

# Ornellaia e Masseto Società Agricola S.R.L.

The road  
to sustainability:  
second year

# Approaching the future with attention, respect and creativity

The road  
to sustainability:  
second year

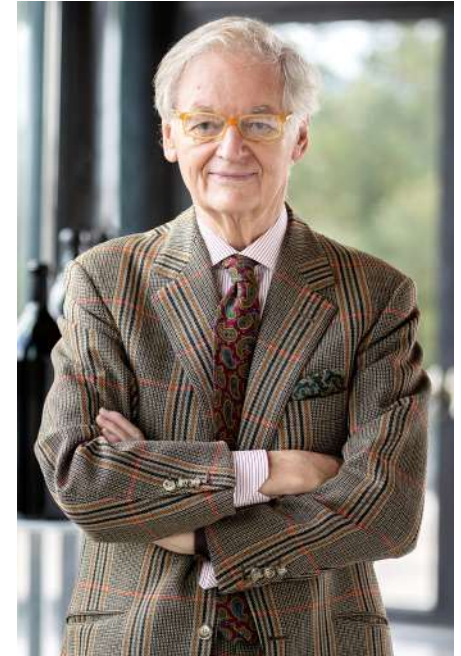
# A message from the CEO

Publishing this new Sustainability Report sets out a concrete analysis of our journey towards sustainable management, which began several years ago and was certified for the first time in 2021.

Also in this second year, the approach by the two estates focused on protecting the environment through best agricultural practices and the use of technologically advanced machinery and systems that are capable of reducing the environmental impact and lowering electricity and water usage. Our pledge to encourage a comprehensive concept of sustainability across the estates also applies to more informed choices regarding packaging, moving towards sustainable solutions and targeted social policies. According to our philosophy, investing in sustainability means creating value for the local area, improving the quality of life for everyone who lives and works in the vicinity by supporting social and cultural activities that extend beyond the company's own walls. With this second year, we have set out on a more focused journey, based on experience, understanding and shared choices, which is centred on sustainability throughout work and life. As CEO of these estates, I am proud of the results we have achieved thanks to the contributions made by the many people who every day devote their best efforts to the future of our work. I am increasingly confident about the unending and prolific creation of ideas and projects that are capable of casting our story into the future.



Giovanni Geddes da Filicaja,  
CEO, Ornellaia and Masseto





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# Principles of sustainable development

# 1

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In order to contribute actively to economic progress, social wellbeing and protecting the environment where we work, Ornellaia and Masseto carries out activities according to the following principles of sustainable development:



- 1. Protecting and Preserving the Environment**  
We conduct activities by identifying the best technical and organizational solutions in order to limit the possible negative effects on the environment and instead contributing towards improving the vineyard ecosystem through appropriate agricultural practices that amplify biodiversity. We are committed to reducing and reusing waste.



- 4. Shared Development**  
We strive to increase year-on-year value while observing the afore-stated principles by adopting methods that lead to increases in the circular economy shared among partners.



- 2. Ethics and Responsibilities**  
We are committed to observing ethical standards by integrating economic, social and environmental aspects into decision-making and auditing processes.



- 5. Excellence and Innovation**  
For every production process, we research the most suitable technological solutions available in order to meet required standards and ensure savings in terms of the most efficient use of primary resources.

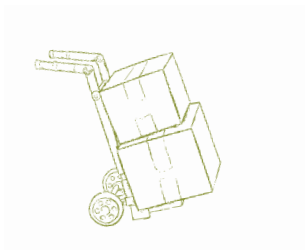


- 3. Sustainable Growth**  
We provide high added value projects, ensuring that the production process improves the wellbeing of the local area and communities.



- 6. Preserving and Promoting People**  
We strive to establish stimulating and dynamic workplaces that put health first, while observing safety standards and respect diversity, human rights and professional development, all of which are priorities to ensure exceptional teamwork that can achieve current and future goals.





## 7. Involving the Supply Chain

We encourage the sustainable development of our supplier network, incentivising lasting relations that constantly demonstrate a commitment to social, environment and economic sustainability, also by adopting recognised certifications.



## 8. Local Socio-economic Development

We adopt an operational model aimed at contributing towards growth in the areas where we operate through creating jobs, professional training, using local suppliers and initiatives helping the local community.



## 9. Dialogue and Transparency

We constantly work to establish and maintain solid and lasting relations with our stakeholders, meeting expectations regarding quality and adopting suitable means of involvement.

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# Key goals achieved in 2022

# 2

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## Managing Electricity Use and Needs

Optimising and revamping existing systems with a dual effect on **reducing the carbon footprint and saving money**:

- 1 Installing the **Building Management System** (BMS), which resulted in more efficient temperature management and control.
- 2 Revamping and efficiency of the **Biomass System** to heat the offices.
- 3 Installing a single **heat pump** in the finished product storage warehouse, which manages both the hot and cold phases using less energy and being more efficient.
- 4 The process to **replace all of the light bulbs** in the production areas with a **LED system** was completed.

## A commitment to reduce the Carbon Footprint

- 5 **98% reducing in LPG usage** to power the heat generators thanks to revamping the biomass system.
- 6 **Increasing the electric vehicle fleet** for internal transportation.
- 7 **Glass weight reduced by 10 tons** thanks to the new personalised Ornellaia bottle.
- 8 **Replacing paper matter** with digital tools, resulting in a 2.5-ton reduction in paper used.
- 9 Endorsing the **Air France/KLM SAF and DHL GoGreen** campaigns, which resulted in a saving of more than 53 tons of air and land CO<sub>2</sub>.

## Managing water

- 10 **Monitoring water use** that currently stands at 6.38 litres of water per every litre of wine, minus the amount resulting from the osmosis process.

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# Sustainability Policies

# 3

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## 3.1. Environmental Pillar

### Action status: vineyard system

Working in harmony with the environment is a fundamental value for the estates, which over the years has resulted in perfect integration with the local area and community, respecting and preserving the uniquely variegated ecosystem. Careful vineyard management is an example of the harmonious cohesion among the productive and protective actions aimed at preserving the vast biodiversity that distinguishes the places where we operate. In order to uphold and conserve the unique natural heritage, innovative agricultural practices continued to be trialed throughout the year, such as using UV rays, researching dynamics among natural antagonists of the main disease-bearing insects in the vineyard, interactions among different populations and the induction of natural resistance in plants by using strengthening substances and/or bio-stimulants. Defence management systems that use essential forecasting models were adopted to plan the timing of anti-parasite treatments from the point of view of reducing the amount of active principles used over time, with a focus on substances that are hazardous to human health.



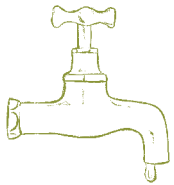
### Action status: consumption management

In light of the effects of climate change experienced in recent years, it has become necessary to reduce consumption through energy saving and reducing CO2 emissions. This is a key strategic requirement included in all structural investments and choices made across the entire production process. The main actions aimed at informed water and energy use that were taken as well as the technological solutions adopted to achieve these actions are analysed in the Sustainability Report. Combatting climate change is a central element that guides company choices and behaviour in managing environmental issues through an awareness of the major impact that the climate can have on agriculture and the availability and quality of products. Here are the data regarding the water (litres) and electricity needed to produce a litre of wine. This information has proven to be the best indicators to measure the effectiveness and efficiency of the production process. In the last two years, the estate has made strides to lower water and electricity use, investing in technology that supports this reduction.



## 1. Water use

*“From saving to reuse,  
water is a precious asset  
in the cellar”*



### Analysing the actions taken:

Due to analysis that started in 2021, the estates have been capable of conducting a critical reasoning into water use, which transpired in the need to implement a savings and reuse policy, where possible.

The data that were analysed provided an overview of the current situation, allowing research to be made in 2022 into the overall water use for each operational stage in the cellar. The analysis was divided into production stages: winemaking, ageing and bottling. In the winemaking and ageing stages, the consumption was assessed as the total of the oenological operations accounted for in an overall report per area, assuming small losses. Reading the meters was the method used. For the bottling stage, the individual operations could be accounted for in detail due to digital litre counters.

### Analysing yearly data:

If you only consider the water that enters the cellar, net of waste by osmosis, the consumption is reduced to 6.38 litres of water per litre of wine. The amount resulting from the osmosis process is recycled in other processes, such as watering the lawns. The total objective by 2025 is to reduce consumption by 20%, bringing down the value to 5-6 litres of water per litre of wine.

Whereas investigating the processes will become clearer in the bottling stage before reducing and monitoring progress, the winemaking and ageing processes in the cellar will be a more complex task that will take longer, given the large amount of water required to clean the tanks and barriques. An initial goal will be to change internal procedures so as not to compromise the quality of the process and, while maintaining the effectiveness, reduce the amount of water needed, avoiding waste and overuse.

## 2. Electricity use

### *The invisible role of energy*

The requirement of different forms of energy has become increasingly important in recent years. By recording requirements and usage on the estate, the company has succeeded in adopting a new culture of energy and saving.

**Energy saving must be viewed as the use of more efficient technologies and as the informed management of load and supply.**

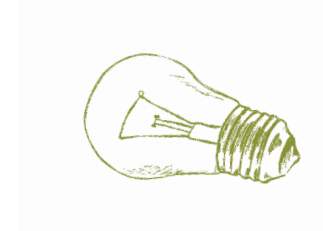
The most important element that emerged in the 2021 analysis, which continued in 2022, lay in understanding how to manage energy waste in order to lower considerably the annual energy requirement before perfecting other systems.

For this reason, in 2022, the heating/cooling system, which consisted of an electric heat generator and pump) was replaced in the finished product storage warehouse, which must be kept at a constant temperature throughout the year. Now the system consists of a single heat pump for both the hot and the cold stages that consumes less energy and is more efficient.



## 3. Replacing LED systems

In 2022, the plan to replace all lighting with LED systems in the production area and warehouse was brought to completion.





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#### 4. One computerised system for all energy use data (water, lighting, gas)

At the end of 2022, the research was completed and a computerised monitoring system showing the water and energy use associated with the production process was installed in the Ornellaia and Masseto cellars. The same control system was applied to office consumption. The monitoring will become operational in January 2023.

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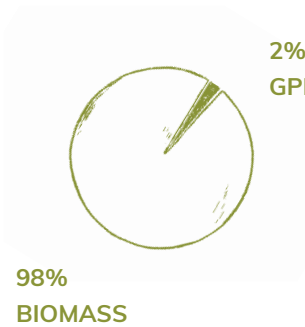
#### 5. Managing waste reduction and reuse

Managing the lifecycle of waste is a primary issue in protecting Planet Earth. The estates seek to ensure sustainable waste management through its lifecycle.

In order to improve waste management, selective waste has been improved in the production areas and in the offices. All personnel receive dedicated training.



## 6. Analysing the computerised system



### OPTIMISING WATER AND ENERGY USE

At the end of 2022, a computerised system was implemented to monitor and collate data regarding electricity and water use. In the coming years, this will enable consumption to be recorded more quickly as well as analysing more than 50 measurement points in detail (machinery, control panels, work rooms, lighting, etc.), hence optimising energy and water use.

#### Activating the new monitoring system:

- electricity use: January 2023
- water use: July 2023

### OPTIMISING GAS USE

For improved optimisation of gas use, the biomass heat production system was revamped, which resulted in a reduction of more than 98% of the consumption recorded in previous years of gas (LPG) used in the production processes in the cellar.

The total LPG consumption recorded in 2022 was 21 sm<sup>3</sup> (58 euro). By means of comparison, a household of four consumes 1000/1400 sm<sup>3</sup> on average.

### Annual consumption

#### Ornellaia and Masseto

21 sm<sup>3</sup>

Household of four



1000 / 1400 sm<sup>3</sup>

## 7. Supplier certification

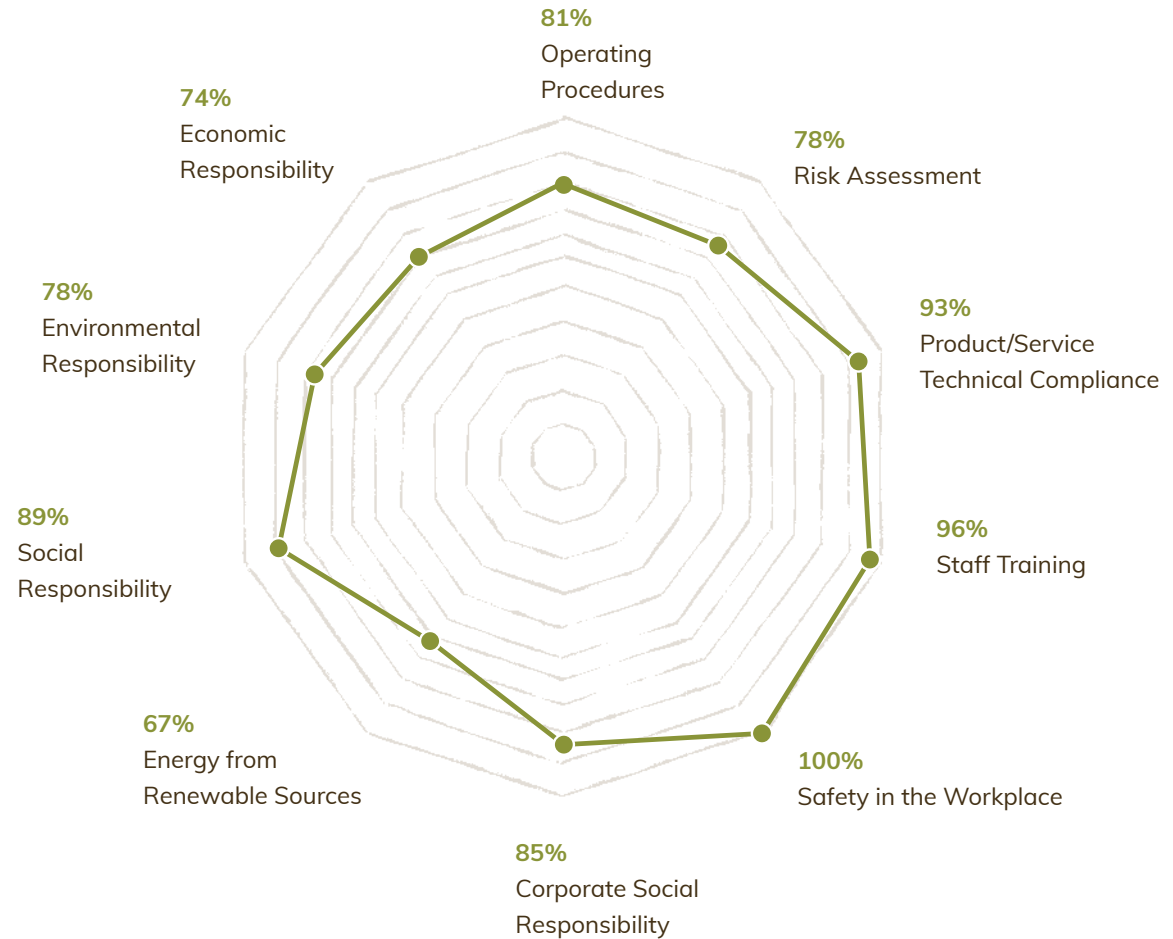
Ethics, social responsibility and sustainable development are the primary values endorsed by the estates. Tools such as the *Code of Conduct for Suppliers – Sustainable Purchasing Policy* convey a message of loyalty, decency and respect, which set a standard for the social circumstances in which they work. In this context, establishing transparent and lasting relations with suppliers is key, in addition to sharing the values and principles to which Ornellaia and Masseto aspire through their activities.

#### Advantages of monitoring suppliers:

- Improving sustainability in the supply chain through a constantly updated assessment system
- Greater transparency in evaluating the impact of the supply chain on the production process through concrete parameters

## Supplier compliance with sustainability assessment criteria

In 2022 we drew up a targeted questionnaire for all the main suppliers aimed at shared progress towards sustainable management. The questionnaire incorporates an analysis of their social responsibility.



## 8. Information management and corrective actions

### Analysing critical points and reacting through corrective actions.

Knowing each work stage also enabled informed re-evaluation of each step in the production process that could hinder the correct management and attaining the quality of the finished product. A survey showed non-conformities that required corrective actions.

### a) Managing non-conformities and corrective actions:

The Sustainability Report has been a fundamental element for a key reading of all the stages that create value within the production process and outside, such as the client's reaction to the wine produced. These issues are referred to as "non-conformities", which are recorded. For each non-conformity, a suitable method was developed to resolve the issue and guarantee the quality of the finished product.

#### Feedback regarding TCA\* or cork taint

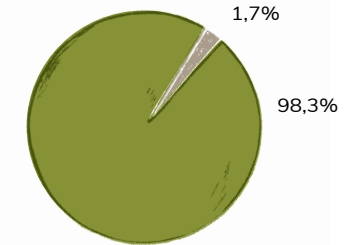
**Corrective actions** In the cases reported, where possible, a response was given that was preceded by a sensory assessment by the production area of the wine contained in the disputed bottle.

In cases whereby the bottle was not available, customer service defined the ways in which to close the non-conformity. Due to the reporting of issues, in certain cases, it was necessary to choose a different cork than the one in use. This enabled the issue to be reduced and increased the value by investing in quality.

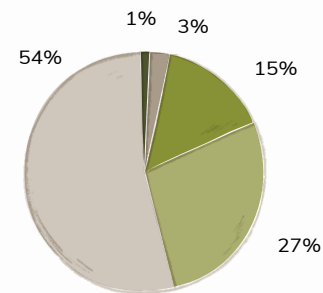
### b) Complaints received and their management

The complaints received during the year were all processed and resolved. Only 1.7% of shipments met with a delay. Most of the complaints were received after the final distribution, which means they were managed by the customer service/ logistics area.

### Shipping Disruptions Italy 2022



- Shipping without delays
- Shipping with delay



- Delivery not within the allocated time
- Failure to deliver
- Non-compliant order
- Incomplete order
- Breakages

\*Chemical compound responsible for cork taint

### c) Managing critical areas: Optimising systems, Saving to Reinvest

Having laid the foundations for a consumption measuring and monitoring system, we noted some critical areas that we began to work on in 2022:

- **Energy from alternative sources** The photovoltaic system contributes approximately 7% of our energy needs. We have set an expansion plan, starting in 2023, which will lead to a 20% increase.

### d) Criteria to fulfil our conformity obligations in pursuit of continued improvement

In order to perfectly fulfil conformity obligations, clear criteria have been set out to choose the best solutions linked to two important stages in the production process:

- Solutions linked with cleaning
- Choices linked with packaging

### Reducing the plastic used on the estates:

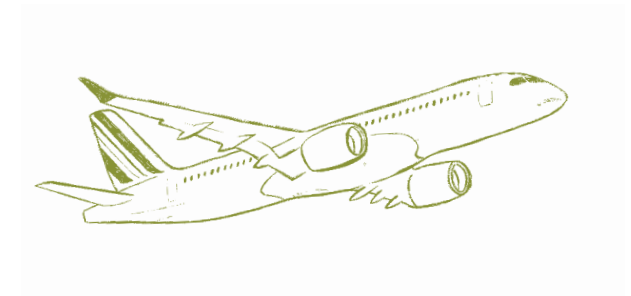
In the final stages of packaging, as analysed in 2021, a high use of plastic was noticed to wrap the pallets before storing them. The shift to stretch wrap, 60% of which is made from recycled plastic and which is also recyclable, was reinforced in 2022.



### Campaigns that aim to reduce the carbon footprint

A commitment to the following two campaigns is a concrete example of how we intend to reduce our carbon footprint:

- partners of the Air France/KLM Sustainable Aviation Fuel (SAF) programme enabled us to make a contribution towards reducing CO2 emission in air travel. While travelling, our team saved 53 tons of CO2.
- the partnership with DHL GoGreen led to a reduction in CO2 emissions by 841.17 kilograms in land transportation for wine shipments.



## 3.2. Social pillar

### Vendemmia d'Artista

The 14th edition of Vendemmia d'Artista 2019 Il Vigore was successfully brought to a close. Profits of 302,000€ have been donated to the Mind's Eye program at the Solomon R. Guggenheim Foundation, ensuring that the blind and persons with low vision have access to art.

### Charity work

We further our commitment in supporting the various associations with which we have worked for years (as in 2021).

### Company welfare

We are continuing with our company welfare plan with bonuses and benefits for employees.



## New five-year investment plan by 2025:

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**2,2mln €**

Investment plan approved in 2022



**+22%**

Compared to the initial plan approved in 2021

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**600.000 €**

Spent in 2022

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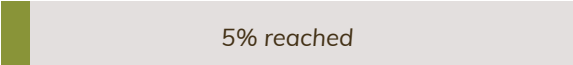
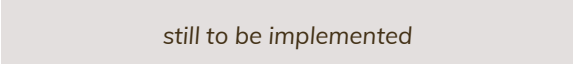
# Re-evaluating goals by 2025

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# By 2025

1.	<b>Electric or hybrid vehicles</b> <i>Purchasing cars and buses for internal transportation</i>	 20% reached
2.	<b>Reducing bottle weight</b> <i>Reach -100 tons</i>	 82% reached
3.	<b>Reducing water use in the cellar</b> <i>Reach -20%</i>	 5% reached
4.	<b>Replace lighting with LED</b> <i>Reach 100%</i>	 100% reached
5.	<b>Expand photovoltaic surfaces</b> <i>Reach triple the current amount</i>	 still to be implemented

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# 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.





