

SUSTAINABILITY REPORT

**(appendix to the
impact report)**



INSPIRED BY TOMORROW

IMPACT REPORT - APPENDIX

This appendix formalises the commitments of Feudi di San Gregorio SpA B.C., set forth in the Quality and Sustainability Policy document signed by the company's management, and distributed to everyone concerned. In this perspective, the company also decided to follow the procedure to obtain Equalitas Rev. 03 Corporate and Vineyard Standard certification, which envisages actions in line with the objectives of the 2030 Agenda for Sustainable Development in the wine sector.

This document, an addendum to the Impact Report, shows the situation as of 31/12/2020, in light of our recent implementation of the Equalitas sustainability management system and of future objectives. It contains updated information regarding the Standard and is based on data collected and processed, and on the internal audit carried out on 12/07/2021, of which the checklist and the Final Report can be consulted.



QUALITY CULTURE

The company has been operating for years with management systems certified in compliance with the following standards:

- IFS in edizione 6.1
- Fssc 22000

It has also obtained ICEA organic farming certification.

The integrated management system was further modified in 2020 in order to introduce the requirements of the EQUALITAS standard where necessary.

(DX) The management system makes it possible to monitor sustainability criteria and assess them in order to define subsequent improvement projects. To this end, suppliers are also subject to an annual sustainability assessment (questionnaire or audit), including suppliers of outsourced services (land cooperatives).



THE WINERY

The work plans have been defined in the relevant Product Plans PP01 and Air-conditioning Plan PP02. The activities performed are recorded by each single department and referred to in the instructions themselves.

The criteria derive from the multiple-year experience of the company's team of technicians, who believe they have established the best operating methods for minimising water and energy consumption, and the

use of adjuvants, additives, nutrients and detergents, without jeopardising product quality.

An analysis plan applied to grapes on the vine (ripening curves), incoming raw materials (grapes, musts and wines), and semi-finished and finished products, is aimed at guaranteeing the quality, health and hygiene safety, and genuineness of the products.

Analyses are carried out either internally or by accredited external laboratories.



Decisions concerning the harvest/supply of grapes, wine purchase and processing are based on a multi-year database of analyses.

The storage of products is carried out in accordance with the methods defined in the company's documentation, and staff are required to ensure all possible forms of energy saving. Whenever possible, the choice of suppliers of detergents and oenological products falls on those with environmental and sustainability certification.

Data collection on detergent consumption has been initiated in order to assess possible actions to reduce consumption or optimise environmental impact over time. Criteria for the selection and management of packaging have been defined, with recourse whenever possible to suppliers with environmental and sustainability certification.

The company's waste reduction policy will also be extended (see Objective 2).



THE ENVIRONMENT AND OUR VINEYARDS

With regard to environmental indicators and in compliance with the EQUALITAS standard, the company has opted for a gradual approach to identify, monitor and improve company performance over the three-year period 2021-2023 as follows:

Indicator	Actions	Schedule
Carbon Footprint	Start collecting energy consumption data	Within January 2022
Carbon Footprint	Data processing and indicator definition	Within January 2023
Water footprint	Start collecting water consumption data	Within January 2022
Water Footprint	Data processing and indicator definition	Within January 2023



The tables below show energy consumption for 2019/20 broken down by type and converted from kWh to GJs.

In "Other data", the quantities of waste produced in 2020 alone are shown.

		2019	2020
Electric energy	Total electric energy purchased from a power provider	kWh	1,199,346
	Power supply with a Guarantee of Origin	kWh	479,738
	Low impact power supply with a Guarantee of Origin	kWh	0,00
	Self-produced renewable electric energy	kWh	131,589
Energy from other sources	Self-consumed renewable electric energy	kWh	130,271
	Natural gas, heating and water	sm3	37,217
	LPG	litres	2,192
	Transport of people and goods petrol and agricultural processing	litres	330
Other figures	Transport of people and goods diesel and agricultural processing	litres	28,199
	Total consumption over the last 12 months of water from Water Boards	litres	8,655,500
	of which from wells	litres	2,223,000
Other figures	Non-hazardous waste generated over the last 12 months	t	153
	Undifferentiated waste generated over the last 12 months	t	0.50
	Recycled or reused waste	t	101
	Hazardous waste generated over the last 12 months	t	0.90

CALCULATION OF TOTAL ENERGY CONSUMPTION OVER THE LAST 12 MONTHS IN GIGAJOULES			
	2020		
	kWh	con. ratio	GJ
Total electric energy purchased from a power provider	1,260,973	0.0036	4,539.50
Self-consumed renewable electric energy	133,082	0.0036	479.10
Natural gas, heating and water	365,940	0.0036	1,317.38
LPG	37,192	0.0036	133.89
Transport of people and goods petrol	2,670	0.0036	9.61
Transport of people and goods diesel	313,046	0.0036	1,126.97
	2,112,904		7,606.45

CALCULATION OF TOTAL ENERGY CONSUMPTION AND THE PERCENT VALUE FROM RENEWABLE SOURCES IN GIGAJOULES			
	2020		
	kWh	con. ratio	GJ
Power supply with a Guarantee of Origin	801,014.82	0.0036	2,883.65
Self-consumed renewable electric energy	133,082.00	0.0036	479.10
	934,096.82		3,362.75
Percent value of total energy consumption			44.21%

CALCULATION OF TOTAL ENERGY CONSUMPTION AND THE PERCENT VALUE FROM LOW IMPACT RENEWABLE SOURCES IN GIGAJOULES			
	2020		
	kWh	con. ratio	GJ
Power supply from low impact renewables with a Guarantee of Origin	494,376.00	0.0036	1,779.75
Self-consumed renewable electric energy	133,082.00	0.0036	479.10
	627,458.00		2,258.85
Percent value of total energy consumption			29.70%



Feudi di San Gregorio has also expanded, applied and made available its VINEYARD MANAGEMENT PLAN in order to guarantee:

- The quality of its wines and production processes
- Environmental safeguard and sustainable crop production
- The safety of vineyard workers

The company believes that the guarantees it can offer to customers and consumers all stem from the quality of the raw material processed, therefore from the grapes produced and the heritage of traditions and skills that the company can boast and share.

For all these reasons, a series of initiatives are underway to strengthen the organisation, to continuously improve the quality of the wines and the transfer of know-how, while naturally respecting and promoting the winery's fundamental objectives.

The main risks associated with grape production are described and broken down as follows:

- Risks to the health of the grapes
- Risks to the environment
- Risks to operator safety

Measures that will be implemented to eliminate or contain the risks (good practices) are indicated for all the risks identified. This document will be posted on the company website.

EMPLOYEES

Feudi di San Gregorio promotes the personal and professional growth of all its employees with the strategic objective of continuously improving the quality of its products and customer satisfaction. With this in mind, the company promotes respect for and protection of the individual in his or her moral, cultural, physical and professional integrity. For the purposes of respecting people and in compliance with the requirements of the law, where applicable, the company has prepared and/or organised:

- The risk assessment document pursuant to DL81/08.
- The Code of Business Ethics
- Sustainability training events

At the last event on sustainability and the requirements of the Equalitas standard, a questionnaire on company climate was distributed to assess critical aspects useful for improvement actions. Below are some of the extrapolated data:

Question: Are you satisfied with the salary and other financial benefits the company offers you?

	Female	Male	TOTAL
Definitely NO	1,52%	5,80%	4,49%
More NO than YES	21,21%	25,00%	23,84%
More YES than NO	43,94%	27,68%	32,66%
Definitely YES	33,33%	41,52%	39,01%

Question: Does your current job profile match your education and training?

	Female	Male	TOTAL
Definitely NO	4,88%	1,17%	2,23%
More NO than YES	13,66%	15,37%	14,88%
More YES than NO	47,80%	30,74%	35,61%
Definitely YES	33,66%	52,72%	47,28%

Question: Are you satisfied with your job stability?

	Female	Male	TOTAL
Definitely NO	0,00%	0,55%	0,38%
More NO than YES	2,46%	2,18%	2,27%
More YES than NO	24,18%	40,00%	35,14%

Question: Are the safety regulations on the company's premises adequate?

	Female	Male	TOTAL
Definitely NO	0,00%	0,55%	0,38%
More NO than YES	2,46%	2,18%	2,27%
More YES than NO	24,18%	40,00%	35,14%

RELATIONS WITH THE TERRITORY AND THE COMMUNITY

As can be seen from the aerial photos below, the company sites have a reduced impact on possible neighbours, as they are located either in industrial areas or outside built-up areas.

Nonetheless, the neighbours of each owned or leased vineyard in the territory will be given a questionnaire at least every three years to help identify criticalities. The first questionnaire was sent out on 05/07/2021. The results have not been handed in yet.

The company pursues a policy of promoting the values of the territory, both specifically in terms of wine and more generally by promoting and supporting cultural, tourist and social activities, including activities for the Pro Loco of Sorbo Serpico and the management of the green area of the headquarters of the Atripalda 1 Scout group. These activities were reduced in 2020 due to the COVID emergency.

The Enopolio site in Sorbo Serpico (AV)



Warehouse in Manocalzati (AV)



GOOD ECONOMIC PRACTICES

An economic management system, which allows the various cost centres to be broken down into sustainability and Equalitas points, is in place. This made it possible to extrapolate the costs incurred in the past for the three pillars of sustainability, as well as other costs that may have an impact on these issues. For example, the costs incurred in the 2020 financial year are shown (many activities were postponed due to the pandemic):

Safety: € 25.764,42

Training: € 1.295,00

Social sphere: € 10.220,00

Actions are in place at various levels to reduce waste, in particular to reduce shrinkage.

With regard to the Board of Directors, there are members who are completely independent of the specific aims of the company.

Photo by Mimmo Jodice





INTERNAL AUDIT

As part of the management system, audits on the Equalitas standard are also conducted at least once a year.

The first audit of this kind was conducted on 12/07/2021 by an independent and qualified auditor using the Equalitas standard checklist.

The audit was successful, as can be seen from the checklist itself and the attached report.

No areas of particular criticality emerged, and the following levels of compliance were achieved:

Requirements	Present	Not applicable	Compliant	Non-compliant	%
MAJOR	62	18	44		100,0%
MINOR	17	2	12	3	80,0%
RECOMMENDATION	49	7	34	8	81,0%
COMBINED TOTAL	128	27	90	11	89,1%