



SUSTAINABILITY REPORT

2024 - 2025

EXECUTIVE SUMMARY

Letter to stakeholders

Dear stakeholders,

We are pleased to present our **Sustainability Report 2024-2025**, a document that summarizes the Company's activities, impacts and objectives in the ESG (Environmental, Social and Governance) field. This budget represents a significant step for our family company that has always placed values of tradition, quality, and responsibility at the centre of its activity.

In recent years, the evolving economic and social context, market pressures and increasing awareness of the environmental impact of human activities have prompted us to review **our governance policies** and adopt an even more concrete **social responsibility**. Sustainability has become an integral part of our corporate strategy, and we are proud to share with you **the results we have achieved and the future goals**.

We have decided to undertake a **sustainability reporting** process, with the objective of making the benefits transparent to all our stakeholders. This report highlights the **added value** of the Company's activities in throughout the Italian wine market with the production of certified wines across the country and illustrates the **environmental, social and governance impact** of the different types of production and marketing activities worldwide, as well as the **actions taken** to mitigate negative impacts and maximise the benefits for the communities.

We understand the importance of operating sustainably and are committed to **continuously improving** our performance. Our challenge is to grow, generating a positive change that benefits everyone, promoting initiatives and solutions that enhance the **well-being** of the society in which we live.

Our current organisation and the actions we have undertaken will enable us to achieve **new and ambitious goals**, responding to the growing sensitivity of customers on ESG topics and ensuring attention to our collaborators throughout the value chain. With this commitment, we are determined to build a prosperous and **sustainable future** for Fratelli Martini and for all the communities we collaborate with.

Enjoy the read,
Gianni Enrico Martini



HIGHLIGHTS



76
employees
97%
under permanent
contract

78
years of
history

IGT, DOC, DOCG wines,
Bio wines, 0% alcohol beverages
New range «SPIRITS»

**Active
presence**
in the territory,
to involve local
communities

- **Moscato festival** for the Piedmont's suppliers
- **Participation** in the local foundation for **social, health and educational initiatives**
- **Donations** to non-profit organisations and national and international sports associations for philanthropic activities

98%
of Italian
suppliers

**rigorously
evaluated**
according to the main
international standards
(BRC, IFS, FSC, PEFC,
Equalitas)

Projects
aimed at **reducing
the environmental
impact** throughout
the production
process

- **Photovoltaic plant** with over 3,000 panels and 2MW/h capacity by September 2025.
- Projects to **reduce the weight and change the colour** of bottles; expected reduction of at least 260 tCO₂ in the coming year.
- Project to **optimise the use of BOPP cellophane**, with an estimated reduction of 5 tonnes of plastic by 2026.
- **Adoption of « large capsules»** made from innovative and sustainable materials for the sparkling wine line.
- **Reduction of waste** generated, ensuring recovery according to ISO 14001 standards, guaranteeing reuse and recycling (**-24% already achieved**).
- Virtuous **management of water resources** (improvements to the purification system, new irrigation plant, etc.).

Company with
national and
international
certifications

ISO 14001
ISO 14064
Carbon Footprint
ISO 14046
Water Footprint
ISO 45001
IFS e BRCGS
Equalitas

**Solid
governance,**
based on principles
of accountability,
transparency,
and risk control

- **Adoption of Model 231 and the Code of Ethics**, with dedicated channels for whistleblowing to safeguard legality and transparency.
- **Cybersecurity**: Implementation of firewalls and 24/7 MDR/NDR services to strengthen corporate safeguards; zero cases of cyber breaches.
- **Zero cases of non-compliance** related to labelling, marketing, consumer health and safety.

92%
of the value
generated
distributed

Economic value
distributed to
stakeholders:
190 million
euros

**Sustainable
and certified
materials**
for packaging and
production
throughout the entire
supply chain.

- **Glass** sourced from Italian glassworks; weight and colour selected for maximum CO₂ savings.
- **Caps**: Stelvin made from recyclable aluminium (95% energy saved); plastic caps with biopolymers from sugarcane (100% renewable); FSC cork (natural and recyclable).
- **Aluminium cages and capsules** made from innovative and sustainable materials.
- **Labels** made from FSC paper.
- **Fully recyclable cellophane**.
- **Boxes, crates, cartons**, and dividers made from recycled materials and sourced from sustainably managed forests.
- PEFC-certified recyclable wooden **pallets**

Sant'Orsola
leader in Italy
(25% market share)
and **Canti**
exported to more
than **60**
countries

72million
invested

Invested over **70million** euros
for the renovation of the production site

Invested over **2million** euros
for technological innovation (Industry 4.0)



01. The identity of Fratelli Martini

Fratelli Martini is a renowned family-run winery, founded in 1947 by brothers Secondo and Luigi Martini. Located in **Cossano Belbo**, in the heart of Piedmont's Langhe, the Company has always nurtured a deep passion for both wine and the territory. The founders, brothers Secondo and Luigi, have always believed in everyone's right to enjoy quality wine and have worked to preserve the resources of their land. Currently, the Company is led by **Gianni Martini**, who has embraced the founders' values since joining in 1971. Gianni has driven **expansion into international markets**, enabling the Company to export to **over 60 countries**. **Eleonora Martini**, Gianni's daughter, has also begun collaborating with the Company as an expert in **image consulting** within the luxury sector and brand management, significantly enhancing the marketing and image of the company's brands.

Fratelli Martini is one of the **main private Italian companies in the wine sector**, renowned in **Italy** with the **Casa Sant'Orsola brand** and **internationally** with the **Canti brand**. With a **turnover exceeding 200 million euros** and a **workforce comprising more than 70 employees**, the Company boasts a total production capacity of **1,500,000 hl**, featuring flexible and high-speed bottling lines to meet the varying national and international demand for wines and sparkling wines.

Governance and operational structure

The registered office of **Fratelli Martini** is located in **Milan**, while the **production and logistics headquarter** is in **Cossano Belbo**, in the province of Cuneo. **Corporate governance** is designed to ensure **transparency, integrity, and regulatory compliance**, while promoting the achievement of long-term strategic business objectives.

The **Board of Directors** consists of **two active members**:

Gianni Enrico Martini, Chairman of the Board of Directors, holds **extensive authority over the operational management and administration of the Company**. He is responsible for the Company's **asset, economic, and financial** results, and represents the Company toward associations, federations, consortia and during commercial events.

Giulio Maria Tommaso Culasso, Chief Executive Director, has **powers of ordinary administration**. It manages **civil, fiscal, social security and welfare** obligations and oversees the corporate management control system.

There is also a **Board of Statutory Auditors** composed of **five members**, including the Chairman and **two alternate auditors**.

The organizational structure also includes a **Security Attorney** responsible for **managing local units** and overseeing **health, safety and hygiene at work, environmental protection, and food hygiene**.

Finally, a **Supervisory body**, composed of internal and external experts, was set up to monitor the effective implementation of the **Code of Ethics** and the **231 Model**.

The values of Fratelli Martini



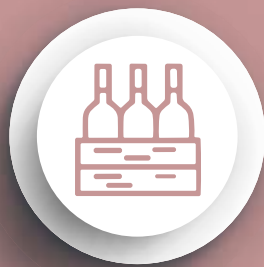
People

The people are the driving force of the Company, each employee is valued and encouraged to actively contribute to the building of a shared and sustainable future.



Territory

The territory is the source of prosperity: for Fratelli Martini, sustainability, environmental respect, and responsible viticulture are fundamental values.



Wines

Wine is the heart of the Company. Fratelli Martini offers affordable quality products, combining oenological excellence and convenience to reach a broad and international audience.

The sustainability path of Fratelli Martini

Who is the Sustainability Report for?

The Sustainability Report aims to **communicate the Company's ESG (Environment, Social, and Governance) footprint in a simple and direct manner**, with particular attention to environmental aspects and the main strategies and actions implemented to mitigate the negative impacts associated with the production process, while maximising the positive ones. This document is addressed to all those who, in various capacities, are interested in, influence, and/or are influenced by the operations and ESG footprint of Fratelli Martini (i.e., stakeholders).



How were the contents of the Sustainability Report defined?

The contents of the Report were identified starting from the Company's **material topics**, namely the most relevant ESG themes, which form the basis for reporting non-financial information.



GOVERNANCE AND ECONOMIC RESPONSIBILITY

- Integrity, ethics and corporate reputation
- Creating economic and sustainable value



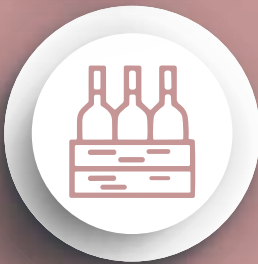
ENVIRONMENTAL LIABILITY

- Energy consumption and the fight against climate change
- Responsible use of water resources
- Circular materials and waste management



RESPONSIBILITY TO PEOPLE

- Well-being, development and growth of employees
- Health and safety of workers
- Diversity, inclusion and equal opportunities
- Valorisation and development of the territory



PRODUCT QUALITY AND CUSTOMER RESPONSIBILITY

- Responsible management of the supply and distribution chain
- Product development and innovation
- Product quality, well-being and consumer satisfaction

The Martini brothers and the four strategic areas

Fratelli Martini has **initiated significant projects ranging from supporting local communities to protecting the environment and promoting ethical and innovative business practices** with the aim of actively contributing to the achievement of the SDGs. This commitment is reflected in **four strategic areas**, demonstrating that the company is defining a path of increasingly sustainable business growth. These strategic areas will be further developed in the **second half of 2025 with the definition of a more detailed Sustainability Plan for 2030**, which will encompass the entire value chain.

Digitalise the enterprise

Role and contribution of Fratelli Martini in technological innovation within the production cycle for greater competitiveness and efficiency.



Planned Initiatives:

- To Invest in technologically advanced machinery with lower energy impact to increase production efficiency and reduce resource wastage (Industry 4.0 and 5.0).
- To Contribute to the reduction of energy consumption.
- To Evolve existing technologies in the field of cybersecurity to meet global challenges and comply with current regulations.
- To Improve technological infrastructure to adhere to the highest security standards in terms of *business continuity* and *business recovery*, with attention to the necessary energy expenditure.

Development of human capital

Fratelli Martini's role and contribution in fostering human capital development.



Planned Initiatives:

- To Enhance human capital through welfare initiatives and the promotion of personal well-being;
- To Introduce new training programmes;
- To Increase the promotion of diversity and inclusion as core corporate values.

Reduction of environmental impacts

Fratelli Martini's role and contribution in mitigating environmental impact.



Planned Initiatives:

- To Instal photovoltaic systems;
- To Reduce GHG emissions and calculate carbon and water footprints;
- To Minimise waste generation through recycling and reuse.

Accountability towards the value chain

Fratelli Martini's role and contribution in establishing robust relationships within its value chain to ensure the highest quality of its products.



Planned Initiatives:

- Continuously ensure the food safety of products while safeguarding consumer health;
- To Promote awareness campaigns on responsible and conscious consumption through product communication activities;
- To optimise the supplier qualification system based on ESG criteria;
- To Establish partnerships with suppliers to develop projects aimed at optimising the use of virgin materials in packaging;
- Market products with packaging that incorporates increasingly recyclable and sustainable components.



The certifications of Fratelli Martini

Sustainability represents a central and cross-cutting element in the activities of Fratelli Martini, supported by a structured **management system that is internationally recognised through numerous certifications in quality, food safety and environmental domains, and further reinforced by various private standards** including:

First year certification	Certifying body	Type of certification maintained
2004	DNV	IFS
2004	DNV	BRCGS
2017	EUROFINS	SEDEX-SMETA2
2002	ICEA	PRODUZIONE BIOLOGICA
2020	VALORITALIA	EQUALITAS
2022	TUV THURINGEN ITALIA SRL	UNI EN ISO 14001
2022	TUV THURINGEN ITALIA SRL	UNI EN ISO 45001



02. Product responsibility and customer relationship

The locations of Fratelli Martini

The beating heart of production is located in Cossano Belbo, in the heart of Langhe, a UNESCO World Heritage Site since 2014. Here, nestled in a wine-growing landscape of rare beauty, lies the Company's production and logistics hub: an architectural complex designed in partnership with the Lissoni & Partners studio, and conceived according to the principle of open architecture. Since 2010, the company has been on a continuous path of **modernisation and technological innovation**, investing approximately **70 million euros in the renovation of the site**. In recent years, this process has accelerated markedly. With **over 2,2 million euros invested** since 2021, the Company has adopted to the 4.0 Industry principles, focusing on **interconnected machinery, advanced automation and intelligent monitoring systems**, to make its **processes more efficient, traceable and sustainable**. In line with this strategic trajectory, **Fratelli Martini is now looking towards the principles of Industry 5.0**, with the aim of increasingly integrating **technology and human centrality**, promoting **production processes that are not only smarter and more energy-efficient but also more inclusive, resilient, and oriented towards the well-being of people and the land**.





Key interventions in the renewal process

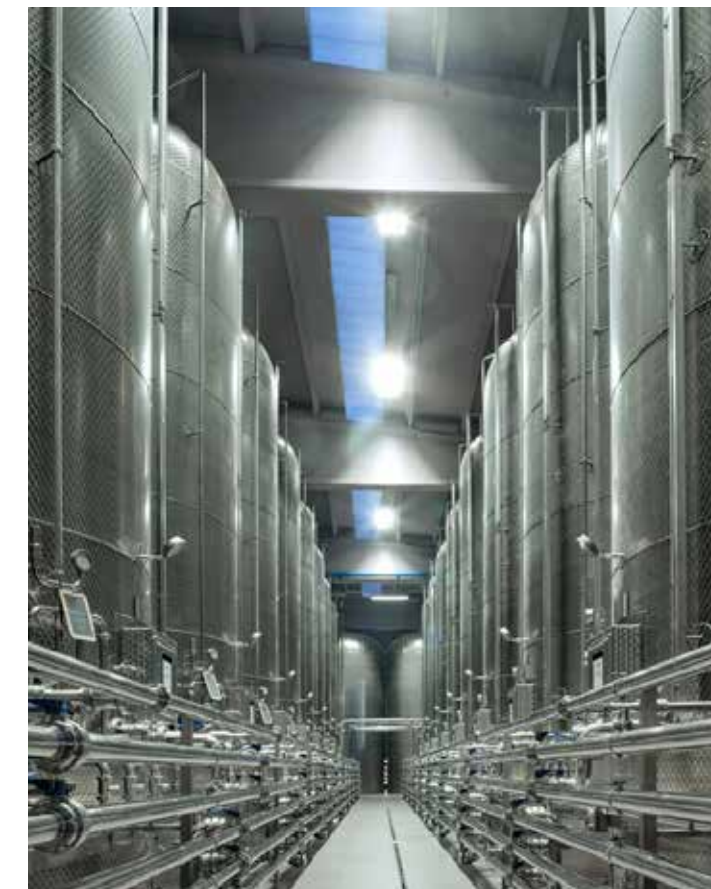
- 1 FTIR analyzer:**
a valuable tool for performing quick and accurate sample analyses during quality control.
- 2 Fermentation Tanks and Pneumatic Presses:**
enable more precise management of fermentation and grape pressing phases, ensuring a more delicate process that preserves the organoleptic characteristics of the grapes and reduces product losses.
- 3 Nine 800 hl autoclaves:**
large pressurized tanks. Their advanced technology allows precise control of temperature and pressure during the foaming process, enhancing the final product quality and sustainably increasing production capacity.
- 4 High efficiency refrigeration systems:**
ensure the correct storage temperature of wines, while simultaneously reducing energy consumption compared to traditional systems.
- 5 New tangential filters:**
advanced technology for wine filtration, enabling the recovery of a greater quantity of product compared to traditional methods, reducing waste and contributing to more sustainable resource management.
- 6 Automatic packaging lines:**
installation of case packers, carton formers, glue applicators, and honeycomb inserters that automate the entire final packaging process, increasing speed and precision, reducing errors, and ensuring food safety.
- 7 Automatic shrinkwrapper:**
facilitates easier wrapping and packaging of products for shipment, with efficient use of materials and time, reducing plastic usage and optimizing storage and transport spaces.
- 8 Carton weighing systems:**
allow for precise verification of the weight of each package, ensuring that each package meets quality and content standards. This reduces the risk of non-compliance and waste, improving customer satisfaction.



Inside this modern factory, one of the most suggestive and emblematic places of the company's identity takes shape: the **Magnificat, the Fine Wines' cellar**. Meanwhile, on the **external terrace** of the structure, the **most representative grape varieties of the Piedmont's tradition** are cultivated.

Adjacent to this production facility are the **offices, where the commercial functions and customer care service operate**.

In addition to the Cosano Belbo facility, Fratelli Martini has another **production site in Castel di Serra**, which is entirely dedicated to the production of **Gavi of Gavi D.O.C.G.**



The products

Fratelli Martini boasts **an annual production of approximately 60 million litres**, primarily destined for large-scale distribution in Italy and abroad. The company operates through two main brands: **Sant’Orsola, primarily aimed at**

the Italian market, and Canti, an international brand for export. Fratelli Martini’s offering stands out due to its **strong focus on the sparkling wine** segment, with Prosecco, sparkling wines, and Asti DOCG constituting the core of its

production. Notably, Sant’Orsola has become a **leader in the Italian large-scale retail sector, with a market share of approximately 25% in 2024.**

Rounding out the offering are the **“local jewels”, exceptional wines obtained from grapes grown within the family’s own estates** and distributed through the Company’s commercial channels.

The estates — Villa Lanata in Cossano Belbo, Cascina lo Zoccolaio in Barolo, La Toledana in Gavi, and Cascina Doria in San Cristoforo — are located in some of the **most prestigious viticultural areas of Piedmont.**



In addition to sparkling wines, the Company provides a **selection of still wines** that emphasise indigenous grape varieties and their regions of origin. The range and adaptability of the offering are also expressed through **soft brands/private label productions**, created for selected clients



Since 2024, the offering has further expanded with the **introduction of a line of Spirits**, including Aperitivo and Vermouth Superiore di Torino, developed to address new consumption trends and enhance the tasting experience.



Suppliers

The Company collaborates with a **network of diverse suppliers, including small family farms, cooperatives, protection consortia, and industrial entities.** The territorial roots constitute a distinctive element of the supply model: the **percentage of domestic suppliers’ accounts for a significant share of the total, amounting to 98%,** compared to 2% from foreign markets.

Each supplier is required to periodically complete a detailed

questionnaire, aimed at verifying not only technical and regulatory compliance but also the adoption of good environmental, social, and ethical practices. Fratelli Martini values adherence to **internationally recognized standards**, such as the British Retail Consortium (**BRC**), the International Featured Standards (**IFS**), the Food Safety System Certification 22000 (**FSSC 22000**) and the International Organisation for Standardization 22000 (**ISO 22000**) for **food safety**, **ISO 14001** for **environmental**

management, ISO 45001 for the **health and safety of workers**, as well as schemes such as the Forest Stewardship Council (**FSC**), the Program for the endorsement of Forest Certification (**PEFC**), the National Integrated production Quality System (**SQNPI**), the **VIVA program** for sustainability in wine-growing and the **Equalitas standard**, which promote more sustainable agricultural and industrial practices.

Fratelli Martini’s **network of grape producers** primarily consists of **small and medium-sized farms**, often family-run, distributed in **viticultural areas of Piedmont**.

Simultaneously, Fratelli Martini maintains permanent collaborations with a selected **network of wine cooperatives and wineries distributed throughout the national territory** supply the farm with **musts and wines already vinified, allocated to different product lines**.

Oenological additives and technological adjuvants suppliers, are sourced from highly qualified Italian companies, and they can **guarantee high standards of safety, traceability, and compliance with current regulations**.

An equally central role is played by the **packaging suppliers and by suppliers of all the materials necessary for the dressing of the finished product**. For **glass factories**, collaboration with market-leading suppliers has enabled the joint development of projects to **reduce bottle weight and to change the bottles colour**. For **corks and wire cages**, Fratelli Martini works with selected Italian companies, which offer **sustainable solutions in recyclable aluminium, recyclable plastic, bio-based materials, and FSC-certified cork**. The **carton manufacturers and label suppliers** are certified companies, adhering to **standards such as SMETA, FSC, and PEFC**. The **honeycomb inserts and cartons** also meet stringent environmental criteria.



For **the most specialised external services**, Fratelli Martini sets strict technical requirements. Such as **bulk wine transporters**, for which specific hygiene and traceability protocols are applied, and **analytical laboratories, selected exclusively from facilities recognized by certifying bodies**.

Customer satisfaction

Fratelli Martini employs a commercial model that combines the direct presence in the national market with a strong international projection, operating through two main brands: **Sant’Orsola, primarily targeting the Italian market, and Canti, a brand developed for export and globally recognised**.

The positioning of the Canti brand has enabled Fratelli Martini to establish a solid presence in solid presence in many countries across **Europe, Asia, South America, and beyond**, tailoring the offer

to the specific needs of the target markets. Meanwhile, the roots of Sant’Orsola ensure a **competitive foothold in the Italian territory**, with relationships consolidated over time and an offer aligned with the expectations of the national consumer.


In both domestic and foreign markets, the Company caters to : on one hand, the Organized **Large-Scale Distribution (LSD)**, with which it maintains direct relations with both **large groups and smaller entities**. On the other hand, the **Ho.R.eCa**.

channel (Hotel, Restaurant, Catering), partly managed directly and partly through local agencies or distributors active in strategic markets, operating as intermediaries in the distribution network. Beyond traditional channels, Fratelli Martini has also initiated significant **expansion in e-commerce** and in **«Travel Market» channel**.

Fratelli Martini is capable of maintaining a consistent. This **operational strength** has been **recognised by one of the most significant business partners**, who awarded Fratelli Martini the **highest score in a recent performance report on service levels**.

Fratelli Martini has **responded positively to the standardised environmental questionnaires required through the SEDEX platform**, confirming its commitment to responsible supply chain management. Additionally, **it has successfully passed numerous audits conducted by third parties**.

During 2025, **out of approximately 16,000 deliveries, non-conformities were recorded in fewer than 5 cases (< 0.003%)**. In these rare instances, the company demonstrates **rigorous and timely management through a structured system of monitoring and response**.



Prosecco D.O.C. Millesimato (Luxury)

Prosecco wine D.O.C.
Cork cap sourced from an FSC-certified supply chain
SMETA certified Wire Cage
Fully recyclable cellophane
700-grams glass bottle (reduction initiative targeting between 8% and 15%)
FSC/PEPC/SMETA certified Labels
Certified paper boxes

Responsible communication

Fratelli Martini employs a rigorous and transparent approach to product information, with particular emphasis on the accuracy of labelling and compliance with regulations in the destination markets. Furthermore, Fratelli Martini upholds principles of consistency and responsibility in commercial and promotional communication: during the reporting period, there were no instances of non-compliance with marketing practices or labelling.



Consumer health and safety

The protection of consumer health and safety is a top priority for Fratelli Martini. The Company has developed an integrated quality and food safety management system, certified according to the most authoritative international standards: **BRCGS, IFS and Equalitas**. The integration of these standards enables the company to anticipate risks and implement effective prevention mechanisms: every phase of production, from the selection of raw materials to bottling, from the plants sanitization to packaging, is tracked, documented and subjected to rigorous control protocols.

In addition, Fratelli Martini implements a sanitary self-control plan based on HACCP guidelines on all marketed products.

The winery and production management plans are perfectly aligned with the operations performed and are documented in the internal traceability records. The effectiveness of the traceability system is verified twice a year, with checks conducted both on wines and musts, and on the finished and distributed product, to validate the entire procedural framework. The company laboratory operates daily in accordance with this control system.

To ensure continuous improvement, Fratelli Martini conducts internal and second-party audits, including those at supplier sites. These activities enhance qualitative and social control throughout the supply chain and promote a culture of shared responsibility. Throughout

the year 2024/2025, there were no instances of non-compliance related to the health and safety impacts of products and services, confirming the effectiveness of the measures implemented and the ongoing commitment to consumer protection.



03.Environmental liability

Policies and mitigation of environmental impacts

In recent years, Fratelli Martini has adopted a strategic vision focused on sustainable development, implementing concrete projects to reduce environmental impacts and promote harmonious integration with the local ecosystem.

Among the most significant interventions are the environmental redevelopment activities carried out in 2022, including the creation of a tree park and a company reed bed, part of the “Open Architecture” project, to foster continuous interaction with the territory.

Fratelli Martini’s commitment is also reflected in the adoption of international standards: in 2022, it obtained ISO 14001 certification for environmental management, integrating it into a broader HSE

(Health, Safety & Environment) policy.

Furthermore, the company complies with the Equalitas standard, recognising Fratelli Martini as a “sustainable organisation”, confirming excellence in performance across all ESG topics.

To confirm transparency and environmental responsibility, Fratelli Martini has calculated its Carbon Footprint (ISO 14064) and Water Footprint (ISO 14046), which will be updated in 2025. Finally, an Environmental Impact Assessment (EIA) and a risk assessment related to climate change have been conducted, focusing on the long-term effects on production, supply chain, and business processes.



Energy and climate change

Fratelli Martini responsibly tackles the challenge of climate change, aware of the environmental impact of the wine sector, which is heavily dependent on energy. The company has adopted a **strategic and technological approach to monitor, reduce, and optimise its consumption, integrating sustainability into its operational processes.**

In 2024/2025, Fratelli Martini’s total energy consumption amounted to **46,317 GJ**, consistent with the previous year. **8% of the energy consumed came from renewable sources**, while the remaining 92% was derived from non-renewable sources. The **energy demand was covered by 82% electricity**, while the remaining 18% was met through fossil fuels, specifically **LPG, diesel, and petrol**.

Consumption peaks occur during the summer months, corresponding to the refrigeration needs for the proper preservation of wine. Specifically, **38,417 GJ of electricity, 5,484 GJ of LPG, 1,811 GJ of diesel, and 606 GJ of petrol** were monitored. These values remain stable compared to the previous year, reflecting efficient and controlled energy management.

Over the past twenty years, Fratelli Martini has adopted various **energy efficiency** measures, planning and **integrating sustainable strategies into the business**. Below are **several projects and initiatives** demonstrating the company’s commitment to **transforming its business operations towards sustainability**:

2013

Installation of an automated warehouse to increase logistic efficiency and significantly reduce the use of critical resources.

2015-2016

Installation of bottling lines 6 and 7, following the construction of new dedicated premises.

2019-2020

Expansion of the production and storage capacity in the winery and sparkling wine department with the installation of approximately 30 stainless steel tanks.

2021-2022

Installation in the winery of the tangential filter, new refrigeration systems, pneumatic press and end-of-line bottling equipment

2022-2023

Purchase of new tanks, refurbishment of the external electrical system and modernization of the transport shuttles for the automated warehouse.

Since 2021, the company has increased the automation of production processes through digital tools that allow for more efficient data and maintenance management, significantly **reducing machine downtime**. Additionally, more careful

planning of work shifts has enabled the avoidance of a third shift even during peak periods, thereby reducing **energy consumption** and optimising **production times**.

Fratelli Martini responsibly addresses the challenge of climate change, aware of the environmental impact of the wine sector, which

is heavily dependent on energy. The company has adopted a **strategic and technological approach** to monitor and optimise

its consumption. Below are the main projects implemented by the company in recent years:

Investment in photovoltaic system

To strengthen its commitment to the energy transition, the Company has **planned the installation of a photovoltaic system** with more than **3.000 panels by September 2025, with a capacity exceeding 2 MW**. The objective is to diversify the energy mix, reduce dependence on the national electricity grid and contain indirect emissions (Scope 2).

Automation and Industry 4.0

Since 2021, Fratelli Martini has **invested 2,2 million euros in advanced technologies compliant with Industry 4.0 principles**. This has enabled **greater automation of production processes, improved planning and maintenance, with positive effects both operationally and environmentally**.

Intelligent energy monitoring

For efficient and timely energy control, **47 meters** have been **installed for the daily monitoring of consumption** and for the **prompt detection of anomalies or energy deviations in various departments**. The system allows dynamic load management and contributes to optimising overall efficiency.

Lighting efficiency

The production site has undergone a **complete relamping intervention with low-consumption LED technology, supported by smart timers and motion sensors**. The relamping project for the **Magnificat area** is also in advanced stages.

Interventions on refrigeration systems and thermal insulation

Fratelli Martini has adopted **new refrigeration systems equipped with refrigerants with a GWP of less than 2,500**, in compliance with the European Regulation on fluorinated gases. Additionally, **a thermal insulation system for the pipes** has been implemented to reduce energy dispersion and improve the efficiency of refrigeration systems.

Energy Box:

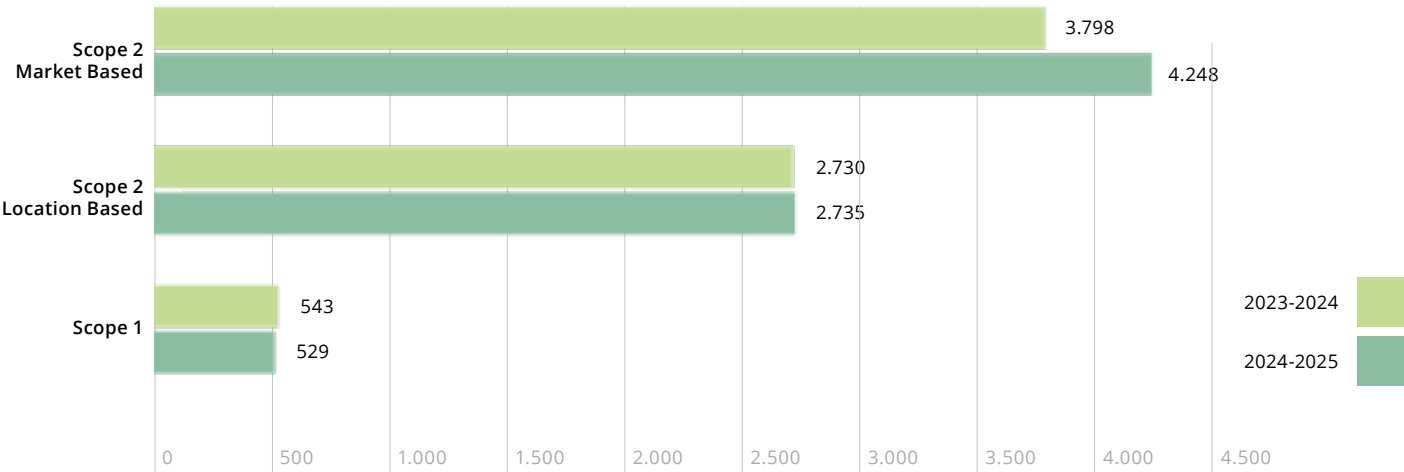
In January 2024, Fratelli Martini installed an **energy box on a company compressor with a capacity of 145.6 kW**, capable of recovering **931,840 kWh/year** for the production of **3.36 m³/h of hot water**, with an **estimated saving of 112,950 litres/year of gas and LPG**. The regenerated heat is used for **heating the offices**. The **installation of a second device** is currently under evaluation **by the end of 2025**.

During the period **2024/2025**, Fratelli Martini recorded **529 tCO₂e of direct emissions (Scope 1)**, a **reduction of 3% compared to the previous year**. Indirect emissions from electricity (Scope 2) amounted to **2,735 tCO₂e** using the **Location-Based approach** and **4,248 tCO₂e**

using the **Market-Based approach**, marking a **12% increase** due to the **reduction in the share of renewable energy purchased**, which decreased from 20% to 10%. The Company has calculated its **carbon footprint in accordance with the GHG Protocol** and is committed

to updating these data in the **next Equalitas certification cycle**, with the aim of **setting concrete targets for emission reduction and compensation**.

SCOPE 1 AND SCOPE 2 EMISSIONS (tCO₂e)



Water resource management

Fratelli Martini is aware of the high importance that the water resource has in its production cycle, in particular in the **washing and bottling processes**. **For this reason, water consumption** is constantly monitored through an integrated evaluation system, in accordance with **ISO 14001**.

The Company has implemented **several technical and management initiatives**. These include the **adoption of a semi-automatic machine for washing tanks** and the introduction of **“clean in place” circuits** on bottling lines, which allow the internal and automated cleaning of the plants.

Another major intervention concerns the **restructuring of the purification plant, accompanied by the installation of the Flotting C3E decanter**. This system allows an **efficient pretreatment of the waste water, reducing by 50% the pollution load (COD)** before the discharge to the St. Stephen Belbo purifier. At the same time, a system of **continuous flotation of the must and tangential filtration** has been implemented, **which has allowed to drastically reduce both the consumption of fossil flour as a filtering support and the amount of water necessary for its washing**. Water containing high solid residues

is collected in **appropriate tanks for proper disposal**.

Fratelli Martini has also invested in the construction of a **system for the recovery of rainwater** by means of tanks integrated inside the purifier and the construction of wells, both in trench and in depth, to guarantee a **constant water reserve**. The **internal sewerage system** has been rationalized to **effectively separate waste water from meteorological water** in a **1.000 m³ storage tank**, used for irrigation of green areas and for supplying the fire protection system.



The Company has also calculated its water Footprint, measuring the potential direct and indirect environmental impacts related to water use throughout the entire business life cycle. This indicator is a key instrument for setting medium-long-term reduction targets. The water Footprint will be recalculated in 2025, based on environmental data for the year 2024, in accordance with the Equalitas standard.

The commitment to **water management** also includes the **reuse of internal water**, such as the condensation water generated by steam is recovered and reused in the **thermal power plant, contributing to energy efficiency**. The **washing waters** of the **softening and cleaning** systems of the departments are also reused in the production cycle.

During **2024**, Fratelli Martini invested about **70.000 euros** for the **restructuring of the irrigation system** of the company's green park. The measures provided for the **redeployment and partial**

redistribution of the network. Finally, all **hoses** are now equipped with **waste-saving devices** to avoid uncontrolled drips and dispersions.

In the period **2024/2025**, **total water withdrawals** were in line with those of the previous year, at values **above 75.000 m³**. **Water discharges**, entirely attributable to business processes, are also stable and stand at **more than 80.000 m³**. These volumes also include **parasitic meteorological waters**, which contribute to increasing the waste compared to the actual operational use of the water resource.

Materials, waste and circularity

The Company is committed to ensuring sustainability throughout the entire supply chain, using **materials from responsible and traceable sources. 99% of the materials used in packaging** are derived from **renewable sources**, confirming the intention to minimise environmental impact from the procurement phase.

Packaging from certified and recycled materials:

- **Cardboard** sourced from forests managed according to major sustainability standards;
- **Honeycomb structures** produced entirely from recycled paper, sourced from certified sources in Italy and the EU;
- **Labels** made from recycled paper, sourced from FSC-certified forests;
- **PEFC-certified wooden pallets**, fully recyclable and supplied by a partner ranked in the top 1% according to Ecovadis.

Low-impact closures:

- **Stelvin caps** made from recyclable aluminium;
- **Technical caps** made from plastic containing biopolymers extracted from sugarcane grown in an eco-responsible manner;
- Microgranular and one-piece **cork caps**, both from FSC-certified supply chains.

PEFC-certified pallets and low-emission logistics:

- The Company uses **PEFC-certified pallets**, both for the Italian market and for foreign markets in pooling mode. Through the partnership with its main supplier, **17 tonnes of CO₂e have been avoided**, compared to emissions of 36 tCO₂e, relative to other pallet management systems.

Bag-in-box sustainable packaging:

- Fratelli Martini limits waste and ensures proper preservation of products through **bag-in-box wine packaging**, which includes a **plastic bag** inserted into **corrugated cardboard** and equipped with an air-tight tap.

Tracked waste management and recovery:

- The Company manages waste produced from paper, plastic, glass, mixed packaging, and fermentation by-products through a **tracked recovery process**, compliant with **ISO 14001** requirements. In 2024/2025, **1,076 tonnes of waste** were generated, a **reduction of 24%** compared to the previous year.

Safe disposal of hazardous waste:

- Only **2 tonnes** fall into the category of **hazardous waste**, derived from detergents and maintenance products. Their management is entrusted to an Italian supplier with coverage throughout the northern part of the country, and with quality and HSE certifications.

QR code for environmental labelling:

- To engage consumers, Fratelli Martini has introduced an **environmental labelling system via QR code**, present on all products. The system provides access to updated information on disposal methods.



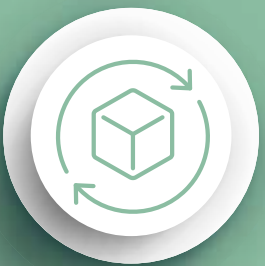
PROJECT “Bottles weight reduction and color change”

In 2025, Fratelli Martini launched a significant project to **reduce the weight of bottles** for still and sparkling wines, with the aim of decreasing emissions related to the production phase. The project also considers the **glass colour**, as a variable that affects CO₂ emissions. Thanks to collaboration with its suppliers, a **reduction of approximately 260 tCO₂** is estimated by 2025/2026.



PROJECT “Packaging 2.0”

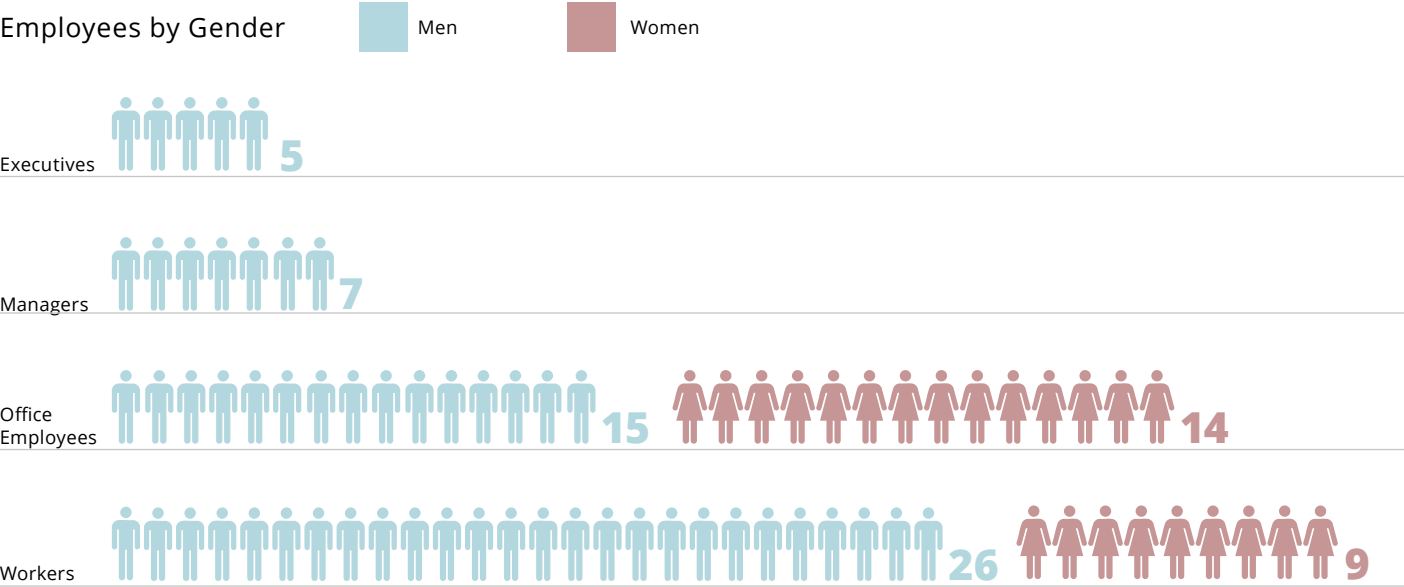
In 2025, a **project** was initiated to **optimise the use of cellophane** in collaboration with the main supplier. The focus is on **BOPP (Bio Circular Plastic Packaging)** film, which allows for reducing the emission impact without compromising packaging quality. At equal volumes, an annual **reduction of 5 tonnes of plastic** is estimated by 2026.



PROJECT “Sustainable large capsules for the sparkling wine line”

In July 2024, Fratelli Martini was among the first companies in the sector to introduce **large capsules composed of 60% recycled material** for its sparkling wine line. The material, developed by a supplier through a patented alloy, guarantees the same qualitative performance with a **21% reduction in carbon footprint**.

COMPANY DIVERSITY



04.Social responsibility

The human capital of Fratelli Martini

Fratelli Martini recognises the strategic value of its human capital and promotes a safe, inclusive work environment focused on skill development. As of 30 June 2025, the workforce comprises **76 employees** (23 women and 53 men), all full-time, with **97% on permanent contracts**. Turnover is stable, with **8 new hires and 8 departures** during the period, equating to **11%**. The integration of each employee is carried out in accordance with **corporate values**, with particular attention to **salary competitiveness** and maintaining a dynamic work environment.

The workforce is composed of **46% workers, 38% office employees, 9% middle managers, and 7% executives**, with a balanced age distribution: **7% under 30, 51% between 30–50 years, and 42% over 50**.

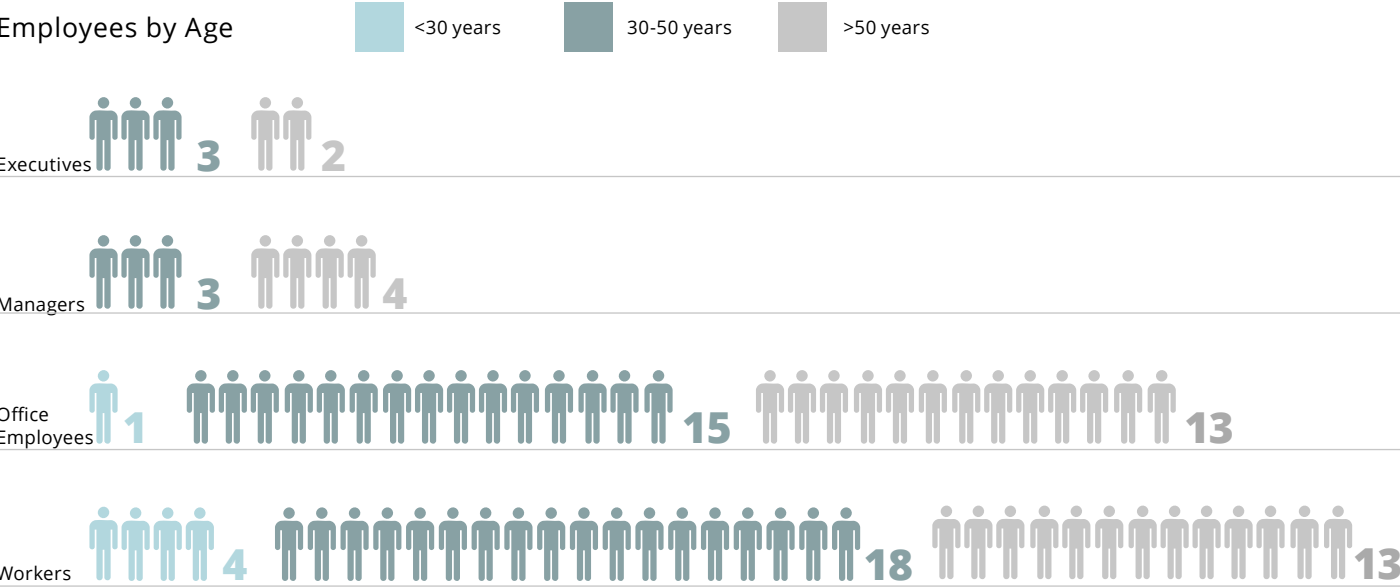
All workers are covered by the **National Collective Labour Agreement (CCNL) for food industry workers**. The Company employs **external personnel** support during the harvest period and peak times, expanding the workforce with an average of **17 seasonal temporary resources**. Part of this personnel comes from a Piedmont company with which Fratelli Martini collaborates steadily, promoting **gender and cultural diversity**. Fratelli Martini also supports youth integration through **annual training internships, implementing**

an average of two internships each year.

In 2024/2025, **18 employees** were entitled to parental leave; **4** utilised it, with **2** having already returned.

The Company actively promotes **continuous training**, with internal programmes and courses co-financed by **Fondimpresa**, strengthening skills and organisational performance. Among the courses available for employees are:

COMPANY DIVERSITY



IT Update:
Development of skills in the use of digital tools for online collaboration, contributing to making business operations more efficient and facilitating the management of activities and work processes.

Equalitas Standard:
Training programme related to understanding the principles and requirements of the Equalitas standard, with the aim of spreading the culture of sustainability and making employees aware of their role in contributing to improvement in ESG perspective.

Privacy:
Update sessions on the fundamental principles of data protection. The objective was to strengthen corporate practices in terms of security and responsibility in information management.

No incidents of **discrimination** have occurred. An **anonymous reporting channel** managed by the **Supervisory Body** is active, which has not received any reports to date. Fratelli Martini thus confirms its commitment to a fair, transparent, and respectful professional environment.

Health and safety of workers

Fratelli Martini promotes a culture of **health and safety** based on compliance with current regulations and a management system **certified to ISO 45001**, active since 2022. The system applies to **all workers**, both internal and external, and is managed by a dedicated structure that includes a competent manager, a network of supervisors, a Workers' Safety Representative (RLS), and an external RSPP with many years of experience.

As part of prevention activities, Fratelli Martini has updated its **Risk Assessment Document** with the support of specialised consultants, identifying the main risks and defining **targeted preventive actions**:

- **Confined spaces:** maintenance operations are entrusted exclusively to qualified third-party companies to

ensure the highest level of safety.

- **Logistics: blue lights and rear-view mirrors** have been introduced on forklifts to improve visibility and prevent accidents.
- **Noise-related risks:** the Company has adopted **personal protective equipment (PPE)**, activated **health surveillance**, and conducted **dedicated training courses** to raise awareness among staff and protect their hearing health.

Continuous training is central to the prevention strategy, which is why Fratelli Martini organises courses on **emergency procedures, evacuation, safe use of hazardous materials, and proper disposal**, tailored to the needs of each department.

In 2024/2025, **the entire workforce was covered by the health and safety system**. Only **one minor injury** occurred over **more than 142,000 hours worked**, with an **accident rate of 1.4**, consistent with the previous year. **No occupational diseases** were detected during the biennium.

Through proactive and integrated safety management, Fratelli Martini not only complies with regulatory obligations but also promotes a **safe, healthy, and mindful** work environment, contributing to the sustainability and continuity of the business.



05. Governance

Integrity, ethics and transparency

For Fratelli Martini, ethics and compliance with regulations are essential principles. The Company adopts the **Organisation Model 231** and the **Code of Ethics** as guiding tools for transparent, compliant, and responsible management. The system is supervised by a **Supervisory Body**, composed of internal and external experts, which monitors the effective implementation of the principles of legality, integrity, privacy protection, and conflict of interest prevention.

Model 231 also integrates ESG aspects, including environmental crimes among the predicate offences. Fratelli Martini therefore adopts **preventive measures to ensure environmental compliance, worker health and safety, and the implementation of periodic audits**. The model is updated with the provisions of **Legislative Decree 24/2023 on whistleblowing**, providing **confidential reporting channels** and protecting whistleblowers from any retaliation.

Fratelli Martini's Code of Ethics is a central element of the corporate culture, founded on legality, fairness, transparency, and sustainability. It applies to all individuals operating on behalf of the Company, both internal and external, including directors, employees, collaborators, consultants, suppliers, and business partners, and requires **full compliance in every activity performed**. The **value system** of Fratelli Martini's **Code of Ethics** includes:

- **Compliance with laws and regulations.**
- **Fairness and absence of conflicts of interest.**
- **Equality and honesty in internal and external relations.**
- **Efficiency and economy.**
- **Privacy protection.**

The Company disseminates its Code of Ethics to all recipients, requiring commitment to respect and implement the principles contained therein.

The relationship with local communities

Fratelli Martini has consistently demonstrated a strong commitment to supporting the development of local communities through donations, collaborations with local entities, and concrete projects in social, educational, and cultural fields.

Additionally, Fratelli Martini provides contributions for the **Cossano Belbo festival**, including fireworks and refreshments, and supports various **non-profit organisations socially active**, in the oncological, educational, and humanitarian fields, both in Italy and abroad. One of the main examples is the support for the **1001 ETS Foundation**, with which the Company has contributed since 2024 to the implementation of projects in Cossano Belbo, including **urban**

A particularly significant event organised by Fratelli Martini is the **Moscato Festival**, held annually by Fratelli Martini before the harvest. This day represents an important gathering between the Company, suppliers, technicians, institutional representatives, and protection consortia. During the event, seasonal data are analysed, **production and market strategies** are discussed, and **topics related to agricultural sustainability** are explored, including the **reduction of pesticides** and the rational use of plant protection products. The meeting concludes with the **donation of viticultural equipment** to the suppliers, strengthening the bond between Fratelli Martini and the local agricultural community.

redevelopment, improvement of health and educational services, support for volunteering, and the initiation of inclusive activities for the benefit of the local population.

At an institutional level, Fratelli Martini is actively involved in

trade associations and numerous **consortia for the protection of DOC and DOCG wines**. Participation in these bodies allows the Company to promote **responsible and quality viticulture**, contributing to the sustainable development of the sector at a national level.

Fratelli Martini’s commitments

Dissemination and adjustment	Checks and penalties	Protection and awareness
Communicating the Code of Ethics to all employees, agents, other collaborators, customers, suppliers and all those who have relations with the Company.	Conducting checks in response to any reports of violations of the Code of Ethics	Ensuring that no one faces retaliation for reporting possible violations.
Adapting the contents of the Code of Ethics to changes in legislation.	Implementing sanctions in the event of a proven breach.	Ensuring that recipients of this Code of Ethics understand that compliance with the standards contained herein is an essential part of work performance quality

The solid and integrated governance system is complemented by a **hierarchical-functional organisational structure**, effective **accounting and reporting procedures**, and a **set of moral norms** defined within the Code of Ethics, which oversee the company’s activities. These tools help ensure constant control of internal processes, support transparency in decision-making, and strengthen the internal control system, ensuring that activities are conducted according to criteria of correctness, legality, and accountability.

During the reporting period, **there were no instances of non-compliance with laws and regulations, corruption, or legal actions for regulatory violations,**

including competition violations. This data confirms **Fratelli Martini’s strong commitment to regulatory compliance**, transparency of information, respect for ethical principles, and the promotion of a corporate culture marked by integrity. The Company continues to invest in preventive instruments and measures, demonstrating constant attention to the protection of stakeholders and the sustainability of its governance.

Privacy Management, Information Security and Cybersecurity

Fratelli Martini has adopted a specific Privacy Management Policy, with the aim of ensuring full compliance with regulations on the processing of personal data and guaranteeing the protection of sensitive information. To further strengthen the oversight of these aspects, **the Company has appointed a Data Protection Officer (DPO)**, responsible for coordinating corporate activities and strategies related to security and privacy protection.

From a preventive standpoint, **the Company plans and implements actions aimed at limiting risks** related to possible security breaches and data loss. Starting from January

2024, in addition to the existing antivirus systems, Fratelli Martini has enhanced its IT infrastructure by installing **new firewalls** and activating a continuous **Managed Detection and Response (MDR) and Network Detection and Response (NDR) service**, operational 24/7. These tools enable constant system monitoring and prompt interventions in case of incidents, strengthening the Company’s cyber resilience.

In 2025, **Fratelli Martini was officially classified as “Important” by the National Cybersecurity Agency**, in implementation of the European “Network and Information Security Directive” (NIS2). The Company is committed to

complying with the new regulatory obligations even before the official deadlines, demonstrating a proactive approach in creating a secure digital environment for collaborators, customers, and suppliers.

During the reporting period, there were no substantiated reports of privacy breaches or customer data loss. Therefore, it was not necessary to activate extraordinary procedures in response to cybersecurity incidents, confirming the effectiveness of the measures adopted.

Economic performance and economic impacts generated

The analysis of business performance represents a strategic tool for management, providing a solid foundation for informed decisions and enabling effective resource allocation, the development of strategies oriented towards

sustainable growth, and the creation of long-term value.

Fratelli Martini’s activities generate a significant economic impact both nationally and internationally. The Company actively invests in the

territories in which it operates, **strengthening relationships with local and global entities and partners**, and contributing concretely to the development of communities.

ECONOMIC VALUE GENERATED, DISTRIBUTED, AND RETAINED (€ / 000) IN 2023/2024





As specified in the Methodological Note, the early closure of the Sustainability Report does not allow the reporting of actual data for 2024/2025 financial year, but only a forecast. However, the trends identified are consistent with those of the previous year. For this reason, the **data reported refer to the year 2023/2024** and concern the economic value generated, distributed, and retained.

The reclassification of items in the income statement as of 30 June 2024 shows that **92% of the economic value generated was distributed to stakeholders**. The distribution of value highlights **the main beneficiaries of value creation**, in particular:

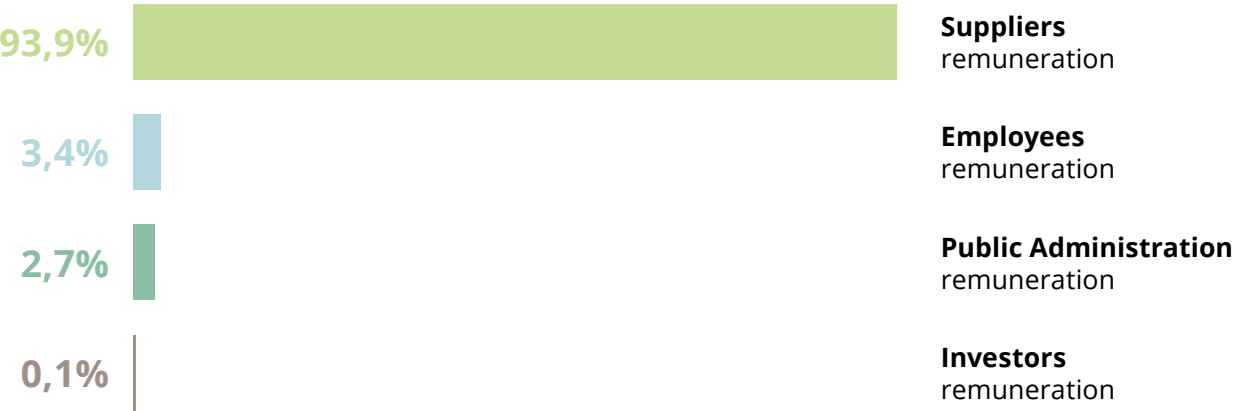
- **Personnel**, consisting of employees, collaborators, and members of institutional bodies;

- **Suppliers**, through the purchase of goods and services, the enjoyment of third-party goods, consultancy, and current management costs;

- **Public administration**, through the payment of taxes and contributions;

- **Investors**, in the form of interest on loans and other forms of debt capital.

ECONOMIC VALUE DISTRIBUTION 2023/2024



This document is a summary of the Sustainability Report for Fratelli Martini Secondo Luigi S.p.A. It aims to describe the initiatives undertaken and the key results achieved in the ESG field over the year. It has been prepared in line with the “Global Reporting Initiative Sustainability Reporting Standards” set by the GRI - Global Reporting Initiative (referred to as “GRI Standards”), using the “with reference” option. The full Report is available on the Fratelli Martini website.

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