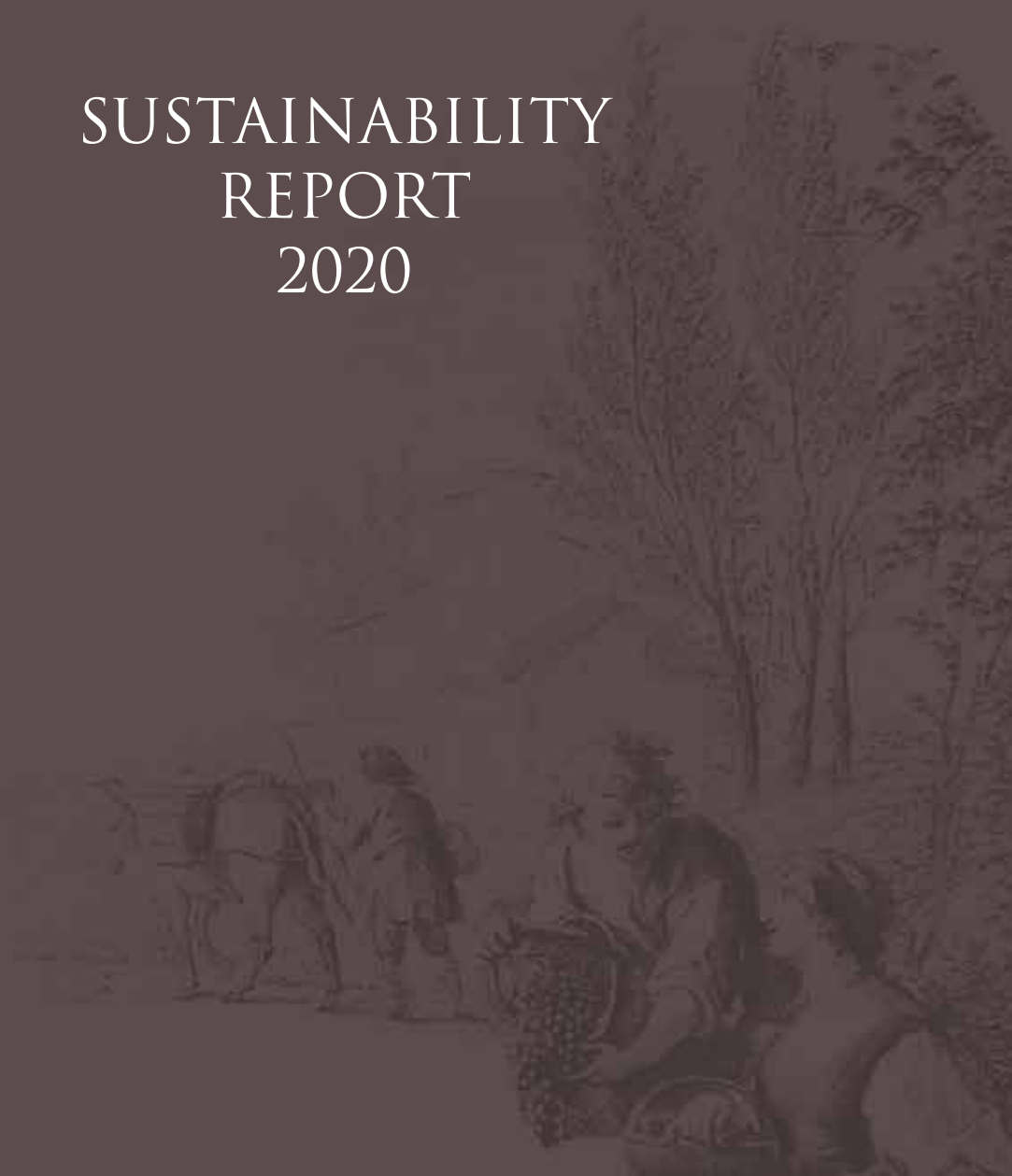


IL BORRO

TOSCANA



SUSTAINABILITY REPORT 2020



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LETTER FROM THE PRESIDENT

WE WILL ALWAYS REMEMBER 2020,

for the personal and professional challenges it has imposed on us, but we will also remember the solidarity and determination, resilience and courage of many.

The health emergency has changed the world, reflecting, consequently, in changing companies and their approach to business. The Covid-19 pandemic and the lockdowns in the various geographic areas have had significant impacts on the Company's business, both in terms of reduced revenues and margins.

The sector in which we operate has found itself having to rethink timings and priorities. It has been a necessary and useful exercise: Il Borro perceived this as an opportunity to strengthen the awareness of the desire to renew itself with a new organization, always focused on sustainability.

Our sector was the most affected by the pandemic, we had to overcome tough obstacles, but we never stop to look at the future with confidence and optimism, believing in the strength of unity. From this situation we understood that working and collaborating together reflects in advantageous results and the necessary change.

The uniqueness of Il Borro lies in the harmonious integration of the numerous activities that it collects within itself: agriculture and viticulture, hospitality, catering and cellar, combined in a circular approach to resources, where we consume the energy we produce, we reutilize the resources without waste, and total centrality and priority is given to the territory's products and traditions. The objective of sustainability is achieved and offered by Il Borro in a 360° approach that guarantees an unique experience, difficult to recreate elsewhere.

We also want to highlight the astonishing work of the craft activities conducted by the many artisans that give life to our medieval village. In these ancient shops products such as hats, shoes, ceramics, jewelry, paintings and gold are handcrafted by the artisans.

I would like to sincerely thank the collaborators of Il Borro, who in this complex year of great sacrifices, have shown willpower, resilience and a strong sense of belonging. Il Borro is a family business, and the family values of loyalty and dedication unite all the people who work here every day and are committed to the success of the estate.

Future challenges are certainly demanding, we believe that from difficulties new opportunities can arise, and we will pursue them with the aim of remaining faithful to our values, our objectives and our traditions, in line with our sustainability goals.

Ferruccio Ferragamo



1.0 THE ESTATE

Il Borro is an avant-garde estate, entirely organic and eco-sustainable since 2015.

1,100 hectares surrounded by uncontaminated woods immersed in the heart of the Valdarno.

Treasure of the estate are the 85 hectares of vineyards and 29 of olive groves, not least the luxury hospitality offered by a structure that, by the will of the Ferragamo family, has been renovated in full respect of the history and characteristic architecture of the area. Today Il Borro hosts tourists from all over the world with great dedication and pride.

HISTORY, EVOLUTION AND PHILOSOPHY OF THE ESTATE

“HISTORICAL, CULTURAL AND ARCHITECTURAL EXPERIENCE”

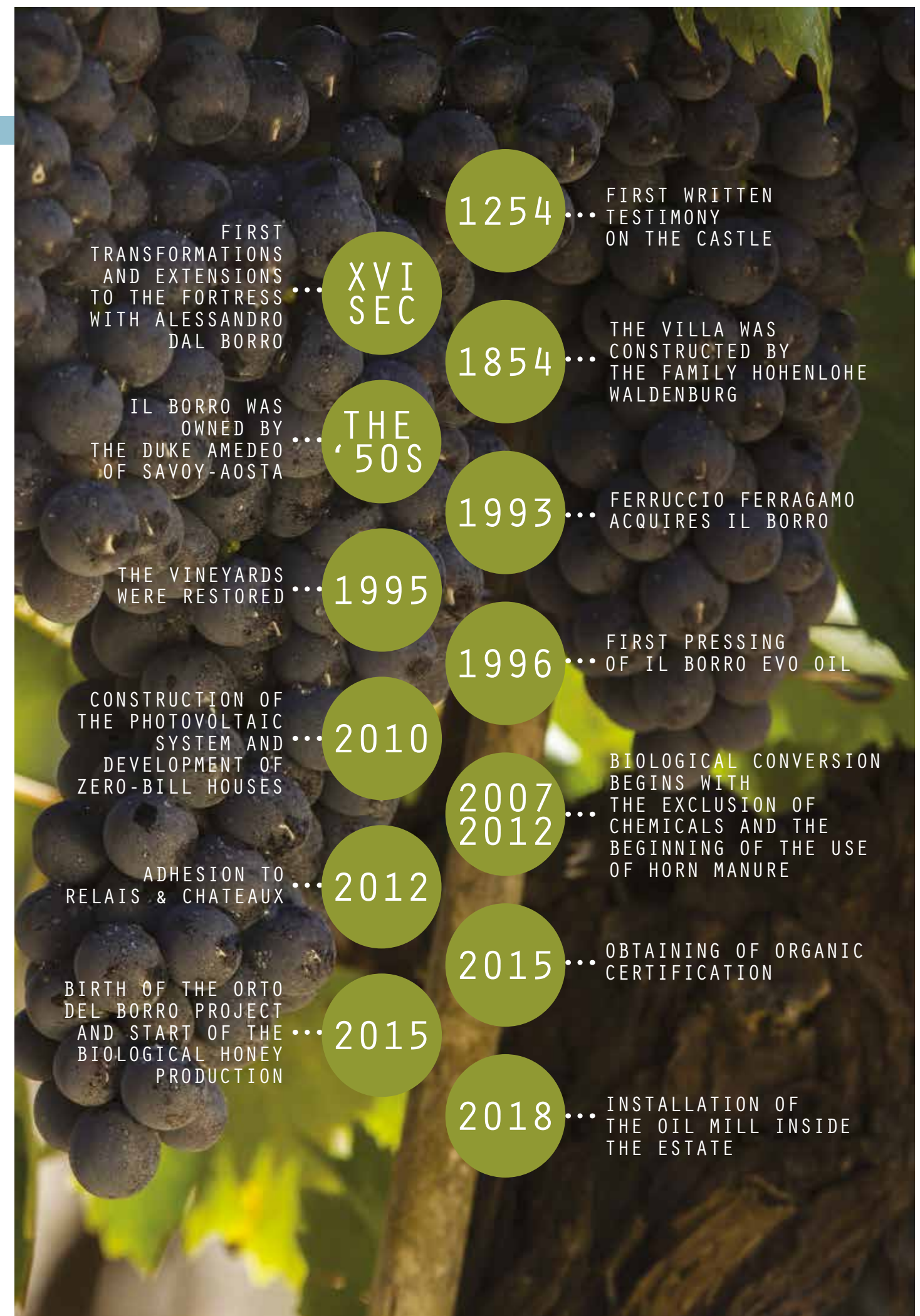
Along the road that connects San Giustino Valdarno to Laterina, 20 kms from the town of Arezzo, on the slopes of the Pratomagno mountain, in the midst of beautiful farmland, stands Il Borro. The name Il Borro comes from its location, which is on a rocky outcrop, partially surrounded by a deep ditch dug by the flow of the Borro river over thousands of years. In Italian, “borro” means either cliff/ditch or a river that, over time, has dug a deep bed.

This area owes its fame to many things. Firstly to the architecture of the town itself and to the geographical features of the surrounding area and secondly to the prominent families who have shaped its history. Among the most famous are the Savoia (Il Borro was the residence of the Duke of Aosta) and since 1993 the Ferragamo family, famous entrepreneurs of the fashion industry.

The Ferragamo family rented this Tuscan Estate for many years until they decided to buy it. It was Ferruccio Ferragamo, with the help of his son Salvatore (now CEO of Il Borro) who immediately **began an important restoration, refurbishment and re-activation process that brought this valuable Estate back to life**. Most of the buildings of Il Borro were transformed into Tuscan-style apartments to accommodate tourists coming from all over the world. All renovation has been done **in full respect of the history and architecture of the area**.

Apart from the desire to **bring new life to the Estate and to respect and promote local traditions and history**, the aim of the project was to improve the whole structure without affecting the harmonious balance it has with the countryside and nature surrounding it: **a perfect continuum between past, present and future**.

Covering 1100 hectares, Il Borro is right at the heart of Valdarno, an area rich in untouched woodland and gentle hills, a delight for its visitors. The Estate stands on 300-400 meter high hills which thanks their soil are ideal for growing grapes and olives as officially recognized in 1716 by Cosimo III de Medici and more recently by the creation of the Valdarno DOC designation of origin. Il Borro is in the midst of pristine woodland and home to several plant and animal species, all living in their natural habitat.



THE HISTORY OF IL BORRO

Il Borro seems to date back to Roman times. It is believed that the area of the village was once a fortress. The first written record of the Castle dates back to 1254, when the Marquis Borro Borri, a noble Milanese Guelph who had become mayor of Arezzo, bought the property from the Mascagni family. The Dal Borros, who most likely owe their name to the castle, also became the lords of San Giustino and Castiglion Fibocchi, where they built a castle with a tower. The Dal Borros were allied with the powerful Ghibelline Ubertini and Pazzi families, the lords of the Campogialli Castle, who were also bitter enemies of Florence. In May 1344, when the castle of the Pazzis was taken by the Florentines the Dal Borros lost their castle and were forced to retreat to Castiglion Fibocchi and the city of Arezzo, where they acquired a “strong and well-armed palace” in Borgo Maestro. Those who lived in the castle could not help but vow submission to Florence. Ten years later and only by common will of the cities of Florence and Arezzo, the castle could be returned under the jurisdiction of Arezzo.

Ten years after the submission (May 1355) and a few years after the terrible plague, the Borro castle returned under the dominion of Arezzo, along with other castles and villages in the Valdarno area such as Campogialli, Traiana, Faeto and Laterina. However, by then Arezzo was a city in decline while Florence was on the rise.. Florence acquired the Ghibelline city of Arezzo, as well as all of its castles and farmland. It was in February 1384 that the castle of Il Borro was returned to Florentine dominion and so remained for the decades and centuries to come, from the expulsion of the Medici from Florence (1494), to the brief Republican phase, the renewed rule of the Medici and all the way to the end of the Grand Duchy of Tuscany. The castle was finally returned to the Dal Borro family when Grand Duke Ferdinand II donated it as a fief - together with the title of Marquis - to the famous General Alessandro Dal Borro (4 October 1644). It was this General who started the transformation and expansion of the original castle, which resulted in the complex structure we see today.



ALESSANDRO DAL BORRO

Apart from being one of the greatest leaders of the seventeenth century, Alessandro Dal Borro is definitely one of the figures that most influenced the history of Il Borro. At the age of 19, Alessandro enlisted and was sent to Bohemia with the Catholics (supported by the Hapsburg Empire and the Duke of Bavaria) who were fighting against the Protestants (supported by the Elector Palatine Frederick V). Alessandro's feats were much appreciated and he was soon appointed lieutenant. Over the years, the actions and accolades involving Alessandro grew in number and prestige. His courage and expertise in fortifications had already become quite famous and his career was unstoppable on October 14, 1644 Alessandro was rewarded with the title of.

The Dal Borro family owned the Estate until Marco-Alessandro, last male heir of the Dal Borro dynasty. The fief was inherited by his daughter, Penelope, who married Count Scipione Capponi, descendant of the Marquis Di Loro. When Penelope died (29 January 1766) with no descendants, the Marquisate was returned by right to the Grand Ducal Crown. This was the beginning of a long period of uncertainty for Il Borro. When in the 18th century the Borro and its lands were bought by the Medici Tornaquinci family there were many arguments and disputes that ended with the recognition of the Church's emphyteutic rights, compensation consisting of two barrels of wine, two of olive oil, as well as ten bushels of grain, and money. Everything remained unchanged until 1823, when Count Giuseppe Della Torre Hoffer Valsassina bought the Estate, which at this point boasted plenty of farmland, including vineyards and olive groves managed according to Tuscan custom: sharecropping system, as well as constant monitoring and management performed by the farmers on behalf of the local lord.


According to the fashion of the time, the Hohenlohe family built a stone and brick manor house close to Il Borro, on the same spot where once had stood the ruins of an ancient abode. Besides the castle, now surrounded by vegetation, the Medici Tornaquinci also built a small chapel so as to leave their mark at Il Borro. One of the most prominent and epic figures of this period was a farmer called Lorenzo Droandi. It was he who reclaimed the wetlands, reorganized the water streams that flowed through the whole farm, restored the old houses, built new ones, expanded the olive plantations and vines, built new retaining dry walls on the hillside, introduced the growth of mulberry trees and the raising of silkworms. With Lorenzo in charge the Estate was revolutionized, both socially and in terms of farming techniques and methods. The Estate had expanded to include about 50 farms over a total area of 1,000 hectares when it was sold to Prince Emanuele Filiberto, Duke of Aosta in 1903. Il Borro was not divided and Vittorio Emanuele was appointed usufructuary. It was the Count of Turin who had a kindergarten and a sewing school built at Il Borro. Two World Wars with lots of suffering and changes and the turbulent post-WWI events of Italian politics did not manage to destroy the microcosm of the farm system, which did not survive the great social and economic changes that ensued World War II. Duke Amedeo who inherited Il Borro from the Savoy Aosta family had to convert it into a company, like many other Tuscan farms that were hit hard by the crisis of the centuries-old sharecropping system. In the 1990s Il Borro was acquired by the Ferragamos who long before had fallen in love with the history of the Estate and the beauty of the local wilderness. The family undertook major restoration of the village and the villa fully respecting the traditions and history of the site and of the area.



Marquis, the Borro castle, the fief of Castiglion Fibocchi and the Church of San Giustino (with the option of transmission to his children only by his own will).

After a period in which the military leader dedicated himself to his beloved home in his Arezzo fiefdom, he went back to war under Philip IV of Spain, but was then hired by the Venetians in the War of Candia against the Turks. Military promotions, salary increases, bombast and theatrics, but also daring exploits and ingenious strategies were typical traits of mercenary leaders and also of Alessandro Dal Borro who, despite being a little overweight at this point, was still a very imposing and confident man.

His life came to an end while he was returning from a campaign in Turkey a few days after the landing of his ship in Corfu (2 December 1656). So this was the end of a valiant commander who, in spite of being heavily outnumbered, defeated the Muslim forces while fighting for Venice, a feat that earned him the nickname “turcarum terror”: Turkish Terror!

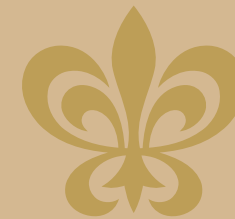


WHAT IS IL BORRO TODAY?

Nowadays Il Borro is a cutting-edge farm which became fully organic and eco-friendly in 2015. The pride of the Estate is undoubtedly the 85 hectares of vineyards and 29 hectares of olive groves which provide top-quality wine and olive oil. Last but not least, 272 hectares are used for fodder and crops, 3 hectares for organic vegetables and the rest are dedicated to forestry.

Farm life is fully integrated with luxurious hospitality and moreover, since 2012, this old medieval village has become a Relais & Chateaux: an immersion in the splendid Tuscan countryside blended with the art of providing premium hospitality and catering services. Apart from the stunning accommodation solutions of the Relais, there are also five charming farmhouses providing unique agritourism experiences: the amazing surrounding countryside, the wildlife and simplicity of Tuscan lifestyle.

Il Borro Relais & Châteaux also includes two facilities used for catering services.



**RELAIS &
CHATEAUX**

Since 2012, Il Borro is part of Relais & Châteaux, an association founded in 1954 that boasts about 500 structures in 60 different countries. Run by the owners, the Maitres de Maison and a few independent Chefs who are all very passionate about their work and wish to establish genuine ties with their guests. With its facilities around the entire world, from the vineyards of the Napa Valley to La Provence and the beaches of the Indian Ocean, Relais & Châteaux is an invitation to discover the art of fine living that characterizes the culture of each place and to embark on a journey that leads to unique human experiences. The Relais & Châteaux members are united by the desire to protect, keep alive and promote the richness and diversity of cuisines and hospitality traditions around the world.

With the help of a winemaker, the Ferragamo family (the current owners) rediscovered and modernized the grape-growing tradition that, thanks to the Medici-Tornaquinci, has been practiced at Il Borro since the eighteenth century: the typical tree-lined terraced slopes and dry stone walls. The vineyards on the sunny hills are used to grow Tuscan and French varieties, such as Sangiovese, Merlot, Syrah, Cabernet Sauvignon, which can easily adapt to the characteristics of the soil.

The direct management of the Estate requires the continuous presence of the owners who never fail to provide passion, care and funding. The underlying concept is to innovate while respecting the local farming traditions, territory and the architectural heritage.

The owners and the contractors have worked hard to implement this major reorganization project. Salvatore Ferragamo's commitment to this cannot be underestimated, it is he who oversaw the production operations of the farm, focusing on renewing the grape-growing and developing modern forms of agritourism, which have become a crucial resource for the entire Company and a great way to enhance the surrounding territory.

THE FERRAGAMO FAMILY

Ferruccio Ferragamo, whose passion for nature and the environment has never been a secret, decided to buy the Estate in the 1990s, effectively tying the history of this place to that of his family:

FERRUCCIO FERRAGAMO

became the General Director of Salvatore Ferragamo in 1970 and CEO of the same company in 1984, a position he left in 2006 when the family decided to hire an external manager. Nowadays, Ferruccio Ferragamo is part of several associations - currently the President of Polimoda - and runs Il Borro together with Salvatore and Vittoria, his son and daughter.

SALVATORE FERRAGAMO

in the 1990s, Salvatore Ferragamo began helping his father carry out the extensive renovation and restoration project of Il Borro and the development of the wine business. Moreover, in 2012, with the admission of Il Borro in Relais & Châteaux, Salvatore was appointed Ambassador and tasked with representing the excellence and the organization’s prestige throughout the world.


VITTORIA FERRAGAMO

the second-youngest of Ferruccio Ferragamo’s six children. Passionate about horse riding, she took part in numerous national and international competitions. She became part of Il Borro in 2013, managing all activities and operations involving horses, as well as promoting the vegetable garden and its products.

OUR PHILOSOPHY

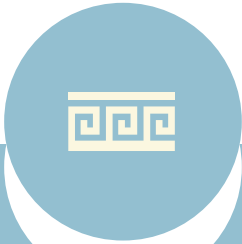
“AN ACT OF FAITH THAT LASTS”

An act of faith that lasts, this is what Ferruccio Ferragamo likes to say, every day, he takes care of Il Borro, preserving its beauty and integrity. A task, that of conservation, that continues through the years, with relentless passion and dedication, knowing that a “treasure” like Il Borro should always be protected and safeguarded.




TRADITION

CONSERVATION OF LOCAL TRADITIONS, FROM THE OSTERIA DEL BORRO RECIPES TO THE BUILDINGS RESTORATION.



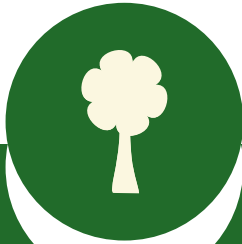
CULTURE

IMMERSE IN A TERRITORY FULL OF ART AND CULTURE, BETWEEN FLORENCE, SIENA AND AREZZO, IL BORRO IS A WIDE OPEN WINDOW ON HISTORY.




BIOLOGIC WITH A BIODYNAMIC VISION

PRODUCTION WITHIN THE RESPECT OF THE ECOSYSTEM IN ORDER TO OFFER THE MORE REAL EXPRESSION OF THE TERRITORY.



NATURE

CONSERVATION OF THE BEAUTY AND INTEGRITY OF THE NATURAL HERITAGE THAT SURROUNDS THE ESTATE.



SUSTAINABILITY

THE LOVE FOR THIS TERRITORY MEAN FIRST OF ALL RESPECT. RENEWABLE ENERGIES, USE OF NATURAL MANURE, ABSENCE OF PESTICIDES: EVERY IL BORRO ACTIVITY IS PERFORMED WITHIN THE RESPECT OF OUR TERRITORY AND IN THE DIRECTION OF SUSTAINABILITY.



CORPORATE STRUCTURE AND GOVERNANCE

Il Borro has adopted a standard system of administration and control: the Board of Directors is entrusted with the management of the Company while the Board of Auditors with the control and supervisory functions.

THE BOARD OF DIRECTORS

As of 31 December 2020, the Board of Directors of the parent company includes 11 members¹:

FERRAGAMO FERRUCCIO

President of the Board of Directors

FERRAGAMO SALVATORE

CEO

ANICHINI GIUSEPPE

CEO

FERRAGAMO GIACOMO

CEO

FERRAGAMO VITTORIA

CEO

FERRAGAMO VIVIA

CEO

FERRAGAMO OLIVIA AURORA

CEO

CHERICI LUCIA

CEO

FERRAGAMO FRANCESCO

CEO

DE RENZIS SONNINO

NICOLA LEONE

Advisor

PEDANI RAFFAELLA

Advisor

THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors oversees compliance with: the legislation and the Articles of Association, the principles of good administration and, in particular, the appropriateness of the organizational, administrative and accounting procedures adopted by the Company, including their effective functioning. The Board of Statutory Auditors consists of 3 permanent and 2 substitute Statutory Auditors. Below are the permanent Auditors:

MORONI DANIELA

Auditor

¹ The members of the Board are 55% men and 45% women; about 9.1% is under 30 years of age; 45.5% is between 30 and 50 years old, while 45.5% is more than 50.

² The Arpa S.r.l. companychanged its trading name to Dal Borro S.r.l. at the beginning of the 2021 fiscal year.



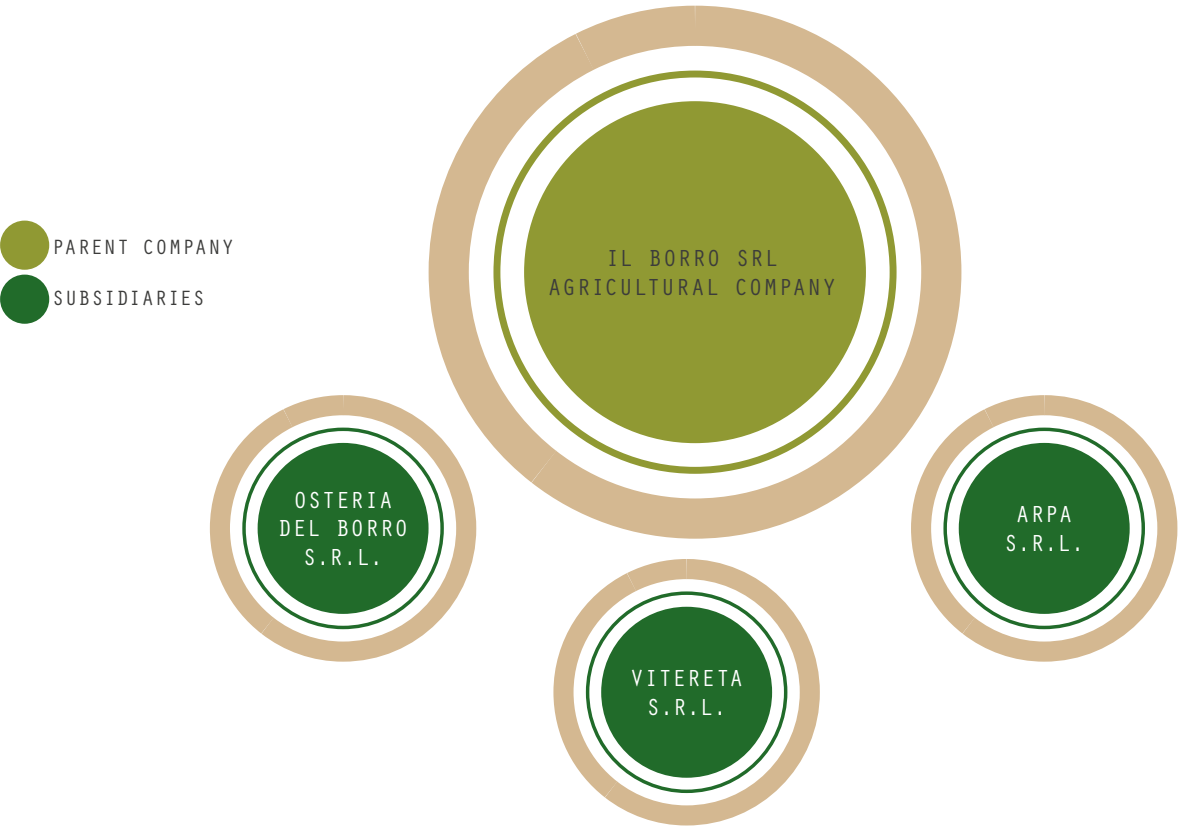
THE GROUP STRUCTURE

The subsidiaries of Borro S.r.l. perform the following activities:

- OSTERIA DEL BORRO S.R.L.**
offers catering services inside and outside of the Estate, through the restaurant and the Tuscan Bistrots.
- VITERETA TENUTA AGRICOLA S.R.L SOCIETÀ AGRICOLA**
whose business operations focus on agricultural activities within the 45 hectares of vineyards.

ARPA S.R.L
is a trading company that distributes, in addition to its own wines, products from Il Borro, Vietti and Gremillet².

BELOW IS THE GROUP STRUCTURE AS OF 31 DECEMBER 2020



ECONOMIC PERFORMANCE AND DISTRIBUTION OF VALUE

The accounting data shows negative profitability indicators: a loss of EUR 3,092,186 on 31 December 2020 and EUR 2,396,088 on 31 December 2019. The Directors assessed the negative effects of the Covid-19 pandemic and the temporary closure of the agritourism company, identifying a number of economic and financial corrective measures. Although the Group recorded a loss in the last two years, it managed to meet its commitments and go ahead as planned, without any capital injection by the ownership, making use of the relief measures introduced during the pandemic, including state guaranteed bank financing.

In 2020, the main activities carried out by the Group concerned the sale of agricultural products and, to the extent permitted by Italian ministerial regulations, the provision of food services and hospitality. The revenues generated by the sale of such products and services amounted to EUR 7,075,626.

The total production costs were EUR 7,064,589, with the main item being the costs for the provision of the services, totalling EUR 4,228,310.

The reclassification of the profit and loss account shown in the following table is used to show the determination and allocation of economic value generated and distributed by the entire Group. The economic

value generated is the total wealth created by the Group and subsequently divided between the various stakeholders.

The value generated by the Group in 2020, approximately EUR 8.3 million euro, was distributed among all the stakeholders to meet the commitments made during the year. A further distribution was made, which is reflected in the negative economic value retained: approximately EUR 7 million of this is represented by payments to suppliers for the purchase of products, while EUR 2.6 million were spent on staff wages and their social security contributions. Considering the losses incurred during the year and the tax benefits introduced by the pandemic relief measures, the Company paid to the Public Administration around EUR 31,000 in the form of taxes and social security contributions (the lenders were allocated about EUR 570,000).

The 2021 operations will certainly be affected by the ongoing health emergency. At present, given the fact there is no way of knowing how long the Covid-19 emergency will last, it is impossible to make reliable forecasts. The Group will continue to adopt all the measures provided by the law to mitigate the negative effects on the Company's economic performance.

	VALUE	2020	2019
DIRECT ECONOMIC VALUE GENERATED	EURO	8,302,852	16,263,355
ECONOMIC VALUE DISTRIBUTED	EURO	10,305,278	16,798,317
PAYMENTS TO SUPPLIERS	EURO	7,064,589	11,028,891
REMUNERATION OF STAFF	EURO	2,640,215	5,129,176
REMUNERATION OF LENDERS	EURO	569,670	473,312
REMUNERATION OF THE PA	EURO	30,804	166,938
ECONOMIC VALUE RETAINED	EURO	-2,002,426	-534,962

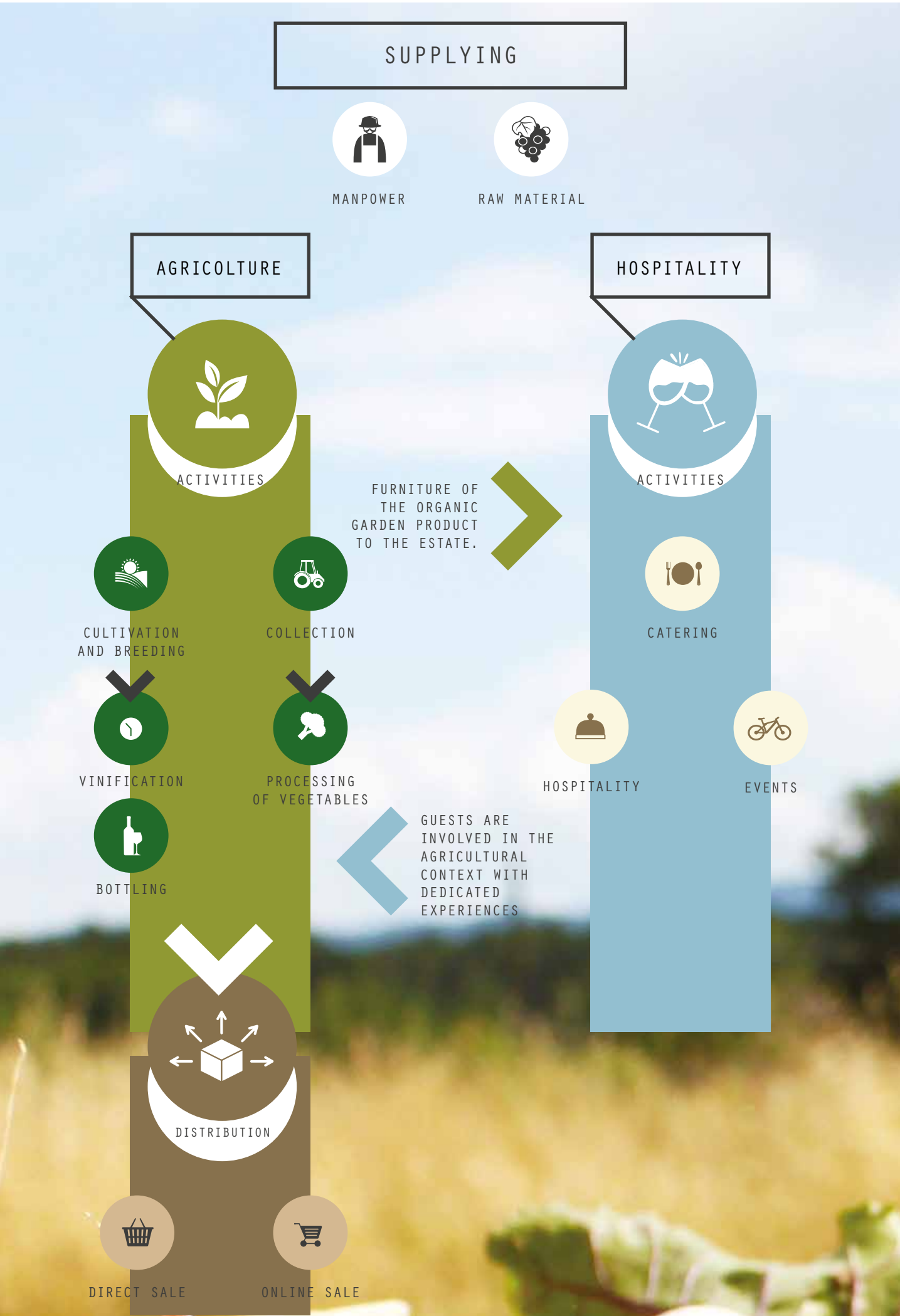
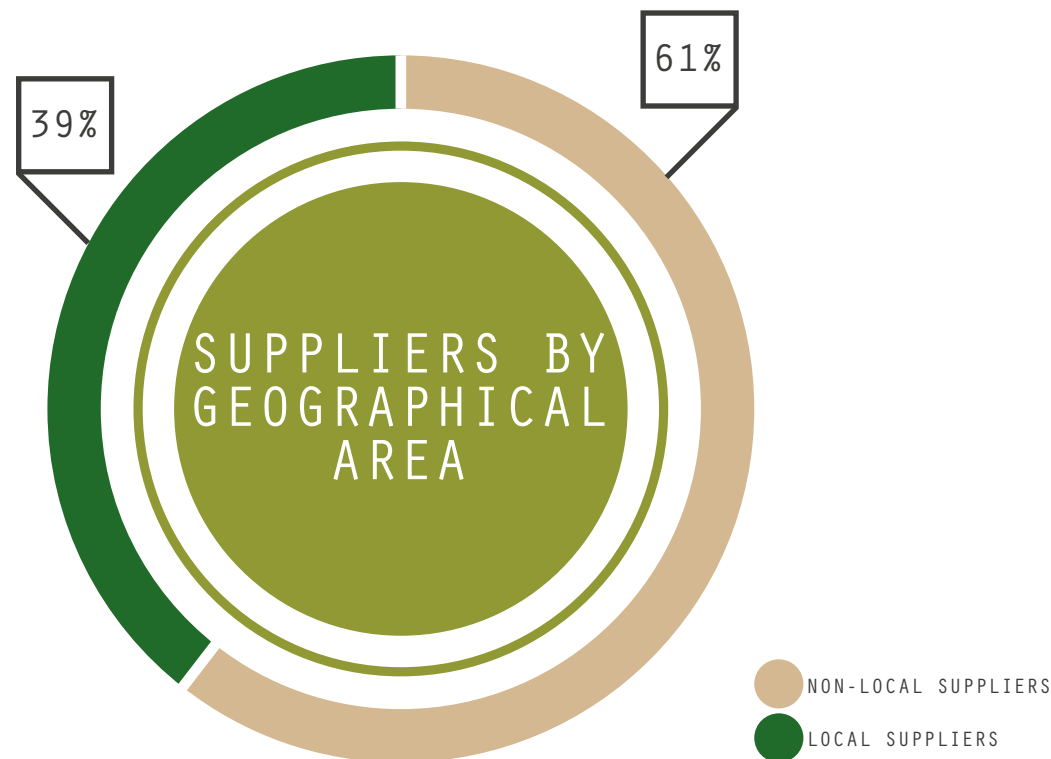


ECONOMIC
PERFORMANCE

THE VALUE CHAIN

As previously mentioned, Il Borro operates in the agriculture and hospitality industries. Below are the two chains of value of the Estate and the relationships between them.

Most of the food products used within the Estate, such as vegetables, olive oil and wine, are produced internally, making Il Borro almost completely self-sufficient in terms of food supply. The main purchases the Estate makes concern labour, machinery and raw materials necessary for agricultural activities and hospitality services. In 2020, 39% of all deliveries were carried out either by local or Tuscan suppliers. 65% of non-Tuscan suppliers were still located within Italy.



The image shows a formal garden with a central fountain, surrounded by manicured hedges and lawns. In the background, a hilltop village with traditional stone buildings is visible, surrounded by dense greenery and cypress trees. The sky is blue with scattered white clouds.

2.0 WHAT WE OFFER

Our philosophy of hospitality and catering is based on the enhancement of the territory and local products, based on the principle of 'good km': proximity does not count, but the sharing of projects that ensure the quality and welfare of animals.

The agricultural and wine-growing activity has been carried out since 2015 according to the criteria of organic cultivation in order to obtain an increasingly fertile soil and a qualitatively better production.

Customer satisfaction is an integral part of this path towards excellence.

TUSCAN HOSPITALITY

Il Borro offers several accommodation solutions for every need, without having to sacrifice either the comfort or the quality of services provided. Dimora Storica with its elegance and rich history, Villa Casetta, with its contemporary style, surrounded by Merlot vineyards, as well as the 38 suites and charming rooms in the medieval village, where guests can enjoy the unique atmosphere and stunning views of the Tuscan countryside in a space that is both luxurious and minimal. The Aie del Borro provides 18 new suites and rooms ideal for families and for those who love sports and activities in the open. Finally, “I Borrigiani”, five charming agri-tourism farmhouses located in the middle of the countryside.

DIMORA STORICA AND THE TUSCAN VILLAS

Dimora Storica, an elegant and historical building that dominates the entire medieval village, is the heart of Il Borro. Built in 1854 by the Hohenlohe Waldenburg family, it was sold at the beginning of the 20th century to Duke Amedeo d’Aosta and finally, in 1993, to Ferruccio Ferragamo. Extensive and very meticulous restoration has brought it back to its ancient splendour, enhancing the original materials and the architectural style characteristic of 19th century villas.

Dimora Storica is an exclusive place with 10 rooms with en-suite bathroom, a conference room, a dining room, a study, a heated indoor pool, a gym, a billiard room and a sauna. All suites are unique with bespoke features.

Villa Casetta is the perfect place to enjoy a holiday in Tuscany, since the large garden and Merlot vineyards provide a special atmosphere where time is marked only by nature and its rhythm. The villa is equipped with solar panels, an absolute must at Il Borro, where eco-sustainability is of utmost importance.

THE MEDIEVAL VILLAGE AND AIE

The Medieval village was restored and renovated following the same approach adopted for the specific structures of the Estate. It became “an albergo diffuso” a new Italian hospitality concept in which an entire village becomes an actual hotel. In the case of Il Borro, 38 rooms or suites are in the medieval village and 18 are in the Aie del Borro, each peculiar to itself and with its own story to tell. The suites inside the village are decorated with elegant simplicity and equipped with every comfort, in perfect harmony with the authenticity of the whole village. Discreet luxury rooms, each has its own history and unique characteristics. It’s no coincidence that each room (once an apartment) is named after the families that lived in it or the artisans who worked in it: Aviatore, Berti, Ciapi, Fabiano, Guerriero, Lombardi, Malagnino, Penna, Rino and Verdelli.

A long avenue lined with oaks leads to the centre of Le Aie del Borro which are immersed in the countryside full of mulberry trees, oaks, lavender bushes, wild roses and geometric herb gardens. These are 18 new rooms and suites - ideal homes for families and groups. The architecture of the Aie del Borro buildings reflects the Tuscan Grand Ducal times: regular rectangular base, loggia with arches on the ground floor, external corridors on the first floor and dovecotes.

VIESCA

The Viesca area, situated in the heart of Tuscany, only a few kilometres from Florence and the Chianti area, was already inhabited during Roman times. After several changes of ownership over the centuries, in 1952 it was finally acquired by the Ferragamo family and became part of the Il Borro Estate hospitality project. Nowadays Viesca - Il Borro Toscana is an “albergo diffuso”, a multibuilding hotel that offers different solutions to meet the multiple needs of its guests. The sixteenth century Villa, the six Villas with private pools in the midst of nature, a characteristic Family Cottage, the 17 suites of the Borgo di Pian Rinaldi (in the centre of the Estate) and Villa Marnia, with its absolute privacy: each room is surrounded by a unique and truly charming setting.



AGRITOURISM I BORRIGIANI

Besides the luxurious Relais & Châteaux, Il Borro also boasts five fascinating agritourism farmhouses. The history and traditions of the Borrigiani Estate go hand in hand with those of the surrounding area. The inhabitants of Il Borro and its nearby areas were called the “Borrigiani”. The Borrigiani were those who worked the land, ate its produce, and enjoyed many open-air activities that are dictated by seasonality.

Staying at the Toscana I Borrigiani farmhouses means to choose a different holiday experience: rest, relax and nature, as well as sports and outdoor activities, in harmony with the passing of the seasons, as well as with the life and traditions of the countryside. Guests can take part in many open-air activities that will make their stay a memory to cherish.

EXPERIENCE & WELLNESS

Il Borro’s offer is completed by a number of activities that will meet all kinds of requirements and will turn the stay into a unique experience:

- **cooking shows and classes**
to discover both what the area has to offer and the best local products and recipes;
- **sports facilities**
such as tennis and golf courts, football pitches, horse-riding and cycle trails;
- **yoga and fitness classes** taught by professionals;
- **personalized treatments** in the Suite Spa and (upon request) Wellness Retreats that include personalized wellness programs and solutions
- **craft workshops**,
where guests can observe the craftsmen at work and actively participate in the creation of small handmade artifacts;
- **truffle hunting** together with professionals and their trained dogs;
- **tastings** and tours in the Il Borro winery, with experts.

RESTAURANTS - OSTERIA DEL BORRO AND TUSCAN BISTRO

The restaurants at Il Borro are all under the supervision of Executive Chef Andrea Campani and offer a dining experience that is firmly rooted in the Tuscan tradition: local raw materials and research of contemporary interpretations of traditional recipes, prepared in open kitchens that use fully traceable products. At the heart of his philosophy (and actual kitchen) Chef Andrea Campani puts a personalized craft oven in which he creates his dishes, enhancing the recipes and products of this land with his ability and knowledge.

Il Borro - Toscana offers various catering options to meet the needs of its customers. Osteria del Borro, a gourmet restaurant that values the territory by revisiting traditional Tuscan recipes with a contemporary twist, as well as the second restaurant of the Estate, located by the swimming pool, which offers a “lighter” menu.

Over the years, Il Borro’s restaurants have selected and honed a number of recipes, studying their origins, sticking to local raw materials and to the “chilometro buono” concept, in other words, high-quality, local products produced in full respect of the welfare of the animals. A few years ago it was decided to stop using large international meat suppliers and switch to local producers, as well as to rely more on the internal Il Borro farm for vegetables, honey, olive oil and wine. The restaurants of the Estate offer ethical and environmentally sustainable cuisine that uses the products of Orto del Borro, the Estate’s vegetable garden, as well as

IL BORRO CUISINE



IL BORRO
TUSCAN BISTRO

products of a network of suppliers that share the same approach.

There is also a lot of emphasis on food waste, as the menu is designed to allow full use of the entire animals and vegetables, thereby reducing, as much as possible, food waste.

As an associate of Relais & Châteaux, Il Borro participates in **Food for Change**.



Food for Change is an initiative that pursues sustainable values, such as the fight against climate change and the protection of biodiversity, advocating for climate-friendly menus, bringing to the

dinner table dishes that have been mistakenly considered “poor man’s food” and adding value to the work of small local producers. In the 2019 edition, Chef Campani decided to promote recipes using potatoes of the Pratomagno, a variety that is typically grown in Cetica - Tuscany.

The Tuscan Bistro offers a bistro menu with both family meals and traditional dishes, where the products and raw materials are the real stars. This space overlooks the wine cellar, here breakfast is served every morning using local produce, pastries and bread baked in the Osteria’s kitchen, honey and fruit jam from the Estate. Finally, Il Borro’s bistros can also be found in Florence, Dubai and soon in London.



THE CASSETTA BIO

THE PRODUCTS OF OUR LANDS

Il Borro covers an area of 1,100 hectares that is considered of great value, both for the beauty of the landscape and the pureness of nature: 85 hectares of vineyards, 29 of olive groves, 272 used for fodder and arable land, 3 hectares of biological vegetable gardens and the remaining dedicated to forestry. It is in this area that the Company produces wine, vegetables and food, respecting the rhythms and needs of nature.

THE VEGETABLE GARDEN OF IL BORRO

The Vegetable Garden of Il Borro - created in 2015 - is the fruit of the Ferragamos passion and attention for the environment and local traditions. The aim of this project is to produce fully-organic and environmentally sustainable vegetables. The 3.5 hectares of organic vegetable garden produce plenty of seasonal high-quality and fresh vegetables, perfect for the Osteria del Borro and Tuscan Bistro in Florence, places where buying local is a must. In addition to the production of seasonal vegetables and the breeding of Chianina cows and chickens of various breeds, Il Borro has recently started to produce ancient grains and spelt flour (low gluten content), buckwheat (gluten-free) to make homemade pasta, unrefined flour, blown grains and hardtacks. All the processing phases are supervised by experts, from the sowing to the growing and final harvesting. The production is inspired by the principles of organic farming. No chemical pesticides or fertilizers are used, preferring a more agronomic

approach, with minimal environmental impact by implementing techniques such as crop rotation, the use of horn manure 500, compost and green manure made from different types of grass and legumes (For more information, see the chapter called Focus: Sustainable agriculture and animal welfare).

THE CASSETTA BIO

The Cassetta Bio initiative was created to share the Company's products with more people: a wooden crate containing a mix of preselected in season organic vegetables, including organic eggs, oil produced from the local mill, honey and all products that customers may request. The crate is delivered once a week, directly to the customer's home, while subscribing is easy and orders are made on Il Borro's website. This project aims to become a sort of best practice of short supply chains, selling certified organic products directly to consumers, ensuring higher quality and reduction of the environmental impact normally caused by a longer food chain. In 2019, a total of 4,269 organic crates were sold, for a total of 16,037 kg of organic fruits and vegetables, all delivered directly to the consumer. Despite the limitations due to the Covid-19 pandemic, home delivery service never stopped: 2,223 crates, for a total of 8,892 kg of fruits and vegetables and 26,796 organic eggs.

IL BORRO'S WINES AND WINERY

Il Borro's wine project started in 1995, with the first studies to determine the characteristics of the soil. The results suggested which vine variety to grow, the clones and even the right rootstocks to improve the health of the plants. The vineyards are located between 300 and 500 meters above sea level on the Valdarno hills, more precisely, at the foot of Mount Pratomagno, an ideal area for growing grapes. The study also included a detailed assessment of the microclimate, another key factor for determining the best techniques and solutions for the vineyards.

In Politi, an area at 350m above sea level, facing South, where the soil is schistose, marly, deep and poor, it was decided to plant Sangiovese grapes, with three different clones. After the addition of an irrigation system that helps the plants during the drier summer months, the sandy soil at the edge of the ancient Valdarno lake was chosen for Cabernet Sauvignon, which makes concentrated grapes rich in fragrance and with an intense colour. The Polissena area - rich in clay and calcium - became the home of Merlot, a variety that brings pleasantness and softness. Finally, the plot in Laterina, situated on a stony and very warm plateau was chosen for Syrah, which thrives in these conditions, since the stones accumulate heat during the day and release it during the night. This is a vine variety that gives Il Borro's wine a charming touch of ripe fruit.

2012 saw the onset of a new project that in just three years fully converted the vineyards of Il Borro into organic. The goal is to achieve and maintain a harmonious balance between these cultivations and the countryside around them, as well as to help the soil become more naturally fertile, which, in turn, improves the quality of its products. The wines that have been fully converted into organic are: Alessandro dal Borro IGT Toscana, Il Borro IGT Toscana, Petruna in Anfora IGT Toscana, Polissena IGT Toscana, Pian Di Nova IGT Toscana, Borrigiano Valdarno di Sopra DOC, Rosé del Borro IGT Toscana and Lamelle IGT Toscana.

ORGANIC GRAPE GROWING MUST FULLY RESPECT SPECIFIC PRINCIPLES, SUCH AS:

THE INCREASE OF BIODIVERSITY WITH THE CREATION OF COMPLEX ECOSYSTEMS. THIS PROCESS INCLUDES THE INSERTION OF PHYTOSEIIDAE INSECTS AND THE PLANTING OF DIFFERENT SPECIES, WHICH INCREASE THE BIODIVERSITY, THUS CREATING AN ECOSYSTEM THAT IS COMPLEX, STRONG AND DIVERSE.



CREATING A CLOSED BUSINESS CYCLE, WHICH MEANS COMMITTING TO SELF-PRODUCING WHAT THE VINEYARDS REQUIRE. THE FIRST STEP IS COMPOSTING, WHICH GOES TO REPLACE ALL CHEMICAL FERTILIZERS.



COMPLETE REMOVAL OF ALL SYNTHESIZED PHYTO-SANITARY PRODUCTS FROM THE VINEYARDS, WHICH ARE COMPLETELY REPLACED BY AUTHORIZED PRODUCTS THAT CAN BE LEGALLY USED IN ORGANIC PLANT GROWING, SUCH AS HORN MANURE.



BALANCE AND LONGEVITY OF THE PLANTS, WITH THE LATTER BEING POSSIBLE THANKS TO NEW ORGANIC CULTIVATIONS, AS WELL AS TO IMPROVED PRUNING, WHICH ALLOWS BETTER LYMPHATIC FLOWS IN THE PLANTS.



The wines that are currently produced at Il Borro have a strong local identity, a firm concept for the entire farm and the goal of Il Borro's vineyards.

Once manually harvested, the grapes of each vineyard are manually selected, destemmed, crushed and conveyed in steel or wood containers for alcoholic fermentation in Il Borro's cellar, a 3,000 square meter complex that is surrounded by nature: a medieval structure dug into the earth, which runs under the Villa Il Borro. A further more modern cellar (rebuilt from scratch in 2000) is also used for this purpose. In

2004, the owners had a new tunnel built to be used as a barrel room - more than 600 French oak barrels for the aging of the wine - and as a passage to connect the two cellars.

The long wine-making process includes a key step, refinement, which needs ideal conditions to enhance the scents and flavours of the final product. To give even more complexity to the wines, the blending is carried out only once aging is finalized and the individual barrels have been carefully selected. Last but definitely not least, the bottling of the wine, which is key to a perfect refinement. In 2015, Il Borro began using amphoras: the rediscovery of an ancient container in which the wine ferments and ages for about a year. Petruna is the first Il Borro wine to be made using amphoras and it too is 100% organic.

Right above the cellar is "Wine&Art", a private collection of Ferruccio Ferragamo that includes various historical engravings dedicated to wine. (For more details, see chapter 5.2 Vino and Arte Exhibition). Il Borro winery is part of the Wine Architecture circuit, a project that brings together 14 Tuscan wine cellars that share the same philosophy: promoting green architecture and integrating innovative energy solutions to reduce the impact on the environment.

WINES AND THE WINE CELLAR



IL BORRO IGT TOSCANA 2016

The vines used for the production of this organic-certified wine have a density of 4,500 plants per hectare and grow at an average height of 300m above sea level. Made with 50% Merlot, 35% Cabernet Sauvignon, 10% Syrah and 5% Petit Verdot, the grapes are manually picked and sorted, destemmed, crushed and moved to stainless steel vats by natural fall, a process during which the different grape varieties are never mixed. The wine macerates with the skins for 22 days in steel vats, at a controlled temperature of 22°C, with the alcoholic fermentation lasting about 10 days. After the racking, the wine is put in new Allier oak barrels and, when it is first poured (after the malolactic fermentation), the four different wines are blended. The wine can now be left to refine in oak barrels for 18 months, after which it is filtered, bottled and aged for 8 months in Il Borro's cellar.



96/100
SCORE



96+/100
SCORE



LE BOLLE DEL BORRO

A completely organic product made with the grapes of a selected Sangiovese vineyard that enjoys cooler temperatures, with considerable thermal excursions and a late ripening that gives it gentle and fresh aromas, the right acidity and a low sugar content. "Bolle di Borro" is a traditional method rosé wine made with Sangiovese grapes, starting from the 2012 vintage, with 60-month yeast fermentation.



92/100
SCORE



94/100
SCORE



ALESSANDRO DAL BORRO 2016

Close monitoring of the vines, great care in the selection of the varieties, as well as the constant support of Oenologist Stefano Chioccioli and Ferruccio Ferragamo gave birth to Alessandro dal Borro IGT Toscana Syrah. The grapes, which are harvested manually and placed in small crates with no more than 10 kg of produce, are first left to cool at temperatures as low as 8°C for one night. The processing begins with an initial sorting during which all the stems are removed, leaving only the grapes - peel, pips and juice - for the fermentation, which takes place in a tapered French oak vat and lasts 40 days. All these operations are carried out manually. After fermentation, Alessandro dal Borro is poured into barrels made of the best French fine-grained oak wood, and furthermore the malolactic fermentation too takes place in oak barrels, as well as the final aging with yeast (6 months) and the final 18-month élevage. An exclusive 100% Syrah wine and a perfect combination of culture and territory - limited editions only, numbered, sold in special bottles.



96/100
PUNTEGGIO



95/100
PUNTEGGIO



BORRIGIANO VAL D'ARNO DI SOPRA DOC BIO 2018

The first organic-certified Il Borro wine to be awarded the Val d'Arno di Sopra DOC denomination. About 5,000 plants per hectare, trained with spurred cordon, with a yield per plant ranging from 1 to 1.5 kg. The Sangiovese, Syrah and Merlot grapes are harvested by hand to achieve perfect technological and phenological ripeness, while fully respecting the natural rhythms of the plants. For its production, an alternative system was adopted: the use of oak wood vats and the refrigeration of the grapes, followed by a cold 2-day maceration. Finally, a fermentation step at controlled temperature (28°C), followed by a 10-month aging phase in large wooden vats.



91/100
SCORE



92+/100
SCORE



PETRUNA ANFORA VAL D'ARNO DI SOPRA DOC BIO 2018

Petruna Amphora is made only with Sangiovese grapes and exclusively using amphoras. The vineyard where the grapes are grown - Casa al Coltro - has a density 4,500 plants per hectare, it is situated about 350 meters above sea level and has mostly schistose and good draining soil. The grapes used to produce this wine are thinned out in late August, leaving the plants with about 1 kg as this promotes perfect ripening. The harvesting is done by hand and the grapes, after a one-night cooling (in a fridge), are destemmed and selected by an optical viewer that discards the unfit single grapes. The must obtained is placed in amphoras where it goes through the necessary stages to become wine, including manual fulling (5-6 times a day) until the sugar has fully turned into alcohol. During this phase, the interaction between the clay, the wine and the skins creates quite a unique product.



94/100
SCORE



93/100
SCORE

SOME OF
THE 100%
ORGANIC WINES

CUSTOMER SATISFACTION AND PRODUCT QUALITY

One of the most important goals of Il Borro is to keep producing and proving high quality products and services. Over the years, this philosophy has led the Estate to forge relationships with many agencies, such as the aforementioned **Realis & Chateaux** e **Virtuoso**, which requires Il Borro to comply with specific standards, both in terms of quality and characteristics of the service provided:

gement of Il Borro is able to incorporate the expectations and advice of the clients, in order to constantly improve the quality of the service provided, which, in 2020, resulted in an NPS average score higher than 50 points.







Customer satisfaction is a cornerstone of the path to excellence that Il Borro is pursuing. In order to make quantitative assessments of customer satisfaction, the Company has adopted the Net Promoter Score (NPS), a tool that includes a questionnaire covering the different aspects of the stay, such as reception services, helpfulness and attitude of the staff, food, wellness services and rooms. NPS is a tool that measures how likely a customer is to recommend the product or service. It is based on a score that can vary from a minimum of -100 (the respondent is a “detractor”) to +100 (the respondent is a “promoter”), with a score equal to or greater than +50 being deemed as excellent. The clients are asked to give an assessment using a score from 0 to 10, creating a loyalty index and therefore allowing the Company to take action and improve. Thanks to a careful analysis of all the reviews received, the mana-



As for food products, in 2015, Il Borro became fully organic certified, which means it guarantees compliance with specific European requirements concerning the labelling and production of its organic products. The Company regularly undergoes controls and inspections performed by certification bodies, which ensure total compliance with the regulations, rules and predetermined parameters. The labels of the organic products must bear the following information: the wording “from organic farming”, the name of the certification, the ministerial authorization number and the alphanumeric code that constitutes the identity card of the product.

SATISFACTION AND QUALITY



Several mentions in leading Italian wine industry guides attest the quality of Il Borro’s products: a recognition of the unconditioned commitment to quality and sustainability that the Company made a few years ago. Il Borro Toscana IGT 2016, the very first wine produced, is still a perfect expression of Il Borro’s corporate identity, which was awarded with:



96/100
FACCINO DOCTORWINE
2020



TRE STELLE ORO
I VINI DI VERONELLI
2020



TRE BICCHIERI
GAMBERO ROSSO
2020



QUATTRO TRALCI
VITAE
2020

3.0 OUR PEOPLE



Il Borro has always tried to involve employees not only in company life, but also in sharing common values such as respect and fairness.

The estate tends to establish a continuous relationship of collaboration also with seasonal workers.

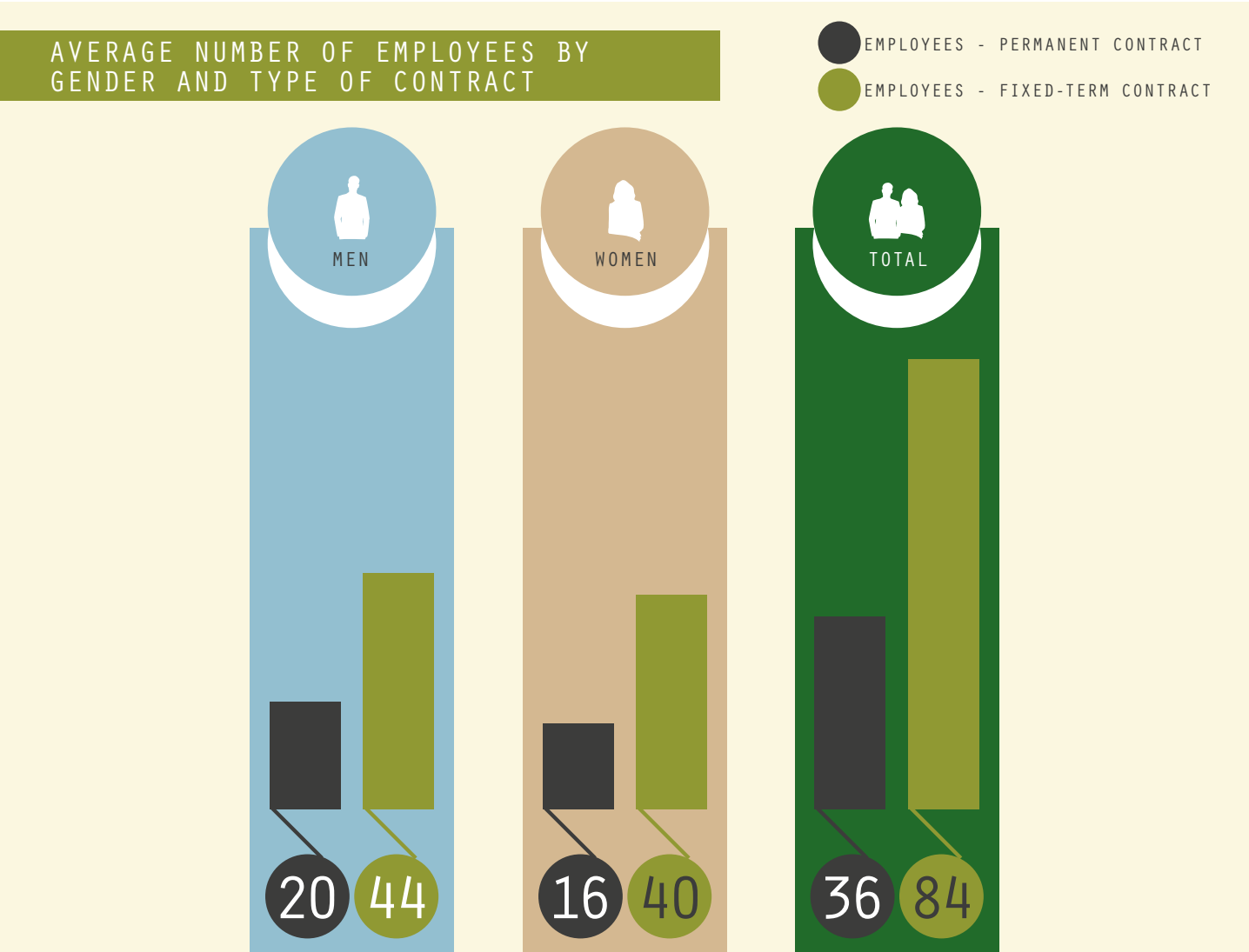
In recent years, the Group has increased its attention to **equal opportunities**, with a progressive increase in the presence of women in the company.

MANAGEMENT AND DIVERSITY OF THE ESTATE'S EMPLOYEES

Il Borro recognizes that the development of human capital is key to ensuring top quality services and products and therefore it constantly invests in the professional and personal growth of people. The owners have always tried to encourage the employees to be part of Il Borro's corporate life, as well as to share common values, such as respect and honesty, with the entire Il Borro community.

In 2020 on average the Group employed 120 employees and collaborated with 47 freelancers³. The fluctuations in workforce are due particularly to busy times of the year, such as the grape and vegetable harvests, and tourist high season. This results in the hiring of more staff, which increases the workforce on fixed-term contracts. In 2020, seasonal workers made up about 80% of the total workforce, a figure that is lower compared to that of previous years. Despite the inherent seasonality of its operations, the Estate prefers to work with the same seasonal staff every year, making collaborations continuous. This is reflected in their loyalty: 65% of the 2019 seasonal staff were hired again in 2020. As for non-seasonal staff, during the two years reviewed in this document there were neither new hirings nor terminations of employment.

³ Unless otherwise specified, the data concerning human resources are calculated with an average figure for the reference year and not with the headcount method.



MANAGEMENT AND DIVERSITY



Over the last few years, the Group increased the number of employees, ensuring equal opportunities, which led to a gradual increase in women: 47% in the last financial year. Moreover, the presence of a company such as Il Borro has significant positive effects in an area that offers very little in terms of job opportunities. For logistical reasons, the Estate prefers hiring local staff: 97% live in Tuscany (+4.73% compared to last year).

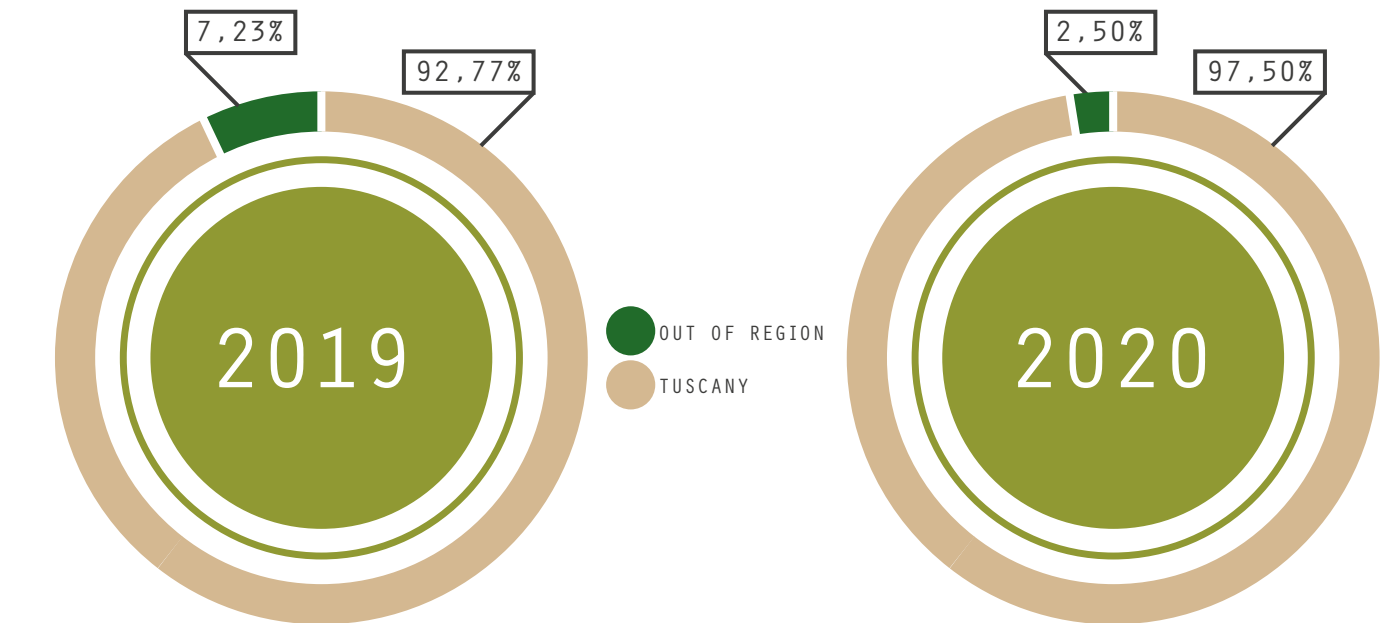
100% of Il Borro employees are covered by national or local labour contracts, while there is no collective bargaining at company level. The various activities performed at the Estate's many sites translate into a number of implemented collective bargaining agreements to which

Il Borro refers when making organizational changes, as well as for the compensation of its employees:

- Italian Collective Bargaining Agreement for agricultural workers and floriculturists
- Italian Collective Bargaining Agreement for retail/catering businesses
- Italian Collective Bargaining Agreement for commerce

Regardless of their contractual formula, all employees under the same category enjoy the same benefits, such as the use of company vehicles, PCs and phones, except for agricultural and seasonal workers.

EMPLOYEES LIVING IN TUSCANY



THE HEALTH AND WELLBEING OF OUR EMPLOYEES

Il Borro considers the health and safety of the workplace to be of primary importance, especially for those people who work in the agriculture or hospitality industries. Il Borro is committed to ensuring the health and safety of its employees and provides for the assessment of risks resulting from the different activities carried out, as well as an evaluation of the related mitigation measures, in accordance with the Italian Legislative Decree No. 81/2008 - more detailed information available in the dedicated documents (DVR).

The risk assessment of each activity has been carried out on the basis of preliminarily defined criteria and in compliance with the provisions of Italian Legislative Decree 81/2008. These criteria, which are an integral part of the DVR, contemplate, among others, issues like labour activities and phases, as well as the presence of potential hazards in the workplace, in order to continuously improve and upgrade the health and safety of the workplace. The assessment of risks was carried out by the Employer, in collaboration with the Head of the Prevention and Protection Service, an appointed doctor and, preventively, the involvement of the Workers' Safety Representative. Meetings are held monthly with the persons in charge in order to assess the application of good health and safety practices and to monitor the progress of all actions aimed at improving the health and safety of workers.

Il Borro has put in place several measures to safeguard the health and psycho-physical integrity of its employees, moreover, it has taken all precautions, as well as carried out investigations to ensure there is no danger to life and integrity of the employees. For this reason, different "Security Procedures" have been adopted: safety, health and rescue measures to be taken during all activities carried out within the Estate.

Finally, to promote the application of both the provisions contained in the DVR and the skills necessary to reduce the risks in various business activities, specific training is provided (chosen on the basis of the individual tasks and responsibilities).

Thanks to said activities and measures, in 2020 there were no injuries.

FOCUS

MANAGEMENT OF THE COVID-19 EMERGENCY

In response to the Covid-19 pandemic, the Company has adopted several measures to prevent infection, which must be followed by all employees, collaborators and customers. Given the large spaces of the Estate, there were no issue concerning minimum safety distance, which could be easily guaranteed in all situations and area. Among such measures were: the reduction of the catering areas' capacity, the replacement of the breakfast buffet with an ordering system, the booking of specific activities or areas. All staff were equipped with specific personal protective equipment (PPE) trained on its correct use. In order to effectively inform the customers, multilingual warning and information signs (including contact numbers in case of suspect cases) were displayed throughout the communal areas of the hospitality facilities. In addition, with the introduction of ozone sanitations of the premises (a very effective sanitation technique), no chemicals were used.



OUR
COLLABORATORS



4.0 RESPECT FOR THE ENVIRONMENT

Respect for the territory is at the heart of the company philosophy, this statement is reflected into action with lots of initiatives such as; the use of renewable sources, the construction of energy-efficient structures, water reuse systems and agricultural practices that respect natural rhythms following the principles of organic farming and some biodynamic practices.

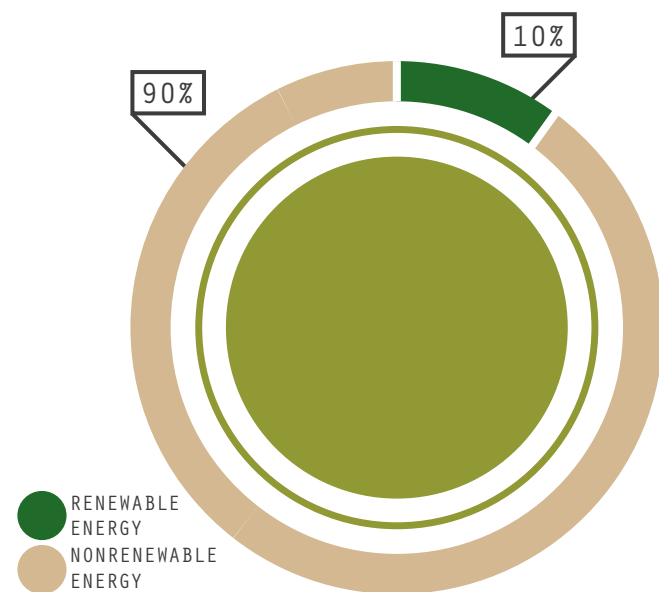
The organic vocation of Il Borro is a constant search for the balance between nature, man and territory.

THE IMPACT OF OUR ACTIVITIES

Aware that the long-term success of the Company depends on proper management of its environmental impact, Il Borro has placed the respect for its surrounding territory and the environment at the heart of its corporate philosophy. Among others, the activities implemented over the years are use of renewable energy sources, construction of energy efficient structures that reuse water, and adoption of agricultural practices that respect the natural rhythms of the territory.

ENERGY CONSUMPTION

In 2020 the total energy consumption of Il Borro amounted to 20,656 GJ. Most of it went into electricity and diesel fuel for the farming machines. In total, the company machines accounted for 2,859 GJ (25% of consumption). Electricity is mostly needed for the farming activities and the winemaking production processes (crushing, fermentation, temperature conditioning of the premises and machinery). Another main activity that requires electricity is the provision of hospitality services, such as the lighting of the villa and the rooms, and air-conditioning. In 2020, 7,086 GJ of electrical energy were used (34% of total consumption).



The electricity consumption is almost entirely covered by systems that rely on renewable sources. A field of solar panels (located in an unused area of the Estate that has no impact on the landscape) provides the electricity for the La Corte area, which includes the Spa, Il Borro Tuscan Bistro, the Boutique and the lounge of the Relais, as well as the Osteria del Borro, Dimora Il Borro, the wine cellar and the company offices. Thanks to the installation of solar panels, Il Borro can significantly reduce the CO₂ emissions generated by supply of the electricity to the buildings. The solar panels were installed respecting the beauty of the landscape that surrounds Il Borro.



OUR “ZERO BILL” HOMES

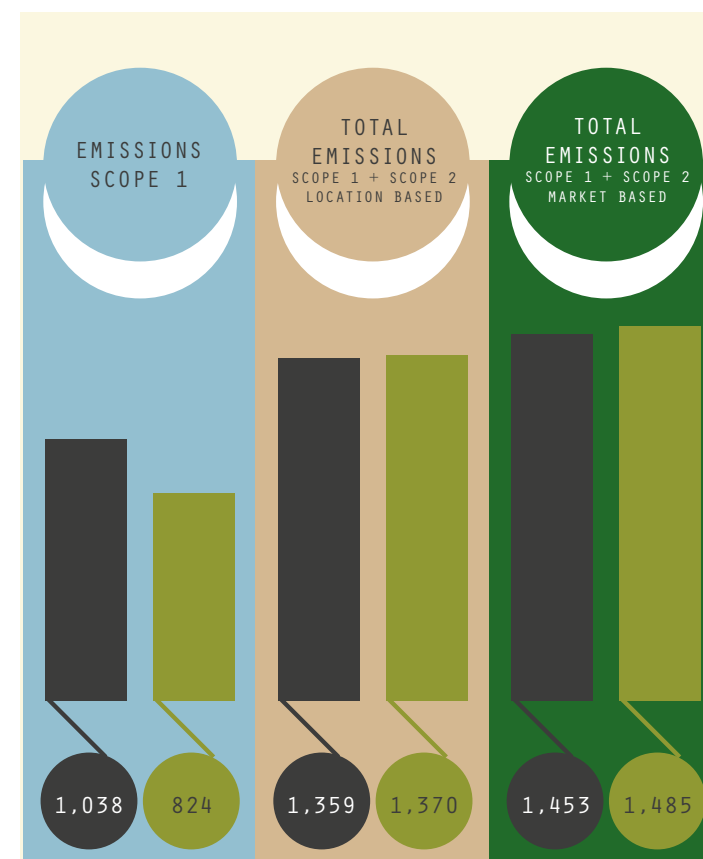
A further way to take care of the environment and the local area by becoming more energy efficient is the “**zero bill residencies**” such as Casa al Coltro, Casa al Molli and Poggi Pietri: highly efficient facilities that use only renewable energy, such as geothermal plants, and are equipped with:

- Solar panels
- Air-to-water heat pumps, which heat and cool the indoor spaces and produce hot water
- Thermal cladding, which provides both thermal and acoustic insulation

During the year the solar panels produced a total of 9,402 GJ of energy. The energy produced by the system when there is perfect coincidence between production and energy use, would be able to fully meet Il Borro's total annual electric demand. Thanks to the use of renewable sources Il Borro saves the environment 1,217 tons of CO₂ (calculated with the market-based method), which would otherwise be emitted if non-renewable energy sources were used.

The total direct emissions generated by Il Borro in 2020 - resulting from the consumption of natural gas, diesel and LPG (Scope 1) - amounted to 824 tons of CO₂, a 21% decrease compared to 2019. Methane emissions have the biggest impact (65.14%), followed by the diesel used for the farming machines and company vehicles (24%), both types of emissions account for nearly 90% of the Estate's total direct emissions.

The CO₂ emissions resulting from the consumption of electricity purchased (scope 2) amount to 661 tons (market-based calculation method) or 546 if calculated with the location-based method⁴. Finally, the Estate's 420 hectares of forest absorb each year about 13,860 tons of CO₂ from the atmosphere⁵.



EMISSION TREND IN THE PERIOD 2019/2020



⁴ For more details on the factors and calculation methods used to calculate the emissions, see chapter called “Performance indicators”.

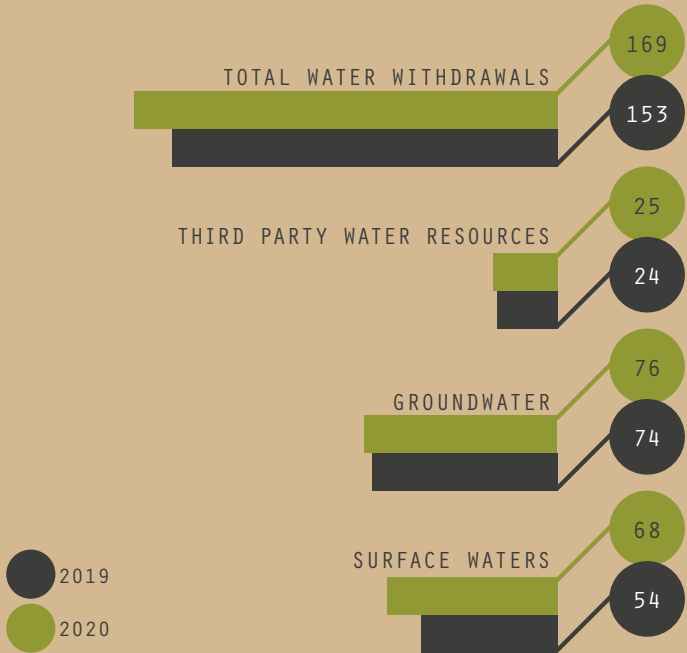
⁵ Calculated by estimating an average absorption per tree of 30 kgCO₂ (Source: Ecotree) with a density of 1,100 trees per hectare of forest.

As for water consumption, given the core business of the Estate (farming and hospitality), the consumption is considerable and may vary from year to year depending on climate and tourist flow.

The water requirements of the Estate are satisfied in different ways but always with one priority: to reduce the effects on the environment. One of these ways is the use of artificial lakes that collect rainwater naturally and are equipped with a recovery system, a great way to reduce the need to use rivers or the public water supply. Finally the drip irrigation system, which allows maximizing water use. Some buildings on the Estate are equipped with sophisticated rainwater recovery systems that include large tanks which allow storage for use during drier months. The roof of Tabaccaia, a characteristic building used for keeping farming equipment, is the first part of a water recovery system used for all treatments carried out in the vineyards.

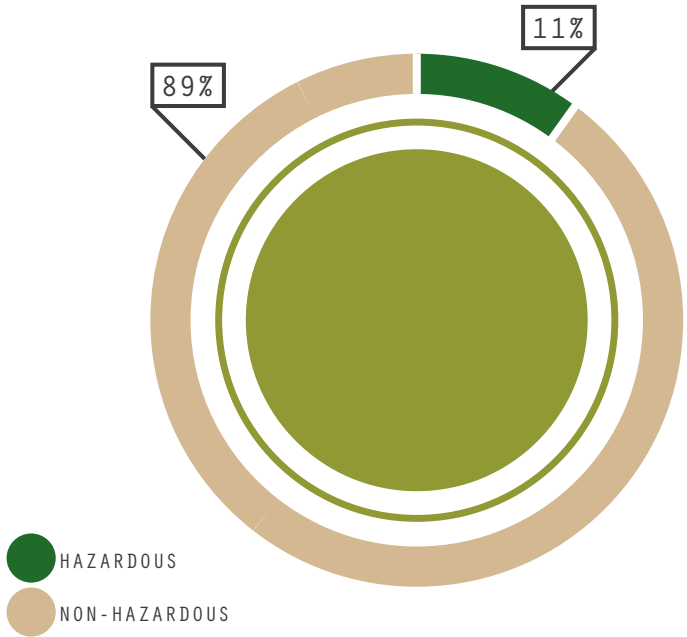
In 2020, 169 megalitres of water were drawn: only fresh water (water with total concentration of dissolved solids lower than or equal to 1000 mg/l) mostly from surface water or wells. In order to assess the impact

caused by the drawing and discharge of water in areas subject to water stress, Il Borro has availed itself of the Aqueduct Tool, which was developed by the World Resources Institute to identify areas potentially at risk. Based on this analysis, the drawing and discharge of water of the Estate concerned areas which are subject to water stress⁶.



⁶The WRI tool is available at: <https://www.wri.org/our-work/project/aqueduct>. The analysis was conducted using the results in the “baseline water stress” column.

WASTE PRODUCED IN 2020



Waste management is carried out in full compliance with the law and with best environmental practices. Il Borro can reuse the waste produced by its activities, such as manure from the farms, vegetable waste from the green garden, pressed olives, chicken droppings and vegetable waste from the restaurant, thus fully respecting **the principles of circular economy**. In 2020, over 85.7 tons of waste were produced: 89% was non-hazardous and only 11% hazardous waste (solvents for washing, electronic waste, etc.). In addition, 7% was sent to disposal (landfills or incineration), while 93% ended up in recovery operations (recycling and reuse).

TABACCAIA WATER RECOVERY SYSTEM



The Estate's commitment toward sustainability is confirmed by the methods for cultivation and production adopted for its products. **Il Borro's focus on organic products is an unrelenting quest for balance between nature, man and territory.**

At Il Borro land is cultivated according to organic farming principles, following the rhythms of nature and according to biodynamic practices: the replacement of chemicals with natural alternatives such as horn manure, herbal teas, green manure, as well as carefully selected fertilization processes and integrated pest management systems. As far as biodynamics are concerned autumn fertilization operations, for example, are carried out exclusively with manure from the Chianina cows bred at Il Borro. Pruning is carried out according to lunar phases: more specifically, when the moon is waning, sap circulation slows down. Following the vegetative cycle phytosanitary treatments, which take place after the beginning of the sprouting phase, are performed according to biodynamic practices (such as the use of horn manure and silica horn) and organic practices, such as sexual confusion based on phytohormones to protect from moths, as well as copper and sulphur to protect from powdery mildew and peronospora.

HORN MANURE

Horn manure is a preparation obtained by filling the horns of cows that have farrowed at least once with fresh manure coming exclusively from Il Borro's Chianina cows. Once filled, the horns are buried for the winter, which, thanks to the much colder temperatures, transforms the product. In late spring, the preparation is ready for use as natural fertilizer.

SILICA HORN

Silica horn is obtained by filling the horns of cows that have farrowed at least once, with a mixture of silica quartz and rainwater. Once filled, the horns are buried until early autumn; the content is then taken out, stored in a glass container and exposed to the sun. The extremely fine powder obtained is dissolved in water and sprayed when the leaves are growing, increasing the benefits brought to the plant by sunlight.

MEDICINAL HERBS

Natural pesticides are used instead of chemical pesticides. The use of medicinal herbs allows to make macerated or herbal teas that act as organic insecticides: macerate of horsetail (used as fertilizer); nettle infusion (sprayed on the plants to protect from insects and larvae or on the ground as a valid fertilizer); dandelion tea, which provides nourishment to the soil and stimulates the growth of vegetation.

In addition, the soil of the vineyard is worked with horse-pulled plows, as this limits soil compaction, helping it to regenerate and preserve fertility.

In addition to these practices and procedures, plenty of care and dedication is given to maintenance of surrounding vegetation, which plays a key role in the protection of plants.

Loving nature also means **respecting the animals** that live on the Estate: horses and Chianina cows. The latter are bred with methods and ways that closely resemble natural conditions, it is as if they lived freely, without confinement; they are free to roam in large spaces that are rotated regularly to ensure constant grazing, moreover, they have access to a barn, which they use at their own discretion. Chianina cows mostly eat organic fodder produced at Il Borro, as well as strictly organic feed. In line with the Company's philosophy, the animals remain at the Estate all their life. The laying hens live in a large open space divided into 6 zones. They are rotated regularly and move from the gardens to the sheds, so as to allow natural regrowth of vegetation and sanitation of the areas. The aim is to recreate as closely as possible the natural living conditions of animals. Organic eggs are collected carefully in order to reduce the presence of people.

The Estate also includes about 800 hectares of woodland located near the Valle dell'Inferno and Bandella Regional Nature Reserve. Several measures and practices have been implemented to protect the local biodiversity and ecosystem:

- the installation of some drinking points for wild animals;
- the installation of carefully positioned food dispensers for birds;
- Targeted sowing to help the reproduction of local game.

All the above activities safeguard the balance between the ecosystem and the local fauna, which is also good for the hunting that traditionally takes place in the woods of the Estate.

Finally, 30 hives installed in the midst of the nature reserve regularly produce organic honey.



NATURE
RESERVE



5.0

IL BORRO AND SOCIAL COMMITMENT

We are aware of the role that the community and territory of Tuscany play in the success of Il Borro itself, consequently we have always tried, through the development of initiatives and donations, to support the territory and communities in which we operate.

Environment, culture and support for public infrastructure are the three pillars of our support for the local community.

RELATIONS WITH THE LOCAL COMMUNITY

Il Borro has always been aware of the importance of its role in the local community and how this can contribute to the success of the Company. Il Borro has always sought to offer support to the community and to the Tuscan territory through initiatives and donations. Over the years Il Borro has supported many musical and cultural initiatives:

“WINE AND ART” EXHIBITION

The aim of the Wine&Art Gallery - located above the cellars, opened to the public in 2008 - is to create a space dedicated to wine and in particular to its history and to the importance wine has in daily life of the past and of the present. The Gallery is much more than an exhibition of works of art, it is a journey through the history of wine and Il Borro, its people and their role: from the Medici to the Hohenlohe, the Savoia and the Ferragamo. An artistic interpretation of wine culture exploring several aspects, from cultivation and harvesting to environmental and social considerations.

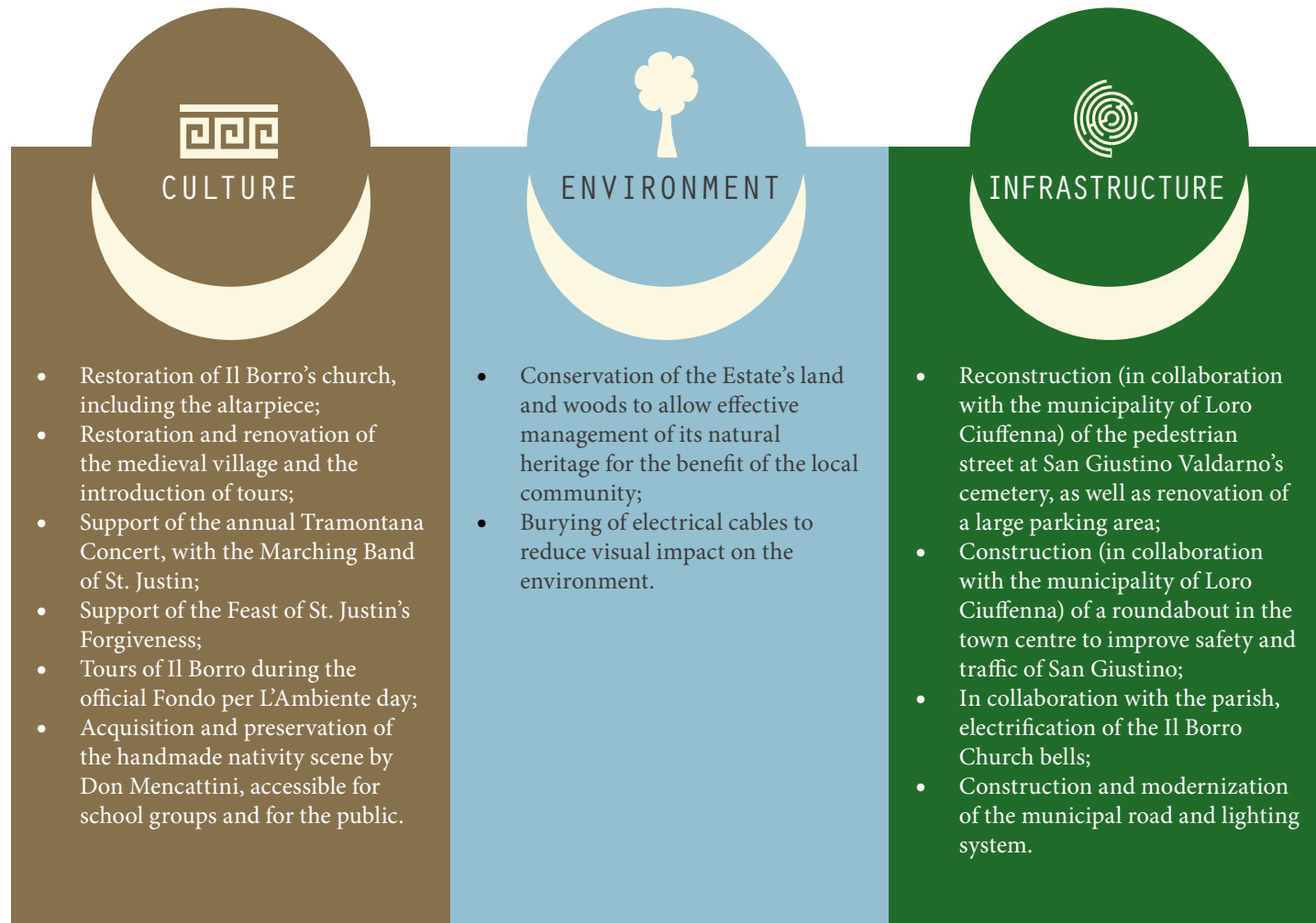
The Wine&Art Gallery currently boasts more than 100 engravings, including pieces by Mantegna, Dürer, Aldegrever, Parmigianino, Bloemart, Rembrandt, Callot, Tiepolo, Canaletto, Fattori, Whistler, Tissot, as well as more contemporary productions by Chagall, Picasso and Warhol.

On 25 March 2019, Ferruccio Ferragamo's Wine & Art Gallery officially opened a remarkable new section, “Bacchus and Venus: the Role of Women in the History of Wine”, an insight that explores the changing role of women in the world of wine. History of art shows that the role of women is not just that of passive consumers, in fact, women often manage several activities where this delicious beverage plays a key role.

The gallery is divided into 10 different sections (The Bacchae - Hebe, Cupbearer of the God, Cupbearer of men - Arianna, the Wine Lover - The Wine Lovers - Wine and Lovers - The Spirit of the Hearth - Governing Spirits - Vines are Women - Free spirits) focusing on the role of women in the history of wine, showing the ways in which art has celebrated them both, presenting a new point of view with the aim of reconstructing the close link between human history and what might otherwise be merely considered a simple drink.

The Wine&Art Gallery is just the beginning of a tour of the Estate's new and historical cellars, which culminates with a tasting of Il Borro's wines.

Between 2016 and 2019 the winery has recorded an average of 4,000 visitors a year. In 2020, despite the restrictions due to the Covid emergency - open only for a few months and with reduced capacity - the Gallery had 900 visitors.



Finally, Il Borro regularly participates in several charity auctions where, through the sale of farm products, funds are raised for numerous associations and charities. In 2020, Il Borro supported the Italian Foundation Lenittherapy (FILE) and participated in the ArtCurial Wine Auction.



PERFORMANCE INDICATORS

ENVIRONMENTAL SUSTAINABILITY

DISCLOSURE 302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION⁷

ENERGY CONSUMPTION IN THE ORGANIZATION			
TYPE OF CONSUMPTION	UNITS OF MEASUREMENT	2019	2020
NON-RENEWABLE FUELS	GJ	17,152	13,570
METHANE GAS	GJ	11,985	9,544
DIESEL	GJ	18	19
LPG	GJ	1,621	1,148
AUTOMOTIVE DIESEL	GJ	3,374	2,701
AUTOMOTIVE PETROL	GJ	154	158
ELECTRICITY PURCHASED	GJ	3,904	5,106
FROM NON-RENEWABLE SOURCES	GJ	3,904	5,106
FROM RENEWABLE SOURCES	GJ	0	-
SELF-PRODUCED ELECTRICITY - FROM RENEWABLE SOURCES	GJ	7,899	9,402
SELF-PRODUCED ELECTRICITY THAT WAS SOLD - FROM RENEWABLE SOURCES	GJ	7,097	7,423
TOTAL ENERGY CONSUMPTION	GJ	21,048	20,656
RENEWABLE ENERGY	GJ	802	1,980
NON-RENEWABLE ENERGY	GJ	20,246	18,676
% OF RENEWABLE ENERGY ON TOTAL		3.81%	9.59%

Please note that solar panels were installed in an unused area of the Estate. In one year it produced a total of 9,402 GJ of energy, which, in the case of perfect match between production curve and absorption, would fully satisfy the total annual requirement of the entire company.

⁷ The following conversion factors were used to calculate the energy consumption in GJ:

- Natural Gas: in 2019 the factor is equal to 35.303 GJ/1000*stdm3, in 2020 it amounted to 35.281 GJ/1000*stdm3 (source: ISPRA 2019 and 2020);
- Diesel for heating: in 2019 the factor was equal to 42.877 GJ/ton, in 2020 it amounted to 42.877 GJ/ton (source: ISPRA 2019 and 2020);
- Automotive Diesel: in 2019 the factor was equal to 42.780 GJ/ton, in 2020 it amounted to 42.780 GJ/ton (source: ISPRA 2019 and 2020);
- LPG: in 2019 the factor was equal to 46.130 GJ/ton, in 2020 it amounted to 46.130 GJ/ton (source: ISPRA 2019 and 2020);
- Automotive Petrol: in 2019 the factor was equal to 42.817 GJ/ton, in 2020 it amounted to 42.817 GJ/ton (source: ISPRA 2019 and 2020);
- Electricity: constant 0.0036 GJ/kWh.

DISCLOSURE 305-1 DIRECT GHG EMISSIONS (SCOPE 1)⁸

DIRECT EMISSIONS			
	UNITS OF MEASUREMENT	2019	2020
METHANE GAS	TCO ₂	670.47	536.69
DIESEL	TCO ₂	1.33	1.40
LPG	TCO ₂	106.36	75.29
AUTOMOTIVE DIESEL	TCO ₂	249	199
AUTOMOTIVE PETROL	TCO ₂	11	12
TOTAL EMISSIONS SCOPE 1	TCO ₂	1,038	824

DISCLOSURE 305-2 INDIRECT GHG EMISSIONS FROM ENERGY CONSUMPTION (SCOPE 2)⁹

INDIRECT EMISSIONS			
	UNITS OF MEASUREMENT	2019	2020
ELECTRICITY - LOCATION BASED	TCO ₂	321	546
ELECTRICITY - MARKET BASED	TCO ₂	415	661

TOTAL EMISSIONS OF GHG

TOTAL EMISSIONS ¹⁰			
	UNITÀ DI MISURA	2019	2020
TOTAL EMISSIONS OF SCOPE 1 + SCOPE 2 (LOCATION BASED)	TCO ₂	1,338	1,370
TOTAL EMISSIONS OF SCOPE 1 + SCOPE 2 (MARKET BASED)	TCO ₂	1,453	1,485

⁸ The emission factors used for the calculation of the emissions of Scope 1 are:

- Natural gas: 1,975 tCO₂/1000*Stdm3 for 2019; 1,984 tCO₂/1000*Stdm3 for 2020 (source: ISPRA 2019 and 2020)
- Diesel for heating: 3,155 tCO₂/ton in 2019; 3,155 tCO₂/ton for 2020 (sources: ISPRA 2019 and 2020)
- Automotive diesel: 3,151 tCO₂/ton in 2019; 3,151 tCO₂/ton for 2020 (sources: ISPRA 2019 and 2020)
- Automotive petrol: 3,140 tCO₂/ton in 2019; 3,140 tCO₂/ton for 2020 (sources: ISPRA 2019 and 2020)
- LPG: 3,026 tCO₂/ton in 2019; 3,026 tCO₂/ton for 2020 (sources: ISPRA 2019 and 2020)

⁹ In line with the GRI Sustainability Reporting Standards, both calculation methods were used to calculate the emissions of Scope 2. The Market-based method is based on the CO₂ emissions generated by the energy suppliers from which the Estate buys electricity; it can be calculated by considering: the Certificates of Energy Origin and direct contracts with suppliers, vendor-specific emission factors, emission factors related to the “residual mix”, namely, to the either unmonitored or unclaimed energy and emissions. For this calculation method, the following emission factors were used: for 2019, 483 gCO₂/kWh (source: AIB - European Residual Mixes 2018), for 2020, 466 gCO₂/kWh (source: AIB - European Residual Mixes 2019).

The Location-based method is based on median emission factors, related to the production of energy for well-defined geographic boundaries, including local, sub-national or national boundaries. For this calculation method, the following emission factors were used: for 2019, 296.5 gCO₂/kWh (source: ISPRA 2019), for 2020 277,6 gCO₂/kWh (source: ISPRA 2020).

¹⁰ The emissions of Scope 1 and 2 are in tons of CO₂, as the sources used do not mention the emission factors of gas types other than CO₂. The emissions are expressed in tons of CO₂, however, the proportion of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO₂ equivalents) as indicated in ISPRA report “Atmospheric emission factors of greenhouse gases from power sector.”

Please note that, thanks to its solar panels, Il Borro helps reduce the CO₂ generated by the production of electricity. Furthermore, thanks to the Estate’s woodland, Il Borro is able to absorb carbon dioxide from the atmosphere.

EMISSIONS OF CO ₂ AVOIDED AND ABSORBED	
SELF-PRODUCED ENERGY IN 2020 (KWH)	EEMISSIONS AVOIDED THANKS TO RENEWABLE SOURCES (TONS) ¹¹
2,611,794	LOCATION-BASED
	725
	MARKET-BASED
	1,217
HECTARES OF WOODLAND	CO ₂ ABSORBED (TONS) ¹²
420	13,860

DISCLOSURE 303-3 WATER WITHDRAWAL			
WATER WITHDRAWAL			
TYPE OF WITHDRAWAL (SOURCE)	UNITS OF MEASUREMENT	2019	2020
SURFACE WATER	MEGALITRES	54	68
FRESH WATER (≤1,000 MG/L OF TOTAL DISSOLVED SOLIDS)	MEGALITRES	54	68
OTHER TYPES OF WATER (>1,000 MG/L OF TOTAL DISSOLVED SOLIDS)	MEGALITRES	0	0
WELL WATER	MEGALITRES	74	76
FRESH WATER (≤1,000 MG/L OF TOTAL DISSOLVED SOLIDS)	MEGALITRES	74	76
OTHER TYPES OF WATER (<1,000 MG/L OF TOTAL DISSOLVED SOLIDS)	MEGALITRES	0	0
THIRD-PARTY WATER SOURCE (TOTAL)	MEGALITRES	24	25
FRESH WATER (≤1,000 MG/L OF TOTAL DISSOLVED SOLIDS)	MEGALITRES	24	25
OTHER TYPES OF WATER (<1,000 MG/L OF TOTAL DISSOLVED SOLIDS)	MEGALITRES	0	0
TOTAL WATER WITHDRAWALS	MEGALITRES	153	169

¹¹ The following emission factors were used for the calculation of the avoided emissions: the emission factor of 466 gCO₂/KWh was used for the Market-based method (source: AIB - European Residual Mixes 2019), while the emission factor of 277.6 gCO₂/KWh was used for the location-based method (source: ISPRA 2020).

¹² Calculated by estimating an average absorption of 30 kgCO₂ per tree (Source: Ecotree) with a density of 1,100 trees per hectare of woodland.

DISCLOSURE 306-3 TOTAL WEIGHT OF WASTE GENERATED			
TOTAL WEIGHT OF WASTE NOT SENT TO DISPOSAL			
TYPE	UNITS OF MEASUREMENT	2019	2020 ¹³
HAZARDOUS	KG	2,463	9,520
WASTE PAINT OR VARNISH CONTAINING ORGANIC SOLVENTS OR OTHER DANGEROUS SUBSTANCES	KG	376	0
OILS FOR ENGINES, GEARS AND LUBRICATING	KG	1,094	600
PACKAGING EITHER CONTAINING RESIDUES OR CONTAMINATED BY DANGEROUS SUBSTANCES	KG	489	350
ABSORBENTS, FILTERING MATERIALS, RAGS AND PROTECTIVE CLOTHING CONTAMINATED BY HAZARDOUS SUBSTANCES	KG	14	0
OIL FILTERS	KG	34	0
OUT OF USE EQUIPMENT CONTAINING DANGEROUS COMPONENTS	KG	30	2,300
OUT OF USE EQUIPMENT CONTAINING CHLOROFLUOROCARBONS	KG	0	3,578
LEAD BATTERIES	KG	381	1,455
NON-HAZARDOUS	KG	9,230	76,180
METALLIC WASTE	KG	3,610	25,760
PLASTIC WASTE (EXCEPT PACKAGING)	KG	0	3,070
PACKAGING MADE OF VARIOUS MATERIALS	KG	5,480	0
OUT OF USE EQUIPMENT	KG	140	12,600
BRICKS AND CERAMIC TILES/PIECES	KG	0	640
WOOD	KG	0	12,240
GLASS	KG	0	6,890
MISCELLANEOUS WASTE FROM CONSTRUCTION AND DEMOLITION	KG	0	760
BULKY WASTE (I.E.: FURNITURE)	KG	0	4,480
PAPER AND CARDBOARD	KG	0	4,500
TOTAL	KG	11,693	85,700

¹³ The considerable variation in terms of quantity of produced waste between the two periods is due to the emptying and disposal of the material stored in a shed.

SOCIAL SUSTAINABILITY

DISCLOSURE 102-8 INFORMATION ABOUT EMPLOYEES AND OTHER COLLABORATORS¹⁴

EMPLOYEES BY TYPE OF CONTRACT AND GENDER						
TYPE OF CONTRACT	2019			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMPLOYEES	92	74	166	63	57	120
PERMANENT	18	14	32	20	16	36
FIXED-TERM	75	59	134	44	40	84

EMPLOYEES BY TYPE OF CONTRACT AND GENDER						
TYPE OF CONTRACT	2019			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMPLOYEES	92	74	166	63	57	120
FULL-TIME	91	71	162	62	53	115
PART-TIME	1	3	4	1	4	5
% PART-TIME	1%	4%	2%	1%	7%	4%

EXTERNAL COLLABORATORS BY GENDER						
	2019			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
TEMPORARY STAFF	0	1	1	0	1	1
OTHER TYPES OF EXTERNAL COLLABORATORS, E.G. CONSULTANTS, AGENTS, ETC.	38	8	46	38	8	46

WORKFORCE BY GEOGRAPHIC AREA OF RESIDENCE						
TYPE OF CONTRACT	2019			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMPLOYEES	92	74	166	63	57	120
TUSCAN	83	71	154	61	56	117
NON-TUSCAN	9	3	12	2	1	3
% OF WORKFORCE RESIDENT IN TUSCANY	90%	96%	93%	97%	98%	98%

¹⁴ Unless otherwise specified, the data concerning human resources are calculated with a median figure for the year of reference and not with the headcount method.

DISCLOSURE 102-41 COLLECTIVE BARGAINING AGREEMENTS

	2019	2020
NUMBER OF STAFF COVERED BY COLLECTIVE BARGAINING AGREEMENTS	100%	100%

DISCLOSURE 405-1 DIVERSITY OF GOVERNANNC E BODIES AND EMPLOYEES

COMPOSITION OF THE BOARD OF DIRECTORS BY GENDER AND AGE GROUPS (HEADCOUNT)								
PERCENTAGE	31 DECEMBER 2019				31 DECEMBER 2020			
	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
MEN	0	1	1	2	0	1	1	2
WOMEN	0	1	1	2	0	1	1	2
TOTAL	0	2	2	4	0	2	2	4

EMPLOYEES BY TYPE OF CONTRACT AND GENDER						
PERCENTAGE	2019			2020		
	UOMINI	DONNE	TOTALE	UOMINI	DONNE	TOTALE
DIRECTOR	2	2	4	2	3	5
MIDDLE MANAGEMENT	4	1	5	2	4	6
OFFICE WORKERS	2	22	25	3	15	18
MANUAL WORKERS	84	48	132	56	35	91
OF WHOM EITHER SEASONAL OR TEMPORARY	76	47	123	48	33	81
TOTAL	168	121	166	63	57	120

EMPLOYEES BY JOB LEVEL/TYPE AND AGE								
PERCENTAGE	2019				2020			
	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
DIRECTORS	0	3	1	4	0	4	1	5
MIDDLE MANAGEMENT	0	2	2	5	0	2	4	6
OFFICE WORKERS	6	15	3	25	4	11	3	18
MANUAL WORKERS	42	68	22	132	17	56	18	91
OF WHOM EITHER SEASONAL OR TEMPORARY	41	82	0	123	16	48	16	81
TOTAL	48	171	29	166	21	73	26	120

DISCLOSURE 403-9 WORK-RELATED INJURIES		
GROUP'S EMPLOYEES		
INJURIES AT WORK		
NUMBER OF ACCIDENTS	2019	2020
TOTAL NUMBER OF DEATHS DUE TO WORK-RELATED INJURIES	0	0
TOTAL NUMBER OF HIGH-CONSEQUENCE WORK-RELATED INJURIES ^[1] (EXCLUDING DEATHS)	1	0
TOTAL NUMBER OF RESTRICTED WORK INJURIES (ALLOWING EMPLOYEE TO RETURN TO WORK THE NEXT DAY)	9	0
INJURY RATES ^[2]		
RATE OF DEATHS DUE TO WORK-RELATED INJURIES	0	0
TOTAL NUMBER OF HIGH-CONSEQUENCE WORK-RELATED INJURIES (EXCLUDING DEATHS)	0.69	0
RATE OF RECORDABLE WORK-RELATED INJURIES (ALLOWING EMPLOYEE TO RETURN TO WORK THE NEXT DAY)	6.21	0
MAIN TYPES OF INJURIES AT WORK		
TYPE OF ACCIDENT	2019	2020
ACCIDENTAL FALLS	4	0
DAMAGE CAUSED BY ANIMALS (KICKING/CRUSHING)	3	0
DAMAGE CAUSED BY GRAPE HARVESTING/PRUNING/PLANTS	1	0
CUTS WITH KITCHEN TOOLS/MACHINES	1	0
CAR ACCIDENT WITH COMPANY CARS	1	0

^[1] Accidents at work that led to permanent damage or that may take more than 6 months to fully recover (return to normal health).

^[2] The injury rate was calculated as follows: ratio between the total number of accidents and the total number of hours worked, using a multiplication factor of 200,000.

METHODOLOGICAL NOTE

This document is the first draft of the Sustainability Report of Il Borro S.r.l - Società Agricola Il Borro Srl (herein called “Il Borro”) and describes the Company’s 2020 environment, social and economic performances (from January 1 to December 31, 2020). The 2019 data has been included to allow a year-over-year comparison. This annual Sustainability Report has been prepared with “GRI Sustainability Reporting Standards” published by the Global Reporting Initiative (GRI) - as indicated in the table “GRI Content Index” - which allow to provide evidence of coverage of GRI indicators associated with each sustainability issue included in this document. As with regard to specific Standards GRI 403 (Health and Safety at work), GRI 303 (Water) and GRI 306 (Waste), the latest versions (respectively 2018 and 2020) were adopted.

The scope of the data and economic information matches that of the Group’s consolidated financial statement at December 31, 2020.

The scope of the data and social/environmental information matches that of the companies present in the Group’s consolidated financial statement at December 31, 2020.

In 2020, there were no significant changes in the size, ownership and supply chain of the Group (compared to 2019).

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