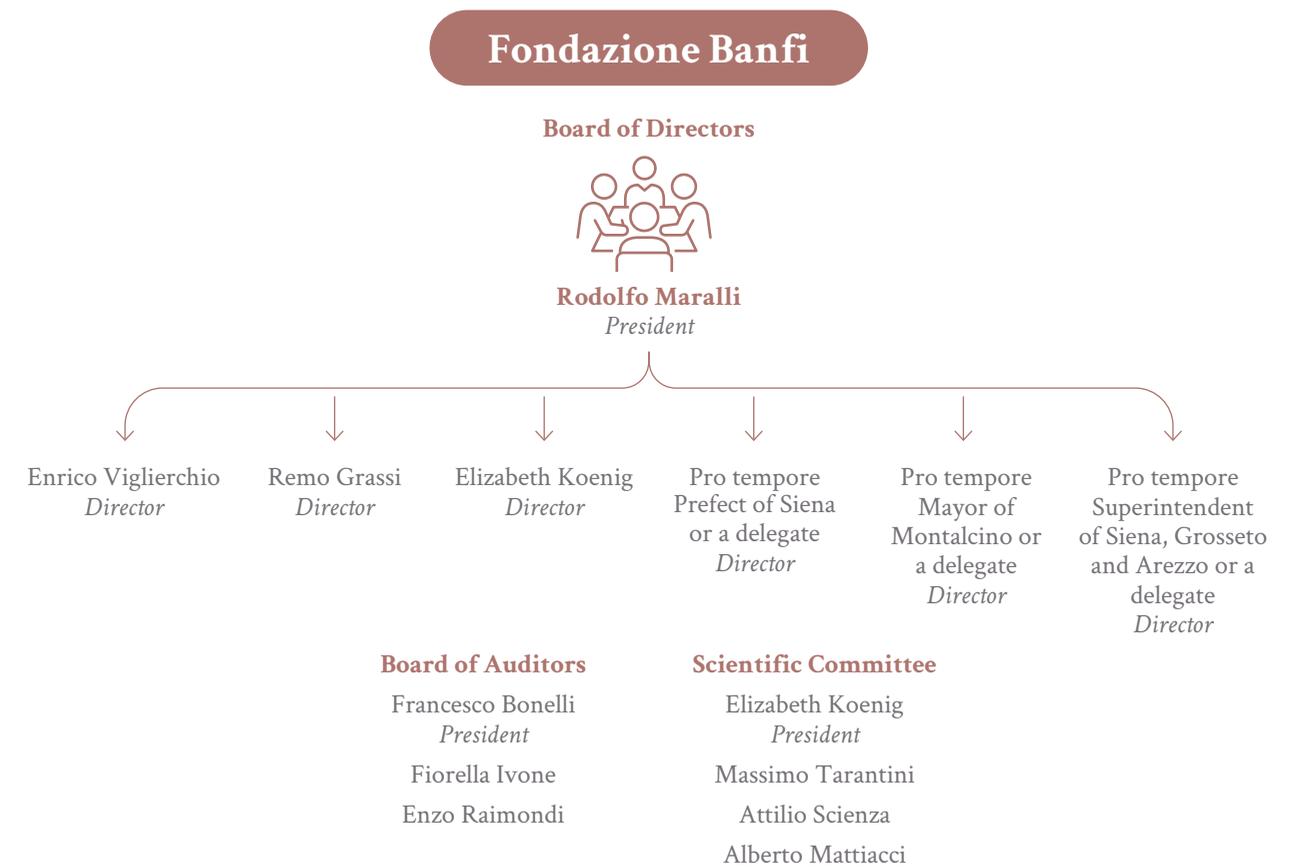
The management of the Foundation

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.

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.





“

By promoting the Dynamic Discount project, we create financial sustainability for the entire chain.

Gabriele Mazzi,
CFO & CIO Banfi Srl



Guiding the challenge of change

VALUE
CHAIN

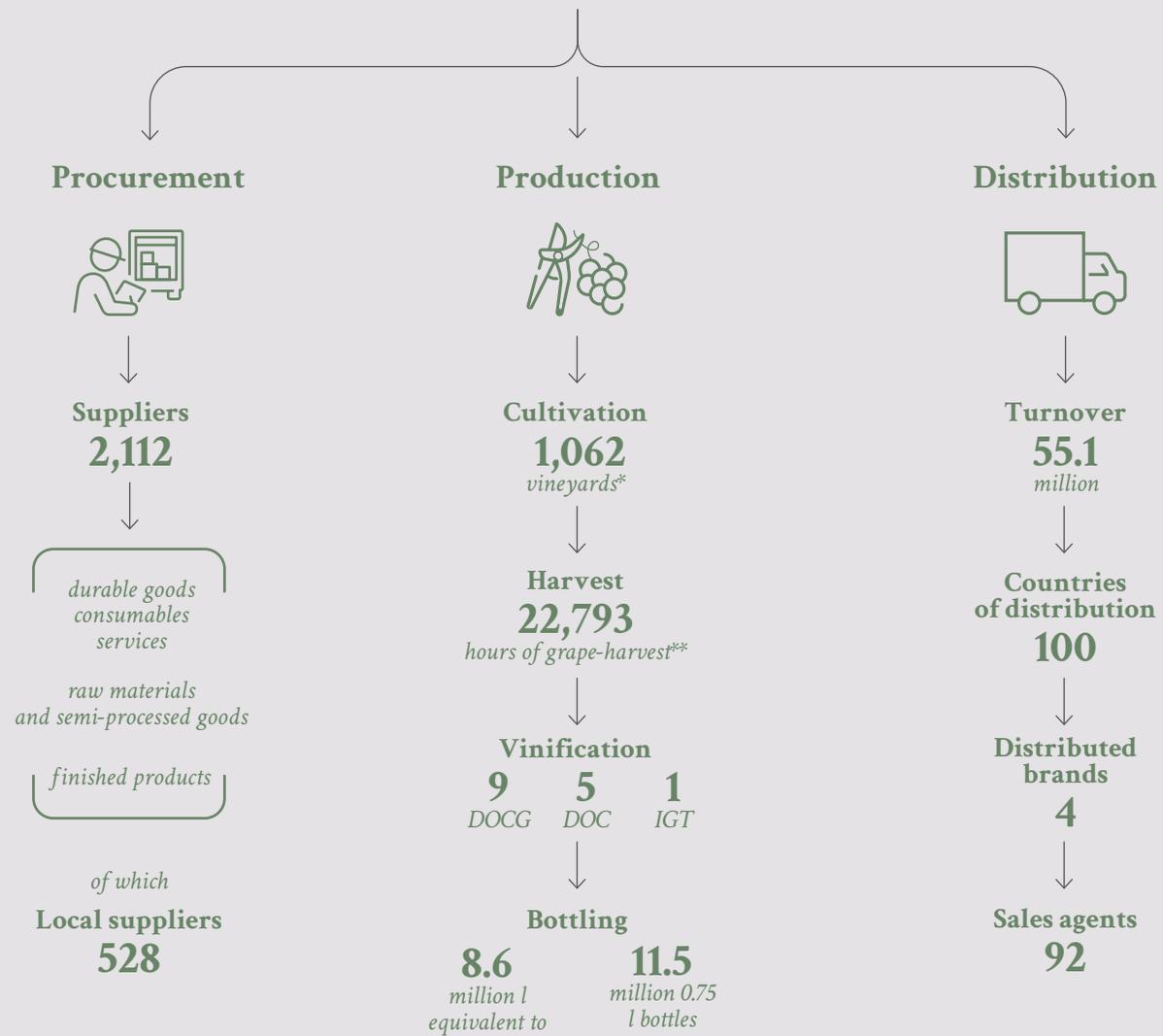
VALUE CHAIN

GRI 102-2 GRI 102-7 GRI 102-9

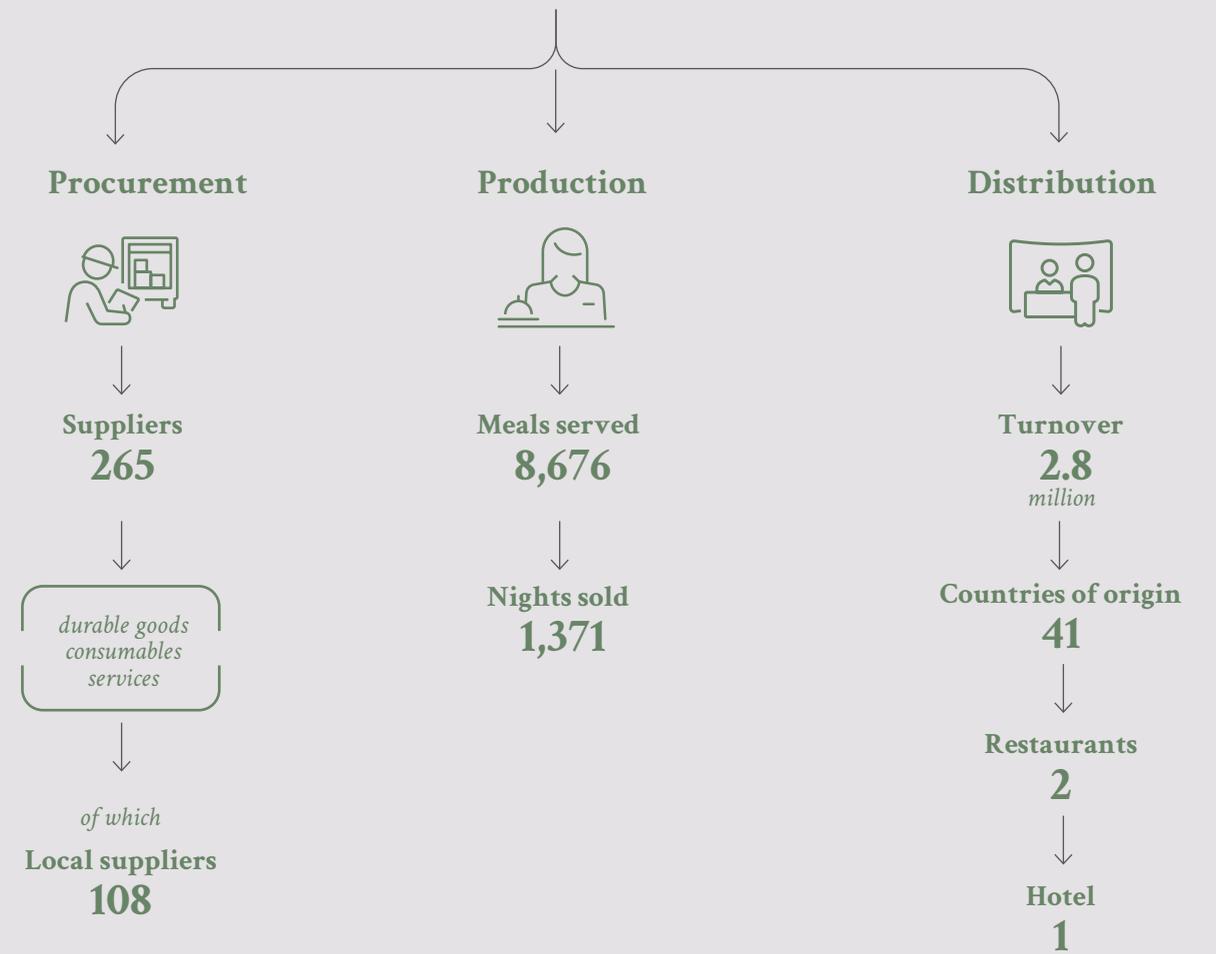
Banfi has always operated in agriculture, mainly in vitivinicultural production, and in hospitality, managing Castello Banfi Wine Resort.

Hereafter, the value chain of Banfi, represented according to the two business areas, is presented. This presentation outlines the main figures involved in the business.

Wine Division



Hospitality Division



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

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

SUPPLY CHAIN

GRI 102-9

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, e.g. utilities) and durable goods (such as, e.g. equipment and machinery).

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		

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.

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.

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

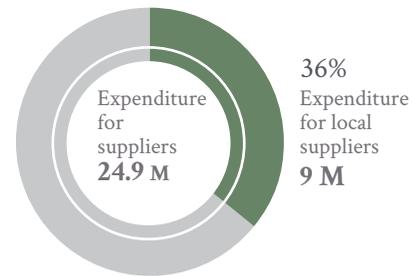
DURABLE GOODS	CONSUMABLE GOODS	SERVICES
furniture	food products	utilities
shop equipment	wine	maintenance
	ceramics	
	leather goods	
	ppe for staff	

Local suppliers

GRI 204-1

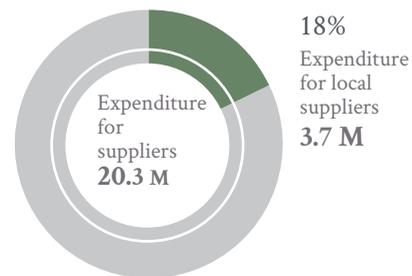
The graphs and tables below show how important local suppliers are for Banfi, considering their number over the total number of suppliers and the value of their supplies in proportion to the total value.

Local suppliers



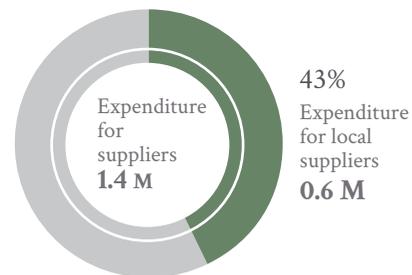
BANFI SOCIETÀ AGRICOLA SRL

Values expressed in numbers and %	2019	2020	2021
number of local suppliers	251	213	206
% of total number	35.8	34.3	34.0
% of total value	37.4	39.3	36.0



BANFI SRL

Values expressed in numbers and %	2019	2020	2021
number of local suppliers	500	411	430
% of total number	23.8	26.4	24.3
% of total value	21.8	20.7	18.2



BANFI SRL (HOSPITALITY)

Values expressed in numbers and %	2019	2020	2021
number of local suppliers	149	96	108
% of total number	39.1	42.5	40.8
% of total value	48.0	51.5	43.1

Two important projects for our industry and our territory

Last year, our attention toward the growth of the economy of the territory and our support to the production chain made us commit to the implementation of an important and innovative project for the wine industry, such as **confirming** and **reverse factoring**.

A service, developed in cooperation with Unicredit, which allows our suppliers to obtain the immediate payment of their sales invoices from the bank, with the benefit of the credit rating of Banfi who, at the due date, commits to paying these invoices directly to the bank. A system which allows the suppliers to optimize the management of their circulating capital, further diversifying the sources of financing.

The use of Banfi's credit rating, in fact, 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.

During 2021, the relationship was consolidated with our strategic suppliers who are involved in the project, arriving at managing a volume of expenditure of over 1 million Euro with the modalities of confirming and reverse factoring.

Our commitment to these topics also continued this year, with the development of a new project, **dynamic discount**, which again involves our industry in view of cooperation and sharing of benefits. This service allows Banfi to offer the advance payment of invoices to our suppliers, in exchange for a discount which varies "dynamically" in relation to the number of days of advance payment. In this way, the suppliers can shorten the payment times and optimize the management of their circulating capital.

Our partner in this project is FinDynamic, the Fintech created in 2016 by the Polihub of the Politecnico of Milan, with which an agreement was signed this year, initiating the preliminary activities to select the suppliers. This service will effectively be activated during the first months of 2022, once the suppliers to be involved are identified, as well as the volume of liquidity which is intended to be put at the disposal of the project.

PRODUCTION

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.

Summus Toscana IGT



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 2021, the grape production recorded a decline in the harvested volumes, vs. the previous year, both in Tuscany and in Piedmont, yet with different dimensions between the two regions. In Tuscany, there was an average decline of 15%, due mainly to the effects of the spring frost which impacted mainly on Sangiovese. In Piedmont, the decline, on the other hand, was more contained, at 5%.

With regard to quality, the 2021 harvest produced excellent results, mainly for Sangiovese and red wines in general, characterized by great concentration and elegance. In Piedmont, excellent quality was also produced, both for the aromatic varieties, as well as for Gavi, whereas the red varieties show, also in this area, the peculiarities of the 2021 harvest.

In Tuscany, production was focused over 62% on red wines, with a predominance of Sangiovese (approximately 28%) which represents the most cultivated variety. The second most cultivated variety among the red wines is Cabernet Sauvignon (approximately 19%). Among the most representative varieties among the white wines, this year again there are Pinot Grigio, Vermentino and Chardonnay which together cover over 90% of the total. 71% is represented by IGT, 26% by DOCG and 3% by DOC.

In Piedmont, production is focused, on the other hand, on white wines which in 2021 represented approximately 84% of the total, with a predominance of the varieties Gavi and Chardonnay. 83% of the production is represented by DOCG, 17% by DOC.

The 5 leading countries for wine production and the total world production:

- Italy 49,066,000 hl
- France 46,944,000 hl
- Spain 46,493,000 hl
- USA 27,216,000 hl
- Australia 10,901,000 hl
- World 264,643,000 hl

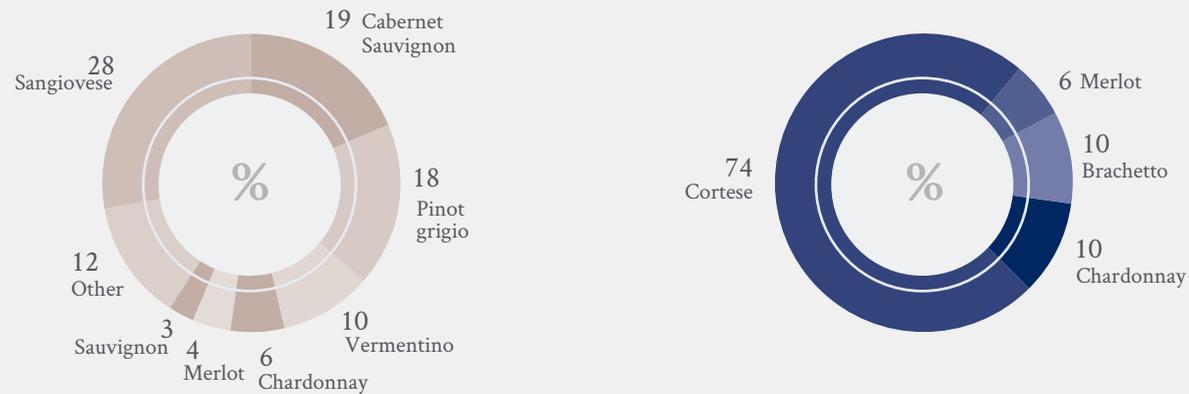
The 5 leading countries for vineyard extension and the total data:

- Spain 944,478 ha
- France 753,494 ha
- China 720,000 ha
- Italy 671,139 ha (12.5%)
- USA 296,554 ha
- Total 5,352,796 ha

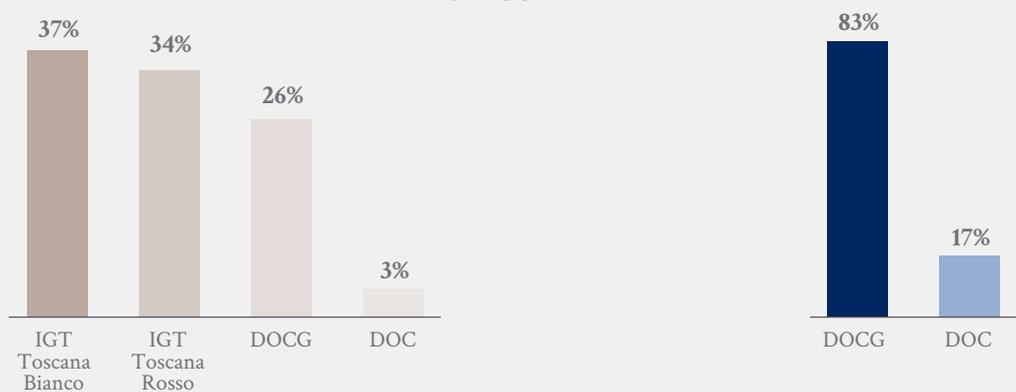
<https://www.rainews.it/articoli/2022/01/litalia-il-maggior-produttore-di-vino-al-mondo-0c835c3c-f01b-4f00-b31a-7b55bf9d489a.html>



By variety



By appellation



DISTRIBUTION

GRI 102-6

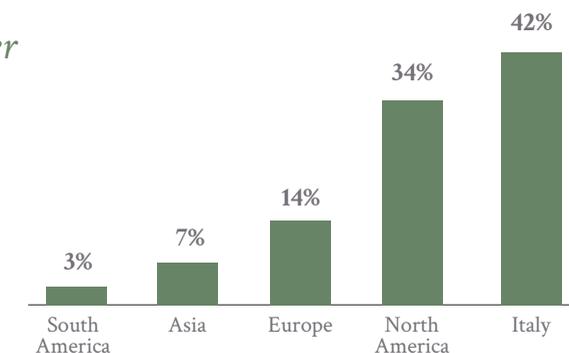
The aspects which characterize the distribution of Banfi products and services also differ in the two business areas:

- **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;
- **nature of the 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.

Turnover per continent wine

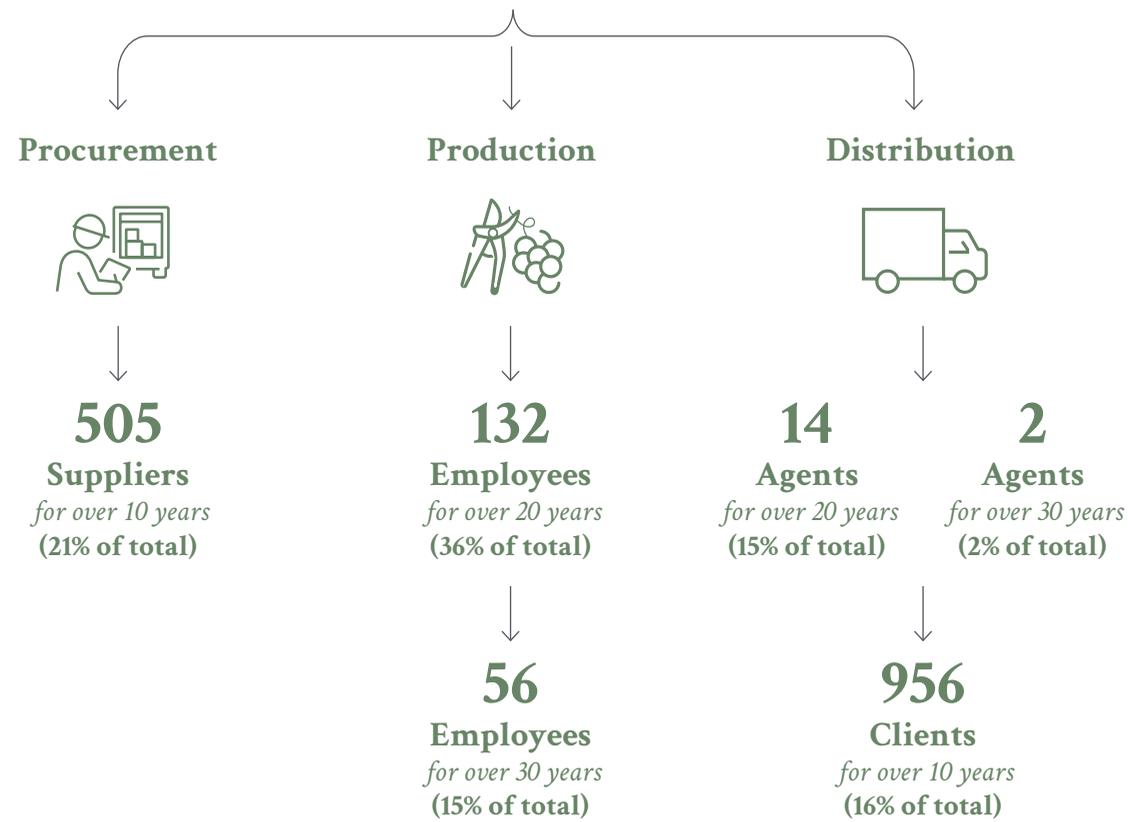


SENSE OF BELONGING

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.



Castello Banfi Wine Resort - Rose garden

“

Every year
we obtain different
results from
the same varieties:
wine is unique,
wine is art.

Gianni Savelli,
*Vineyard & Agricultural Manager,
Banfi Società Agricola Srl*

2017

SUMMUS
TOSCANA
IGT

VELLO
VERI



Guiding the challenge of change

VALUE
CREATION

ECONOMIC PERFORMANCE

GRI 102-7

The year that has just passed has been complex for the entire economy, yet, without doubt, rich in opportunities and expectations of a new start, in the aftermath of a 2020 characterized by important difficulties due to the Covid-19 pandemic. We emphasize that our main sales markets have shown important signs of resilience and are experiencing considerable growth trends with the volumes reaching close to pre-Covid levels.

For Banfi Società Agricola Srl a sales turnover value equal to € 32,888,431 was recorded with an increase of 27%, vs. the value of the previous year. The value of production reached € 38,104,802.

Banfi Srl also recorded an increase of the sales turnover which reached € 44,916,516, with an increase of 38%, vs. the value of the previous year. The value of production reached € 46,342,867.

The production costs increased in both companies due to the increase of the volumes of purchases of raw materials and also due to the heavy increase, in particular in the second half of the business year of the energy costs.

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in million Euro	2019	2020	2021
Turnover	37.4	25.9	32.9
Net Assets	96.3	93.6	94.1

BANFI SRL

Values expressed in million Euro	2019	2020	2021
Turnover	52.2	32.2	44.5
Net Assets	24.4	20.5	20.0

Both companies worked under the sign of continuity and recovery at full speed of production, mainly in agriculture and sales activities. With the progressive re-openings, sales returned almost to pre-pandemic levels, both on the domestic market, as well as the main international markets. The hospitality department also experienced a season under the sign of a significant recovery of presences, mainly in the summer months.

Balance Sheet

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in Euro	31.12.2020	31.12.2021	Delta
FSLI			
Intangible Assets	4,558,228	3,261,768	(1,296,460)
Property, Plant & Equipment	68,514,385	68,563,587	49,202
Financial Assets	306,001	287,340	(18,661)
Total Fixed Assets	73,378,614	72,112,695	(1,265,919)
Inventory	39,717,483	39,137,739	(579,744)
Accounts Receivable	272,704	485,201	212,497
Accounts Receivable from parent company	2,281,657	2,435,967	154,310
Accounts Receivable from affiliates	8,976,645	8,010,656	(965,989)
Tax credit	1,826,866	1,536,657	(290,209)
Deferred tax asset	1,215,272	1,176,065	(39,207)
Other credits	1,319,405	848,760	(470,645)
Prepaid expenses	72,560	79,158	6,598
Investments	13,363,531	13,515,521	151,990
Total Working Capital	69,046,123	67,225,724	(1,820,399)
Cash&cash equivalents	2,616,068	7,364,047	4,747,979
Total Assets	145,040,805	146,702,466	1,661,661
Capital Stock	63,440,000	63,440,000	-
Reserves	32,839,228	30,213,760	(2,625,468)
Retained earnings	(2,725,796)	463,638	3,189,434
Net Equity	93,553,432	94,117,398	563,966
Provision	564,855	693,514	128,659
Derivatives	684,792	587,607	(97,185)
Pension fund (TFR)	441,520	454,414	12,894
Financial Debts	1,735,535	1,691,167	44,368
Debts vs. banks	41,533,352	41,140,405	(392,947)
Financial Liabilities	41,533,352	41,140,405	(392,947)
Down-payments	133,664	1,410	(132,254)
Accounts Payable	3,997,174	5,245,470	1,248,296
Accounts Payable due to parent company	773,054	1,228,965	455,911
Accounts Payable due to affiliates	1,752,291	1,500,913	(251,378)
Tax liabilities	162,741	203,663	40,922
Accrued liabilities	628,034	649,706	21,672
Other liabilities	771,720	758,236	(13,484)
Deferred and unearned revenues	44,176	120,765	76,589
Total current liabilities	8,262,854	9,709,128	1,446,274
Total liabilities & Net Equity	145,040,805	146,702,466	1,661,661

Profit & Loss

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in Euro		
Description	31.12.2020	31.12.2021
Total Revenues	30,372,893	38,104,802
Net Revenues	25,853,382	32,888,431
Change in final inventory of finished goods	60,317	(882,074)
WIP	(56,054)	69,728
Increases in internally constructed fixed assets	2,412,119	1,800,791
Other revenues	2,103,129	4,227,926
Total production costs	32,803,676	37,541,049
Raw material costs	10,562,490	14,767,841
Service costs	8,406,764	9,721,808
Lease costs	440,030	449,089
Manpower costs	6,565,456	6,429,576
Depreciations & amortization	5,456,376	5,577,068
Change in final inventory raw materials	368,100	(232,601)
Other accruals	100,000	200,000
Other costs	904,460	628,268
Value Added	(2,430,783)	563,753
Financial revenues & costs	(168,723)	228,614
Financial income	14,080	14,882
Other financial income	278,432	294,727
Financial costs	346,241	313,700
FX gains or losses	(114,994)	232,705
Net result before taxes	(2,599,506)	792,367
Taxes	126,290	328,729
Net Result	(2,725,796)	463,638

Balance Sheet

BANFI SRL

Values expressed in Euro			
FSLI	31.12.2020	31.12.2021	Delta
Intangible Assets	701,295	598,527	(102,768)
Property, Plant & Equipment	18,150,929	17,774,651	(376,278)
Financial Assets	315,922	315,922	-
Total Fixed Assets	19,168,146	18,689,100	(479,046)
Inventory	9,284,013	9,934,143	650,130
Accounts Receivable	8,745,144	9,727,120	981,976
Accounts Receivable from parent company	799,360	832,506	33,146
Accounts Receivable from affiliates	1,753,131	1,500,913	(252,218)
Tax credit	757,648	541,718	(215,930)
Deferred tax asset	1,594,351	1,614,063	19,712
Other credits	656,026	167,545	(488,481)
Prepaid expenses	448,956	454,185	5,229
Investments	1,014,835	866,466	(148,369)
Total Working Capital	25,053,464	25,638,659	585,195
Cash&cash equivalents	7,185,512	4,382,242	(2,803,270)
Total Assets	51,407,122	48,710,001	(2,697,121)
Capital Stock	3,066,511	3,066,511	-
Reserves	21,374,248	17,481,495	(3,892,753)
Retained earnings	(3,979,302)	(505,303)	3,473,999
Net Equity	20,461,457	20,042,703	(418,754)
Provision	1,432,519	1,600,002	167,483
Derivatives	104,923	18,374	(86,549)
Pension fund (TFR)	2,345,939	2,173,069	(172,870)
Financial Debts	3,791,445	3,883,381	(91,936)
Financial Liabilities	11,772,506	8,752,032	(3,020,474)
Total financial management	11,772,506	8,752,032	(3,020,474)
Down-payments	372,276	523,742	151,466
Accounts Payable	3,757,574	5,113,590	1,356,016
Accounts Payables due to parent company	711,966	605,655	(106,311)
Accounts Payables due to affiliates	8,976,645	8,010,656	(965,989)
Tax liabilities	205,557	336,148	130,591
Accrued Liabilities	485,928	548,449	62,521
Other liabilities	671,681	778,095	106,414
Deferred and unearned revenues	108,151	207,486	99,335
Total current liabilities	15,289,778	16,123,821	834,043
Total liabilities & Net Equity	51,407,122	48,710,001	(2,697,121)

Profit & Loss

BANFI SRL

Values expressed in Euro

Description	31.12.2020	31.12.2021
Total Revenues	33,486,673	46,342,867
Net Revenues	32,226,756	44,516,916
Change in final inventory of finished goods	-759,549	241,354
WIP	35,496	-13,492
Increases in internally constructed fixed assets	37,464	69,087
Other revenues	1,946,506	1,529,002
Total production costs	38,179,991	46,617,689
Raw material costs	18,693,467	26,438,934
Service costs	8,891,264	10,492,348
Lease costs	811,580	900,616
Manpower costs	5,952,356	6,974,995
Depreciations & amortization	2,086,444	1,556,065
Change in final inventory raw materials	1,260,613	-422,268
Other accruals	80,000	210,000
Other costs	404,267	466,999
Value Added	(4,693,318)	(274,822)
Financial revenues & costs	(470,487)	(190,560)
Financial income	5,020	5,404
Other financial income	6,171	4,073
Financial costs	329,409	431,437
FX gains or losses	(152,269)	231,400
Amendment of value of financial activities	(4,666)	-
Net result before taxes	(5,168,471)	(465,382)
Taxes	(1,189,169)	39,921
Net Result	(3,979,302)	(505,303)

Financing from the Public Administration

GRI 201-4

Again in 2021, 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	2019	2020	2021
Funding	1,068	665	930
Deductions	-	-	-
Tax defiscalization for contributions	1,358	1,254	1,249
Total	2,427	1,919	2,179

BANFI SRL

Values expressed in Euro x 1,000	2019	2020	2021
Funding	279	166	219
Deductions	13	-	-
Tax defiscalization for contributions	27	40	145
Total	319	206	364

In reference to the item "tax defiscalization" for both companies the recognition of contributions for the Covid emergency is recorded, specific for the agricultural sector and similar, related to the first semester of 2020 and granted this year. For a further and more detailed analysis of all additional economic, financial and patrimonial aspects, the balance sheet of both companies, deposited at the Chamber of Commerce can be referred to.

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	2019	2020	2021
Generated economic value	38,011	27,650	36,780
Operating costs	-25,425	-19,602	-25,195
Remuneration of personnel	-7,142	-6,565	-6,430
Remuneration of capital providers	-386	-536	-431
Remuneration of public administration	529	289	355
Investments in the community	-88	-57	-67
Distributed economic value	32,511	26,471	31,768
Retained economic value	5,500	1,179	5,012

BANFI SRL

Values expressed in Euro x 1,000	2019	2020	2021
Generated economic value	53,862	34,050	46,117
Operating costs	-44,226	-28,671	-38,526
Remuneration of personnel	-7,737	-5,954	-6,988
Remuneration of capital providers	-402	-521	-495
Remuneration of public administration	-297	-37	-26
Investments in the community	-153	-38	-38
Distributed economic value	52,815	35,222	46,072
Retained economic value	1,048	-1,173	44

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.

Vineyard tour



“

Our projects
will go beyond us.
We are now planting
for a future in which we
do not have to participate,
but of which we are a part.

Elizabeth Koenig,
Hospitality Project Director, Banfi Srl



Guiding the challenge of change

TERRITORY



OUR APPROACH

GRI 103-1 GRI 103-2 GRI 103-3

Why material?

Banfi is aware of the importance of supporting and enhancing its territory and the local communities.

The bond that is created with the territory is a heritage that must be safeguarded and enhanced with a vision embracing a reality beyond Banfi into which to transfer the sustainability culture.

Borders

Enhancing and developing the territory represents a topic with a higher impact on the external borders of the company.

The development of initiatives and the promotion of knowledge enable the company to play a fundamental role in generating impact for such topics.

Montalcino

Management modality

The topic is managed with the purpose of increasing the positive effects arising from the constant action exercised by the Organization on the territory and community. Banfi takes an active part both in terms of an organization and of its representatives in the local Organisms which protect, promote and develop products and the territory, such as the various consortia, to which the Company contributes with its experience to the expansion and enhancement of the products. **Banfi also promotes cultural and sports events both directly and indirectly, contributing to supporting non-profit organizations.** Finally, acknowledging that a sense of belonging to the territory is an added value, Banfi prefers to recruit staff and develop commercial relations on a local level.

Assessment and monitoring

The constant presence in the territory by means of developing projects and activities which are repeated and renewed every year and the **high level of loyalty of employees and suppliers** provide constant feedback for assessing and monitoring our commitment to the enhancement and development of our territory and the local communities.



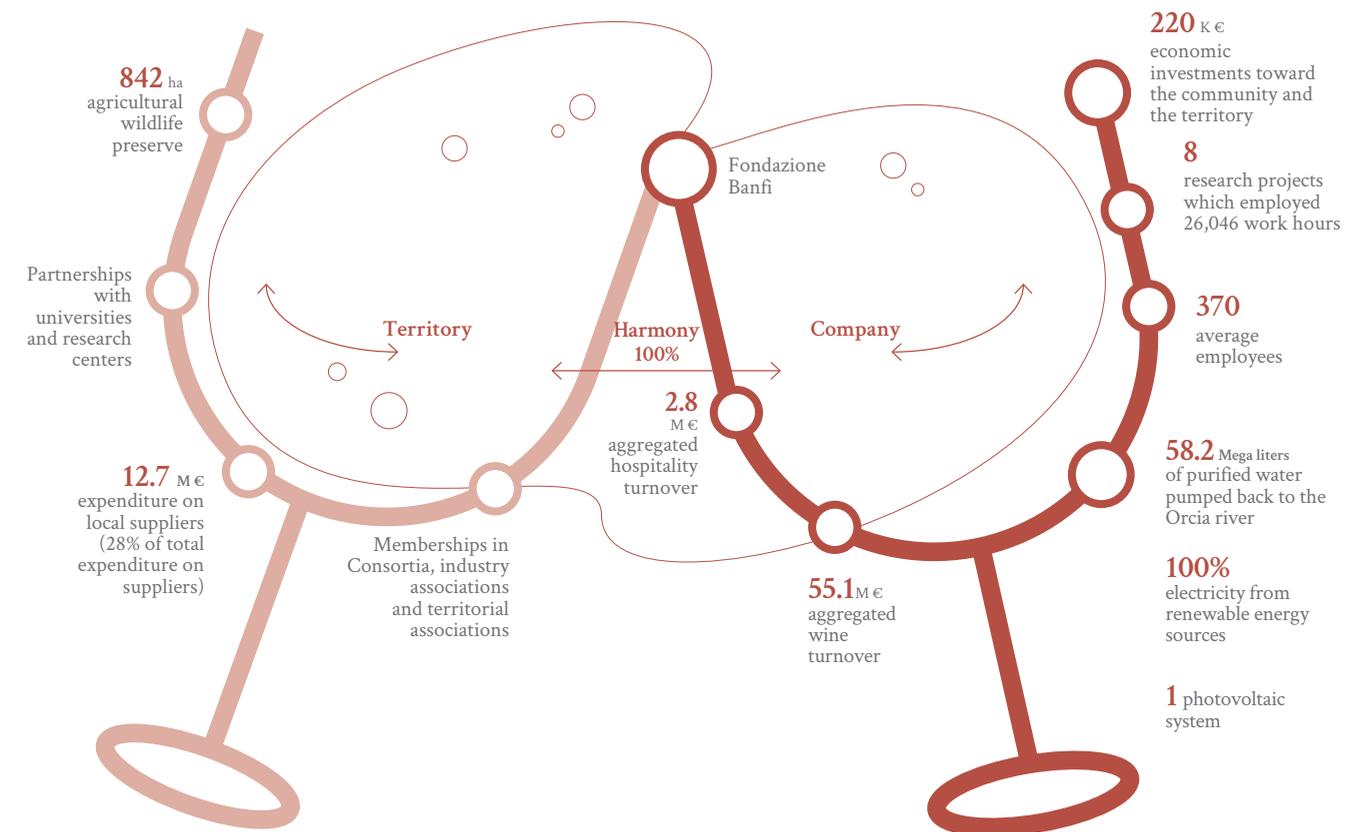
Glass museum

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

² www.consorziobrunellodimontalcino.it/files/mappe_2019/mappa-produttori-en-2019-web.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 2021, Banfi continued to provide support to various initiatives:

- with regard to sports we must mention the support to “**L’Eroica® Montalcino**”, 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 XXIV 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 which went over six evenings, two at the Poggio alle Mura castle and four at the Fortress of 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 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.

Eroica

May 30, 2021

Endurance

June 19-20, 2021



Endurance

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.



Jazz&Wine festival in Montalcino

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.

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. 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 fourth edition of the Summer School, titled **“Maturation and maturity of Sangiovese. The pursuit of a balance between viticulture and enology”**, took place in Montalcino from September 20 to 24.

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

In January 2022, the seventh research grant, titled: **Phenotyping of draught resistant grape rootstock, was concluded.**

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.**

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.

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



Identity



Stakeholder



Governance



Value



Economics



Territory



People



Environment



Quality

Methodology
note

GRI

and enology. The 2021 Rudy Buratti award was awarded to the paper, titled “*The comparison of two methods for the reduction of cluster compactness in Vitis vinifera cv. Pinot gris*”, judged the most meritorious for the originality of the topic and for the practical effect on enology 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 this year and will be assigned to the best experimental thesis in Viticulture and Enology Sciences. Currently, the candidacies are being evaluated and the proclamation of the winner is planned for 2022.

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. This year, **the project to digitize the Etruscan collection** was initiated with Global Digital Heritage, a private no profit research and education organization, dedicated to documenting, monitoring and preserving the global cultural and natural heritage. Upon completion, the work will be available on-line for free.

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. The restoration was completed in 2019 and now new educational and promotional activities are under study, such as the display project of the specimen for which, at the beginning of the year, a project concept was developed. To this effect, to underline the scientific importance of the restoration project, in 2020 two research grants with specific focus on the specimen were assigned.

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.



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.

Activities in 2021

During 2021, the variety-specific phytosanitary management continued: the resistant varieties received only 3 treatments against downy mildew (6 treatments in 2020) and 5 against powdery mildew (in line with last year); the traditional varieties in the same vineyards, on the other hand, received 7 treatments against downy mildew (13 treatments in 2020), 10 against powdery mildew (12 in 2020) and 1 treatment against botrytis.

Therefore, in the period from **April to July** repeated vineyard surveillance was conducted to monitor the possible appearance of symptoms of the main vine diseases, with particular attention to downy mildew, black rot and powdery mildew on the resistant varieties which did not show symptoms of disease. On these varieties, phylloxera attacks on the leaves were detected, mainly in the spring months, without invalidating the production volume and the quality of the grape. On the other varieties, only in the case of 1 variety, a wide-spread and intense attack of downy mildew was detected toward the end of June.

From the month of **August**, the activity then was focused on monitoring and determining the main quality parameters of the grapes. In both vineyards and for all varieties sampling was carried out on a weekly basis to monitor the progression of maturation, analyzing the grapes to determine sugar content, total acidity, pH and the concentrations of the main organic acids.

For the designated **harvest** date, for each variety the following was measured: average production per vine, average weight of the clusters and average weight of the berries. As for the previous year, at the time of harvest, it was decided to leave unharvested vines in the field. This allowed to continue monitoring the technologic and phenolic maturity for further 3 weeks after the harvest date, in order to characterize more in detail, the performances of varieties that have never been cultivated in the area of Montalcino.

All grapes from the vineyard at Marchigiana were vinified in the experimental area of the estate winery. The vinifications were conducted in temperature controlled 5-hl stainless steel tanks. The vinifications were conducted according to standardized protocols in line with the procedures used in the previous year.

The 2021 vintage

was characterized by an **intense late frost which occurred at the beginning of April** when almost all the varieties had already budded.

The days before **mid-August the most intense heatwave of the season occurred**, and the **temperatures reached 38° C at Marchigiana and almost 40° C at Cardeta**.



Harvest

The wines and the musts were continuously analyzed to verify the correct progression of the fermentation processes, as well as possible insurgences of problems related to their conservation. The basic parameters show a correct management of the fermentation processes: all wines have negligible sugar residues and very low volatile acidities.

In March 2021, at the company facilities a tasting of the wines produced in the 2020 vintage was organized. The wines were presented anonymously to a panel of 14 judges and 2 estate wines were introduced in each set of samples, a red wine based on Sangiovese and a white wine based on Vermentino, as a reference. The Project will continue in 2022 with additional agronomic and growth-production evaluations, as well as enological evaluations with further vinifications.

RESEARCH PROJECT ON THE COMPARISON BETWEEN TRELLISING SYSTEMS

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 project

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 Banfi alberello.

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.

Finally, in 2022, analysis activities are planned to characterize the aromatic profiles of the Sangiovese wines produced from the grapes trellised with these 2 different methods.

Initial results

During 2020 the experimentation⁴ was conducted on the “Amorosa” and “Caciaio” vineyards. However, this year, due to the damage from the late frost, the activities were conducted in the “Marrucheto” vineyard which was less effected than the other 2.

The data that was obtained during the 2 years of experimentation differs between each other. However, **the results that were obtained have shown how the trellising method, in addition to soil and climate factors and the seasonal development are able to affect in a significant manner the growth and production characteristics of the plant.**

Among the 3 vineyards under study in the 2 years, the vineyard, that has resulted in being most balanced and homogeneous, without having important differences on a growth and production level between the 2 different trellising methods, is the “Amorosa” vineyard in which the Banfi alberello results in being an ideal trellising system. In any case, it remains to understand whether the shortages which are recorded in the “Caciaio” and “Marrucheto” vineyards are due to particular climate conditions which occurred in the course of the 2 years, to a lower fertility of the soil or to a particular vineyard management which needs particular and different expedients.

Regarding the **technologic maturity** of the grape⁵, the Banfi alberello involves an earlier maturity, as observed in both years. This is determined mainly by a greater exposure of the grapes to the sun. Regarding the **maturation curves**, from the collected data it can be deduced that in the current year, despite the fact that the harvest was carried out only 2 days later than in 2020, a higher sugar concentration was reached, for the grapes of both trellising methods. This aspect can be correlated to the elevated temperatures that were reached during the final phases of maturation of the grapes, characterized, in fact, by a continued increase of sugar contents. Furthermore, it was demonstrated how the **concentration of aromas** was increased with the Banfi alberello trellising method, as in all 3 vineyards the grapes from the samples related to this trellising method present a consistently higher concentration vs. the grapes from the spurred cordon. However, in influencing the concentration of aromas of the grapes, the dimension of the berry can concur which, as the dimension is smaller in the Banfi alberello grapes, determines a lower accumulation of water and therefore, a more reduced effect of dilution during the course of maturation.

To determine the real influence of the Banfi alberello on the grapes and its adaptability, it is necessary to repeat the various analyses, conducted until now, in the upcoming years, as the grape growing system is particularly complex and influenced by numerous variables. Therefore, to understand the real incidence of this trellising system on the quantity and on the quality of production it is indispensable to analyze the various parameters in the varied soil and climate conditions which occur in a different manner from year to year.

⁴ The results of the experimentation which are described in this paragraph are taken from the graduation thesis of Gaia Venuto of the Master's Program in Agri-food Productions and Management of Agri-Ecosystems of the University of Pisa, titled “Comparison between spurred cordon and Banfi alberello in Brunello di Montalcino DOCG”, elaborated based on the analysis activity and data collection conducted at Banfi during the harvest.

⁵ Technologic maturity is intended as a particular level reached by the sugar concentration and by titratable acidity of the must at harvest, so that the grape is suitable for the production of a particular type of wine.

PARTICIPATION IN TRADE ASSOCIATIONS

GRI 102-13

 <p>UNIONE ITALIANA VINI</p> <p>Banfi participates in Unione Italiana Vini</p>	 <p>FEDERVINI</p> <p>Banfi participates in Federvini taking part in the Sustainability Committee</p>	 <p>CONSORZIO DEL VINO BRUNELLO DI MONTALCINO</p> <p>Banfi participates in the Consorzio del Vino Brunello di Montalcino taking part in the Board of Directors</p>	 <p>CONSORZIO VINO CHIANTI CLASSICO</p> <p>Banfi participates in the Consorzio Vino Chianti Classico</p>	 <p>CONSORZIO VINO CHIANTI</p> <p>Banfi participates in the Consorzio Vino Chianti</p>	 <p>CONSORZIO VINO TOSCANA</p> <p>Banfi participates in the Consorzio Vino Toscana taking part in the Board of Directors</p>
 <p>CONSORZIO ALTA LANGA DOCG</p> <p>Banfi participates in the Consorzio Alta Langa DOCG</p>	 <p>CONSORZIO TUTELA DEL GAVI</p> <p>Banfi participates in the Consorzio Tutela del Gavi</p>	 <p>CONSORZIO TUTELA BRACHETTO D'ACQUI DOCG</p> <p>Banfi participates in the Consorzio Tutela Brachetto d'Acqui DOCG taking part in the Board of Directors</p>	 <p>CONSORZIO BARBERA D'ASTI E VINI DEL MONFERRATO</p> <p>Banfi participates in the Consorzio Barbera d'Asti e Vini del Monferrato</p>	 <p>CONSORZIO PER LA TUTELA DELL'ASTI DOCG</p> <p>Banfi participates in the Consorzio per la Tutela dell'Asti DOCG</p>	 <p>CONFCOMMERCIO</p> <p>Banfi participates in Confcommercio</p>
 <p>CONFAGRICOLTURA</p> <p>Banfi participates in Confagricoltura</p>	 <p>CONFINDUSTRIA TOSCANA SUD</p> <p>Banfi participates in Confindustria Toscana Sud</p>	 <p>DISTRETTO RURALE TOSCANA SUD</p> <p>Banfi participates in the Distretto Rurale Toscana Sud by way of the vice presidency and the participation in specific projects</p>	 <p>DISTRETTO RURALE MONTALCINO</p> <p>Banfi participates in specific project of the Distretto Rurale Montalcino</p>	 <p>FONDAZIONE TERRITORIALE BRUNELLO DI MONTALCINO</p> <p>Banfi participates in the Fondazione Territoriale Brunello di Montalcino by way of the presidency of the Board of Directors</p>	 <p>ALLEANZA TERRITORIALE CARBON NEUTRALITY SIENA</p> <p>Banfi participates in the Alleanza Territoriale Carbon Neutrality Siena</p>

“

At Banfi,
listening to people
is the base
for finding new
solutions together.

Marica Mencarelli,
Winemaker, Banfi Società Agricola Srl



Guiding the challenge of change

OUR PEOPLE

OUR APPROACH

GRI 103-1 GRI 103-2 GRI 103-3

Why material?

Banfi believes that production quality is strictly connected with the development and retention of a trained and motivated workforce.

Creating a strong sense of belonging in the people working for Banfi is a fundamental element to developing mechanisms for personal enrichment and increase of value.

Borders

Enhancement and development of human resources have a significant impact on the internal borders of the organization, directly derived from the company modalities identified for its management.

Management modalities

The management modalities of this topic aim at increasing the positive aspects deriving from the creation of a work environment which can develop wellbeing for its human resources. At Banfi, the enhancement and development of its human resources is realized by implementing specific actions with the purpose of creating a strong sense of belonging to the Company.

Among such actions the following are highlighted:

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

In 2005, Banfi Società Agricola Srl and Banfi Srl obtained the certification of its corporate responsibility system, in accordance with the SA 8000 standard, thus confirming the validity of its present management modality. Furthermore, in 2017, Banfi Srl obtained the certification of the safety and health management system for its employees, in accordance with the OHSAS 180001 standard of which, in 2020, the transition was completed toward the new version of the regulation, ISO 45001.

Assessment and monitoring

The corporate responsibility system is periodically audited to guarantee the standards to retain the certification.

The following monitoring activities are implemented in addition to the aforementioned specific assessment phases:

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

2021 Summer School Sanguis Jovis

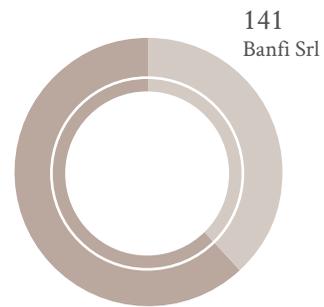


OUR RESOURCES

GRI 102-8 GRI 102-41

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.

370 employees
(1.6% less than in 2020)



229
Banfi Società Agricola Srl

34% female employees



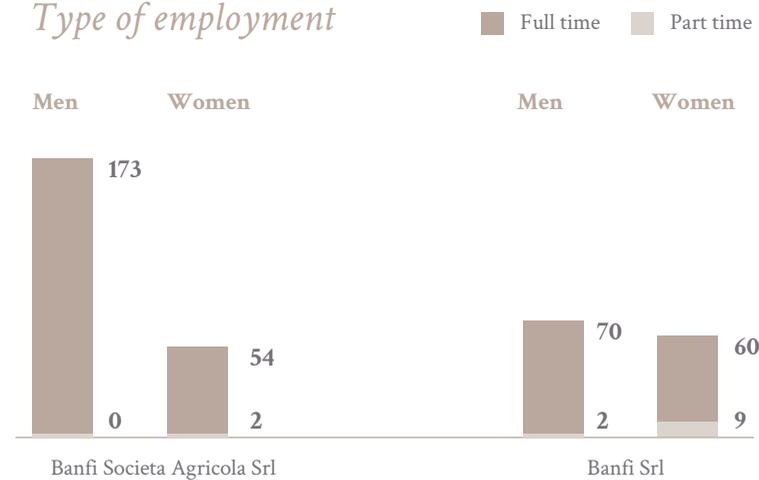
66% male employees



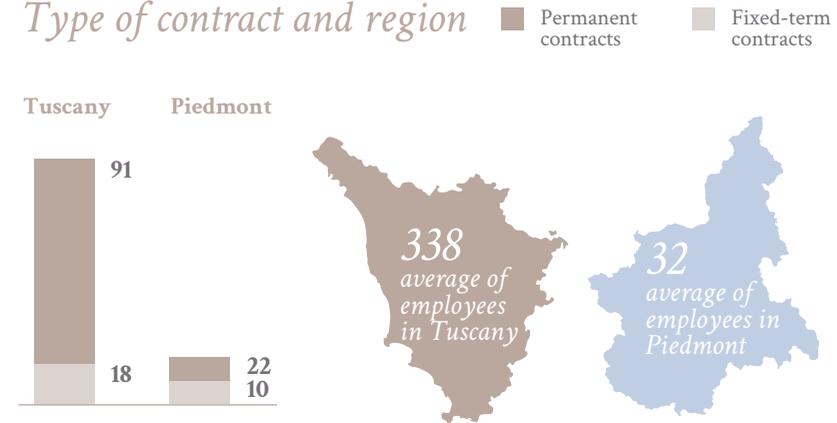
Type of contract



Type of employment



Type of contract 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, 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);
- **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).

Topping off of casks

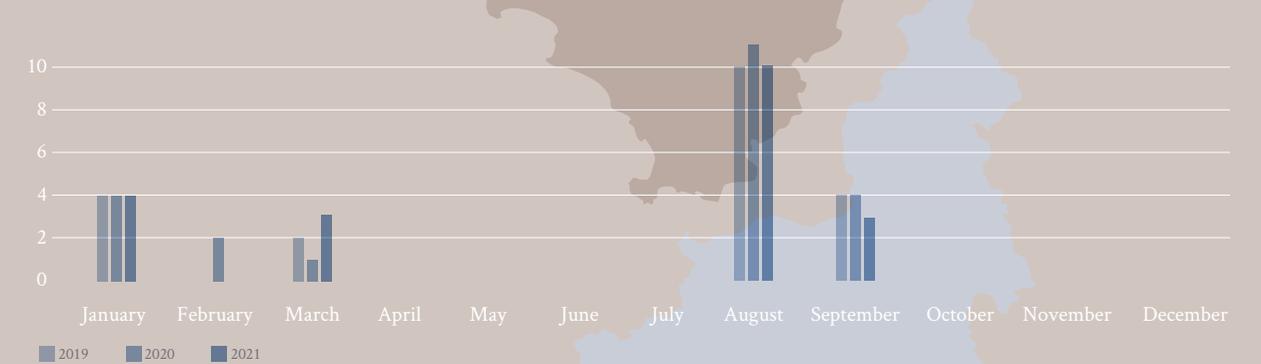


Seasonal trend

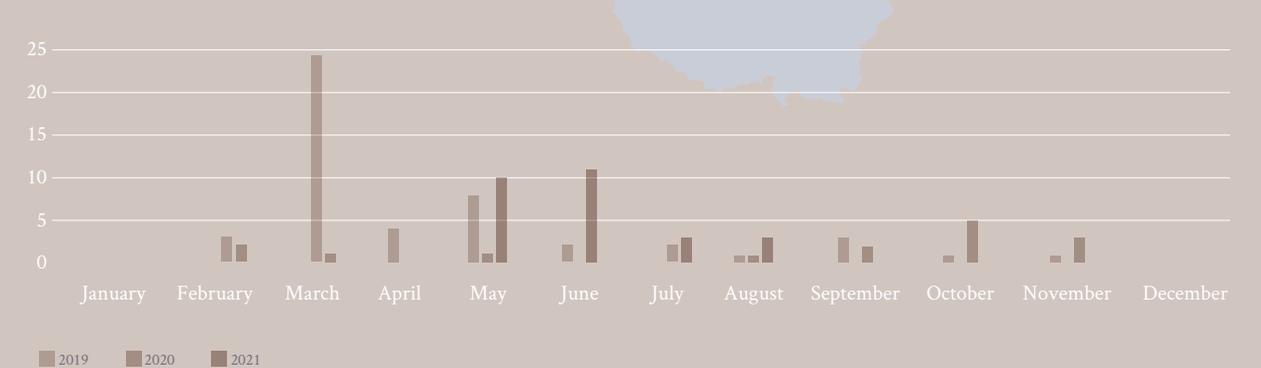
Banfi Società Agricola Srl - wine sector



Banfi Srl - wine sector



Banfi Srl - hospitality sector



WORKFORCE TREND

GRI 401-1 GRI 401-3

In 2021, a different trend in the workforce of the two companies was recorded: while for Banfi Società Agricola Srl, in the face of a reduction of 12 units, no new recruitments were recorded. This was also determined considering the pandemic. For Banfi Srl, 24 resignations were noted, but at the same time, there was an increase of the workforce equal to 10 units¹. This situation is strongly influenced by the dynamics of the hospitality department which was heavily hit during the pandemic and now has recovered again, however, without returning to pre-Covid 19 levels.

New hires

BANFI SRL

Values expressed in numbers and %	Women	%	Men	%
Tuscany				
Age < 30 years	1	0.7	1	0.9
Age 30-50 years	5	3.6	2	1.7
Age > 50 years	1	0.7	1	0.9
Piedmont				
Age < 30 years	1	0.7	1	0.9
Age 30-50 years	-	-	1	0.9
Age > 50 years	-	-	-	-
Total	8	-	6	-

The average age of the new hires is 37 years and approximately half of the new hires is in the hospitality department. For Banfi Società Agricola Srl, the resignations are mostly due to retirements (in 50% of the cases), for 2 units they are referred to a transition to Banfi Srl and for the remaining part are due to voluntary resignations. On the other hand, regarding Banfi Srl, over half of the resignations (15 units equal to approximately 63% of the cases) are due to voluntary resignations in the hospitality department. The remaining cases are due to retirements (8 units equal to approximately 33% of the cases) and for 1 unit to a transition to a different type of contract.

The average age of new hires is **37 years**.

Approximately half of the new recruitments were in the hospitality department.

This year, there were no new recruitments in Banfi Società Agricola Srl.

¹ The increase recorded in the average workforce is referred to, from 131 units in 2020 to 141 in 2021.

Resignations

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in numbers and %	Women	Turnover	Men	Turnover
Tuscany				
Age < 30 years	3	1.3	1	0.4
Age 30-50 years	-	-	4	1.7
Age > 50 years	-	-	4	1.7
Total	3	-	9	-

BANFI SRL

Values expressed in numbers and %	Women	Turnover	Men	Turnover
Tuscany				
Age < 30 years	1	0.7	1	0.7
Age 30-50 years	6	4.3	5	3.6
Age > 50 years	4	2.8	2	1.4
Piedmont				
Age < 30 years	1	0.7	1	0.7
Age 30-50 years	-	-	-	-
Age > 50 years	1	0.7	2	1.4
Total	13	-	11	-

For further detail with regard to the data related to new hires and resignations in the three-year period, 2019 – 2021, refer to the Content Index at the end of the document.

The general improvement found in 2021, is reflected also in the total increase of actual work hours, even though, this variation is led by Banfi Srl where an important increase equal to 21.2% is recorded. Banfi Società Agricola Srl, due to the reduction of the workforce, experienced, on the other hand, a decline of 2.5% of the actual work hours, vs. 2020.

The hours of furlough that were recurred to, declined, from an incidence of 7.9% over the work hours in 2020 to 3.4% in 2021.

During the year, six interns were hosted, four in the hospitality department, one in the marketing department and one in logistics.

47.2 years average age of resigned employees in Banfi Società Agricola Srl

40.8 years average age of resigned employees in Banfi Srl

Turnover

5.2% Banfi Società Agricola Srl

16.3% Banfi Srl

Again in 2021, all employees who used parental leave returned to work at the end of the period.

Parental leave

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in numbers	2019	2020	2021
Women	-	2	2
Men	4	4	3

BANFI SRL

Values expressed in numbers	2019	2020	2021
Women	5	3	2
Men	1	3	-
Total	10	12	7

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 19.8%, 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 %	2019	2020	2021
Banfi Società Agricola Srl	11.3	8.9	9.9
Banfi Srl	39.5	37.3	36.5
Average increase	21.9	18.7	19.8

Salary analysis

Values expressed in %

Qualification	Contract	Company level	CCNL minimum level	% increase
Worker	Food Industry	5° level	6° level	6.8
	Food Industry	6° level	6° level	0.0
	Agricultural workers	1.Area Lev. B Special. OTD PGA	3 rd Area F level min. level ordinary fixed term	81.2
	Service Industry Confcommercio	4° level	7° level	26.1
Office employees	Hospitality Industry Confcommercio	3° level	4° level	6.0
	Hospitality Industry	1° level	4° level	49.9
	Hospitality Industry	1° level	4° level	199.9
	Hospitality Industry	2° level	4° level	26.6
	Service Industry Confcommercio	1° level	4° level	142.7
	Service Industry Confcommercio	1° level	4° level	186.8
	Service Industry Confcommercio	3° level	4° level	41.7
	Service Industry Confcommercio	3° level	4° level	10.8

For a more detailed comparison regarding the salary dynamics, this year, a ratio between the average base salary and the average compensation² 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 – AGRICULTURE CONTRACT

Value expressed in %	Base salary	Compensation
Executive	-	-
Manager	-	-
Office employee	0.9	1.0
Worker	0.9	0.9

BANFI SRL – AGRICULTURE CONTRACT

Value expressed in %	Base salary	Compensation
Executive	-	-
Manager	-	-
Office employee	0.6	0.6
Worker	-	-

² 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 - INDUSTRY CONTRACT

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

BANFI SRL - TRADE CONTRACT

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

BANFI SRL - TOURISM CONTRACT

Value expressed in %	Base salary	Compensation
Executive	-	-
Manager	-	-
Office employee	0.8	0.8
Worker	1.0	1.0

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 %	2019	2020	2021
Banfi Società Agricola Srl	25.8	30.2	32.7
Banfi Srl	7.0	6.9	10.0

HEALTH, SAFETY AND TRAINING

- GRI 403-1
- GRI 403-2
- GRI 403-4
- GRI 403-5
- GRI 403-6
- GRI 403-7
- 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 possible.

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.

Reduction of severity of injuries, vs. 2020

-24.2% Banfi Società Agricola Srl
-46.6% Banfi Srl

Injuries

2021 was characterized by a higher number of injuries, vs. the previous year. This situation characterized both companies and recorded 11 injuries for Banfi Società Agricola Srl, of which 7 occurred during agricultural operations and 4 during activities in the winery. 2 injuries were recorded for Banfi Srl in the hospitality department. Parallel to the increase in number of injuries, a reduction of their severity is recorded.

Injuries

Values expressed in numbers	2019			2020			2021		
	Number	Length (days)	Average length (days)	Number	Length (days)	Average length (days)	Number	Length (days)	Average length (days)
Banfi Società Agricola Srl	2	8	4.0	7	232	33.1	11	278	25.3
Banfi Srl	3	200	66.7	1	58	58.0	2	62	31
Total	5	208	41.6	8	290	36.3	13	340	26.2

Consequently to the situation, as described above, the injury rate³ has increased in both companies: for Banfi Società Agricola Srl it is equal to 7.0, whereas Banfi Srl it is attested at 1.9.

Training

As the data in the following chart highlights, this year there was a generalized increase in both companies of the average hours of training that were carried out. For Banfi Società Agricola Srl, despite the fact the deadlines of the various qualification programs have been extended, in 2021, the mandatory training and professional qualification programs were reinstated. For Banfi Srl, the increase of training hours is derived from the intensification of the mandatory training programs which were reinstated subsequently to the re-opening of the hospitality department, as well as a relevant quota of non-mandatory training programs which, also thanks to specific instruments, were increased, vs. last year. In fact, this year, Banfi

³ The indicators were calculated based on 313,656 worked hours for Banfi Società Agricola Srl and 213,224 worked hours for Banfi Srl. In both cases, the rates were calculated on the basis of 200,000 worked hours.

had the opportunity to access the Cerved Digital Academy, a continued professional training service developed by Cerved, the primary information provider in Italy and our long-term partner. The participation in this initiative allowed to take part in training programs through e-learning instruments, providing extended possibilities of customization of the training programs, both with regard to the level of contents, as well as timing and access modalities.

A further element which has characterized company training was the introduction of a specific training session on sustainability topics for the members of the Management Committee. This session allowed to extend the knowledge on these topics and in particular on the Equalitas certification which was obtained this year. Two training programs were activated also on sustainability topics for the managers in the company in charge of the sustainability report and the certification management systems in the the company.

Training

Values expressed in average hours	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Banfi Società Agricola Srl						
Executives	-	-	-	-	0.5	-
Managers	6.5	-	12.0	-	17.8	-
Office employees	12.3	5.2	3.7	6.4	4.2	3.0
Workers	6.8	3.6	3.1	2.9	6.5	3.8
Total per gender	7.2	3.8	3.2	3.4	6.3	3.7
Total per Company	6.4		3.2		5.7	
Banfi Srl						
Executives	15.0	5.0	4.0	-	8.1	4.5
Managers	1.2	1.5	7.0	-	11.6	1.7
Office employees	7.6	6.2	8.5	7.9	14.1	12.4
Workers	6.2	4.5	7.6	2.1	5.2	4.6
Total per gender	6.7	5.4	7.8	6.0	9.8	9.4
Total per Company	6.1		7.0		9.6	



“

The recent experiences have taught us that we are all more vulnerable than we have imagined so far.

Rodolfo Maralli,
President Fondazione Banfi



Guiding the challenge of change
ENVIRONMENT

OUR APPROACH

GRI 103-1 GRI 103-2 GRI 103-3

Why material?

The protection of the environment is a central element in the activities at Banfi.

Respecting, protecting and safeguarding the ecosystem are relevant principles which rule and inspire the work of our company. Banfi is conscious that only such care for the environment can ensure the continuity, growth and development of production.

Borders

The protection of the environment is a topic with a major impact on the organization's external borders. The impact is determined both by operational activities that the company implements in the management of the business, and by activities performed by suppliers with whom commercial relationships have been established.

Management modalities

The management modalities of this topic are aimed at mitigating the environmental impacts of the business, by increasing the attention toward the protection of the ecosystem. At Banfi, protection of the environment is implemented by specifications and procedures, to achieve the following main goals, strictly coordinated and connected with quality protection:

- limit consumption and exploitation of natural resources (e.g. water, energy, soil);
- develop and use of alternative farming methods (e.g. integrated farming, organic) to replace traditional methods with a heavy impact on the environment;

- support and participate in research and development projects (e.g. experimenting resistant varieties);
- share and promote relevant principles for environment protection both within and outside the organization, also using training and teaching.

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

Assessment and monitoring

The environment management system is periodically assessed to guarantee the conditions to retain the certification.

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

The use of our internal laboratory, together with the cooperation with universities and third-party experts, represents a constant and high-standard system in measuring the effectiveness of the implemented actions.

CENTRALITY OF THE ENVIRONMENT FOR BANFI

GRI 102-11 GRI 201-2

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 130-131 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 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.

In 2021, with the goal to quantify the production of CO₂ deriving from the vitivinicultural department¹, the calculation of the carbon footprint of both production sites, in Tuscany and Piedmont, was carried out. The project, which was initiated this year for the first time, was carried out with the support of external consultants and involved the agricultural estate and the winery, determining a carbon footprint of 31,467 t CO₂ eq for Banfi Società Agricola Srl e di 10,445 t CO₂ eq for Banfi Srl. This project will be repeated in the upcoming business years, continuing to refine the database for the calculation, in order to define the company carbon footprint increasingly more accurately.

Further to the calculation of the carbon footprint, this year, the capture of carbon that can be attributed to the permanent arboreal crops and the estate forestland was estimated. The study, assigned to the consultancy company CA.RE.FOR. Engineering of Florence, was carried out by bibliographic research activities and analyses of the scientific literature, identifying the quantity of carbon fixed annually by the biomass (expressed in t of CO₂ per ha per year) by type of crop and, where possible, by age class, for similar and comparable scenarios. The resulting total annual capture of CO₂ is equal to 31,502 t CO₂ per year for Banfi Società Agricola Srl and 407 t CO₂ per year for Banfi Srl. This study represents a preliminary estimate of the annual absorptions of carbon, first step toward a determination by ways of analysis of these values which will be carried out from next year on.

¹ The calculation of the carbon footprint did not consider the hospitality department nor the production context of crops other than the vine.

Risks and opportunities deriving from climate change

PHENOMON (R) / (O)	DESCRIPTION	POTENTIAL IMPACTS	MANAGEMENT MODALITIES
Legislative changes in relation to the environment REGULATORY Risk	Risk associated to the need to oversee the regulatory evolution in relation to the environment impacting on the execution of company activities.	Sanctions for delay in the compliance or implementation of a new regulation <i>Financial implications:</i> monetary value of the sustained specific sanctions (event not occurred to date) <i>Sustained cost:</i> hours of work	The main undertaken actions are: <ul style="list-style-type: none"> continued monitoring of binding regulatory compliance; participation, through trade associations, in information and support activities; internal implementation of specific procedures.
Development new techniques and crop experimentation OPPORTUNITY	Opportunity deriving from the possibility of implementing innovations in agriculture and in production , subsequent to research and development activities.	Improvement/increase of quantity/quality of product Potential impacts are difficult to measure in terms of financial implications. <i>Sustained cost:</i> economic value of R&D activities	The main undertaken actions are: <ul style="list-style-type: none"> 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.
Appearance of external atmospheric events PHYSICAL Risk	Risk connected to the occurrence of the following environmental phenomena: <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). 	Damage to company assets and interruption of activities <i>Financial implications:</i> loss of economic value of the company assets/reduction of revenue <i>Sustained cost:</i> economic value of the supply of goods and services Default based on the entity of the damage and on the lack of sufficient financial resources to face the emergency. <i>Financial implications:</i> financial upheaval of the company <i>Sustained cost:</i> economic value of the executed initiatives	The main undertaken actions are: <ul style="list-style-type: none"> adoption of specific Business Continuity and Disaster Recovery procedures, not only regarding IT; protection of facilities and territorial diversification, where possible, for production.
Increase of cost of energy supplies PROCUREMENT Risk	Risk connected to the price increases of electricity subsequent to the policies against climate change (e.g. increase of price of permits for CO ₂ emission).	Increase of purchase price of energy <i>Financial implications:</i> higher cost sustained for energy procurement <i>Sustained cost:</i> economic value of the construction and of the maintenance of the facility	The main undertaken actions are: <ul style="list-style-type: none"> construction of a photovoltaic system with 29.7 kWh capacity; evaluation of possibility to increase the quota of self-produced energy with the construction of new facilities.

PROTECTION OF BIODIVERSITY

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 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 prevalingly characterized by hills, and hills.

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.

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.

Olive groves



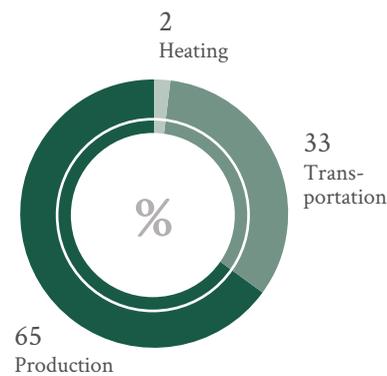
CONSUMPTION: ENERGY

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 companies². 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	2019	2020	2021	
Transportation	12,990	12,182	11,313	
Gasoline	186	357	145	
Diesel fuel	12,803	11,825	11,168	
Production	31,140	22,841	22,130	
Electricity	16,554	15,483	15,531	
LPG	14,586	7,358	6,599	
Diesel fuel	-	-	-	
Gasoline	-	-	-	
Heating	1,057	1,024	621	
Diesel fuel	1,002	931	501	
LPG	54	94	120	
Methane gas	-	-	-	
Pellet	-	-	-	
Total	45,186	36,048	34,064	
Electricity consumption over hectoliters of wine (GJ/hl)	0.066	0.067	0.069	

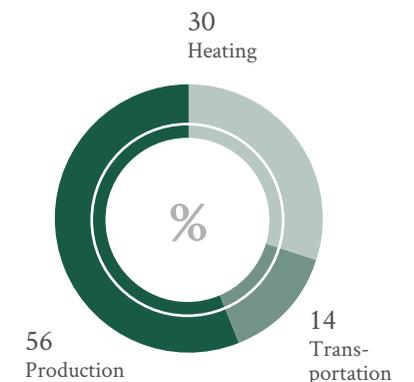
² In tracking the energy consumption, from this year, the fuel consumption of the company vehicles with long-term rental contracts also was included. Including this consumption was particularly evident regarding Banfi Srl, the company with almost all such contracts. Including these consumptions had an obvious impact in the "transportation" category. The impact for Banfi Società Agricola Srl is equal to 129 GJ, whereas for Banfi Srl it amounts to 1,154 GJ.

Sunset over the hills



Energy consumption

BANFI SRL				
Values expressed in GJ	2019	2020	2021	
Transportation	558	518	1,634	
Gasoline	-	23	258	
Diesel fuel	558	495	1,376	
Production	7,601	6,058	6,498	
Electricity	7,591	6,017	6,451	
LPG	-	-	-	
Diesel fuel	-	-	43	
Gasoline	11	41	4	
Heating	3,215	2,519	3,452	
Diesel fuel	43	-	-	
LPG	266	197	413	
Methane gas	2,241	1,546	2,032	
Pellet	665	776	1,007	
Total	11,375	9,095	11,584	
Electricity consumption over hectoliters of wine (GJ/hl)	0.078	0.090	0.073	



CONSUMPTION: WATER

GRI 303-1 GRI 303-3

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 low.

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.

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.

This year, the quantity of water withdrawn from the reservoirs was less than the previous year (approximately -17%), due to a slight increase of rainfall. The values in the two-year period, 2020-2021, deviate from the data of 2019, year characterized by abundant rainfall which guaranteed the necessary water supply, limiting withdrawals.

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 from the treatment plant 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

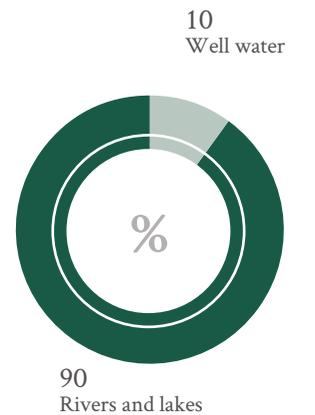
BANFI SOCIETÀ AGRICOLA SRL

Values expressed in MegaLiters	2019	2020	2021
Rivers and lakes (crop irrigation)	398.2	747.1	620.5
Rivers and lakes (irrigation of gardens Castello Banfi Wine Resort)	9.2	11.7	13.4
Well	71.5	54.9	66.9
Water main*	10.0	10.0	2.5
Total	479.1	813.8	703.3
Treated water pumped back to the Orcia river	53.9	41.7	58.2
Treated water for technological purposes and irrigation	5.8	8.2	10.6
Consumption of hectoliters of water over hectoliters of wine	3.4	2.7	3.4

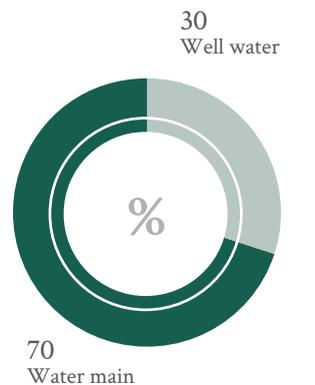
BANFI SRL

Values expressed in MegaLiters	2019	2020	2021
Well	9.0	5.4	5.4
Water main	10.3	6.4	12.6
Total	19.3	11.8	18.0
Consumption of hectoliters of water over hectoliters of wine	1.8	1.4	1.8

BANFI SOCIETÀ AGRICOLA SRL



BANFI SRL



* With reference to consumption in the category "Water main" for Banfi Società Agricola Srl a variation of the reported data in 2020 and 2019 is reported. The increase of the volumes that were consumed is caused by the detection, during the current year, of a leak in the pipeline going back to 2018. The higher amount which is recorded reflects the yearly allocation for the higher volumes detected in 2021.

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.

Treatments and fertilization

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in kg/ha	2019	2020	2021
Vineyard treatments			
Average fungicides	118.2	130.2	97.2
Average pesticides	0.9	0.6	0.6
Orchard treatments			
Average fungicides	13.4	18.5	17.0
Average pesticides	58.4	44.7	38.9
Values expressed in kg			
Fertilization			
Fertilization	603,902	493,997	535,605

BANFI SRL

Values expressed in kg/ha	2019	2020	2021
Vineyard treatments			
Average fungicides	96.1	118.7	122.2
Average pesticides	1.3	0.8	2.5
Values expressed in kg			
Fertilization			
Fertilization	9,656	34,774	29,956

The climate trend recorded both in Tuscany and in Piedmont allowed to carry out normal fertilization operations, completing the scheduled interventions.

However, a different trend was recorded for the two regions regarding treatments: while in Tuscany the climate conditions allowed to reduce the use of fungicides, in Piedmont an increase of the use of insecticides due mainly to the fight against the European grapevine moth, a lepidopteran that causes severe damage, feeding off the grape berries.

The entity of the damage to the vines by the European grapevine moth varies according to the phonologic stage of the plant. **The first-generation larvae concentrate their trophic activity on the clusters of flowers**, destroying them partially to build their nest within. This damage is less severe, as, usually, the attack is not very massive. **The greater damage is caused by the second- and third-generation larvae** which attack the berries directly, by penetrating and emptying them out. The third generation causes also indirect damage, as the berries are in their final maturation, thus more delicate. The attack makes them more susceptible to severe pathologies, such as botrytis and sour rot.

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



77%
of waste is destined
to recycling

99%
of waste is nonhazardous

In 2021, Banfi Società Agricola Srl sold the following subproducts:

- Stems: 81.1 t
- Pumace: 807 t
- Lees: 127.4 t

In 2021, Banfi Srl sold the following subproducts:

- Stems: 31.8 t
- Pumace: 189.5 t
- Lees: 115.3 t

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 on the vineyards and, after distribution, subsequently it was dug under. During 2021, almost 153 tons of dregs were distributed as is, with over 31 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.

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:

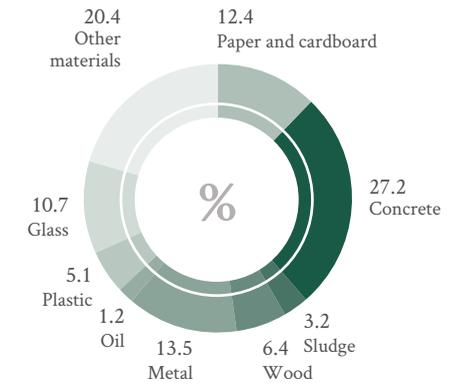
- approximately 0.2 tons of tartaric acid
- approximately 0.8 tons of spirits (grappa or alcohol)

Therefore, the responsible management of the subproducts represents a concrete commitment to affirming circular economy criteria in the company management. Following are the volumes of material conferred over the years on behalf of the two companies.

Waste

BANFI SOCIETÀ AGRICOLA SRL

Waste by type in tons	RECYCLING	DISPOSAL	TOTAL
Paper and cardboard	86.1	-	86.1
Concrete	188.5	-	188.5
Sludge	-	22.2	22.2
Wood	44.2	-	44.2
Metal	93.5	-	93.5
Oil	5.1	3.1	8.2
Plastic	35.2	-	35.2
Glass	74.5	-	74.5
Other materials	131.2	10.3	141.5
Total	658.4	35.5	693.9



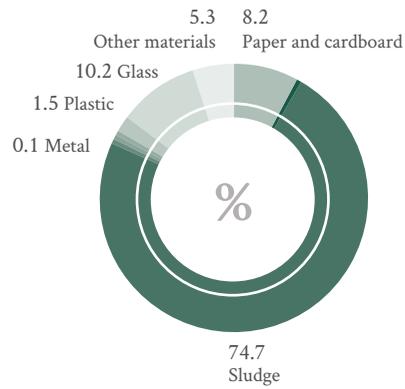
Waste by type and disposal in tons	2019	2020	2021
Non hazardous			
Recycling	322.4	306.9	648.8
Disposal	341.9	237.9	31.9
Total	664.3	544.8	680.7
Hazardous			
Recycling	14.0	24.2	9.5
Disposal	8.1	0.3	3.7
Total	22.1	24.5	13.2

Waste

BANFI SRL

Waste by type in tons	RECYCLING	DISPOSAL	TOTAL
Paper and cardboard	18.9	-	18.9
Concrete	-	-	-
Sludge	-	172.4	172.4
Wood	-	-	-
Metal	0.2	-	0.2
Oil	-	-	-
Plastic	3.5	-	3.5
Glass	23.5	-	23.5
Other materials	11.9	0.2	12.1
Total	58.0	172.6	230.6

Waste by type and disposal in tons	2019	2020	2021
Non hazardous			
Recycling	139.4	74.2	57.6
Disposal	174.1	99.6	172.4
Total	313.4	173.8	230.0
Hazardous			
Recycling	0.4	0.1	0.4
Disposal	0.1	0.1	0.2
Total	0.5	0.2	0.6



Bottling line



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.

For a while now, Banfi has embraced the Toshiba green printing solutions, contributing already since 2014 to the “Toshiba Carbon Zero Scheme” project for the safeguard of the environment.

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.

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.

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

Attention to the use of materials

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

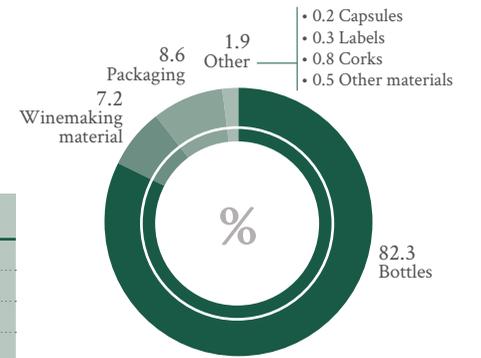
Banfi is aware that the commitment to the containment of the environmental impacts which derive from the production process, is achieved also through the attention in the choice of the use of materials. For this reason, relationships were created historically with suppliers who are sensitive to this 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 84% of consumptions in weight.

Materials by type

BANFI SOCIETÀ AGRICOLA SRL

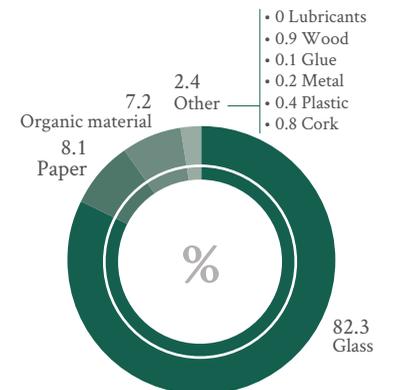
Values expressed in tons	2019	2020	2021
Bottles	4,043	2,841	3,788
Capsules	8	5	8
Labels	14	10	14
Packaging	407	281	397
Winemaking material	411	224	332
Corks	40	27	37
Other materials	16	15	25
Total	4,940	3,404	4,600

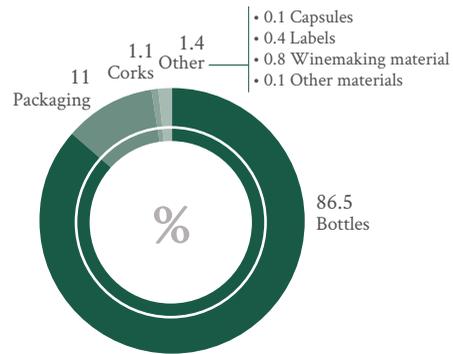


Materials by composition

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in tons	2019	2020	2021
Paper	373	260	371
Glue	5	4	6
Wood	48	32	40
Lubricants	1	1	1
Organic material	411	224	332
Metal	8	5	8
Plastic	11	10	18
Cork	40	27	37
Fabric	-	-	-
Glass	4,042	2,841	3,788
Total	4,940	3,404	4,600





Materials by type

BANFI SRL

Values expressed in tons

	2019	2020	2021
Bottles	2,409	1,118	2,097
Capsules	4	2	3
Labels	11	4	9
Packaging	266	156	264
Winemaking material	33	18	20
Corks	32	15	27
Other materials	7	2	2
Total	2,761	1,316	2,422

Materials by composition

BANFI SRL

Values expressed in tons

	2019	2020	2021
Paper	227	117	207
Glue	2	1	1
Wood	50	43	65
Lubricants	-	-	-
Organic material	26	14	18
Metal	15	7	15
Plastic	5	1	1
Cork	21	9	15
Fabric	7	4	1
Glass	2,409	1,118	2,097
Total	2,761	1,316	2,422

Thanks to the choice of materials produced in total or in part with recycled components, this year, it was also possible to contribute to the reduction of energy consumption and CO₂ emissions³.

Regarding packaging, recycled cardboard is used in almost all productions (this year, the average of recycled material was slightly higher than last year's data, at around 89%). 90% 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. This year, consumptions of materials which refer to such suppliers represent approximately 99% of the total consumption.

³ 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.

Analogously, also the glass bottles that are used present a percentage of recycled material, which, this year, reaches an average value equal to 53%. The use of such materials has allowed for a savings⁴, in terms of electricity, equal to 29,000 GJ, and a non-emission of CO₂ equal to 1,237 t. Thanks to the use of recycled cardboard it was then possible to avoid felling 4,988 trees and save 168 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 48% for Banfi Società Agricola Srl and to 40% 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.

Finally, as last year, this year again, our supplier Corticeira Amorim, has quantified the absorption of CO₂ deriving from the purchase of closures in natural cork carried out in 2020. The total value for Banfi Società Agricola Srl and Banfi Srl results in equal to 478.4 t of CO₂.

Attention in delivery services

This year, the project with the MagDi Group has continued for the delivery of our products with vehicles with zero environmental impact in the city of Rome⁵, due to which, the non-emissions of CO₂ over 10.4 t were recorded (data substantially in line with the previous year). From 2017, when the initiative began, in total non-emissions of CO₂ over a quantity equal to 68.9 t were registered.

⁴ 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.
⁵ From this year, the deliveries in the city of Florence were assigned to a new supplier, still with the use of vehicles with a zero environmental impact. The quantification of the impact in terms of non-emission of CO₂ is not available at the release of this document.

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.

Sala dei Grappoli



“

Surprising
the stakeholders
with the quality
of the work of
our company.

Lorella Carresi,
Communication Manager, Banfi Srl



Guiding the challenge of change

QUALITY

OUR APPROACH

GRI 103-1 GRI 103-2 GRI 103-3

Why material?

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

Borders

Protecting quality is a topic with a major impact on the organization’s internal borders. The company is directly responsible for the constant increase of the quality level of its products and services, based on the daily choices made also with regard to the relations with its suppliers.

Management

The management modality of this topic is aimed at increasing the quality of products and services, as well as of the entire production cycle.

The quality of products and services derives from the quality of the raw materials and the ability to turn them into a finished product. The protection and improvement of quality is mainly achieved by recurring to the following initiatives:

- search for better practices in production;
- search for better winemaking practices in the winery;
- search for an increasingly more attentive service to the needs of the consumer.

In confirmation of the validity of the current management modality, in 2001, Banfi Società Agricola Srl and Banfi Srl obtained the certification of the quality management system in accordance with the ISO 9001 standard. Furthermore, in 2006 Banfi Società Agricola Srl and Banfi Srl obtained the certifications in accordance with the BRC and IFS standards, as a guarantee of the quality and safety of food products offered to consumers.

Assessment and monitoring

The use of our internal laboratory, supported by the cooperation with universities and third-party professionals, represents a constant and high-standard tool in measuring the effectiveness of the implemented actions. The quality management system is periodically assessed to guarantee the conditions of compliance with the certification.

Such specific assessments are supported by periodical monitoring, control and verification mechanisms regarding the actual ability to achieve predetermined objectives in quality protection.

In particular:

- internally, the daily measuring of quality parameters that distinguish Banfi products serves to validate the quality of production processes;
- externally, the analysis of positioning, evaluation by consumers, achievement of awards serve to measure consumer appreciation, of the offering both of products and services.

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.

Compliance with legal regulations

Analysis from the field to the consumer

Certification and external audit program

Research and development

Drying of plums



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 obtains the SA 8000 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

The certification process and its management systems allow for a better management of non-conformities, i.e. services or products which do not meet the expected standards of quality or respect of the environment.

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). This year, Banfi has achieved certification according to the organization standard and is on a path which in the next three years will lead the company to integrating the calculation of the required specific environmental indicators (water footprint and biodiversity index).

The table shows the trend in reporting non-conformities, divided by reason, area of interest and, especially, if the non-conformities were found internally or during an audit process conducted by a third-party body. All reported non-conformities were correctly handled and resolved. The trend of each item is stable, and the few variations depend on well identified elements.

Quality: ISO 9001 BRC IFS

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in numbers	2019	2020	2021
Internal activities			
Controls when accepting products/services from suppliers	12	11	8
Control of internal processes	27	38	29
Complaints on products by consumers	11	41	47
Third-party activities			
Audit by certification body	3	4	4

BANFI SRL

Values expressed in numbers	2019	2020	2021
Internal activities			
Controls when accepting products/services from suppliers	10	9	12
Control of internal processes	9	24	17
Complaints on products by consumers	9	12	6
Third-party activities			
Audit by certification body	3	5	5

Environment: ISO 14001

BANFI SOCIETÀ AGRICOLA SRL

Values expressed in numbers	2019	2020	2021
Internal activities			
Controls when accepting products/services from suppliers	1	-	-
Control of internal processes	10	3	4
Third-party activities			
Audit by certification body	1	-	-

Health and safety certification: ISO 45001

BANFI SRL

Values expressed in numbers	2019	2020	2021
Third-party activities			
Audit by certification body	2	1	1

Equalitas Certification

BANFI SOCIETÀ AGRICOLA SRL

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

INTERNAL ANALYSIS PROCESS: ROLE OF THE LABORATORIES

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.

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 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	129,836
Grapes	1,490
Incoming materials	25,221
Water treatment plant	6,900
Osmosis system	1,443
Furnace	84
Total	164,974

BANFI SRL

No. of internal analyses	
Wine	11,049
Grapes	324
Incoming materials	290
Water treatment plant	445
Osmosis system	-
Furnace	-
Total	12,108

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



Laboratory

use of PPE on behalf of the staff which comes in contact with it. Such product is used as a co-adjuvant in the normal filtration process and currently its use at Banfi is extremely reduced.

A choice that also benefits the functionality of the wastewater treatment plant in which the waters from the winery containing this product are collected. In fact, as perlite is an extremely abrasive material, its presence generates very rapid phenomena of wear on certain components of the facility, creating permanent damage. 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.

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.

In 2020, 2 projects for Banfi Società Agricola Srl and 3 projects for Banfi Srl were admitted, in order to obtain a tax credit. The total value of the internal work hours dedicated to these projects was equal to 32,422.5, while the economic value of the tax credit which was acknowledged was 166,220.5 Euro.

Conducted activities

This year again, projects were activated which involved the area of agricultural production, as well as product development and also the area of company processes.

Banfi Società Agricola Srl conducted projects to evaluate and compare the production characteristics, in light of new trellising systems, newly introduced varieties and drying methods which are able to enhance the grapes obtained from an early harvest.

It is important to highlight how the 2021 climate trend, in particular the severe frost in the spring, brought by important limitations in all ongoing experimental projects.

With regard to the first two projects the topics can be analyzed in detail in the dedicated chapter, where, in addition to the project description, the results achieved this year are also indicated. Regarding the most recent project, the achieved results have shown that the effects of an early harvest stationed in the drying center are able to modify the aromatic and eno-chemical quality of the grapes. Furthermore, this operation positively impacts the grapes left in the vineyard, enhancing phenolic and aromatic ripening and reducing the incidence of phytosanitary issues which could appear in conditions of prolonged ripening of the berries in the vineyard with higher loads of grapes.

Banfi Srl has developed projects on the process methodologies, in order to obtain new products and increasingly improve the quality and organoleptic features of existing products. Furthermore, the activities related to the **project for the revision of company processes**, carried out last year, continued, in the context of industry 4.0, internet of things and digitization.

Regarding the product study, tests on vinification and sparkling wine production were carried out to obtain a rosé sparkling Brachetto d'Acqui, in order to develop a new product type. On the other hand, to increase the quality level of the Albarossa wine, comparative tests were carried out on barriques from various producers, with the intent on evaluating the evolution of the product from an organoleptic and chemical standpoint. With reference to the Cortese di Gavi grapes, tests on mechanical harvesting were also carried out, in order to evaluate the different quality impact generated by this different harvesting method.

Finally, the activities continued related to two projects started last year: the vinification tests of Cortese di Gavi grapes with a

specific vinification protocol and tests using technical closures in micro-granulate for sparkling wines. Regarding the first project, in November 2021, analytical checks and a tasting were carried out to define preservation modalities and additives. Regarding the second project, the experimentation was concluded in June 2021, leading to selecting the best suppliers of closures.

Regarding the company processes the activities started last year continued regarding the integration between organization, processes and IT systems in the main company cycles (purchasing cycle, production and warehouse cycle and sales cycle). This year, the performances of the company reporting system were improved, with an intervention for a technological update and an upgrade of the connection methods. Furthermore, the managed topics were expanded, to include a specific reporting system for the hospitality department and for sustainability. Finally, a prototype was implemented for the management of the medium- and long-term planning process of production, starting from the forecasting data on the trend of the agricultural production. This application will be included in the new business planning process started last year and continued, specifically in the production context, in 2021.

The implemented projects employed a total of 26,046 internal work hours (equal to 5% of the total work hours) and are being vetted by the certification institution to evaluate the admissibility for the acknowledgement of the tax credit.



Banfi Alberello - Photo credit: Gian Marco Castelberg

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 varietal and its cultivation environment. Thanks to this activity, Vocational Units were defined on the estate, consistent as to vegetative, production and quality performances, with the purpose of enhancing the 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.

HOSPITALITY AND QUALITY PROTECTION

A unique experience and emotions. These are the features that describe the “**Castello Banfi Wine Resort**” hospitality service. A service where quality is foremostly expressed by a discerning attention to the needs of the guest, by enhancing human relationships and looking after details. A commitment carried out thanks to the attitude and passion of the staff 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.



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.





Guiding the challenge of change
METHODOLOGY NOTE
GRI CONTENT INDEX

METHODOLOGY NOTE

GRI 102-10
 GRI 102-45
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 GRI 102-50
 GRI 102-51
 GRI 102-52
 GRI 102-53
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 GRI 102-56

Reference period

January 2021 - December 2021

Perimeter

Banfi Società Agricola Srl and Banfi Srl

Publication frequency

Annual

Date of approval

March 30, 2022

Date of assurance

April 21, 2022

Publication date

April 22, 2022

Format

Print, digital

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 (2016) guidelines, as defined by the Global Reporting Initiative (GRI). When present, the 2018, 2019 and 2020 updates of the guidelines were applied. The reporting option which was chosen is “In accordance – Core”.

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 (2020 and 2019). 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.

Vineyards in Novi Ligure



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 Services Srl. At the end of the activity, the auditing company issued their report, titled Independent Report on the Limited Assurance of the 2021 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!

GRI CONTENT INDEX

GRI 102-55

General disclosures

GRI Standard	Information	Page Number	Omission/Notes	SDGs
Organizational profile				
102-1	Name of the organization	58-60		
102-2	Activities, brands, products, and services	34-43; 64-65		
102-3	Location of headquarters	Castello di Poggio alle Mura 53024 Montalcino (SI)		
102-4	Location of operations	32-33		
102-5	Ownership and legal form	58-60		
102-6	Markets served	73		
102-7	Scale of the organization	64-65; 78-82		
102-8	Information on employees and other workers	112-115	The average workforce is calculated considering the monthly average number of employees during the year. Therefore, the seasonal employees under contract for less than a year are repropotioned to that period. The following charts show the data relative to the workforce as of December 31.	 

GRI 102: General Disclosures 2016

Average values

BANFI SOCIETÀ AGRICOLA SRL				
Average number	2019	2020	2021	
Permanent	133	134	127	
Women	33	32	28	
Men	100	102	99	
Fixed term	116	111	102	
Women	31	30	28	
Men	85	81	74	
Total	249	245	229	

BANFI SRL				
Average number	2019	2020	2021	
Permanent	110	113	114	
Women	53	54	56	
Men	57	59	58	
Fixed term	47	18	27	
Women	23	8	13	
Men	24	10	14	
Total	157	131	141	

BANFI SOCIETÀ AGRICOLA SRL				
Average number	2019	2020	2021	
Full time	245	243	227	
Women	61	60	54	
Men	184	183	173	
Part time	4	2	2	
Women	3	2	2	
Men	1	0	0	
Total	249	245	229	

BANFI SRL				
Average number	2019	2020	2021	
Full time	110	113	130	
Women	53	54	60	
Men	57	59	70	
Part time	47	18	11	
Women	23	8	9	
Men	24	10	2	
Total	157	131	141	

GRI Standard	Information	Page Number	Omission/Notes	SDGs
Average values				

BANFI SOCIETÀ AGRICOLA SRL

Average number	2019	2020	2021
Administrators	2	2	2
Women	-	-	-
Men	2	2	2
Interns	-	-	-
Women	-	-	-
Men	-	-	-
Total	2	2	2

BANFI SRL

Average number	2019	2020	2021
Administrators	2	2	2
Women	-	-	-
Men	2	2	2
Interns	1	-	3
Women	1	-	2
Men	-	-	1
Total	3	2	5

BANFI SRL

Average number	2019	2020	2021
Permanent	110	113	113
Tuscany	88	90	91
Piedmont	22	23	22
Fixed term	47	18	28
Tuscany	34	7	18
Piedmont	13	11	10
Total	157	131	141

GRI Standard	Information	Page Number	Omission/Notes	SDGs
Values at end of year				
BANFI SOCIETÀ AGRICOLA SRL				
	No. as per 12/31	2019	2020	2021
Permanent		132	131	126
Women		32	30	27
Men		100	101	99
Fixed term		4	1	2
Women		1	-	2
Men		3	1	-
Total		136	132	128
BANFI SRL				
	No. as per 12/31	2019	2020	2021
Permanent		112	113	109
Women		53	55	52
Men		59	58	57
Fixed term		7	3	6
Women		3	2	3
Men		4	1	3
Total		119	116	115
BANFI SOCIETÀ AGRICOLA SRL				
	No. as per 12/31	2019	2020	2021
Full time		132	130	125
Women		30	28	26
Men		102	102	99
Part time		4	2	3
Women		3	2	3
Men		1	-	-
Total		136	132	128
BANFI SRL				
	No. as per 12/31	2019	2020	2021
Full time		109	106	106
Women		48	48	47
Men		61	58	59
Part time		10	10	9
Women		8	9	8
Men		2	1	1
Total		119	116	115
BANFI SOCIETÀ AGRICOLA SRL				
	No. as per 12/31	2019	2020	2021
Administrators		2	2	2
Women		-	-	-
Men		2	2	2
Interns		-	-	-
Women		-	-	-
Men		-	-	-
Total		2	2	2
BANFI SRL				
	No. as per 12/31	2019	2020	2021
Administrators		2	2	2
Women		-	-	-
Men		2	2	2
Interns		1	-	1
Women		1	-	1
Men		-	-	-
Total		3	2	3
BANFI SRL				
	No. as per 12/31	2019	2020	2021
Permanent		112	113	109
Tuscany		90	90	87
Piedmont		22	23	22
Fixed term		7	3	6
Tuscany		4	2	3
Piedmont		3	1	3
Total		119	116	115

GRI Standard	Information	Page Number	Omission/Notes	SDGs
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GRI 102: General Disclosures 2016	102-18	Governance structure	58-60	
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	207-2	Tax governance, control, and risk management	85-87	
	207-3	Stakeholder engagement and management of concerns related to tax	85-87	
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	103-3	Evaluation of the management approach	90-91	
Market presence				
GRI 202: Market presence 2016	202-2	Proportion of senior management hired from the local community	58-60	The local community includes the bordering municipalities to the sites present in Tuscany and Piedmont. For Banfi Società Agricola Srl, the local community coincides with the provinces of Siena and Grosseto, for Banfi Srl, the province of Alessandria is also added. 
Procurement practices				
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	68	Local suppliers are understood as: - for Banfi Società Agricola Srl, suppliers with registered offices in the provinces of Siena and Grosseto; - for Banfi Srl, suppliers with registered offices in the provinces of Siena, Grosseto and Alessandria. 
Enhancement and development of the people				
GRI 103: Management approach 2016	103-1	Explanation of the materiality of the topic and scope	110-111	
	103-2	The management approach and its components	110-111	
	103-3	Evaluation of the management approach	110-111	
Market presence				
GRI 202: Market presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	118-120	  

GRI Standard	Information	Page Number	Omission/Notes	SDGs
Employment				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	116-118	We consider those employees as resigned who end their work relation during the year with the exclusion of the end of the fixed-term contracts. The date of the resignation is effective the following day. Therefore, the employee who resigns on December 31 is considered in force.   
	401-3	Parental leave	116-118	 

New hires	2019				2020				2021									
	M	%A rate	%AF rate	F	%A rate	%AF rate	M	%A rate	%AF rate	F	%A rate	%AF rate	M	%A rate	%AF rate	F	%A rate	%AF rate
Banfi Società Agricola Srl																		
Tuscany	12	4.9	1.5	4	1.6	0.8	5	2.0	3.8	0	0	0	0	0	0	0	0	0
Age < 30 years	4	1.6	0	1	0.4	0	2	0.8	1.5				0		0			
Age 30-50 years	7	2.9	1.5	2	0.8	0.8	2	0.8	1.5				0		0			
Age > 50 years	1	0.4	0	1	0.4	0	1	0.4	0.8				0		0			
Banfi Srl																		
Tuscany	11	4.5	1.7	8	6.1	0.9	1	0.8	0.9	3	2.3	2.6	4	2.8%	3.5%	7	5.0%	6.1%
Age < 30 years	8	6.1	0	4	3	0	0	0	0	1	0.8	0.9	1	0.7%	0.9%	1	0.7%	0.9%
Age 30-50 years	2	1.5	0.9	4	3	0.9	1	0.8	0.9	2	1.5	1.7	2	1.4%	1.7%	5	3.6%	4.3%
Age > 50 years	1	0.8	0.9			0	0	0	0				1	0.7%	0.9%	1	0.7%	0.9%
Piedmont	5	3.8	2.6	2	1.5	0.9	2	1.5	1.7	0	0	0	2	1.4%	1.7%	1	0.7%	0.9%
Age < 30 years	5	3.8	2.6	1	0.8	0.9	2	1.5	1.7				1	0.7%	0.9%	1	0.7%	0.9%
Age 30-50 years													1	0.7%	0.9%	0		
Age > 50 years				1	0.8								0		0			
Total	28			14			8			3			6			8		

Resigned	2019				2020				2021									
	M	%A rate	%AF rate	F	%A rate	%AF rate	M	%A rate	%AF rate	F	%A rate	%AF rate	M	%A rate	%AF rate	F	%A rate	%AF rate
Banfi Società Agricola Srl																		
Tuscany	8	3.3	6.1	2	0.8	1.5	6	2.4	4.5	5	2	3.8	9	3.9%	7.0%	3	1.3%	2.3%
Age < 30 years	1	0.4	0.8	0	0	1	0.4	0.8	0	0	0	0	1	0.4%	0.8%	0	0.0%	0.0%
Age 30-50 years	1	0.4	0.8	1	0.4	0.8	1	0.4	0.8	1	0.4	0.8	4	1.7%	3.1%	0	0.0%	0.0%
Age > 50 years	6	2.4	4.5	1	0.4	0.8	4	1.6	3.0	4	1.6	3.0	4	1.7%	3.1%	3	1.3%	2.3%
Banfi Srl																		
Tuscany	4	1.6	3.4	3	2.3	2.6	4	3.0	3.4	0	0	0	8	5.7%	7.0%	11	7.8%	9.6%
Age < 30 years	2	1.5	1.7	0	0	1	0.8	0.9	0	0	0	0	1	0.7%	0.9%	1	0.7%	0.9%
Age 30-50 years	1	0.8	0.9	2	1.5	1.7	1	0.8	0.9	0	0	0	5	3.6%	4.3%	6	4.3%	5.2%
Age > 50 years	1	0.8	0.9	1		2	1.5	1.7	0	0	0	0	2	1.4%	1.7%	4	2.8%	3.5%
Piedmont	4	3.0	3.4	3	2.3	2.6	1	0.8	0.9	1	0.8	0.9	3	2.1%	2.6%	2	1.4%	1.7%
Age < 30 years	1	0.8	0.9	1	0.8	0.9	1	0.8	0.9	0	0	0	1	0.7%	0.9%	1	0.7%	0.9%
Age 30-50 years	1	0.8	0.9	1	0.8	0.9	0	0	0	1	0.8	0.9	0	0.0%	0.0%	0	0.0%	0.0%
Age > 50 years	2	1.5	1.7	1	0.8	0.9	0	0	0	0	0	0	2	1.4%	1.7%	1	0.7%	0.9%
Total	16			8			11			6			20			16		

Legend
M = male F= female %A rate = % rate calculated on the average workforce %AF rate= % rate calculated on the workforce as of 12/31

GRI Standard	Information	Page Number	Omission/Notes	SDGs
Occupational health and safety				
GRI 403: Management approach 2018	403-1	Occupational health and safety management system	121-123	
	403-2	Hazard identification, risk assessment, and incident investigation	121-123	
	403-4	Worker participation, consultation, and communication on occupational health and safety	121-123	
	403-5	Worker training on occupational health and safety	121-123	
	403-6	Promotion of worker health	121-123	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	121-123	
	GRI 403: Occupational health and safety 2018	403-9	Work-related injuries	121-123
Training and education				
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	121-123	
Diversity and equal opportunity				
GRI 405: Diversity and equal opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	118-120	
Environment protection				
GRI 103: Management approach 2016	103-1	Explanation of the materiality of the topic and scope	126-127	
	103-2	The management approach and its components	126-127	
	103-3	Evaluation of the management approach	126-127	
Economic performance				
GRI 201: Economic performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	128-131	
Materials				
GRI 301: Materials 2016	301-1	Materials used by weight or volume	147-149	
	301-2	Recycled input materials used	147-149	

GRI Standard	Information	Page Number	Omission/Notes	SDGs			
Energy							
GRI 302: Energy 2016	302-1	Energy consumption within the organization	134-135	In reference to point f), it must be pointed out that, with regard to the electricity consumption, in the reporting perimeter the consumption of electricity is included, used by the organization in the context of the production processes in agriculture and in the winery. Consumption for domestic use at the company staff accommodations and the Amorosa farmhouse residence is excluded.			
				302-3	Energy intensity	134-135	
				302-4	Reduction of energy consumption	145-146	
				302-5	Reductions in energy requirements of products and services	147-149	
				Water and Effluents			
GRI 303: Management approach 2018	303-1	Interactions with water as a shared resource	136-138				
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	136-138	In reference to point c), it must be pointed out that withdrawals of water refer to water from the aquifer, thus deriving from the infiltration of rainwater into the ground and to water withdrawn from the reservoirs which accumulate rainwater, or which are filled with water from the rivers.			
				In reference to point d), it must be pointed out that in the reporting perimeter the withdrawals of water are included, used by the organization in the context of the productions processes in agriculture and in the winery. Withdrawals for domestic use at the company staff accommodations are excluded.			



GRI Standard	Information	Page Number	Omission/Notes	SDGs
Wastewater and waste				
GRI 306: Management approach 2020	306-1	Waste generation and significant waste-related impacts	141-144	
	306-2	Management of significant wasterelated impacts	141-144	
GRI 306: Waste 2020	306-3	Waste generated	141-144	
	306-4	Waste diverted from disposal	141-144	
	306-5	Waste directed to disposal	141-144	
			Currently, the information required by points b) and c) is not available. Regarding point d) the information reported on page 142, in the chapter “Waste management” should be referred to.	
Quality protection				
GRI 103: Management approach 2016	103-1	Explanation of the materiality of the topic and scope	154-155	
	103-2	The management approach and its components	154-155	
	103-3	Evaluation of the management approach	154-155	
Non-GRI indicators				
	Number of attained certifications	157-158		
	Number of detected non-conformities	159		
	Number of performed internal analyses	161		
	Number of research and development projects	163-165		
	Number of hours per research and development projects	163-165		

**BANFI SRL
BANFI SOCIETÀ AGRICOLA SRL**

LIMITED ASSURANCE REPORT ON SUSTAINABILITY REPORTING

YEAR ENDED 31 DECEMBER 2021



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 2021.

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 2020 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 Control 1 (ISQC Italia 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

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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 in scope 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 the Company's 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 management personnel 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 2021 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.

Other Matters

No assurance procedures were performed on the comparative information presented in the Sustainability Report in relation to the year ended 31 December 2019.

PricewaterhouseCoopers Business Services Srl

Signed by

Paolo Bersani
(Partner)

Milan, 21 April 2022

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 2021 translation.





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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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