

SCHENK ITALIAN WINERIES

SUSTAINABILITY REPORT 2022



**SCHENK**  
ITALIAN · WINERIES

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# SCHENK AT A GLANCE

An evolutionary path undertaken over time, and still in place, which bases its essential pillars on the **connection with the territory** and a close link with tradition, combined with the top quality of the latest technologies to operate in a sustainable way.

## 1952

Foundation in Reggio Emilia.

## 1960

The Company moved to Ora (BZ), and the first winery linked to the production area was born, Cantine di Ora - Kellerei Auer.

## 2011

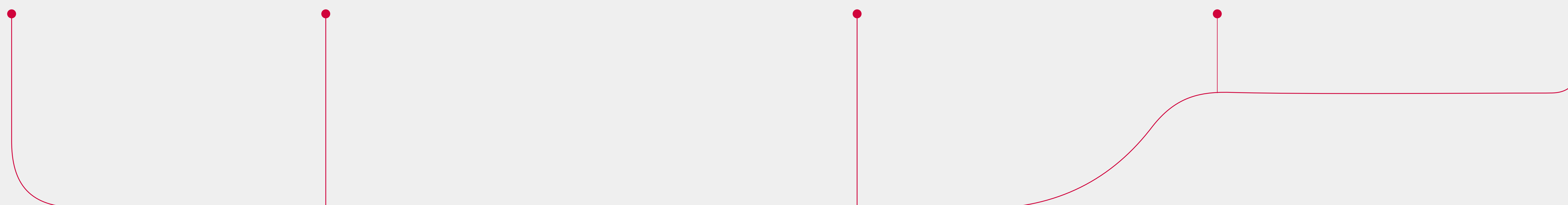
Acquisition of Bacio della Luna in Vidor (TV) for the production of Prosecco DOC, DOCG and other sparkling wines.

## 2016

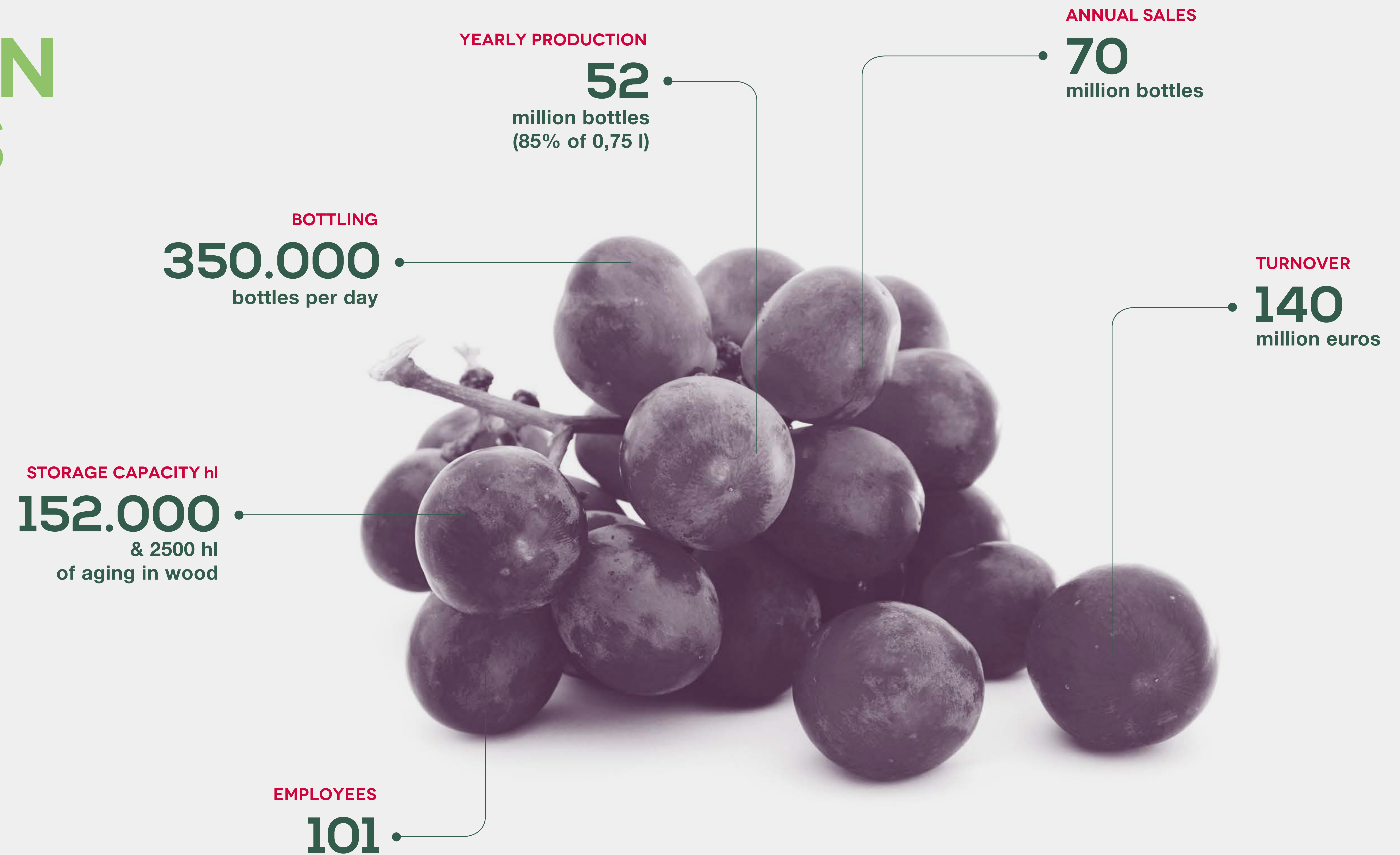
Acquisition of Lunadoro estate in Valiano di Montepulciano (SI), for the production of Nobile di Montepulciano.

## 2021

Acquisition of Tenute Masso Antico in Salento (BR), designated to the production of organic wines of the ancient Apulian tradition.



# SCHENK IN NUMBERS



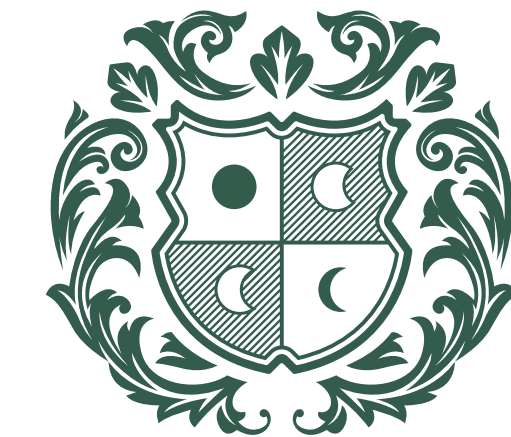
# OUR BRANDS



Cantine di Ora  
Kellerei Auer



BACIO DELLA LUNA



LUNADORO



TENUTE  
MASSO ANTICO



GERGENTI



CORTE DEL GOLFO

IL CASATO

AMICALE

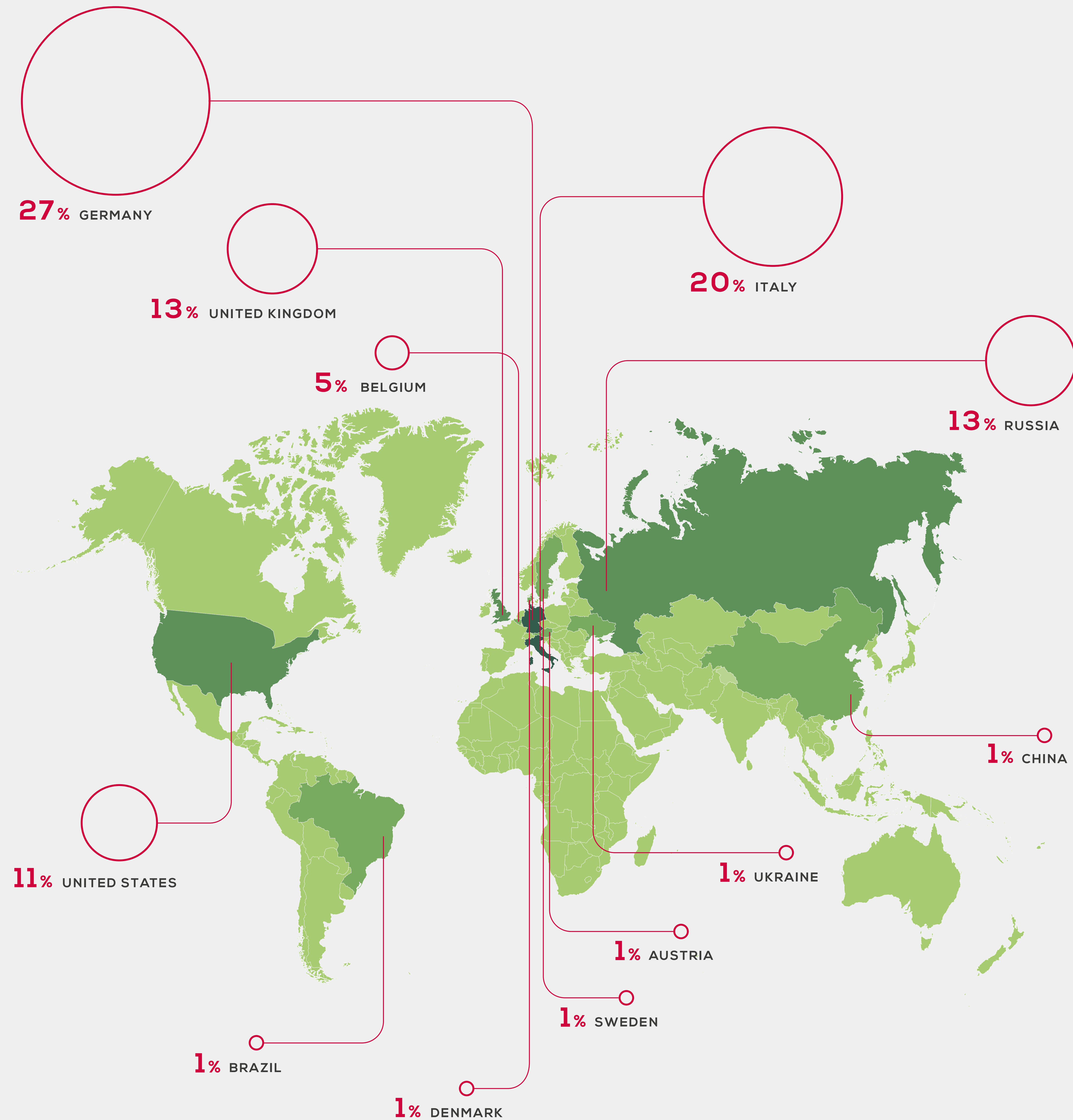
BOCCANTINO®

BRUNILDE  
— DI —  
MENZIONE

RIVANI

# OUR MAIN MARKETS

27% Germany  
 20% Italy  
 13% United Kingdom  
 13% Russia  
 11% United States  
 5% Belgium  
 1% Brazil  
 1% China  
 1% Ukraine  
 1% Austria  
 1% Sweden  
 1% Denmark



# OUR CERTIFICATIONS



**BRCGS** - Specific global standard for the safety of agri-food products. The BRCGS certification focuses on ensuring the quality and safety of food products offered to consumers by the suppliers and retailers of the large-scale retail trade.



**ORGANIC** - Certification of Protected Designation of Origin (DOP) and Protected Geographical Indication (IGT) products, with the purpose of enhancing their value and their origin. It also certifies organic products in line with the current EU regulation.



**SQNPI** - Certification which aims to enhance the agricultural vegetable production achieved in compliance with regional integrated production regulations. The Quality System is recognized in the EU.



**EQUALITAS** - Sustainability certification bases on three pillars: environmental, social and economic. Verifiable and measurable requirements and indicators have been determined for each of the pillars.



**IFS FOOD** - This certification, highly recognized in Europe and globally, aims to encourage the selection of food suppliers under the large-scale retail trade brand, based on their ability to provide safe products that are compliant with contractual specifications and legal requirements.



**AEO** - Certification concerning the state of reliability in relation to the customs authorities. It guarantees strict compliance with customs regulations and product safety, while regulating the relations between the authorities that deal with the international trade controls.

# THE PILLARS OF SCHENK SUSTAINABILITY

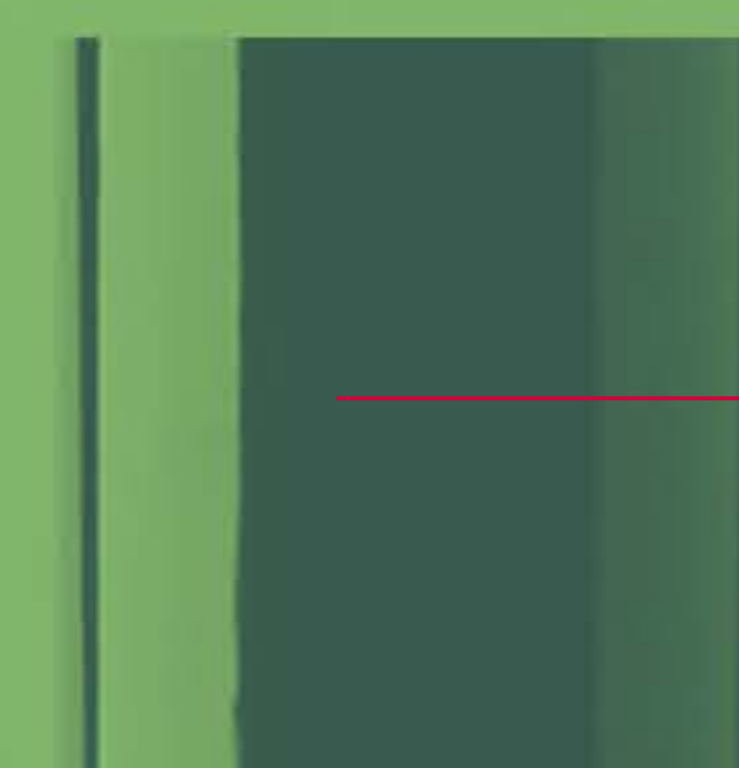
**Sustainability is an ongoing process**, which requires to combine the three fundamental and inseparable dimensions of development: **environmental, ethical and economic**.

## EXPERIENCE INNOVATION QUALITY

These are the three cornerstones of Schenk Italian Wineries, to promptly react to a fast evolving market. The company is constantly committed to guarantee very **high quality standards in the production of its wines**, thanks to a staff of proven professionalism, **constant quality controls**, and **a dedicated NPD team, analyzing new trends and packaging**, keeping the focus on sustainable development.



• **EXPERIENCE**



• **INNOVATION**



• **QUALITY**

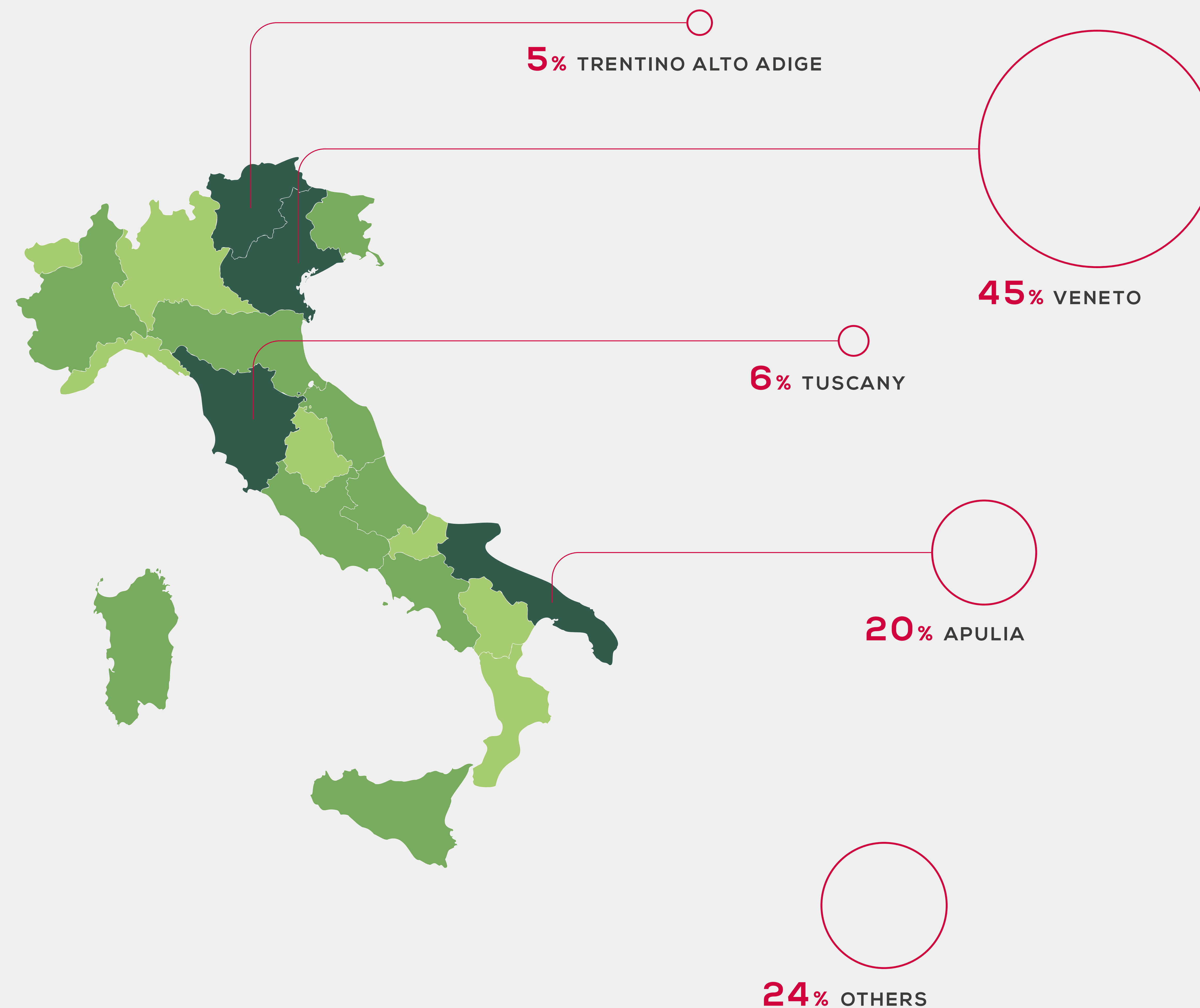


# SUSTAINABILITY IN THE SUPPLY CHAIN

Schenk Italian Wineries **works to build solid relationships with its raw materials suppliers**, based on quality, mutual trust, respect and attention to sustainability.

## ORIGIN OF THE WINES PURCHASED BY SCHENK ITALIA

- 45% Veneto
- 20% Apulia
- 6% Tuscany
- 5% Trentino Alto Adige
- 24% Others

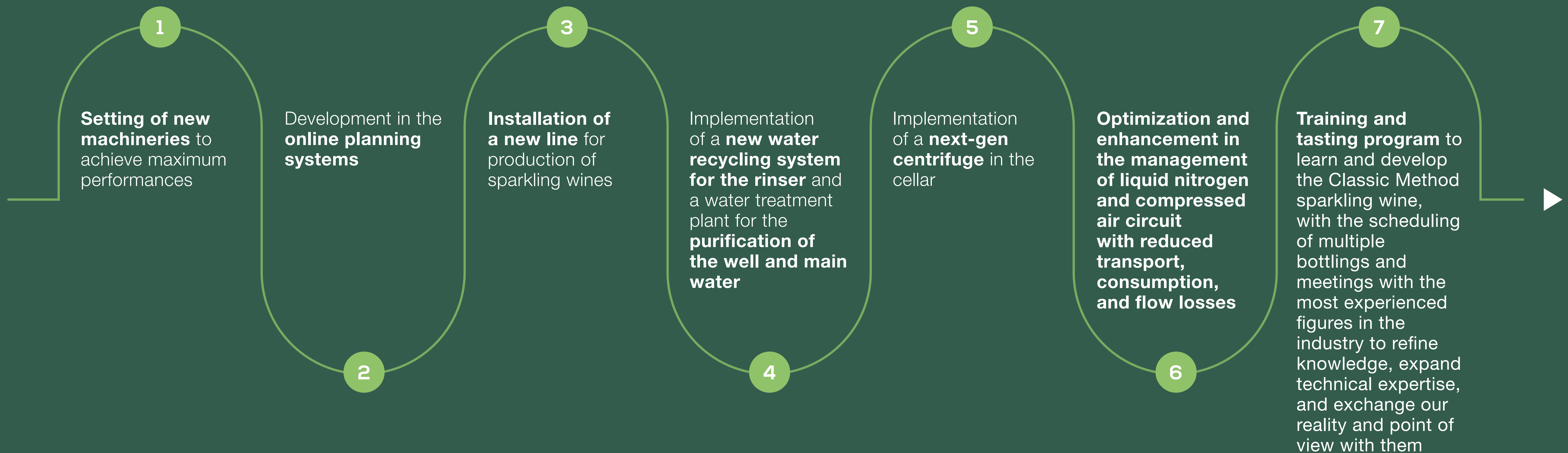


# AUDIT

**The sustainability system, according to the Equalitas standard, has been subjected to verification by the external body Valoritalia since 2020, to assess compliance with the requirements of the standard. Periodic internal checks are also carried out by qualified personnel of Unione Italiana Vini, and over the years no significant non-conformities have emerged, but only small anomalies and ideas for improvement promptly taken into account.**

*«The personnel involved during the audit demonstrated a good knowledge of the project and sensitivity to the issues subject to the audit. The continuous company investments in support of the constant commitment to infrastructural and operational adaptation are evident, also in compliance with assessments connected in particular with the monitoring of the processes and the solicitations coming from the market and from the technological innovations with which the company comes into contact. In correspondence with this second year, the company has introduced an environmental indicator, undertaking the study for the calculation of the carbon footprint for the year 2020. The data is being processed and the results will be available shortly. Some elements of improvement have been found, attributable to recent production innovations and the necessary timing of processing of some data by the representatives.» (Internal audit 11/10/2021)*

# SUSTAINABILITY IN THE PRODUCTION PROCESS



# SUSTAINABILITY IN THE PRODUCTION PROCESS

8

## New sliding belts system with inverter motors

that stop when the machines are not running, and suppression of the water and soap system, which is replaced by a small amount of silicone

—  
significant reduction in water consumption and noise pollution, much easier cleaning process, and improvement in the flow of bottles, even of unusual formats

## New automated capping machine

—  
increased energy efficiency class and improved packaging performance and quality

9

10

## New labeling machine with automated packaging system and dual station feeding

—  
reduces operator manual work and production times, automatic optical control over production

11

## Digitization of production processes

—  
time and paper savings, improved production quality, and information flow

12

## Use of recyclable Select Green caps

—  
the supplier guarantees a zero-impact production process for the caps, increasingly used on multiple product lines

13

## New self-adhesive labels

—  
elimination of glue usage and disposal, creating a cleaner and more organized workspace

# SUSTAINABILITY IN THE PRODUCTION PROCESS

14

## New water recovery and recycling system

waste water from bottle washing is given a new life by recovering and recycling it through an osmotization plant instead of disposing of it through the internal purification system

## New water recovery and recycling system

a new product line that allows diversification of our offerings and enhances brand development

15

16

## Photovoltaic system

a roof renovation project with improved safety measures and subsequent installation of photovoltaic panels to produce a significant portion of our energy needs

# ENVIRONMENTAL SUSTAINABILITY

## ENERGY SAVING

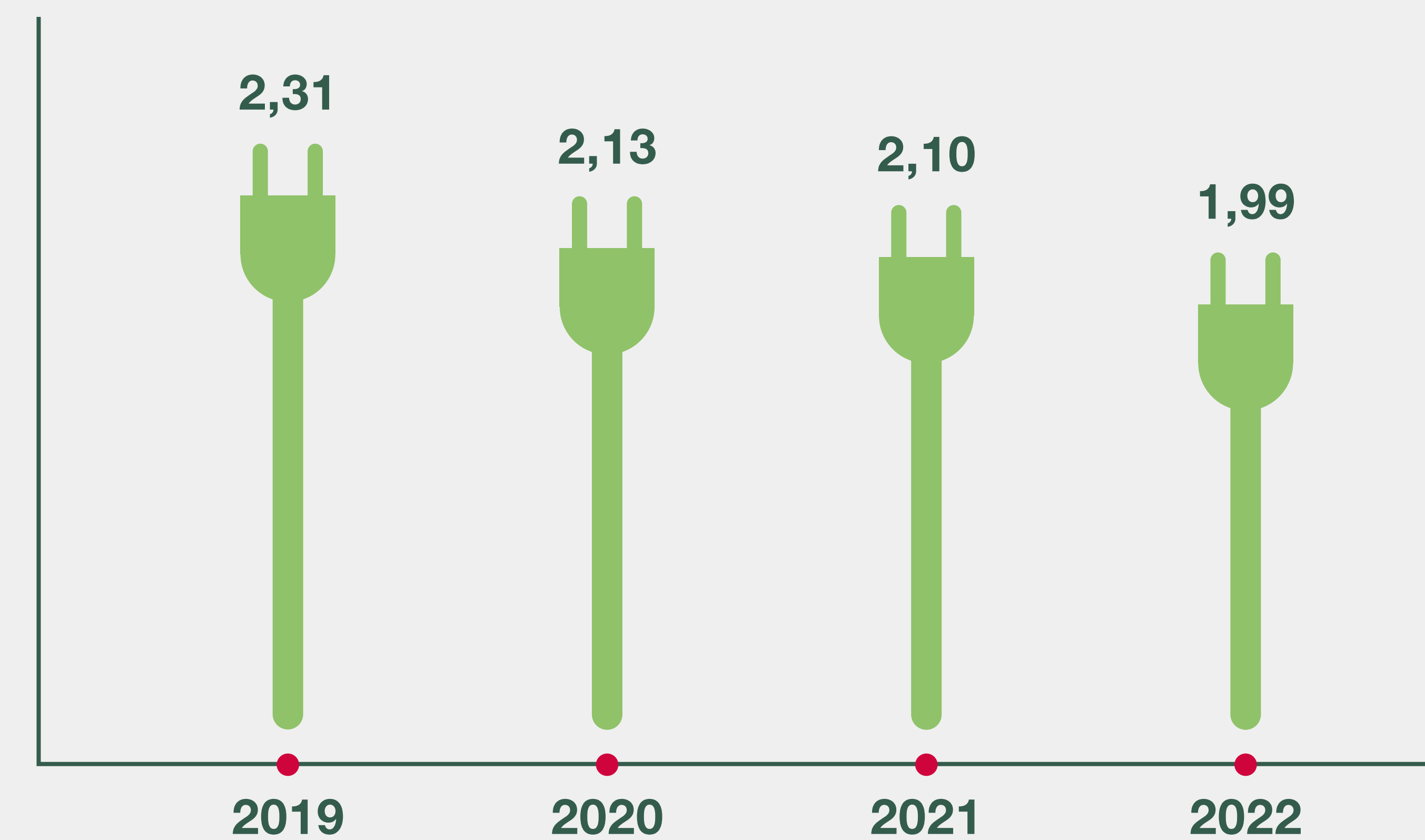
Since 2020, Schenk Italia has followed a considered corporate strategy in unfavorable market conditions due to the pandemic and the economic situation. The company has decided to **concentrate on its own production brands**, producing fewer bottles but with higher profitability thanks to meticulous work on product quality, attention to packaging, and social communication. The last planned technological renewal step has slowed down production, influencing productivity data, but in the first quarter of 2023, they achieved a significant milestone of 19.5 bottles/kilowatt-hour.

### BOTTLES PACKED WITH 1 kW



### ELECTRICITY CONSUMPTION TREND

Millions of kW



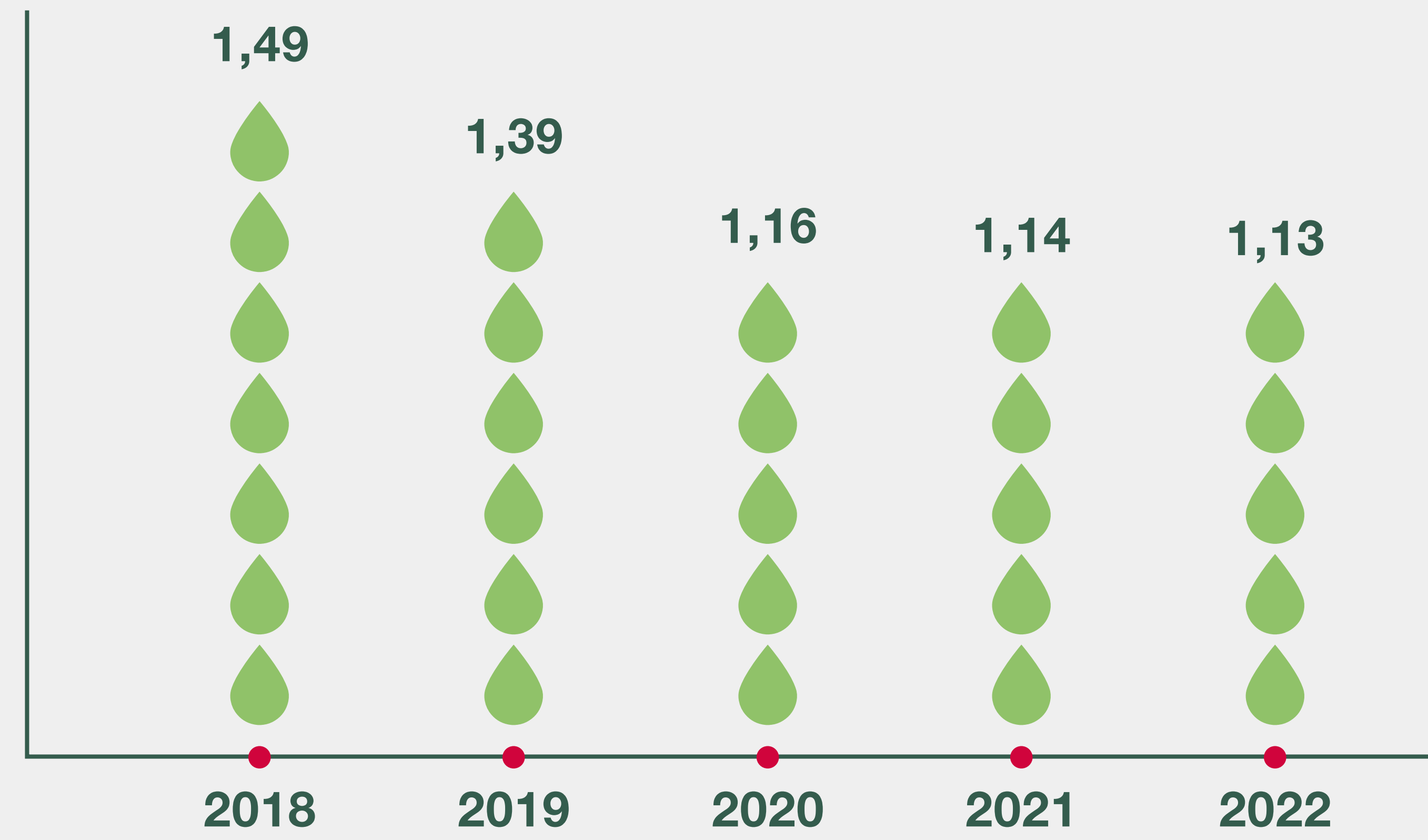
# ENVIRONMENTAL SUSTAINABILITY

## WATER SAVING

After the installation of the new production line in 2020, the **replacement of the second production line has been completed, and the water recovery and recycling system** for the rinsing machines has been put into operation. This allows us to achieve additional water savings and more efficient management of the purification system.

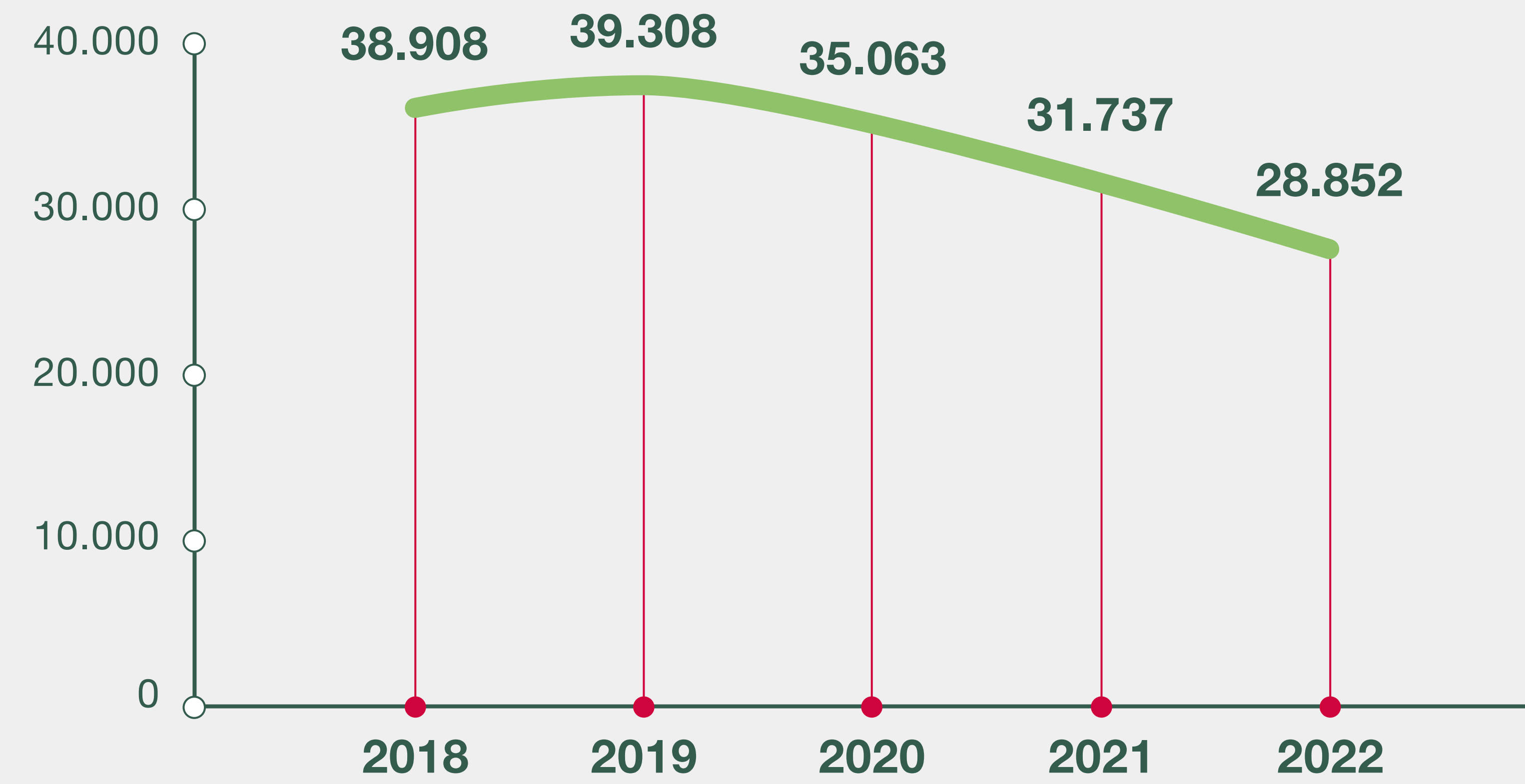
### hl

OF WATER USED FOR 1 hl OF BOTTLED WINE



### hl

BOTTLING WATER CONSUMPTION



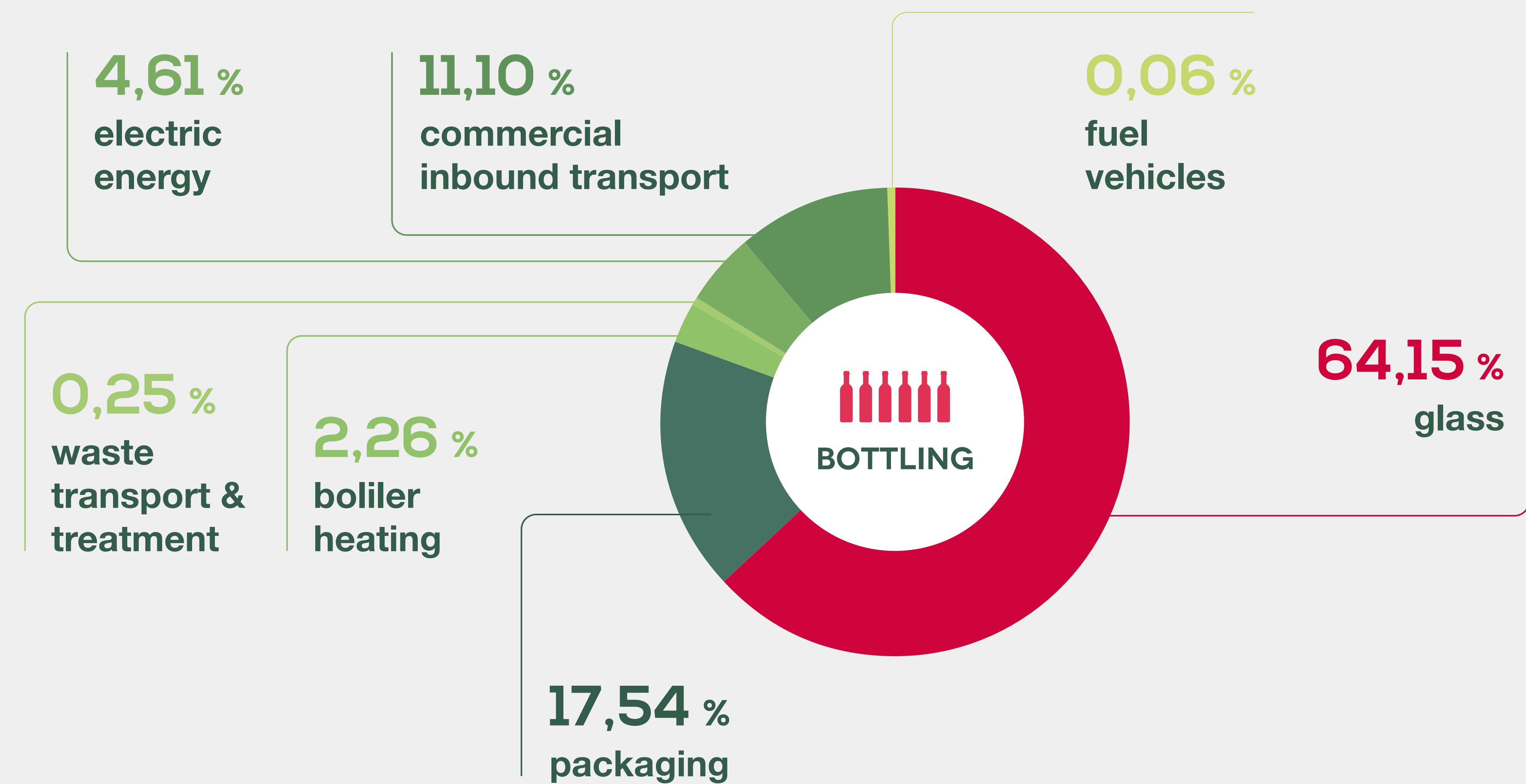
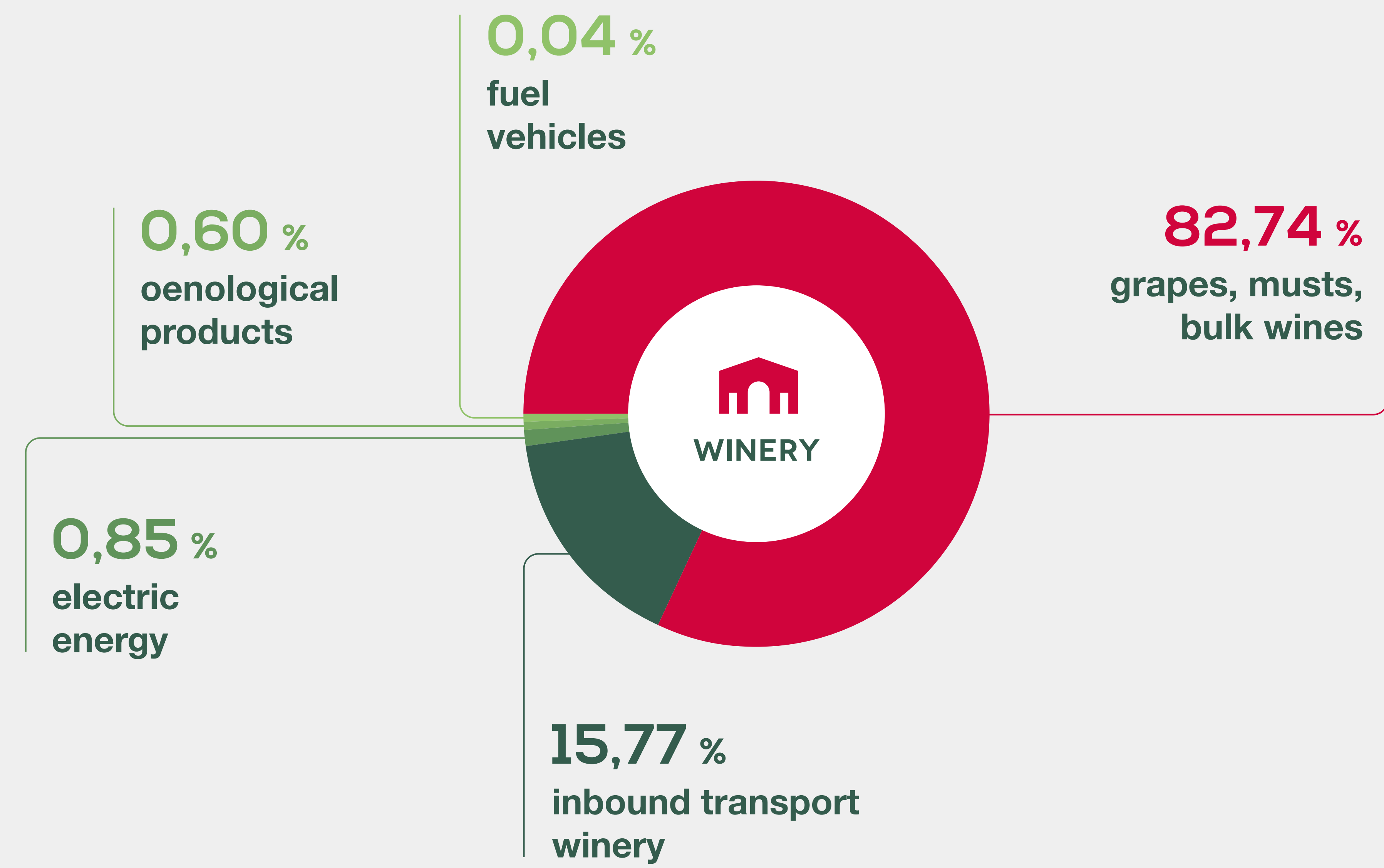
# ENVIRONMENTAL SUSTAINABILITY

## CARBON FOOTPRINT INDICATOR

With the goal to improve the environmental performance of the company and reduce the impact on the earth's climate and global warming, **Schenk Italia conducted an analysis on its GHG emissions** (Greenhouse Gases) emissions figures in order to determine its own carbon footprint, for all its production processes, materials and products.

### EMISSIONS PER FUNCTIONAL UNIT

Area	Product index	Kg CO <sub>2</sub> e
Winery	1L vinified wine	0,61
Bottling	1 bottle 0,75L	0,70

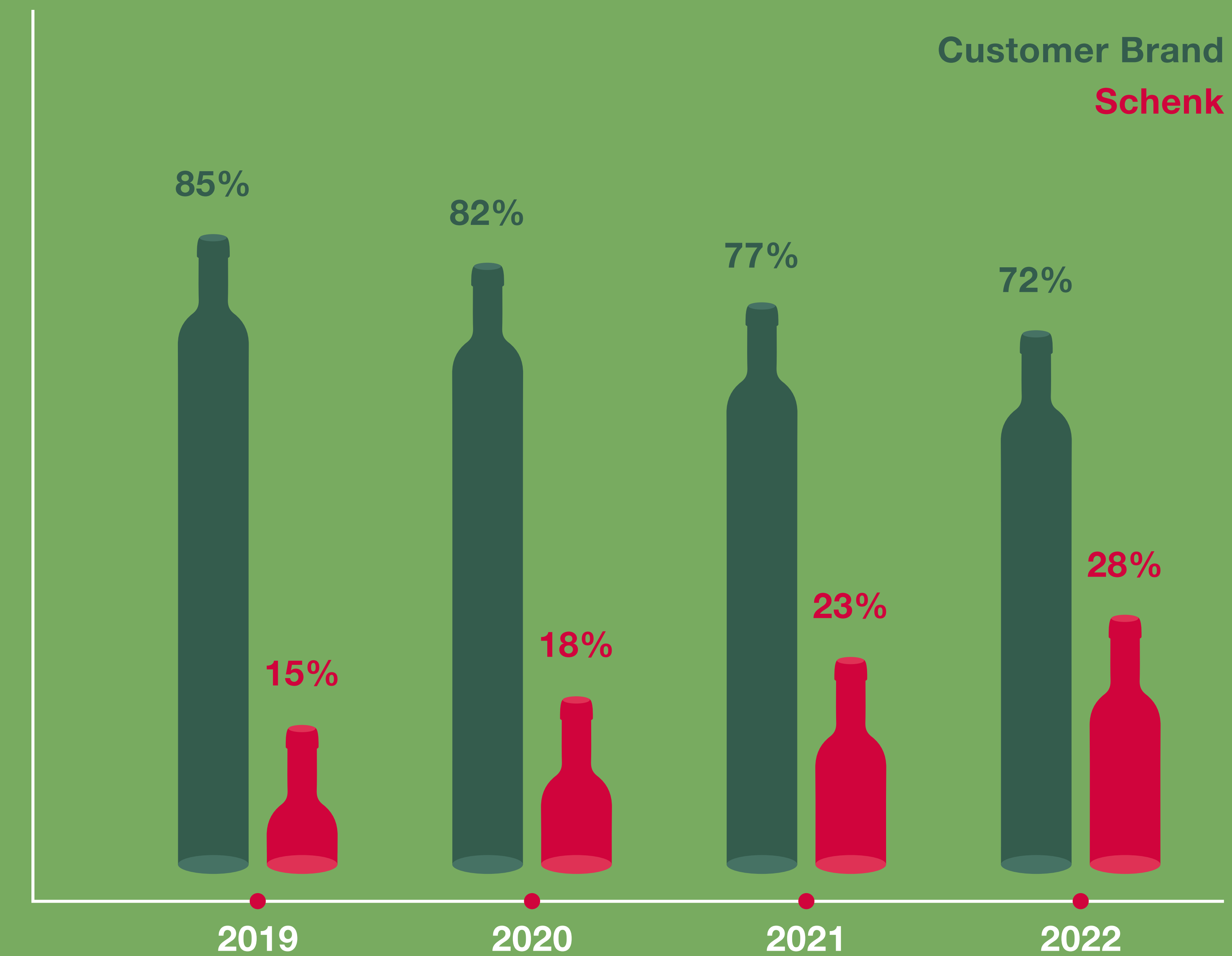




# ECONOMIC SUSTAINABILITY

## SCHENK BRANDS

Over the years, Schenk Italia has developed and thoroughly believed in the **implementation of new projects to consolidate and expand its brands**, which has allowed to increase the offer and the wine culture of its staff.



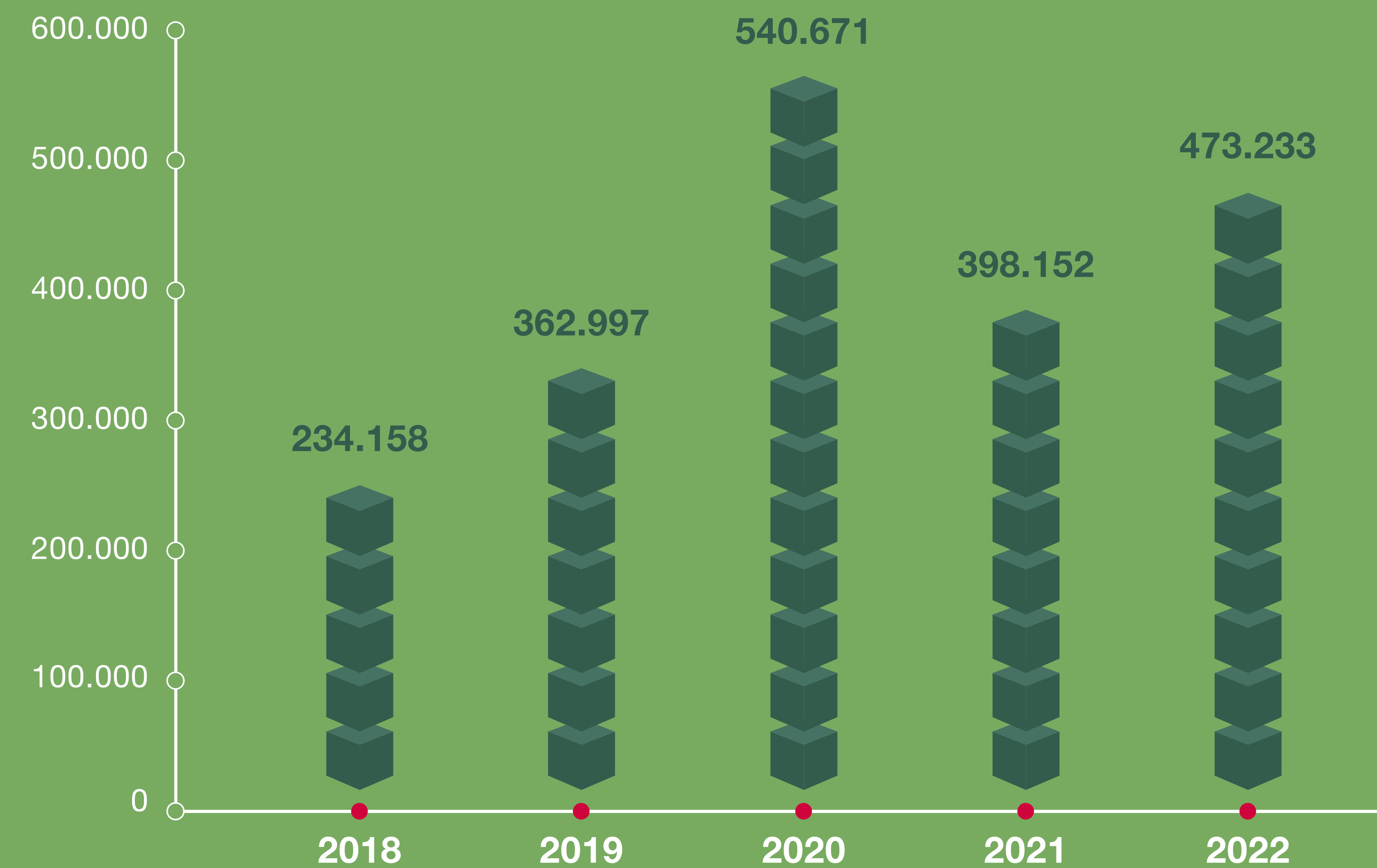
Development  
of Schenk  
brands  
in 4 years

+ 12,8%

# ECONOMIC SUSTAINABILITY

## BAG-IN-BOX

To meet the demands of the international market, particularly in Northern European countries and the USA, since 2018, Schenk has **increased its production of wine in the BAG-in-BOX format by +102%**. This action has led to space-saving benefits for material storage, reduced transportation costs, and a lower environmental impact compared to using glass containers.



Development  
of the  
BAG-in-BOX  
production

**+ 102%**

# ECONOMIC SUSTAINABILITY

## VINERIA43

In 2020 Schenk Italia started the project of **Vineria43, Schenk Italian Wineries e-commerce** for the sale of Schenk brands and others main partners. As of today, customers can also purchase foreign wines appellations and craft beers from local producers.



### E-commerce sales increase

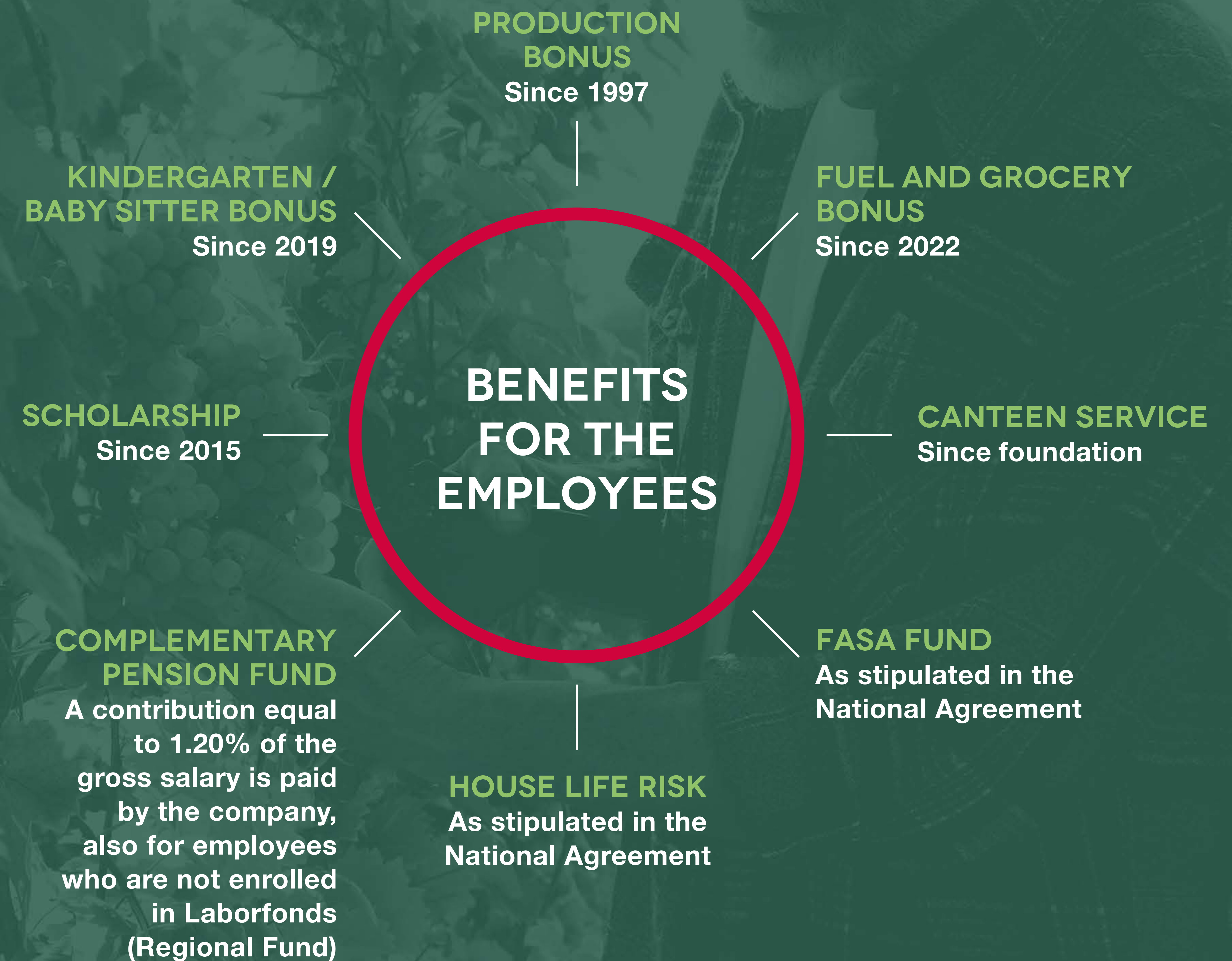
**+ 46%**

shop  
2021 on 2020

**+ 34,7%**

e-commerce  
2022 on 2020

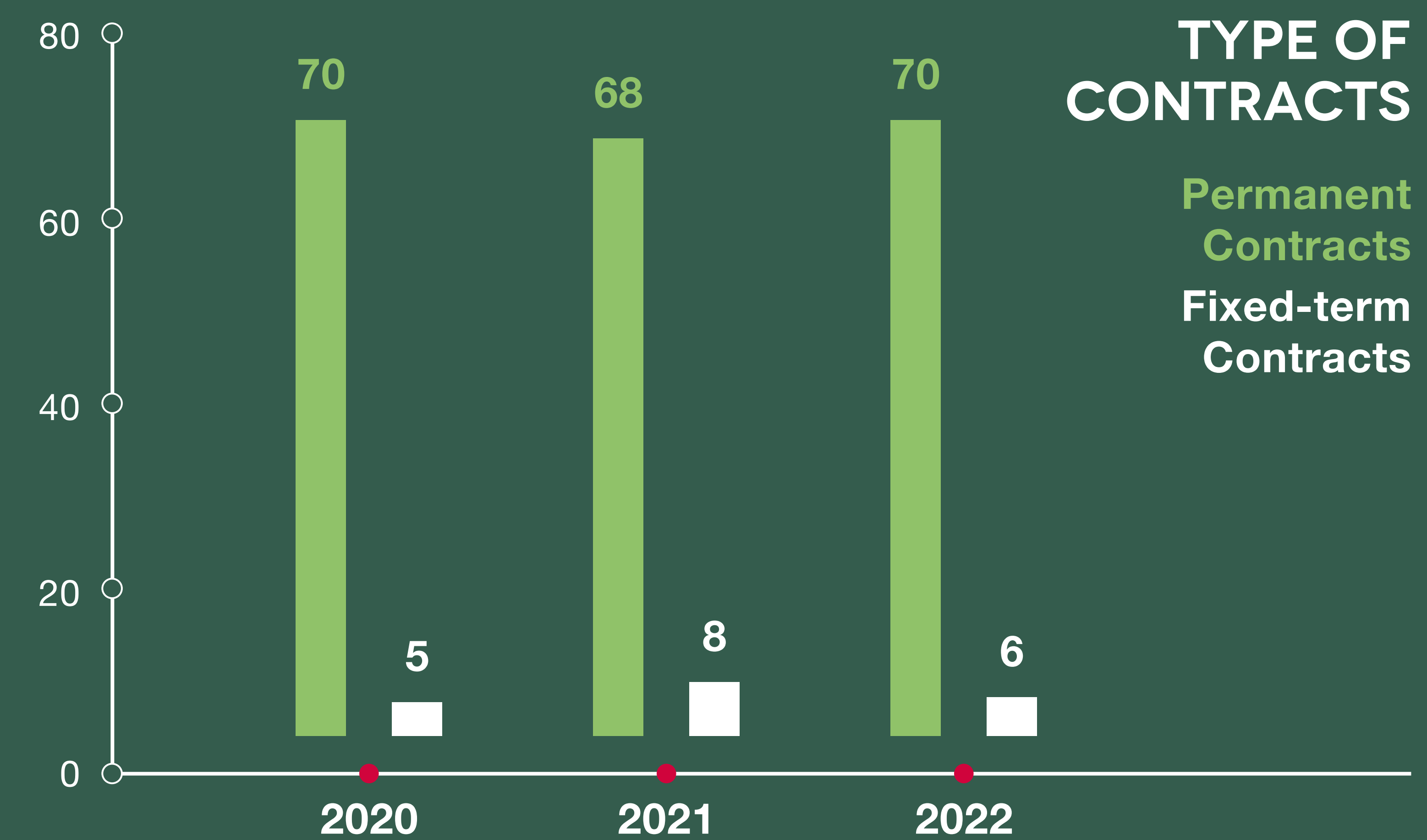
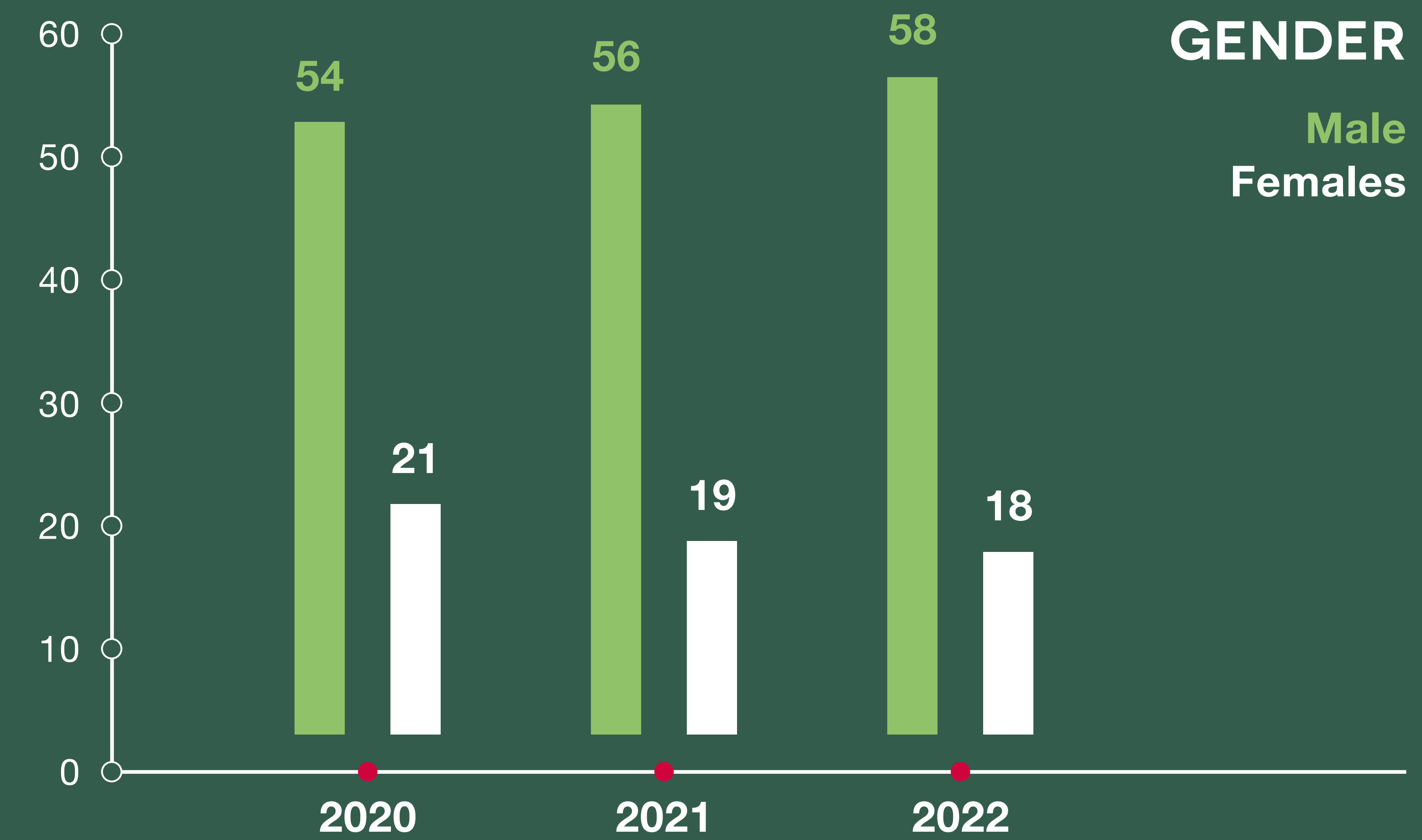
# SOCIAL SUSTAINABILITY



# SOCIAL SUSTAINABILITY

## 2020 – 2021 – 2022 COMPARISON

During 2021, two female figures decided to leave the company; the number of permanent contracts consequently decreased from 70 in 2020 to 68 in 2021. During the year, 11 new figures were given the opportunity to demonstrate their value to the company.



# SOCIAL SUSTAINABILITY

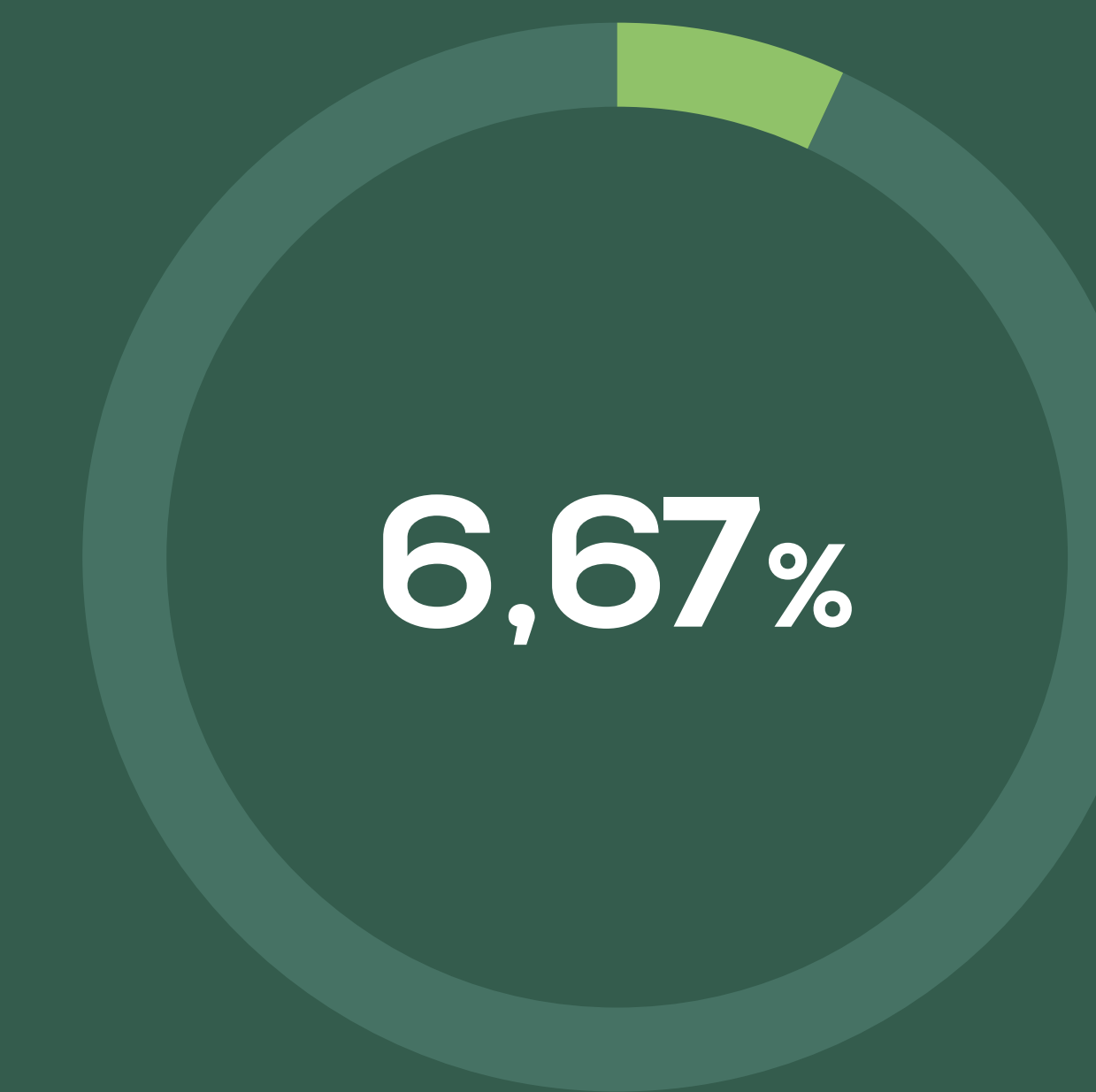
## SUBDIVISION BY CONTRACT AND SENIORITY

Schenk Italia's goal is to **enhance its human resources** by establishing long-lasting collaborative relationships based on mutual satisfaction. The experience and the example of the senior employees are driving and transferring the company values to the new hires. **56% of employees have 5 or more years of service, the average seniority is 9.4 years per employee.**

Permanent Contract



Fixed-term Contract



GENDER



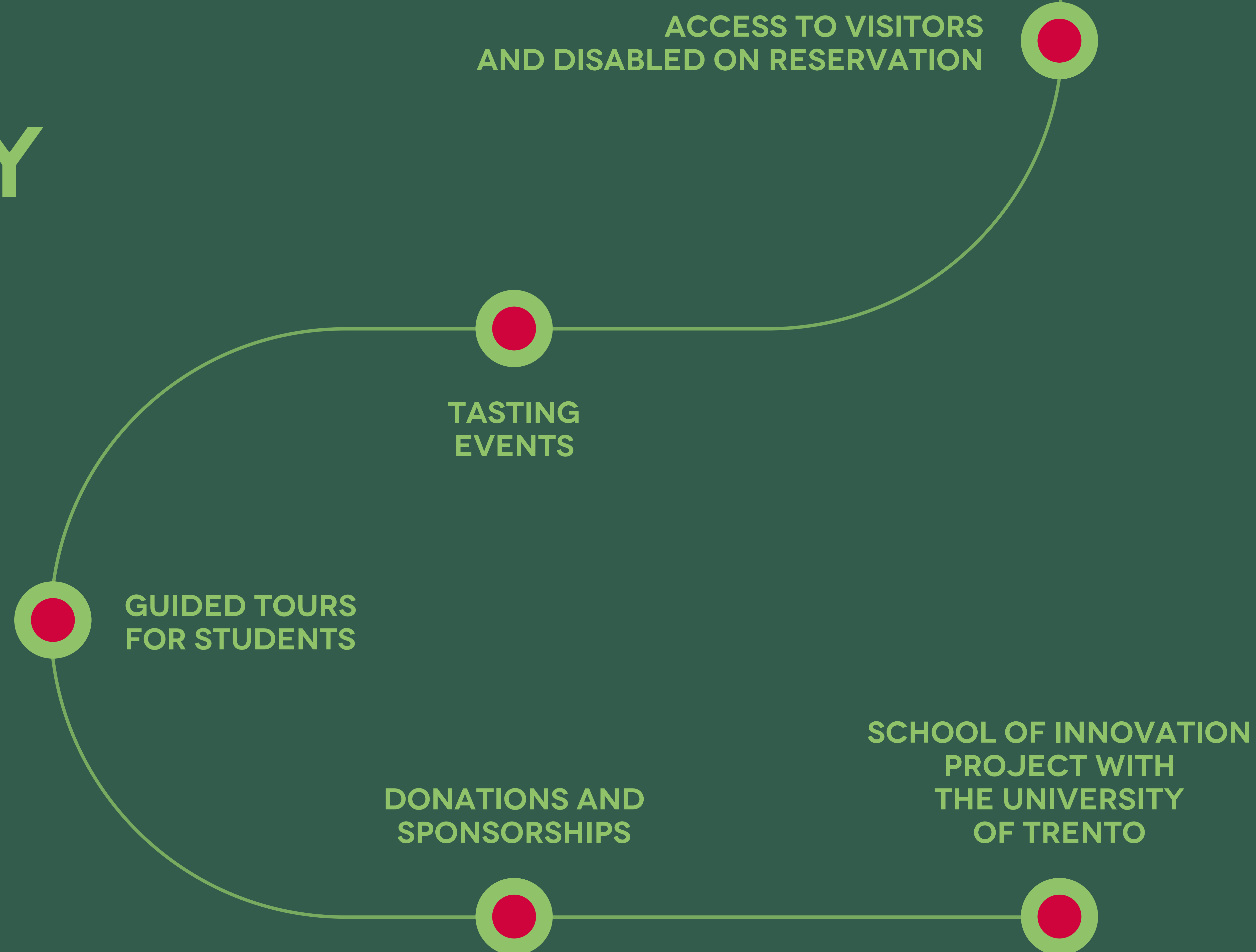
SENIORITY



# SOCIAL SUSTAINABILITY

## INITIATIVES TO SUPPORT THE LOCAL TERRITORY

Schenk Italia and its production cellars are fully integrated in the social tissue of the community where they operate, thanks to the range of **activities organized in its store** located in Ora (BZ), as for instance **tasting and entertainment events**, as well as guided tours for students of various grades. The company interacts with the local community also through donations and sponsorships of local sports institutions and organizations, promoting sustainability.



# ACHIEVEMENTS 2019-2022

ENERGY SAVINGS

- 317.258 kW/h

EQUAL TO

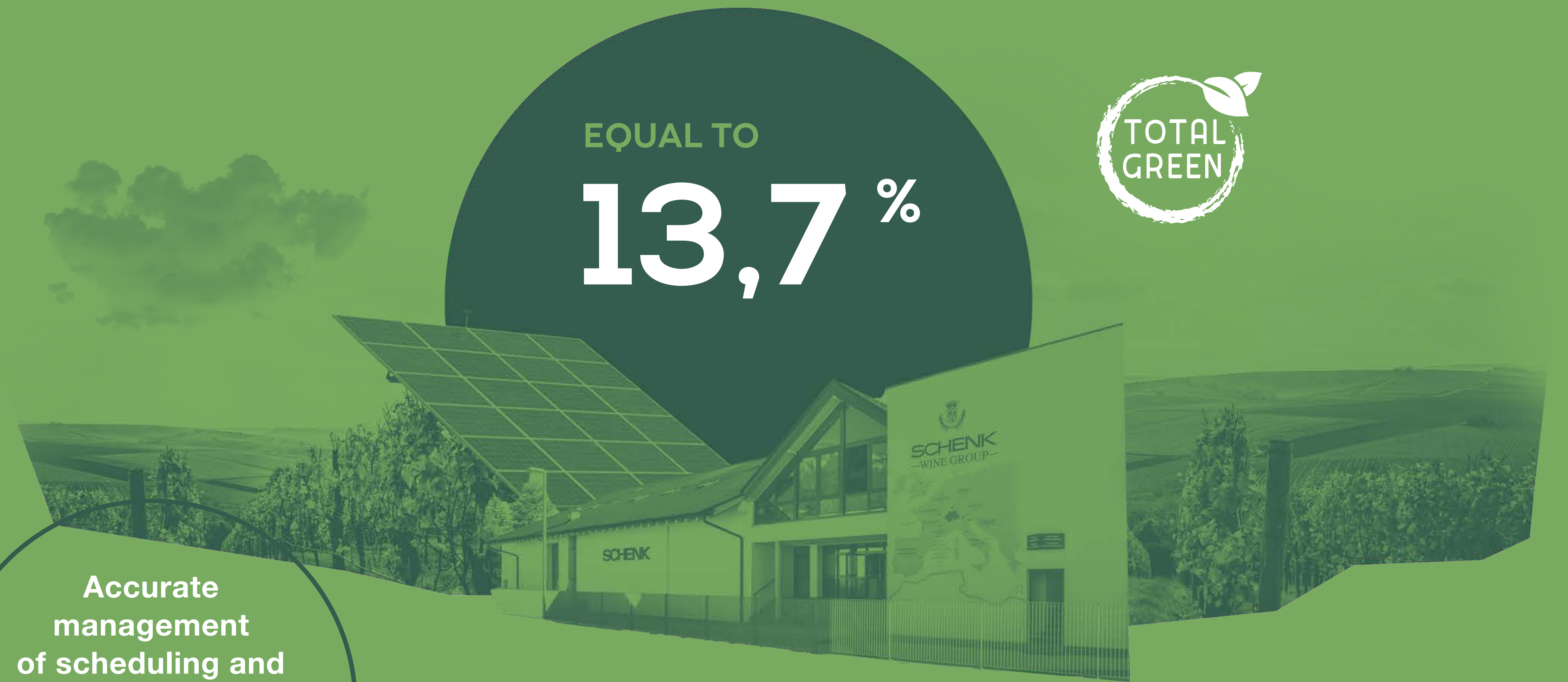
13,7 %



Implementation  
of a **new  
production line** which  
allowed the company to  
reduce water and  
electricity  
consumption

**Reduction  
in the cold chain**  
for the wine  
stabilization

**Accurate  
management  
of scheduling and  
maintenance** to reduce  
format changeover  
times and machine  
downtime





# ACHIEVEMENTS 2019-2022

## WATER SAVINGS

- 10.510 m<sup>3</sup>

EQUAL TO

26,7%

Dismissal of  
the belt 'soap and  
water circuit' in favor  
of the use of very small  
quantities of liquid  
silicone

Drinking water  
plant for the  
company well

Implementation  
of a **water recovery**  
system from the  
rinsing machine

# ACHIEVEMENTS 2019-2022

## CARBON FOOTPRINT ANALYSIS

To reduce its environmental impact, Schenk Italia conducted a **data analysis on its processes, materials and products to define its carbon footprint**. The company has therefore undertaken a path of ethical choices and investments with the target of carbon neutrality for 2030.

# FUTURE PROJECTS AND GOALS

2023

## PRODUCTION AND PURCHASE OF CLEAN ENERGY

Installation of a photovoltaic system to meet approximately 50% of the company's energy needs, acquiring the remaining portion from renewable sources.

## INVESTMENT AND COMPANY RESTRUCTURING PLAN

The installation of photovoltaic panels will involve replacing the roof, improving and enhancing safety measures, adding new emergency exits, and implementing projects to improve personnel and material flow for greater practicality. Total estimated cost 900.000 €

## BEGINNING OF THE CARBON OFFSET PROGRAM FOR CARBON EMISSIONS PRODUCE

Compensation for emitted CO<sub>2</sub> and carbon neutrality by 2030 through waste valorization and investments in green credits, global reforestation projects, education, and water access in developing countries.

## FIRST CARBON NEUTRAL PROJECT

Introduction of the first plastic-free handleless BAG-in-BOX from Tenute Masso Antico, resulting in a reduction of CO<sub>2</sub> emissions in the bottling area due to the decreased use of glass, responsible for 64.15% of emissions.

## CALCULATION OF WATER FOOTPRINT

Data collection on water consumption to calculate the water consumption index. This data, like CFP, cannot be directly compared to other wineries due to variations in operations and processes. Instead, it serves as an internal value for the company to be analyzed for improvement opportunities and achieving better efficiency.

2024

## LED LIGHTING SYSTEM IN PRODUCTION LINE

Replacement of the entire neon lighting in the production area with LED lights. Estimated cost 150.000 €

## CELLAR EQUIPMENT RENEWAL

New tangential filter and autoclaves, fixed lines to reduce clutter and improve practicality in the cellar. Estimated cost 700.000 €

## THERMAL ROOM UPGRADE

Design of a heat recovery system for subsequent reuse. Estimated cost 150.000 €

## CARBON FOOTPRINT CALCULATION FOR THE GROUP

The Schenk Group has formed a working team within the various wineries to define a plan for vineyard work and data collection for the annual carbon footprint calculation. Several meetings with the technical staff have been held to outline the work plan.

2025

## REPLACEMENT OF BAG-IN-BOX (BIB) LINE WITH AUTOMATED CIP WASHING

The upgrade will allow for increased productivity and more efficient washing cycles, reducing water consumption. Estimated cost 630.000 €

# COMMON COMMITMENT TO SUSTAINABILITY

This sustainability report is the result of **teamwork that involved all company managers** with the support of Unione Italiana Vini (of which the company is a member). This allowed Schenk Italia - in Ora (BZ) - to obtain the **Equalitas Sustainable Organization** certification and the subsequent validation of Valoritalia.





Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Gro Harlem Brundtland



**SCHENK**  
ITALIAN · WINERIES

We invite all interested parties to submit comments, suggestions and questions regarding this Sustainability Report and Schenk Italia's more general activities, using the following references:

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