



### MATERIAL TOPICS COVERED

- HR management and workers' rights
- Diversity and inclusion
- Human rights
- Consumer health and safety
- Transparency and traceability
- Certified sustainability
- Creating sustainable value over time

### GRI STANDARDS

GRI 102-8 | GRI 102-9 | GRI 102-10  
GRI 102-41 | GRI 201-3 | GRI 202-2  
GRI 204-1 | GRI 308-1 | GRI 401-1  
GRI 401-2 | GRI 401-3 | GRI 402-1  
GRI 403-1 | GRI 403-2 | GRI 403-4  
GRI 403-5 | GRI 403-6 | GRI 403-8  
GRI 403-9 | GRI 404-1 | GRI 404-3  
GRI 405-1 | GRI 405-2 | GRI 413-1  
GRI 414-1 | GRI 416-2 | GRI 417-1  
GRI 417-2 | GRI 417-3

### SDGs



# Connections



**Ruffino**

Ambassador  
Company  
of Wine in Moderation

**~123.000** Euro

Contribution  
to the local community

**63%**

Spending  
on supplies from  
Tuscany and veneto

**Strategy**

Diversity & Inclusion

# Our people

Our employees are the **key to sustainable growth, in line with the Group's values**, and are the **driving force** of the company and the reason for its success. For this reason, we are committed to have **solid, lasting and stable connections** between the company and workers as a source of reciprocal growth.

A connection like this can only be developed through **respect** and **appreciating everyone's rights**, which is why we encourage the inclusion and diversity of our employees in every aspect of their professional life within the company, quashing any behavior that is distant to our vision.

A **shared company culture** is developed in the workplace with everyone's involvement. That's why we encourage, seek and organize specific moments of dialog and feedback.

For many years now, "Piazza Ruffino" has become a fixed appointment, open to all and established to inform about everything that's going on in the company: from implementing the Group's strategies to progress regarding sustainability, projects and initiatives started or planned throughout the year, and commercial news.

## Reaching everyone always

The health crisis linked to the Covid-19 emergency that we have just been through reiterated more than ever the importance of **staying united** even in situations of physical distance and practical difficulty. In an organizational and work setting, this need takes on particular importance.

This year, we began plans to install **dynamic digital noticeboards** that communicate the company's core messages: from operational communications to the status of projects and new products, as well as group

photos, motivational videos and everything that could be useful or relevant for the employees in each of the Group's companies.

The main goal of this new system is to establish a **"mobile channel of communication"** to **ensure a direct and straightforward connection** with our employees, reaching everyone at the same time, shortening distances between those who have access to company communications mainly sent by email and those who, due to the nature of their work, e.g. in the vineyard, do not have these tools and may feel far away from the company.



## Group overview

In FY 2022, our Group consists of **290 people**, 83 of whom are seasonal workers (29%). The Group's staff has grown in the last three years (229 people in FY 2021 and FY 2020).

Out of the 290 employees, 38% are women and 62% are men, in line with the trend for the sector, which employs a primarily male workforce.

**100%**

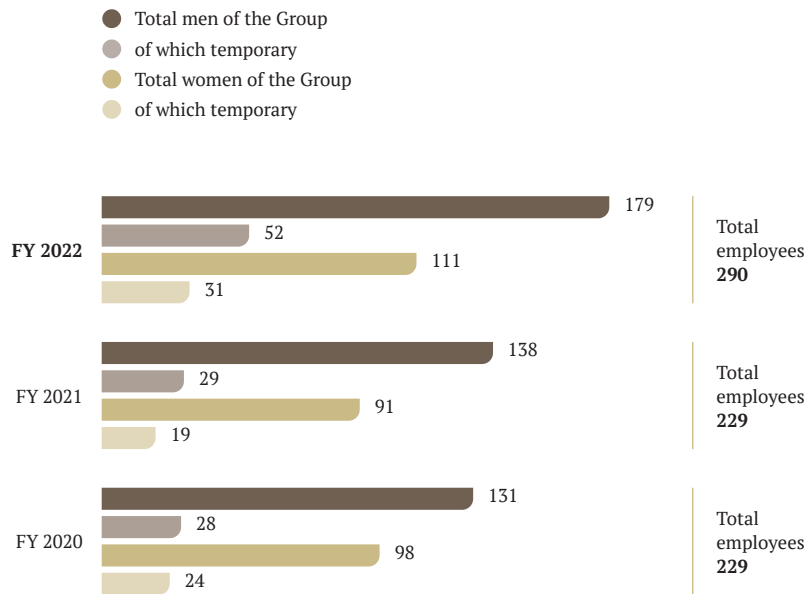
Employees  
with CCNL framework  
contracts<sup>30</sup>

**81%**

Senior managers  
hired from the local community<sup>31</sup>

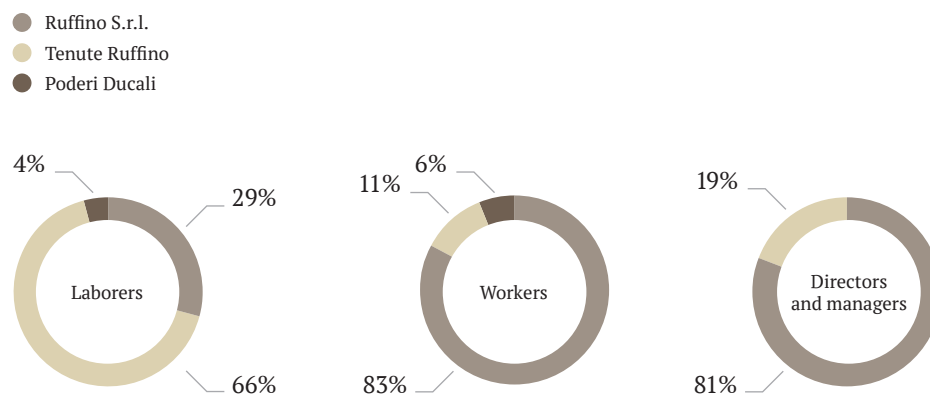


### Staff composition over the three-year period



Looking at the composition of the companies comprising the Group (Ruffino S.r.l., Tenute Ruffino S.r.l., Poderi Ducali S.r.l.), a **mixed** picture emerges, mainly due to the diverse roles and action areas of each. The laborers category in the Tenute Ruffino workforce (66%) and the directors, managers and office workers in Ruffino S.r.l. prevail in particular. Each show a different side to Ruffino’s identity, which we regard as being precious.

### Composition of the workforce among the companies of the Group - FY 2022



<sup>30</sup> **Ruffino S.r.l.**

- CCNL Alimentari Industria e Dirigenti Azienda Industria
- Second-level stipulation, which covers 100% of employees with a Alimentari Industria contract, apart from the directors

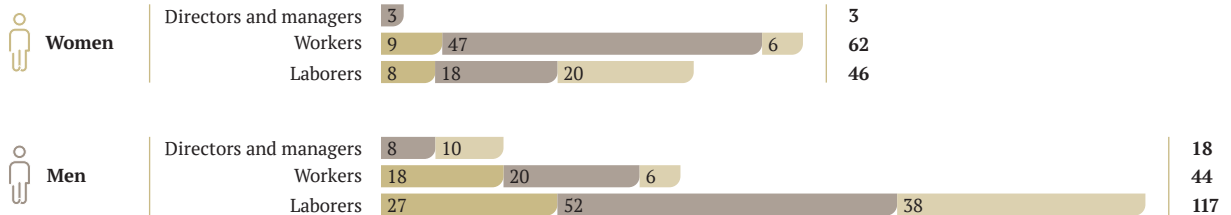
**Tenute Ruffino S.r.l. e Poderi Ducali S.r.l.**

- CCNL Operai Agricoli (integrated by Contratti Collettivi Territoriali in the Florence, Prato, Siena and Venice provinces)
- CCNL Impiegati Agricoli, CCNL Dirigenti Agricoltura

<sup>31</sup> The senior manager category consists in directors and managers. By the local community, we mean Tuscany.

**Professional categories by gender and age - FY 2022**

- < 30 years
- 30 ≤ x ≤ 50 years
- > 50 years

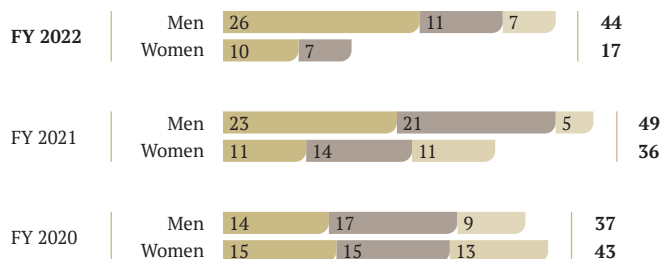


Regarding the composition by professional category, gender and age, in the last year **about half (51%) of the company population was between 30 and 50 years** and 28% above 50 years. Notwithstanding, in recent years, the number of employees under 30 years has been on the increase (+21% compared with FY 2021). The graph shows an impressive number of female office workers between 30 and 50 and mostly male laborers over 50.

In terms of **new hires**, in FY 2022 **65 people were hired**, down from FY 2021, **72% of which are temporary employees**. 68% of the new hires are men, 32% women.

**New employees by gender and age in the third-year period**

- < 30 years
- 30 ≤ x ≤ 50 years
- > 50 years



The incoming turnover rate<sup>32</sup> was 6,2%, slightly lower than in 2021 (8.3%).

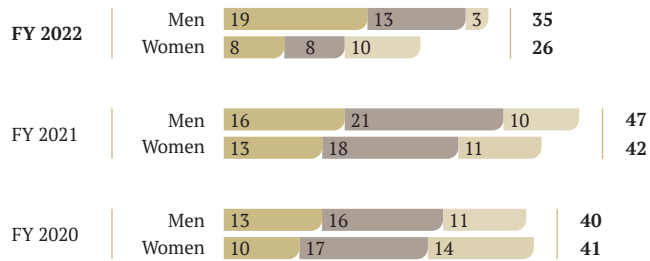
**71 people left the company** during the year (down from 89 in FY 2020), **75% of which were temporary employees.**

The outgoing turnover rate<sup>33</sup> was 6,2%, slightly lower than in 2021 (4.8%).



**People leaving the company by gender and age in the three-year period**

- < 30 years
- 30 ≤ x < 50 years
- > 50 years



As regards the return to work and the retention rates of employees who used parental leave, in FY 2022 these were 100% and 125% respectively. Employees of Ruffino S.r.l. (6 employees, 4 men and 2 women) mainly used **parental leave**, while only one person (a man) went on parental leave at Poderi Ducali S.r.l. and nobody used it at Tenute Ruffino S.r.l.

<sup>32</sup> The incoming turnover is calculated based on the fixed workforce total, namely temporary staff are not included, as a ratio between the total hires as of 28/02 of the year in question and the total number of employees as of 28/02 of the previous year.

<sup>33</sup> The outgoing turnover is calculated based on the fixed workforce total, namely temporary staff are not included, as a ratio between the total departures as of 28/02 of the year in question and the total number of employees as of 28/02 of the previous year.



# Selection, training and development

Our focus on people management can be seen in the selection and training procedures that we do for new employees, regardless of whether they are permanent or temporary. For new recruits, we take part in events and job fairs to strengthen our presence and connection with the local area. In particular, we have participated for many years at Jobbando, a job fair that is held in Florence every year, and at Recruiting Days organized by the region's higher education institutes, with which Ruffino has consolidated partnerships.

## Ruffino and knowledge sharing

Being involved in the activities of local higher education institutes is a privilege and an opportunity. The interaction among students, institutes and the company has proven to be a source of mutual learning and enrichment.

We open our doors to **students from various faculties with the aim of sharing our hands-on experience as well as theoretical notions**. We are especially proud of the following collaborations:

- **Master's in Viticulture and Enology at the University of Piacenza** benefitted from the expertise and know-how of our agronomists;
- **Master Vinifera at the University of Milan** was hosted for a week at our Poggio Casciano estate for the Sustainable Viticulture course;

- Poggio Casciano hosted **Precision Viticulture course from the Environmental Sciences Faculty of the University of Viterbo** for a week;
- **Master's in Wine Management of the University of Florence** also involved a visit to our headquarters as well as a talk with the HR Director, which is a member of the university's placement observatory.

In the future, our aim is to intensify these important and profitable relationships with scholars and future operators in our field of knowledge and activities, especially at this juncture when the focus is on learning to **relate to the land according to sustainable principles and criteria**, values that Ruffino shares and is happy to apply and communicate in every instance.

All new hires are greeted with a **welcome** and **shadowing process**, so that they are able to learn about the history, products and organization of the Group and, on the other hand, can learn everything required for them to carry out their roles through specific training sessions.

**3,255**

Hours of training  
in FY 2022

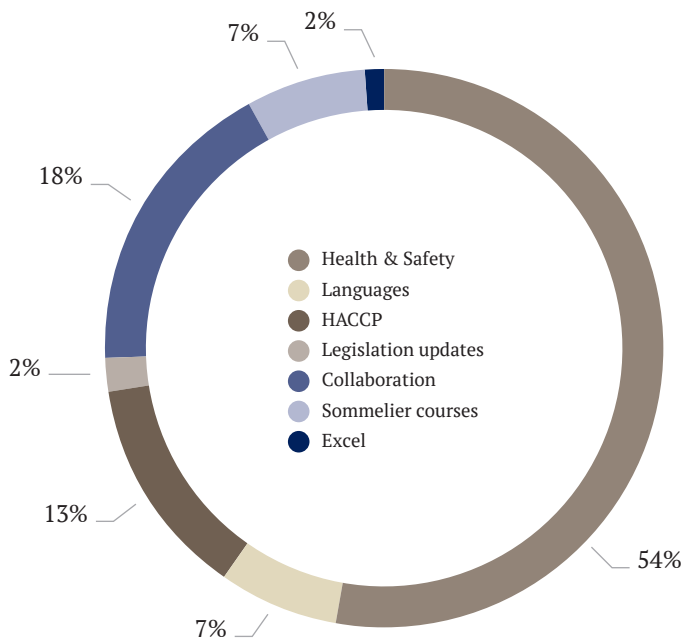
**11.2** hours on average  
per employee

The **welcome kit** given to new arrivals enables them to get to grips with the tools used to manage the more administrative aspects of company life and the Group’s policies, which they are obliged to comply with and apply on a daily basis, such as the Policy on the consumption of alcoholic beverages and the Policy on the prevention of harassment. An important part of the welcome process consists in a cellar tour and visitors to the estates in order to see our activities firsthand and to start to understand the processes and locations.

The **development of professional skills** is a key value on which we place particular importance, setting out training as a result of carefully **analyzing the training needs** of the company population. The analysis is carried out in collaboration with the HR department and department heads, and results in drawing up an annual company training plan.

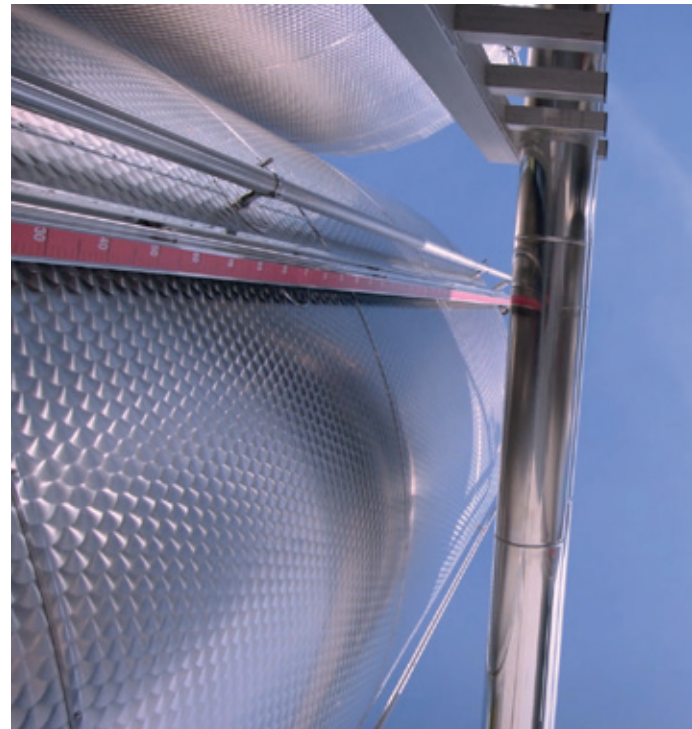
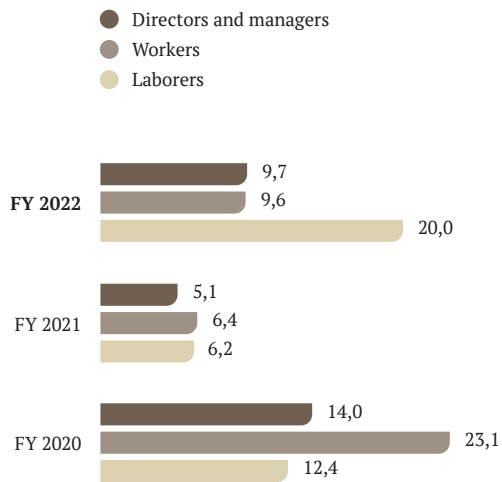
In FY 2022, **the total hours devoted to training were 3,255 (an average of 11.2 hours per employee)**, more than double the amount of training compared to the previous year (1,406). This was a result of the restrictions enforced by the Covid-19 health emergency, whereas we have now gone back closer to pre-Covid levels (3,776 hours). The chart shows how most of the training hours focused on a topic that is important to us, such as the health and safety of our employees. Other areas are aimed at professional development and skills.

**Distribution of training hours by topic - FY 2022**



Regarding the average hours of training, a **considerable increase can be noted across all categories**, with particular focus on laborers.

**Average number of training hours by professional category**



**Sustainability training**

The principles and values of corporate social responsibility are increasingly essential elements for all businesses and we believe that it is especially important that our **employees are aware of the issue**, which is why we have commenced specific training courses.

In particular, the sessions are dedicated to deepening the ways in which Ruffino acts in a rapidly changing context, the actions taken, ongoing projects and future goals in order to perpetuate best practices in a more informed way.

The training started in previous years includes information activities for the entire staff (through company communications and specific meetings) about sustainability policies, goals and projects, both for the Group and for CBI. This informational process was immediately also flanked with training for environmental managers and employees, which will be extended substantially in FY 2023.

In FY 2022 **15.2%**  
 of employees  
 received a performance  
 and professional review

As part of the professional development of each employee, particular attention is paid to the award system for **individual and the Group's performance**. In Ruffino, a **MBO (Management By Objectives) annual variable incentive system** is active, as well as an **Award for Objectives system** (known as PPO) set out by the framework employment contract and defined with the internal worker representative. Considering that the company's performance is linked to the performance of our employees, these award systems aim to enhance the connection with our people, rewarding their contribution to achieving the company's targets.

The **MBO** is active for employees from the first level of the Alimentari Industria contract to the directors and it is based on assessing the achievement of objectives set out by the company. Personal goals are added to these objectives, defined by the employee in agreement with his/her manager. Achieving these goals has an impact on the bonus, according to the parameters set out by CBI. A quarterly personal performance review is scheduled by the employee and his/her line manager, and the objectives can be integrated and/or changed during the year.

The **PPO** system, on the other hand, is extended to all employees and is linked to achieving the Group's financial targets. It can be converted into welfare and represents part of the reward for employees who are subject to assessment with the MBO system.

The healthcare and quality of life of our staff are also reflected in our **company welfare system**, which is extended to all employees and includes<sup>34</sup>:

- Health assistance;
- Health insurance to cover Covid-19, which was also extended to family members as from 2021;
- Paid leave for medical appointments for staff and their family members\*;
- Insurance cover in case of disability and/or invalidity;
- Parental leave;
- Pension contributions;
- Budget to buy the Group's products\*;
- Contributions to buy school books\*.

Stock ownership systems are added to these benefits. Since FY 2022 all employees have the option to **purchase shares in the parent company at an advantageous price**.

Directors and managers can also benefit from life insurance, flexible benefits that can be re-allocated to various categories of services (e.g. education costs, personal assistance, free time, sport and travel) and stock ownership.

<sup>34</sup> The benefits marked with an asterisk are only provided for the employees of Tenute Ruffino S.r.l.

### Remote working policy

An important change resulting from the experience gained in FY 2021 was the implementation of a **new remote working policy**. During the health emergency, all office workers had the right to work fully remotely with no restrictions. This way of working highlighted the **sense of responsibility and dedication of our staff**, who continued to achieve superb results as well as showing incredible resilience. Greater flexibility in working hours

showed no negative effect on achieving results, which is why an agreement has been signed with the internal worker representative to **contractualize** remote working as a method that can be used up to two days a week. The return to the office was nevertheless managed in order to gain the maximum benefit from what was ascertained during the pandemic. Clocking in and out has been forsaken in favor of individual responsibility, implementing a more innovative form of **time and objective management**.



# Diversity and inclusion



The changing, increasingly globalized and interconnected context in which we work highlights how diversity management has also become a top priority for companies. **We recognize diversity as a principle that must be protected.** We believe that every person represents different values, cultures and awareness, which is why we ensure an inclusive working environment for all our employees, free from discrimination, hence enabling everyone to express their talent and achieve the best results.

This awareness has led to a commitment to introduce drives aimed at recognizing and encouraging diversity within the company according to an inclusive spirit of listening and dialog, which allows all our people to speak up from the point of view of continuous internal development that reflects our values.

To this end, in FY 2021 a strategic approach to Diversity & Inclusion was adopted to oversee the topic, aimed at an initial analysis and then actively involving employees to highlight the most important dimensions of diversity before activating work plans.

## Stage 1: Listening

To have an overview of the company's status quo, a qualitative and quantitative analysis of the staff was conducted (through reports focused on HR metrics, focus groups and direct interviews). This led to gathering people's experiences and perceptions as well as pinpointing areas on which to focus D&I activities. The resultant areas are: Divisions and locations, Generation, Gender, Cultures, Communication.

## Stage 2: Action

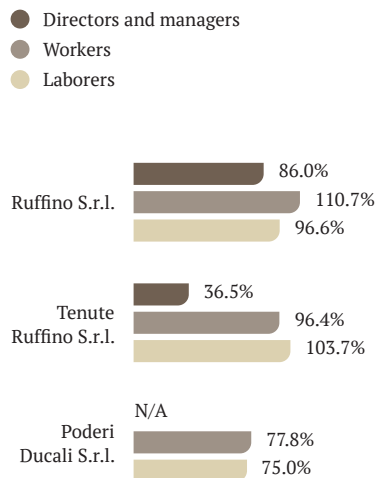
Based on the needs revealed in the analysis, the D&I Strategies are developed in an open and collaborative way. Each of the significant diversity dimensions generated a working area led by designated teams, in which our employees are involved and play an active role. They have been entrusted with the development of concrete action plans to achieve specific targets, which are validated in collaboration with the D&I Leadership Team.

The entire activity is relevant not only in terms of its results, which will enrich the company culture and respond more fittingly to the needs of our employees, but also in the process chosen for its implementation: a **bottom-up process** that is much more valid in the results that it will produce.

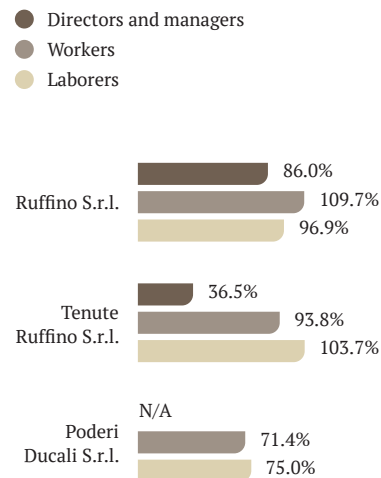


We believe that equal rights begin with equal pay, which we strive to guarantee to our employees based on their roles. The following charts show the ratio of the base wage (minimum set amount set out in the employment contract) and the remuneration (including the variable part) of women compared to men for the companies. The charts show a potential gender pay gap. It should be noted that the director and manager levels and the laborers level are impacted by a lower number of women than men. For Poderi Ducali, the ratio of the director and manager level is zero because there are none in the company structure.

**Ratio of the base wage of women and men by professional level**



**Ratio of remuneration of men and women by professional level**



## Health and safety of workers

The health and safety of our people is a top priority that combines **observance of the legislation in force and the continuous improvement of conduct and operating procedures**, with the aim of making the workplace increasingly safe.

We strive for continued improvement through **competence-based participatory management**. By involving all employees in a systematic and dynamic way, this management puts the focus on safety in all work activities. The main goal shared throughout the Group is to **increase a culture of safety** at all levels of the organization.

Our organization of safety sets out well-defined roles, responsibilities and duties in an organizational chart that is shared with the parties involved, whether internal or external, and which forms the basis of the **Health & Safety Management System** of the companies comprising the Ruffino Group.

The system adopts shared standards, while respecting the differences among our activities, which, starting with the vineyard, also include the management of our country house accommodation and restaurant.



# 100%

## Certified production sites

ISO 45001:2018 in 2021

The standards we have developed internally and strict compliance with legislation have resulted in the companies comprising the Ruffino Group, including the hospitality business unit, in obtaining **ISO 45001 certification in 2021**.

All the companies in the Ruffino Group have adopted the Organizational Model in accordance with Italian Legislative Decree 231/2001. In FY 2022, the robustness of our Health and Safety Management System, which covers 100% of our employees, was confirmed by the **Risk Assessment** conducted by the Ruffino Group, in partnership with an external legal firm, acting as support in updating its companies' model, which **showed no criticality in the 231 ambit**.

From the point of view of continuous improvement, we analyzed the company processes with the aim of pinpointing the main areas of intervention for FY 2022. The TPM methodology resulted in setting objectives and projects to be done during the year. To this end, the activities that have been implemented were:

- **behavioral audits** carried out by a team of ten department heads who, on a monthly basis and with the support of a dedicated checklist, verify general awareness and compliance with the importance of safety in their departments;
- **lockout/tagout procedures** on machinery that requires the operator's entry into the machine to perform maintenance.

Safety governance is based on meetings held at varying intervals, depending on the sites, and with different participants depending on the level of detail required or the legislation in force.



Every company in the Ruffino Group by means of its employers and with the support of external consultants conducts a detailed **Risk Assessment** that defines the risk level linked to safety for every role and activity, sets out the preventive and protection measures, health protection, required training and improvement actions.

These actions guarantee **two-way monitoring and a flow of information**: by the management for the strategies and priorities and by employees for the reporting, suggestions or outcome of the checks made. This approach ensures that the problems, ideas for improvements and any risks reported or noted are duly taken into consideration, analyzed and resolved in a systematic manner.

To this end, we have set out an **internal standard** (as shown in the “Analysis of the reporting and management methods by the responsible office” procedure), which defines all types of **non-conformity**. For each type of non-conformity, an action plan is set out with specific resolution methodologies and timescales. All reporting and/or safety surveys that emerged following audits or the normal flow of information within the company are inputted into the management system so that they can be resolved as soon as possible. The Ruffino Group has two Health and Safety Officers, one for Poderi Ducali and one across Ruffino S.r.l and Tenute Ruffino. Through constant collaboration and synergy, we are able to integrate different points of view and experiences that help to improve the robustness of the Group’s entire health and safety system. Our employees are directly involved in managing safety aspects through consulting the worker safety representative and sharing specific plans that are adopted at regular meeting with managers and/or department or site heads.

A recent example of Ruffino’s **robustness and reactivity** is the Group’s respond to legislative changes regarding safety with the implementation in the first few months of FY 2022 of updates to Italian Legislative Decree 81/2008, which came into effect in December 2021. At the start of the year, the Group **appointed and training nine new managers** in order to organize internal **training and informational sessions** about

the main changes (vigilance, DUVRI – Interfering Risk Assessment Document training, etc.). In addition, the safety managers attended seven hours of **training webinars**.

Particular attention is paid to **training and information for new hires**, regardless of the type and duration of the contract, which calls for a **process of shadowing and training** by experts, with a subsequent **learning assessment** to educate the new employees about the culture of safety and to align them with our way of working.

From the point of view of continuous improvement, the Ruffino Group, on a voluntary basis, works with safety audit consultants. In FY 22, **three audits** were conducted with different entities in order to obtain **several points of view and ideas for improvement** based on a range of experiences.

**Control and vigilance activities** were also implemented by the safety managers, which include the use of a **checklist** that varies based on the department and sharing outcomes with the H&S Manager, the Safety Director and the Health & Safety Officer where present.

The health of workers is monitored with regular **health protection checks**, conducted by doctors (one for each company), who take part in annual meetings set out by Legislative Decree 81/08 and who work with the employer and health and safety officer to assess risks related to work and implement measures to safeguard the health of workers. All our employees are registered with the **Fondo Assistenza Sanitaria Alimentaristi** and, where necessary, through the company welfare system, they have the possibility to access discounted healthcare (specialist appointments, dental care, preventive medicine, diagnostic checks).

Despite the critical situation of the Covid-19 pandemic, no infections were recorded among employees in the work setting and the normal running of the company was never halted, apart from the instances enforced by legislation. Ever since the early stages of the pandemic, we adopted strict internal protocols, pinpointed dedicated resources and acted in a timely and

modulated way, depending on the gravity of the situation. All the company in the Ruffino Group ensured a safe working environment, supported by our employees in implementing the measures required to limit infections and contributing to new working methods.

The use of remote working and new communication methods, in addition to the fast supply of suitable equipment and computer support, enabled our people to work remotely when necessary, blending personal needs and professional duties more easily. All decisions taken regarding international rules of conduct were always discussed with the Covid Committee, internal worker representative and worker safety representative, listening to our employees' requests and sharing concerns and suggestions.

As confirmation of the importance of this topic both operationally and strategically, in FY 2022

we allocated approximately 60% of our total investments to sustainability projects and health and safety fulfilments. Two of the most important projects concerning safety was the installation of lifelines in the tank discharge zone and the implementation of an "EVAC" (voice fire evacuation system) as improvements to emergency management.

In FY 2022, four accidents were recorded in total in Tenute Ruffino S.r.l, without serious consequences due to lifting or injuries.



# Supply chain

We conduct our supplier relationships according to the principles of **honesty, integrity** and coherence with the **legislation in force, ethical standards** and the company's **rules of conduct**. Safe in the knowledge that a sustainable supply chain is a **key aspect of company responsibility**, encouraging commercial best practices throughout the product lifecycle is a fundamental asset of our management. We are committed to choosing partners who, like us, encourage a respectful management of people, the environment and their business. Over time, we have created and developed a network of **lasting and stable relationships** with local companies, thereby promoting local products and ensuring a high level of quality.

To communicate our commitment and expectations, we have adopted and shared the "**Code of conduct and sustainability guidelines for suppliers**", which sets out the principles with which suppliers must comply in terms of ethics and integrity, operating practices and conditions, and environmental and sustainability compliance in favor of a **transparent and respectful supply chain**.

By signing the document, suppliers pledge not to act, directly or via coworkers, in such a way that contradicts the principles set out in the code and declare that they are aware that any non-compliant behavior could result in the termination of the rapport between the parties<sup>35</sup>. Suppliers are nevertheless **encouraged to exceed the requirements of the code** and to promote **continuous improvement** in their business.

Suppliers mainly apply to two product categories: comestibles such as **grapes, wine and must**, and **dry goods**, namely the **bottling, packaging and distribution** of products, including bottles, corks, labels, cardboard boxes and wooden boxes.

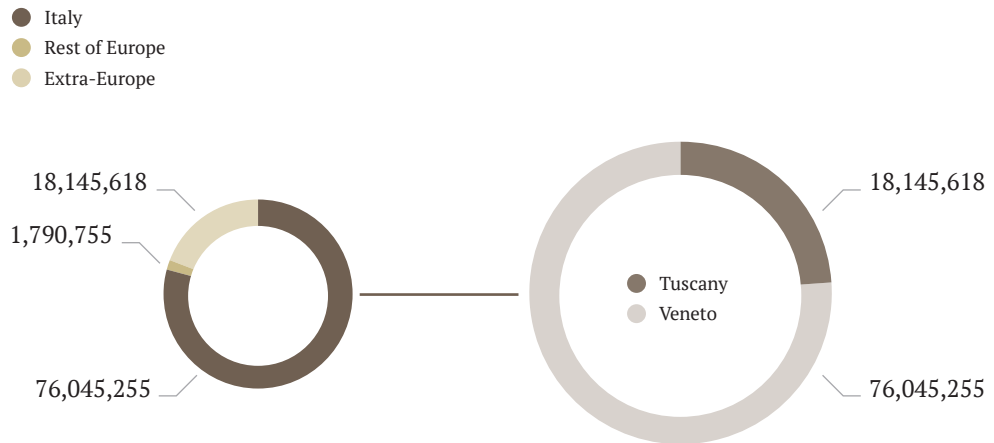
**Five figures** manage supplier relations, overseeing every stage in the production process:

- **Procurement Manager**: procures all the dry goods, leads negotiations, formalizes contracts for supplies and checks the quality of the supplies. For more information on the quality management processes, see the "Our consumers" section.
- **External Grower Manager**: in charge of purchasing grapes from suppliers; works alongside growers to ensure agronomic content is met as well as the quality and quantity of the contracts; manages harvest logistics and organization to transport the grapes to the Group's wineries;
- **Wine Strategic Sourcing and Regulatory Affairs**: manages the strategic procurement of wines and observance of regulations;
- **Chief Winemaker**: manages and monitors the production process, starting with choosing which vines to grow, based on the traits of the geographical area and the company's market objectives, through to the harvest, winemaking and bottling.
- **Quality Manager**: represents Ruffino's management in the application of food safety standards. Enforces and directly manages product checks, helped by the laboratory and quality control team, throughout the production process. For more information on the quality management processes, see the "Our consumers" section.

Overall, in FY 2022, **79% of purchases** were made in Italy and **63% in our local communities of Tuscany and Veneto**.

<sup>35</sup> Without prejudice for any petition for compensation from such conduct causes damages to the Ruffino Group, such as in the case of applying the measures set out by Legislative Decree 251/2001.

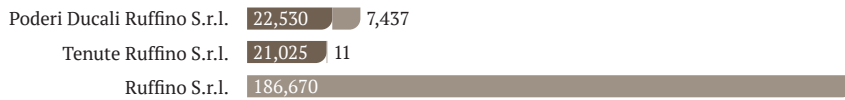
**Expenditure for supplies (Euro) - FY 2022**



The graph shows the production and supplies of raw materials for the 2021 harvest (FY 2022).

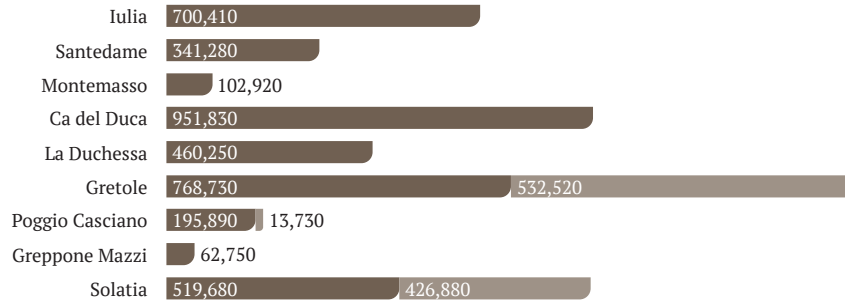
**Wine FY 2022**

- Wine produced (hl)
- Wine purchased (hl) - including must



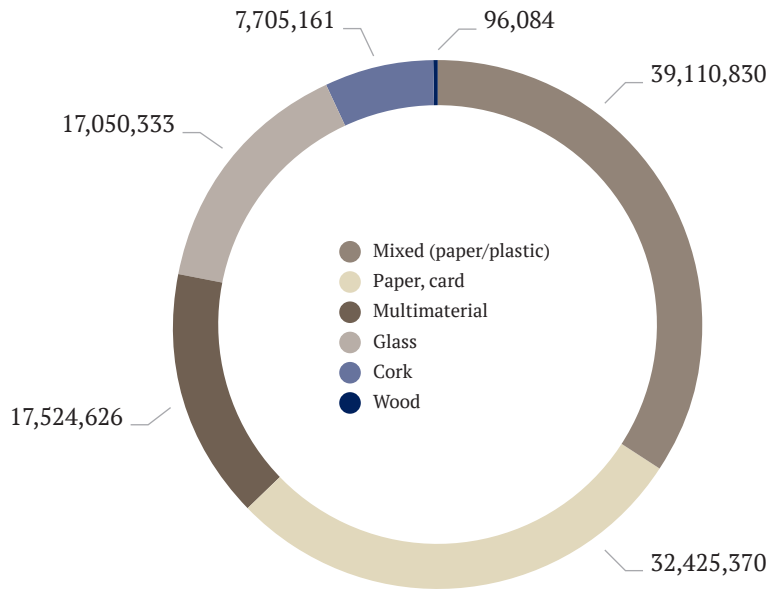
**Grapes FY 2022**

- Grapes produced (kg)
- Grapes purchased (kg)



The graph shows the packaging and distribution materials purchased by the Group.

**Materials (no. items FY 2022)**



## Growing together: a roadmap to 2025 for grape supplies

In FY 2020, Tenute Ruffino S.r.l. embarked on a development process with its grape suppliers for the production of Chianti Classico, Chianti, Chianti Superiore and IGT Toscana for the Gretole, La Solatia and Poggio Casciano estates. The aim of the partnership is to **support suppliers** in achieving more sustainable management for their businesses. The **roadmap to 2025**, presented on the following pages, sets out several key steps to obtain **integrated quality production certification (SQNPI) or organic production**, in line with the Group's ambitious goal of creating a 100% sustainable or organic grape supply.

Knowing that the shift towards organic growing or the SQNPI certification requires considerable technical, operational and managerial investments, we strive to provide both technical knowledge and contractual guarantees to accompany our partners in this development.

**10** (73% of total)

Suppliers  
involved in the grape  
supply chain

**100%**

Organic and  
sustainable grapes

The process includes an initial evaluation stage of the status quo through **filling out a questionnaire** before mapping the current management, the Ruffino team and suppliers, and **jointly identifying establishing gradual improvements. Visits to the suppliers' estates** also enabled the team to assess the steps made and to support the suppliers where needed.

The sustainable management of the supply chain is guaranteed through a **solid contractual basis**, which includes specific requests regarding production process operating methods, as well as defining and implementing an agronomical protocol, regulations on the use of pesticides, the exclusion of certain chemical products, and defining checks regarding compliance with the conditions implemented directly by the company.

By following the roadmap to 2025 scheme, set out on the following pages and divided by harvest (HY) for Tenute Ruffino suppliers, we have seen that our suppliers have observed most of the KPI with positive outcomes.

We have also seen that, in FY 2022, **four out of the ten suppliers who are actively involved and have a contract are converting to organic production**, whereas another two are evaluating whether to embark on the same route or to aim for SQNPI certification, hence anticipating some of the roadmap's KPIs.

Figure 11: Action areas and KPI monitored



**Agronomic Efficiency and Quality**

Signing the Agronomic Protocol in the supply contract

Checking residual pesticides in the grapes

Correspondence of the estates on the ArtEa maps<sup>36</sup>

Sharing and implementing the regulations stated in the Group’s Agricultural Best Practices Handbook

Assessing the possible interest in certified organic or sustainable growing



**Efficiency and Social Sustainability of Work**

Participating in and signing the Company Code of Conduct and Ethics

Existence of a signed cost estimate with subcontractors

Participating in the Code of Conduct and Sustainability Guidelines for Suppliers



**Efficiency and Environmental Sustainability and Safety of Workers**

Checking the Country Register for the analysis of pesticides used by suppliers

Checking that calibrations have been carried out (checking compliance with legislation on safety and quality in the production process)

Checking the dispersion of pesticides into the environment

Checking that waste is disposed of correctly

**KPI**

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**HY 2020**

**KPI**

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**HY 2021**

Assessing and introducing suppliers to organic growing and obtaining sustainability certification

Suggested participation in the Quality Agricultural Network, which involves checking compliance with work and social legislation as well as income tax and VAT

Checking the existence of a structured contract with subcontractors

Checking compliance with the national action plan for the sustainable use of pesticides (PAN) and pesticide warehouse management

Checking compliance with the Mandatory Integrated Defense (Difesa Integrata Obbligatoria)

Part of the suppliers become organic certified and/or sustainable

Suggested participation in the SQNPI

100% suppliers with organic production and/or 100% sustainable

Assessing environmental certification

**KPI**  
**HY 2022**

**KPI**  
**HY 2023**

**KPI**  
**HY 2025**

<sup>36</sup> ARTEA is the Tuscan Regional Agency for Agricultural Supplies (established with Regional Law November 19, 1999, no. 60 and subsequent amendments and additions). It carried out the duties of a paying body recognized for the liquidation of FEAGA (European Agricultural Guarantee Fund) and FEASR (European Agricultural Fund for Rural Development) funds, which support agricultural production in European Union countries through supplying aid, contributions and awards to producers.





### Implementing a Vendor Rating system

During FY 2021, to ensure sustainability, ethics and transparency in relation to our purchasing process, the Ruffino Group started to work on a Vendor Rating system for the supplier assessment process by implementing a Vendor Matrix. The implementation process for the matrix should have been finished by the end of FY 2022, but it has been delayed partly due to the Covid-19 pandemic and partly due to internal reorganization. From FY 2023, this matrix will be integrated into the Ruffino Group's Procurement Procedure.

The suppliers are classified according to the following characteristics:

- **Type** of good or service provided;
- **Procurement risk** due to the complexities of the supply market, in terms of the availability of the goods or service, the number of alternative suppliers, supplier power, obstruction to entry into the sector

- **Strategic importance** of the good purchased, in terms of added value, economic impact and impact on profitability.

The supplier will then be profiled according to various assessment areas, including **company organization and structure; financial stability; safety and environment; quality; reputation; and technological potential.**

It will be possible to analyze and assess current and future suppliers as well as allocating each partner with an “**ID card**” in order to make informed choices that evaluate aspects of sustainable management at the same level as financial robustness and quality, which are already checked and controlled.

The vendor rating will be applied to all suppliers from which the Group procures goods or services with a cost equaling or exceeding 30,000 Euro.

# Our consumers

“Attention to quality” and “Attention to the client” are two of the five core values stated in the Company Code of Conduct and Ethics. Attention to our consumers also consists in encouraging best practices when it comes to consuming

wine. Educating people about responsible drinking is one of the three pillars comprising Ruffino Cares. Our aim is to guide consumers in tasting wine in an informed way.

## Responsible drinking



Tasting and appreciating good wine has a close connection with our culture of the “pleasure of drinking”.

Doing so in a **responsible and informed way** is important in maintaining the concept of sharing pleasure. That’s why our aim is to guide consumers in tasting wine in an informed way.



For Ruffino, responsible drinking is a shared value, in which resources are invested for **employee training** and **public awareness campaigns**. An **internal policy** has been drawn up for all employees, who also attend an online course aimed at raising awareness about problems and behavior related to excessive alcohol consumption and to assess individual knowledge about responsible drinking.

Source: Drinking Guidelines, Wine in Moderation Information Council.

### What is moderate consumption?



The attention paid to responsible drinking is the same in all marketing and communication activities. We have set out and implemented a “**Code for responsible practices in the marketing and publicity of alcoholic beverage-**

**es**”<sup>37</sup>, which defines the public at which marketing materials are targeted, the ethical standards for the publicity intended for the press (radio, TV and web), image use standards, symbols, figures and subjects.

### Ruffino & Wine Moderation

As a social responsibility movement for the wine industry, Wine in Moderation (WIM) aims at providing information and tools for professionals to present wine responsibly and inspire consumers to appreciate wine and its culture in a healthy, positive and sociable way.

The program encourages moderate consumption through **training courses, moderate consumption communication campaigns, communication standards for responsible marketing for wine and scientific research.**

We have supported Wine in Moderation since FY 2015 and in FY 2020 Ruffino S.r.l. became

an **Ambassador Company** of Wine in Moderation. The **CEO of the Ruffino Group** is currently the **President of Wine in Moderation.**



Being an Ambassador Company of Wine in Moderation means acting as a reference in terms of **leadership and activism for responsible drinking**, also encouraging wine companies to step up. Many of our wine labels refer to the Wine in Moderation website and to responsible drinking. Unfortunately, the Covid-19 pandemic made it problematic to continue the campaigns that involved firsthand contact with consumers,

which had been organized successfully in the past. As a consequence, we shared and financed the “Wine in Moderation” messaging aimed at recommending a responsible attitude towards drinking alcohol, especially during the various lockdowns. Since 2020, every year, we have financed a study grant for students studying addictions to look into the pathological aspect of drinking alcohol.

<sup>37</sup> For more information, see the full document: <https://www.ruffino.it/media/codice-etico/Codice-Marketing-Gruppo-Ruffino.pdf>

## Product quality and safety

Consumer focus and product quality are two inextricably linked values that form the core of our management. **High standards and strict food health and safety checks underpin our quality management system**, which has always focused on continuous improvement.

As set out in the European directive, our processing and preservation processes are based on the Hazard Analysis and Critical Control Points (HACCP) system, a set of procedures and recommendations aimed at preventing food contamination and ensuring product quality by means of analyzing potential risks at every stage in the production process. The information and guidelines for carrying out these checks are stated in the HACCP Handbook, which is compiled by a multidisciplinary team and revised at least once a year and according to legislative updates and amendments to internal standards.

In FY 2022 **14%**

Total training hours  
on HACCP, food defense and legislation



The **Quality Team**, which is responsible for product quality and safety, is currently made up of seven people, four of whom work in the laboratory and three are focused on process and dry goods control. The laboratory also conducts **research and development projects** aimed at improving the quality of our products and developing new ones.

Ruffino S.r.l. operates according to the requirements set out in the voluntary **International Food Standard (IFS)**, which aims to ensure observance of food safety and quality as well as the legal standards that regulate the sector, and is certified by the **ISO 9001 Quality Management System**.

These standards enable us to:

- Renew the company's commitment and the Quality Team to support the culture of food safety and quality assurance policy;
- Implement an effective and meticulous food safety and quality management system;
- Manage human resources, working conditions and the hygiene of equipment and environments to ensure product safety;
- Set out operating processes for safe, high-quality production;
- Measure, analyze, validate or improve the processes or complaints management and corrective actions;
- Safeguard the integrity of the company and the products made.

For the requirements of the IFS standard, in FY 2022, the Quality Team focused on internal audits and setting out a **food protection plan against food counterfeiting and fraud** that harms consumers. A **multidisciplinary team** was set up, which carried out an in-depth risk assessment before going on to define mitigation and monitoring plans. Like the HACCP handbook, the Food Defense and Food Fraud plans are revised at least once a year.

In order to collect ideas for improvements, every year we ask an **external market leader** to conduct a **two-day audit** on our premises. Moreover, in order to ensure continuous monitoring of the quality of our processes, the hygiene and correct conduct of operators, we have **increased the frequency of the internal audits** (carried by Quality Team personnel) across the various production departments (bottling, warehouse, cellar), scheduling them **every month**.

The results of every internal and external audit are shared not only with production department managers but also with operators at **daily meetings**, with the aim of communicating a **culture of food safety and quality** across all levels.

In the last two years, **more than 400,000 euro** has been invested to develop projects aimed at **improving quality processes**, including:

- Replacing the cellar's filtration system
- Implementing an automated deep cleaning system for bottling machines;
- Purchasing two machines that automatically inspects empty glass bottles, which ensures food safety.

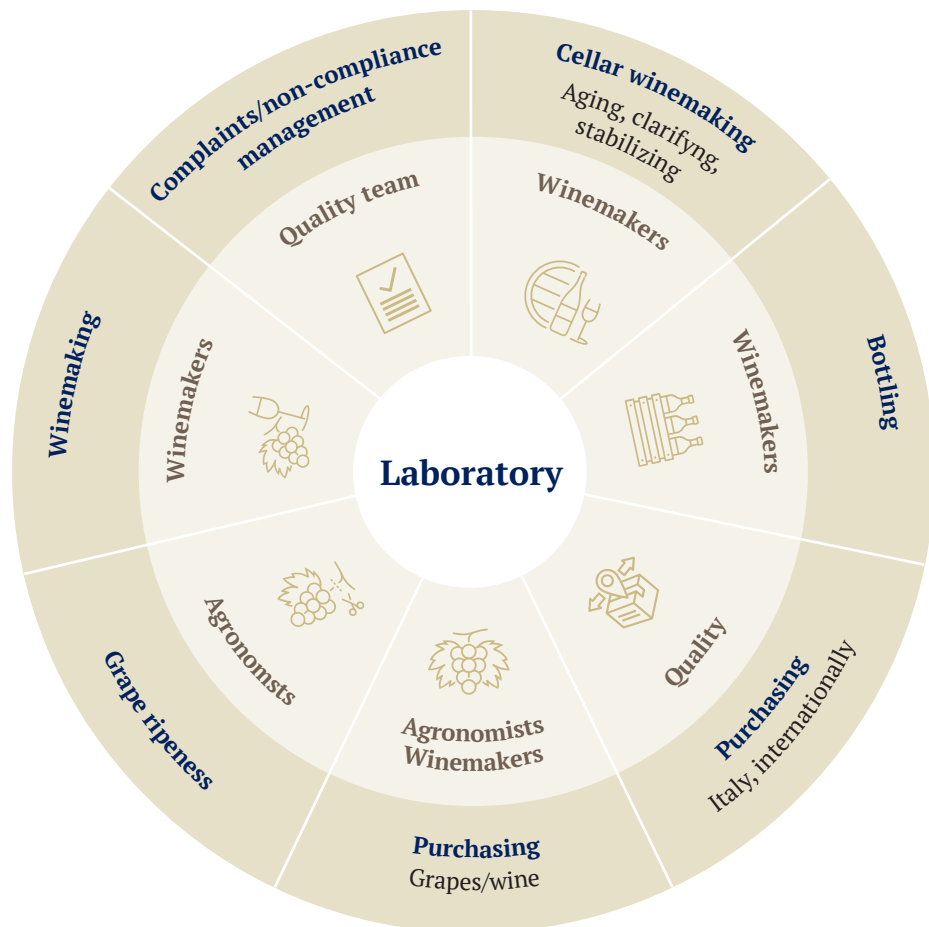


Regardless of the origin of the wine supply, namely whether it comes from our estates or has been purchased from external suppliers or co-packers, the **control plan**, aimed at guaranteeing product safety and quality, is extremely strict and complex. It embraces the **entire production process**, from the vineyard to sales. The checks are primarily analytical and are car-

ried out by our **internal lab**, also calling upon external bodies and consultants. Our advanced laboratory for the wine sector has sophisticated instrumentation that enables more than 300 parameters to be checked with a total of approximately 10,000 samples a year to check



Figure 12: Product quality responsibility and control system



Here are the main activities of the laboratory:



Checks the **legal limits and production guidelines** of wines and spirits, for which the lab has defined a continuous update system. To ensure reliable results obtained during the checks, we work with two of the main wine laboratories in Italy and every year we take part in an analytical and sensory ring test<sup>39</sup>;



Checks all **production stages for the wines** on our sites and external suppliers;



Daily checks of the **ripening level** of the grapes to establish the optimal time for their harvest;



Checks **product stability over time** in terms of changes in color, the formation of precipitates and the organoleptic evolution that the wine could undergo following a certain amount of time after being bottled;



Checking **bulk wine** prior to purchase and until it is unloaded from the tank through an extremely strict analytical protocol;



**Microbiological check of 100% of red wines** for aging in order to combat off flavors) at every step in the production process, from the arrival of raw wine to aging in wood, bottling and beyond, in order to preserve the distinctive aromas and flavors of each wine.

When grapes are procured from external suppliers, precise quality requirements and the utmost production diligence are needed to ensure the standard required by the Group. The grapes must be free from obvious defects, such as rot and deterioration from fungal diseases, damage caused by insects and parasites, and defects caused by adverse weather. The ripeness of the grapes is established by parameters like the required amount of sugars, acids and the pH levels needed to make wine.

For the **procurement of bulk wines**, a strict analytical and sensory control procedure is followed, which starts with sampling the “purchase proposal” through to unloading the tank. Only full compliance with the analytical and sensory chemical and physical analysis will result in the purchase.

Lastly, the **wines produced and bottled by external suppliers** are followed and checked at every stage in the production by a winemaking management, in collaboration with our laboratory, applying the same analytical protocols as the wines produced by Ruffino.

For the bottling and packaging materials, in FY 2022 **we included an acceptance check of all new materials**. The parameters to be evaluated are for all categories (at least as far as the dimension and graphic design is concerned); corks and labels will require additional checks. For the labels, for example, the stickiness to the bottle will be checked, as well as withstanding heat changes and the ice bucket test. Corks are tested for humidity and extraction strength; an organoleptic test is carried out by an internal panel of experts.

<sup>39</sup> Useful for assessing the performance of the testing lab and to ensure improved control and quality of results.



Due to implementing the TPM methodology (see “The road to TPM” section), **the quality management system has been developed from the point of view of full integration with the various departments.**

Quality is supported by our analysis lab to resolve **product complaints and non-compliance** reported by consumers and the retail chain.

Complaints and non-compliance are managed by a multidisciplinary team that uses TPM solving methodologies to pinpoint the root causes of the problems in order to find definitive solutions. Once the problem has been solved, feedback is sent to the client with the outcome of the action taken. Moreover, complaints and non-compliance are discussed with operators and other roles at **regular meetings**, which become a time for sharing as well as training and increased awareness among our people.

At the start of the year, we examine the complaints and non-compliance reported in the previous 12 months before implementing projects specifically aimed at preventing and improving the quality of our products and processes.



During FY 2022, 43 complaints were recorded in total out of 27,538,734 bottles sold, gradually and constantly down compared to 2018. More than 50% of the complaints received from consumers regarded their personal taste in wine and cannot be associated to a problem with the wine sold.

With reference to non-compliance regarding information and the labeling of products and services, three instances concerned incorrect bar codes on boxes.

## Product labeling



In addition to information regarding the safe use of our products, the labels include instructions on how to dispose of the packaging. Ruffino has anticipated the new legislation on environmental packaging labeling, adding progressively a QR code on all back labels that point to a webpage, which states all instructions about disposing the various components.



# Community and the local area



GIVING BACK

We firmly believe in the **responsibility** to the community that all companies are obliged to have, which is why we promote campaigns and projects aimed at strengthening our presence in the local area with the aim of giving back for the hospitality that we receive.

The drive to give back is one of the pillars of Ruffino Cares (see the “Ruffino Cares” section). It is a key element that ensures continued **relationships with the local area** and **business development**. Over the years, we have helped communities close to us with activities with a focus on **society, education, economy and the environment**.

Here are the activities that we developed during FY 2022.

## Dynamo Camp

Dynamo Camp is the leading recreational therapy camp for seriously and chronically ill children in Italy. It is part of the SeriousFun Children’s Network, a community of over 30 camps providing programs for children in more than 50 countries. In FY 2022, we continued to support the camp by looking after 1,200 hectares of greenery, investing 30,000 Euro and 40 hours of volunteer work.

## MIA.DI

MIA.DI was established in 2015 by two pairs of parents whose children are cancer survivors. They wanted to give something back to Meyer, Florence’s children hospital. Every year, the association organizes a **fundraising dinner** and promotes a solidarity project for a medical department at Meyer. We support this charity by giving products for the fundraising dinner, but the event could not be organized this year due to the Covid-19 health emergency.

## Employee Match Day

Employee Match Day is a yearly CBI event in which **employees donate an amount of money** at their discretion for a minimum set value and the company matches it, **doubling the donation** given to the charity. The aim is to incentivize philanthropic activities and social solidarity. More than 2,000 Euro were raised in FY 2022.

## Nourishing Neighbors

The “Nourishing Neighbors” campaign is an annual event whereby long-life products are collected through employees’ grocery shopping and donated to food banks that distribute the goods among the local community.



### Supporting Ukrainians

Following the outbreak of war in Ukraine, we encouraged a food collection among our employees, which were sent to the affected areas by the Misericordia di Pontassieve organizations. We also donated 20,000 Euro to UNICEF to support the populations in need support.

### Ruffino Brand Experience.

#### Sotto Le Stelle summer events series

Ruffino's concept of "Vivere di Gusto" (A Life of Taste), which reflects the uniquely Italian aptitude of living life to the full with good food,

good wine and the joy of spending time together, is communicated in the events that are held on the Poggio Casciano estate. The Sotto Le Stelle summer events series, which took place in the estate's gardens, featured music, movie and poetry, which embraces a vision of life that is intrinsically sustainable and responsible (small groups connected in the present, without overly large groups, wine that meets seasonal zero food mile food, wine as a cup of civilization and never isolated drinking). We can safely say that Ruffino Cares has permeated the Vivere di Gusto concept and that the events held at Poggio Casciano are its ethical and aesthetic accomplishment.

Table 2: Contributions made to community-focused initiatives

SCOPE	ASPECT	Unit of measurement	FY 2022	FY 2021	FY 2020
 <b>GIVING BACK</b>	Donations to associations, hospitals and charities	€	52,000	289,926	43,547
	Employee hours (Dynamo)	Hours	40	40	40
	Products donated to associations	€	5,000 <sup>40</sup>	7,394	12,413
	Support to Ukrainians	€	20,000	-	-
 <b>RESPONSIBLE DRINKING</b>	Merchandising, study grants	€	14,500	21,632	23,024
 <b>SUSTAINABILITY</b>	Ruffino Cares activities	€	30,200	52,570	70,099

<sup>40</sup> The data is the result of an estimate as it is not possible to find out the exact amount.

## Consortia<sup>41</sup>

**Consorzio del Vino Chianti**  
**Consorzio del Vino Chianti Classico**  
**Consorzio del Vino Orvieto**  
**Consorzio del Pinot Grigio delle Venezie**  
**Consorzio del IGT Toscana**  
**Consorzio del Vino Nobile di Montepulciano**  
**Consorzio del Prosecco**  
**Consorzio del Brunello di Montalcino**  
**Consorzio dell’Olio di Oliva Laudemio**  
**Consorzio dell’Olio di Oliva del Chianti Classico**

<sup>41</sup> Ruffino is on the Board of Directors of the first five consortia.

<sup>42</sup> Ruffino is on the Board of Directors.

<sup>43</sup> Ruffino is on the Board of Directors, also as vice-president.

<sup>44</sup> The CEO of the Ruffino Group acts as president.

## Trade associations

**Confindustria Firenze – Territorial Chapter of Confindustria**  
**Federvini (trade association part of Confindustria)<sup>42</sup>**  
**Unione Italiana Vini<sup>43</sup>**  
**Confagricoltori - Florence and Siena Chapters**  
**Confindustria Treviso**  
**Wine In Moderation<sup>44</sup>**  
**Chianti Classico di Castellina in Chianti Producers Association**

