

Ornellaia e Masseto Società Agricola S.R.L.

First Sustainability
Report 2021

Approaching the future
with attention, respect
and creativity

First Sustainability
Report 2021



Ornellaia winery

A message from the CEO



The people we interact with have always been our priority at every stage of planning our work with a focus on the respectful and sustainable development of rural society, which underpins our endeavours.

We care about the people whose enthusiasm and involvement make virtuous growth possible every day. We know that, without their happiness and wellbeing, no society can be ready for the future.

Sustainability is not only a commitment for us; it's a way of life that looks to the future. It is the key to the only real possible and enduring development. Being sustainable and responsible is first and foremost a duty towards the company where we work as well as towards the land where our vines grow and where we live with our families.

By means of humanitarian projects, such as the Mind's Eye Program from the Solomon R. Guggenheim Museum and Foundation, we have always cared about the overall concept of sustainability through a policy of quality in the production, marketing and communication of wine out of absolute respect for our clients.

This Sustainability Report has enabled us to highlight further the labour policies that have been underway within the company for years. By knowing the system better and defining the sustainability policies linked to our business as a wine producer, we can work day after day to increase efficiency and a sense of responsibility towards the land. We constantly strive to perfect practises and technologies that improve our environmental impact over time.

This report, which we share with you today, is an essential starting point to lay the foundations for prioritizing investments in order to generate value and growth year after year, which is shared with all those who have always believed in our leading work.

The annual report sets out the environmental, social and economic results. What we have succeeded in obtaining, in addition to what we can achieve in the future through commitment and targeted strategies to overcome the difficulties that we still encounter in our work processes. We will explain all this through different forms of capital: productive, natural, philosophical, intellectual, human, relational, economic and financial.

We want to share this commitment with you, which is a source of pride and makes us even more responsible.

A handwritten signature in blue ink, which appears to be 'G. Geddes'.

Giovanni Geddes,
CEO, Ornellaia and Masseto

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Introduction to sustainability

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Wine and sustainability

- a shared global vision

The “sustainability of wine” means producing wine while striving to preserve natural resources for future generations and studying the best methods to obtain the least possible impact on the environment. It is also referred to as “integrated viticulture” since it brings together the best methods from different fields: biological pest control, agronomical and ecological systems in the vineyards, preserving biodiversity, and soil management. Viticulture is a constantly changing system that is founded on tradition, but calls upon countless innovations. We believe that it is fundamental that the entire wine industry embraces sustainability as a responsibility that every producer has towards consumers and its land, especially for us at Masseto and at Ornellaia in Bolgheri, a wine region that is still relatively new and pristine. Sustainability is now essentially a requirement if a company - regardless of whether it operates in the wine world or not - intends to present itself on markets with a contemporary image. We believe that sustainability has become an essential and intrinsic factor in the radical leaps forward in technology. A concrete commitment to reorganize our production factors in order to certify their compatibility with the environment. This commitment is not limited to avoiding or restricting pollution in the countryside and saving resources by using alternative sources of energy; it focuses on implementing environmental, economic and social sustainability practices as a long-term collective practice, which includes the possibility of inspiring trust among the people we collaborate with and all those who believe in our work.

Facts and figures that make us consider our responsibility:

- Wine is an industry that matters globally (\$340.8 billion in 2021; source www.statista.com), which emphasizes our responsibility and duty to act sustainably.
- Italy is still the world's top wine producing country.
- Climate change is threatening vineyards. In order to survive and best manage the phenomenon, wine producers must act now with a conscientious and timely consideration of the future.
- Sustainability as a collective practice: sustainability can be successful if faced collectively and not solely as individuals. If planned and implemented as a collective practice, even communications can be better shared. It is undoubtedly a challenge within the challenge that the wine world must not be fearful of facing.

The Bolgheri ecosystem is still very “pure”. The farming activities to date have preserved the riches of the land, which is why being the guardians of this nature makes us even more responsible and requires a concrete and constant commitment to tend the area with care and attention.

The estate's philosophy: approaching the future with attention, respect and creativity

The Sustainability Report is an opportunity to reflect on the results of our team, its progress and the contribution we have succeeded in making to the wine industry and the local area.

Through an overview of the current situation, the report shows our drive to plan and develop thoroughly, as well as increasing value and respect.

This report analyses data from 2021, which feels the effects of profound social and economic change due to the Covid-19 pandemic. The context reflects a complicated and unusual social scenario for companies, regardless of their size, which is leaving a lasting mark on society.

The necessary restrictions and legislation forced us to change the way in which we communicate and to explore new methods.

2021 nevertheless proved to be ripe with satisfaction and opportunities to reflect on what is more important in order to understand where we are, where we are headed and where we strive to go.

Our response was a greater concrete commitment to sustainable growth. The concept of sustainable growth that respects the riches of the land where we work has always been a cornerstone of the philosophy for our two estates, Ornellaia and Masseto. The Sustainability Report offers an opportunity to focus on what has been achieved so far and to plan ambitious long-term plans for growth, which become concrete commitments for our stakeholders in this document.

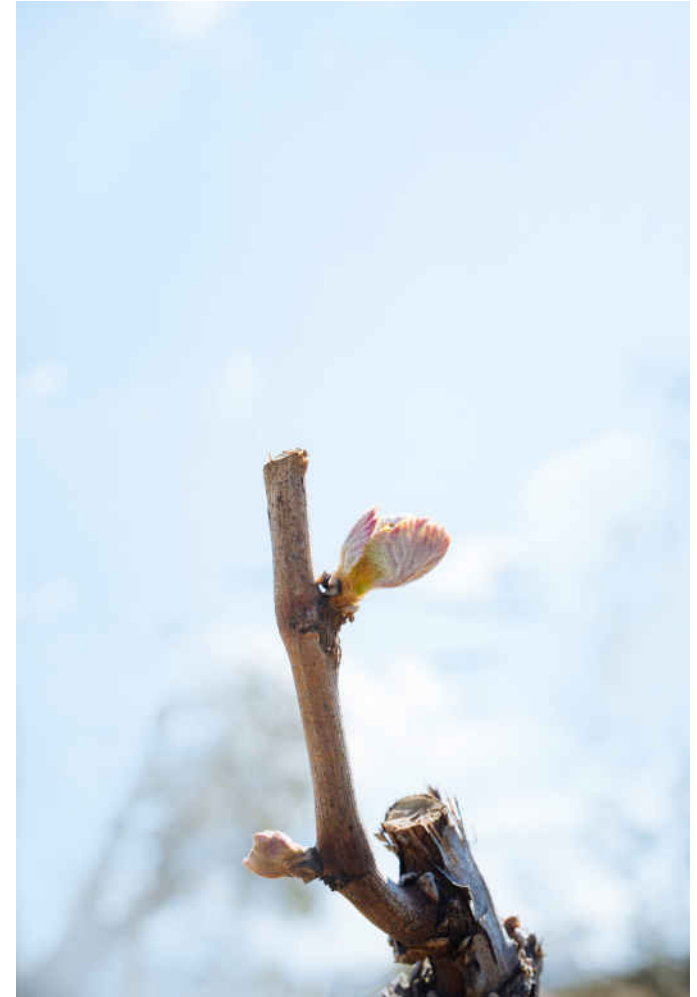
The key to reading this entire report is the value that has always characterized the work of Ornellaia and Masseto. The value of respect: an important and authentic value that has distinguished what we do since our beginnings and that encapsulates a balanced productive relationship with the land where we work and a genuine interaction with the local community, the people we collaborate with and talk to on a daily basis. **Attention, respect and creativity** are the recurring themes throughout this report. Analysis creates awareness, which leads to attention and respect. Knowledge means we can act today and create value for tomorrow through creativity.

The pillars of sustainability we believe in

- environmental
- social
- economic

To steer our team, suppliers and clients towards achieving the objectives set out in a 2025 sustainability plan, we have established the environmental, social and economic requisites, referred to as **Sustainability Policies**.

These policies are the result of years of study conducted internally, with the assistance of external experts, and define best practices for traceability, company rules and regulations, environmental protection, wellbeing, preserving biodiversity, and the pledge to eliminate chemical substances that are harmful to the environment and people.



“We are re-planning our business, but above all our way of thinking in order to continue to stimulate and increase sustainability in the future, at the same time contributing to creating value through the quality of our wines. Sustainability for us is a concrete commitment and respect for the future through constantly improving the social and environmental challenges of our generation.”

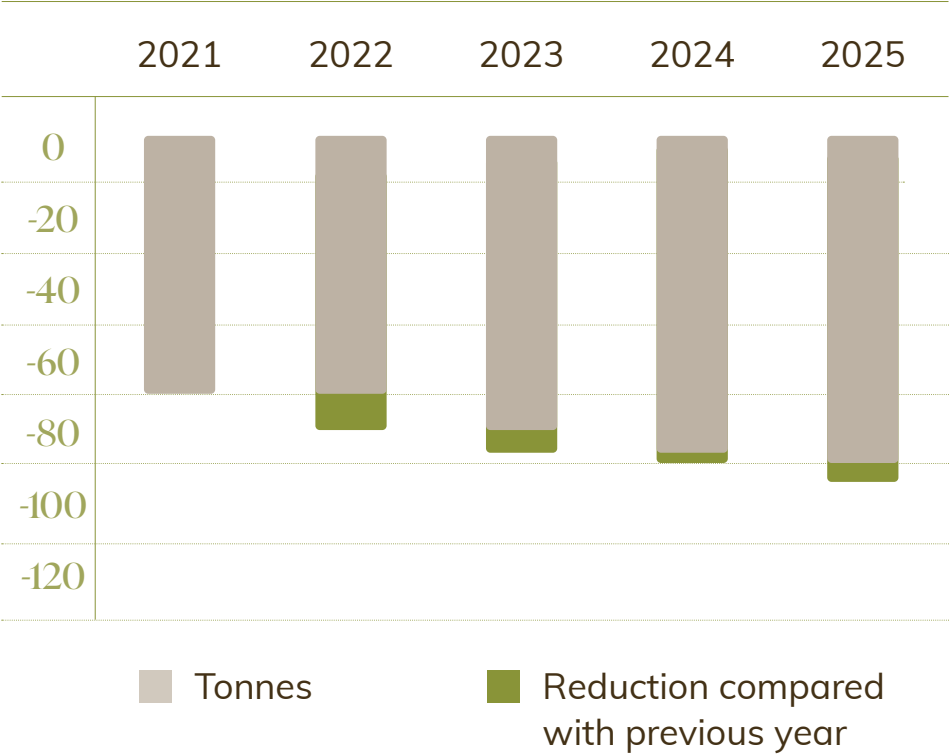
Axel Heinz,
Estate Director, Ornellaia and Masseto

Key achievements

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- 1 We have eliminated the consumption of gas in production areas and offices by reinforcing the biomass boiler on the estates.
- 2 We have prohibited the use of plastic in our canteens and introduced a selective waste recycling policy in all company areas. Selective waste collection and a focus on not using materials in the vineyard that could become waste, instead facilitating the use of biodegradable material.
- 3 We have reduced the weight of bottles by 72 tonnes, which leads to the reduction in CO2 required for production and transporting the bottles, with the aim of reducing the weight by another 10 tonnes by the end of 2022.
- 4 On the Masseto estate, we substituted the plastic that was used to wrap the wooden cases with a 100% FSC certified cardboard antitheft protective box. The use of plastic shrink-wrap had a significant impact on the amount of plastic used by the company. Its removal is therefore a cause of real satisfaction for the company and a concrete sign of a move towards being more sustainable at every stage, from production to packaging.
- 5 Ornellaia and Masseto have purchased 32 electric vehicles and electronic clippers used by workers in the vineyard, which helps their wellbeing, while improving the quality of the work.
- 6 We are committed to implementing employment contracts for seasonal workers that cover the entire year without limiting the number of days, thereby creating opportunities for temporary workers to have greater financial security. Moreover, the increase in the surface area under vine has enabled the company to have more than 50% of workers with fixed-term and annual contracts.
- 7 The attention paid to charity initiatives has always underpinned the *modus operandi* of the estates. The awareness of receiving so much from this place led Ornellaia and Masseto to feel a sense of responsibility to allocate part of their profits to fundraising activities. Consider that more than 1.8 million euro has been given to charity in the last 10 years through these activities.

REDUCTION IN THE WEIGHT OF GLASS (TONNES)



Ornellaia: history, values and mission

3

The history of Ornellaia



1981

The Ornellaia estate is founded



1985

The first vintage of Ornellaia is released to market



2017

Past vintages of Ornellaia are stored in the Archivio Storico library designed by Florentine architects, Marco Magni and Piero Guicciardini

2009

The Vendemmia d'Artista project, which celebrates the unique character of the Ornellaia vintage, is created



2019

Ornellaia becomes partner of Solomon R. Guggenheim Museum and Foundation to support the Mind's Eye programme through Vendemmia d'Artista project.



2022

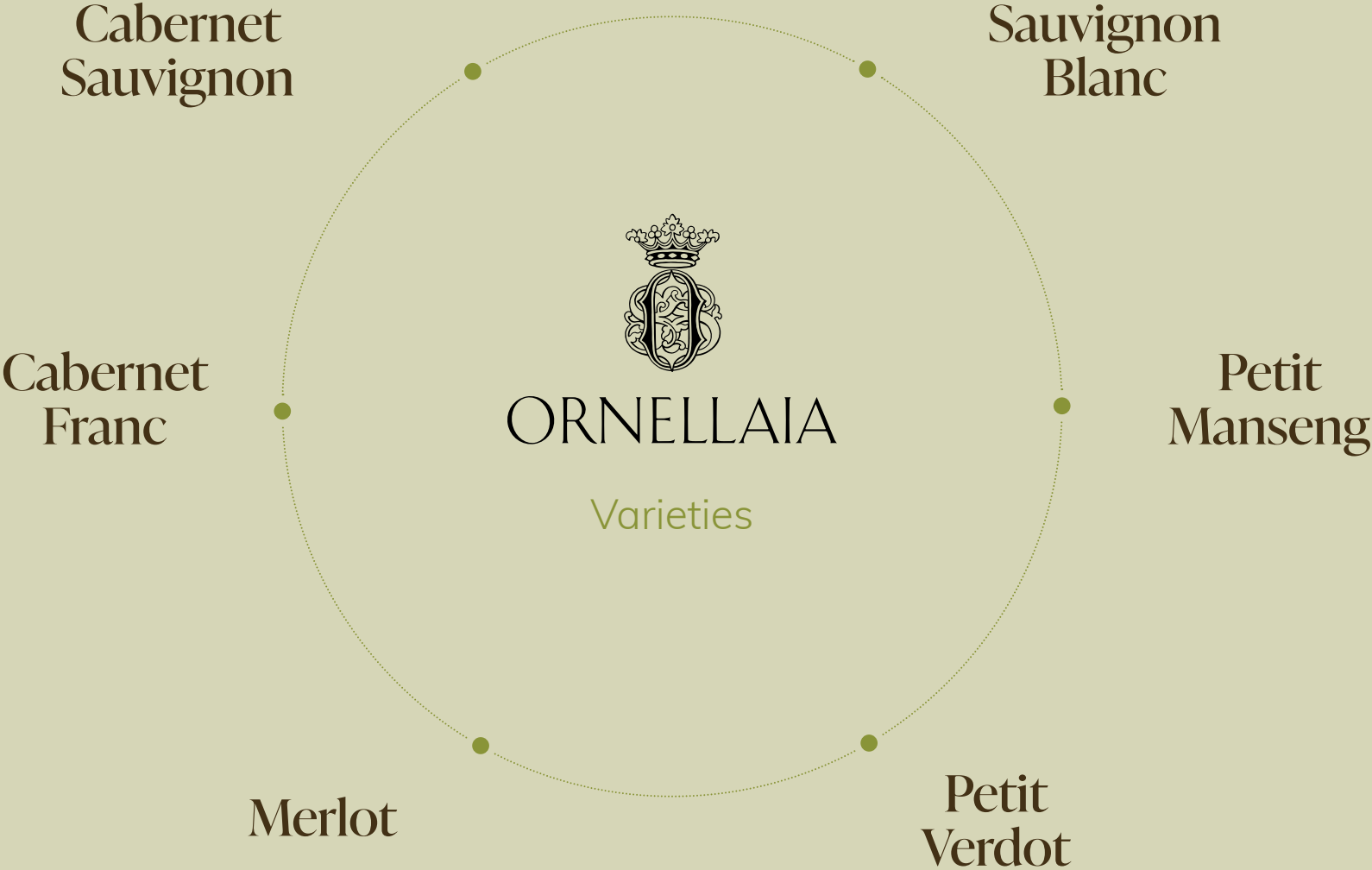
The first Sustainability Report is published



Markets where Ornellaia
can be found

95

Markets globally





VALUES

Respect

Care

Sustainability

Creativity

Excellence

MISSION

Convey the excellence,
beauty and creative spirit
of Tuscany through refined
Mediterranean style.



Sustainability policies – our pledge

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PLEDGE

Responsible value chain & sustainable agriculture

- Objectives: Constantly improve the knowledge and analysis of impacts throughout the production chain in order to ensure utmost traceability
- Contribute to the development and sustainability of the wine industry through research, knowledge sharing and field studies
- Support integrated agriculture to preserve and improve quality, making the commitment to sustainability concrete and measurable

PLEDGE

Happiness & quality of life

- Promote and defend the principles and culture of sustainability as well as its link between respect for the environment and the wellbeing of current and future living
- Actively contribute to social issues of encouraging wellbeing through sustainable viticulture
- Supporting global partnerships to implement sustainability

PLEDGE

Circular economy & innovation

- Plan solutions and systems according to criteria in line with the principles of sustainability and the circular economy
- Improve energy efficiency and resource consumption, always applying the best agricultural practices and innovative solutions
- Encourage respect for the environment as a core principle for innovation and sustainability within the industry throughout the entire value chain
- Set aside financial resources for the sustainable management of the entire chain through constant and continual improvements over time

“Growing responsibly, with respect for the environment, means guaranteeing a future for our land, hence for future generations. Protecting the environment, rational use of energy and innovation form the basis for our business decisions.”

Axel Heinz,
Estate Director, Ornellaia and Masseto



Environmental Policy

Priority objectives:

1. Increase the company's energy needs from photovoltaic sources, tripling the existing photovoltaic surface area by 2025.
2. Biodiversity – implement a monitoring plan to establish the quality of biodiversity on the estates in terms of water, plant varieties, woodland and the number of life forms in the vineyard ecosystem.



“We have worked with consulting agronomists for many years, including a botanist, with the aim of studying the entire vineyard system in depth and balancing all of its aspects. This rapport has enabled us to measure the indigenous and extraneous grasses as well as discovering the best time to cut them down depending on the time of year, hence boosting the selection of varieties that improve the situation for us. Managing vegetation correctly and keeping the growth as stable as possible encourages both biodiversity and the conservation of a correct level of organic substance.”

Giuliano Tarchi,
Vineyard Manager

Best practices for vineyard management at Ornellaia and at Masseto and improvement objectives

Protecting biodiversity – increasing biodiversity and organic fertility in the vineyard

Biodiversity has both environmental and agronomical value. The abundance of flora and fauna in the vineyard and its surroundings boosts the microbial biomass, which consists of micro-fauna that is useful to the vineyard and the nearby environment. The micro-organisms in the soil (bacteria, fungi and mycorrhizae) break down the organic substance, making the derivative resources gradually available to life. Worms alter the bacterial communities and protozoans in the soil by digestion. They make a positive selection of the fungi, improve the water and oxygen availability, boost the growth of flora and the development of micro-organisms. Our aim is to achieve stability in the vineyard, which can only exist with soil that has an abundance of coexisting species. The objective is to learn how many possible varieties of flora and fauna exist on our estate. Finding solutions to increase their amount and protect them means increasing and protecting the biodiversity of Ornellaia, Masseto and the surrounding land.

Research and increasing the use of organic manure

Trials have been conducted for years to ensure that production techniques and quality have been improved. To this end, according to the soil composition, the orology of the vineyard and the percentage of organic substances, we use manure of varying maturity and worm compost, diversifying the organic matrices that are available as composts. For instance, trials have been carried out in order to pinpoint the best soil management technique in the vineyard in the absence of chemical fertilizers. The effects of different manuring techniques with an organically active organic matrix are assessed, as well as the use of various green manuring mixes. The best organic manure that is traditionally used in agriculture is horse manure, which is obtained from the fermentation and maturing of traditional dung. Organic manuring generally has a low impact on the environment and consumer health. From an ecological point of view, the soil is a superb natural site for the disposal of organic residues since decomposing organisms live in the soil in all land-based ecosystems.

The organic residue recycling system results in the production of the company's compost, which is obtained by adding residues to the mature dung.

In certain soils with a distinctive composition, we use worm compost, which is recommended for its abundance of humic and fulvic acids, whose granular and viscous characteristics improve the structure of the soil.

The importance of green manuring in our vineyard management

By green manuring, we mean planting grasses of a single variety or related varieties, which go on to be buried completely in a fertilizing action of the culture that happens in the vineyard where it has been sown. This is a deeply interesting technique for sustainable agriculture aimed at protecting natural resources and biodiversity. The interest is not only restricted to the fertilizing function, which is undoubtedly the best known, but extends to the many effects that the soil cover, with the related choice of various grasses, has on the protection of the soil and groundwater, and pest and parasite control. These functions make a considerable contribution to the success of the method from an agronomical and ecological point of view. The biodiversity also benefits due to the flowering of the grasses that are planted, which creates a perfect place for the proliferation of pollinating insects that are fundamental for our ecology.

Practising the mating disruption method

“Mating disruption” is the term used to define a method that combats or, better still, controls the many parasites that harm crops, in our case, vines. In particular, the targeted parasites are known insects such as Lepidoptera (moths) that, in their youth as larvae (caterpillars), can attack the fruit and leaves, eating them and gouging tunnels inside. Mating disruption is a highly sustainable control method that can be used against Lepidoptera (European grapevine moths) and mealybugs used on our estates in recent years. Pheromones are dispersed using diffusors that are installed in the vineyard and enable a fully organic and integrated fight against insects, which boosts best practices in environmental sustainability. Our aim is to use fully natural products for organic insect control by 2025.

Fight against antagonists

A sustainable approach to agricultural practices calls not only for a managerial change, but also for a change in mindset. The old-fashioned way of treating an illness has been replaced by prevention without reaching critical levels and therefore being forced to treat a plant that is under attack.

Progress in biological knowledge means that we now understand how the development of a disease depends on a complex set of factors: time of coexistence, environmental conditions, and the surrounding micro-fauna and flora. The presence of harmful insects causes the possibility of disease and, subsequently, damage. If monitored and managed in an integrated way, they can lead to more sustainable means of defence and prevention avoids the need for treatment.

Prevention consists of measures in the vineyard, which are carried out according to agronomical systems that also make the most of a balanced ecosystem based on biological control principles.

Some of these parasites can be maintained at an acceptable population level due to the presence of their natural predators in the vineyard. These beneficial insects can only be present if a high level of biodiversity is maintained in the vineyard.



Objectives

- to achieve a level of useful fauna that is as stable as possible
- to improve the average quality of organic substances, which we never want to be lower than 1.5%
- to stabilize the amount of organic substances available and present in the vineyard
- to monitor constantly the level of organic substances in the soil in order to understand the SO oxidation level in proportion to the annual balances that are conducted



Examples of prevention in the vineyard:



Introduction of *Anagyrus pseudococchi* and *Cryptolemus Montruzieri*

The most obvious example is linked to the fight to contain the mealybug, which takes place in two stages: the first consists in introducing the parasitoid in May and the second in the targeted addition of the predator, which occurs due to a notification from the vineyard workers who primarily work on the vegetation in late June and early July . Having identified the honeydew, we work on the precise area to reduce the presence of the harmful insect. This system replaced the use of specific insecticides immediately at the beginning of the trial ten years ago.

The fundamental work of the antagonists naturally living in the vineyard system:

The antagonists in the vineyard conduct a regulatory action that must be protected and reinforced by using sustainable defence strategies. The small-sized spontaneous predators in the vineyard keep the mites (red and yellow spiders) under control, which can attack different parts of the vine, causing serious damage, such as laboured bud growth, necrosis or falling leaves, or even directly attacking the bunches. The aim of the action was to eliminate acaricide interventions completely.

The spontaneous grasses or nectariferous plant grass cover, which we have in our vineyards, also boost the parasitoid activity.

We can say that the objective has been reached due to these methods: achieving considerable balance led to removing the use of the aforesaid acaricides.

Future aims: to find out even more about the dynamics between the antagonists naturally present in the vineyard system and interactions among the different populations. Ongoing research into the effective agronomical methods and tools in order to always have the right balance and sustainable management of the ecosystem, which allows a very high biodiversity from the clear and shared point of view of preventing as opposite to treating disease.

Removing pesticides with high-risk stages

We use two atomizers with guard panels that allow us to retrieve the anti-parasite mix that does not have a direct impact on the vegetation. This enables us to remove almost completely the dispersion of the anti-parasite mix into the environment as well as achieving sizeable reductions in the amount of product used.

The amount of products used are always in proportion to the actual growth of the canopy and calibrated to the minimum dosages stated on the label.

We voluntarily manage approximately 30 hectares of vineyards organically, making massive use of resistance inductors and bio-stimulants, with the aim of reducing copper and sulphur to a minimum.

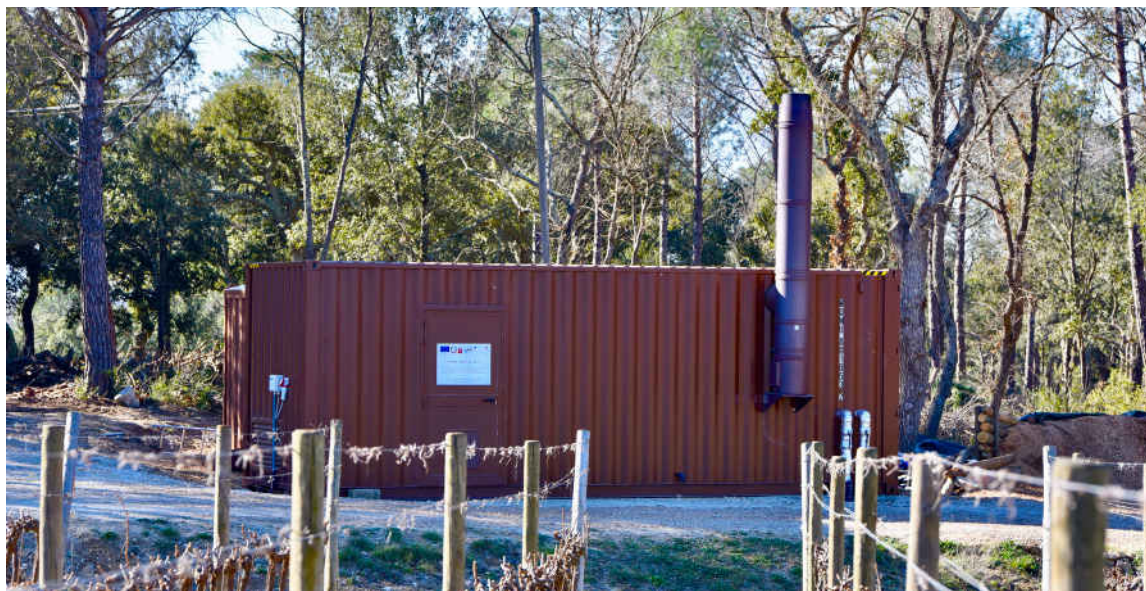
Reducing fossil fuels

For many years, the company has been committed to reducing the use of fossil fuels on various fronts.

1) development and use of innovative, latest-generation, multi-row and multi-function tractors and machinery with low energy usage, which mean that two actions can be conducted at the same time and/or the machinery can work in several rows in only one passage. This approach led to a considerable reduction in the consumption of gasoline and soil compaction, with positive repercussions on the soil vitality.

2) installation and implementation of a biomass boiler powered by waste and residual cuttings from the estate to power the heating (in the offices) and production (processing activities) cycles, which enabled us to do away with LPG and add value to the by-products from agricultural activities.

3) we carried out various tests in our vineyards and are evaluating the possible purchase of a fully autonomous, 100% electrical propulsion machine, which enables the mechanical control of weeds in the vineyard rows, clipping and anti-parasite treatments with retrieval technology in full autonomy day and night. The machinery would be recharged during daylight hours using the electricity produced from the 25 Kw of the photovoltaic panels installed on the roof of our agricultural centre.



Biomass boiler

Research currently being trialled:

- **Natural resistance induction in the vines**

During the 2021-2022 cycle, we introduced an experimental UV-ray machine to boost the vine's natural resistance against downy mildew and powdery mildew in order to reduce the amount of products used.

- **Use of systems with forecasting models**

The timing of defence treatments is managed by forecasting models that provide key support to technical staff, only allowing interventions to occur in conditions that are optimal for the development of various pathogens, hence fully eliminating a scheduled defence.



Objective reached:

Using the afore-stated measures enabled us to remove gradually all the products with stages of hazardous risk to human health in the 2021 cycle. The total removal of pesticides with high-risk stages is expected in 2022.

Alessio Neri,
Agronomist

Evaluating the water retrieval system for machinery washing contaminated after treatments

Another pledge to improve the treatment of residual pesticides consists in adopting a system with a storage tank, which can collect the cleaning water from the atomizers. The combined action of the wind and solar radiation causes the natural dehydration of the mix, hence at the end of the season the residual dust remains on the bottom of the tank and must be disposed of according to the legislation in force. The zones identified as being at low-risk of the disease are only treated using pesticides of natural origin. Where possible, only copper and sulphur are used (products that are allowed in organic agriculture) and, where needed, we intervene using alternative products provided for in integrated agriculture, namely the rational use of biological chemical, biotechnical and agronomical defence methods.

Objective

to implement a disposal system that allows all pesticide residues to be retrieved in small storage volumes.

We have identified a system that, by storing residues in the designated collection tank, i.e. gradually collecting the amounts in line with our capacity, can reduce high amounts of the diluted product in small containers. This method is obtained through a system of filters and evaporation, which enables us to dispose of pesticide residues correctly at a low cost and with a negligible impact.

The project will be completed in 2023.

The use of green manuring in the vineyard and upholding the biological balance

Over 50% of the vineyards are now covered by natural stable grasses. The remainder is worked, striving to reduce to a minimum the time when the grassy surface is lacking. Sowing grasses in the vineyard, due to the increase in botanical activity, boosts the presence of useful insects and the availability of pollen. The vineyard ecosystem benefits from scalar and more variegated flowering due to the choice of different crops. The flowering, which occurs at different stages throughout the season, attracts the pollinating insects that are key to maintaining this balance for longer. Another optimal element is the presence of woodland and hedges close to the vines as well as other plants such as olive trees, which considerably amplify the variability of flora and fauna.

The removal of the grasses from the estate has been prohibited.

Optimizing resources from organic residues

- **Reusing waste wood from pruning**

Our aim was to do away with the custom of burning pruning residues outdoors in favour of intelligent and sustainable reuse, which would give these materials a new life and make them useful in the production process. The branches are used as fuel for the production of thermal energy in high- to medium-power biomass boilers, which enable the application of filters to remove any dust.

Objective

to increase further the optimization of resources from organic residues by upping their efficiency as conversion into thermal energy for the estates' production process.

Composting the vine branches with pomace

- Composting the vine branches with pomace has proven to be an efficient technique to obtain humus for reuse in the vineyard. This practice is a valid solution to bio-cleanse the vine branches from residual pesticides and any fungi that may cause the main wood diseases.



Water balance in the vineyard

this methodology derives from the current-day use of soil and atmospheric measurements, thereby allowing the water loss of the vineyard to be estimated as a whole.

By water loss, we mean the amount of water lost from the soil by evaporation and from the vine by transpiration. If the land is planted with grasses, the vines will lose less water. This index allows us to conduct a careful analysis of the water health and establish the amount of water required.

The water balance evaluates variations in the total amount of water that could be lost in the soil. This quantity derives from the subtraction of inputs (precipitation and any groundwater) and outputs (evaporation, transpiration, runoff and percolation). The actual evaporation and transpiration of the vines is very difficult and complicated to estimate. For this reason, we have purchased a pressure chamber

and set up a working group consisting of employees and interns from the various universities who work with our two estates, which is constantly capable of measuring the water potential of the most representative vineyards, from flowering to veraison.

This measuring occurs in two stages: predawn and at the hottest time of the day (noon).

This extremely quick measurement system enables us to verify the water potential.

Objective:

to gain a level of knowledge about the various vineyards and their soil, which allows us to optimize the water availability by adapting a range of agronomical techniques.

Use of an interconnected weather station network

These stations enable the following to be viewed:

- Weather conditions and forecasts in real time
- Risk periods for primary and secondary infections from downy mildew and powdery mildew
- The protection level of the vegetation guaranteed by previously applied fungicide treatments (based on environmental conditions and plant growth).

The data are usually provided in real time and can be used immediately online, allowing the correct agronomical management of the vineyards and creating immediate added value for the company in terms of environmental sustainability.

Constructed wetlands

in recent years, interest has grown considerably in natural purification systems that allow wastewater to be disposed of using natural systems. Since the cost of treating wastewater is always on the rise, constructed wetlands are a superb alternative that respect the environment and prove efficient in terms of financial savings.

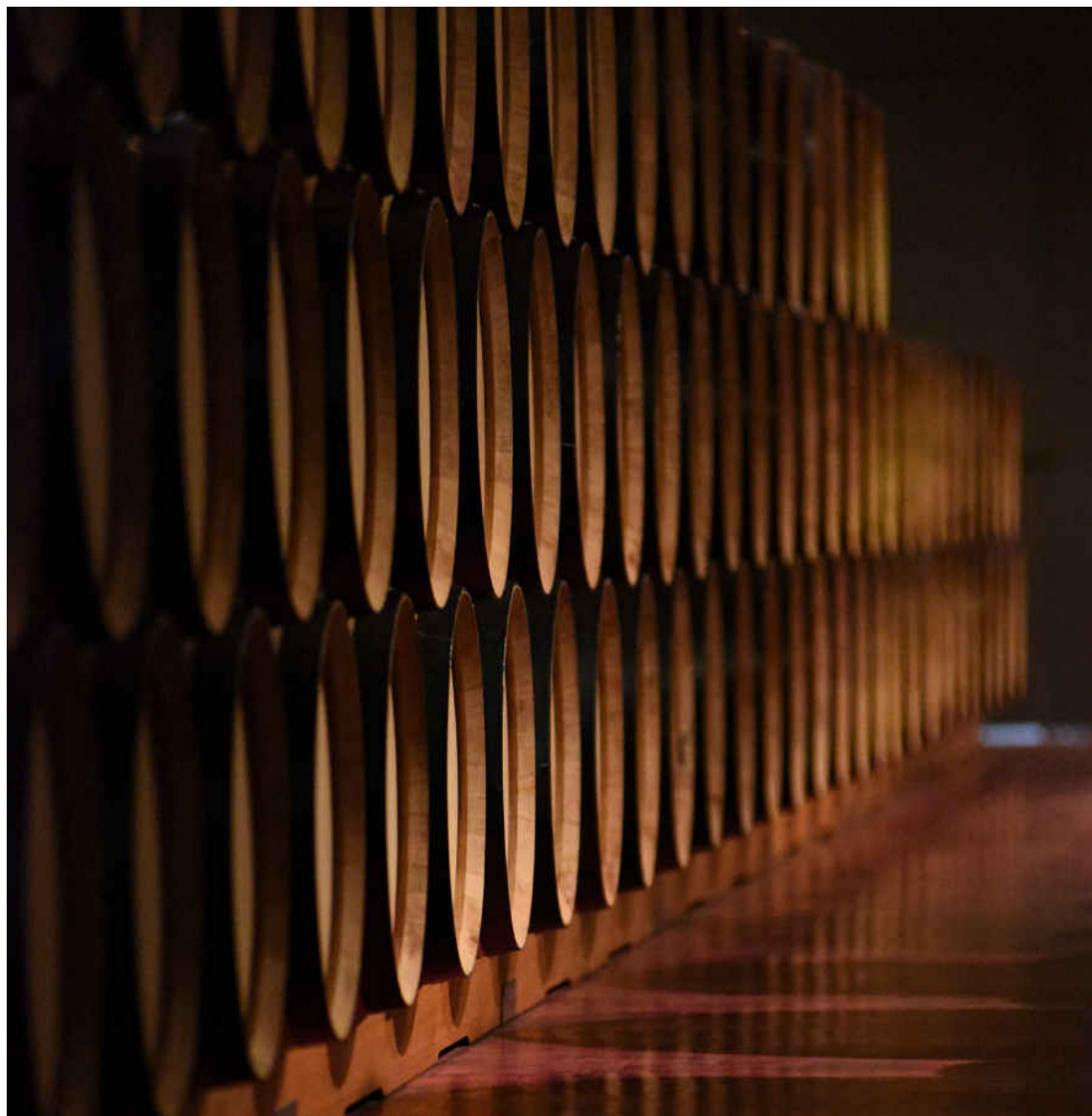
At Ornellaia and Masseto, we have two constructed wetlands that meet production-related needs.



Best practices for cellar management and improvement targets

The cellar is a continuation of the vineyard. Every vineyard is treated individually and vinified separately, with the aim of conveying the specific character of the parcel. Careful use and product selection that can be included in a constructed wetland cycle, making sure that they do not return into the natural cycle. Biodegradable products are preferred as well as non-hazardous products.

Ornellaia barrique room



Ornellaia

“The main tools we use to work are our senses: sight, smell and taste are the main ones, but others can help us at certain stages. We use these senses to establish a connection with nature, in which we always act with the utmost respect.

Our job is to maintain the quality of the grapes that we receive, allowing them to best convey the specific characteristics of the soil and local area. The conversion into wine is something that always implies a human intervention, which can be invasive in varying degrees: our aim is for the winemaking to be as non-invasive as possible.”

Olga Fusari,
Winemaker Ornellaia

Water management and improvement targets

We are planning a detailed monitoring system that will allow us to analyse continually the water consumption throughout all the processing stages, from vineyard to bottling. This is a concrete example of the constant commitment made to the retrieval and reuse of water. It will allow us to achieve a better awareness of consumption with less water in order to achieve an indicator of our Water Footprint by 2025. Our aim is to save 20% of water by 2025.

The water used to irrigate green areas comes entirely from the water retrieved in the cellar, which is returned to the natural cycle after being purified by the constructed wetlands.

“Water is essential in every process in the cellar. We pledge to reduce water usage as much as possible, retrieving and treating it by continuing to invest in research into new technologies to guarantee a better future.”

Maurizio Peccianti,
Cellar Manager

Ornellaia's green roof

The greenery improves insulation in the cellar and helps to control the temperature in the cellar and offices naturally. Due to the green roof, the structure is perfectly at one with the surrounding environment, preserving the natural beauty.

Reducing energy consumption

We are committed to reducing energy consumption by replacing lighting with LED, which currently already represents 10% of the total electricity system, with the specific target of replacing lights with LED by 100% by 2025.



Ornellaia cellar

“It’s impossible not to leave a footprint on our environment: the environment influences us in the same way that we influence it. We can, however, choose what impact to have, with an awareness of the consequences of our choices. This concept must guide our supply decisions even more and make the entire chain sustainable, in the knowledge that we have a major responsibility to the local area, as well as to our suppliers and the community in which we work”

Fabrizio Vernetti,
Supply Chain & Sustainability Manager

Packaging

From the point of view of the reorganizational analysis of our estates for the sustainable management of all departments, it is impossible not to pay attention to the measures that we can adopt now and in the future, reviewing the packaging choices to lower their environmental impact.

In-depth research is underway and a clear strategy is being defined so that Ornellaia and Masseto are capable of finding new eco-compatible packaging solutions while upholding the quality of the wine.

One of today's aims is to reduce waste production in the most intelligent way possible, instead finding sustainable solutions to process it with the possibility of making the waste useful again, albeit in a different form. This is accompanied by a commitment to find all the strategies to release products to market with less polluting packaging that has the lowest possible impact and that can be disposed of ecologically.

The innovations, which have been implemented to date, lie in the change in mindset of both the staff and the management.

This has quickly resulted in greater attention to and awareness of the entire product lifestyle, from development to market release.

On the other hand, in the long term, in line with new technologies as they become available, it will lead to the pursuit of innovative solutions, the reorganization of the entire supply and the use, where possible, of more eco-sustainable materials.

Supplier policy

Ornellaia and Masseto rely on a large number of suppliers to conduct the business. Raw materials are mainly sourced and purchased locally in order to benefit the social fabric and economy. Nationally and internationally, supplies are primarily focused on services and lasting assets, such as equipment and machinery.

We strive to have a sustainable approach in managing the supply cycle of assets and services, actively working with our suppliers to research practices aimed at continuous improvement and innovation, in addition to promoting, where possible, the certification of production processes. Moreover, our aim is to choose suppliers based on upholding the environmental and social sustainability criteria stated in our environmental sustainability policy. Observing contractual regulations, transparency and an advantage policy for suppliers that follow a production philosophy aimed at social and environmental sustainability form the basis of supply relationship management, paying them the right price for the efforts made in this direction.

Supplier data highlight how important local suppliers, based in the region, are for the estates. Local suppliers hold more weight in total and in terms of the value of their supplies in relation to the overall cost.

Supplier map

2020-22

43% Rest of Italy

41% Tuscany

16% Overseas

Sense of belonging

With the categories of suppliers, employees, agents and clients, both the Ornellaia and Masseto estates have developed and consolidated trusting relationships that have elicited a deep sense of belonging.



Social Policy

A healthy company cares about its people. They are the driving force that create its activities. Ornellaia & Masseto pledge to guarantee even growth between the development of the business and the development of people, in the knowledge that one cannot grow without the other.

For Ornellaia and for Masseto, social policy has always formed the basis of the philosophy of the estates. We are keenly aware that it would be hard to achieve the Sustainable Development Goals and general wellbeing without social cohesion.

Producing sustainable quality is an everyday choice that we implement throughout the production process, beginning with respect for the wellbeing of our employees and all those who actively work with our business.

In this context, understanding the needs of the community takes on a central role. Regarded as active participants in the workplace, the estate encourages virtuous growth, which is developed by supporting purpose-made projects to share knowledge and the targets that must be reached.

In this scenario, dignified working conditions, gender equality and remuneration in line with national framework contracts must be implemented with an equality plan for economic growth in a greener and more considered development, which is based on the distribution and adaptation of skills and education.



Priorities

1.

Ornellaia and Masseto always strive to encourage **artisanship** to uphold the knowledge in the vineyard and cellar.

The work of the winemaker and cellar master can be compared with that of craftspeople as they create wealth in the production process with their hands. Passing down this knowledge from one generation to the next means that traditional and cultural heritage is preserved that enables each physiological stage to be understood in the vineyard and during the processing in the cellar.

The vines, as living beings that are subject to the seasons and weather conditions, require a present-day and temporal interpretation of the past. Working with one's hands on the vines requires a specific interpretative capacity that is part of the skill set that the winemaker alone can hand in his/her role as a guardian.

2.

Both Ornellaia and Masseto pledge to establish partnerships with international universities to encourage and provide **internships** to train future generations and pass on the values of respect and attention. Studying new methodologies means adding creativity to the management of solutions that research and innovation alone can bring. First-hand personal experience in the field gives the opportunity to learn today in order to work tomorrow with knowledge and awareness, so that non-theoretical sustainable policies are developed that nevertheless remain measurable and verifiable within the situation where we work.

The winemaker preserves,
interprets and cares for the
value chain of the vineyard.



The Ornellaia and Masseto community:

Most of the work is carried out by internal personnel who have been duly selected and trained.

59% Women

41% Men

2% Executives

4% Managers

17% Office workers

77% Labourers

Age of workers:

34% between 18 and 35 years

48% between 35 and 50

18% over 50

51% staff participation
in new training courses

The number of employees in 2021 was 162. Women are a forte within the company: 59% compared to 41% men.

The employment levels are divided as follows: 2% executives, 4% managers, 17% office workers, 23% labourers with permanent contracts and 9% labourers with fixed-term contracts (with a 12-month annual contract evened out for fixed labourers with a maximum of 250 days worked).

45% of the company staff consists of labourers with a 10- to 12-month contract with a maximum of 180 days worked.

Part-time contracts make up 7% of the fixed-term personnel, totalling 5% of the staff with permanent contracts.

Part-time contracts are stipulated mainly with working mothers to facilitate the work-family balance in order to add maximum value to their return to work and the role that can be achieved by so-called positive actions in this area.

Maternity/paternity support

Part-time and different working hours can be requested in order to facilitate the return to work in line with the needs of the new family. Working fathers may request paternity leave.

Training and education – health & safety

- Stricter safety protocol in line with legal requirements
- Use of electric cutters (that improve the work and safeguard worker health)
- Use of electric machinery that allow workers to move around the vineyards more easily, thereby improving wellbeing and higher-quality work.

Every year, the company draws up a training plan for safety in the workplace as well as introducing specific training sessions aimed at increasing improved conduct linked to sustainability. This leads to an increase in worker awareness about these topics.

In 2021, 51% of the company personnel participated in a total of 452 hours of new training courses or updates about safety in the cellar and countryside, computer monitor safety, driving and using pallet jacks, fork-lift trucks, hoists and aerial platforms.

86% of the company personnel participated in the course organized to present sustainability certification, where the requirements set out in the Equalitas standard were presented, in addition to the company objectives to be reached in the multiyear improvement plan.

It is expected that the remaining 14% will take part in this year's course. General knowledge about the plan enables awareness and practical involvement as participants in its implementation in a concrete and active way. The concept of sustainability must be shared and experienced in order to achieve a result that is as effective as possible. Training ensures that sustainability is never a fad for the estates, but rather a way of being. Participating in training activities means promoting sustainability and its principles through concrete actions in the most effective way. Internal training sessions about sustainability have been organized, which have involved more than 136 employees. Additional training courses have been planned with updates every two years.

The attention that the company pays to equal opportunities and the integration of non-EU personnel can be seen in the balanced number of workers of both genders, although it is mostly women who work in the vineyards. The decision was made some time ago due to women's ability to interpret the work in the vineyard and the accuracy of the result that certain delicate and precise operations require, which form the basis of viticulture of exceptional quality.

A multi-ethnic personnel also forms the local community, which adds to the sense of belonging and integration.





Optical selection

Company welfare

- Ornellaia and Masseto provide employees in the executive, managerial and office worker categories with a daily bonus of 7 euro for every day worked, which is valid for purchasing meals and groceries.
- Ornellaia and Masseto reimburse monthly fuel expenses for the executive and managerial categories as well as reimbursing mileage for the labourer category, also for work of no more than 4 hours a day.
- Ornellaia and Masseto apply Management by Objectives (MBO), also defined to incentivize.

Research & development

Product and process innovation, which are often confused and treated with the same logic in the wine industry, form the basis of the company's development and sustainability. Partnerships with the academic world, external consultants, public institutions and consortiums reflect the need to devote increasing amounts of time and resources to innovation in order to generate new products and improve the production processes, making them less impactful on the planet's resources.

The main objective of research and development is the possibility of trialling and researching new winemaking techniques and investing in knowledge about the vineyards and production, while constantly striving to improve quality. Together with this, sharing the work that has been carried out and the results achieved with all the stakeholders are the natural completion of the efforts made and the actions that have been implemented.

Charity initiatives

For a business such as ours, which strives for sustainable quality, the pursuit of beauty is not merely an accessory but a key part of company culture and ethics. The beauty that we are referring to is associated with the concept of the beautiful and the good that was held dearly in Greek philosophy, as goodness and beauty are inseparable and depend on one another. The concept of culture and beauty is realized perfectly with a clear aim by integrating this concept of union between the beautiful and the good with an ethical and social value. For instance, Ornellaia's Vendemmia d'Artista project is the perfect integration of the nuances of wine with a comprehensive aesthetic experience that is both visual and tactile, in touch with contemporary art. Art and an artistic interpretation of the different vintages allow the seasons and a vision of the world of Ornellaia to be represented by surveying it with a long-term perspective.



Ornellaia vendemmia d'artista project

Mind's Eye Programme created by the Solomon R. Guggenheim Museum and Foundation

Ornellaia has donated the profits from the Vendemmia d'Artista charity auction, held with the generous participation of Sotheby's, to art foundations and museums all over the world since 2009. Starting with 2019, the Ornellaia Vendemmia d'Artista project has raised funds to support the innovative Mind's Eye programme at the Solomon R. Guggenheim Museum and Foundation. Established by the Guggenheim's education department, this programme helps the blind and low-vision persons to experiment with art by using all the senses. This encourages the development of creative impressions, emotional connections and memories, whose perception lasts over time. As in art, the appreciation of fine wines also requires the involvement of all the senses, which is the idea that caused Ornellaia to support the development of this unique programme. The donations gathered through Ornellaia Vendemmia d'Artista enable the Guggenheim Museums in New York, Venice and Bilbao to develop the programme further and ensure that its excellence continues to guide the museums' programming for the blind and low-vision persons

Donations

The donations made to art restorations and associations, such as Querceto International Piano Festival and Associazione Cuore Matto Onlus-Cecina, stem from the company's willingness to participate actively in the life of the local community. The estates have always given back locally with philanthropy and the integration of a sustainable business model, allocating part of the profits to the community.

One tangible example is the donation made, together with other local companies and individuals, to the emergency room in order to purchase a lung-specific ultrasound machine. A donation was made to Pubblica Assistenza Cecina ODV in order to purchase everything required (PPE and other materials) to safeguard workers and citizens.

Support has also been given to associations like Itaca, Fondazione Dynamo Camp, Fondazione AIRC Comitato Toscana, Fondazione San Patrignano and Fondazione TELETHON 2021 BNL, with attention paid to health-related issues, especially among the young. Helping to give them renewed dignity means giving hope to those who need it the most, with a focus on the families who have to find a way to provide support and reintegrate their children back into society.

San Patrignano has been providing free help to young people with addiction issues for more than 40 years. This assistance is not only aimed at those who have drug-related problems; it also helps thousands of young people not to stumble down the same route in the future. For this reason, the San Patrignano association reaches 50,000 students in Italy every year with the Wefree prevention project.





Economic Policy

Economic sustainability regards the capability of an economic system to produce revenue and work in a durable way. The lasting growth of the economic indicators enables the implementation of wealth and work. Economic sustainability forms the basis of sustainable development. The vision for economic growth, which must go hand in hand with respect for the ecosystem, informs the choices made by the company.

Making development sustainable means ensuring that it meets the needs of the current generation without jeopardizing the ability of future generations to respond to their needs.





Investment plan until 2025

A concrete pledge by
Ornellaia and Masseto
to devote approximately
1.8 million € to sustainability-
related activities





Enhancing and developing
the local community

Areas with cross-impact

Selecting
suppliers

Safeguarding products
according to quality
and legality criteria



Main indicators and plan for improvement

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By 2025

1. **Electric or hybrid vehicles**
Purchase of vehicles and minivans for internal use
2. **Reducing bottle weight**
Target -100 tonnes
3. **Reducing water consumption in the cellar**
Target -20%
4. **Replacing LED bulbs**
Target to reach 100%
5. **Extending photovoltaic surface area 1X3**
Target to reach 1X3
6. **Removing pesticides with risk stages**



The Ornellaia & Masseto sustainability committee

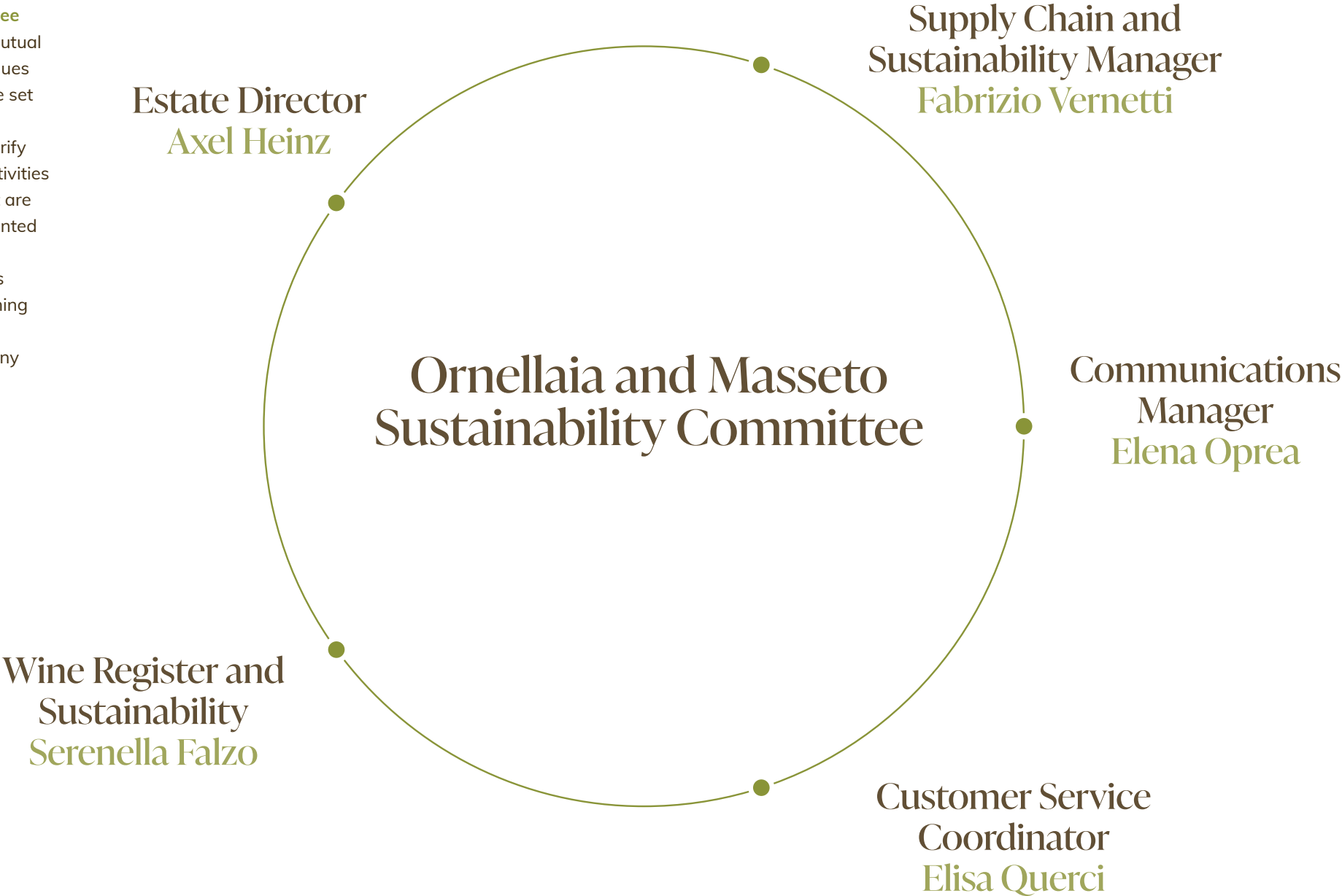
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Sustainability committee

A structure based on mutual respect and sharing values implemented to achieve set objectives.

The committee must verify that the sustainable activities approved in the budget are respected and implemented across the company.

A shared vision enables the quality of the actioning process to be achieved by making each company member responsible.



The committee brings together the managers from across the various company departments with the aim of following up on the strategic guidelines set out in the 2021-2025 improvement plan as well as continuing to propose new initiatives and innovations. For our two estates, the committee represents the importance of sharing information in order to encourage improvement in decision-making processes and to develop executive oversight in devising a strategy. The committee plays a central role in company life.

*“We are a company
open to innovation
and knowledge sharing”*

Axel Heinz,
Estate Director, Ornellaia and Masseto





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ORNELLAIA



MASSETO