



Cielo e Terra Ekuò Sustainable Report Year 2017



Ekuò is a trademark of Murialdo World, a non-profit organization of the General Council of the Congregation of St. Joseph that operates national and international charity projects in 16 countries worldwide. Cielo e Terra is a winery founded in 1908 by the Cielo Family, now partner with more than 2.000 vinegrowers of the Cantine dei Colli Berici SCA. Cielo e Terra “Ekuò sustainable Report” is aimed to communicate with transparency its sustainable practices in terms of ECONOMY, ECOLOGY and EQUITY. Furthermore, we decided to incorporate a fourth “E – EMPATHY”, because we truly believe that a successful business model stands on a sound and healthy environment.



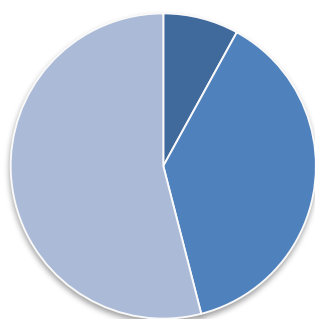
1 “E”CONOMY

A strategic guideline for an “Ekuò Sustainable” company is the medium and long term maintenance of a balance of income statement, with an adequate profitability for risk capital stakeholders and a strategic long-term Company vision for all other stakeholders.

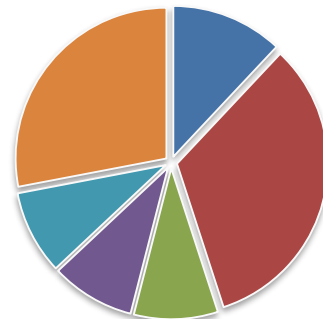
In 1999 we joint-ventured with the local vine-growers, in order to create more value in the territory. Since then the ongoing joint venture has allowed us to focus on the most value-added products/customers. In 2017 the quota of wine purchased by our partners was 59%.

Economic and financial indicators		Year 2017
TURNOVER VARIATION	Compared to the previous year	+7%
ROE (Return on Equity)	operating result/ net equity	27,7%
ROS (Return on Sales)	operating result / net revenues	5,5%
LEVERAGE (Financial)	outside funding / net equity	4,7

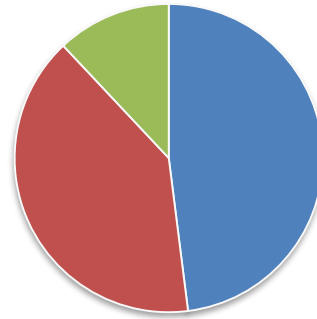
2017 Turnover Brakedown



- Top customer 8%
- Top 20 customers 38%
- Other customers 54%



- USA 12%
- Germany 9%
- UK 9%
- Italy 33%
- Russia 9%
- Others 28%



- Top 2 brands 48%
- Other own brands 40%
- Private labels 12%

Safe Process Management

a. **Insured sales.** The 85% of our sales are insured with primary insurance company.

b. 231 Organizational Model

The Company, as an institution, could be condemned and sanctioned if an employee, partner or similar commits for the economic advantage of the society the crimes foreseen by the 231/01 Decree.

c. Quality Management System UNI EN ISO 9001

Cielo e Terra and Cantine dei Colli Berici SCA are certified UNI EN ISO 9001, attesting that our Quality Management System complies with a standard of excellence.



d. Environmental Management System UNI EN ISO 14001

The Standard sets how to manage an effective Environmental Management System in order to monitor and keep under control its environmental performances.

e. Safe and Health Management System BS OHSAS 18001

The Standard states that the Company proactively protects health and safety of its employees.

f. Hygienic and Health Standards (BRC-IFS)

The Standard introduces the innovative aspect of “Food Defense” and aims to protect food from everything that may cause intentional manipulations with harmful and hazardous substances (as sabotage or biohazard), thefts of products or raw materials, acts of vandalism.

2 “E”QUALITY

An “Ekuò sustainable” Company assumes enterprise-wide economic and social responsibilities because it is aware of the liability to create not only economic but social value.

In the last 6 years Cielo e Terra has launched the following activities:

1. Installation of 31 water wells in Sierra Leone (Africa)

In Sierra Leone one out of two people will be affected by diseases due to the lack or poor water quality, while estimates indicate that an African farmer has less than 20 liters of water per day. That is less than half the minimum daily requirement of 50 liters indicated as necessary by the World Health Organization.

The Project achieved the following goals:

- ✓ 31 wells with hydraulic pumps, operating in 31 different villages, located in the most in need areas of Sierra Leone;
- ✓ 12.400 approximately beneficiary people;
- ✓ 32.000.000 liters approximately of drinking water provided to people every year;



2. Project for the protection of minors and elders “Set an extra place at table” in Colombia (South America)

With the “Set an extra place at table” Project Murialdo in place, they provide nutrition ([a table to eat](#)), education ([a table to learn](#)) and recreational time ([a table to play](#)) for minors and adults at risk in “Parrocchia Santa Maria della Sierra”, one of the poorest areas of Medellin in Colombia.

This Project offers opportunities for social integration and support for children and their families to counter the rates of violence and lawlessness in the area, involving as much as possible the parents in the educational development of their children.

3. Project to offer a job place to young people in need “We wanna work” in Italy

This project offers to young people in need, the opportunity to do a work-experience for a period of 12 months. After that, they will have more chances in searching for a steady job as an employee or as a small business owner.

4. Project "Beyond the walls" in Mexico City, Aguas Calientes and Hermosillo

This project offers food, education and health care to hundreds of children in Mexico, without eradicating them from their culture, territory or beloved ones. The aim is to promote solutions that are capable of building "bridges", instead of creating "walls" and separation.



5. Sponsorship of the Ekuò Event in Vicenza

Cielo e Terra sponsored the Ekuò Advent concert for Christmas organized by Murialdo World onlus.

The event was aimed to collect funds to facilitate socio-educational support in India and integration of young refugees in Italy, within the Project "Incontriamo i giovani".

6. "Message in a bottle" in Vicenza

Cielo e Terra created the project "Message in a bottle" in order to develop an action of Diversity&Inclusion. It entrusted the packaging of 3.600 Christmas boxes to people with Down Syndrome, part of A.GEN.DO Onlus association.

3 "E"COLOGY

An "Ekuò Sustainable" Company should monitor the entire life-cycle of the product: research&development, maintenance, recycling.

The following are Cielo e Terra's activities for Ecology:

Eco-friendly wines

- ✓ "ALTAVIA" Project with an extra yearly fix financial support to local viticulture
- ✓ "ECOPLUS" Lighter bottles (only 380g), now up to 68% of total production
- ✓ Utilization of FSC® paper for sustainable labels and case
- ✓ 100% Energy from renewable sources



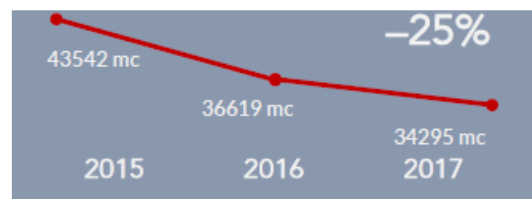
Energy-saving activities

These are the environment performances of Cielo e Terra in 2017:

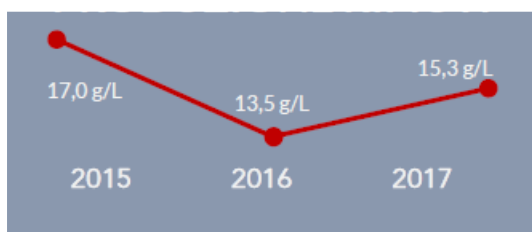
NATURAL GAS AND ELECTRICITY CONSUMPTION

Metano (Gwh)	2015	2016	2017
0,95	2,49	0,67	2,38
0,72	2,54	0,72	2,54
Energia Elettrica (Gwh)	2015	2016	2017

WATER CONSUMPTION



WASTE PRODUCTION



4 "E"MPATHY

An "Ekuò Sustainable" Company invests time and money in enhancing the quality of relations with employees, stakeholders, clients and suppliers.

Indicators

a. Staff turnover

In 2017 there have been n.5 recruitments and n.8 dismissals on a total of 60 employees; n.1 contract converted from fixed-term to permanent contract, n.1 contract converted from full time to part time.

b. Equal opportunities: women 41% of total employees

c. **The rate of absenteeism:** 2,40% (total hours of absence on total workable hours)

d. Productivity bonus

A bonus was granted and paid to all employees.

e. Workers' rights protection

No disputes with workers associations have been registered.

f. Disciplinary measures

No disciplinary measures have been applied.

g. "Box of ideas"

An interfunctional team has been created to collect, analyse and evaluate new ideas coming from all employees.

The best ideas have been rewarded with a money prize during the traditional pre-Christmas Dinner.

h. Training: 1.000 hours implemented

✓ Corporate climate Analysis and Training

Specific activities implemented to promote positive relationships, leadership and cooperation.

✓ "Kaizen" and "Lean Production"

Since 2005 Kaizen Philosophy has been adopted to facilitate continuous improvement in corporate processes.



We thank all our partners for supporting us!

