



## Sustainability Report

2022

# Reading Guide

The Sustainability Report is a document voluntarily prepared by Cantina Vignaioli del Morellino di Scansano. It aims to inform all those involved in the winery's activities, both internally and externally (the so-called Stakeholders), about its financial performance, its economic, social and environmental impact, and the most relevant aspects of corporate governance.

The Sustainability Report is prepared following with the Global Reporting Initiative (GRI) Standards. These are among the most accredited international guidelines for sustainability reporting, and the report can be subjected to third-party audits to verify its content. Furthermore, to provide interested parties with the most complete information possible on the performance of Cantina Vignaioli del Morellino di Scansano, the economic indicators used by the leading rating agencies for assessing creditworthiness are also included in the report.

The information contained in the Annual Report

has been provided by the management and is supported by official documents and sources, which were analysed and evaluated during both development and revision.

The report includes the mandatory and optional elements indicated by the individual GRI Standards performance measures for social, environmental and governance issues; for each issue identified as most significant by the Cooperative and its Stakeholders during the preliminary interviews, we have described the positive and negative impacts generated by the Winery's activities.

The indicators contained in the GRI Standards disclosure are also associated with the 17 Sustainable Development Goals (SDGs) included in the 2030 Agenda, an action programme signed in September 2015 by the governments of the 193 UN member states and consisting of 169 goals divided into three macro-areas: people, planet and prosperity.

To allow an integrated reading of the provided information, for each topic area of the Sustainability Report, we have included the Sustainable Development Goals associated with it and to which Cantina Cooperativa Vignaioli del Morellino di Scansano contributes. Furthermore, at the beginning of each paragraph, we have highlighted the relevant GRI indicators. The GRI content table (attached to the Report) summarises the analysed indicators associated with the SDGs, according to the model elaborated in the document "Linking the SDGs and the GRI Standards".\*

The Sustainability Report thus responds to the perceived need to give stakeholders a comprehensive picture of the activities undertaken, and of the results achieved in implementing sustainability practices, but also to set out the commitments undertaken by the winery for the near future.

\*<https://www.globalreporting.org/>



# Letter from the President

It is with great satisfaction that I introduce the first Sustainability Report of our Cooperative Winery. A publication that has been painstakingly produced over the course of 2022, but which is in fact the result of much longer and shared work.

Indeed, we have been working with attention to sustainability for decades. You could say since we were born, fifty years ago now, because social and economic sustainability are among the pillars on which a cooperative winery is founded, creating the opportunity for its members to be repaid fairly for their effort in their vineyards. But there is more, because in addition to social sustainability, there is also a commitment to environmental sustainability, born from the need to protect the territory in which the many families of our winegrowers work. A territory that is represented by the communities that live there, by the traditions that make it alive, and by the environment that makes it unique. Because only by protecting the territory can we produce fine wines today and in the future.

While it can be argued that this commitment is part of the DNA of our winery, the projects and various certifications we obtained in recent years, and the working methods you will find described in the following pages, are the driving force that pushes us to do even more. A constant striving for improvement. So is this Sustainability Report, which has been drawn up without any legal obligation, but represents that spirit of clarity and transparency that characterises us, and at the same time allows us to take stock now, to grow further next year, and the year after that.

I am honoured to have presided for more than 30 years over a cooperative that was founded half a cen-





tury ago with the aim of valorising the territory of Maremma and Morellino di Scansano, and today with this Sustainability Report I can be proud to celebrate with all of you the results we have achieved so far. Achievements such as a good turnover, well-compensated grapes - because the work of our members must be repaid - and the ability to give a chance to the new generations of winegrowers who cultivate the beautiful hills surrounding Scansano. These achievements involve not only our members but also 26 employees, as well as collaborators and external consultants. We are proud to bottle almost all of our production, an unequivocal prerogative of quality. We are also proud to offer the result of this work on the market at affordable prices. Because quality should not be the privilege of the few.

It would be wrong now to sit on our laurels. On the contrary, we must do our utmost to ensure that the good image and credibility gained by this Cooperative nationwide is consolidated and extended at the international level as well, while respecting environmental, social and economic sustainability.

As President, I can and must ensure that our work is useful and crucial to meet the needs of the current generation of winegrowers, while trying not to compromise those of the generations to come.

Happy reading,

the President

**Benedetto Grechi**

**Social**  
Sustainability

Sustainability  
Report  
2022

**Environmental**  
Sustainability

**Economic**  
Sustainability





# 1

# Identity and Governance

- P. 10 \_\_\_\_\_ Company History
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- P. 16 \_\_\_\_\_ Organisational structure
- P. 20 \_\_\_\_\_ Mission
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- P. 24 \_\_\_\_\_ Corporate governance policies





**50**  
years of  
activity

**9**  
gold medals  
won in  
2021

**5**  
product  
certifications

1.1

# The history of the winery

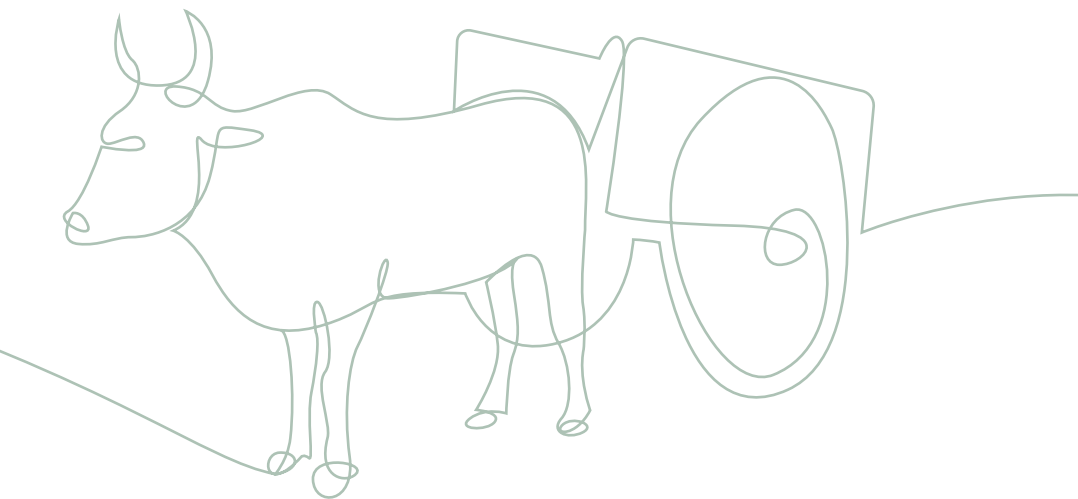
Since it was founded in 1972, Cantina Vignaioli del Morellino di Scansano has been a point of reference in Maremma.

Cantina Vignaioli del Morellino di Scansano was established in 1972 when 19 winegrowers launched this cooperative to give value to their individual work, and the local wine production.

At the beginning of the **1980s**, they realised that quality was the way to go, a choice that went against current trends and required much effort.

It was in the 1980s that **Benedetto Grechi**, already a member, became the **President** at the helm of the Winery. He holds the role to this day, supported by his two vice presidents, **Paolo Gobbi** and **Riccardo Fusini**. Together, thanks to a continuity of more than thirty years, they have worked with consistency and determination. During the **1990s**, the popularity of Morellino di Scansano grew. The winery extended the winemaking area, invested in a new bottling system and increased production. Other companies have also invested in the area, attracted by the success of this wine. Meanwhile, in the **2000s**, competition grew due to the increasing supply of Morellino di Scansano. Therefore, under the chairmanship of Grechi, in 2005 the winegrowers invested in a new ageing cellar and made the internal regulations stricter, sure as they were that only by further increasing quality would the winery continue to grow in such a competitive market. As of **2010**, with the arrival of Sergio Bucci as Director, the winery strengthened its presence in the Ho.Re.Ca. channel throughout Italy





while increasing its focus on exports. In the constant search for higher quality, the winery began to work on sustainability with the long-term goal of minimising its environmental impact.

The wide range of products on offer includes Morellino di Scansano and other wines from indigenous grape varieties, such as Ciliegiolo and Vermentino.

Cantina del Morellino di Scansano is a member of the renewed Board of Directors of the Consorzio Tutela Vini della Maremma Toscana, in the bottlers' category, and of the Consorzio Tutela del Vino Morellino di Scansano.





## 1.2 The winery today

Cantina Vignaioli del Morellino di Scansano is a leading player in the production of fine wine in the Maremma region.



Today, the winery has about 170 members for 700 hectares of vineyards mainly in the Morellino di Scansano production area. It offers consumers wines that reflect the Maremma territory, its vines and traditions, combining excellent quality with low prices.

The cooperative processes the grapes produced by its members to market the wine both wholesale and retail.

Out of the total goods purchased, the members' contribution is 77%, making Cantina Vignaioli del Morellino di Scansano a predominantly mutual cooperative.

The target market is Italy, although foreign markets are constantly being developed with a growing presence in the United States and Northern Europe.

To promote its wines, the winery organised three different events in the summer of 2021 all of which received a good response from patrons and helped promote the winery to new customers too.

The quality of the wines produced and marketed is recognised by the public, as well as by leading wine guides and in national and international competitions.

Internationally, numerous awards were obtained in 2021:

# 9 gold medals won in 2021

Roggiano Bio 2019



Roggiano Riserva 2017



Vigna Benefizio 2019



Sicomoro 2017



Poco per Pochi 2015



Le Vie del Mare Rosso





On top of this, the winery won 14 silver and bronze medals. On a national level, Wine Hunter Merano awarded the Red Award to Vigna Fiorini 2020 and Poco per Pochi 2015. The Tuscia del Vino guide gave the highest rating (3EST!) to Vigna Benefizio, Roggiano and Sicomoro. Roggiano Bio was awarded 4 stars in the Vini Buoni d'Italia guide and Roggiano 2020 won the regional Oscar in the BereBene 2022 guide.

Trade magazine VinialSupermercato.it reviewed as many as nine products from the large-scale retail trade catalogue among the best wines.

Finally, German magazine Weinwirtschaft ranked the winery 13th among the best Italian cooperatives.



GRI  
102-5  
102-18



CANTINA VIGNAIOLI  
MORELLINO DI SCANSANO



1.3

## Organisational Structure

The goal of the Winery's management is to give value to the Members' work and to promote local products.



The winery is an agricultural cooperative society with limited liability. Distinctive governance features are the values of **mutuality, solidarity** and **democracy**. The mutualistic purpose, which characterises the entire company activity, is to provide members with the opportunity to market their grapes at more profitable conditions than those of the free market.

The principles of solidarity and democracy are embodied in the shared management of the company and aim at ensuring that Members enjoy equal participation in the life and choices of the Cooperative.

The organisational structure of the winery has its pillar in the Members' Meeting, a body which, according to the statute, among other tasks is entrusted with approving the financial statements and appointing the Board of Directors, a decision-making and strategic guiding body. This remains in office for three years.

Among other tasks, the Board of Directors must illustrate to the Members the activities and goals achieved, while ensuring the resolution of any internal problem. Its Chairman, Vice-Chairmen and the agronomist form the Executive Committee, to which the Board of Directors may delegate certain responsibilities, with the exception of those which, by law or by statute, are expressly reserved to the Board of Directors.

The directors are supported by a controlling body, the Board of Auditors, which remains in office for three years after appointment.

The employees are divided into three departments: Cellar, Administration and Point of Sale.

The Board of Directors sets the corporate objectives, also based on the results of previous years, while the Director manages the operations according to the identified targets.

## BOARD MEMBERS

### President

Benedetto Grechi

### Deputy Chairmen

Riccardo Fusini

Paolo Gobbi

### Councillors

Maurizio Domenichini

Enzo Babbanini

Fabrizio Rossi

Luca Calamassi

Stefania Sodi

Marco Galli

Adriano Tiberi

Alessandro Fiorini

## MEMBERS OF THE BOARD OF AUDITORS

### President

Mario Morandini

### Mayors

Domenico Giovannini

Paolo Prisciandaro

### Alternate Auditors

Paolo Mazzetti

Angelo Siveri

Specific figures of the organisation include

- the Agronomist, who manages the agricultural production, ensuring that members comply with the production regulations and offering them technical support,
- the Winemaker, who provides strategic support in defining the methods of vinification and management of wine masses;
- the Cellar Master, who coordinates the work in the cellar following the guidelines defined by the Management and the Winemaker.





## 1.4 Mission

From the beginning, the winery's mission has been to produce fine wines.

Cantina Vignaioli del Morellino di Scansano wants to offer consumers fine wines that are an expression of the territory, valorising the grapes conferred by its members to showcase the products of Tuscan Maremma.





*Behind a glass of wine there is much work.  
Quality is a constant process.  
That is why our members follow strict rules  
throughout the year:  
only by doing so will they harvest grapes  
of the finest quality.  
Because quality is a team effort.”*



1.5

# Vision

A long journey full of achievements,  
always in search of quality.

Founded to unite the area's winegrowers in a competitive production and commercial network, the Winery's long-term values include the pursuit of quality and the strengthening of its ties with the local area.

The winery has set the following goals:

- pursuing consumer satisfaction, guaranteeing **quality** and **safety** from farm to table
- consolidating the **identity** of the Cooperative, strengthening the members' sense of belonging and participation
- promoting **Maremma** and its wine culture
- adopting **sustainable** and **innovative** production techniques to improve competitiveness and increase efficiency
- working seriously and professionally with full respect for people, products and the environment
- fostering open, transparent and caring partnerships with the local community.

In this perspective, the product's characteristics have acquired a prominent role, but the same goes for the valorisation of human capital and the use of innovative production techniques, in a project that has involved the entire supply chain, always placing the members at the centre of the company's strategies.

## 1.6 Corporate Governance Policies

The Cooperative's management values every resource employed, continuously pursuing the goal of sustainable and lasting development.

The management of Cantina Vignaioli del Morellino di Scansano is based on shared values that guide the company's strategies and activities, which are geared towards sustainable growth, high quality and traceable products and processes, and the mitigation of environmental impact.

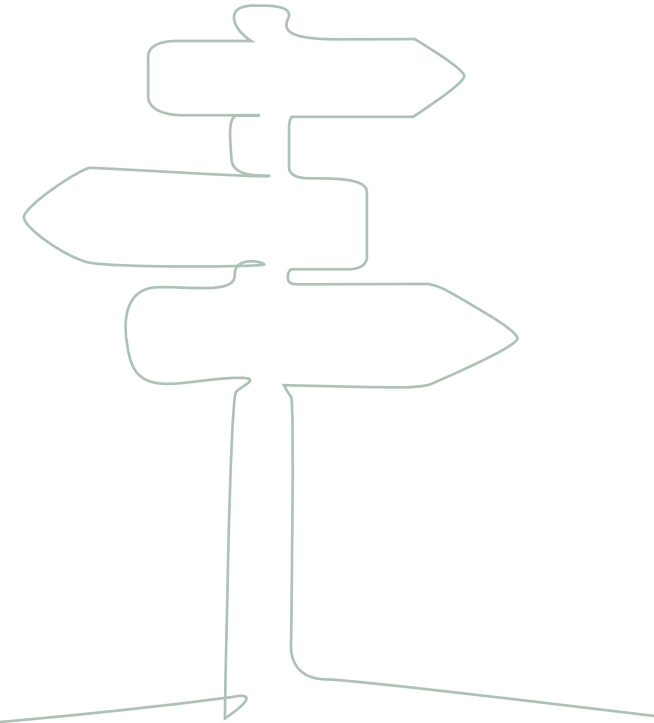
The values that contribute to defining the business model are summarised in the Quality Policy, which expresses the objectives and commitments made to Customers, Consumers, Shareholders and Employees to implement, maintain and improve company performance.

This Policy has been shared with all the stakeholders in a process aimed at involving and raising their awareness of the company's principles and values with a twofold mission: towards customers, that of ensuring the highest sa-

tisfaction through the supply of well-balanced wines at a low cost, without compromises on the expected quality; towards Members, that of rewarding their sacrifices, sheltering them from market speculation.

In the cultivation of the vineyards, members constantly follow the instructions given by the cooperative's agronomist according to grape variety, seasonal climate and the characteristics of each plot.

The care of the vineyards, which is a daily commitment, is rewarded through a system that classifies the grapes admitted to contribution, and rewards each member based on the quality of the grapes produced.





## CLASSIFICATION PARAMETERS

Grape history, characteristics and/or agronomic conditions, harvesting and transport methods

Member behaviour

Vineyards of origin, subject to ordinary and non-extraordinary cultivation

Vineyard and grape health once the harvest is complete

Overall vineyard production

Technical parameters of the grapes:  
Babo grade, pH, total acidity, total polyphenols

As mentioned, the winery's primary goal is to ensure the safety and quality of its products with the aim of achieving the highest level of customer satisfaction. For this reason, with the drive to constantly improve production processes

it has undertaken the certification of its quality and environmental sustainability performance, adapting its organisation to the ever-increasing demands of the market.

The international standards adopted for safety and quality require compliance with food regulations and good practices in all production processes and in the management of personnel.

Among these, the BRC and IFS Standards aim to guarantee high food safety standards throughout the production chain, through the timely assessment and management of biological, chemical, physical and radiological risks, helping companies to comply with European and national food regulations.



The UNI EN ISO 22005 certification also provides for the implementation of a product traceability system, which helps to define the product's history and origin, contributes to enhancing its characteristics - such as territoriality - and to meeting the expectations of the customer, by which we mean the consumer in the large- scale retail trade.

The winery constantly monitors and improves the systems that guarantee the health and food safety of its products. In addition, over time it has increased its processing capacity and continues to make targeted investments in innovative infrastructure and technology to be applied to both production and sales processes.

The objectives it intends to pursue over time are to:

- a) ensure the food safety of the product in response to the standards and laws and specifications required by its customers;
- b) ensure the health and safety of workers at all times;
- c) adapt its structure to market developments;
- d) maintain a high level of involvement of all the Staff, spreading the culture of Quality, Food Safety, Worker Safety and compliance with industry standards and laws at all levels of the company.

Cantina Vignaioli del Morellino di Scansano has also undertaken a certification of its environmental sustainability performance. First, it began to monitor the Carbon Footprint in 2010, and then in 2015 it joined (among the very first wineries in Italy) a project of the Ministry of the Environment to obtain the VIVA Sustainable Wine certification, which pays particular attention to the sustainability indicators of air, water, vineyard and territory.

It was the first in Italy, in 2018, to obtain the European PEF certification to calculate the environmental footprint of the wines. This measures the environmental impact of the entire product life cycle, from the vineyard through

the cellar to the disposal of the packaging.

This measurement defined a starting point in a plan to improve environmental performance. The aim is to gradually reduce the impact associated with the production process, following recent developments in energy saving, optimised consumption and the adoption of circular production models for the reuse of raw materials.

With this same aim, the winery is implementing, in collaboration with Università della Toscana and Scuola Superiore Sant'Anna di Pisa, the use of ozone in the vineyard and in the cellar and the use of Internet of Things (IoT) technologies to reduce its environmental impact.

This report, therefore, naturally follows the sustainability path already undertaken to mitigate the winery's environmental impact, safeguard its members and care for the community.





## 2

# Strategy and Analysis

P. 30 \_\_\_\_\_ Stakeholders

P. 35 \_\_\_\_\_ Materiality according to the GRI Standards

P. 38 \_\_\_\_\_ Contribution to the SDGs

P. 42 \_\_\_\_\_ Future Goals



**9**

Stakeholder  
categories

**36**

aspects  
analysed

**11**

material  
themes

2.1

# Stakeholder



Stakeholder demands, especially strategic ones, are crucial in the planning and implementation of activities.

To draft this Sustainability Report, Cantina Vignaioli del Morellino di Scansano undertook a special process to get stakeholders involved. In doing so we were aware that this could contribute to process innovation and to align the social, environmental and economic performance with the company strategy. To this end, all stakeholders that have a significant power of influence on the organisation or are affected by its activities have been identified.

Each category has different expectations and concerns regarding corporate impacts on the three major themes of sustainability reporting: Environment, Social Impacts and Governance Strategies.

By virtue of the many relationships the winery has, the following have been identified:

- Internal stakeholders, who have a formal contractual relationship with the company;
- External stakeholders, i.e. people or organisations indirectly affected by business initiatives.



Internal Stakeholders of Cantina Vignaioli del Morellino di Scansano include:

- Members: The corporate structure is entirely made up of individuals, with no participation of public entities or other companies;
- Customers: the winery's customers are large-scale retailers and restaurants, wine shops, small shops, both Italian and foreign, and wholesalers;
- Suppliers: The companies directly affected by the presence and activities of the winery include the different suppliers of services, such as maintenance and repair work, technical and specialist consultancy and goods and materials;
- Employees: the company employs 29 people, almost all of whom are locals;
- The Consorzi di Tutela of the denominations to which the winery's wines belong.

External Stakeholders, on the other hand, are:

- Governmental and administrative authorities, including, for example, Regione Toscana and Comune di Scansano. These Authorities have, for various reasons, competences and interests related to the growth and development of the area's business organisations and economic activities.
- Associations and the local community: they consist of both citizens and national and territorial business associations;
- Competitors;
- Banks and lending institutions.

The involvement process was shared with the management to ensure that the corporate objectives defined in the corporate strategy were included and it was carried out with an approach based on consultation, information and participation.

Information is provided through:

- the planned publication of the sustainability report on an annual basis to

report on ESG performance;

- the sharing of the adopted policies;
- the website, social media and all tools for sharing the implemented projects.

The consultation includes:

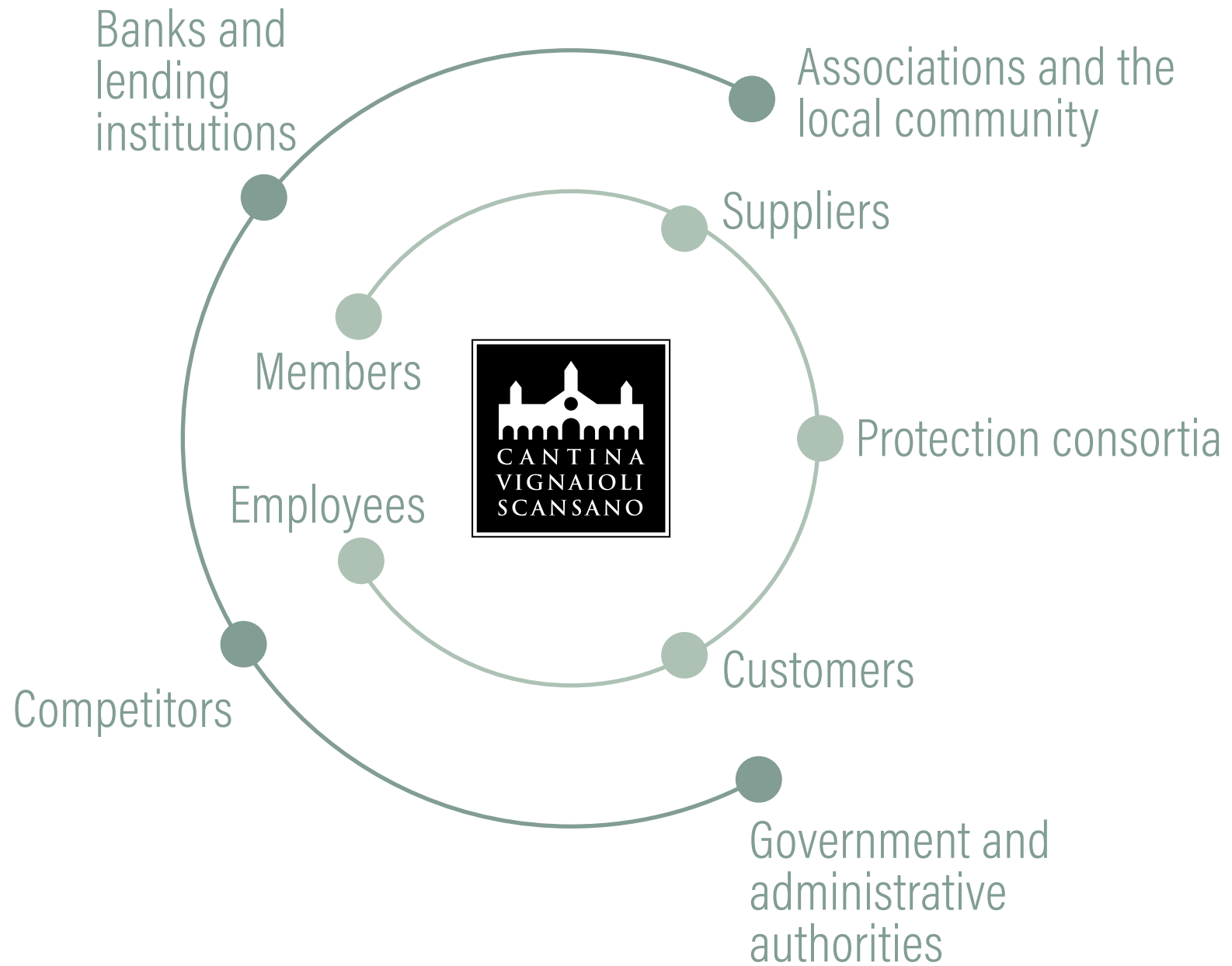
- the use of customer satisfaction questionnaires and specific surveys on ESG issues;
- meetings with stakeholder groups or their representatives for one-to-one discussions;
- responding to stakeholder demands.

Participation takes place through:

- stakeholder involvement in defining the material issues to be taken into account in corporate planning for the sustainable development of the company and the surrounding area;
- participation in industry working tables, related to specific topics;
- speaking at conferences and events organised by the Consorzio per la Tutela del Morellino di Scansano.

In order to strengthen its ties with the community, the winery has set itself the goal for the future of an increasingly structured approach to stakeholder involvement, starting with the desire to identify representatives for the retail sector to be involved in the materiality analysis.





GRI  
102-43/44  
102-46/47





## 2.2

# Materiality according to the GRI standards

The materiality matrix is the tool used to assess the issues to be addressed in the Sustainability Report, defining their relevance to stakeholders

In order to identify the most relevant topics, we considered and assessed the aspects connected with the activity of Cantina Vignaioli del Morellino di Scansano based on the following criteria:

- short-term direct financial impact;
- economic, social and/or environmental interests and issues raised by external Stakeholders and civil society;
- the main values, policies, strategies, operational management systems expressed in the form of commitments to key stakeholders;
- the main themes and future challenges of the sector, the relevant issues for similar and competing organisations;
- and social norms on specific topics indicated by regulations, by likely future norms or institutionalised norms and voluntary standards of strategic importance to the organisation and its stakeholders;
- the objectives and targets of the winery, as well as the main competences to be developed to contribute to sustainable development.

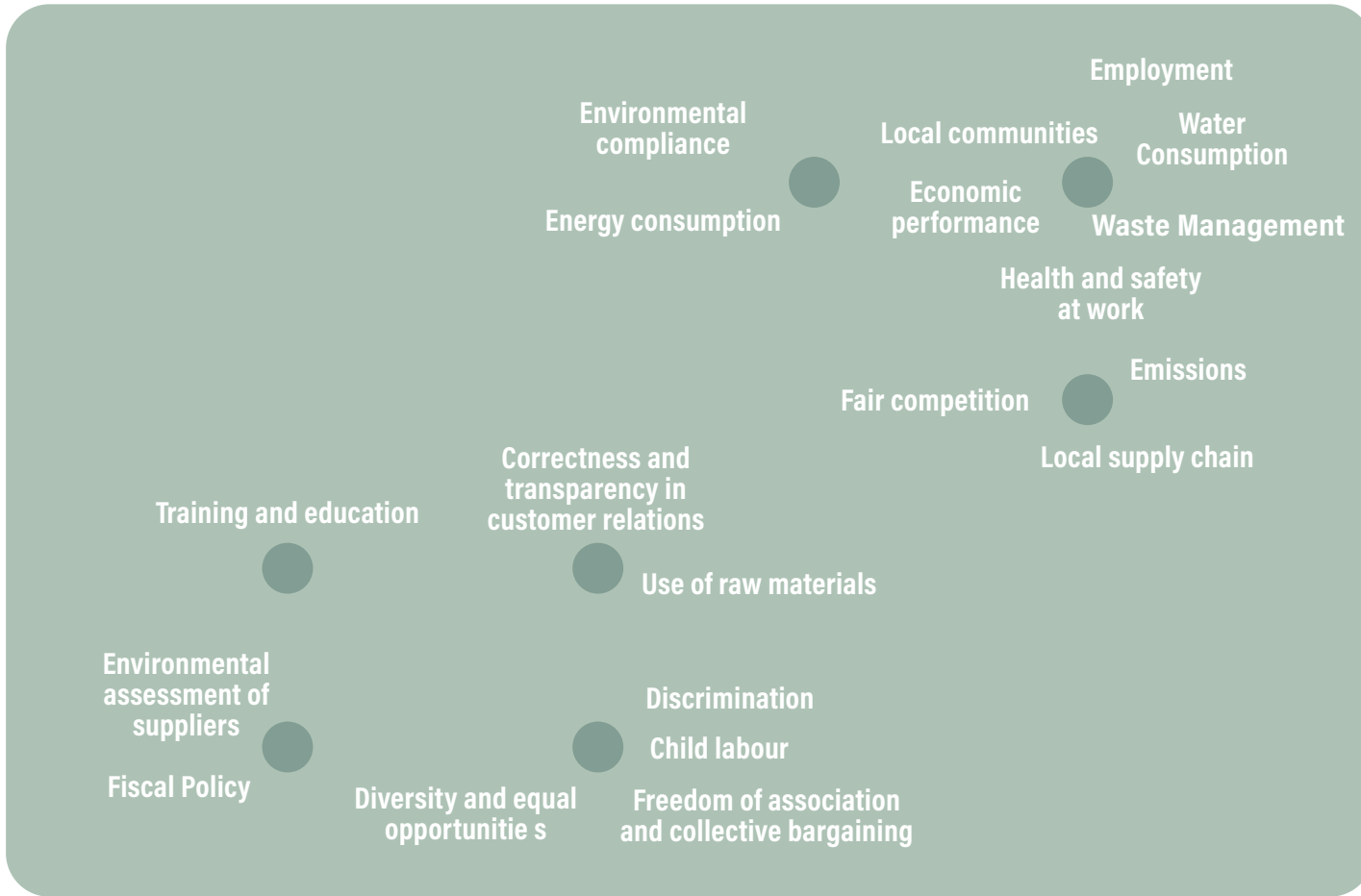
The results of this initial screening made it possible to extrapolate a number of topics to be submitted to the stakeholders for their assessment. The involvement took place, depending on the concerned Stakeholder groups, by means of one-to-one interviews, surveys, feedback collection, but also by analysing trends in the wine sector and requests from large-scale distribution. Eleven materiality issues emerged from this materiality analysis, selected among those that received a score of at least 7 from both the stakeholders involved and the winery, i.e. they were assigned a medium-high to very high relevance. The topics that are most significant for the winery and to which the stakeholders also attributed a higher weight are those in the upper right quadrant of the matrix:

- **economic performance,**
- **local supply chain,**
- **environmental compliance,**
- **waste management,**
- **emission monitoring,**
- **consumption of water and energy resources,**
- **anti-competitive conduct,**
- **opportunities for local community development and employment,**
- **health and safety at work.**

The number of topics found to be relevant in the materiality survey is consistent with the size of the business, the type of business and the impacts related to the nature of the business.



IMPORTANCE FOR STAKEHOLDERS



IMPORTANCE FOR CANTINA VIGNAIOLI DEL MORELLINO DI SCANSANO

We will report on each of these material issues in accordance with the GRI Standards and with their correlation with the SDGs, which are discussed in more detail in the following section.

The matrix shows the material aspects that scored above 5, while the table containing all the topics under analysis can be found in section 8.

2.3

# Contribution to Sustainable Development Goals



The winery contributes with its activities to the achievement of the Sustainable Development Goals (SDGs) identified by the United Nations General Assembly in 2015, when drafting the 2030 Agenda for Sustainable Development.

The 17 Goals identified and endorsed by the governments of the 193 UN member states have common objectives on issues considered to be pre-eminent for sustainable development.

For each goal, several specific targets were identified, with a total of 169 global targets to be achieved. "The SDGs, although addressed to different categories of actors - governments and institutions, civil society, non-profit organisations - tend to be a boost for the business world in particular. Businesses are recognised as playing a key and decisive role in sustainable development.

All enterprises, regardless of size, sector and geographical location are required to take a proactive approach to sustainable development for the next 15 years, through the development of new responsible business models, investments, innovation, technological enhancement and partnership action" (UN Global Compact Network Italy).

The SDGs on which the winery has a direct impact are:



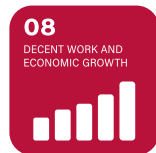
## SDG 6 – Clean Water And Sanitation

The winery has invested in the implementation of a computerised system to check and optimise the purification plant.



## SDG 7 – Affordable and Clean Energy

The winery has adopted an environmental policy that contemplates a prudent and rational use of energy. In addition, it has adopted production technologies that allow to reduce consumption.



## SDG 8 – Decent Work and Economic Growth

The winery has long been pursuing projects in favour of local employment and economic development, combining business and commitment to the local area to enhance an area full of potential but little exploited.



## SDG 12 – Responsible Consumption and Production

The winery has adopted a Management System oriented towards the principles of environmental sustainability. In particular, in terms of environmental policy, it has adopted company processes that guarantee an efficient use of energy and water in all service delivery phases, integrating reuse and recycling practices.



## SDG 13 – Climate Action

The winery has adopted strategies aimed at reducing the CO2 emissions related to its activities, measuring its environmental impact and setting gradual improvement targets in the short and long term. With this in mind, since a few years ago already it has invested in sustainable and less CO2-intensive technologies..



## SDG 15 – Life on Land

The winery has implemented a risk management plan to avoid negative impacts on the surrounding area.

Cantina Vignaioli del Morellino di Scansano also contributes with its activity to the realisation of the national and regional Sustainable Development Goals, envisaged by the National Strategy for Sustainable Development and taken up by the Regional Strategy 'Toscana Sostenibile 2030'.

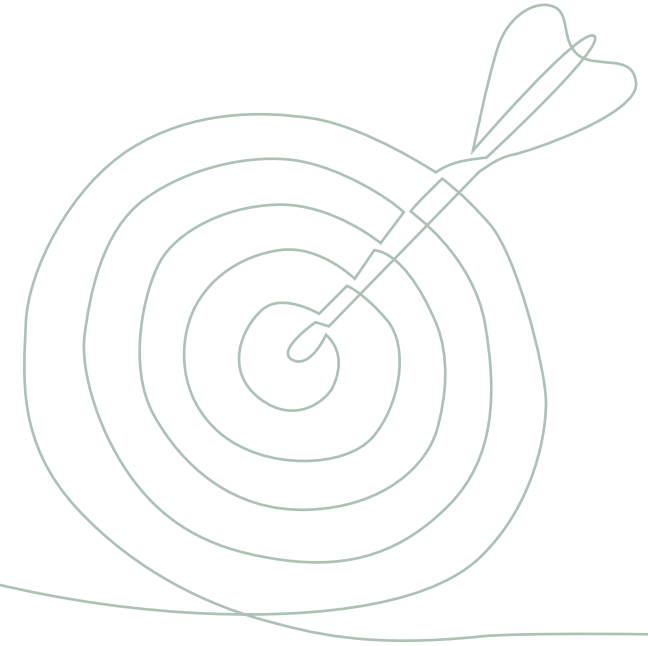
The national programme defined five macro-areas: People, Planet, Prosperity, Peace and Partnership. The major contribution of Cantina Vignaioli del Morellino di Scansano concerns the issues of People and Planet: the Winery's tendency is, in fact, to enhance the local community in order to reduce unemployment rates and land abandonment, reduce its environmental impact by monitoring its water and energy, minimise emissions and reduce the concentration of pollutants in the atmosphere. It also works towards sustainable land management, fighting abandonment and helping to build a resilient community.







## 2.4 Future Goals



**SDGs**

**MATERIAL TOPIC**

**FUTURE GOALS**

<b>WATER CONSUMPTION</b>	<ul style="list-style-type: none"><li>- Periodic monitoring of the wash water reclaiming system of the new bottling line to increase recovery and reuse</li><li>- Implementation of a filtration system equipped with chips to automate washing, monitor consumption and the waste of water and washing chemicals</li></ul>
<b>ENERGY CONSUMPTION</b>	<ul style="list-style-type: none"><li>- Completion of the energy efficiency measures in the production processes (e.g. marc handling machinery)</li><li>- Packaging research to use a bottle with lower environmental impact</li><li>- Implementation of a grape de-stemming system with a bucket elevator to save about 1/5 electricity</li></ul>
<b>LOCAL SUPPLY CHAIN ECONOMIC PERFORMANCE</b>	<ul style="list-style-type: none"><li>- Providing fine and safe products at a moderate cost</li><li>- Prevalent choice of local suppliers to favour the development of the local economy and reduce transport emissions</li></ul>
<b>LOCAL COMMUNITY EMPLOYMENT</b>	<ul style="list-style-type: none"><li>- Paying members adequately for their grapes and fostering a constructive and purposeful work environment</li><li>- Building a network of companies in the same sector with which to share common goals</li></ul>
<b>HEALTH AND SAFETY AT WORK</b>	<ul style="list-style-type: none"><li>- Defining a programme for Health and Safety initiatives</li></ul>
<b>WASTE MANAGEMENT</b>	<ul style="list-style-type: none"><li>- Supplier survey to use the grape stalks from grape processing for energy production</li><li>- Supplier survey to recover and reuse the reel cores from the labelling material</li></ul>
<b>ENVIRONMENTAL COMPLIANCE ATMOSPHERE EMISSIONS</b>	<ul style="list-style-type: none"><li>- Monitoring of CO2 equivalent emissions by updating data used for PEF and Carbon Footprint</li><li>- Definition of a sustainability training programme according to the VIVA programme</li><li>- Increasing the use of ozone treatments in the vineyard to replace chemicals</li><li>- Increasing the forecast accuracy of the integrated weather station system - TerraSystem</li></ul>



# 3

# Economic Performance

- P. 46 \_\_\_\_\_ Economic Performance
- P. 56 \_\_\_\_\_ Distribution of Value Added
- P. 62 \_\_\_\_\_ Clients
- P. 64 \_\_\_\_\_ Suppliers



**13.8**

Million €  
turnover in  
2021

**38,192**

hectolitres  
of wine sold

**50%**

suppliers  
from Tuscany



3.1

# Economic Performance

The increase in turnover in 2021 shows how the winery has been able to cope with market changes.

The financial year runs from 1st September 2020 to 31st August 2021 and refers to the 2020 harvest.

The quantity of grapes delivered in 2019-2020 is detailed below. The average Babo degree was 20.72, an increase of 0.69 Babo degrees compared to the 2019 harvest.

	Contribution 2020	Contribution 2019
Red grapes Morellino di Scansano DOCG (qI)	20,353.01	23,989.55
White grapes DOC Bianco Pitigliano (qI)	1,870.67	2,145.08
Red grapes IGT Toscano and Comune (qI)	2,507.20	3,158.02
Red grapes DOC Maremma Toscana (qI)	9,227.75	12,372.81
White grapes IGT and Common (qI)	2,195.05	1,211.60
White grapes DOC Maremma Toscana (qI)	6,316.23	6,357.03
<b>TOTAL CONFIRMED GRAPES (qI)</b>	<b>42,469.91</b>	<b>49,234.09</b>

There is a substantial decrease in production, mainly due to two factors. The first, the early April frost. The second has to do with the drought, which affected the weight of the bunches. The grapes delivered were nevertheless of excellent quality, although not sufficient to meet market demands.

Harvesting and processing of the grapes took place regularly, thanks to the favourable climatic conditions, and yielded excellent wines.

The general sales figures for wine in large-scale retail trade show further growth compared to the increase in turnover recorded in the previous year. It is worth noting the excellent result of all the Morellino di Scansano DOP labels, including Riserva, and of Ciliegiole DOC Maremma Toscana. The HO-RECA channel suffered from the restrictions on catering activities due to the pandemic. The figures indicate a decrease in sales of about 7% to direct customers and about 2% to wholesalers. This was cushioned by the diversion of part of the sales from catering to wine shops.

Overall, export sales were down by 6%. This figure is mainly related to private-label packaged wines, while the winery's labels showed a growth of 44%, also thanks to a tender won in Sweden with a Rosso Doc Maremma Toscana wine. The point of sale was affected by the restrictions due to Covid-19, but cellar visits and tastings were much appreciated by the public, which led customers to buy more expensive wines.

The emergency period made it possible to test the sales potential of the e-commerce channel, which in fact increased again.

To assess the economic and financial situation of VMS, we analysed the economic indicators used by the main rating agencies to assess the creditworthiness of organisations. These indicators make it possible to evaluate the economic and financial health of the company by analysing five aspects that measure growth, profitability, liquidity, soundness and solvency.

Due to its cooperative nature, the wine cellar combines business activity and mutualistic purpose, so these economic indicators must also be assessed, taking into account the solidarity dimension it performs.


Profitability ratios measure the company's ability to generate value and produce income: in 2021 the winery generated profits, albeit limited due to the economic consequences of the COVID-19 pandemic measures. The most important profitability ratios include ROE, ROS and ROA:

- **ROE (Return Of Equity)** measures the company's ability to remunerate the members who contribute risk capital to the company;
- **ROS (Return On Sales)** measures the profitability of sales, net of operating costs;
- **ROA (Return On Assets)** indicates the company's ability to obtain an income stream from its business.




## PROFITABILITY RATIOS

Return on Equity (ROE)	7.9 %
Return on Sales (ROS)	1.9 %
Return on Assets (ROA)	0.9 %
Earnings Before Interests Taxes Depreciation and Amortisation (EBITDA)	10 %



**Profitability** is useful to understand whether the management has improved or not over time. In the winery's case, costs are essentially stable, and the biggest change is in revenues. Good management of the available quantities and a correct pricing policy have made it possible to mitigate the difficulties associated with low production.





## TURNOVER RATIOS

Turnover of capital employed	0.48
Net working capital turnover	1.09
Stock turnover rate	3.59

**Turnover ratios** indicate how many times in a financial year the core business is able to transform holdings into revenues.

› The turnover of capital employed measures the output generated by invested capital in terms of revenue: it expresses the efficiency of capital in exploiting the available production capacity and captures the average revenue generated per unit of investment in capital employed. Therefore, from the financial point of view it, expresses the speed of return, through sales, of the invested capital (cash, receivables, inventories, fixed assets, etc.), while from the economic point of view it measures the efficiency of the production choices made by the company.

› The net working capital turnover ratio assesses the company's ability to rationalise the use of resources in the short term: it indicates how much capital is needed to obtain a certain value of production, i.e. the effectiveness of working capital in generating revenue.

## ASSET AND FINANCIAL RATIOS

Fixed assets coverage ratio	0.31
Current bank borrowings	0.31
Short-term bank debt	0.15
Debt to equity ratio	0.67
Net invested capital	0.17
Finance charges on turnover	0.01
Finance charges on EBITDA	0.15

The **balance sheet and financial ratios** make it possible to obtain useful elements to assess a company's equity, and financial and economic situation. In particular, fixed assets coverage measures a company's solvency: a ratio below 1 indicates that the company has resorted to external sources to finance fixed investments, but is close to a value that indicates good solidity. Bank debt on working capital indicates the availability of readily-available cash and readily-collectable credit to meet bank debts. Instead, the debt ratio and the ratio evaluating equity in relation to invested capital compare the contracted debts and the equity to the total investments made by the company. Finally, finance charges are evaluated in relation to turnover and EBITDA to assess their impact on revenues..

## PRODUCTIVITY RATIOS

Turnover per employee	480,876.78 €
Value Added per employee	82,771.33 €
Labour costs per employee	33,549.78 €
Labour costs per turnover	7%
Gross Income	17%

**Productivity ratios** assess labour costs and the added value generated by the business in relation to the number of employees and to turnover, as well as the turnover generated in relation to the number of employees on the payroll.

The growth trend in turnover must be assessed over a broad time span in order to make a reliable reading of the data. The turnover trend of the wine cellar is growing, presumably also due to the ability to intercept new trends in purchasing behaviour.

**Liquidity ratios** measure the company's ability to meet its financial commitments: it measures the average time to collect customer receivables and pay supplier payables, as well as the capital intensity ratio, i.e. the ability of investments to generate income. The current ratio, on the other hand, assesses the ability to meet short-term commitments with available cash and future income from the realisation of deferred cash and current assets.

### LIQUIDITY RATIOS

Current Ratio	1.48
Quick ratio	-0.51
Receivables to customers	74.47
Credit days from suppliers	144.46
Spare days	100.27
Intensity rate of working capital	21%

Liquidity assesses how, within the framework of financial management, the company is able to transform marginality into liquidity: the analysis of working capital management is carried out by measuring the average collection times of receivables and supplier payment times. Long collection times and short supplier payment times equate to an absorption of liquidity that could lead to financial distress. Solvency measures the ability to cover financial debts through the cash flows generated by operations.

**Cost Incidence Ratios** measure the impact of the costs of raw materials and consumables, personnel and depreciation and amortisation on the total costs incurred by the company in the conduct of its business.

### COST INCIDENCE RATIOS

Incidence of material costs	67.38 %
Incidence of labour costs	7 %
Incidence of depreciation and write-downs	6.28 %

**Development Indexes** assess the change in the balance sheet ratios over the two-year period 2021-2020: while the amount of costs is stable over time, all other ratios are positive and indicate a positive economic development of the business.

#### DEVELOPMENT INDEXES 2021-2020

Change in revenue	6 %
Production costs variations	-2.8 %
Changes in Shareholders' Equity	3 %
Total assets variations	13 %

The **Funding Sources to Investments Ratio** assesses the company's ability to meet medium to long-term investments. Economic soundness is assessed by measuring current assets and investments covered by internal and external sources of finance.

#### FINANCING SOURCES AND INVESTMENT RATIOS

Consolidated assets	19,520,137.00 €
Consolidated liabilities	18,149,300.00 €



GRI  
201-1

3.2

## Distribution of economic value

The choices made in terms of procurement of goods and provision of services have a positive impact on the development of the local community.



VALUE-ADDED PROFIT AND LOSS ACCOUNT	2021	2020	2019
NET SALES REVENUE	12,983,673.00 €	12,260,823.00 €	11,424,280.00 €
Other operating expenses	192,551.00 €	200,782.00 €	196,501.00 €
ADDED VALUE (AV)	2,234,826.00 €	1,900,031.00 €	1,812,930.00 €
Staff expenditure	905,844.00 €	895,193.00 €	874,280.00 €
GROSS OPERATING MARGIN	1,328,982.00 €	1,004,838.00 €	938,650.00 €
Depreciation and Amortisation	1,076,949.00 €	805,359.00 €	770,287.00 €
OPERATING INCOME	252,033.00 €	199,479.00 €	168,363.00 €
+/- Result of financial management	- 162,328.00 €	- 163,179.00 €	- 140,366.00 €
Write-downs of securities in current assets	-	-	281.00 €
EARNINGS BEFORE TAXES	89,705.00 €	36,300.00 €	27,716.00 €
Income Taxes	4,952.00 €	2,004.00 €	1,458.00 €
NET INCOME (PROFIT/LOSS FOR THE YEAR)	84,753.00 €	34,296.00 €	26,258.00 €
Borrowing costs	- 194,109.00 €	- 183,343.00 €	- 166,333.00 €
Financial income	31,781.00 €	20,164.00 €	25,967.00 €
Equity capital	1,074,465.00 €	1,076,625.00 €	1,078,056.00 €
CashFlow(Profit/Lossforthe Year+Depreciation andAmortisation)	1,161,702.00 €	839,655.00 €	796,545.00 €
Third-party capital (debts to shareholders for loans and banks)	n.a.	n.a.	n.a.

\*for SUBSIDIARY RAWMATERIALS AND GOODS, most of it relates to grapes contributed by members. Specifically, for the 2019 budget, it is approximately 4,190,000, for 2020 it is approximately 5,056,000 and for 2021 it is approximately 4,834,000.

Value Added is the value that the organisation generates through its productive activity and distributes to its stakeholders. This parameter makes it possible to measure both the business management's economic performance and the organisation's ability to create the conditions so that the generated wealth can be distributed to the relevant Stakeholders as direct and indirect benefits, distributed resources, and established social utility.

To assess the economic performance and the ability to distribute wealth it is necessary to reclassify the statutory income statement to highlight how the added value is determined, resulting from the difference between the economic value generated by the company and the costs incurred for the acquisition of goods and services.

In other words, this parameter measures the 'wealth' created by the organisation in carrying out its activities. The characteristic gross added value is the difference between revenues and intermediate consumption, i.e. the costs that do not represent the remuneration of the organisation's internal stakeholders (such as personnel, members, or the public administration) and do not benefit other stakeholders.

Being a cooperative, the winery uses instruments for distributing the wealth produced other than the division of profits. These aspects of corporate management are very different from the common practice of profit distribution in ordinary companies, and must be considered when assessing operating results.

Specifically, with reference to the costs for ancillary raw materials and goods, which for all three budgets are close to EUR 9 million, it must be borne in mind that the majority relates to grapes delivered by the members. For the 2019 budget they are approximately 4,190,000, for 2020 they are 5,056,000 and for 2021 they are approximately 4.834.000. The winery certainly and de-



liberately closes with a modest operating profit, as a large part of the profit becomes the liquidation cost of the delivered grapes. A normal, profit-oriented company would think differently: if, instead of liquidating the grapes to the members on the basis of the balance sheet results, a private company had purchased the grapes on the market, taking into account the prices of the grapes in the three periods shown, it would have incurred costs of € 3,500,000 in 2019, 4,200,000 in 2020 and 3,900,000 in 2021. These figures, when compared with those shown above, make it clear that the winery's profit potential is much higher than it appears in the financial statements. This is also to the benefit of the most important ratios, which would certainly be far better.

With the contribution of members, the principle of mutuality is established and the economic benefit is proportionate to the degree of participation in the life and activities of the cooperative.

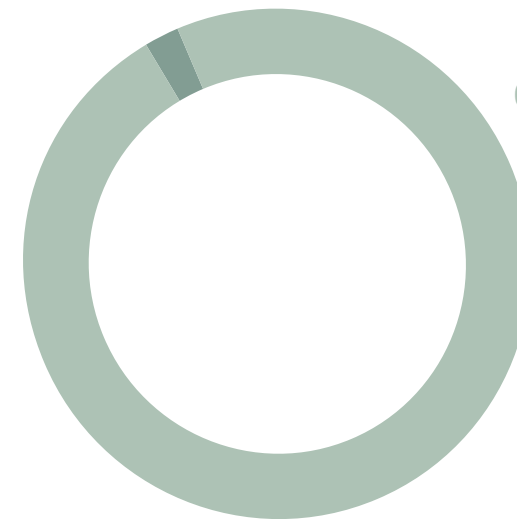
The operating results demonstrate the extent to which the Winery's activities are constantly guided by full compliance with both the guidelines and the strategic objectives set by the cooperative: it is in the Winery's interest and intent to ensure positive economic results in order to safeguard economic stability, and soundness and long-term financial viability.

To this end, each year the cooperative monitors the company's performance during the management review.

The cooperative is committed to consolidate the achieved economic performance and to constantly improve the business management system.

**Withheld economic value**

(2%)

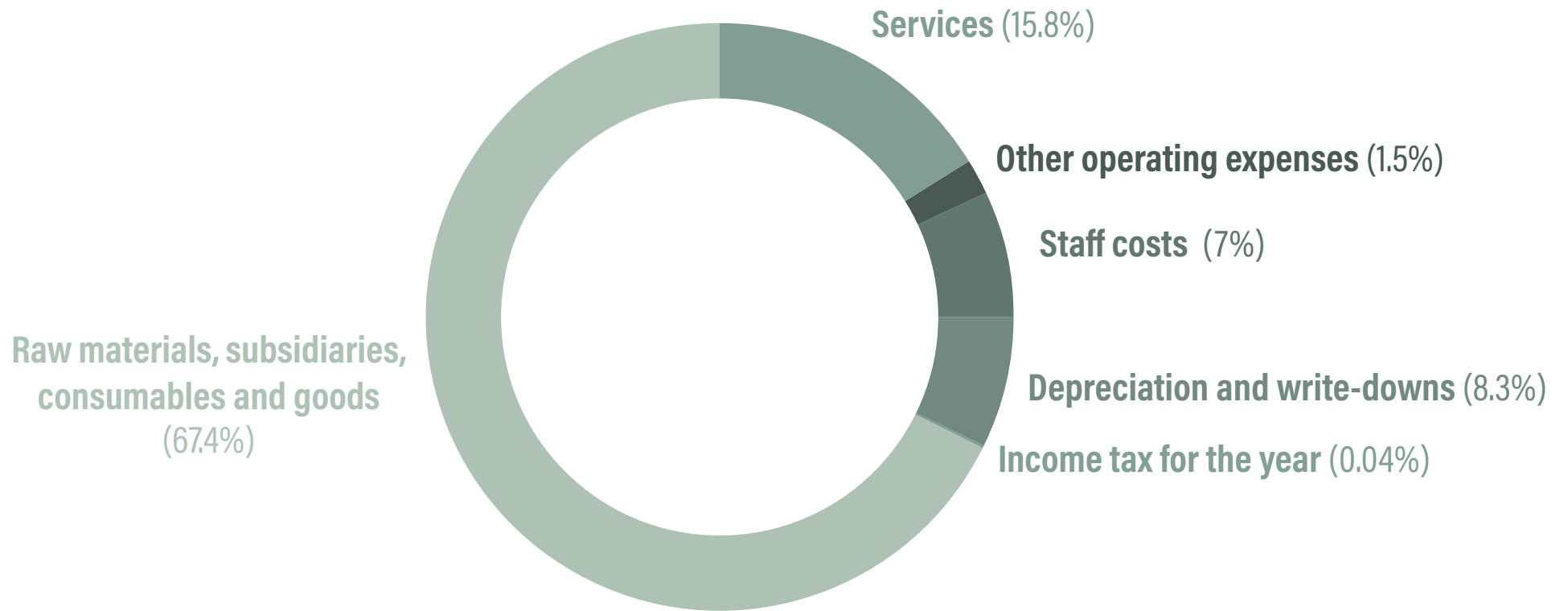


**Distributed economic value**

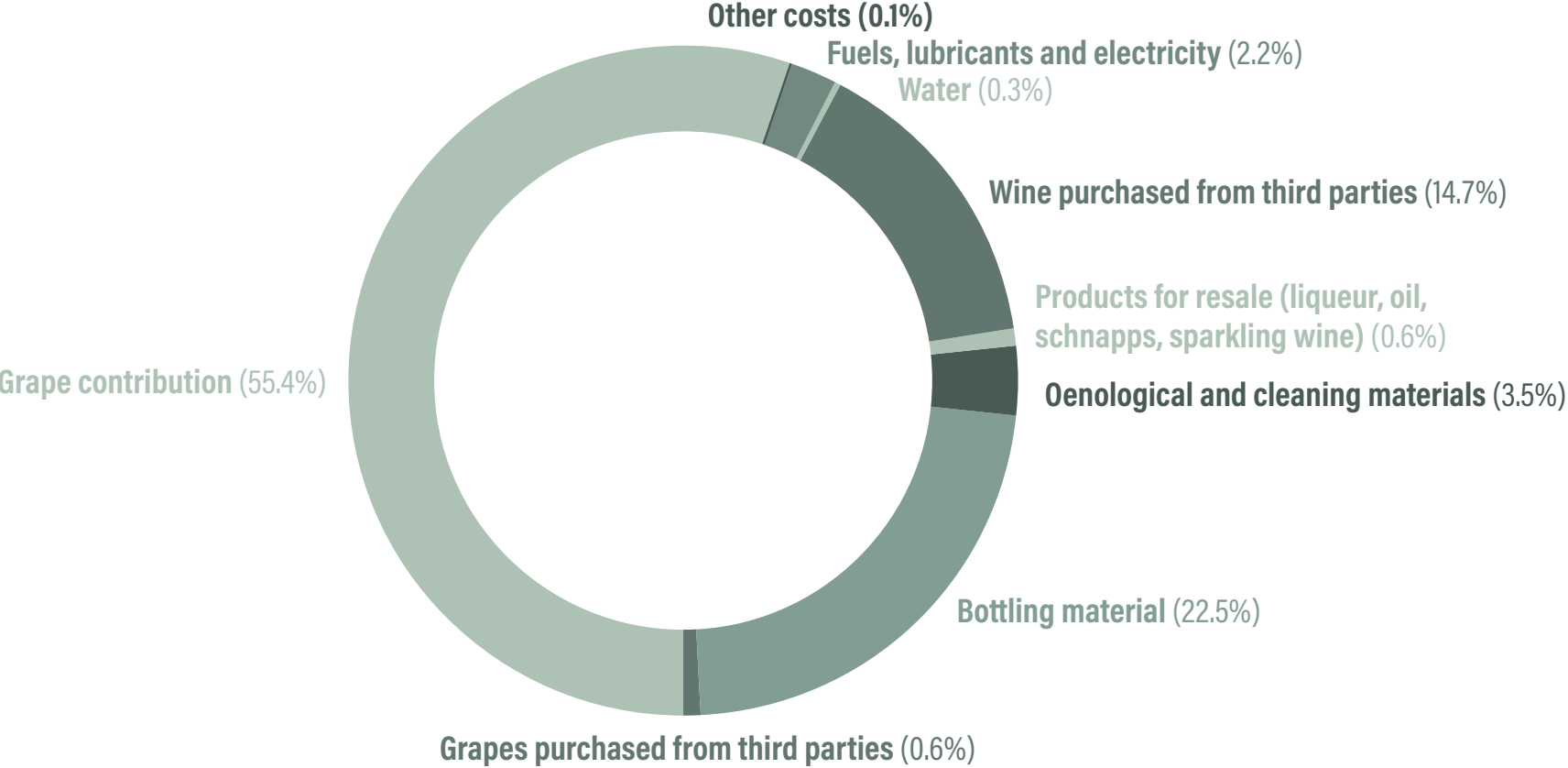
(98%)

**Generated and distributed economic value**

## Details of Cost Items for the Distributed Economic Value



# Details of cost items for Raw materials, consumables and goods



## 3.3

# Clients

The Winery's main clients include large retail outlets as well as wine shops, restaurants and small shops.

Overall, the analysis of the sales data is positive, showing how the effects of the pandemic-related restrictions, which lasted longer than in the previous year, were mitigated by the sales channels. In fact, the range of sales methods is now quite varied and encompasses several categories, all of which are well established and are shown in the following table with the breakdown of turnover:

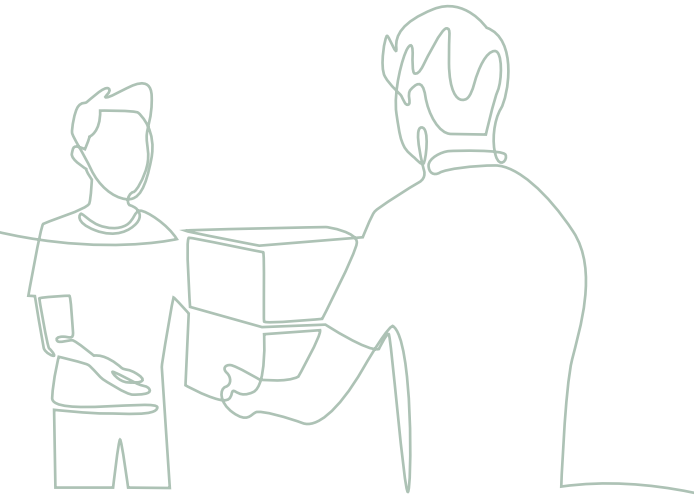
	2020/2021	2019/2020
RETAIL	11,861,953.55	11,186,967.21
WINERY POINT OF SALE	565,602.09	497,300.94
EXPORT	872,139.95	928,210.89
GIVEAWAYS AND SAMPLES	21,123.26	27,084.04
BULK IN TANKER	357,209.00	368,717.00
SCUM AND MARC	16,526.20	16,930.47
EMPTYES AND MISCELLANEOUS MATERIAL	20,888.03	17,732.82
OIL (ITALY + EXPORT)	28,407.70	28,294.53
GUIDED TASTINGS	18,788.91	27,589.66
<b>TOTAL SALES (€)</b>	<b>13,762,638.69</b>	<b>13,098,827.56</b>

The results achieved leveraged large-scale retailers and the commitment of the sales network in the HORECA channel towards wine shops and take-away as opposed to restaurants (wine shops +22%).

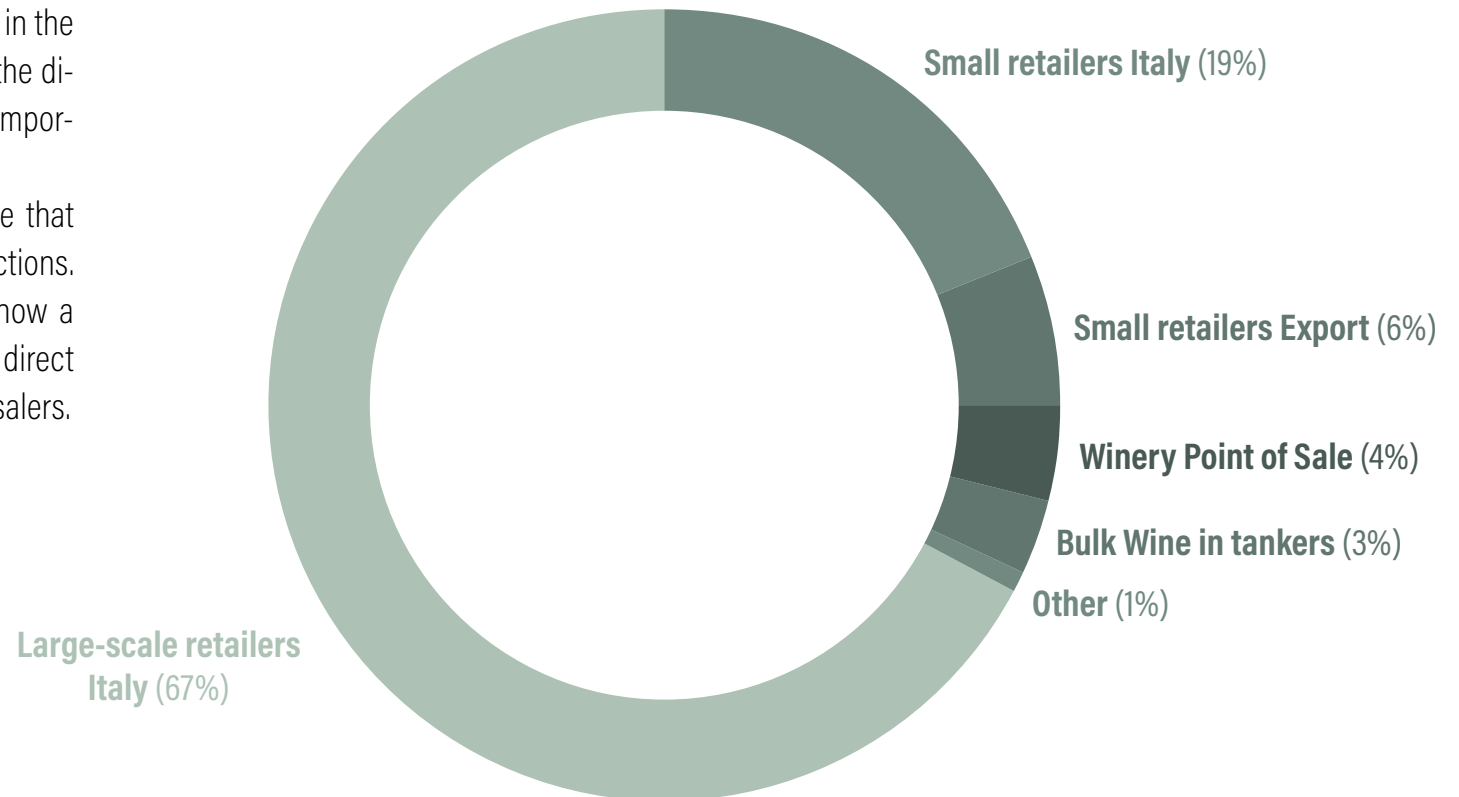
Export losses are also decidedly limited, given that sales in this market only concern the HORECA channel.

The general figures for the Italian large-scale retail trade show further growth (+8%) compared to the already positive increase in turnover in the previous year. Furthermore, the growth of the discount channel continues, confirming its importance in the domestic market.

The HORECA channel is obviously the one that suffered most from the pandemic restrictions. At the end of the financial year, figures show a drop in turnover of about 7% in the case of direct clients and about 2% in the case of wholesalers.



## Sales by sector



## 3.4 Suppliers

Preferring Tuscan suppliers is one of the ways in which the winery contributes to developing the local economy.

To operate and maintain the production site and the point of sale it is necessary to purchase goods and services, of which the most significant are bottling materials (29%) and bulk wine (20%), followed by costs incurred for vehicles, plant and equipment (13%). The winery's direct suppliers of goods and services are related to:

- commissions;
- transport;
- communication and marketing;
- maintenance and consultancy services;
- competitions;
- utility management, analysis and certification;
- computer services.

In choosing its suppliers, Cantina Cooperativa Vignaioli del Morellino di Scansano prefers local professionals: indeed, 50% of its suppliers are based in Tuscany.

This is expressly provided for in the Winery's governance policies, which stipulate that, when evaluating bids, it should prefer local suppliers, even if they are economically less advantageous, as long as they do not exceed a 10% tolerance limit.

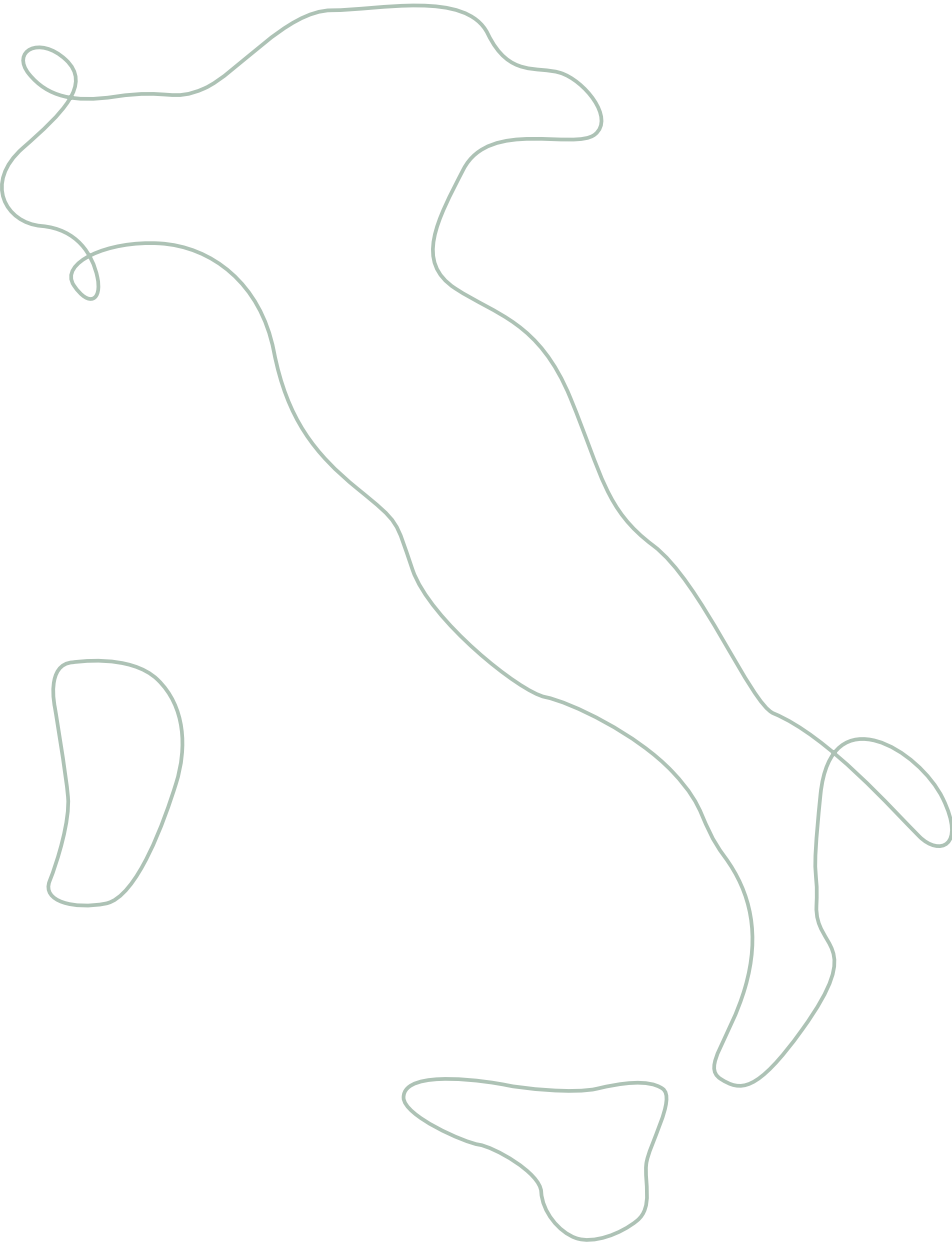




*«As winegrowers, teamwork is part of our DNA, as is working in favour of our territory. In other words, this step was more than natural.»*

*Benedetto Grechi*

For details of purchases by taxable amount,  
please refer to the table below:



REGION	%
Tuscany	50.14%
Lombardy	13.65%
Veneto	8.86%
Lazio	8.44%
Emilia Romagna	4.33%
Trentino Alto-Adige	4.26%
Marche	3.76%
Abruzzo	2.90%
Piedmont	1.04%
Campania	0.97%
Sardinia	0.92%
Umbria	0.46%
Abroad	0.09%
Friuli Venezia Giulia	0.07%
Sicily	0.05%
Liguria	0.03%
Basilicata	0.02%








4

# Environmental Sustainability

- P. 70 \_\_\_\_\_ Environmental Policy
- P. 76 \_\_\_\_\_ Waste Management
- P. 78 \_\_\_\_\_ Emissions

06  
CLEAN WATER  
AND SANITATION  


07  
AFFORDABLE AND  
CLEAN ENERGY  


13  
CLIMATE ACTION  


**3,607**

GJ of electricity  
used for the  
production site

**647**

GJ of energy produced  
from renewable sources  
fed into the network

**12.7**

ML of water  
used



4.1

## Environmental Policy

The Winery's policy aims to enhance local products, meeting the growing needs of consumers, who pay more and more attention to product origin, product safety and environmental sustainability.

Environmental sustainability has always been a priority for Cantina Cooperativa Vignaioli del Morellino di Scansano. This is on top of its focus on social and economic sustainability, as illustrated in this report. In terms of environmental sustainability, the Cooperative embarked on this path many years ago, as proven by the certifications on the labels.

The journey began with the ISO14067 Product Carbon Footprint certification obtained in 2014 and the VIVA Sustainable Wine certification from the Ministry of the Environment, as of 2015 for

- Morellino di Scansano DOCG
- Morellino di Scansano Roggiano DOCG.

The Carbon Footprint of a product measures the greenhouse gas emissions, expressed in CO2 equivalent, from the vineyard to the use or disposal of the empty bottle, thus providing an indication of a product's impact on the environment.

The VIVA Sustainable Wine certification, on the other hand, is a project initiated by the Ministry for the Environment, Land and Sea in July 2011 to measure the sustainability of the wine supply chain based on four indicators: land, air, vineyard and water.

PEF certification: the first in Italy

Thanks to the efforts and policies already put in place with the first certifications, in July 2018 the winery also obtained the PEF (Product Environmental Footprint), which measures the environmental footprint of the

product along the entire supply chain, from the vineyard to the disposal of the packaging.

As for the Morellino di Scansano DOCG destined for large retailers, it represented a first, being the first wine in Italy distributed in large-scale distribution to obtain this certification.

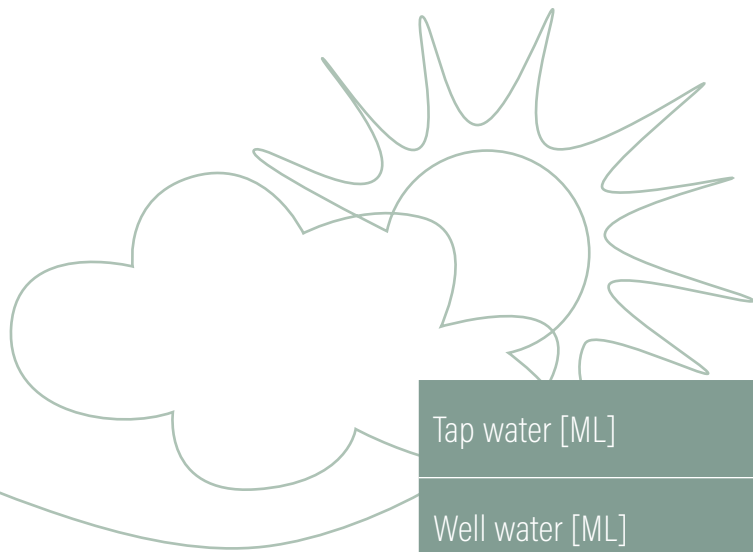
What is PEF

PEF is a multi-criteria measurement of the environmental performance of a product or service throughout its lifecycle - for wine, this means from grape growing, bottling and transport, through to serving and the recovery of the packaging.

It considers parameters like climate change, use of fossil and mineral resources, pollution (particulates), acidification and land use. Although the technical reference standard for wine (PEFCR Wine) was only issued in April 2018, it was possible to achieve this result quickly thanks to the commitment of the team and the actions already implemented to obtain the other certifications.

A long-term path

The certification is, however, just one more step along the path that the winery has been following for years in environmental matters. A path that does not end here, but aims to achieve more and more significant results, by measuring the impact of the implemented actions.



	2021	2020	2019
Tap water [ML]	4.73	2.40	8.09
Well water [ML]	7.96	4.72	3.88
<b>Waste water [ML]</b>	12.70	7.13	11.97

The energy-saving measures taken during the winemaking process go in the same direction of increasing process efficiency and adopting sustainable production strategies. Through its solar panel system of around 150 kW, the winery is able to self-produce part of the electricity required to cover its energy needs.

The recent machinery investments include a new crusher-diaphragm press, while a system of elevators and conveyor belts has replaced the old stalk evacuation system by suction, generating savings in terms of consumed electricity and noise reduction.

In addition, new technical measures such as in-

sulation, roll-up doors for separating the different rooms and insulation have helped reduce both electrical and thermal energy waste. To this one must add an innovative compressor lubricated with water instead of oil, the use of air in the winemaking process to eliminate pumping over, and the reduction of the internal temperature of the fermenting tanks to reduce the use of refrigerants.

Below is a breakdown of energy consumption in the three-year period 2019-2021





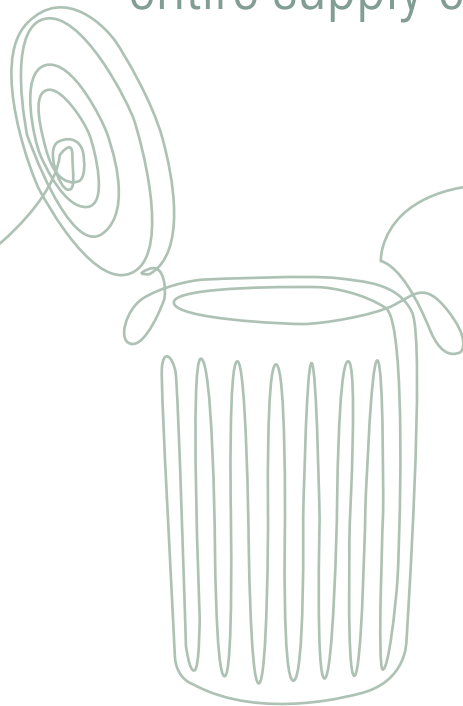


	2021	2020	2019
Electricity consumption [GJ]	4,254	4,117	4,085
From renewable sources [GJ]	647	601	560
From non-renewable sources [GJ]	3,607	3,515	3,524
Electricity sold [GJ]	11.5	9.8	6.4
Energy consumption for heating [GJ]	412	383	414
Total energy consumption [GJ]	4,667	4,500	4,498

The winery implements initiatives to monitor the main electricity and water consumption points using SCADA software. This is in order to better plan future waste management actions (process redesign, purchase of more modern, high-performance equipment or operational changes). In addition, due to the increasing popularity of electric vehicles, a charging point for electric cars has been set up in the company, reserved for customers.

## 4.2 Waste Management

The re-use of production waste can foster a circular management of production processes, with economic and environmental benefits for the entire supply chain.



The processing of the grapes delivered by the members results in two production waste products: marc and stalks. The marc, i.e. the grape skins and seeds, is used to produce spirits. The stalks, on the other hand, are given away and, after shredding and defibration, they are turned into compost and used as soil conditioners and fertilisers.

	2021	2020	2019
Hazardous generated waste [t]	0	0.43	2.06
Non-hazardous generated waste [t]	322.24	16717	243.54
<b>Total generated waste [t]</b>	<b>322.24</b>	<b>16760</b>	<b>246.60</b>

On top of grape processing waste, there is also bottling waste, mainly deriving from labelling and packaging.

Aware of the possibility of transforming this waste into products with high added value, the winery intends to partner with suppliers with to harvest stalks and prunings to produce electrical and thermal energy from renewable sources.

In addition, the winery is carrying out a survey among its suppliers to valorise and recover labelling materials. In particular, the core of the reels on which the labels are wrapped, made of siliconised plastic, could be returned and reused, avoiding the generation of further waste.

	2021	2020	2019
Hazardous generated waste [t]	0	0.43	2.07
of which Treated/Recoved[t]	0	0.16	0.55
of which Disposed of [t]	0	0.27	1.51
Non-hazardous generated waste [t]	322.24	16716	243.54
of which Treated/Recovered[t]	195.24	7.74	4.00
of which Disposed [t]	0	0	2.18
of which sent to a Waste water treatment plant [t]	12700	159.42	23736
<b>Total [t]</b>	322.24	16760	245.60

4.3

# Emissions

Calculating the PEF (Product Environmental Footprint) gave the first interesting results and showed that the processes initialised have improved the relevant environmental footprint parameters.

By calculating the Carbon Footprint, the winery monitors both direct emissions, generated by the activities carried out at the production site and related to LPG and fuel consumption, and indirect emissions, i.e. related to the energy purchased and consumed.

	2021	2020	2019
Direct emissions [t Co2eq]	12,772	11,852	60,369
Indirect emissions (location based) [t Co2eq]	246,197	249,021	263,489
Indirect emissions (market based) [t Co2eq]	457,924	447,281	456,284
Total direct and indirect emissions (location based) [t Co2eq]	258,969	260,873	323,858
Total direct and indirect emissions (market based) [t Co2eq]	470,696	459,133	516,653

The winery also conducted a study on packaging, again with the intention of reducing the environmental impact of its production.

Indeed, while packaging has an impact on marketing because more mature consumers (Generation X and Baby Boomers) associate heavier glass bottles with higher quality wine, the environmental footprint of the product depends above all on the weight of the bottle, which affects the amount of energy needed for production and the fuel used for transport.

The winery chose to find a compromise, by using lighter bottles for some types of wine to reduce transport emissions. For other higher quality wines, on the other hand, it chose a heavier bottle to avoid the risk of debasing the product.

The winery has also embarked on a path of innovation involving the use of new technologies and solutions to reduce the environmental impact in the vineyard and cellar.

This refers to the SOS WINE project, a project on Process Sustainability for the Healthiness of Wine, born from a call for bids by the Region of Tuscany. The winery participated as group leader with the involvement of other local realities, including Fattoria Mantellassi, Fratelli Bruni and Azienda Montauto, and the support of Consorzio di Tutela del Morellino di Scansano D.O.C.G.

The project was drawn up by Daniele Schirru, an agronomist specialised in project design, in partnership with important institutions: the University of Tuscia and the Scuola Superiore Sant'Anna in Pisa, under the scientific direction of Professor Fabio Mencarelli.

The project was implemented with the goal of improving vineyard management and the wine production process by acting only where necessary, thus limiting the use of chemicals in the vineyard. The other objective was to introduce new lines of wines (without the addition of sulphites, passito wines, structured Amarone-style wines) that would guarantee wholesomeness and save resources. This was achieved through the application of IoT (Internet of Things) technologies in the vineyard and cellar (precision viticulture and oenology) and through the experimental adoption of ozone in the vineyard and cellar, with the aim of limiting the use of other chemicals while carefully monitoring the vineyard.

## ACTIONS

Sustainable innovation in the vineyard	Adoption of a decision support information system (DSS) and phytosanitary forecast maps Introduction of sensors for remote, proximal and continuous vineyard mapping of the physiological state of the vines and of the ripening grapes Ozone treatment in the vineyard
Sustainable innovation in the winery for the healthiness of new types of wines	Sulphite-free wine production and water sanitisation system Production of passito and fine full bodied wines
Environmental Product Footprint Assessment, PEF	
Management, Dissemination and Training	

## Ozone in the vineyard and cellar

Ozone is a gas that has a disinfecting and sanitising function on the leaves and induces greater resistance on the plant. Therefore, by treating plants and grapes with ozone, it is possible to keep them healthy by using this gas as an alternative to chemical treatments. Since ozone does not leave any residue because it returns to oxygen once used, it is possible to treat plants without damaging the environment and to carry out treatments in the vineyard even close to the harvest, without any risk for the consumer.

However, as ozone is an unstable gas, it is not sprayed directly onto the plants. At present, the prototype involves the use of ozonised water, while a suitable instrument for the treatment is being studied.

In the winery, ozone is used to reduce or eliminate the use of sulphites in wine, to disinfect and sanitise winemaking and ageing areas and equipment. In addition, the fact that ozone leaves no residue enables a more efficient resource management as it allows to recover the water used in these operations.



## The use of drones

In recent years, an interesting branch of agricultural science is also gaining ground with the use of technological applications such as drones, which make it possible to monitor the vineyard at a lower cost.

The drone used in this project can map one hectare of vineyard in six minutes. Using a hyperspectral camera and a 3D scanner, it photographs the vineyard plant by plant, obtaining information on vigour, water stress and other physiological data. The maps created by the drone are then assembled to obtain a picture of the situation of the entire vineyard, thanks to reference points on the ground called ground control points.

## Sensors and Arduino boards

In addition to the drone, the winery also uses other microsensors connected to an Arduino board, which, by means of sensors, makes it possible to create prototypes for monitoring the vineyard with microclimate stations. These stations store the data of the conditions detected in the vineyard and communicate them to the operators, even remotely. In addition, an analysis of the leaves and bunches of grapes can be carried out using a NIR spectrometer connected to the computer. Based on the indications collected, all this data allows to set the tractor and define targeted interventions.

### SOSWINE

The data collected by these tools is then channelled into SOSWINE, an innovative decision support system (DSS) dedicated to the wine sector and developed by Terrasystem srl – a Spin Off of the University of Tuscia as part of a project conducted by the Department for Innovation in Biological, Agrifood and Forestry Systems (DIBAF) of the University of Tuscia in Viterbo. By cross-referencing the data collected with the predictive models developed through the platform, the winery is able to send regular bulletins to its members that indicate the actions to take in the vineyard, and allow to optimise operations in the vineyard so as to only act when and where necessary, with a positive impact in terms of environmental and economic sustainability.



5

# Social responsibility

P. 84 \_\_\_\_\_ Staff

P. 92 \_\_\_\_\_ Local Community



**0%**

accident rate  
in 2021

**96%**

employees  
living in  
Tuscany

**59%**

employees with  
permanent  
contract

GRI  
102-8  
102-41  
401-1  
403-1/10

5.1

## Staff

For the winery it is essential to invest in human capital, guaranteeing its members profitable terms.

Cantina Vignaioli del Morellino di Scansano has always been committed to protecting its employees, involving them in the work and in the management of the cooperative's life.

The winery employs 29 people as at 31.12.2021: this is a constant figure compared to previous years, which demonstrates the cooperative's strong commitment to caring for its human resources. The National Collective Labour Agreement for Agricultural Cooperatives applies to all employees.

Management must, on top of carrying out the activities with positive results, also understand the potential and needs of all employees, in line with its cooperative mission. Cantina Vignaioli del Morellino di Scansano has always oriented its activities towards the enhancement of human capital.

The table below shows the number of employees, with details on new hires and terminations, in the three-year period 2019- 2021.

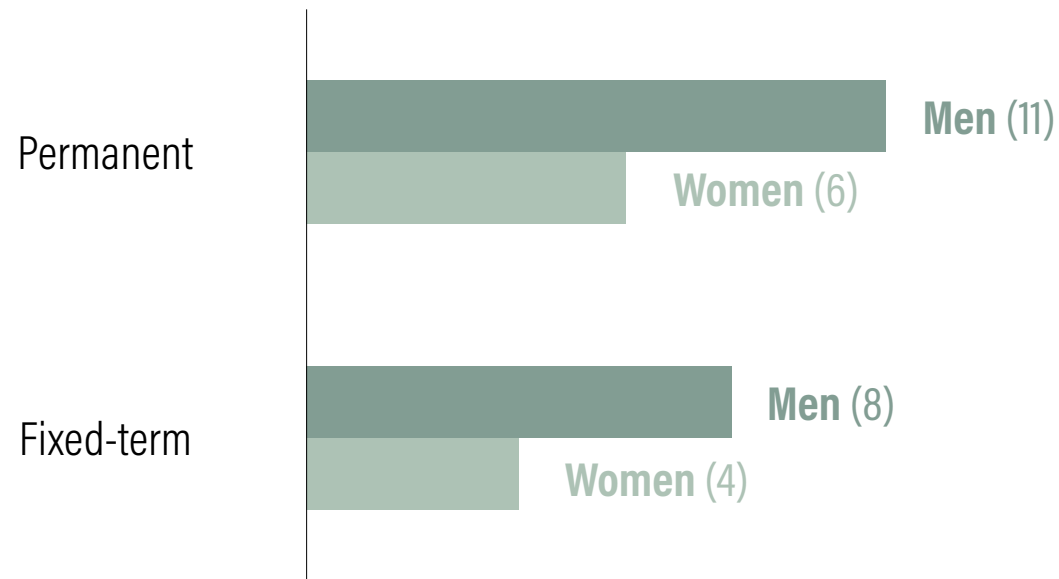
	2021	2020	2019
Total employees	29	29	28
New hires	12	11	11
Terminated contracts	12	12	10
Rate of new hires	41.4%	39.3%	n. a.
Turnover rate	41.4%	42.9%	n. a.

## Percentage of employees by gender



The workforce shows a preponderance of male workers (62%).  
As in many companies in the agro-industrial sector, at Cantina Vignaioli del Morellino di Scansano women are a minority compared to men, and represent 38% of the total workforce.

Regarding employees by contract duration and gender, as of 31/12/2021, out of 29 employees, 17, i.e. 59% of workers are on permanent contracts, and 41% on fixed-term contracts, as shown in the graph below. To these we must add workers with seasonal contracts, typical of agricultural cooperatives, who contribute 32% of the total work hours. In fact, the wine sector - by its very nature closely linked to the seasonality of work and the harvest period - cannot do without the employment of casual workers.



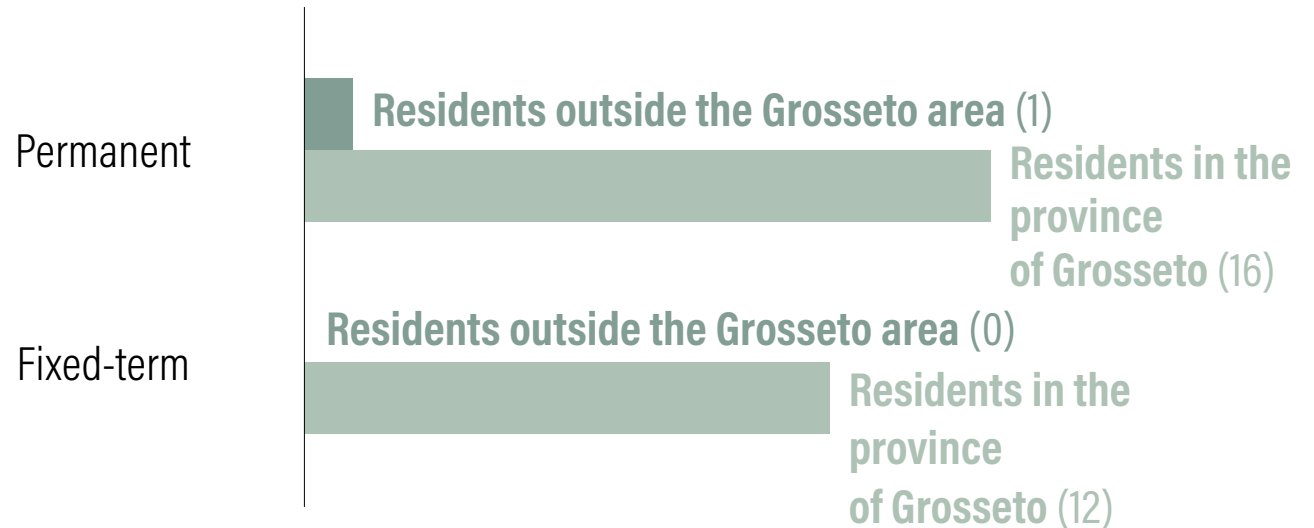
Breakdown of employees by contract duration and gender

## Breakdown of employees by type of contract and gender



Regarding the type of contract, 93% of the employees, or 27 workers, are employed full-time, while the remaining 7%, or 2 workers, were granted a part-time contract. In both cases, the request for part-time contracts came from female employees, who have greater work-life balance needs.

## Breakdown of employees by contract duration residence



As at 31/12/2021, 97% of the employees (28 out of 29) are resident in the province of Grosseto, where the Co-operative is based.

Of these 28, 16 are employed on fixed-term contracts and 12 on permanent contracts. Only one employee, hired on a permanent basis, resides outside the province of Grosseto.

The following table shows the details of recruitments and terminations in 2021 by gender, age group and area of residence.

	WOMEN	MEN
New hires	4	8
Terminated contracts	4	8
Rate of new hires	40.0%	47.1%
Turnover rate	40.0%	47.1%





	RESIDENTS IN THE PROVINCE OF GROSSETO	RESIDENTS OUTSIDE THE GROSSETO AREA
New hires	12	0
Terminated contracts	12	0
Rate of new hires	46.2%	0.0%
Turnover rate	46.2%	0.0%

	UNDER 30	30 - 50	OVER 50
New hires	4	4	4
Terminated contracts	4	4	4
Rate of new hires	100.0%	30.8%	40.0%
Turnover rate	100.0%	30.8%	40.0%

The winery has adapted its infrastructure to its sales and distribution, which have grown steadily over the years.

Taking great care of its image, working environment, functionality and productivity, it has recently installed and commissioned a new bottling line, capable of providing customers and consumers with even higher food safety standards and operators with a safer work environment.

In general, occupational health and safety hazards are identified as part of the risk assessment process (DVR). For each activity/substance, the hazards are identified and the associated risks assessed. The following table highlights the accident trend, which shows a negligible increase related to blunt trauma and physical exertion in the performance of activities.

Since the goal of reducing and, hopefully, eliminating accidents can only be achieved with the active co-operation of all those involved in the process, the winery offers an ongoing training programme, making sure that workers are aware of the dangers associated with their tasks.

Prevention is also and above all achieved through information, education, training and reporting by employees.

	2021	2020	2019
Number of accidents at work	1	0	2
Number of work accidents with serious consequences	0	0	0
Number of recordable occupational accidents	1	0	2
Recordable cases of occupational diseases	0	0	0
Deaths resulting from occupational diseases	0	0	0

GRI  
206-1  
413-1



5.2

## Local Community

The winery carries out its activities with the goal of involving and fostering the development of the local community.

The activities carried out by the winery address both environmental and social responsibility, as is implicit in a cooperative that with its work involves over two hundred families in the Scansano area.

The winery has always been committed to protecting its employees, making them participate in the work and management of the cooperative's life. This climate of mutuality has led many young entrepreneurs, men and women, to return to farming, inspired by the winery's work in the area.

In the Grosseto Maremma, and especially in the municipalities of Scansano and Magliano in Toscana, but also in the entire Morellino di Scansano DOCG production area, this sector is one of the main sources of income. In fact, the most profitable activity in Maremma is agriculture, especially viticulture, olive and cereal growing. To this we must add the processing of foodstuffs, partly from sheep farming, and the management of hotels and agritourism businesses.

It is undeniable, therefore, that Cantina Vignaioli del Morellino di Scansano has a major impact on the local economy, not only in remunerating winegrowers for their grapes, but also in the development of the territory, through the positive spin-offs generated by its activity which boost the local supply chain and tourism.



With the aim of promoting the region and its products, the winery has joined The Wine Net, the first network of wine cooperatives.

The creation of this virtual network of winegrowers from all over Italy has generated benefits for all participating wineries, but also for the local area. The organisation of events and fairs has had an impact on local food and wine tourism.

Established as a business network, The Wine Net has also created a marketplace, an online platform where customers can purchase the cooperatives' products.

Cantina Vignaioli del Morellino di Scansano has decided to take advantage of this opportunity to increase its visibility on a national scale. The use of e-commerce is, however, marginal: the winery does not want to overshadow other local producers, but to promote an efficient economy and sustainable growth for the entire sector.



# 6 Glossary

**Corporate Social Responsibility (CSR):** it expresses an organisation's commitment to consider the environmental and social impacts of its activities. Among others, it analyses the areas of environmental safety, improving internal working conditions, and local community development.

**Corporate governance:** i.e. all the corporate tools, rules, systems, processes and relationships that contribute to the efficient management of the company.

**GRI standards:** these are guidelines for creating sustainable or social performance reports. They consist of a modular and interdependent structure to create the best economic, social and environmental reports.

**Internet of Things (IoT):** it refers to a system capable of connecting the data collected from different instruments such as, in the case of the winery, from sensors placed in the vineyard, with other information, e.g. with weather forecasts. From the processing of this data it is then possible, for instance, to forecast what may happen in the vineyard in the light of certain weather conditions, and thus give the winegrower indications as to what action is required.

**Mission:** it's a written statement of the short to medium-term objectives that the company pursues and the values that inspire its strategies. It communicates the organisation's objectives to the various internal and external stakeholders and acts as a point of reference for guiding strategic and day-to-day management choices.



**SDGs (Sustainable Development Goals):** these are 17 goals included in the 2030 Agenda for Sustainable Development, a programme of action for people, planet and prosperity that the governments of the 193 UN member states signed in September 2015. The Sustainable Development Goals were launched at the beginning of 2016 and countries have taken the commitment to achieving them by 2030.

**Stakeholder:** an entity or individual who can reasonably be expected to be significantly affected by the organisation's activities, products and services or whose actions can reasonably be expected to affect the organisation's ability to successfully implement its strategies and achieve its objectives.

Stakeholders include collective or individual bodies whose rights under the law or international conventions provide them with the opportunity to present legitimate claims to the organisation.

Stakeholders may include people directly involved in the organisation (such as employees and shareholders), and people who have different relationships with the organisation (such as collaborators other than employees, suppliers, vulnerable groups, local communities, NGOs or other civil society organisations).

**Vision:** the vision is a written statement of the long-term objectives of the company. It is a description of the basic strategic orientation of the company, i.e. what the organisation intends to become in a predefined time frame, based on the basic values that inspire it and the strategies it intends to pursue.



# 7 Report Profile

The company has drawn up an annual Sustainability Report to inform its stakeholders about its activities, achievements and future environmental, economic and social goals. The publication timing of the non-financial report is aligned with that of the economic report.

The budget, subject to the authorisation of the Board of Directors, is published annually.

The document refers to the period from the 1st September 2020 to the 31st August 2021.

The reporting boundary includes the company, unless otherwise specified within the individual paragraphs of the document.

The Sustainability Report was drawn up in accordance with the principles and contents proposed by the GRI Standards, at the 'CORE' level.

In the summary table, the reported core indicators are shown in bold.

The process of collecting data and information to prepare the Sustainability Report is coordinated by the Management, the data is checked and verified by the heads of function, each for the parts falling under their competence, and approved by the Board of Directors.

In particular, data on social and economic responsibility is reported by means of Excel spreadsheets and later checked by the relevant function managers. The calculation methods used to assess the value of each indicator are reported in the specific reference para-

graphs. To ensure the comparability over time of the most significant indicators and to give readers the possibility of comparing the achieved performance, the current values have been compared, using graphs and tables, with those of previous years.

The use of estimates in the determination of indicators was limited and, if present, the manner in which they were quantified was indicated.

Within the Report, an attempt has been made to report positive and negative aspects with equal emphasis, providing, where deemed appropriate, a commentary on the achieved results.



GENERAL INFORMATION AND CONTACT DETAILS

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# 8 Table of Material Topics

TOPIC AREA	TOPIC	RELEVANCE TO SOCIETY	RELEVANCE TO STAKEHOLDER	RESULT
Economy	Economic performance	very high	high	high
	Contribution to local community development (market presence)	medium	low	low
	Indirect economic impacts	high	medium	medium
	Local supply chain	high	high	high
	Anti-corruption policy	medium	medium	medium
	Fair competition	very high	high	high
	Fiscal Policy	high	medium	medium
Environment	Use of raw materials	high	medium	medium
	Use of energy resources	very high	high	high
	Use of water resources	very high	high	high
	Atmospheric emissions	very high	very high	very high
	Waste Management	very high	high	high
	Environmental compliance	very high	very high	very high
	Environmental assessment of suppliers	medium	medium	medium
Social issues	Employment	very high	high	high
	Management of labour relations (notice of operational changes)	low	low	low
	Health and safety at work	very high	very high	very high
	Training and education	high	medium	medium
	Diversity and equal opportunities	medium	medium	medium
	Equal pay for men and women	medium	medium	medium



TOPIC AREA	TOPIC	RELEVANCE TO SOCIETY	RELEVANCE TO STAKEHOLDER	RESULT
Social issues	Evaluation of suppliers on working practices	medium	medium	medium
	Discrimination	medium	low	low
	Freedom of association and collective bargaining	medium	low	low
	Child labour	medium	low	low
	Forced or compulsory labour	medium	low	low
	Security practices	very high	low	low
	Protecting local populations	medium	low	low
	Evaluation of suppliers on human rights	medium	low	low
	Local communities	high	very high	high
	Public order	low	low	low
	Fairness and transparency in customer relations	medium	high	medium
	Evaluation of suppliers by social impact	low	low	low
	Social Impact Complaint Management	low	low	low
	Occupational health and safety of customers	high	medium	medium
	Marketing and labelling	medium	low	low
	Customer privacy	medium	medium	medium
	Compliance	medium	low	low



# 9 GRI content table





UN Italy The new 2030 Agenda for Sustainable Development ([unric.org](http://unric.org))

# Organisation Profile

GRI	SDGs	INDICATOR	PARAGRAPH
102-1		Name of the organisation	7
102-2		Activities, brands, products and/or services	1.2
102-3		Location of headquarters	7
102-4		Location of operations	1.2
102-5		Ownership and legal form	1.3
102-6		Markets served	1.2, 3.3
102-7		Scale of the organisation	3.3
102-8	8, 10	Number of employees by type of contract, region and gender	5.1
102-9		Supply chain	3.4
102-10		Significant changes during the reporting period	7
102-11		Precautionary Principle or approach	1.6
102-12		Signing codes of conduct	1.6
102-13		Membership of associations	1.6-2.1

## Strategy

GRI	SDGs	INDICATOR	PARAGRAPH
102-14		Statement from senior decision-maker	Letter from the President
102-15		Key impacts, risks and opportunities	1.6

## Ethics and integrity

GRI	SDGs	INDICATOR	PARAGRAPH
102-16	16	Values, principles, standards and norms of behaviour	1.4-1.5
102-17	16	Mechanisms for advice and concerns about ethics	1.6

# Governance

GRI	SDGs	INDICATOR	PARAGRAPH
102-18		Governance structure	1.3

# Stakeholder engagement

GRI	SDGs	INDICATOR	PARAGRAPH
102-40		List of stakeholder groups	2.1
102-41	8	Collective bargaining agreements	5.1
102-42		Identifying and selecting stakeholders	2.1
102-43		Approach to stakeholder engagement	2.1 - 2.2
102-44		Key topics and concerns raised	2.2 - 8

# Reporting Practice

GRI	SDGs	INDICATOR	PARAGRAPH
102-45		Entities included in the consolidated financial statements	7
102-46		Defining report content and topic Boundaries	2.2
102-47		List of material topics	2.2.-8
102-48		Restatements of information	7
102-49		Changes is reporting	7
102-50		Reporting period	7
102-51		Date of most recent report	7
102-52		Reporting cycle	7
102-53		Contact point for questions regarding the report	7
102-54		Claims of reporting in accordance with the GRI Standards	7
102-55		GRI content index	9
102-56		External assurance	7



# ECONOMIC INDICATORS

## MATERIAL ASPECT: ECONOMIC PERFORMANCE

### Management approach

GRI	SDGs	INDICATOR	PARAGRAPH
103-1		Explanation of the material topic and its Boundary	3.2
103-2		The management approach and its components	
103-3		Evaluation of the management approach	

### Economic performance

GRI	SDGs	INDICATOR	PARAGRAPH
201-1	8, 9	Direct economic value generated and distributed	3.2

## MATERIAL ASPECT: LOCAL SUPPLY CHAIN

### Management approach

GRI	SDGs	INDICATOR	PARAGRAPH
103-1		Explanation of the material topic and its Boundary	3.4
103-2		The management approach and its components	
103-3		Evaluation of the management approach	

## Procurement practices

GRI	SDGs	INDICATOR	PARAGRAPH
204-1	8	Proportion of spending on local suppliers	3.4

## MATERIALASPECT: FAIRCOMPETITION

### Management approach

GRI	SDGs	INDICATOR	PARAGRAPH
103-1		Explanation of the material topic and its Boundary	5.2
103-2		The management approach and its components	
103-3		Evaluation of the management approach	

## Procurement practices

GRI	SDGs	INDICATOR	PARAGRAPH
206-1	16	Legal actions for anti-competitive behaviour, antitrust and monopoly practices	5.2

# ENVIRONMENTAL INDICATORS

## MATERIAL ASPECT: USE OF ENERGY

### Management approach

GRI	SDGs	INDICATOR	PARAGRAPH
103-1		Explanation of the material topic and its Boundary	4.2
103-2		The management approach and its components	
103-3		Evaluation of the management approach	

## ENERGY

GRI	SDGs	INDICATOR	PARAGRAPH
302-1	7, 8, 12, 13	Energy consumption within the organisation	4.2

# MATERIAL ASPECT: USE OF WATER RESOURCES

## Management mode

GRI	SDGs	INDICATOR	PARAGRAPH
103-1		Explanation of the material topic and its Boundary	4.2
103-2		The management approach and its components	
103-3		Evaluation of the management approach	

## WATER AND WASTE WATER

GRI	SDGs	INDICATOR	PARAGRAPH
103-1	6, 12	Interaction with water as a shared resource	4.2
303-3	6, 12	Water withdrawal	4.2
303-4	6	Water discharge	4.2
303-5	6	Water consumption	4.2

# MATERIAL ASPECT: EMISSIONS INTO THE ATMOSPHERE

## Management approach

GRI	SDGs	INDICATOR	PARAGRAPH
103-1		Explanation of the material topic and its Boundary	4.4
103-2		The management approach and its components	
103-3		Evaluation of the management approach	

## EMISSIONS

GRI	SDGs	INDICATOR	PARAGRAPH
305-1	3, 12, 13, 14, 15	Direct (Scope 1) GHG emissions	4.4
305-2	3, 12, 13, 14, 15	Energy indirect (Scope 2) GHG emissions	4.4

## MATERIAL ASPECT: WASTE MANAGEMENT

### Management approach

GRI	SDGs	INDICATOR	PARAGRAPH
103-1		Explanation of the material topic and its Boundary	4.3
103-2		The management approach and its components	
103-3		Evaluation of the management approach	

## WASTE

GRI	SDGs	INDICATOR	PARAGRAPH
306-1	3, 11, 12, 14	Waste generation and significant waste-related impacts	4.3
306-4	3, 11, 12	Waste diverted from disposal	4.3

# MATERIAL ASPECT: ENVIRONMENTAL COMPLIANCE

## Management approach

GRI	SDGs	INDICATOR	PARAGRAPH
103-1		Explanation of the material topic and its Boundary	1.6
103-2		The management approach and its components	
103-3		Evaluation of the management approach	

# ENVIRONMENTAL COMPLIANCE

GRI	SDGs	INDICATOR	PARAGRAPH
307-1	16	Non-compliance with environmental laws and regulations	1.6

# SOCIAL INDICATORS

## MATERIAL ASPECT: EMPLOYMENT

### Management approach

GRI	SDGs	INDICATOR	PARAGRAPH
103-1		Explanation of the material topic and its Boundary	5.1
103-2		The management approach and its components	
103-3		Evaluation of the management approach	

## EMPLOYMENT

GRI	SDGs	INDICATOR	PARAGRAPH
401-1	5, 8, 10	New employee hires and employee turnover	5.1



# MATERIAL ASPECT: HEALTH AND SAFETY AT WORK

## Management approach

GRI	SDGs	INDICATOR	PARAGRAPH
103-1		Explanation of the material topic and its Boundary	5.1
103-2		The management approach and its components	
103-3		Evaluation of the management approach	

## HEALTH AND SAFETY AT WORK

GRI	SDGs	INDICATOR	PARAGRAPH
403-1	3, 8, 16	Occupational health and safety management system	5.1
403-2	3, 8	Hazard identification, risk assessment and incident investigation	5.1
403-3	3, 8	Occupational health services	5.1
403-4	8, 16	Worker participation, consultation and communication on occupational health and safety	5.1
403-5	8	Worker training on occupational health and safety	5.1
403-6	3	Promotion of worker health	5.1
403-7	8	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	5.1
403-8	8	Workers covered by an occupational health and safety management system	5.1
403-9	3, 8, 16	Work-related injuries	5.1
403-10	3, 8, 16	Work-related ill health	5.1

# MATERIAL ASPECT: LOCAL COMMUNITIES

## Management approach

GRI	SDGs	INDICATOR	PARAGRAPH
103-1		Explanation of the material topic and its Boundary	5.2
103-2		The management approach and its components	
103-3		Evaluation of the management approach	

# LOCAL COMMUNITIES

GRI	SDGs	INDICATOR	PARAGRAPH
413-1		Operations with local community engagement, impact assessments and development programmes	5.2





10

# Conversion factors

SOURCE OF ENERGY	CONVERSION FROM VOLUME UNITS TO GJ	YEAR	FDE T CO2 EQ / GJ	SOURCE OF THE CO2 EQ EMISSION FACTOR
Methane	0.035 GJ / Smc	2019	0.05595	Tab national standard parameters CO2 emissions ISPRA
		2020	0.05623	2019 Tab national standard parameters CO2 emissions ISPRA 2020
		2021	0.05621	Tab national standard parameters CO2 emissions ISPRA 2021
Diesel	0.044 GJ / l	2019	0.07365	Emission inventory report 341/2021 tab 3.21
		2020	0.07351	Emission inventory report 360/2022 tab 3.21
		2021	0.07351	
Electricity	0.0036 GJ / Kwh	2019	0.07475	ISPRA Report 363/2022 tab 2.25
		2020	0.07083	
		2021	0.06825	
LPG	0.0458 GJ / kg	2019	0.003026	Tab national standard parameters CO2 emissions ISPRA
		2020	0.003026	2019 Tab national standard parameters CO2 emissions ISPRA 2020
		2021	0.003026	Tab national standard parameters CO2 emissions ISPRA 2021

GAS TYPE	KG CO2 EQ/KG
R407C	1.620
R410A	2.088
PV	0.0698

AIB RESIDUAL MIX	KG CO2 EQ/KWH
Electricity	2019
	2020
	2021
	0.466
	0.466
	0.457

KWH NATURAL GAS	MC NATURAL GAS
9.94	
KWH	GJ
	0.0036





# 11 Economic Indicators Table

## PROFITABILITY RATIOS

Return on Equity - return on equity invested in the company	operating profit/equity
Return on Sales - a company's ability to generate profits from sales, i.e. the operating income realised per unit of proceeds	result before financial management/revenues
Return on Investments - profitability and efficiency of invested capital compared to business operations	core operating profit/total assets
Return on Assets - return on invested capital with reference to pre-operating result	result before financial management/total assets
M.O.L. on revenue - gross operating margin per revenue unit	gross operating margin/revenues

## ROTATION INDICES

Rotation of Invested Capital - average revenue per unit of investment	revenue/total assets
Rotation of Invested Capital - average revenue per unit of investment	revenue/ circulation
Warehouse rotation - ability of the warehouse to renew itself to produce new revenue	revenues/ revenues

## ASSET AND FINANCIAL RATIOS

Coverage of fixed assets - balance between equity and fixed investments of the enterprise	equity/assets
Banks on working capital - ratio of bank debt to total assets	total payables to banks/current assets
Short-term bank debt to working capital - ratio of short-term bank debt to total assets	short-term bank borrowings/current assets
Debt ratio - ratio of debt capital to total current assets	payables/total assets
Equity capital/invested capital - ratio of equity capital to total current assets	equity/total assets
Financial charges on turnover - ratio of financial charges to company turnover	financial charges/revenues
Financial charges on M.O.L. - medium and long-term financial balance	financial charges/MOL

## PRODUCTIVITY INDICES

Turnover per employee	$\text{revenues/average employees}$
Operational Value Added per employee - employee's ability to create added value	$\text{operational added value/average number of employees}$
Labour costs per employee	$\text{staff/average employees}$
Labour costs on turnover	$\text{personnel/revenues}$
Value added on turnover - capacity of the production process to create added value	$\text{added value/revenues}$

## LIQUIDITY RATIOS

Current Report	$\text{current assets*/current liabilities**}$
Immediate liquidity index (acid test)	$\text{(current assets* - inventories) / current liabilities**}$
Customer credit days	$360 * \text{receivables from customers/revenues}$
Days of credit from suppliers	$360 * [\text{suppliers/ (purchases + services + leases and rentals)}]$
Stock days (stock duration)	$360 * \text{inventories/revenues}$
Intensity rate of current assets	$\text{current assets*/revenues}$

## COST INCIDENCE RATIOS

Material consumption as a percentage of costs - material costs as a percentage of the total	$\text{material consumption/production costs}$
External costs as a percentage of total - other costs as a percentage of total	$(\text{cost of materials} + \text{overheads} - \text{provisions}) / \text{cost of production}$
Labour costs as a percentage of total costs	$\text{personnel/production costs}$
Depreciation and write-downs as a percentage of costs - depreciation and write-downs as a percentage of the total	$\text{depreciation and write-downs/ production costs}$

## DEVELOPMENT INDICES

Change in revenue	$(\text{turnover (T)} - \text{turnover (T-1)}) / \text{turnover (T-1)}$
Variation in production costs	$(\text{production costs (T)} - \text{production costs (T-1)}) / \text{production costs (T-1)}$
Change in net assets	$(\text{equity (T)} - \text{equity (T-1)}) / \text{equity (T-1)}$
Change in total assets	$(\text{total assets (T)} - \text{total assets (T-1)}) / \text{total assets (T-1)}$

## RELATIONSHIP BETWEEN FINANCING SOURCES AND INVESTMENTS

Consolidated assets	Fixed assets + cash + inventories
Consolidated liabilities	provisions for risks and charges + severance pay + payables

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