



CONTI
DEGLI AZZONI



THE LOGIC OF HARMONY

Our route to a virtuous sustainability

September 2020

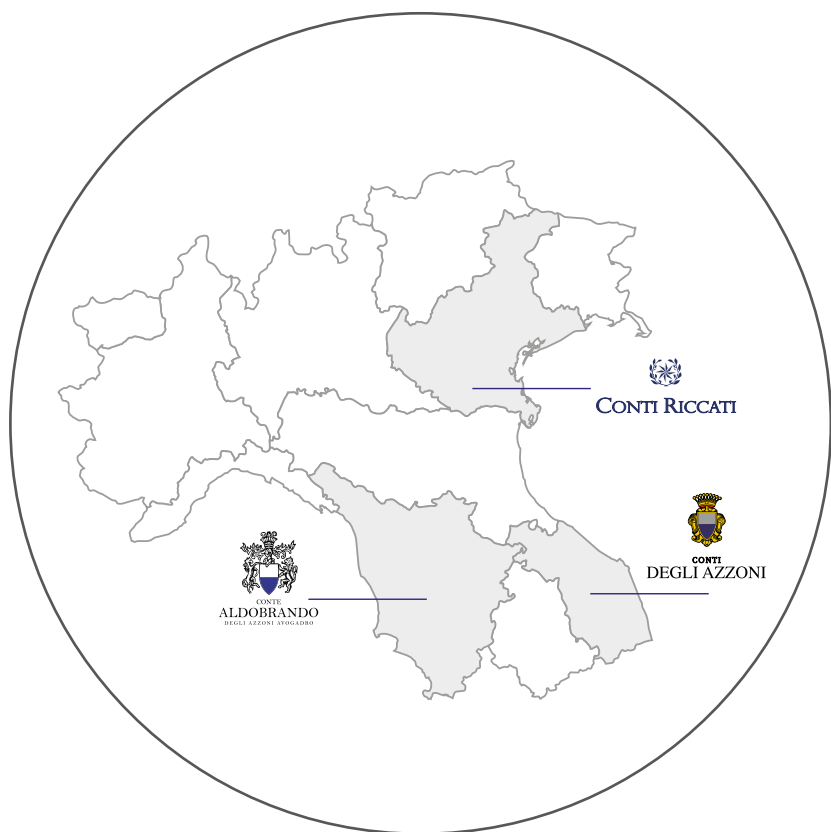
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DEGLI AZZONI WINES

Environmental protection and people safety are what for the philosophy of the brothers Aldobrando, Filippo and Valperto degli Azzoni Avogadro Carradori is based on. They have always tried to apply those values to the business of the three family firms.

Such commitment is communicated and reported in this valuable instrument that is the Sustainability Report. At the moment, Conti degli Azzoni is the sole company responsible for drafting this complex and onerous tool, but the other companies of the group will be soon involved.



Degli Azzoni Wines is a group made of several companies, all property of the brothers Azzoni Avogadro Carradori, distributed all over the regions Marche, Tuscany and Veneto.

The total surface extends across an area of over 1.350 hectares, 175 cultivated with vineyards.



23

hectares of
vineyards

170

hectares of
arable lands

118

hectares of
vineyards

610

hectares of
arable lands

20

hectares of trees

22

hectares of
vineyards

143

hectares of
arable lands

120

hectares of trees



Prosecco DOC
Pinot Grigio IGT
Asolo Prosecco
Superiore DOCG

Passatempo IGT
Rosso Piceno DOC
Sauvignon Blanc IGT
Ribona DOC
Sultano Passito
Beldiletto Spumante

Chianti DOCG
Pinot Grigio IGT
Vermentino IGT

Letter to the Stakeholders

We have reached the third milestone: an unimaginable banner even just 36 months ago, when we published the first and innovative version of our Sustainability Report. And now, instead, we have reached three!

Three Sustainability Reports, linked to each other in continuous evolution and growth.

Our family began a route of environmental awareness more than ten years ago, certain that sustainability was not an ethical issue, but that it could instead generate both material and immaterial value. Today we are even more persuaded and we see that the efforts and the commitments made are proving fruitful. And all this pushes us to do even more and better, that is to say to take care of every single detail.

Let us clarify what we mean by being sustainable. We have been wondering about this every day for a long time. In the end we understood that “being sustainable” means paying attention, asking questions, questioning ourselves and looking for virtuous paths. It also means to wonder whether further and more valuable solutions are available. Once undertaken this, an upward spiral will follow, leading to a growth of the Company from a human and economic point of view as well as an improvement in people’s lives, the land and the environment.

A stimulating path, a continuous research that pushes towards new boundaries. And this is why we have known and embraced Employer Branding, a strategy that focuses on the employees, on their well being and achievements. The latter is a perimeter among those mostly considered by our family and that receives the most energy. It is thanks to the Employer Branding analysis that the creation of a measured, positive, highly participatory work environment becomes fundamental and in which, in addition to sharing company values, everyone can fully express their abilities, regardless their role or age. In other words, the goal is to operate through a professional ethics that considers the employee at the center of the company, respecting their integrity and qualities.



We are persuaded, in fact, that being virtuous, that is to say being sustainable, brings that added value that can be shown in a thousand aspects: from the most peaceful and therefore productive working environment, to the more protected external environment, up to creation of value where the final consumer is an evolved person who is informed and knows how to recognize and appreciate the efforts made to protect the environment.

The word “sustainability” is often repeated, linked to the concept of ecosystem to be preserved. Despite that, understanding its meaning is neither simple nor trivial.

As far as this is concerned we consider it useful to repropose a text written by the professors of the University of Siena, Prof. Tiezzi and Prof. Marchettini, in which it is explained how “... nature (understood as an ecosystem) is a continuous and wonderful ecodynamic flux... (where) the ecosystem is a very intricate set of relationships that maintain life, in its many forms, in a continuous chase of processes that counterbalance each other... to which the amateur alludes with expressions such as the harmonious balance of nature but which have nothing static or perpetual.

Man is also nature if meant as a mankind and he and all his influences on the environment are also an ecosystem. The fact that mankind exploits or tries to modify part of the environment they live in does not make it an extraneous species to the ecosystem, because even this behavior is only one of the relationships that make up the ecosystem and that contributes to determining its evolutionary path. At best, it can make a stupid species out of it, causing its own self extinction to the benefit of other species”.

Finally, the question is: do we really have the strength to change? Do we sincerely believe this needs to be done? We believe in only one answer: that a different future is possible and that the turning point can be right now.

In the next pages we will try to explain what we are doing on our path.



**Aldobrando
degli Azzoni Avogadro
Carradori**



**Filippo
degli Azzoni Avogadro
Carradori**



**Valperto
degli Azzoni Avogadro
Carradori**

Methodological Note

This document has been drafted by a team made up of both internal and external staff following guidelines recognized both nationally and internationally.

External staff



PATRIZIA CAMILLETTI
Network Advisory



MONICA MAURINO
Network Advisory



PIERLUIGI DONNA
Sata Studio Agronomico



STEFANO DONARINI
Multimedia

Internal staff



**GIANFRANCO
CANULLO**



**BEATRICE
ACCATTOLI**



**SAVERIO
ILLUMINATI**

We have reached the third edition of the Report of Sustainability of the Conti degli Azzoni company. Also this year the document was made thanks to the support of a team composed of both internal and external technicians each one with specific functions:

- **Network Advisory** for planning and drafting the document
- **Studio Agronomico Sata** to calculate carbon footprint and to verify that good environmental practices about the vineyards
- **Internal team work** for the collection of data and the identification of key indicators

The strategic lines have been defined by the property.

Data and information included in the Sustainability Report refer to the Farm belonging to Azzoni Avogadro Carradori s.s. agricultural society and to the farm Bio degli Azzoni s.s. agricultural society, except where specifically indicated differently.

The document aims at representing the overall reality Conti degli Azzoni.

Starting from the description of the company identity and giving information about the origin of the family, **it reports the results of the management of the period of reference divided into three main areas of the sustainability** (environmental, social and economical). It declares as well the aims the family focuses on for the future.

This Sustainability Report refers to the fiscal year 2019 even if further data related to previous years have been included whenever possible to provide with some comparisons and analysis.

References for the Sustainability Report



GUIDELINES OF THE GLOBAL REPORTING INITIATIVE (GRI)

To evaluate the economical, social and environmental performances of the organization.

www.globalreporting.org



SUSTAINABLE DEVELOPMENT GOALS, SDGS

To identify the goals for global sustainable development to be reached by 2030.

www.un.org/sustainabledevelopment



ITA.CA PROTOCOL ITALIAN WINE CARBON CALCULATOR

To calculate the greenhouse effect gas emissions and the water consumption for the italian viticulture sector.

www.agronomisata.it/impronta-carbonica

Sustainable Development Goals

In September 2015, United Nations have approved **The Global**

Agency for the sustainable development and the related 17 goals (Sustainable Development Goals SDGs) **to be reached by 2030.**

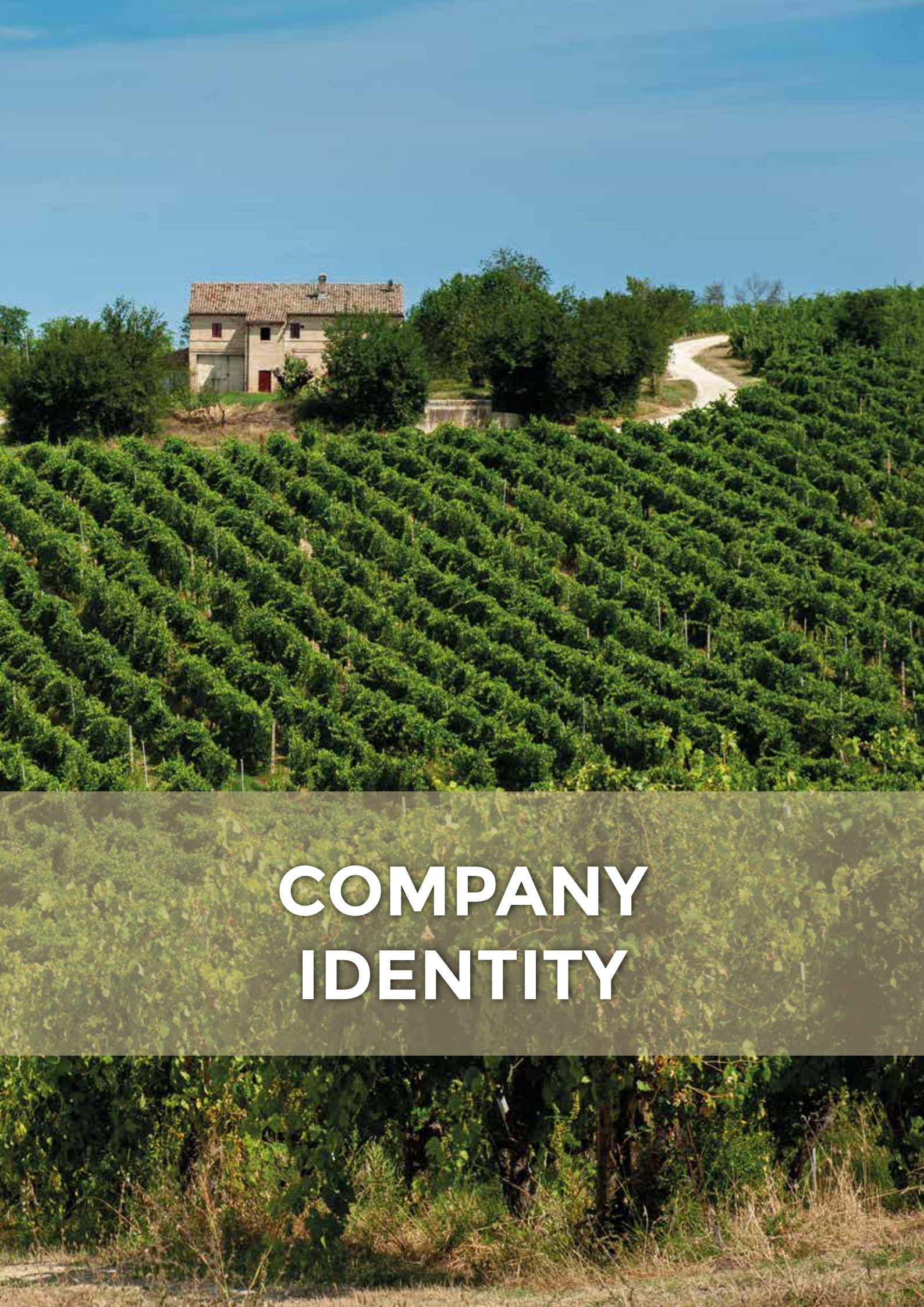
Such goals aim at stopping poverty, contrasting inequalities and preventing climate change. All the countries are required to

contribute to the effort of leading the world along a sustainable path and this requires a strong involvement of all the components of the society. In particular, **the companies are required to contribute through sustainable business models**, investment in innovation as well as activating collaborations with the stakeholders.



In this context Conti degli Azzoni aims at explaining its commitment to sustainability by relating also with the 17 objectives that make up the United Nations 2030 Agenda as early as next year, defining priorities, measuring results and communicating to obtain or improve their performances.





COMPANY IDENTITY

About Us

WE OWN A FAMILY FARM IN LE MARCHE TERRITORY WHERE
WE CULTIVATE ARABLE LANDS AND PRODUCE WINES.

**WE AIM AT MAKING SUSTAINABILITY OUR MOST
IMPORTANT VALUE.**



The agricultural farm Conti degli Azzoni has a long heritage from the family dating back to the XIV century.

The farm extends across an area of over 850 hectares covering over a wide range of towns in the province of Macerata. A total surface of 118 hectares is cultivated with vineyards, 610 hectares with arable lands and 17 with vine shoots. Apart from the cellar, the remaining part includes 30 farmhouses and their surroundings courts, trees, waterways.

As far as the variety of **vineyards, traditional grape** varieties from the ampelographical landscape from Le Marche have been given more relevance. Sangiovese, Maceratino and Grechetto integrated to the cultivation of the classic **international grape** varieties Merlot, Cabernet Sauvignon and Chardonnay. Every vineyard has its own story to tell, a peculiar character reflecting in the produced Wines.

In the cellar every productive step aims at enhancing the qualities that the season and the territory have expressed in the grape: a tale and a DNA that are inevitably evident with every sip of the wines made from them.

Highlight of the company is the nursery.

It is a long heritage from the family with the stock nurseries used as rootstock. The vine shoots, dating back to the XIV century, represent the beginning phase of the implant project of the vineyards. For the vineyard to be successful, a wide range of rootstocks that are suitable for both pedoclimatic conditions and to specific forms of farming need to be available. Having a nursery of vine shoots used as rootstock results in the ability for the farm to graft the various qualities of grapes, including organic qualities, on the available rootstock.

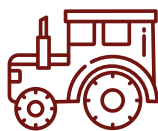
The **arable lands** are represented by annual rotating crops such as: wheat, barley, sunflowers, parsley, basil, rocket and other small crops. All the products are to be sold to widely known Italian food industries (Barilla, F.lli Polli, F.lli Saclà, etc.).

Conti degli Azzoni has cultivated organic basil and parsley for over 20 years. In the last years such production system has been extended to other crops as well as several vineyards in order to convert to organic the whole production. This choice delineates the future path of the company.



850

hectares of
property



610

hectares
arable lands



118

hectares
vineyards



20

hectares
trees



17

hectares
nursery

History of the Family

THE FAMILY CONTI DEGLI AZZONI AVOGADRO CARRADORI IS THE RESULT OF THE MEETIN OF **THREE NOBLE FAMILIES** ALL OVER HISTORY. EACH FAMILY WAS CONNECTED TO AN ITALIAN REGION **CONTI CARRADORI FROM LE MARCHE** **CONTI DEGLI AZZONI AVOGADRO FROM VENETO AND** **TUSCANY AND CONTI RICCATI FROM VENETO.**





CONTI CARRADORI

1500

The family **Conti Carradori** lived in the region **Marche** already since XIV century. They were "carratori", that is to say professional wheelwright, who built and fixed carts and carriages. They quickly grew economically and socially and there fore acquired lands for about 2.000 hectares in the towns of Montefano, Osimo, Recanati, Potenza Picena and Porto Recanati.

1800

The heirs of Fililppo Carradori (the siblings Telesforo, Carlo and Edvige) **made a determining choice for the family history** and for the destiny of the Gruppo degli Azzoni. They stated that, **upon the death of one of them, all the lands would be inherited by the siblings.**

Once the two brothers passed away, all the properties were inherited by Edvige Carradori, who married the Marchese Lotario Rangoni Machiavelli di Modena in 1975 and had three children: Giuseppe, Isabella e Filippo.

CONTI DEGLI AZZONI AVOGADRO

1500

In the XIV century **the venetian family Azzoni was entitled the noble title of Counts** for merits of avogaria, that is to say the administration of diocesan properties. Hence the extension of the surname to Conti degli Azzoni Avogadro and the creation of an emblem made of a silver truncated shield.

CONTI RICCATI

1600

The family Conti Riccati has venetian origins dating back to the year One Thousand, even if it is documented only starting from around the first half of 1600.

1800



The history of the family Conti Riccati meets the destiny of the family Conti degli Azzoni Avogadro in 1800 when Augusta, the last direct descendent of the Counts Conti Riccati, marries Roberto degli Azzoni Avogadro, having a dowry made of the family properties, thus joining the properties of degli Azzoni Avogadro.

1900



In 1906 the Count Aldobrandino degli Azzoni married Isabella Rangoni Machiavelli who had a dowry made of the current farm in Le Marche located in the province o Macerata.

In 1910 Aldobrandino **fell in love with the Tuscan hills and bought the farm in province of Pisa**, still managed nowadays by Aldobrando, the oldest of the three siblings of the family.

In 1954 Isabella asked her son Roberto to add her mother Edviges' surname to hers, becoming the current **family Conti degli Azzoni Avogadro Carradori.**

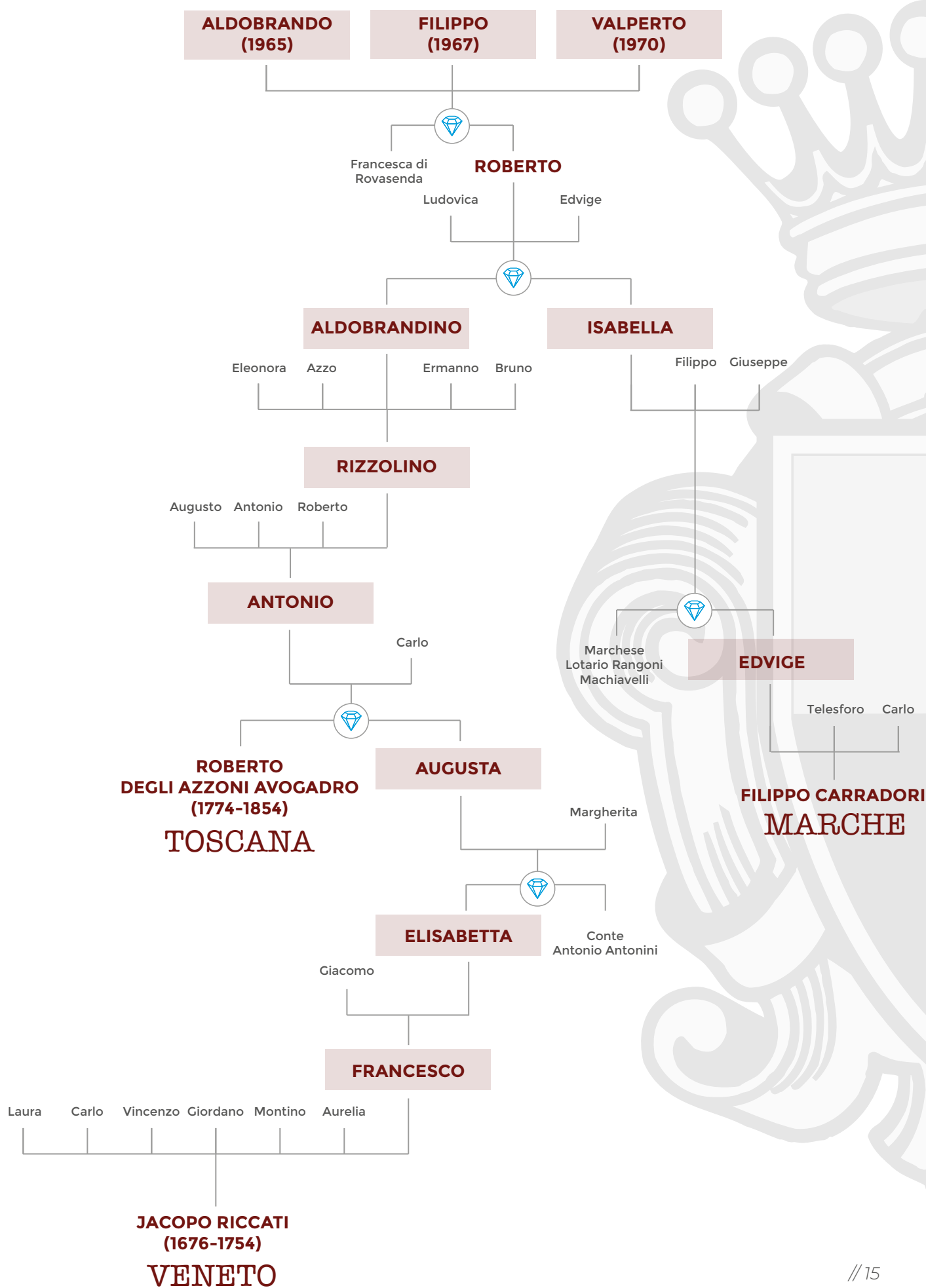
1950

The management by the Count Roberto began at the beginning of the fifties.

Since then it has gone through periods of **important transformations: the end of the sharecropping** and the subsequent need to reorganize the company productive set up determined huge invest ments in that period in modern machinery and tools, as well as a **new cellar building and the purchase of new watering systems. The current farm Conti degli Azzoni Avogadro Carradori was born.**

2000

Since 2000, year when Count Roberto passed away, the three sons **Aldobrando, Filippo and Valperto Conti degli Azzoni Avogadro Carra dori**, currently own the property and **continue their father's work preserving the traditions from the past and planning the future** aiming and a constant growth, enhancing people's value as well as the environment and the biodiversity that lays in the territory.



Our Values

THE ACTIVITY, THE CHOICES AND THE DAILY ACTIONS OF WHO EVER WORKS IN CONTI DEGLI AZZONI ARE BASED ON FIVE VALUES THAT INSPIRE THEM.

PASSION

Loving their job and taking care of the environment, of the product and of all the phases of the production.

COMMITMENT

Having the responsibility of delivering to the future generations a richer land than what we received from our fathers.

VALORIZATION

Focusing on the person.

TRUST

Strengthening the relationship with all the interlocutors to build a better future together.

INTEGRITY

Choosing to be doing always what is right to build a strong and healthy company.



The Territory

LE **MARCHE** IS A REGION CHARACTERIZED BY ALTERNATING HILLS AND VALLEYS DESCENDING FROM **THE APPENNINES** TO THE **ADRIATIC SEA**.



A Territory, multiple crops multiple products.

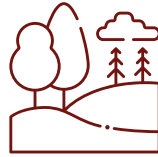
The farm is located **in the heart of Le Marche, a hilly territory about 100km far from Monti Sibillini and 20km away from the Adriatic sea.** This makes the crops influenced both by the seaside and the countryside hills temperature and weather.

It is an agricultural environment where you may still notice signs of the sharecropping. Small plots, alternating vineyards and other crops of several types and some residual woods and countless farmhouses tell the story of past lives.



11%

lowlands



53%

hill



36%

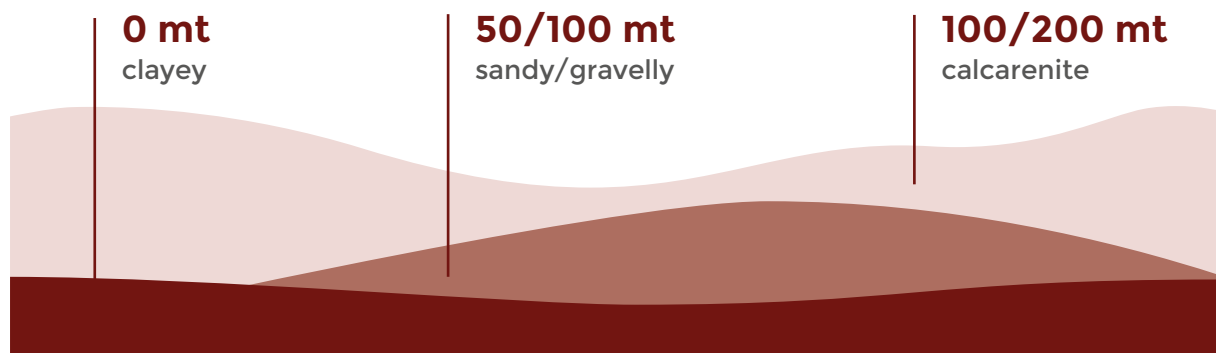
mountain

These lands are fairly assorted thanks to how wide the farm surface is, and how different the soil is, as well as how various the weather is and the range of crops and geographical origins.

They are characterized by **alluvial plain settling areas**, up to hilly **surfaces made of cal-**

cite limestones with different inclination slopes (from 100 to 200 meters).

Each of these lands presents different aspects of attention and specific advantages that the wine growers continuously take into account when managing the soil and vineyards daily.



The diversity of soils influenced considerably the choice of vines to grow and of good cultivation practices to be performed to protect the territory. For this

reason Conti degli Azzoni has undertaken in the last years forms of constant control about the integrity of the soil, through BiodiversityPASS®.

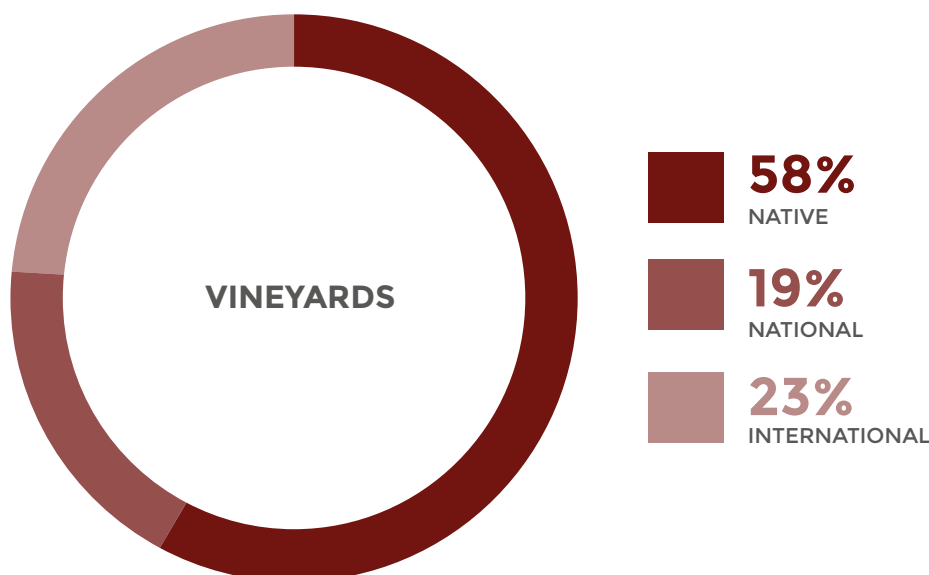
Vineyards

THE WINES OF OUR CELLAR TELL THE STORY AND THE PECULIAR CHARACTERISTICS OF THE TERRITORY WHERE WE LIVE.

Every vineyard has a peculiar story and identity: a tale and a DNA who can't be missed in every sip of the wine coming from it. For example **the most ancient vineyard, Passatempo** located on the Monte Carnevale, where an exceptional Montepulciano comes from; or the vineyard **Ribona** mother of the homonymous wine or even the Villa Potenza, hosting, nurturing and caring for the precious vineyards coming from faraway lands enriching them with the unique imprinting. Furthermore the vineyards Cantalupo, Monti and Polpano where **Grechetto, Sangiovese** and **Rosso Piceno** originate.

These traditional vineyards from the ampelographic landscape from Le Marche as well as the classic national and international traditional vineyards such as **Merlot, Sauvignon Blanc, Cabernet, Sauvignon, Pinot Grigio** and **Chardonnay**.

Finally the vineyards Margherita and Beldiletto, the **40 hectares** vineyards that the Conti degli Azzoni dedicated to the **organic production** that maps out the future route of the farm following the century old familiar tradition made of love and respect for the nature.





The Cellar

The Cellar has recently been restored to make sure the most modern technologies are used and the grapes respected.

It is subdivided in several:

- The actual cellar where all concrete and steel tanks are located and that is equipped with a thermal air conditioning system to refine and has a small laboratory for internal analysis.
- An area dedicated to bottling and to the storage of wines.
- The Company's sales point where some typical products of the territory are sold alongside the wines of our own production.

Next to this building there is one more with a large lounge used for the organization of events and tastings.

Conti degli Azzoni also owns one beautiful barrique cellar of oak barrels where the wines for the Riserve are ripen refined. It is located in the basement of a historic building owned by the family. On the first floor of this building are the administrative offices.





Wines



Our goal is to be leading
the territoriality and the
typicality of our region
through products of excellence
in Italy and in the world.



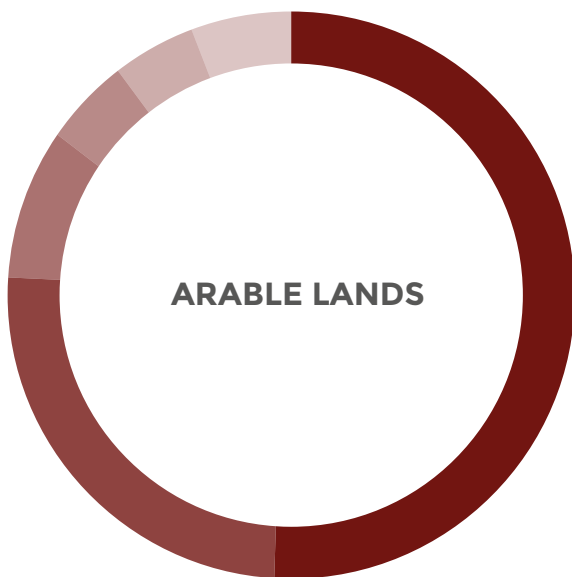
Not only wine

IN ADDITION TO WINE, WE CULTIVATE ARABLE LANDS WITH PERENNIAL ANNUAL CROPS IN ROTATION.

WE ALSO HAVE AN OLIVE GROVE.

The type of arable land and related cultivated quantities alternate over the years (crop rotation) to maintain soil

fertility and ensure the products and more abundant.



51%
CEREALS

25%
SUNFLOWERS

8%
ALFALFA

5%
PARSLEY AND BASIL

5%
RAPESEED

6%
OTHER





The Productive Process

WINE



Viticulture



Grape harvest



Wine making



Bottling



Transportation



Consumption

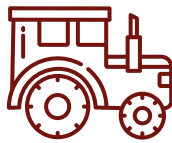
Our focus on environmental, social and economic sustainability affects all phases of our business, from the agricultural activity to the marketing of wine and other products.

ARABLE LANDS

Agriculture



Harvesting



Packaging



Transportation



Sale







STAKEHOLDERS

Map of the Stakeholders

Conti degli Azzoni have created their **Map of Stakeholders** to identify every subject that influences and/or is influenced by the choices and activities carried out by the Company, by the manufactured products and by the achieved performances.

For each category of stakeholder the **key issues** have been identified and analyzed. A **useful exchange** to deepen the relative needs and expectations aiming at a continuous improvement started.



human resources



clients



distributors



consumers



suppliers



abroad



universities



contractors



media



local community



future generations



AWARE THAT THE PATH OF SUSTAINABILITY LASTS OVER TIME
IN AN INTEGRATED CONTINUOUS INVOLVEMENT.

STAKEHOLDER	KEY AREAS	MEANS OF COMMUNICATION
HUMAN RESOURCES employees, collaborators, interns	Enhancement and personal growth Sense of belonging Personal/work life balance Equal opportunities Safety in the workplace Product quality and safety Atmosphere at work Enhancing of the territory Environmental Protection	Direct contact Specific meetings Training Presentation of results through the sustainability report
CLIENTS AND CONSUMERS final customers, wine shops	Product quality and safety Transparency and clarity information Traceability of the product Environmental Protection Correct communication Continuity of the relationship	Direct contact Surveys Website and social
DISTRIBUTORS M.M.R. and distributors abroad	Quality and safety of the product Reliability Continuity of the relationship	Direct contact
SUPPLIERS goods, services, labor	Business solidity Reliability Collaboration	Direct contact Surveys
MEDIA newspapers, TV, specialized magazines	Quality and safety of the product Brand promotion Human resources enhancing Environment protection	Direct relationship
RESEARCH AUTHORITIES universities	Innovation Continuity of the relationship	Direct contact Projects development
PUBLIC AUTHORITIES town halls, regions, other	Transparency Honesty	Direct contact
LOCAL COMMUNITIES schools, local organization, citizens	Quality and safety of the product Human resources enhancing Territory enhancing Protection of the biodiversity Environment protection	Projects development Events organization
FUTURE GENERATIONS	Environment protection Protection of the biodiversity Safeguard of the biodiversity	Development of specific initiatives Events organization







PEOPLE VALUE

Human Resources

EVERY COMPANY ONLY DEVELOPS THANKS TO THE PASSION AND PROFESSIONALISM OF THOSE WHO WORK FOR IT.

81	99%	85.373	39	14
people	local origin	hours of work	average age	average seniority

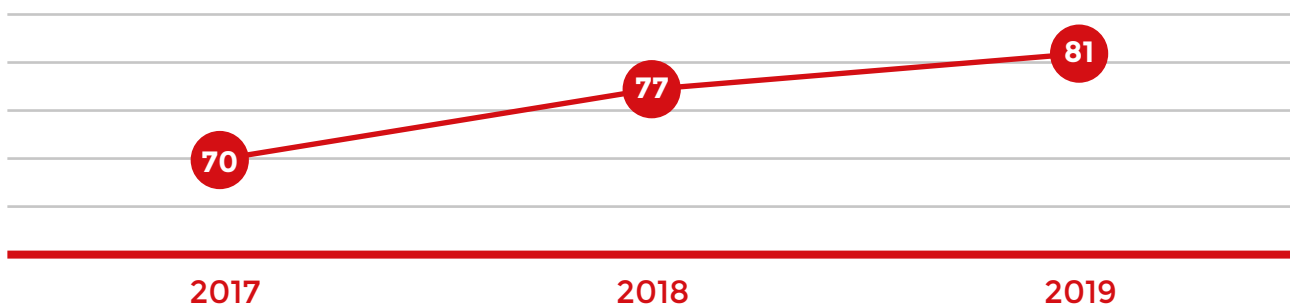
Human resources represent for Conti degli Azzoni the most precious value.

Every single person has their own cultural and unique experiential and knowledge baggage and a sense of belonging to the

territory so that its protection is guaranteed for the future generations.

In 2019 the company employees overall 81 staff (+5 compared to 2018), thus keeping up with the growth trend.

HUMAN RESOURCES TREND



The policy about
the management of the people
who work with us is
based on 5 essential points:

1. Enhancing and growth of
the people
2. Health and safety
in the workplaces
3. Equal treatment
4. Sense of belonging
5. Good atmosphere at work



The agricultural activity is characterized by the presence of a strong seasonality, that is to say the sequence of periods of great labor intensity and periods of low intensity. In particular, some specific activities increase over the spring and summer. These are suitable periods for pruning, reduction, grape harvest and manual harvesting of grapes and horticultural crops products are concentrated, while they decrease in autumn and in winter.

To better manage all this, Conti degli Azzoni makes use of fixed term **contracted staff and seasonal staff** as well as the usual permanent staff thus making it a part of the variable workforce.

All employees are carefully selected and trained.

The data shown below consider the whole the Company's workforce in the year of reference, that is the calendar year.

All employees are hired in compliance with the National Collective Agreement.

In particular, the Company complies with:

- **National Collective Agreement for Agricultural employees** for those employees with this qualification
- **National Collective Agreement for Agricultural employees and Agricultural workers and Nursery gardeners** for the employees qualified as such

The whole Human Resources management, including the administrative are, is managed completely by Conti degli Azzoni internally.

COMPOSITION AND TRENDS

In 2019 the Company has **6 staff office** workers (7% of the total) and **75 workers** (93% of the total).

The latter consist of 7 permanent workers OTI (36%), 15 fixed term workers OTD (20%)

and 33 seasonal workers (44%).

Compared to the previous year an increase of 1 unit of fixed term workers and 5 units of seasonal workers was registered.

STAFF PER QUALIFICATION	2017	2018	2019	VARIATION % 2018/2019
Employees	5	6	6	0%
Workers*	65	71	75	+5%
TOTAL	70	77	81	+5%

* Permanent contract workers, temporary workers and seasonal workers are to be considered in this category.

7%
EMPLOYEES

93%
WORKERS

STAFF PER TYPE OF CONTRACT	2017	2018	2019	VARIATION % 2018/2019
Permanent contracts	33	34	33	-3%
Fixed term contracts	13	15	15	0%
Seasonal	24	28	33	+18%
TOTAL	70	77	81	+5%



About half of the total workers **(41%)** have a **permanent contract** and **100%** of employees work **full time**.
Conti degli Azzoni considers really important that the staff hired to the company originally comes from the local community because this represents one of the several ways of **enhancing the territory**

where it works. This is why **99% of the staff** is from **Montefano and surroundings (maximum distance 20km far away from the Company)** and the remaining **1% from Other Regions**. Compared to previous years, more seasonal employees from Montefano have been hired.

BUSINESS	2017	2018	2019	VARIATION % 2018/2019
Part time	69	77	81	+5%
Full time	1	0	0	-
TOTAL	70	77	81	+5%

1%
PART TIME

99%
FULL TIME

STAFF PER GEOGRAPHICAL ORIGIN	2017	2018	2019	VARIATION % 2018/2019
Montefano	37	37	45	22%
Regione Marche	31	39	35	-10%
Fuori Regione	2	1	1	0%
TOTAL	70	77	81	5%



Analyzing the composition of workers by age, educational qualification and average seniority of work, we can easily detect the evident trend of Conti degli Azzoni to support experienced people as well as young and dynamic people. In fact, the company counts internally people of every:

- very young boys with little experience who at the same time show very important features to pave the way to the future
- workers who have been in the company since over 30 years with a huge amount

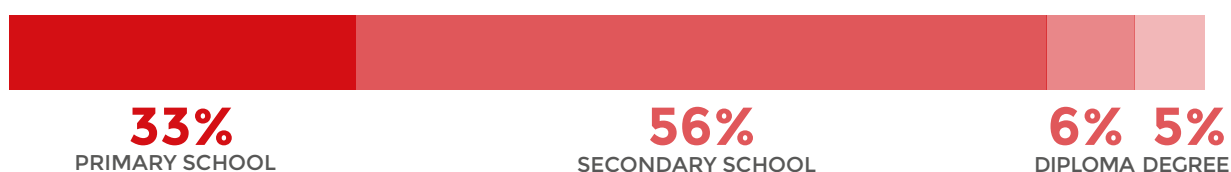
of experience that young people need to acquire

- dynamic middle aged workers with a fundamental level of knowledge and professionalism for the business solidity

The contamination of these different ages, in a way so distant due to the strong socio cultural changes, educational and technological of recent decades is for Conti degli Azzoni a great source of wealth.

STAFF PER AGE RANGE	2017	2018	2019	VARIATION % 2018/2019
< 35 anni	28	29	38	+31%
35-50 anni	19	22	19	-14%
> 50 anni	23	26	24	-8%
TOTAL	70	77	81	+5%

STAFF PER EDUCATIONAL QUALIFICATION	2017	2018	2019	VARIATION % 2018/2019
Degree	2	4	4	0
Diploma	27	23	27	+17%
Secondary School	33	41	45	+10%
Primary School	8	9	5	-44%
TOTAL	70	77	81	+5%



AVERAGE WORK EXPERIENCE	2017	2018	2019
Permanent contract	12	13	14

EQUAL OPPORTUNITIES

The analysis of the composition of the staff by gender shows that the number of **women employed**, apparently low (13 overall, 16% of the total), is actually a very relevant value for Conti degli Azzoni, especially considering the sector in which it operates.

In 2019 the presence of women has slightly decreased compared to the previous year (4 units).

Actually the number of women with qual-

ifications as employees and workers remained unchanged, while the female presence among seasonal workers has been reduced.

Women are given roles of coordination and management of means once exclusively assigned to men.

Conti degli Azzoni guarantees women equal treatment.

STAFF PER GENDER	2017	2018	2019	VARIATION % 2018/2019
Male	58	60	68	+13%
Female	12	17	13	-24%
TOTAL	70	77	81	+5%



TURNOVER

In 2019 three new people were hired, all workers with a fixed-term contract and an average 21 years old. In the same period six left for several reasons, 5 of which

had a permanent contract. Some reasons were: having reached the retirement age, failure to renew the contract and voluntary resignation.

TURNOVER	2017	2018	2019
In	+5	+1	+3
Out	-	-2	-6
TOTAL	+5	-1	-3



TRAINING

LIFELONG TRAINING AND INNOVATIVE PROJECTS

DEVELOPMENT ARE TWO FUNDAMENTAL PREROGATIVES FOR THE GROWTH OF THE PEOPLE AND THE COMPANY.

Conti degli Azzoni manages the main part of the training of their human resources through **training on the job** activities, because they believe that learning by doing is more effective.

To do so, they organize recurring meetings about issues that require a high level of professionalism involving both specialized external professionals and internal workforce. Some examples are trainings about soil management and agronomic practices.

On these occasions, specific attitudes of the involved subjects emerge. In particular **the most promising young people** are progressively assigned monitoring and coordination roles.

The company also strongly believes in **research and in continuous innovation** both in terms of business practices that may relate to agriculture, viticulture or the cellar activities, and in terms of introducing tools and technologies to support these innovations.

This is why, **every year they realize innovative projects with research institutes and external professionals** who coordinate these as well.

The direct involvement of young people as well as the various company managers to such projects, guarantees the development of specific skills, which will be later spread throughout the entire organization.

In 2019, the Company organized several training courses as well as those mandatory by law. Some examples:

- **on the job training sessions offered at various company levels**, about issues concerning viticulture and sustainable soil management, held by the agronomist during the year.
- **on the job training meetings on the most important stages of winemaking on wine products** held by the oenologist during the year.
- **training on administrative and marketing aspects** aimed at some administrative staff.

The training activities aimed at the professional growth of people are generally promoted by the company, but workers can propose the participation in refresher courses they feel they need to revise.

HEALTH AND SAFETY

Conti degli Azzoni is committed every day to guarantee that the staff can continue working in a **healthy and safe environment**.

In full compliance with the regulations of reference, Legislative Decree 81/2008, the Company has set up a prevention and protection service in the workplace that affects more people, through which it insures the maintenance of adequate standards of safety and the achievement of defined goals.

With the help of the prevention and protection service the Company has:

- put in place a process to identify all risks due to the work performance for the

workers safety and health

- drafted an evaluation document of the risks in accordance with current legislation
- appointed the key figures required by legislation (RSPP, RLS, competent doctor)
- equipped the premises with signs and fire extinguishers
- adopted risk mitigation measures in the vineyards, in the cellar, in the bottling sites and in any other internal place
- trained, informed and made all people in charge and all staff aware on the subject of health and safety and repeated such activities when it came to new hires and changes of role.

Particular attention is given to the aspects related to health especially through providing advanced protective means.

The most representative example is related to a rapid turnover and replacement of the old vehicles with pressurized cabin tractors to guarantee the quality of the breathed air. Those cabins are quiet and cushioned for a greater comfort during operations.

The data in the table below shows very important results for Conti degli Azzoni: **no serious accidents have occurred in recent years within the company and over time the number of days of sick leave has shrunk.**

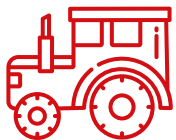
INJURIES AND SICK	2017	2018	2019	VARIATION % 2018/2019
number of injuries	0	0	1	-
number of sick	0	0	16	-
number of days sick leave	117	82	82	0%

Contractors

WHEN IT COMES TO CHOOSING CONTRACTORS, THE COMPANY VALUES DIFFERENT PARAMETERS GOING BEYOND THE ECONOMIC ASPECTS. THESE PARAMETERS ARE THE TERRITORIALITY, RELIABILITY, PROFESSIONALISM, ETHICS AND COMPLIANCE WITH THE REGULATIONS.

To carry out those operations that are equipped with specific equipment and highly specialized workforce, Conti degli

Azzoni makes use of the collaboration of external firms.



Threshing: over 30 years ago, the company has decided to assign the threshing of the arable lands to two external contractors, to optimize times and due to budget reasons.



Harvest: the harvest in company is hand made on all selections by internal staff; on the remaining vineyards it is carried out partly by hand and partly by machine. The mechanical harvest is assigned to a specialized subcontractor who can guarantee punctuality and work efficiency and also helps the company to manage problems of machinery storage, maintenance and spare parts; the relationship with the subcontractor has consolidated over the years: this allows high precision and reliability on the job.



Bottling: the bottling activity is carried out four times a year, therefore the company considers it more appropriate to contact a subcontractor rather than implementing a line of internal bottling. They provide state of the art equipment and specialized personnel who carries out the bottling in the cellar.



Employer Branding

WE AIM AT OPERATING THROUGH A PROFESSIONAL ETHICS THAT FOCUSES ON THE EMPLOYEES RESPECTING THEIR INTEGRITY AND QUALITIES.

In 2019, Conti degli Azzoni decided to carry out an **enhancement and engagement project of its employees**, aiming at an innovative communication

strategy between company and workers, in order **to create a positive work environment**, of greater participation and sharing of values.



GOALS

Attract the best resources in the labor market

We want to aim at a corporate image that is consistent with the company identity as an ideal workplace, in order to attract and retain talented employees.

Retain existing human resources

We want to enhance and develop their potential by offering them opportunities of growth and improvement, such as training or other activities.

Communicate effectively

We want to simplify internal and external information to define and spread an effective proposal of values proposition to employees and customers, through well identified channels.

THE PROJECT

Conti degli Azzoni, with the support of *Lighthouse Employer Branding* has developed some guidelines of the project **Employer Branding** that will be implemented in 2020.

In order to set up a correct strategy, the following will be evaluated:

- the degree of **Employer Brand** that a company possesses, that is to say how

the employer is recognized internally (from their collaborators point of view) and externally (on the labor market, in terms of reputation);

- the Company's way of communicating to attract resources and keep those present (**Employer Branding**);
- the values the Company wishes to be associated with it (**EVP Employer Value Proposition**).

The project will be divided into 4 phases:

ANALYSIS

The analysis of the working environment is fundamental as it will allow to evaluate the degree of Employer Brand of the company. For a quantitative and qualitative analysis, therefore, statistical tools will be used and questionnaires will be administered to both the property and the employees. We will investigate the values, the aptitude for innovation and change, the growth, personal satisfaction, involvement, relationship with the company and with colleagues.

ORGANIZATION

The main activities of the organization phase will be: identification and positioning with a valid EVP (Employer Value Proposition), economic measurement of the strategy benefits, creating an employment experience.

ACTIVATION

The activities agreed in the previous phase will be put into practice in this phase involving stakeholders to intervene in critical areas. For example: training activities, team building, team commitment.

COMMUNICATION

The phase will aim at improving and structuring the internal communication processes among leadership, management and employees. Knowing how to communicate will allow to create a positive work environment that will bring benefits in terms of productivity and profitability both inside and outside the company. Some specific activities will be the implementation of internal communication procedures, social media marketing, events.

IMPLEMENTING

Ad hoc activities will be implemented to achieve the pre established objectives.

In particular, we will try to build **an Employer Brand aligned with such values as corporate sustainability, ability to innovate and**

produce quality with focus on:

- **improvement of the corporate organization**
- **greater employee involvement**
- **investments in employee training and in the leadership of managers**







CONSUMER PROTECTION

Who We Sell to

95%

Italian sale

67%

direct sale

72%

local suppliers

0

complaints

The company sells wine and agricultural products. Among the latter, the most significant turnover comes from the sale of barley, wheat, sunflowers, basil, parsley, radicchio, and nettle.

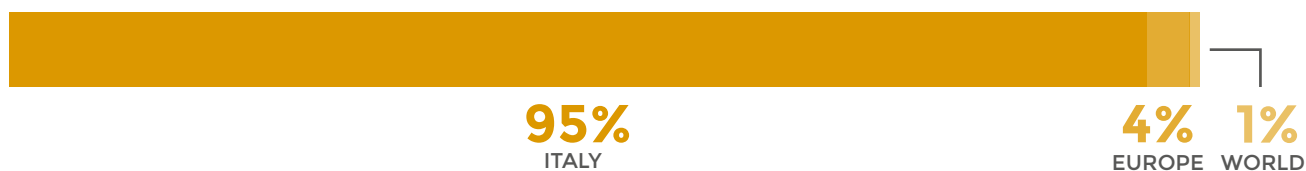
95% of sales take place in Italy and the

most used distribution channel is certainly the direct one (67%) where we find both the sale of wines in the company shop and direct product sales to Italian agri-food companies.

INCOME PRODUCT TYPOLOGY



INCOME GEOGRAPHICAL ORIGIN



INCOME FOR CHANNEL



We apply
3 main principles to
guarantee quality products:

1. Careful selection of the suppliers, particularly about raw materials
2. Continual monitoring of the products along their productive process
3. Transparency towards customers and consumers

Awards and Prizes

There are several prizes and awards obtained in authoritative competitions, and by specialized journals both national and international. These confirm the commitment of the Company in always

seeking the right compromise between production, quality and needs of your market.

Below is a list of the main awards obtained in 2019.



PASSATEMPO 2012
IGT Marche Rosso



BERLINER WINE TROPHY
GOLD medal

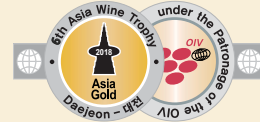


IWSC LONDRA
GOLD medal

CONTE ROBERTO 2009
Colli Maceratesi Rosso DOC Riser



BERLINER WINE TROPHY
GOLD medal



ASIA WINE TROPHY
GOLD medal



IWSC LONDRA
GOLD medal

v i t a e
LA GUIDA VINI
2020

IVINI DI
VERONELLI
2020

VINIBUONI
D'ITALIA

LE MARCHE NEL BICCHIERE
2020

golosaria

“The awards pay back the commitment that we put in the loving care of our wines and our land, but also our desire to let the quality of wines from le Marche be known all over the world.”

(Aldobrando degli Azzoni)

Labelling

The Company aims at giving importance to clear and transparent information about their products and wants to enrich the labels in the future with other accompanying documents with additional information. This will be done for example by adding links to web pages where such products are presented in a more thorough and engaging way.

Currently the wine labels contain informa-

tion required by law (denomination, bottling company, bottling lot, country of production, volume, percentage of alcohol and possible allergens presence).

The cultivated products instead do not have a label, beings shipped to third party companies. They are instead accompanied by transport documents where all the information requested is reported complying with the regulations for traceability.



How We Purchase

Our attention to the product, and consequently to the final consumer, begins when purchasing.

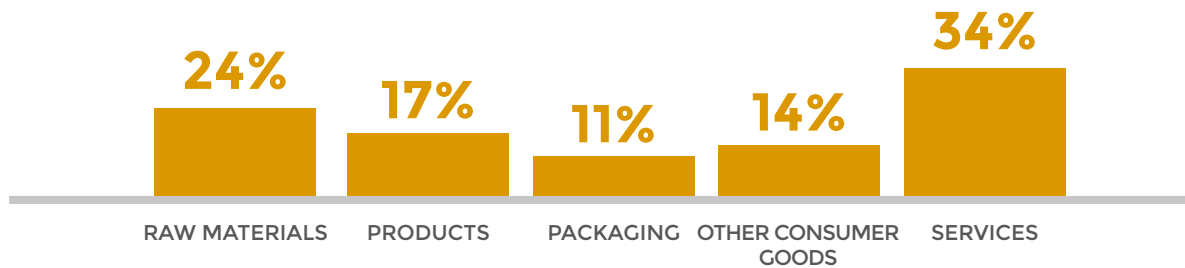
The agricultural and wine production chain is composed by a number of actors who compete together to create finished products heading to consumers' tables.

Creating a partnership, above all with those who provide everything that affects the final product, is essential to guarantee qual-

ity and safety to the customer. Therefore **the Company chooses carefully its suppliers** paying attention to product quality and service offered as well as to the price, to health and hygiene aspects, to punctual delivery and to direct knowledge.

Particular attention is paid to the purchase of raw materials, agricultural and oenological products and to packaging.

PURCHASES PER TYPOLOGY



Locally, the main types of purchase concern: raw materials (grapes, seedlings, seeds), products (fertilizers, oenological products, compost) packaging (bottles, bag in box, packaging), other goods of consumption (some products intended for sales, fuel, stationery) and services third

party processing, maintenance, utilities). On a **national** level, the main purchases are: bottled wine bought by the others family cellars, packaging, utilities e consultancy. **Internationally**, the purchases mainly concern the participation to fairs and events.

PURCHASES PER ORIGIN



Quality and Safety

Product safety is guaranteed by a systematic control of processes and products by competent and qualified staff, in compliance with the rules and behaviors to be respected as per requirement based on the HACCP manual and by GLOBAL G.A.P. certification.

Analyses are performed partially **in the internal company laboratory and partially by external laboratories accredited** by Accredia¹.

In the wine sector, the internal laboratory performs a basic check on acidity, sulfur, alcohol, residual sugars and dry extract, while the external laboratory carries out more in-depth checks that require special machinery, such as protein stability and tartaric acid, malic acid and lactic acid, the presence of metals such as lead, copper, zinc and ochratoxin. The external laboratory also carries out all the HACCP analy-

sis which currently relate to pre-bottling monitoring, to the levels of sulfur dioxide in wines and the control of vitreous units on glass containers.

Controls on **agricultural products** are carried out only by external parties:

- **on basil, parsley** and other fresh products an external certified laboratory performs multi-residual analysis to evaluate the presence of residues of active principles
- **on cereals and sunflowers** instead, the purchasing company (stacker or company food) directly performs the checks for commodity related qualities and mycotoxins

As far as organic agricultural products check is concerned the company refers to an authorized organization in compliance



On **parsley** and **basil** the company also obtained the organic certification by the Organic Consortium for Organic Products (CCPB Srl), which guarantees the conformity of the productions obtained with the organic method in all stages of the production chain, from field to table, in accordance with Union rules European (Reg. CE 834).

¹Only Italian accreditation center of certification, verification and inspection of laboratories, test and calibration, designated by the Italian government, in application of the European Regulation EC 765/2008.

with the law to certify the compliance with the EU regulation the CCPB (Consortium for the Control of Organic products).

Furthermore, Conti degli Azzoni adheres to Disciplinary of integrated production of the Marche Region for the cultivation of basil and parsley. For these two productions the company has obtained for over 10 years an international certification called: Standard Global G.A.P., a volunteer protocol developed by some of the most important European commercial chains (EUREP Euro Retailer Produce Working Group), aiming at identifying common rules applicable by any agricultural farmer. This protocol defines the **Good Agriculture Practices** that fresh and unprocessed food manufacturers must adopt to prove safe, healthy and sustain-

able cultivation practices.

The certification has contributed over the years to implement a series of actions aimed mainly at obtaining product safety: soil analyses are performed to set custom fertilization programs, the suitability of irrigation water is checked analytically.

The crops, divided into easily identifiable lots are checked with multi residuals analysis on fresh product samples before harvest, to ensure pollution free productions.

Given the need to respect the rules of one certification, an accurate training and precise update of the human resources by competent professionals is carried out about safety in the workplace, correct use of phytosanitary devices e product traceability.





A photograph of a vineyard with rows of grapevines stretching into the distance under a cloudy sky. The vines are green with some yellowing, suggesting autumn. A dirt path runs through the center of the vineyard.

COMMITMENT TO THE COMMUNITY

Community and Territory

WE BELIEVE THAT **SUSTAINABILITY** MEANS FOCUSING ON THE GROUND, AND ON THOSE WHO WORK AND LIVE THE GROUND" (*Valperto degli Azzoni*)

A winery is inextricably linked to the territory and must necessarily be the creator of its enhancement.

Conti degli Azzoni believes there must be a strong bond also with the local community.

HOSPITALITY

Several initiatives are held at Conti degli Azzoni premises every year and they include a wide participation of people such as visitors who are interested in getting

more information about wines but also about the landscape, culture and tradition they reflect.

Spring tasting

This day celebrates the arrival of spring in Conti degli Azzoni. In this **14th edition**, experts and supporters of the AIS Macerata participated.

The tastings that aimed at a comparison between native and international vines were held in the halls above the structure this year.



Projects with schools

Every year the Company hosts local **primary and secondary school** students in the cellar.



Day trips

A moment of leisure and a break from work for **the employees of Conti degli Azzoni** and their families, who spent a pleasant day at two Italian excellences (Acetaia Malpighi and the Ferrari Museums). An opportunity to be together and to contribute to keeping a lively and profitable atmosphere in the everyday work routine.



CONVENTIONS

FINANCE FOR SUSTAINABILITY



CONTI DEGLI AZZONI AS A GUEST AT THE WORKSHOP FOR FINANCE FOR SUSTAINABILITY

The Finance for Sustainability conference, held in Piacenza in June 2019 at the Faculty of Economics and Law of the Università Cattolica, **aimed at providing concrete answers to questions of enormous social impact:**

- What is finance doing to promote and guarantee the implementing virtuous practices in sustainability areas?
- How can finance help support socially responsible investments?



In particular, some participants to the workshop:

Marco Fedeli - **Assosef**

Valperto degli Azzoni - **Conti degli Azzoni**

Alessio Bellincampi - **Fondazione Cariplo**

Enrica Arena - **Orange Fiber**

Nicola Parenti - **Pureti ReAir**

Mario Baronci - **Quaestio Capital Management**

Nadia Linciano - **Consob**

Vincenza Belfiore - **Gioco Miss Market**

The workshop brought together the academic world, institutional investors and entrepreneurs who have focused their debate upon the safeguard of the planet and the social responsibility of companies towards

stakeholders as of fundamental interest for all economic operators: producers, consumers, regulatory and supervisory authorities, financial operators.



SUSTAINABILITY SYMPOSIUM



A widely appealing event, **the symposium of Sustainability**, organized by Conti degli Azzoni together with the University of

Milan in September 2019, at the Teatro la Rondinella in Montefano (MC).

Among the guests:

*Leonardo Valenti - **Coordinator Life Vitisom Università degli Studi di Milano***

*Gianpiero Calzolari - **President Granarolo***

*Enrica arena - **Co-founder Orange Fiber***

*Stefano Corsi - **Università degli Studi di Milano***

*Chiara Mazzocchi e Giordano Ruggeri - **Università degli Studi di Milano***



The convention hosted great firms in the Agricultural sector and several experts gathered, as well as professors and researchers who presented their experiences and their projects to a mixed audience, especially students.

For Conti degli Azzoni this was the occasion to present **LIFE VITISOM and related results**, the European research project on sustainable viticulture joined by the company since 2017 widely discussed in the dedicated chapter in this Report.







SAFEGUARD OF THE LAND



Biodiversity

Biodiversity is a great value for the sustainability of the food farming supply chain and it is an essential tool.

Evaluating its components is essential to

understand how our actions impact on the forms of life that occupy the cultivated spaces and its surroundings.



TOP SOIL

It is relevant.

The more the existing vital forms in a top soil ecosystem are complex and interacting between each other, the more difficult it will be for a parasite to find diffusion space.

A form of control with non invasive tools more man, health and nature tailored will be achieved.

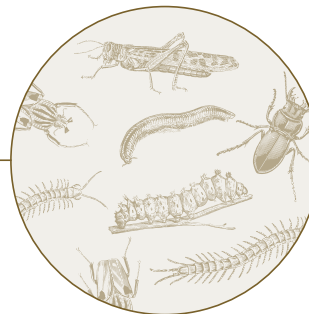


SOIL

It is the first quality indicator of biodiversity through living organisms that live in it.

At the same time it hosts the roots, live tissues, structure and nourishment for plants.

Preparing the soil for the life is a guarantee of efficient plants and quality fruit.



The multiplicity of the ecosystem in our territories is a huge richness. We are strongly determined to preserve it.

In viticulture also **borders, hedges, border trees**, tree line of the clearing or of the scrub are considered as important opportunities of balance and they host insects, mammals, birds and plants that interact with each other.

In the vineyard itself, natural grassing or

plans sown on purpose can host **bees and others pollinators**.

For a multitude of useful predators or other species not necessarily active against parasites but able to offer a territorial barrier, to occupy space and avoid uncontrolled expansions of harmful species.

BEES IN THE VINEYARD

Bees are very important to preserve biodiversity.

Thanks to pollination they perform a strategic function to preserve flora and contribute to improve and maintain the environmental quality and the state of the natural ecosystems they are present in.

Several beekeepers find hospitality on the farm's grounds.

By placing the hives in the vineyards, for example along the headlands, animal biodiversity is guaranteed and useful organisms are encouraged, removing pests and increasing soil fertility.



SAFEGUARD PROJECTS

THE OBJECTIVE MEASURE OF BIODIVERSITY IN A CULTIVATED ENVIRONMENT ALLOWS AN UNAMBIGUOUS EVALUATION ABOUT HOW WELL THE AGRONOMIC METHODS ARE MANAGED

It is a real necessity for Conti degli Azzoni, and not a mere objective, to bring every evaluation about the validity business choices back to an objective measure ment.

Being able to calibrate choices based on real results means seeking alliance with the environment.

This is dealt with a well defined path, both

virtuous and fruitful in support of the quality of life of business operators and sustainability of business income.

The success of this path has its own way though the interpenetration of ideas between owners, technicians, more motivated operators and research institutions (universities, study groups, administrations).



BIODIVERSITY PASS®

Conti degli Azzoni has activated since 2014 the Biodiversity PASS®, to measure and protect the biodiversity on its land. Initially implemented on four of its sites that were representative of the variety of the territory and the biodiversity of the ecosystem, the monitoring has now been extended to 6 more plots, up to the point that it is now possible to refer to a company **Zoning as far as Biodiversity in the soil is concerned.**

On these sites, control and monitoring activities are carried out on a consistent basis and data are therefore collected. Specifically based on the basis of the evaluations, the choices in terms of crop

management are oriented from time to time. For example through:

- implementing multi purpose sowing of herbaceous essences aimed at improving the structure and host the useful microbial community;
- increasing the supply of organic matter through the use of compost derived from its own vegetable by products.

The results of the surveys have widely confirmed some circumstances: one of them **being the vineyards that historically have given the best oenological results, are also confirmed as those that obtained the best Biodiversity PASS® scores.**



WHAT IS BIODIVERSITY PASS®?



It is an innovative project to measure, safeguard and increase biodiversity in viticulture. To be able to understand the impact that production actions and activities have on the vineyard ecosystem and to allow a 360° view of the sustainability of the wine chain, evaluating

and monitoring the several components of biodiversity is significantly important. The program includes the dictates of FAO and attributes the fundamental role of preserving fertility in a sustainable and healthy way to the organic component.

How does it work?

- » *The surveys and monitoring of the BioPASS® indices are regularly scheduled so that the effect of company management interventions can be monitored. In particular the modification of biodiversity;*
- » *The effect of the interventions on the soils, or on their biodiversity and their agronomic quality through the VSA values;*
- » *Their possible interactions with the quality of the grapes.*

The investigations are repeated over a certain period of time, to verify whether the implemented virtuous actions (green manure, contribution of compost and organic substance, passages after harvest with scissor to aerate the soil without breaking the turf, etc.) have improved the vitality of the soil cultivated with grapevine.

LIFE VITISOM

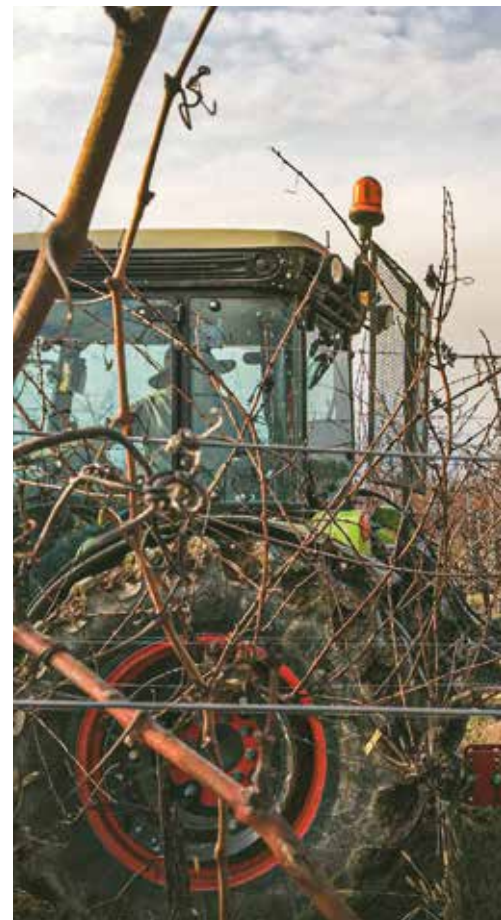
Together with only two other companies in Italy, the Conti degli Azzoni farm joined the three year project in 2017 which involves **precision farming practices such as fertilization and distribution to variable rate of organic matrices such as compost, digestate and manure.**

The approach to these agricultural practices has led to **an optimized use of fertilizers.**

Using **vigor maps**, more fertilizer was distributed where the vegetation was lacking and little or nothing where it was in excess; in order to obtain less waste of fertilizer, less losses due to washout and more uniformity of vegetation (that meant better fruit quality).

The project involved:

- **creating customized prototypes** by a manufacturer of agricultural machinery, **that is manure spreaders** capable of distributing at variable rates built specifically on the environmental and structural characteristics of the company;
- **analyzing the soil to investigate not only conventional** classical physio-chemical but more components according to a protocol that evaluates the biological activity of the soils;
- the **study of emissions and the punctual survey** of force **maps** by means of special sensors assembled on the tractor;
- **training of workers focusing** on respecting the vitality and longevity of plants through correct pruning cuts.





LIFE15 ENV/IT/00392 With the contribution of the LIFE, Programme of the Europe Union

The general objective of the project is to promote sustainable soil management in viticulture, through a technology for the organic fertilization of the vineyard through a variable rate distribution system.

This innovative technology allows to counteract the erosion of organic matter and to improve the homogeneity and quality of the soils under vines. In particular, the promotion of the rational use of organic fertilizers allows the conservation and reintegration of organic matter in the soils under vines, with positive effects in terms of chemical, physical and biological fertility of the soils.

VITISOM's precision farming model aims at being exported and validated in all European winemaking regions. An investigation to learn about and deepen the different viticulture realities is currently underway aiming at building a replicability and transferability plan for the model to all European production sectors.



The Good Practices

A GOOD AGRICULTURAL OPERATOR PLANS AND MEASURES HIS INTERVENTIONS IN ORDER TO CONFIRM HIS FUNDAMENTAL AND RECOGNIZED ROLE AS **CARETAKER OF THE TERRITORY.**

In agriculture and viticulture, the territory is an essential ingredient in the magic recipe that allows one to obtain the highest quality of the products grown and to make sure they are good.

Conti degli Azzoni has made its concrete commitment by implementing behaviors and actions aimed at protecting the territory and the environment. For example they have:

- **converted its cultivated land to organic lands** (vineyards and arable land)
- **monitoring the company biodiversity** and soils to increase awareness of the real health of the land.

- **adopted a multidisciplinary approach** to evaluate the effects of the agronomic management of vineyards and their soils. This was also carried out in order to better understand some of the dynamics that lead to producing better quality grapes in a sustainable way.

These aspects are part of a shared and supported conscious planning by all company employees at any level, also thanks to targeted training and knowledge activities. These give them the opportunity to manage the project in a safe and productive way, appreciating its positive consequences on health and corporate image.

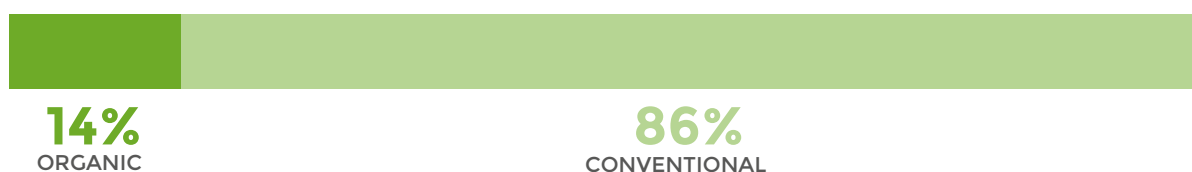




ORGANIC



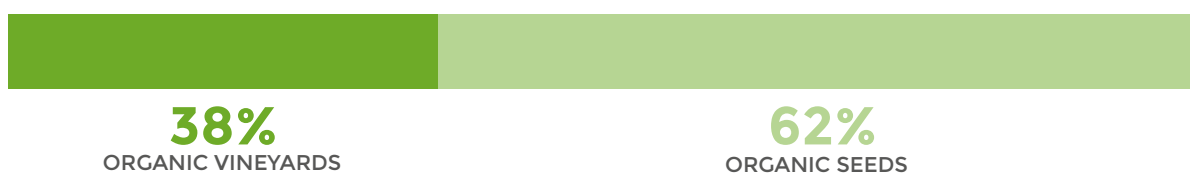
In 2019, **the incidence of overall organic cultivation compared to conventional cultivation was 14%**, stable compared to previous years.



Currently the totality of **the organically cultivated area is 106 hectares**, 40 hectares of which are vineyards and 66 hectares are arable land.

ORGANIC HECTARES	2019
Organic vineyards	40
Organic arable land	66
TOTAL ORGANIC	106

ORGANIC SOIL 2019



In 2019, the organically run vineyards finally gave their first fruits.



In 2019 the first wine from organic cultivation was bottled, Grechetto Carrodoro.

Among the arable crops under organic management, in 2019, there are durum and soft wheat, barley, basil, alfalfa and field beans.



With Avispa wheat from the company's organic plots, in 2019, the first organic pasta entirely made by Conti degli Azzoni was produced.

THE DEFENCE

In **organically run vineyards**, the Company adopts **the technique of sexual confusion**, which is **an alternative form of control** that has made it possible **to avoid the use of any pesticides**. This is the “behavioral control” of some parasites of the bunch. In fact, the technique consists in releasing a “smell” into the air, perceived exclusively by the male of the moth (the parasitic insect), which simulating the female sex hormone makes it impossible to identify it. Consequently, the fertilization of the females, the deposition of eggs on the bunch and the presence of harmful larvae are avoided.

This makes it possible that no harmful molecules are released on both the fruit and the environment and the plant remains protected and healthy.

The phytosanitary defense used in organically run vineyards has entailed **a different approach for the company in the use of pesticides even in conventional crops**. Some “organic” practices, such as weeding (understood as mechanical processing and

shredding of the grass under the row) have also extended to vineyards where management is conventional. This avoided the damage normally caused by herbicides of chemical origin, preserving the vital quality of the soil, biodiversity and the balance of ecosystems.

Multifunctional crop rotation is implemented for agricultural crops, so that soil fertility is preserved in biological, physical and chemical terms and the safety of the product obtained is guaranteed. Such rotations, in organically managed arable land, must be at least three years, as indicated by the integrated production regulations of the Marche Region.

The Global GAP certifications and that of organic farming of some crops, such as basil and parsley, have as a beneficial consequence the strict and greater control over the land, irrigation water and the correct use of plant protection products.



THE GREEN MANURE

The Company regularly uses the practice of **green manuring in its organic vineyards** and in special cases also within a rationalized rotation of arable crops.

Green manuring, or grassing, is an **agronomic practice useful to improve the agronomic characteristics of the soil**, which consists in sowing one or more plant species with particular beneficial properties for the subsoil and the topsoil:

- it makes the soil more hospitable to other plants and other forms of life;
- reduces erosive phenomena;

- it helps to increase biodiversity in the soil as well, attracting useful insects.

Some plants, in particular leguminous plants, have the ability to fix atmospheric nitrogen by binding it into organic compounds and becoming an additional valuable form of nourishment. While other species with fasciculated roots are creators of lightening compact soils, since they leave real furrows in the ground once decomposed, guaranteeing permeability and aeration.



THE COMPOST

In the name of **virtuous enhancement of biomass**, the by-products of grape harvesting and processing (the **so-called marc**), as from other crops, are protected and placed in suitable composting environments for **transformation into an excellent, organic compost**.

The compost is subsequently redistributed on organically grown and surrounding land

for the natural fertilization of soils.

The pomace, distributed on the ground, has an appreciable fertilizing power due to the slow release of elements minerals such as nitrogen and potassium. The beneficial effects of such fertilization allow an improvement in the structure of the soil and the increase of the living species in the ecosystem that live in it.





RESPONSIBILITY FOR THE ENVIRONMENT

Environmental Investments

Conti degli Azzoni cares about the land and the environment. In recent years, many investments have been made with a view to aim at protection and sustainability: a **photovoltaic system** that provides the farm with a **new state of the art refrigeration system** that guarantees greater sustainability as well as the production process (lower energy consumption and less use of polluting gases).

In particular, the Company strongly wanted the **Biodiversity PASS®** project to be created and implemented over the years, aimed at protecting biodiversity and the quality of cultivated soils, which has been exten-

sively discussed in the dedicated chapter. By joining **Life Vitisom**, on the other hand, the company has invested in the feasibility of the actual project (purchase of organic matrices, implementation of targeted analytical surveys, consultancy from professionals in the sector), but in the dissemination and dissemination of themes of sustainable soil management in viticulture as well, through dedicated events and communication. Furthermore, the company intends to purchase the manure spreader prototype used during the project period as early as next year.





YEAR	COMPANY AREA	TYPE OF INVESTMENT	EURO
2010	Cellar	Photovoltaic plant	115.200
2014	Vineyard	Project Biodiversity PASS®	2.000
2015	Vineyard	Project Biodiversity PASS®	1.000
2015	Agriculture	Tractor Class Nexos 230F (BM434V), FASE III	32.730
2015	Agriculture	Tractor Challenger New Holland MT 765D AGCO (BM147 D) FASE III	200.000
2015	Agriculture	Tractor New Holland T7 245 (BP 661F), FASE IV	100.000
2016	Vineyard	Project BioPASS® (maintenance)	1.000
2017	Agriculture	Tractor New Holland T4 100 (BP 364 Y), FASE III B	41.000
2017	Agriculture	Tractor New Holland T5 (BR 548 G), FASE III B	35.000
2017	Vineyard	Project Biodiversity PASS®	1.000
2018	Vineyard	Project Biodiversity PASS®	1.000
2018	Vineyard	Project LIFE VITISOM (organic origins, analysis, transports, professionals, events and communication)	11.300
2018	Cellar	New refrigeration plant in order to control the fermentation temperature and the wine stabilization	37.000
2019	Vineyard	Project Biodiversity PASS®	3.200
TOTAL TAXABLE			581.432

production chain
**ZERO
EMISSIONS**



For the third consecutive year,
Conti degli Azzoni invests in the
calculation of its own carbon footprint:
again with a very **positive result**.

Thanks to the compensation action of its
cultivated soils, emissions produced by
the production chain are cleared by the so
called captures, which trap greenhouse
gases by preventing them from being
dispersed into the environment.



Carbon Footprint

CALCULATING A COMPANY **CARBON FOOTPRINT** RESULTS IN MEASURING THE EMISSIONS GENERATED BY ITS OWN PRODUCTION CYCLES IN ORDER TO MANAGE THE EFFICIENCY OF THE PRODUCTION CHAINS, THE ENVIRONMENTAL IMPACT AND ITS POSSIBLE CONSEQUENCES ON THE GREENHOUSE EFFECT.



CARBON FOOTPRINT

*The carbon footprint represents the impact that any type of business has on the environment. It is defined as **the quantity of greenhouse gas emissions generated over all the phases of the supply chain of a product**, from the extraction of raw materials to the waste disposal, generated by the whole system.*

*In particular, it is expressed in **quantities of equivalent CO₂** (unit of measurement, expressed in tons, which weighs the emissions of various greenhouse gases, GHG Green House Gases).*

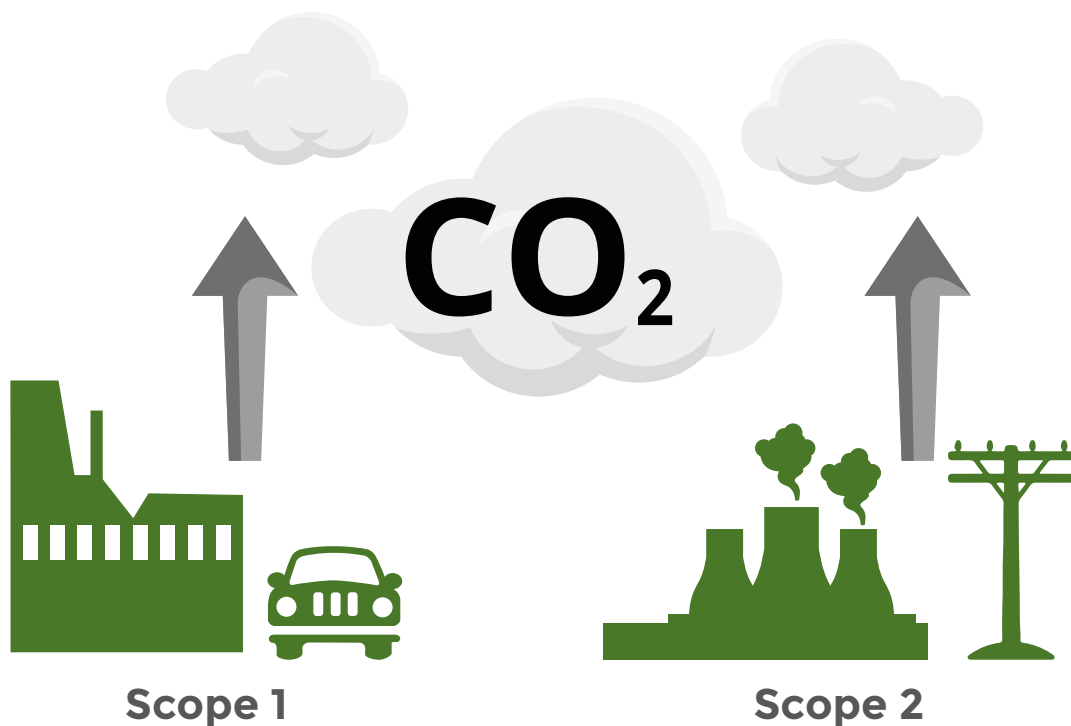
Many experts consider these emissions to be highly correlated to the greenhouse effect and to climate changes taking place on our planet.



CALCULATING EMISSIONS

The calculation of the CO₂ emissions of the Conti degli Azzoni company for the year 2019 was carried out in accordance with current legislation which recently updated some factors and criteria for grouping and classifying data in the **Ita.Ca® calculator**. For this reason, 2019 becomes a new reference

year that cannot be compared with previous years. Company emissions were divided into 2 areas, in order to distinguish **the direct and indirect responsibilities** of the company and in order to obtain a global view of the entire supply chain, from production to distribution:



PRIMARY FOOTPRINT

Measuring CO₂ emissions due to the direct responsibility of company activities including the use of fossil fuels and internal energy consumption for transport or for company work.

SECONDARY FOOTPRINT

Measuring indirect CO₂ emissions of greenhouse gases caused by the production of energy purchased from external suppliers.

ESTIMATING CAPTURES

In the Ita.Ca® calculator, an **estimation of the CO₂ captures** by all cultivated soils and green areas of the farm is included, as well as the calculation of the “**company emissions**”.



WHAT ARE CAPTURES?

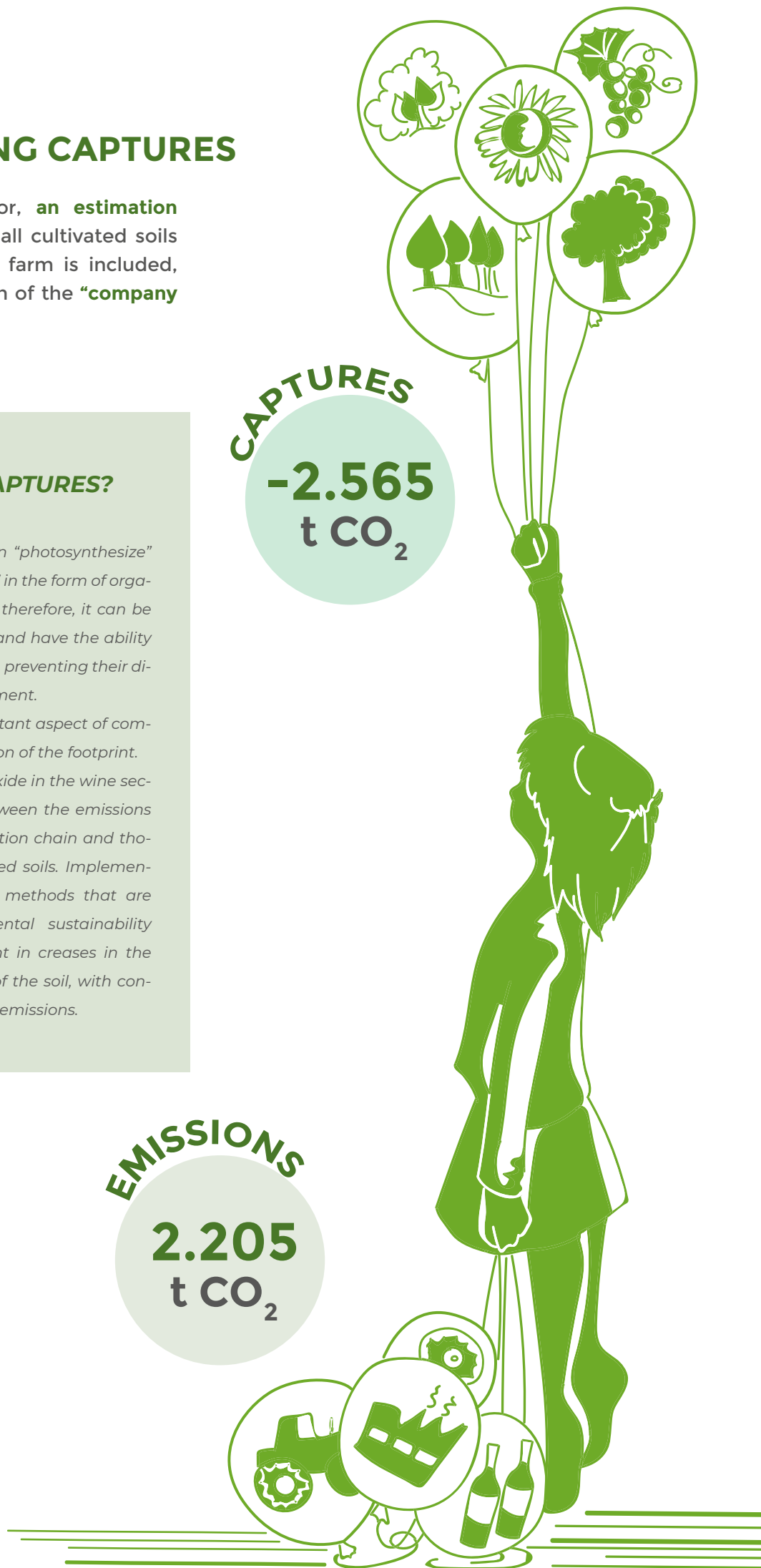
As it is known, plants can “photosynthesize” and therefore “fix carbon” in the form of organic substance in the soil; therefore, it can be said that the cultivated land have the ability to trap greenhouse gases, preventing their dispersion into the environment.

This constitutes an important aspect of compensation in the evaluation of the footprint.

The company carbon dioxide in the wine sector is a real **balance** between the emissions generated by the production chain and those “captured” by cultivated soils. Implementing land management methods that are respectful of environmental sustainability can determine significant increases in the organic matter content of the soil, with consequent reduction of CO₂ emissions.

CAPTURES
-2.565
t CO₂

EMISSIONS
2.205
t CO₂



CALCULATING THE COMPANY FOOTPRINT

The company carbon footprint calculated by area is distributed as follows and includes an estimated value of “captures” due to cultivated land:

CARBON FOOTPRINT 2019	TONS OF CO ₂ EQUIVALENT
Scope 1	795
Scope 2	1.410
TOTAL EMISSIONS	2.205
Captures from soil balance	-2.565
TOTAL EMISSIONS ON “CREDIT”	-360

INCIDENCE SCOPE 2019



Despite the emissions generated by the production cycle, the company has an “**emission credit**” towards the environment

thanks to the soil balance generated by its cultivated land.

The Company is mainly oriented to the management of fields and is able to perform captures of excess greenhouse gases produced with all the production chains from the atmosphere. Therefore, **Conti degli Azzoni provides an overall benefit to the atmosphere reducing the greenhouse effect.**

Energy

Electricity, methane and diesel are the components of the company's energy consumption. In particular:

- **electricity** (15%, of which 1.7% from photovoltaics) is used for lighting, air conditioning of buildings in the summer, refrigeration and transformation systems in winemaking and bottling;
- **methane** (5%) is used for heating working environments, for the production of hot water and for other minor processes.
- **diesel** (80%) is used for the movement of the vehicle fleet, in particular related to direct cultivation and logistics.

ELECTRICAL CONSUMPTION PER SOURCE (GJ)	2017	2018	2019	VARIATION % 2018/2019
Electricity	849	764	707	-7%
Methane	548	461	275	-20%
Diesel	5.375	5.148	4.334	-16%
Photovoltaic	90	86	94	9%
TOTAL	6.862	6.460	5.411	-15%

Analyzing energy consumption for primary activities, **irrigation, direct cultivation of the fields with tractors e related workshop** activities seem to be affecting in relevant way on the distribution of energy consumption (about 90%). The **cellar** activities account for about 8% on total energy consumption; the activities of **office** affect for 2%. The percentages are stable over the years. Compared

to previous years, a slight decrease in consumption can be observed due to a more careful management of it and to sustainability interventions such as the introduction of a plant in 2018 of latest generation refrigeration (which allowed a lower consumption of energy) and the lower consumption of diesel for the tractors in the fields.

ENERGY CONSUPTION FOR PRIMARY ACTIVITIES (GJ)	2017	2018	2019	VARIATION % 2018/2019
Country	6.064	5.733	4.867	-15%
Cellar	533	469	444	-5%
Offices	144	139	100	-28%
TOTAL	6.862	6.460	5.411	-15%

Water

The farm's agricultural activity over large areas makes water consumption a relevant aspect in environmental management. About 97% of water consumption is gener-

ated by the irrigation of agricultural fields. The remaining part is divided into cellar activities and, to a negligible extent, into civil use activities.

WATER CONSUMPTION PER SOURCE (MC)	2017	2018	2019	VARIATION % 2018/2019
Civil waters	88	89	50	-44%
Irrigation waters	146.800	107.000	143.630	34%
Process waters	3.560	3.448	3.449	0%
TOTAL	150.448	110.537	147.128	33%

In 2019 there was a greater use of waters derived from well, with a concrete increase in quantities compared to 2019. Two main reasons: lower precipitations

which occurred in 2019 (the exact opposite happened in 2018) and a failure to withdraw from the river, that happened instead in previous years.

WATER CONSUPTION PER SOURCE (MC)	2017	2018	2019	VARIATION % 2018/2019
Lakes, rivers, canals	39.000	22.000	-	-
Well	107.800	85.000	143.630	69%
Aqueduct	3.648	3.537	3.498	-1%
TOTAL	150.448	110.537	147.128	33%

The irrigation waters are almost exclusively used for arable crops, organic and conventional. The water drawn from the aqueduct is basically used as process

water (bottling and washing of agricultural vehicles) and for civilian use in offices. We also report a breakdown of consumption for primary activities of the company.

WATER CONSUPTION FOR PRIMARY ACTIVITIES (MC)	2017	2018	2019	VARIATION % 2018/2019
Country	147.450	107.493	143.946	34%
Cellar (bottling)	2.998	2.955	3.132	6%
Offices	88	89	50	-44%
TOTAL	150.448	110.537	147.128	33%

Raw Materials and Packaging

Raw materials are almost exclusively purchased by Italian suppliers, in particular from the Marche region. This way the

emissions related to transport are reduced and the satellite activities business increases.

PACKAGING MATERIALS (t)	2017	2018	2019	VARIATION % 2018/2019
Glass	101	93	86	-7%
Carton	25	27	30	8%
Plastic	6	6	4	-34%
TOTAL	132	127	120	-5%



Waste

The company activities mainly involved in the generation of waste are those related to winemaking, agricultural production, and the garage (maintenance for all the company mechanical vehicles) and office activities.

Plastic waste, as well as glass and cardboard, are comparable to the urban waste of the Municipality of Montefano.

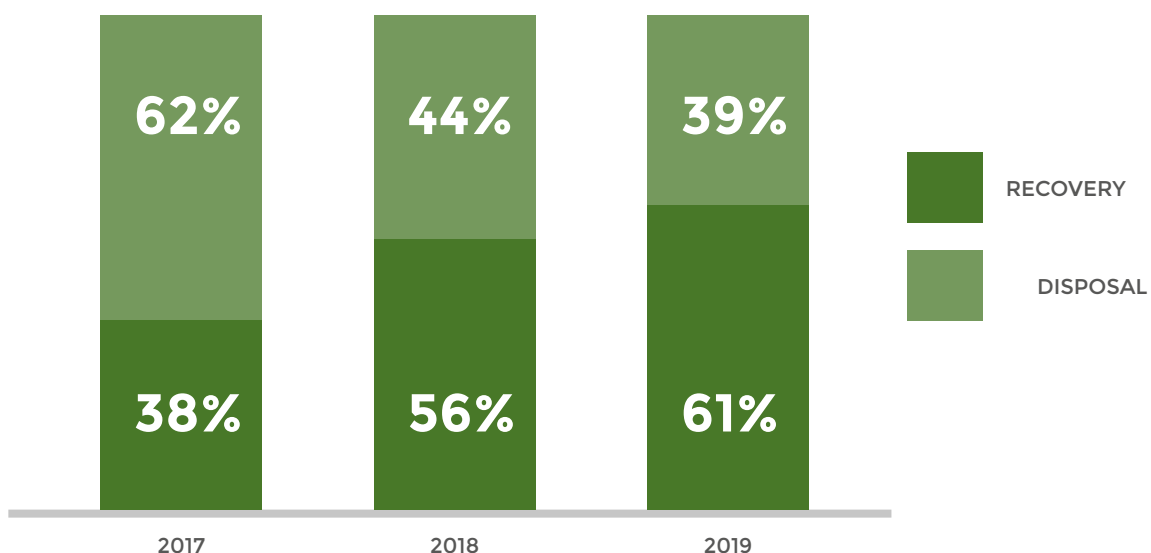
They are collected and sorted according to the directions of the Municipality subsidiary company that deals with the disposal of such waste.

Special waste is also produced which is recorded on special registers, as per current regulations, stored in the warehouse and disposed of by specialized companies in transport and disposal at least once a year.

WASTE DESTINATION	2017	2018	2019	VARIATION % 2018/2019
Recovery	1.660	2.607	2.237	-14%
Disposal	2.667	2.078	1.404	-32%
TOTAL	8.577	4.685	3.640	-22%

There is a relevant increase of waste destined to be recycled during the years versus a decrease in waste to be disposed.

COMPOSITION FOR DESTINATION





A close-up photograph of several autumn leaves, likely from a maple tree, showing vibrant colors of red, orange, and yellow. The leaves have prominent veins and some are damaged with holes. A semi-transparent grey horizontal band is overlaid across the middle of the image, containing the text "ADDED VALUE" in white, bold, sans-serif capital letters.

**ADDED
VALUE**

Generated and Distributed Value

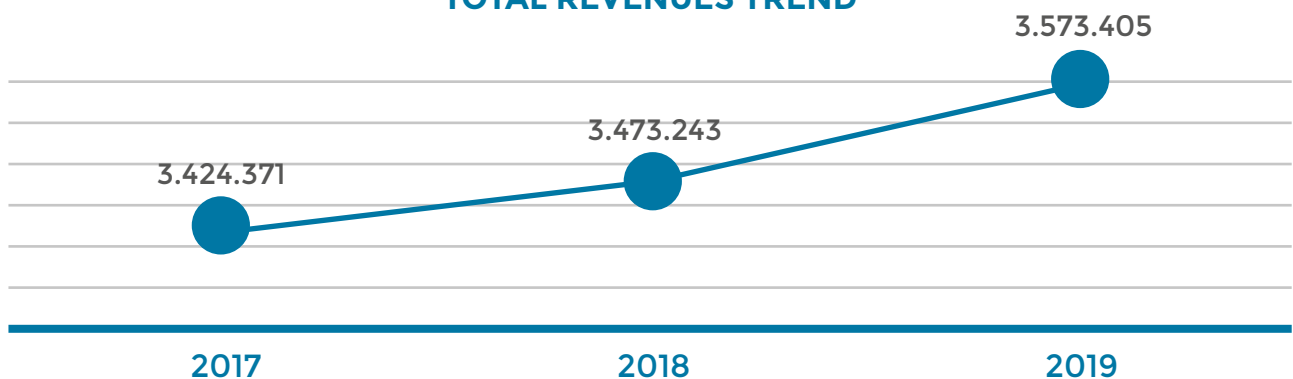
As described in the methodological note, the sustainability report is intended to represent the entire reality of Conti degli Azzoni. This is why all the information contained in this document is a summary of the data of the agricultural society **Azienda Agraria degli Azzoni Avogadro Carradori s.s.** and agricultural society **Azienda Bio degli Azzoni s.s..**

Both are partnerships and as such do not have the obligation to file the financial statements. This is anyway still drawn up to support the shareholders business deci-

sions. As both companies are simple partnerships, the income is charged on a tax upon the shareholders. To be able to represent more appropriately the amount of economic wealth produced and distributed among the stakeholders, a combination of the economic results of both companies and an offset of the intra company VATs was decided, creating a single prospect.

The result is that in 2019 Conti degli Azzoni achieved total revenues of approximately 3.6 million euros (+100 thousand euros compared to 2018).

TOTAL REVENUES TREND



Total revenues are the sum of revenues from selling wine, agricultural products and other products in the company sales point (90%), from AGEA contributions Agency for

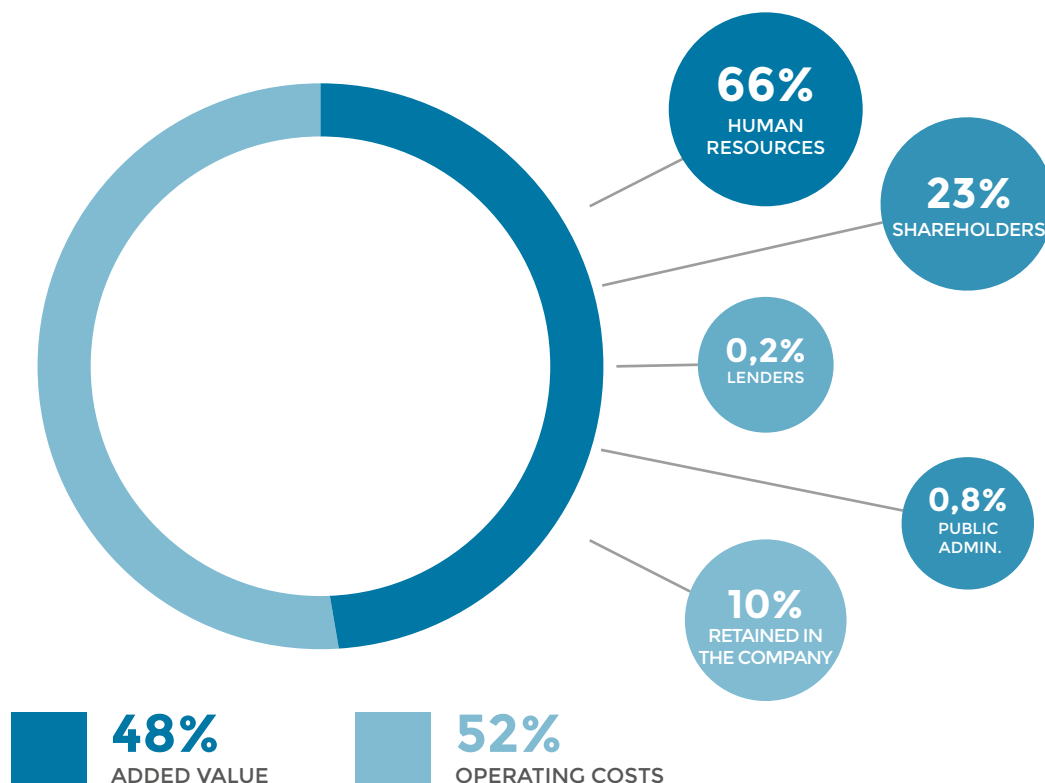
Agricultural Flow rates) allocated by the European Union for the agricultural production Community (7%) and from non operating income (3%).

THE ADDED VALUE

By subtracting operating costs from revenues, the Gross Global Added Value generated by the Company in 2019 was determined. It amounted to 1.7 million euros (48% of total revenues), and was distributed to the various stakeholders as follows:

- **Human Resources (66%):** this item includes all forms of remuneration paid for the work performed by employees, including social utility charges paid by the company, meals, stays and training.
- **Shareholders (23%):** this item includes the profits generated by the company and distributed to shareholders gross of personal taxes.
- **Lenders (0.2%):** this item represents the remuneration of the credit capital granted by third party.
- **Public administration (0.8%):** amount of direct and indirect taxes due to Public Administration bodies.

	2017	2018	2019
Total revenues	3.433.780	3.473.576	3.579.524
Operating costs	(1.806.367)	(1.733.661)	(1.850.685)
ADDED VALUE CREATED	1.627.413	1.739.914	1.728.839
Remuneration of human resources	(1.105.052)	(1.153.455)	(1.141.491)
Shareholders' remuneration	(278.711)	(381.059)	(405.039)
Remuneration of lenders	(7.409)	(11.138)	(4.186)
Remuneration of the public administration	(12.453)	(8.026)	(10.176)
Investments for the community	(14.040)	-	-
ADDED VALUE DISTRIBUTED	1.417.665	1.553.678	1.560.893
ADDED VALUE RETAINED IN THE COMPANY	209.748	186.236	167.947





Future plans

EMPLOYER BRANDING

A positive work environment generates benefits in terms of satisfaction of the people who work there, productivity and profitability. Aware of this, in 2020, Conti degli Azzoni will activate **a project on improving the corporate climate** that will involve owners and employees. The project will be divided into 4 phases:

- Analysis of the work environment through inter views and questionnaires to the owners and employees.
- The organization where a valid EVP (Employer Value Proposition) will be identified, the competitive advantage of the strategy economically measured, an employment experience created.
- The activation, when the activities agreed in the previous phase will be put into practice, involving stakeholders to intervene in the critical areas that have emerged.
- The communication will aim to improve and structure the internal communication processes between leadership, management and employees.

ACTIVE TRAINING

The company will continue **the path on the innovative approach to employees training**, which involves the transition from a passive way of listening by the worker to a more active one in which he/she is called to express his/her own opinion on the topics covered and provide suggestions for improvement. Conti degli Azzoni has in fact shown that through this new approach people feel more involved and valued, and therefore both the organization and the internal climate benefit, which is why this activity is to be strengthened in the future.

CONVERTING TO ORGANIC

The company will continue the process of converting conventional surfaces to organic management.

PROMOTING SUSTAINABILITY

Conti degli Azzoni will continue its path of **promotion and awareness on sustainability issues** especially **in the agri-food and wine sector** through participation to initiatives and events organized both at regional and national level.

Your Opinion

Receiving impressions and judgments from a large number of stakeholders interested in improving our management is important to us.

Therefore, we are inviting all readers to submit comments, suggestions and questions on both the document and the activity carried out by Conti degli Azzoni.

All the information that will come to us will be very useful to improve ourselves and we thank you in advance for this.

Here are the references to use for your communications:

***Azienda Agraria degli Azzoni Avogadro Carradori s.s. soc. agr.
Corso Carradori, 13 - 62010 Montefano (MC)
sustainability@degliazzoni.it - www.degliazzoni.it***

Thank you very much for taking your time for us and we look forward to receiving your information.

The 2019 Sustainability Report can be downloaded from the company website.

METHODOLOGY SUPPORT

Network Advisory Srl
www.networkadvisory.eu

TECHNICAL SUPPORT CARBON FOOTPRINT AND BIODIVERSITY PASS®

Studio Agronomico Sata
www.agronomisata.it

GRAPHICAL PROJECT AND LAYOUT

Dream Advertising s.n.c.
www.dreamadv.it

COMMUNICATION PROJECT

MultiMedia Srl
www.multimediamilano.it

PRINT

Pigini Group Printing Division
www.piginigroup.com

CONTI DEGLI AZZONI
www.degliazzoni.it