

# SUSTAINABILITY REPORTING 2021

PERFORMANCE  
FOR FUTURE



# WE ARE WHAT WE DO AND HOW WE DO IT.





# PASUBIO GROUP: SECOND SUSTAINABILITY REPORT

*The publication of this second “Report” coincides with the decision to share with our stakeholders the achievements of Pasubio Group in the field of sustainability. This report covers which activities were undertaken to monitor and reduce environmental, process, and product impacts to enhance and support its own people and*

*the community. The Group is aware of the international context, still shaken by the pandemic and the complex geopolitical situation affecting Europe, and it wants to give a signal of continuity with its objectives, ensuring responsible and sustainable growth. This second edition is intended to mark an important step by confirming*

*the evolved business model, pursued over the years, formalizing the commitment to perform an excellent job, contributing to the evolution of business paradigms, including continuity in transparency with all stakeholders.*



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# LETTERS TO THE STAKEHOLDER



**Luca Pretto**  
Chief Executive Officer

## Dear readers,

Looking back, 2021 was the beginning of a new chapter in our business journey. We have faced new challenges such as the evolution of the sustainability of our sector, the expansion of the Pasubio Group, and the significant change of ownership from CVC Capital Partners to PAI Partners.

We aim to evolve Pasubio's attitude towards the most important aspects of sustainability to show how much the company focuses

on the issues that the world is beginning to face and that will be increasingly present in the decades ahead. We share the view that companies, governments and civil society must integrate and work together to achieve greater positive impacts to benefit future generations.

## 2021 at a glance

The year 2021 was characterized by rapidly changing market dynamics. Despite everything, we have maintained our focus on sustainability by increasing the projects and resources devoted to sustainability. Because of these efforts, we have not let circumstances discourage us from remaining true to our values, to pursue our goals and meet the changing needs of our customers.

Pasubio is working to promote the 10 Principles of the United Nations Global Compact in support of the environment, human rights, labour rights, and fight against corruption.

Our second edition of the Annual Sustainability Report is also intended to be a communication on progress for the United Nations Global Compact, through the use of Global Reporting Initiative's (GRI) Standards. We complied with our commitments through

the following actions:

- Implement the 10 principles in the business strategy;
- Contributing to the United Nations sustainable development goals;
- Working to make our supply chain more sustainable;
- Reporting on our results in a transparent way according to the GRI Standards.

## Pasubio's road for the near future

There is much more to be done and our direction is clear.

We must continue to build deeper partnerships inside and outside our business. Global challenges are shaping the way we operate. The way we address these challenges will be crucial in our journey to the transformation of our sector.

With our people, technologies and support of our stakeholders, I am optimistic that we will achieve our goals and make an important contribution to sustainable development.

Thank you for your trust.

*Luca Pretto*  
Chief Executive Officer





# VALUE BEFORE BUSINESS



**Stefano Gelsomini**  
Chief Operating Officer

To all our stakeholders, In these unprecedented times, we are reminded how fragile this world can be. That is why we have an obligation to balance the needs of the society, the environment and the economy in our operations. We experienced 2021 differently than we expected at the end of 2020. However, despite the unexpected conditions, a global shortage of key components for the industry and a rise of raw materials' costs, Pasubio managed to stay focused on its goals and continued its projects with sustain-

nability at the heart of all relevant aspects. such as supply chain, manufacturing and product life cycle. All the lessons learned this year will enable us to continue our transformation journey to become a more technological, more human-focused company with the awareness that we can always improve.

*Stefano Gelsomini*  
Chief Operating Officer



**Andrea Fani**  
Group Environmental,  
Health & Safety Manager

To all our stakeholders, in 2021, we devoted so much of our energy to documenting our impacts and understanding in depth how they are managed because we believe that this is the only way to achieve, consistently and in an integrated way, the financial and sustainability goals that we have set ourselves.

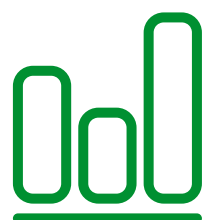
Today we can say that:

- We want to provide a broader and more transparent view of our activities.
- Innovative products and processes are essential elements of our transformation.
- The traceability of our supply chain is crucial to ensuring that the planet gets the attention it deserves.
- Animal welfare and the fight against deforestation will guide our actions.

*Andrea Fani*  
Group Environmental,  
Health & Safety Manager



# SUSTAINABILITY HIGHLIGHTS 2021



**30.853.729,00 €**  
**RETAINED VALUE**

## GOVERNANCE

### CONCERIA PASUBIO S.P.A.

|  |                  |
|--|------------------|
| Total Value Created                    | 297.401.367,00 € |
| Total Distributed Value                | 266.547.638,00 € |
| Leather purchased                      | n. 1.784.455     |
| Square meters of finished leather sold | 8.336.330        |



**1.719**  
**PEOPLE**

## ENVIRONMENT

|                                   |                            |
|-----------------------------------|----------------------------|
| Total CO2 Emissions to atmosphere | 16.689 tCO <sub>2</sub> eq |
| Total energy consumption          | 374.876 GJ                 |
| Total water consumed              | 8911 Megaliters            |





Ch. **1**



# A GROUP THAT CARES ABOUT SUSTAINABILITY



The Pasubio Group is convinced that the commitment to sustainability must be transformed into real objectives, and not just be a declaration of noble ideals. That's why it decided to implement a company policy to realise concretely a production that reduces cost and waste.

Commitment to the sustainability of the entire corporate life is now at the heart of the group's entrepreneurial philosophy, which is why Pasubio adheres to the 10 principles of THE UN Global Compact with a desire to help leave a more liveable world to future generations.

## CH 1.1

# ESG: OUR APPROACH TO SUSTAINABILITY

ESG (Environment, Social, Governance) criteria are key elements of the ethical landscape and are a compass that drives the choices and commitments of our company.



The performance and effectiveness of Pasubio's actions are closely related to the well-being of the social environment in which it operates and the positive impact it has on the environment. For these reasons, Corporate Social Responsibility and ESGs are an integral part of the business.

**Pasubio's main goal is to integrate "sustainability" into the day-to-day actions of all business activities.**

The Group's primary objective is to share with the everybody its commitment to sustainable development. This process began with the publication of the first "Pasu-

bio Group sustainability report – 2020" and we intend to pursue such commitment on a regular basis, through the definition of a new "strategic sustainability plan".

### THE ESG FOR PASUBIO:

#### ENVIRONMENT



**The environmental factors** we focus on:

- Environmental certifications
- Greenhouse Gas emissions
- Energy consumption
- Water consumption
- The waste
- The raw materials that are used in our production process

#### SOCIAL



**The social factors** we focus on:

- Our workers
- The community in which we operate
- Our suppliers
- Compliance with social laws
- The health and safety of employees
- Employee training
- Social certifications

#### GOVERNANCE



**The governance factors** we focus on:

- The Business Strategy
- The Organisation



## CH 1.1.1

# THE GROUP AND THE SUSTAINABLE DEVELOPMENT GOALS

## Peace, security, social justice and environmental responsibility.

The Pasubio Group has chosen to join this challenge with investments aimed at developing its corporate policy in the direction of “SDGs”, choosing to focus on the goals that are closest to its business and to support the “Sustainable Development” objectives of the “Agenda 2030.” The importance of these issues are constantly growing, therefore Pasubio’s looks forward to its continuous improvement and the involvement of all stakeholders, to make this task a shared and collective activity for the common benefit.



## CH 1.1.2

# THE SHARED VALUE: THE GLOBAL COMPACT



The enhancement of the people, territories, and communities in which we operate and the minimization of the environmental impact of our activities are ever more important pillars of the Group’s way of doing business. This approach has allowed Pasubio to outline a program of initiatives, aimed at promoting the integration of sustainability in all areas of the business. Therefore,

in each section of this document, we will present our relevant targets regarding the 10 principles. In order to better align and direct our activities in this area, we have decided to join the United Nations “Global Compact”.

**The Ten Principles of the United Nations Global Compact derive from: the Universal Declaration of Human Rights, the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption.**



## CH 1.1.2

The following is the definition of the ten principles:

### HUMAN RIGHTS

**PRINCIPLE 1:** Companies are required to promote and respect the protection of internationally proclaimed human rights within their respective spheres of influence.

**PRINCIPLE 2:** Companies are required to make sure that they are not, albeit indirectly, complicit in human rights abuses.

### LABOUR

**PRINCIPLE 3:** Companies are required to uphold the freedom of association of workers and the effective recognition of the right to collective bargaining.

**PRINCIPLE 4:** Companies are required to support the elimination of all forms of forced and compulsory labour.

**PRINCIPLE 5:** Companies are required to support the effective abolition of child labour.

**PRINCIPLE 6:** Companies are required to support the elimination of all forms of discrimination in respect of employment and occupation.

### ENVIRONMENT

**PRINCIPLE 7:** Companies are required to support a precautionary approach to environmental challenges.

**PRINCIPLE 8:** Companies are required to undertake initiatives to promote greater environmental responsibility.

**PRINCIPLE 9:** Companies are required to encourage the development and diffusion of environmentally friendly technologies.

### ANTI-CORRUPTION

**PRINCIPLE 10:** Companies are committed to fighting against corruption in all its forms, including extortion and bribery.

Below are the symbols used in the different chapters to highlight the principles covered within the UN Global Compact.



## CH 1.2

# STAKEHOLDERS AT THE HEART OF A SUSTAINABLE FUTURE

The centrality of the relationship with our stakeholders is the basis for a constructive, direct, and effective discussion to better guide our way of doing business.

Understanding the needs of the stakeholders helps us shape more efficiently our medium and long-term business goals. After a specific context analysis, the

company's "Top Management" identifies and confirms the following Key Stakeholders:





## CH 1.2

Here is a summary of the main dialogue channels with stakeholders and their frequency of use.

### STAKEHOLDER

### ENGAGEMENT, INTERACTION AND DIALOGUE ACTIVITIES

|  |  |
|--|--|
| EMPLOYEES AND COLLABORATORS            | Corporate welfare projects and/or initiatives;<br>Protocol for reporting violations;<br>Planning the introduction of new resources;<br>Company meetings to share results and objectives;<br>Training;<br>Informative in plants and offices.        |
| SUPPLIERS                              | Regular meetings;<br>Suppliers Code of Conduct.  |
| TRADE ASSOCIATIONS                     | Periodic meetings for discussion and exchange.   |
| BUSINESS PARTNERS                      | Regular meetings;<br>Technical product specification.  |
| CUSTOMERS                              | Regular meetings;<br>Market surveys and research;<br>Continuous dialogue via communication channels (e.g. email, telephone, social media, mail);<br>Customer service;<br>Website;<br>Participation in the main trade fairs;<br>Presence at events. |
| NGO                                    | Periodic meetings for discussion and exchange;<br>Publication of analytical reports on issues related to tanning activity.   |
| LOCAL COMMUNITY                        | Projects backing and/or supporting social initiatives;<br>Participation in local events;<br>Interaction with citizenship and its representative bodies;<br>Website and social networks.  |
| UNIVERSITIES AND RESEARCH INSTITUTIONS | Realisation of academic projects to foster innovation and research;<br>Discussion with possible new collaborators from universities and schools.   |
| GOVERNMENT AND PUBLIC INSTITUTIONS     | Website and social networks;<br>Institutional and specific meetings on sustainability issues;<br>Corporate information and press releases.   |
| INVESTORS AND SHAREHOLDERS             | Regular meetings;<br>Corporate information.  |
| MEDIA                                  | Institutional Website and social media;<br>Inviting communication partners to organized public events;<br>Press releases.  |
| TRADE UNIONS                           | Regular meetings on work-related topics.   |

In 2020, the Group carried out a materiality analysis through the dialogue with the relevant stakeholder categories, to organically consider the aspects relevant to all involved parties.

## CH 1.3

# A VIEW OF THE RELEVANT TOPICS

The material themes guiding the path to sustainable growth, which were identified in 2020, have been analysed and confirmed throughout the course of 2021 in relation to the current context of

the Group's activities. A sign of the consistency of our commitment to those material issues. The Group has identified the “business targets” that will enable the pursuit of the carefully chosen Agenda 2030

objectives, which are presented below with their correlation to the material themes and the correlated six macro areas.

### MATERIAL THEMES

|  |  | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION |
|--|--|------------------------------|---------------------|-------------------|------------------------------|-------------------------------|-----------------------------------|---|---|
| Ethical and Governance Responsibilities    | Compliance, ethics and business integrity                            |                              |                     |                   |                              |                               |                                   |   | ●   |
|  | Indirect impacts on the territory and value creation                 |                              |                     |                   |                              |                               |                                   | ●   |   |
|  | Adequate and timely emergency management                             |                              |                     |                   |                              |                               | ●                                 |   |   |
| Environmental responsibility               | Management of energy consumption and emissions into the atmosphere   |                              |                     |                   |                              | ●                             |                                   |   |   |
|  | Responsible management of waste, chemicals and water discharges      |                              |                     |                   |                              |                               |                                   |   | ●   |
|  | Efficient water management   |                              |                     |                   | ●                            |                               |                                   |   |   |
| Responsibility towards persons             | Management, training and professional development of employees       |                              | ●                   |                   |                              |                               |                                   |   |   |
|  | Health and safety at work  | ●                            |                     |                   |                              |                               |                                   |   |   |
|  | Respect for human rights and working conditions                      |                              |                     | ●                 |                              |                               |                                   |   |   |
| Product responsibility                     | Promoting diversity and equal opportunities                          |                              |                     | ●                 |                              |                               |                                   |   |   |
|  | Sustainable product design, innovation and technologies              |                              |                     |                   |                              |                               |                                   | ●   |   |
|  | Customer satisfaction, product quality and safety                    |                              |                     |                   |                              |                               | ●                                 |   |   |
| Value chain responsibility                 | Responsible and sustainable supply chain management & Animal Welfare |                              |                     |                   |                              |                               |                                   | ●   |   |
| Responsibility towards the local community | Local community involvement and promotion of local initiatives       |                              |                     |                   |                              |                               |                                   |   | ●   |



## CH 1.3.1

# THE MATERIALITY MATRIX

To achieve its materiality matrix, the Group carried out an analysis which took into account both the material themes for the stakeholders in terms of “sustainability”, and the issues identified by the company for its responsible growth. To consolidate the current report, Pasubio has analysed the issues raised in 2020, recontextualising them for 2021 and reconfirming them as a priority. The main area contacts of the group were involved in the analysis, which was then validated by the company's Top Management.

Showcased below is the process leading to the identification of environmental, social, and economic issues through the “GRI Sustainability Reporting Standards” requests.

The analysis went through the following steps:

*“The material themes are defined as those issues that are highly relevant in social, environmental, and governance contexts, while at the same time influencing the interests and expectations of the Group and its stakeholders.”*

## RESEARCH FOR RELEVANT THEMES



Identification of topics relevant to the Group and its stakeholders. This was achieved through interviews with the “Top Management” and the analysis of both internal and external documentation.

## ASSESSMENT OF THE RELEVANT THEMES EMERGED



The evaluation was carried out through meetings, during which the company functions met with management. The information was cross-referenced with the 140 responses to the “stakeholder engagement” questionnaire received from employees, customers, and suppliers.

The following are the results of the 2020 stakeholder engagement activities which led Pasubio to its first Materiality Matrix.



### EMPLOYEES

#### Number of employees involved and response rate

**229** employees involved  
Response rate of **55%**



### CUSTOMER

#### Number of customers involved and response rate

**14** clients involved  
Response rate of **50%**



### SUPPLIERS

#### Number of suppliers involved and response rate

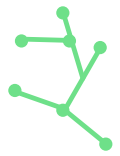
**25** suppliers involved  
Response rate of **52%**

Through this process of listening and discussing, the Group has been able to assess the extent to which it is understanding and meeting the expectations and interests of its stakeholders, identifying areas in which to strengthen its commitment and those in which to continue with its chosen approach.

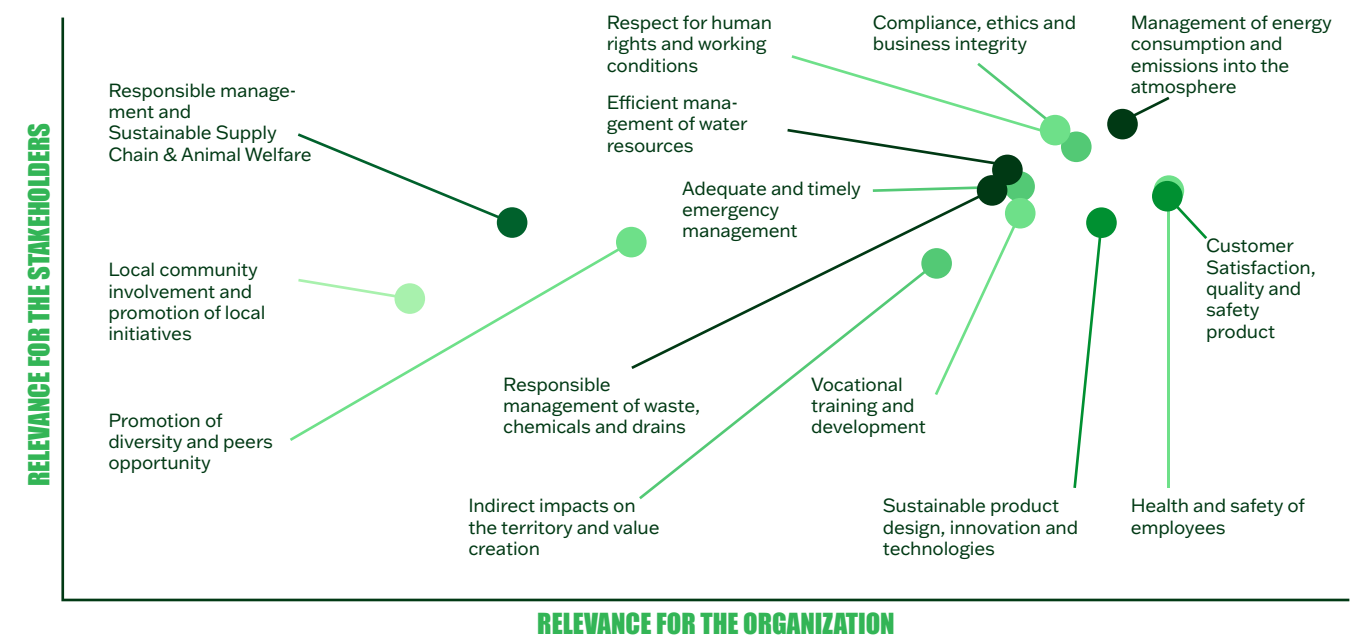
The following “matrix”, contextualized and reconfirmed, highlights the main themes for stakeholders and the Group as a whole.

## IDENTIFICATION OF MATERIAL THEMES

Pasubio's matrix derives from the analysis of the obtained results. **It consists of 14 material themes divided into 6 macro areas:** Governance and ethical responsibility, environmental responsibility, responsibility toward the people, product responsibility, value chain responsibility, and responsibility toward the local community.



- Responsibility for the environment
- Responsibility for the value chain
- Product liability
- Ethical responsibility for governance
- Responsibility towards persons
- Responsibility towards the local community



## THE MATERIALITY ANALYSIS ABOVE ENABLED THE GROUP TO:

The priority themes that emerged were all considered, evaluated, analysed and included in full transparency in this document as per the principles of Accountability.

- Provide the Board of Directors (from now on referred to as the BoD) with an orientation tool for **responsible growth**.
- Provide information to help **define business and sustainability strategies** in the medium and long term.
- Align the annual report with **international standards** by integrating more detailed information.
- Renew and update the Strategic Sustainability Plan with a base on shared **processes with stakeholders and the principle of compliance**.



## CH 1.4

TOWARDS A  
SUSTAINABLE  
FUTURE

Pasubio has chosen to share with its stakeholders the results achieved in the field of sustainability, describing the activities put in place to monitor and reduce the environmental impacts of pro-

duction activities, as well as to enhance and support people and the community. The current international context is neither serene nor predictable, however, facing said situation, **the Group still wi-**

**shes to affirm the continuity of its adherence to the sustainability principles to which the whole document refers, in accordance with its commitments.**

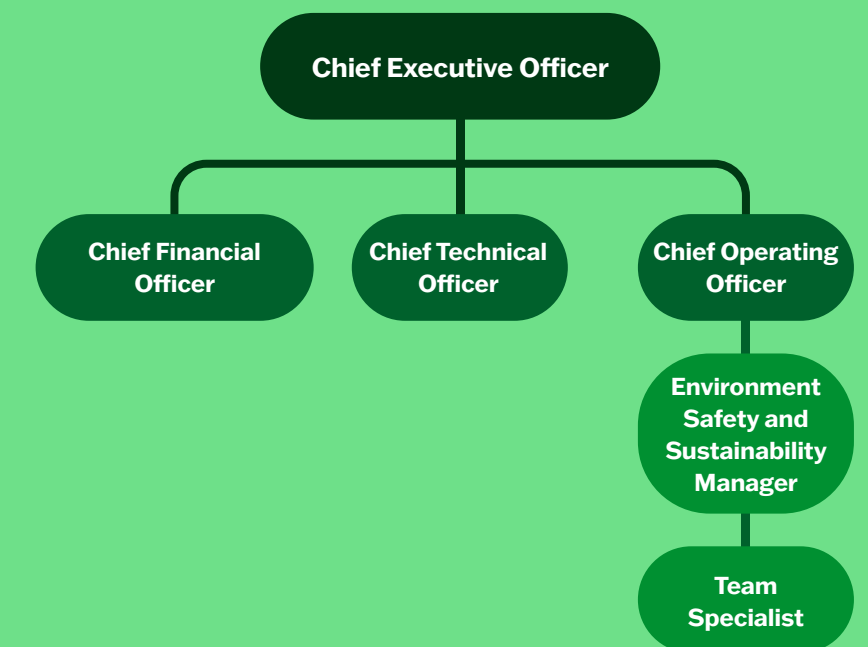


## CH 1.4.1

PASUBIO  
STRATEGIC  
SUSTAINABILITY  
PLAN

**Sustainability is a challenge that generates opportunities**, as well as value for the environment and the people. Below, the Group presents the objectives it intends to achieve through its ongoing commitment in its activities and the research and development of new product and process' solutions.

The supervision of the Group's activities to achieve its sustainability objectives is as follows:

THE PROCESS  
FOR IDENTIFICATION,  
APPROVAL AND  
MONITORING

The structure that Pasubio Group applies to the development of the Sustainability Plan is in 5 phases:

## 3 APPROVAL

The approval takes place in the BoD.

## 1 ANALYSIS

Corporate Governance identifies the areas for improvement and the related projects on which to base the proposal for a "Plan of Sustainability".

## 4 IMPLEMENTATION

The directives are issued by the EHS team and implemented by the actors involved, who have the necessary resources, tools and know-how for implementation.

## 2 PLANNING

The content of the Plan is analyzed to verify its feasibility by the managers of functions involved in the actions.

## 5 MONITORING

The EHS and Sustainability Manager, periodically reports the progress of the Sustainability Plan to the BoD.



# CH 1.4.1

## PASUBIO SUSTAINABILITY ROADMAP

THE ROADMAP reinforces the Group's willingness **to share the story of Pasubio leather** and to enhance leather as a material that responds to the needs of the future of the people and the planet. At the heart of the Pasubio Group's sustainability strategy are:



| UPSTREAM   | CORE  | DOWNSTREAM  |
|--|---|---|
| <ul style="list-style-type: none"><li>• Supplier engagement.</li><li>• Traceability.</li></ul> | <ul style="list-style-type: none"><li>• Engagement with the Group's workers.</li><li>• Projects aimed at reducing the use of chemicals in our production processes.</li><li>• Technological innovation in the industrial processess</li><li>• Development of more sustainable alternative products.</li></ul> | <ul style="list-style-type: none"><li>• Customer engagement.</li><li>• Waste management from the perspective of a circular economy.</li></ul> |

The main goals in this path are the result of a careful analysis of the requests received from the market and from the customers, in respect to which the Group has committed to innovate and research new solutions, starting with a focus on the supply chain. The Pasubio Group's strategy is translated into the following macro-objectives:

| UPSTREAM   | CORE   | DOWNSTREAM  |
|--|--|---|
| <ul style="list-style-type: none"><li>• Responsible procurement (including issues on combating deforestation, respect for animal welfare).</li><li>• Maintaining the Leather Working Group Certification.</li><li>• Publication of an Animal Welfare policy.</li><li>• Reforestation projects in the most damaged areas.</li></ul> | <ul style="list-style-type: none"><li>• Joining the UN Global Compact.</li><li>• Maintenance of the organization certifications</li><li>• Use of bio-based chemicals.</li><li>• Reduction of the chemical use in the finishing process</li><li>• Projects aimed at developing products obtained from alternative tanning.</li><li>• Increased energy efficiency to reduce CO2 emissions.</li></ul> | <ul style="list-style-type: none"><li>• Sustainability focused projects involving the customers.</li><li>• Increase the percentage of recycled waste.</li></ul> |

The KPIs used to monitor the progress of the activities are as follows:

| UPSTREAM  | CORE  | DOWNSTREAM  |
|---|---|---|
| <ul style="list-style-type: none"><li>• ESG performance assessment process for raw material (hides) suppliers.</li><li>• Performance audits for raw material suppliers (hides), based on the Group's protocols.</li><li>• Reforestation projects in the most damaged areas.</li></ul> | <ul style="list-style-type: none"><li>• Reduction of carbon dioxide (CO2) emissions released from manufacturing activities.</li><li>• Use of bio-based chemicals.</li><li>• Chemical products' percentage reduction in re-tanning and finishing processes</li></ul> | <ul style="list-style-type: none"><li>• Increase the percentage of recycled waste.</li><li>• Increasing the number of sustainability-oriented projects involving the customers.</li></ul> |

The Group's future sustainability reports will provide precise information on the progress of the plan and the goals achieved.

# CH 1.5

## WE COMMUNICATE SUSTAINABILITY



- The Pasubio Group has set for itself the objectives of information, cultural diffusion, and the development of a new consumption model with sustainability as its basis. The goals are:
- **ACCELERATE THE DEVELOPMENT OF A NEW CULTURE AMONG STAKEHOLDERS;**
  - **DIVULGE THE COMPANY'S SUSTAINABLE APPROACH AND MAKE IT MORE COMPREHENSIBLE.**

Pasubio Group wants to draw attention:

### IN THE ANNUAL PUBLICATION OF SUSTAINABILITY REPORTS

#### ON THE ONE 4 LEATHER PLATFORM

“One4Leather” is a free association of manufacturers (amongst which, Pasubio is a founding member) and suppliers, active in the automotive leather chain, who have set for themselves the task of dispelling myths, rumours, and misinformation about the resources, the production, and the use of leather in car interiors.

### IN SOCIAL MEDIA

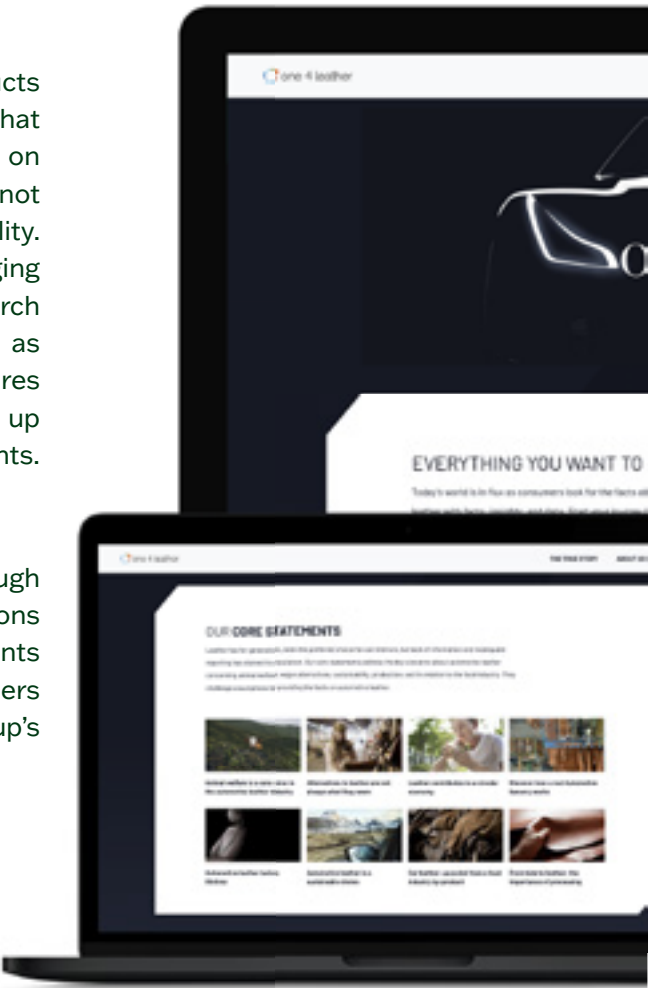
The Group's current choice is to manage its presence through LinkedIn and the website, on which our history and activities are told throughout the year.

### SUSTAINABLE PRODUCS

The latest generation of products brings attention to the fact that producing materials based on sustainable principles does not mean lowering their quality. The increasingly challenging demand prompted us to research and produce articles such as “Vitanova”, with 60% leather fibres and the remaining 40% made up of biopolymers and dyeing agents.

### BY STAKEHOLDER

It is a crucial point for a thorough understanding of the expectations and fundamental arguments of the various stakeholders regarding the Pasubio Group's Sustainability Plan.





# CH 1.5

## ORGANIZATION CERTIFICATION

| ORGANIZATION CERTIFICATION  |   |               |   |
|---|---|---------------|---|
| ISO 14064-1   | Greenhouse gases — Part 1: Specification with organizational guidance for quantification and reporting of greenhouse gas emissions and removals |               |   |
|   |   |               |   |
| PRODUCT/PROCESS CERTIFICATION   |   |               |   |
| ISO 14067   | Greenhouse gases — products' Carbon footprint — Requirements and guidelines for quantification  |               |   |
| EPD - ISO 14025   | Environmental labels and declarations - Type III environmental declarations - Principles and procedures   |               |   |
|   |   |               |   |
| SITE CERTIFICATIONS   |   |               |   |
| ORGANIZATIONAL STRUCTURE  | PLANT   | LOCATION      | STANDARDS   |
| Conceria Pasubio S.p.A.   | Arzignano II Strada (Headquarter )  | Italy         | ISO 14001– Environment<br>ISO 45001- Safety<br>ISO 9001 – Quality<br>IATF 16949 – Quality<br>LWG GOLD – industry      |
| Conceria Pasubio S.p.A.   | Arzignano VI Strada   | Italy         | ISO 14001– Environment  |
| Conceria Pasubio S.p.A.   | Arzignano Viale Vicenza   | Italy         | ISO 9001 – Quality<br>IATF 16949 – Quality  |
| Conceria Pasubio S.p.A.   | Zermeghedo  | Italy         | ISO 14001– Environment<br>ISO 45001- Safety<br>ISO 9001 – Quality<br>IATF 16949 – Quality<br>LWG GOLD – industry      |
| Conceria Pasubio S.p.A.   | Almisano of Lonigo  | Italy         | ISO 14001– Environment<br>ISO 9001 – Quality<br>IATF 16949 – Quality<br>LWG GOLD – Of sector                          |
| Conceria Pasubio S.p.A.   | Sabac   | Serbia        | ISO 9001 – Quality<br>IATF 16949 – Quality  |
| Arzignanese Srl<br>Controlled by Conceria Pasubio S.p.A.  | Arzignano   | Italy         | ISO 9001 – Quality<br>LWG BRONZE – Of sector  |
| GD Servicios Internacionales del Norte, s. de R.L. de C.V.<br>Controlled by Conceria Pasubio S.p.A. | Matamoros   | Mexico        | ISO 9001 – Quality  |
| GDI Assemblies LLC<br>Controlled by Conceria Pasubio S.p.A.   | Texas   | United States | ISO 9001 – Quality  |
| Hewa Leder GmbH<br>Controlled by Conceria Pasubio S.p.A.  | Rehau   | Germany       | ISO 14001– Environment<br>ISO 50001 - Energy<br>ISO 9001 – Quality<br>IATF 16949 – Quality<br>LWG AUDITED – Of sector |
| Hewa Leder GmbH<br>Controlled by Conceria Pasubio S.p.A.  | Brand-Erbisdorf   | Germany       | ISO 14001– Environment<br>ISO 50001 - Energy<br>ISO 9001 – Quality<br>IATF 16949 – Quality<br>LWG AUDITED – Of sector |







# Ch. 2



## PASUBIO GROUP: A STORY TO CARRY ON THE LEATHER

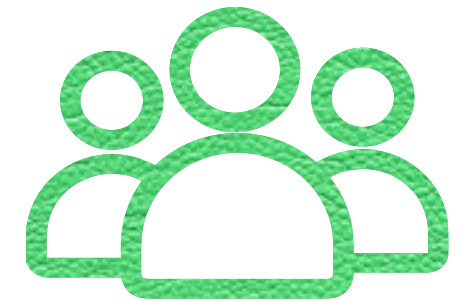


**1<sup>st</sup> Principle:**

*Companies are required to promote and respect the universal human rights within their respective spheres of influence*



**THANKS TO THE DEDICATION OF THE PEOPLE WORKING AT PASUBIO, THE COMPANY HAS BECOME A CORNERSTONE OF THE AUTOMOTIVE INDUSTRY IN TERMS OF QUALITY, INNOVATION, AND RELIABILITY.**

**CH 2.1**

# IDENTITY AND STRUCTURE OF THE GROUP

The value that the Group has built over the years is related to the day-to-day work, the relationships, and

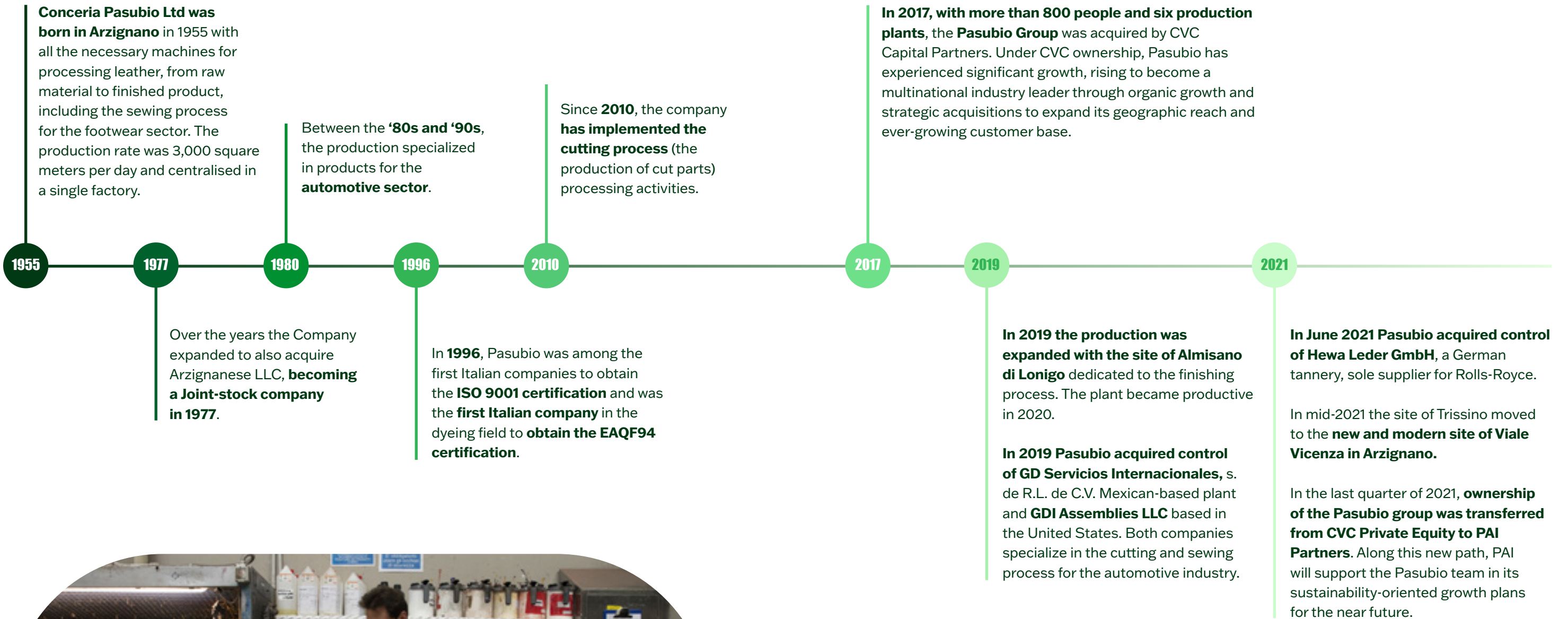
the ability to meet the expectations of its customers. Pasubio wants to operate sustainably and be at the

forefront of addressing both current and future challenges.



## CH 2.1

## HISTORY:



## THE PRESENT AND FUTURE OF THE PASUBIO GROUP

**Press Release “PAI Partners acquires Pasubio from CVC Capital Partners VI” - 23 June 2021**

Luca Pretto, CEO of Pasubio: “We really enjoyed our journey with CVC. Over the past few years, we have further professionalised our

operations and processes, through a combination of new skills and automation. We have also built an unparalleled track record of quality and service for our customers around the world. We are very excited to work with PAI and to benefit from their strong expe-

rience in the future, as we strive to further grow our position as a global and diverse market leader, both organically and through acquisitions”.



## CH 2.2

## VALUES

## VISION

**“To be a global benchmark, innovative and reliable to make every interior of the car a unique experience”.**

## MISSION

**“To create sustainable value through international growth, operational excellence, and team spirit.”**

In carrying out its activities, the Pasubio Group relies on its Code of Ethics, which is based on five fundamental principles.

These principles are the basis for the Group's strategic choices and operational behaviour, in the belief that a quality product can only be obtained when the principles presented here constitute a common and shared heritage.

**1** Respect for the environment and the health and safety of our employees and partners.

**2** Professionalism and diligence.

**3** Fairness, courtesy, and respect among colleagues.

**4** Loyalty towards the Company from employees and partners.

**5** Lawful and ethical behaviour of the Company and its representatives.

The Group strives to give concrete expression to the values and principles of the “Code”, taking charge of the resulting responsibilities by strengthening trust, cohesion and corporate spirit.

This results in training and information actions about the content of the Code of Ethics, with the following objectives:

- Disclose the policies, procedures and practices to be followed;
- Promoting and strengthening the business culture around recognized values;
- Broaden the consensus on this Code's underlying principles.

**The ethical standards of conduct** that the Group intends to pursue are as follows:

**Fairness and equality in the treatment and recognition of the value of human resources;**

**Diligence, transparency, honesty, confidentiality and impartiality in the conduct of business activities;**

**Protection of the person and the environment.**

Conceria Pasubio SpA. has adopted a “Model of Organization, Management and Control” in accordance with the discipline of D. Lgs. No. 231/2001, dedicated to the administrative responsibility of the legal bodies. The desire is to improve the processes of transparency and business efficiency. To ensure the effective implementation of the Code of Ethics and the “Model”, the Board of Directors has appointed an independent “Supervisory Body”.

## COMMITMENT AT NATIONAL LEVEL

Conceria Pasubio believes that commitment at the association level is useful in disseminating the concept of shared value and the importance of ecological transition, which is why we are actively participating in the main trade associations:

- **CONFINDUSTRIA VICENZA**  
Industrial Association of the Province of Vicenza
- **Unione Nazionale Industria Conciaria (UNIC; NdT: National Union of Tanning Industry)**





## CH 2.3

GOVERNANCE  
AND  
COMPLIANCE

To meet company needs, the Board of Directors defines all strategic decisions and strategic choices. The BoD ensures a coherent and transparent business system, with a clear vision for each staff member. In this respect, it is committed to spreading the culture of legality and fairness as indispensable elements of “doing business.”

The “Employee Code of Conduct”, the “Code of Ethics” and the “Supplier Code of Conduct” are all about Pasubio’s legality.



## CH 2.3.1

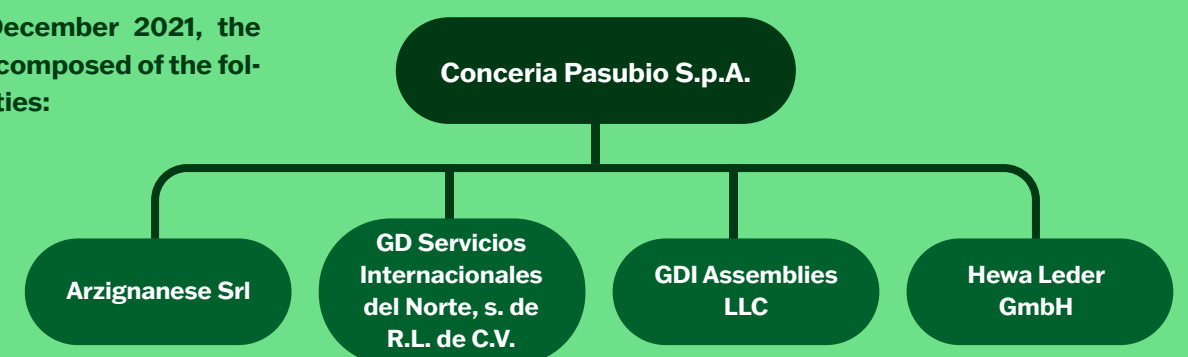
THE CORPORATE  
STRUCTURE  
OF THE GROUP

The corporate structure of the Group clearly shows the expansion on the territory, both at national at international level. The continuous expansion of the Group allows for count to date:

- Six plants in Italy
- One plant in Serbia
- One plant in Mexico
- Two plants in Germany



As of 31 December 2021, the Group was composed of the following entities:





CH 2.3.1

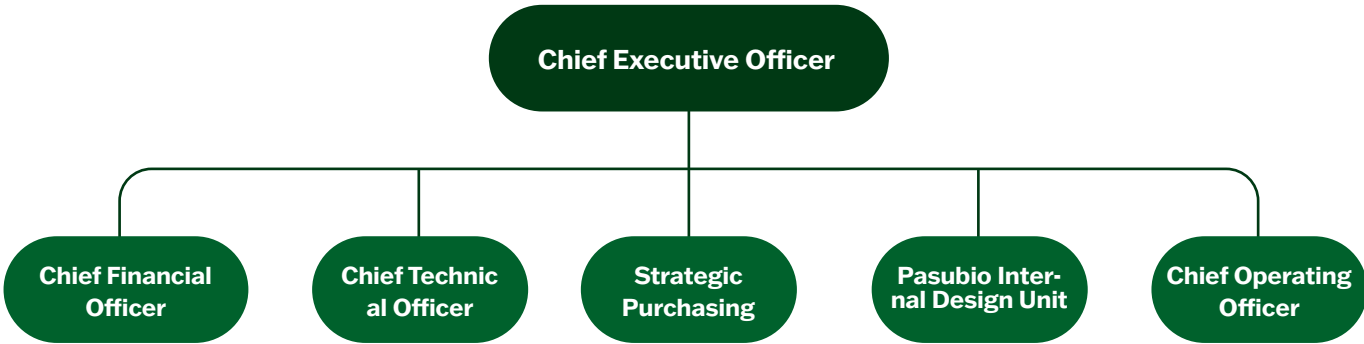
THE GROUP'S CURRENT CORPORATE STRUCTURE:

| STRUCTURE  | SITE                              | ADDRESS   | ACTIVITIES  |
|--|-----------------------------------|---|---|
| Conceria Pasubio S.p.A.  | ARZIGNANO II STRADA (HEADQUARTER) | Via seconda strada 38, Arzignano                                | Tanning, Finishing and Research & Development (R&D) |
| Conceria Pasubio S.p.A.  | ARZIGNANO VI STRADA               | Via sesta strada 65, Arzignano                                  | Internal Design Unit                                |
| Conceria Pasubio S.p.A.  | ARZIGNANO VIALE VICENZA           | Via Vicenza 34/C, Arzignano                                     | Cutting and R&D                                     |
| Conceria Pasubio S.p.A.  | ZERMEGHEDO                        | Via Valdichiampo 12, Zermeghedo                                 | Tanning & Leather selection                         |
| Conceria Pasubio S.p.A.  | ALMISANO OF LONIGO                | Via Casette 5, Almisano di Lonigo                               | Finishing   |
| Conceria Pasubio S.p.A.  | SERBIA                            | Bb, Filipa Visnjica 15000, Misar                                | Cutting   |
| GD Servicios Internacionales del Norte, s. de R.L. de C.V. Controlled by Conceria Pasubio S.p.A. | MEXICO                            | Av. Uniones 2500 Parque industrial Finsa del Norte H. Matamoros | Cutting and sewing                                  |
| GDI Assemblies LLC Controlled by Conceria Pasubio S.p.A.   | UNITED STATES                     | 700 E. Washington St Brownsville Texas, 78520                   | Offices   |
| Arzignanese Srl Controlled by Conceria Pasubio S.p.A.  | ITALY                             | Via del Lavoro 14, Arzignano                                    | Tanning   |
| Hewa Leder GmbH Controlled by Conceria Pasubio S.p.A.  | GERMANY                           | Draisendorfer Weg 8, 95111 Rehau                                | Tanning and Finising                                |
| Hewa Leder GmbH Controlled by Conceria Pasubio S.p.A.  | GERMANY                           | An der Zugspitze 42, 09618 Brand-Erbisdorf                      | Tanning and Finising                                |

OWNERSHIP STRUCTURE

To ensure that principles, rules, and procedures are applied within the organization, as well as to verify the effectiveness of management processes, Pasubio has structured its governance as follows:

GOVERNANCE OF CONCERIA PASUBIO SPA



| BOARD OF DIRECTORS           |                                    |
|------------------------------|------------------------------------|
| NAMES                        | POSITION                           |
| Spada Roberto                | Chairman of the Board of Directors |
| Pretto Luca *                | Managing Director                  |
| Cavalieri Simone **          | Managing Director                  |
| Shuster Stefano **           | Managing Director                  |
| Louit Albin Pierre Paulin ** | Managing Director                  |
| Temam Franck                 | Advisor                            |
| Rivoire Laurent Jean-Louis   | Advisor                            |
| Gelmi Marco                  | Advisor                            |

\*: Luca Pretto also serves as “Employer” for the purposes of D. Lgs. 81/08 and Representative of the company

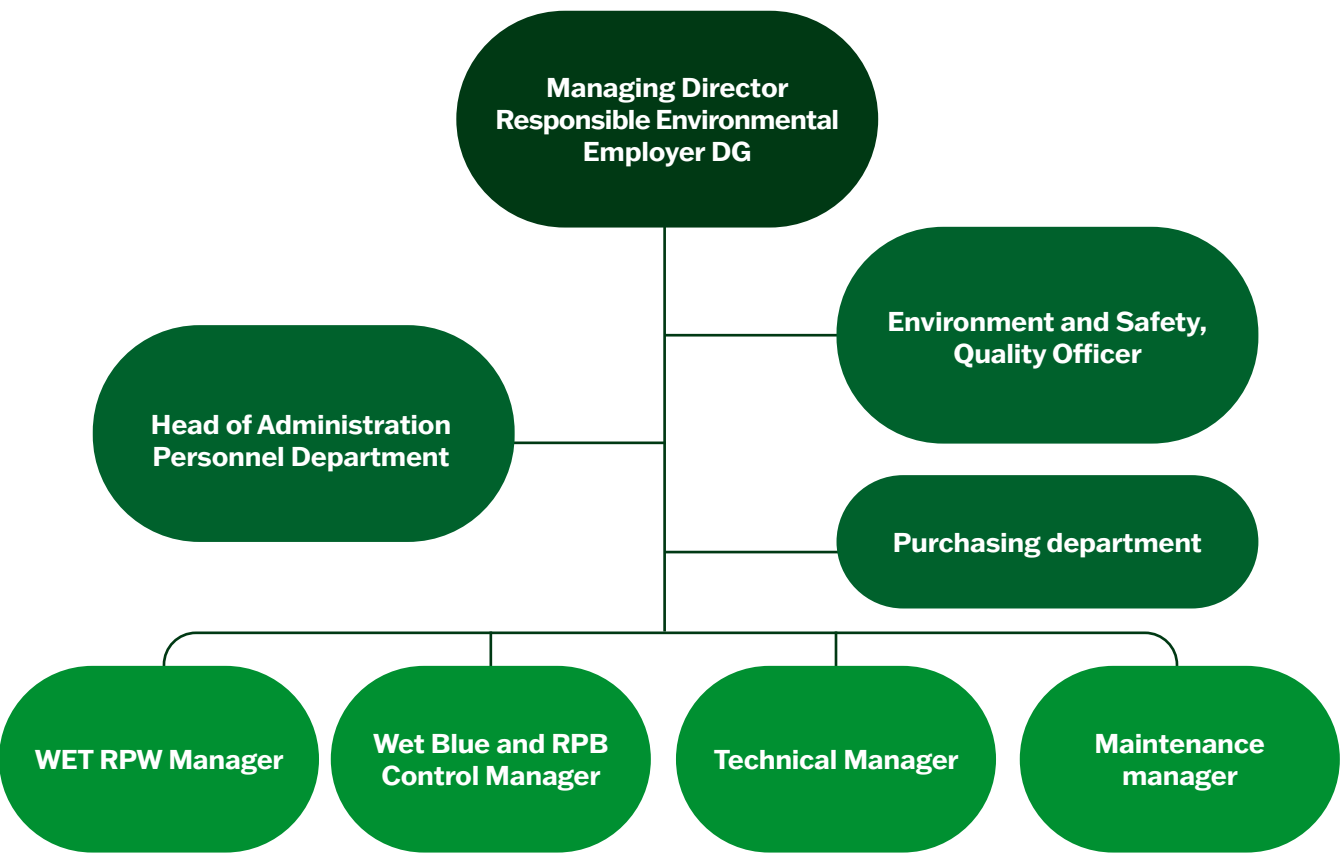
\*\*:: By joint signature, such persons may carry out activities that exceed the powers individually attributed to Luca Pretto

| BOARD OF STATUTORY AUDITORS  |   |
|------------------------------|---|
| NAMES                        | POSITION                                    |
| Ravaccia Mario Stefano Luigi | Chairman of the Board of Statutory Auditors |
| Brandolese Alberto           | Mayor                                       |
| Deloitte & Touche S.p.A.     | Audit firm                                  |
| Molinari Francesco           | Mayor                                       |
| Morriello Vito               | Deputy Mayor                                |



CH 2.3.1

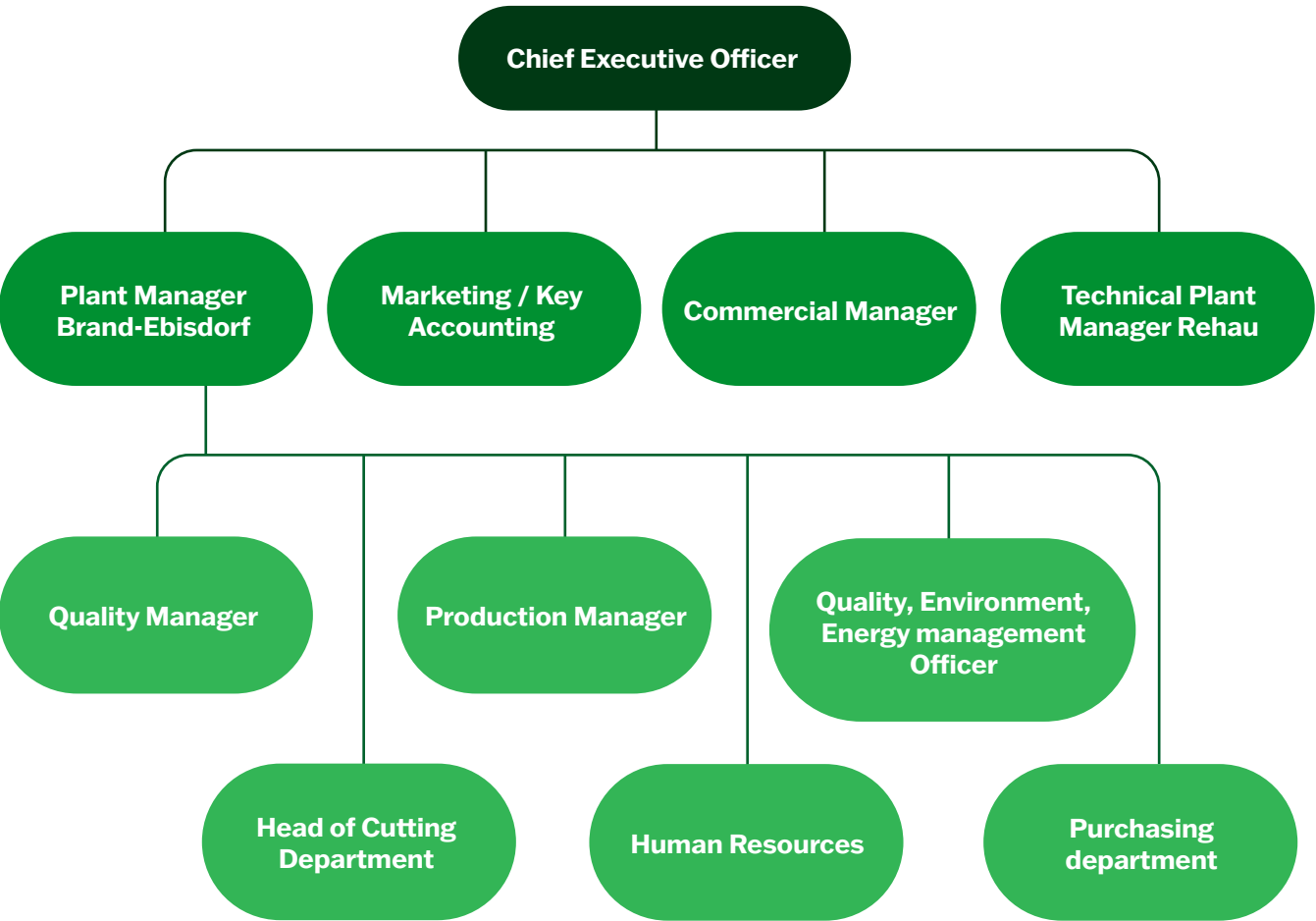
GOVERNANCE OF ARZIGNANESE SRL



| BOARD OF DIRECTORS |                                    |
|--------------------|------------------------------------|
| NAMES              | POSITION                           |
| Spada Roberto      | Chairman of the Board of Directors |
| Pretto Alberto     | Managing Director                  |
| Cavaliere Simone   | Managing Director                  |
| Shuster Stefano    | Managing Director                  |

| BOARD OF STATUTORY AUDITORS  |   |
|------------------------------|---|
| NAMES                        | POSITION                                    |
| Ravaccia Mario Stefano Luigi | Chairman of the Board of Statutory Auditors |
| Molinari Francesco           | Mayor                                       |
| Brandolese Alberto           | Mayor                                       |
| Morriello Vito               | Deputy Mayor                                |
| Fracassi Roberto             | Deputy Mayor                                |
| Deloitte & Touche S.p.A.     | Audit firm                                  |

GOVERNANCE OF HEWA LEDER GMBH

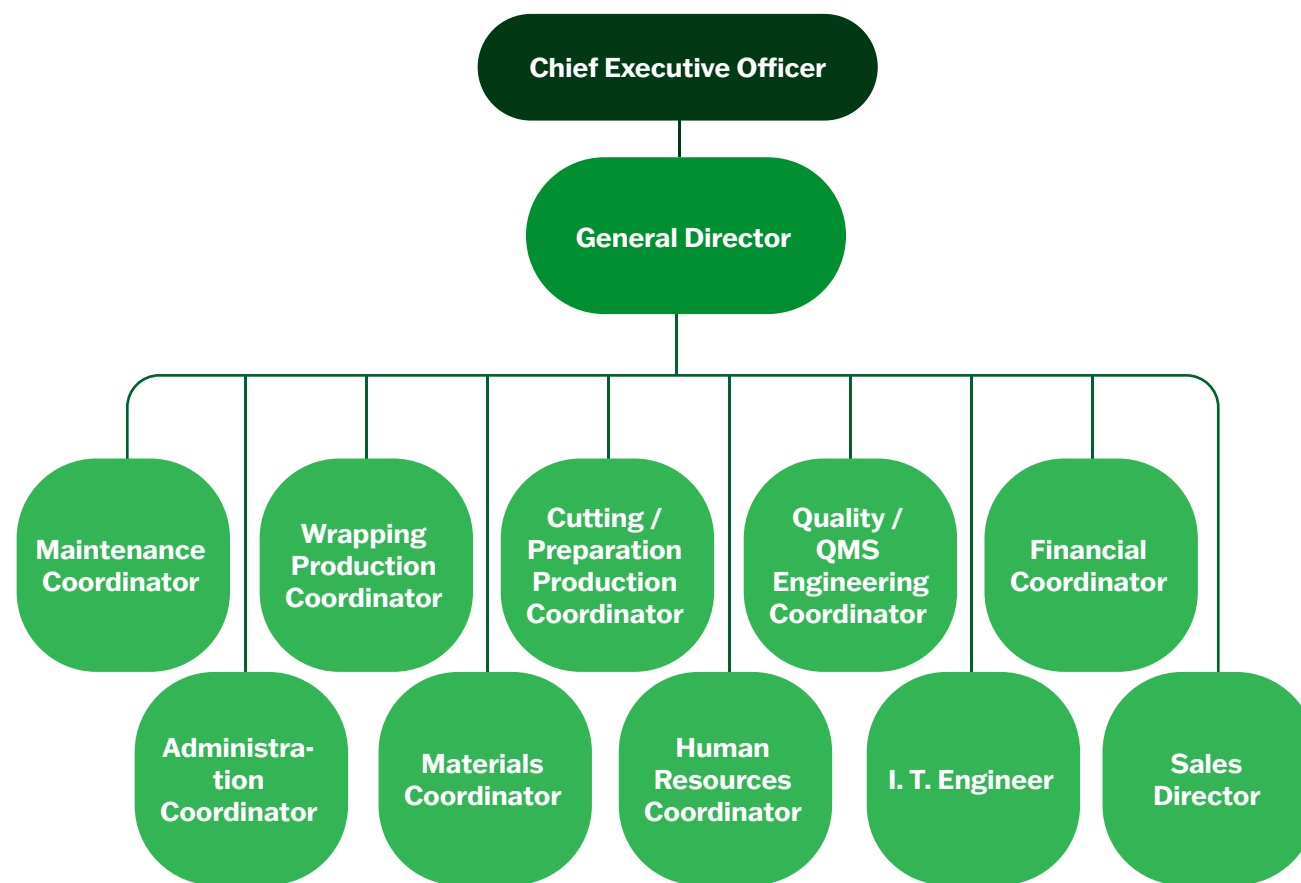


| BOARD OF DIRECTORS |                         |
|--------------------|-------------------------|
| NAMES              | POSITION                |
| Adelmann Marcus    | CEO - Managing Director |



## CH 2.3.1

### GOVERNANCE DI GD SERVIZI INTERNACIONALE DEL NORTE, S. DE R.L. DE C.V.



#### BOARD OF DIRECTORS

| NAMES                          | POSITION                           |
|--------------------------------|------------------------------------|
| Garcia Arguelles David         | Chairman of the Board of Directors |
| Pretto Luca                    | Managing Director                  |
| Gelsomini Stefano              | Managing Director                  |
| Garcia Medellin Daniel Enrique | Managing Director                  |

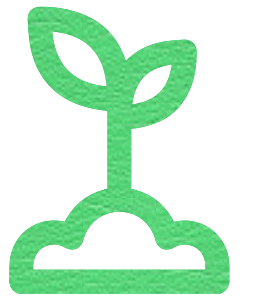
### GOVERNANCE OF GDI ASSEMBLIES LLC

#### BOARD OF DIRECTORS

| NAMES                          | POSITION        |
|--------------------------------|-----------------|
| Pretto Luca                    | Majority Member |
| Viola Giuseppe Gianmaria       | Majority Member |
| Gelsomini Stefano              | Majority Member |
| Garcia Arguelles David         | Minority Member |
| Garcia Medellin Daniel Enrique | Minority Member |

## CH 2.3.2

# CODE OF ETHICS AND MODEL 231 FOR MANAGEMENT, ORGANISATION, AND CONTROL



Compliance with the law is the fundamental principle on which the Group guarantees that its activities are carried out in line with the regulations of the countries in which it operates. The “Model of Organization, Management and Control 231” (ex d.lgs. 231/01) accompanies Conceria Pasubio since 2019 on the administrative liability of legal entities. In the same spirit, a Code of Ethics has been established and the Supervisory Body has been nominated.

The principles on which the Code of Business Ethics is based are:

- The ethical conduct of the Company and its partners;
- The loyalty of employees and partners to the Company;
- Fairness, courtesy, and respect among colleagues;
- Professionalism and diligence;
- Respect for the environment and the health of workers.

In order to promote the disclosure of the principles of the “Code”, the Company is committed to:

- To promote and strengthen the company culture around common and shared values,
- Disclose the regulations, procedures and practices to be followed with care;
- Broaden the consensus on the principles at the base of this Code.

The ethical standards of conduct that the Company intends to pursue are as follows:

- **Recognition of the value of human resources,**
- **Diligence, transparency, honesty, confidentiality and impartiality in the conduct of business activities;**
- **Protection of the person and the environment.**

## CH 2.3.3

# RISK MANAGEMENT



Risk assessment is a system of control and supervision, that allows to satisfy the demands from a competitive and technologically

developed market.

**The effort to minimize the adverse or unwanted effects of its own reality ensures the achieve-**

**ment of better results** and highlights opportunities for improvement, including in mitigating our environmental impact.



## CH 2.3.4

# ANTI CORRUPTION

Each recipient of the Code of Ethics is responsible for knowing it and implementing it, and for reporting any deficiencies or violations. As a testimony of the to the Group's strong sense of legality and commitment to the rules and

laws in force, it is confirmed that in 2021 there were no known bribery cases or legal actions due to anti-competitive conduct, anti-trust and monopolistic practices.

## CASES OF UNFAIR COMPETITION, ANTI-TRUST AND MONOPOLISTIC PRACTICES

| NUMBER OF INFRINGEMENT CASES | 2019 | 2020 | 2021 |
|------------------------------|------|------|------|
| Unfair competition           | None | None | None |
| Anti-trust                   | None | None | None |
| Monopolistic practices       | None | None | None |
| Total                        | None | None | None |

The following actions are included in the risk assessment:

### Actions of unfair competition may include:

- price fixing;
- coordinating offers;
- creating market restrictions;
- forcing geographical quotas.

### Anti-trust actions and monopolistic practices may include:

- unfair commercial practices;
- abusing market position;
- anti-competitive mergers;
- price fixing.

## RESPECT FOR PRIVACY

In line with the provisions of the European Union GDPR in effect since May 25th 2018, formerly D.Lgs. 196/2003 art. 13, the Group uses procedures to register the consent to collect, process, and properly management of data. Our commitment to this issue is presented in our Code of Ethics.

The data managed within the group's operations cover three types of stakeholders:

- **Commercial and administrative information of our clients;**
- **Commercial and administrative information of our suppliers;**
- **Personal and sensitive information of our personnel;**

During the three-year period from 2019 to 2021 there were no cases of privacy violation.

## TRANSPARENCY, LEGALITY AND COMMERCIAL RELIABILITY

The Group relies on the expertise of CRIBIS to report its absolute business reliability to the customers and suppliers. Gaining recognition as a "Prime Company" confirms strong corporate credibility.



## CH 2.4

# GROWING UP RESPONSIBLY

Pasubio's role today cannot be limited to maximising **profit** as it must also aim to maximise the benefit for its stakeholders, starting with surrounding communities. The theory of **shared value**, which means addressing the needs and challenges of society through the

company itself, has never been more relevant. The generation of economic value and its distribution provide a basic indication of how we have made this theory our own, **creating wealth for all involved parties.**





## CH 2.4.1

# THE ECONOMIC VALUE GENERATED AND DISTRIBUTED

The Pasubio Group is aware **that fairness and transparency are behaviours based on the principles of legality, loyalty, honesty, an important driver for economic and social development.**

| PRESENT   | FUTURE  |
|---|---|
| Transition phase due to the acquisition by the private equity fund PAI Partners   | Consolidated financial statement  |
| We present the economic and financial statement of Conceria Pasubio S.p.A as of December 31st, 2021, resulting from the independently audited annual accounts.  | We will communicate the economic and financial statement of the Gruppo Conceria Pasubio S.p.A. resulting from the reverse merger with the current holding company Leather 2 S.p.A.  |
| We showcase the total capitalization of Conceria Pasubio S.p.A. as of December 31st, 2021.  | We will showcase the capitalization of the Gruppo Conceria Pasubio S.p.A.   |
| <b>Manufacturing Locations:</b><br>Conceria Pasubio S.p.A:<br>- Arzignano Seconda Strada (Italy)<br>- Arzignano Sesta Strada (Italy)<br>- Arzignano Via Vicenza (Italy)<br>- Zermeghedo (Italy)<br>- Almisano di Lonigo (Italy)<br>- Sabac (Serbia) | <b>Manufacturing Locations:</b><br>Conceria Pasubio S.p.A:<br>- Arzignano Seconda Strada (Italy)<br>- Arzignano Sesta Strada (Italy)<br>- Arzignano Via Vicenza (Italy)<br>- Zermeghedo (Italy)<br>- Almisano di Lonigo (Italy)<br>- Sabac (Serbia)<br><br><b>Controlled manufacturing sites:</b><br>Arzignanese Srl:<br>- Arzignano (Italy)<br>Hewa Leder GmbH:<br>- Brand-Erbisdorf (Germany)<br>- Rehau (Germany)<br>GD Servicios Internacionales del Norte, s. de R.L. de C.V.:<br>- Matamoros (Mexico)<br><br><b>Controlled administrative headquarters:</b><br>GDI Assemblies LLC:<br>- Texas (USA) |



**298.379.006,00 €**  
**VALUE CREATED**

## DISTRIBUTED VALUE

|                                   |                  |
|-----------------------------------|------------------|
| Operating costs                   | 216.312.512,00 € |
| Employee salaries and benefits    | 36.379.675,00 €  |
| Payments to Public Administration | 6.609.303,00 €   |
| Payments to capital providers     | 8.223.787 €      |

**267.525.277,00 €**  
**TOTAL DISTRIBUTED VALUE**



**30.853.729,00 €**  
**VALUE RETAINED**

## TOTAL CAPITALIZATION

|                 |                    |
|-----------------|--------------------|
| Financial debts | * 116.823.029,01 € |
| Equity capital  | 153.615.960,82 €   |

\*The "Financial Debts" figure in the table above refers only to debts owed to shareholders, banks, other lenders, and subsidiaries. There is no commercial debt of any kind.

**The Company ended the financial year 2021 with a net result of Euro 3.111.901, a decrease compared to the previous year.**

During the year, the emergency situation caused by the continuous spread of the Covid-19 virus has not come to a halt, due to the string of government-imposed containment measures against normal social and economic activities. Throughout of the year, the company continued its main activity in the automotive leather production sector: from a strategic point of view, the company continued the process of consolidating its market share of traditio-

nal customers (mainly German). This will, however, allow for new and promising partnerships with customers that will, in the long run, generate attractive revenue opportunities. It should be noted that **the Company incurred extraordinary costs during the financial year, relating to the change of its structure.**

## OUR FACTS OF PARTICULAR RELEVANCE

- **Consequences of the COVID-19 health emergency**
- **Acquisition operation**
- **Acquisition of controlling interest in the German company "Hewa Leder GmbH"**

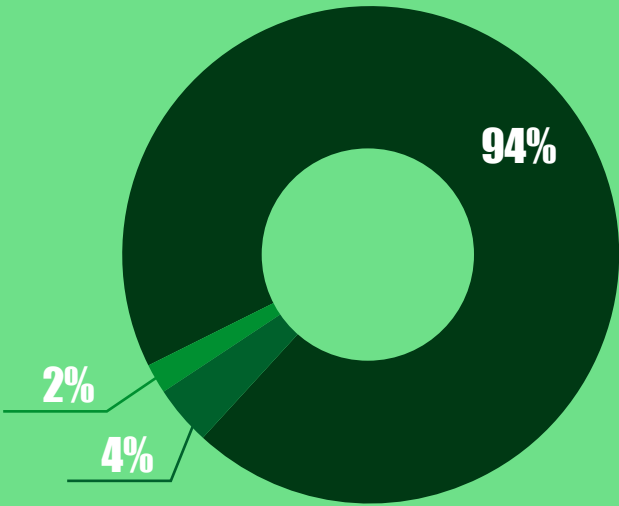


CH 2.4.1

THE LIFE OF OUR LEATHER  
OUTSIDE OUR DOORS:

BREAKDOWN OF SALES  
REVENUE AND SERVICES BY  
ACTIVITY CATEGORY

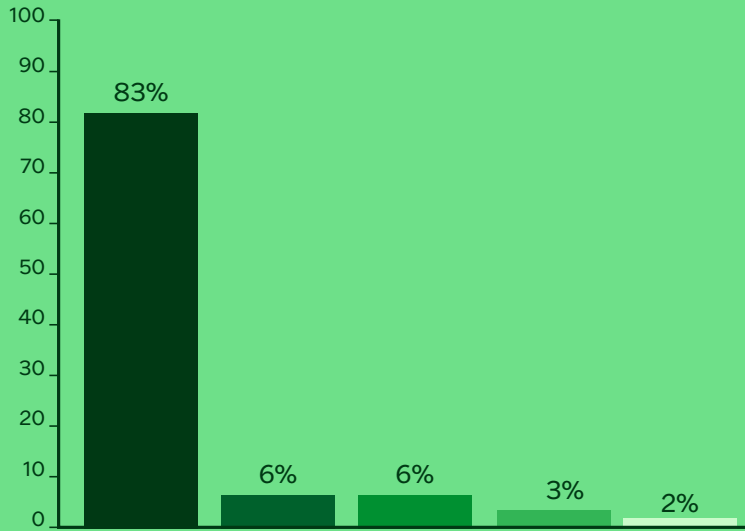
- Automobile leathers 94%
- Furniture/Footwear leather goods 4%
- Other/by-products 2%



WORLDWIDE DISTRIBUTION  
OF THE PASUBIO GROUP'S  
LEATHERS:

BREAKDOWN OF SALES  
REVENUE AND PERFORMANCE  
BY GEOGRAPHY

- Europe
- Italy
- Asia
- Africa
- America



APPENDIX 1. THE ECONOMIC VALUE GENERATED AND DISTRIBUTED

| VALUE CREATED   | EURO           |
|---|----------------|
| Sales and performance revenue   | 274.385.786,00 |
| Miscellaneous revenue and income  | 1.906.060,00   |
| Fixed assets increments for internal work                                       | 1.869.175,00   |
| Foreign exchange gains and losses + financial income                            | 977.639,00     |
| Changes in inventories of work-in-progress, semi-finished and finished products | 19.240.346,00  |
| TOTAL VALUE CREATED   | 298.379.006,00 |

| DISTRIBUTED VALUE   | EURO           |
|---|----------------|
| Production costs for raw materials, consumables and commodities             | 173.338.334,00 |
| Changes in inventories of raw materials, consumables, consumption and goods | 11.614.969,00  |
| production costs for the use of third-party goods                           | 2.037.270,00   |
| Production costs for services   | 51.951.928,00  |
| Different operating charges   | 599.949,00     |
| Production costs for personnel  | 36.379.675,00  |
| Current, deferred, and advanced business' income taxes                      | 6.609.303,00   |
| Financial income and charges  | 8.223.787,00   |
| TOTAL DISTRIBUTED VALUE   | 267.525.277,00 |

| RETAINED VALUE                   | EURO          |
|----------------------------------|---------------|
| Profit (loss) for financial year | 3.111.901,00  |
| Depreciation and write-downs     | 27.741.828,00 |
| TOTAL RETAINED VALUE             | 30.853.729,00 |





# Ch. 3



## THE PEOPLE AT THE HEART OF EVERY EFFORT





Over the years the awareness and sensitivity of the Group has increased regarding social sustainability issues.

Pasubio Group is committed to ensuring respect for human rights, the well-being, health, and safety of the people in all working environments and along the chain of production.



## CH 3.1

# HUMAN CAPITAL: OUR STRENGTH



Over the years we have established a stable relationship with our collaborators, based on a mutual bond of trust that is renewed every day. According to company values, these relationships must aim to promote growth with an approach focused on team-working, sharing, and communication.

**The people who work for the Group have always been a valuable asset.**

That is why the focus on the well-being of employees and their involvement are the fundamental pillars of company policy.

The Group is aware that teamwork and staff development are key strategic components.

The recruitment process is thoroughly carried out by the "Human Resources" department, which follows a standardized process:

- 1 Defining the profile of interest
- 2 Evaluation and selection of the identified profile
- 3 Identification of benchmarks and contractualisation
- 4 Introduction to the job by training activities
- 5 Performance monitoring, redefinition of trainings, and corrective actions



## CH 3.1

### OUR PEOPLE ARE MANAGED BY:



For its activities, the Group relies on a working population of 1.719 people (2021 data). The group's staff consists of 1.607 internal employees and 112 external collaborators (Executive collaborator, operational collaborator, outsourced workers). The number of people has increased compared to 2020, where there were 1.517 people (+16,2%).

Our working population composition is:

- Internal employees > employed by the companies in the group
- External collaborators > Executive collaborator, operative collaborators, outsourced workers within the framework of workers

and employees.

Some considerations:

- The data collection for this sustainability report has been carried out using an even more accurate methodology than in the previous version, and therefore the comparability of data between the years 2019, 2020 and 2021 is only partially reliable.
- For the German Hewa Leder plant, the report has considered all employees who cooperated with the company from January 2021 to December 2021.
- The figure relating to the employees' exits from Hewa Leder it is not reported. The goal for the next report is to collect this data as well.

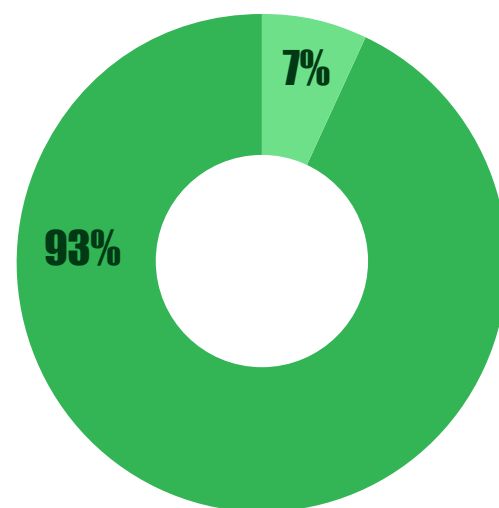
|      | MEN | WOMEN | TOTAL |
|------|-----|-------|-------|
| 2019 | 604 | 594   | 1.198 |
| 2020 | 856 | 661   | 1.517 |
| 2021 | 832 | 775   | 1.607 |

\*data 2021: internal employees only

### TOTAL INTERNAL EMPLOYEES AND EXTERNAL COLLABORATORS 2021

**% growth of internal employees and external collaborators in 2021 compared to 2020: +13%**

- Internal
- External



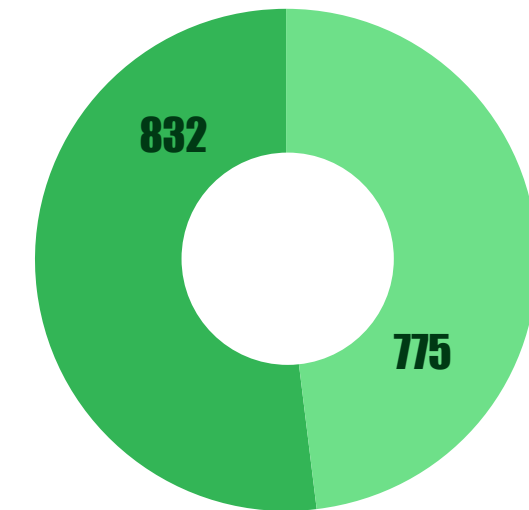
All internal employees of Conceria Pasubio S.p.A. and Arzignanese S.r.l. are covered by collective labour agreements. The foreign companies report the application

of collective agreements when available, while individual agreements are applied where necessary. The Group is working to collect all information from all plant

managers. The next goal will be to provide all the detailed information.

### TOTAL INTERNAL EMPLOYEES BY GENDER 2021

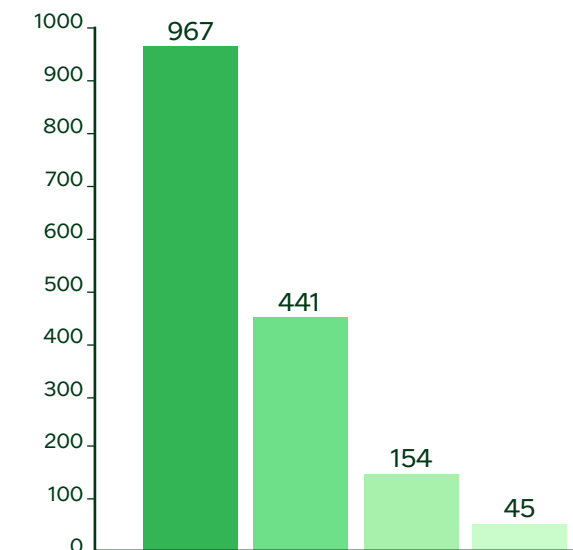
- Woman
- Man



### TOTAL INTERNAL EMPLOYEES BY COMPANY NAME

The following is the number of internal employees by company name in 2021:

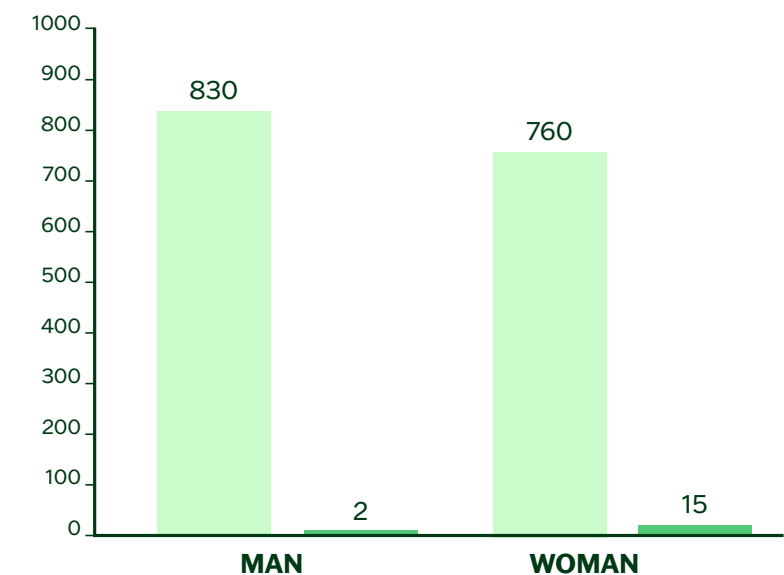
- Conceria Pasubio
- GD-GDI
- Hewa Leder
- Arzignanese



### FULL-TIME / PART-TIME 2021

Below is the data of internal employees divided by contract type:

- Full-time
- Part-time





CH 3.1

HOURS WORKED

The internal employees of Conceria Pasubio S.p. A. - Italy in the year 2021 worked a total of **904.307,47** hours.

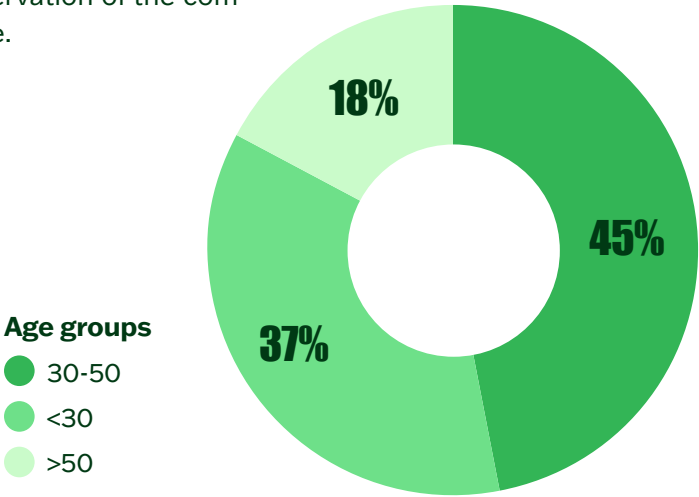
The present document refers only to the hours worked by employees at Conceria Pasubio S.p.A. - Italia. The data collection on the number of hours worked by employees at Conceria Pasubio S.p.A.

- Serbia and all foreign subsidiaries is still on-going, as the group is harmonizing all data collection procedures.
- Our target in the next report include the data from the currently absent plants.

INTERNAL EMPLOYEES AND EXTERNAL COLLABORATORS

The highest percentage (45%) of the Groups workforce belongs to the “30 to 50 years old” range, followed by a good percentage (37%) of people under 30 years of age. 18% of the Group’s employees are over 50 years of age; this is partly due to their length of service and thus guarantees the conservation of technical skills

and the preservation of the company’s culture.



OVERVIEW OF INTERNAL EMPLOYEES AND EXTERNAL COLLABORATORS:

| INTERNAL EMPLOYEES' OVERVIEW - GROUP TOTALS |     |       |      |
|---|-----|-------|------|
|   | <30 | 30-50 | > 50 |
| TOP MANAGERS                                | 0   | 3     | 10   |
| MIDDLE MANAGERS                             | 2   | 30    | 11   |
| WHITE COLLARS                               | 72  | 133   | 27   |
| BLUE COLLARS                                | 517 | 558   | 244  |
| TOTAL                                       | 591 | 724   | 292  |

| EXTERNAL COLLABORATORS' OVERVIEW - GROUP TOTALS |     |       |      |
|---|-----|-------|------|
|   | <30 | 30-50 | > 50 |
| TOP MANAGERS                                    | 0   | 0     | 2    |
| MIDDLE MANAGERS                                 | 0   | 1     | 2    |
| WHITE COLLARS                                   | 1   | 0     | 0    |
| BLUE COLLARS                                    | 36  | 59    | 11   |
| TOTAL   | 37  | 60    | 15   |

| OVERVIEW OF INTERNAL EMPLOYEES AND EXTERNAL COLLABORATORS - GROUP TOTALS |     |       |      |
|--|-----|-------|------|
|  | <30 | 30-50 | > 50 |
| TOP MANAGERS   | 0   | 3     | 12   |
| MIDDLE MANAGERS  | 2   | 31    | 13   |
| WHITE COLLARS  | 73  | 133   | 27   |
| BLUE COLLARS   | 553 | 617   | 255  |
| TOTAL  | 628 | 784   | 307  |

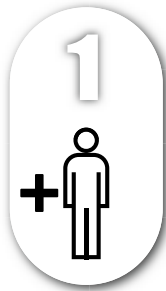
INTERNAL EMPLOYEE HIRING

| TOTAL RECRUITMENT OF INTERNAL EMPLOYEES FOR PASUBIO GROUP |       |
|---|-------|
| YEARS   | TOTAL |
| 2021  | 690   |

PASUBIO GROUP INTERNAL EMPLOYEE EXITS

| INTERNALS EXITS* - GROUP TOTALS |     |       |      |
|---------------------------------|-----|-------|------|
|                                 | <30 | 30-50 | > 50 |
| TOP MANAGERS                    | 201 | 67    | 5    |
| MIDDLE MANAGERS                 | 113 | 51    | 3    |
| WHITE COLLARS                   | 6   | 3     | 4    |
| BLUE COLLARS                    | 87  | 81    | 15   |
| TOTAL                           | 407 | 202   | 27   |

\*: excluding German factories



**RESPECT**  
and support  
internationally  
recognized human  
rights in your area  
of influence

- **No reports on discrimination** were received by the Group in 2021.
- **Equal opportunities** for all are guaranteed in both recruitment and collaboration. Each employee evaluation is performed using **defined and transparent protocols**.





## CH 3.2

# THE INCLUSIVE GROWTH OF THE GROUP

Pasubio considers its human capital essential to the pursuit of its business goals and is committed to avoiding discrimination and ensuring equal opportunities for professional growth.

The Group promotes the respect and protection of the person in their moral, cultural, physical, and professional integrity. The

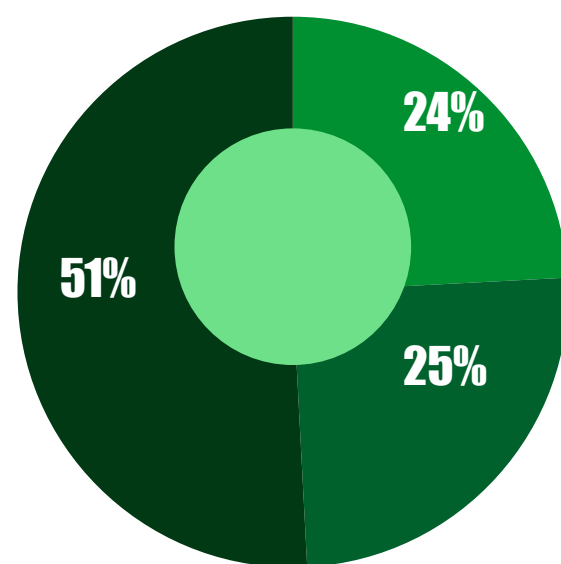
Group is committed to the continuous improvement of their professionalism, as well as to the engagement of the staff at all levels. The figures about employee nationality, as presented below, refer only to Conceria Pasubio S.p.A. – Italia. For the future, we aim to rely on a more specific reporting method for our subsidia-

ries as well.

The nationalities of 1.719 internal employees and external collaborators at Pasubio are the following:

**51% are from Italy,  
25% from EU countries,  
and 24% from non-EU countries.**

## CONCERIA PASUBIO S.P.A NATIONALIZATION OF INTERNAL AND EXTERNAL EMPLOYEES



- Italy
- EU
- Extra EU

### Our HR office:

All staff selections are aimed at people of all kinds, ethnicity, religious orientation, political orientation, and people with disabilities. In recent years, new entry women have been given positions of production supervisor. When recruiting candidates for “white collar” and managerial positions mostly occupied by men, the selection process will focus strictly on how well the candidate fits the “job profile”, in terms of professional background, “hard and soft skills”, and career path alignment with the expectations of the person aspiring to each position.

This is the data set supporting what was previously stated.

**In 2021 n. 2 female employees have been appointed to technical supervisory positions.**

**1 out of 3 candidates is female. 5 out of 18 positions white collar positions are covered by female employees (28%). Across all selections, including for blue collar positions, 21 of the 70 new hires of 2021 have been women, both with direct contracts and through recruitment agencies. Considering the recurring data, we can estimate that about 30% of the interviewed applicants were women.**

**In 2021, we held 10 interviews with disabled candidates. 2 new hires come from protected categories.**



## DIVERSITY MANAGEMENT AND INTEGRATION

Conceria Pasubio's HR team participated in a DIVERSITY MANAGEMENT AND INTEGRATION training in 2021. The training has been a route of awareness-raising and of sharing of best practices for HR in the diversity management, and the project proposal is called DimiCome, carried out by the ISMU Foundation in Milan and financed by the FAMI (Asylum Fund, Migration, Integration).

Our effort:

**One initiative to support the issue of cultural diversity has been the drafting of documents in dual Italian (IT) and English (EN).**

## THE IMPORTANCE OF PROTECTING HUMAN RIGHTS

Respect and protection of the person in an integral way are cornerstones of the “Code of Ethics” adopted by the Group and contribute to the growth of the professional and human heritage of each staff member.

The well-being and growth of professional value of each employee helps the Group in its constant

quest for excellence. The competitiveness of the whole company is linked to these aspects, in which we are involved together with all our employees.

We are pleased to report that in 2021 no discrimination was highlighted within the Group.



**6**  
**STIMULATE**  
all practices  
that eliminate  
any form of  
discrimination  
at the workplace



## CH 3.3

## WE CARE ABOUT PEOPLE

Providing safe and serene working conditions guarantees the psychophysical well-being of people, with positive effects also on the Group's own performance. The work-life balance achieved through dedicated initiatives fosters these aspects and is in line with the corporate spirit of supporting the needs of the people who work with us.

To gather elements to help engage our employees more, we offer the following initiatives:

• **Whenever a person resigns, we schedule for them a meeting with HR.**

The purpose of the meeting is to gather the key aspects of their experience with the company, as well as all possible suggestions for improvement for the organization and the related manager. Feedback is collected and analysed to gain an organic view of the business engagement status. 27 meetings were held throughout 2021, and to date this initiative is being methodically applied only in Pasubio Italy. This action is the result of a series of staff outflows analysis activities developed by the group. Through this analysis Pasubio aims to further improve itself and to strengthen the rela-

tionship with its internal and external collaborators.

• **HR MEET\_one TO one - Management Line.**

The HR Department meets with the employees for 1-hour interviews held "one to one". This initiative takes place once a year and all managers are involved. The meeting takes the form of an in-depth "open dialogue" about the well-being of the person within the company in several respects: satisfaction with professional growth and acquired skills; satisfaction with the relationship with line managers, satisfaction with the human working environment, the physical environment, and tools. HR also collect feedback on the strengths and improvement areas of the organization, and we analyse the strong and weak characteristics of the person being interviewed. At the end of the meetings of the analysed department, the gathered data will be re-elaborated, looking for common factors and considering actions to be taken to "target" the strong areas and improve in the weak areas. An anonymous "report out" is then presented to the "line manager" of the department, and "Action

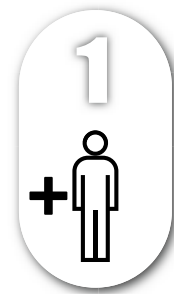
Plans" are established with it.

After performing 60 interviews; the recurring themes found are linked to the internal communication process, which is required to be more fluid.

The recurring themes above have been considered, and improvement actions are being taken, such as concrete actions to support the managers with specific training.

• **For the team management.** Pasubio organized a training and coaching program for the line of managers to train them in the "feedback. It has proven itself useful in perpetuating and strengthening the bond of trust among people and supporting their growth path.

• **Between June and December 2021, 22 managers were trained** during 24 hours of joint sessions and two coaching meetings and a 4-hour joint final session, for a total of 30 hours.



**RESPECT**  
and support  
internationally  
recognized human  
rights in your area  
of influence

## SMART WORKING

"Smart working", incorporated into our business practice in 2020 in response to the Covid-19 emergency, is still an active work system.

In 2021, 104 employees worked for 19.104,50 hours through "Smart working". The annual average per employee is around 183,69 hours.

## RESULT AWARD

In 2021, during the meeting between company representatives, trade unions and the R.S.U (Unitary Trade Union representatives) it has been explained how recognition works, as well as which methods to use to grant the prize and reward one's work dedication. The bonus was distributed in the form of ticket restaurant and shopping vouchers, a formula that has been appreciated because it pays attention to the basic needs of all the people involved.



## ETHICS AND FREEDOM OF ASSOCIATION

The people who work with dedication and passion every day in Pasubio represent the company's strategic heritage: Their knowledge and skills form the basis of the Group's ability to innovate and pursue excellence. Pasubio understand the great strategic value of people and are committed to fostering the sense of belonging and motivation of everyone who works for the company.

The recognition of people and their diversity as a value and heritage translates into four speeches:

- **Commitment** to consider the needs of local communities;
- **Protection** of equal opportunities, maternity and paternity with welfare policies and a fair work-life balance;
- **Integration** of the younger generation into the world of work;



**SUPPORT**  
freedom of  
association and  
recognize to  
open collective  
bargaining

• **Exchange and share** professionalism and experience among colleagues from different companies.

**Work occupies a large part of the life of each and every one of us, which is why Pasubio tries in every way to make it useful for the human, civil, and professional growth of each member of the Group.**

Pasubio Group's constant relations with representatives of trade unions and the R.S.U (Unitary Trade Union representatives) are based on general information meetings about the company's performance and specific topics.

HR manages and coordinates the relations with the trade unions. In 2021, the union members for Conceria Pasubio were 93. In 2021, 15 RSUs were elected in Conceria Pasubio: 2 women and 13 men, all in the 30 to 50 age group.



CH 3.4

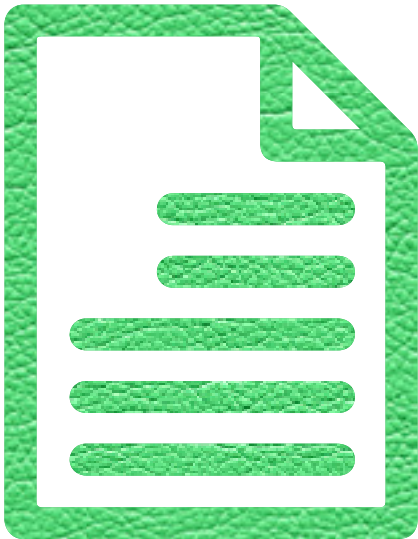
SKILLS  
MANAGEMENT,  
TRAINING AND  
DEVELOPMENT OF  
PEOPLE

In order to increase the skills of our employees, **we engage in technical training plans and mandatory training every year.**

Business skills are transmitted through internal training, to support personnel changes in key roles. The goal is to participate in an efficient way to projects always more complex.

In 2021, the total number of training hours was 10.736, corresponding to about 6 hours per capita. It should be noted that the average training hours of 2020 (19 hours) were characterized by a major occupational safety training plan

(compulsory training and specific training involving all employees of Conceria Pasubio S.p.A.). The following tables showcase the data concerning the average training hours of all active employees in Pasubio Italia.



GRI STANDARDS NOTICE 404-1

AVERAGE ANNUAL TRAINING HOURS PER INTERNAL EMPLOYEE

| JANUARY 1 TO DECEMBER 31, 2019 |                   |                      |                     |
|--------------------------------|-------------------|----------------------|---------------------|
| PROFESSIONAL CATEGORIES        | MEN AVERAGE HOURS | FEMALE AVERAGE HOURS | TOTAL AVERAGE HOURS |
| TOP MANAGERS                   | 9,97              | 2,87                 | 7,84                |
| MIDDLE MANAGERS                | 9,47              | 1,51                 | 6,65                |
| WHITE COLLARS                  | 7,47              | 13,48                | 9,79                |
| BLUE COLLARS                   | 25,13             | 26,46                | 25,81               |
| TOTAL                          | 21,14             | 24,14                | 22,60               |

| JANUARY 1 TO DECEMBER 31, 2020 |                   |                      |                     |
|--------------------------------|-------------------|----------------------|---------------------|
| PROFESSIONAL CATEGORIES        | MEN AVERAGE HOURS | FEMALE AVERAGE HOURS | TOTAL AVERAGE HOURS |
| TOP MANAGERS                   | 27,89             | 82,90                | 33,39               |
| MIDDLE MANAGERS                | 19,57             | 34,16                | 23,32               |
| WHITE COLLARS                  | 19,13             | 15,83                | 17,58               |
| BLUE COLLARS                   | 13,18             | 25,08                | 18,55               |
| TOTAL                          | 14,42             | 23,87                | 18,64               |

| JANUARY 1 TO DECEMBER 31, 2021 |                   |                      |                     |
|--------------------------------|-------------------|----------------------|---------------------|
| PROFESSIONAL CATEGORIES        | MEN AVERAGE HOURS | FEMALE AVERAGE HOURS | TOTAL AVERAGE HOURS |
| TOP MANAGERS                   | 53,10             | 4,00                 | 44,90               |
| MIDDLE MANAGERS                | 43,35             | 39,26                | 42,70               |
| WHITE COLLARS                  | 21,75             | 17,80                | 19,71               |
| BLUE COLLARS                   | 2,49              | 2,33                 | 2,40                |
| TOTAL                          | 7,56              | 4,58                 | 5,98                |

AVERAGE ANNUAL TRAINING HOURS PER EXTERNAL COLLABORATOR

| JANUARY 1 TO DECEMBER 31, 2021 |                   |                      |                     |
|--------------------------------|-------------------|----------------------|---------------------|
| TYPE OF COLLABORATOR           | MEN AVERAGE HOURS | FEMALE AVERAGE HOURS | TOTAL AVERAGE HOURS |
| TEMPORARY STAFF                | 7,05              | 5,58                 | 6,60                |
| OTHER COLLABORATORS            | 8,00              | /                    | 8,00                |
| TOTAL                          | 7,07              | 5,58                 | 6,61                |

In the 2021 report, Pasubio paid more attention to collecting data for all employees, so the above table also shows the training hours used by external employees, divided by type.



## CH 3.4

The trainings provided are mainly based on the following categories:

### 2021 TRAININGS



**SAFETY**



**PRIVACY**



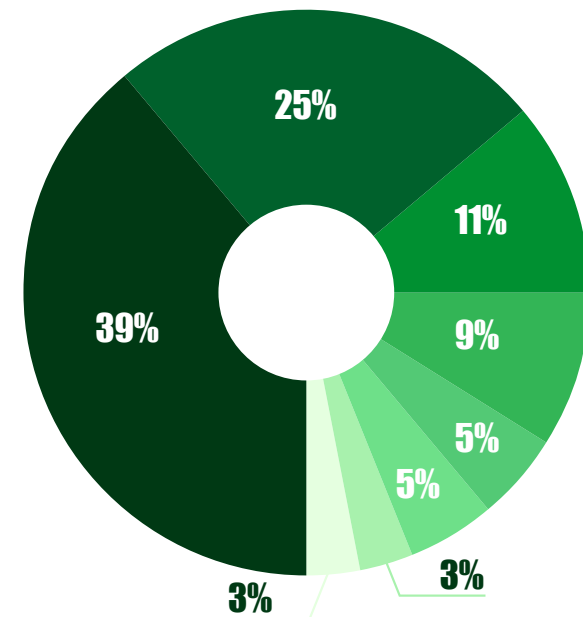
**TECHNICAL TRAINING**



**FOREIGN LANGUAGES**



**SOFT SKILL AND COACHING**



- Soft skill
- Language courses
- Safety / first aid
- Coaching
- Management and Finance
- Technical Skills
- Privacy
- Other

### THE ONBOARDING PROCESS

The development of human capital necessarily involves training. It is from this principle that the “Onboarding process” comes to life and grows for the new figures in the company as well. They have the opportunity to access an initial training path that allows them to acquire indispensable knowledge about the “Mondo Pasubio”. Thanks to its collaboration with the schools, Pasubio Group promotes collaboration between the company and the young people who intend to undertake internships in the company:

*“When one of our students, who comes to the company for an internship, graduates is always a big emotion for us. That means we left him something in his cultural background that he can use in his future work.”*

Andrea Fani,  
HSE & Sustainability Manager Pasubio

## CH 3.5

# HEALTH & SAFETY



Strategic decisions ensure the safety of all employees. From here comes a strong sense of responsibility on the part of the Group, which is constantly committed to ensuring:

- The facilities updates
- The presence of protective devices
- The compliance with health and safety laws
- The training of employees in this field

Doing business conscientiously in terms of health and safety ensures that everyone has a higher standard of performance over time.

The participants in the Health and Safety Committee have been appointed to:

- To promote the continuous improvement of the health and safety conditions of employees,
- To carry out regular assessments of the risks related to the health and safety of employees,
- Promote appropriate preventive and corrective actions

**Future goal:**  
**certify all plants to ISO 45001.**



| ORGANIZATIONAL STRUCTURE  | PLANT                              | LOCATION      | STANDARDS         |
|---|------------------------------------|---------------|-------------------|
| Conceria Pasubio S.p.A.   | Arzignano II Strada (headquarters) | Italy         | ISO 45001- Safety |
| Conceria Pasubio S.p.A.   | Arzignano VI Strada                | Italy         |                   |
| Conceria Pasubio S.p.A.   | Arzignano Viale Vicenza            | Italy         |                   |
| Conceria Pasubio S.p.A.   | Zermeghedo                         | Italy         | ISO 45001- Safety |
| Conceria Pasubio S.p.A.   | Almisano di Lonigo                 | Italy         |                   |
| Conceria Pasubio S.p.A.   | Sabac                              | Serbia        |                   |
| Arzignanese Srl<br>Controlled by Conceria Pasubio S.p.A.  | Arzignano                          | Italy         |                   |
| GD Servicios Internacionales del Norte, s. de R.L. de C.V.<br>Controlled by Conceria Pasubio S.p.A. | Matamoros                          | Mexico        |                   |
| GDI Assemblies LLC<br>Controlled by Conceria Pasubio S.p.A.   | Texas                              | United States |                   |
| Hewa Leder GmbH<br>Controlled by Conceria Pasubio S.p.A.  | Rehau                              | Germany       |                   |
| Hewa Leder GmbH<br>Controlled by Conceria Pasubio S.p.A.  | Brand-Erbisdorf                    | Germany       |                   |

## CH 3.5

In addition to the presence of supervisory institutions of occupational medicine, through the occupational doctors identified and appointed for each production site, each employee is protected according to a health plan identified for that role and consequently the mandatory examinations to be carried out with a specific

schedule.

The health and safety management system in Italy is subject to the Consolidated Text "Health and Safety at work" (Legislative Decree no. 81/08) and certified for some sites (Arzignano II Strada — main office and Zermeghedo) according to UNI ISO 45001. Foreign companies comply with

individual local regulations.

The organization ensures that personal information on the health of employees and their participation in occupational health services is not used in any way in favour or against the employees themselves.

### OUR DETAILS

#### Number of injuries

The data refers to the entire Pasubio Group.

#### Frequency index

The indexes below refer only to Conceria Pasubio S.p.A. Italy. The Group is collecting all the indicators necessary for the aggregate group data, before the future extensions of the UNI ISO 45001 certification to the other sites.

#### ACCIDENTS IN THE PASUBIO GROUP INTERNAL EMPLOYEES

| NUMBER OF INJURIES   | 2019 | 2020 | 2021 |
|--|------|------|------|
| Number of deaths resulting from workplace accidents                        | 0    | 0    | 0    |
| Number of workplace accidents with serious consequences (excluding deaths) | 0    | 0    | 0    |
| Number of workplace accidents that can be recorded                         | 18   | 23   | 26   |

#### RATE OF WORKPLACE ACCIDENTS AND DEATHS OF INTERNAL EMPLOYEES CONCERIA PASUBIO S.P.A. – ITALY

| RATE OF DEATHS AND ACCIDENT                            | January 1 to December 31, 2021 |
|--|--------------------------------|
| Rate of deaths resulting from workplace accidents      | 0                              |
| Rate of serious workplace accidents (excluding deaths) | 0                              |
| Rate of workplace accidents that can be recorded*      | 15,48                          |

\*: The accident rate was calculated as the ratio of the total number of accidents to the total hours worked, using a multiplicative factor of 1.000.000.

### THE DATA OF CONCERIA PASUBIO S.P.A. – ITALIA 2021

| NUMBER OF WORKPLACE INJURIES AND DEATHS                | 2021 |
|--|------|
| Number of deaths resulting from workplace injuries     | 0    |
| Rate of serious workplace accidents (excluding deaths) | 0    |
| Number of workplace accidents that can be recorded     | 14   |

| CONCERIA PASUBIO S.P.A. INTERNAL EMPLOYEES | 2021    |
|--|---------|
| Hours worked (ordinary + overtime)         | 904.307 |

### OUR TARGET

Starting with the next report, render an account of the group data on workplace accidents indexes.

## CH 3.5.1

# THE ONGOING MANAGEMENT OF THE PANDEMIC

During 2021, because of the continued spread of the Covid-19 pandemic, Pasubio maintained all policies aimed at containing the inevitable adverse effects of the situation, limiting as much movement within the sites as possible as well as access to common areas.

Also in 2021, the rules to contain the spread of the virus were maintained and respected: Social distancing, the use of personal protective equipment such as masks and gloves for employees and strangers, plexiglass separators between desks if deemed appropriate, constant sanitation of workplaces and Smart working.





## CH 3.6

# COMMITMENT TO COMMUNITIES

For Pasubio, sustainability also encompasses the aspect of relations with local communities. In fact, management strategies consider policies and practices that influence and regulate the impacts of operations at both economic and social levels.

The aim is to adopt a sustainable behaviour at all levels, in relation to all the realities with which the Group interacts. The commitment to the community is aimed at valorizing the territory from an economic, employment, and social aspect.

Here are some initiatives in favour of employees and/or linked to the territory in which Pasubio operates:

- **August 2021 part of the production lines were transferred from the plant in Arzignano to the plant in Almisano in Lonigo**, resulting in a transfer request to the operators on those lines. To facilitate the transportation of employees and to limit the use of personal vehicles, a 50-people private shuttle bus was made available to employees, free of charge.

- **Contribution to the Civil Protection project of solidarity transport in the territory of Arzignano and neighbouring municipalities:** Transport for people with disabilities, people with reduced mobility, children, and aged.

- **Pasubio offers internships and PCTO** (former work-school alternation) **for students from professional and technical higher institutes of the territory of Arzignano**. PCTO for 3rd and 4th year students at the Istituto Tecnico Tecnologico Economico Galileo Galilei; Internships for 1st and 2nd year students from I.T.S. Cosmo. Internship experience is offered with “on the job training” in the same way as a newly hired employee. The initiative is carried out annually from May to September.

- **PCTO:** 1 trainee student, who then continued his studies.

- **ITS COSMO:** 4 trainees, of whom 3 have subsequently been recruited, 2 of whom have been promoted over time as group leaders.



## APPENDIX TO CH.3 – ADDITIONAL TABLES CONCERNING PASUBIO PERSONNEL

### GRI STANDARDS NOTICE 102-8

| TOTAL NUMBER OF INTERNAL EMPLOYEES AND EXTERNAL COLLABORATORS<br>BROKEN DOWN BY GENDER |                              |                     |       |       |
|--|------------------------------|---------------------|-------|-------|
| STRUCTURE  | GROUP WORKFORCE              | AT 31 DECEMBER 2021 |       |       |
|  |                              | Men                 | Women | Total |
| Conceria Pasubio S.p.A - ITALY   | Total employees              | 315                 | 202   | 517   |
|  | External collaborators       | 78                  | 33    | 111   |
| Conceria Pasubio S.p.A - SERBIA  | Total employees              | 157                 | 293   | 450   |
|  | External collaborators       | 0                   | 0     | 0     |
| Arzignanese S.r.l.   | Total employees              | 41                  | 4     | 45    |
|  | External collaborators       | 1                   | 0     | 1     |
| GD Servicios Internacionales del Norte, s. de R.L. de C.V                              | Total employees              | 244                 | 197   | 441   |
|  | External collaborators       | 0                   | 0     | 0     |
| Hewa Leder GmbH  | Total employees              | 75                  | 79    | 154   |
|  | External collaborators       | 0                   | 0     | 0     |
| PASUBIO GROUP  | Total employees              | 832                 | 775   | 1.607 |
|  | Total external collaborators | 79                  | 33    | 112   |
| TOTAL  |                              | 911                 | 808   | 1719  |

| TOTAL NUMBER OF INTERNAL EMPLOYEES AND EXTERNAL COLLABORATORS<br>BROKEN DOWN BY GENDER |                     |       |       |                     |       |       |                     |       |       |
|--|---------------------|-------|-------|---------------------|-------|-------|---------------------|-------|-------|
| GROUP WORKFORCE  | AT 31 DECEMBER 2018 |       |       | AT 31 DECEMBER 2019 |       |       | AT 31 DECEMBER 2020 |       |       |
| Gender   | Men                 | Women | Total | Men                 | Women | Total | Men                 | Women | Total |
| Total employees  | 406                 | 361   | 767   | 428                 | 406   | 834   | 747                 | 603   | 1350  |
| Total external collaborators   | 88                  | 55    | 143   | 98                  | 60    | 158   | 101                 | 52    | 153   |
| Conceria Pasubio S.p.A   | 365                 | 358   | 723   | 387                 | 402   | 789   | 426                 | 391   | 817   |
| Outsourced workers   | 88                  | 55    | 143   | 98                  | 60    | 158   | 101                 | 52    | 153   |
| Stage  | 0                   | 0     | 0     | 0                   | 0     | 0     | 0                   | 0     | 0     |
| Arzignanese S.r.l  | 41                  | 3     | 44    | 41                  | 4     | 45    | 39                  | 4     | 43    |
| Outsourced workers   | 0                   | 0     | 0     | 0                   | 0     | 0     | 0                   | 0     | 0     |
| Stage  | 0                   | 0     | 0     | 0                   | 0     | 0     | 0                   | 0     | 0     |
| GD Servicios Internacionales del Norte S. de R.L.                                      | -                   | -     | -     | -                   | -     | -     | 282                 | 208   | 490   |
| Outsourced workers   | -                   | -     | -     | -                   | -     | -     | 0                   | 0     | 0     |
| Stage  | -                   | -     | -     | -                   | -     | -     | 0                   | 0     | 0     |
| TOTAL WORKFORCE  | 494                 | 416   | 910   | 526                 | 466   | 992   | 848                 | 655   | 1.503 |

| TOTAL NUMBER OF INTERNAL EMPLOYEES BY GENDER AND GEOGRAPHY |                     |                     |       |       |
|--|---------------------|---------------------|-------|-------|
| CONTRACT TYPE  |                     | AT 31 DECEMBER 2021 |       |       |
|  |                     | Men                 | Women | Total |
| Conceria Pasubio S.p.A - ITALIA                            | Permanent position  | 308                 | 200   | 508   |
|  | Fixed-term position | 7                   | 2     | 9     |
| Conceria Pasubio S.p.A - SERBIA                            | Fixed-term position | 80                  | 139   | 219   |
|  | Permanent position  | 77                  | 154   | 231   |
| Arzignanese S.r.l.   | Fixed-term position | 39                  | 4     | 43    |
|  | Permanent position  | 2                   | 0     | 2     |
| GD Servicios Internacionales del Norte, s. de R.L. de C.V  | Fixed-term position | 0                   | 0     | 0     |
|  | Permanent position  | 244                 | 197   | 441   |
| Hewa Leder GmbH  | Permanent position  | 63                  | 69    | 132   |
|  | Fixed-term position | 12                  | 10    | 22    |
| TOTAL  |                     | 832                 | 775   | 1.607 |

## APPENDIX TO CH.3 – ADDITIONAL TABLES CONCERNING PASUBIO PERSONNEL

| TOTAL NUMBER OF INTERNAL EMPLOYEES AND EXTERNAL COLLABORATORS BY GENDER AND GEOGRAPHY |                     |            |            |                     |            |            |                     |            |              |
|---|---------------------|------------|------------|---------------------|------------|------------|---------------------|------------|--------------|
| CONTRACT TYPE   | AT 31 DECEMBER 2018 |            |            | AT 31 DECEMBER 2019 |            |            | AT 31 DECEMBER 2020 |            |              |
| Gender  | Men                 | Women      | Total      | Men                 | Women      | Total      | Men                 | Women      | Total        |
| <b>Conceria Pasubio S.p.A.</b>  | <b>365</b>          | <b>358</b> | <b>723</b> | <b>387</b>          | <b>402</b> | <b>789</b> | <b>426</b>          | <b>391</b> | <b>817</b>   |
| Permanent position  | 269                 | 212        | 481        | 310                 | 261        | 571        | 375                 | 293        | 668          |
| Fixed-term position   | 96                  | 146        | 242        | 77                  | 141        | 218        | 51                  | 98         | 149          |
| <b>Arzignanese S.r.l</b>  | <b>41</b>           | <b>3</b>   | <b>44</b>  | <b>41</b>           | <b>4</b>   | <b>45</b>  | <b>39</b>           | <b>4</b>   | <b>43</b>    |
| Permanent position  | 41                  | 3          | 44         | 41                  | 4          | 45         | 38                  | 4          | 42           |
| Fixed-term position   | 0                   | 0          | 0          | 0                   | 0          | 0          | 1                   | 0          | 1            |
| <b>GD Servicios Internacionales del Norte, s. de R.L. de C.V</b>                      | <b>-</b>            | <b>-</b>   | <b>-</b>   | <b>-</b>            | <b>-</b>   | <b>-</b>   | <b>282</b>          | <b>208</b> | <b>490</b>   |
| Permanent position  | -                   | -          | -          | -                   | -          | -          | 0                   | 0          | 0            |
| Fixed-term position   | -                   | -          | -          | -                   | -          | -          | 282                 | 208        | 490          |
| <b>TOTAL</b>  | <b>406</b>          | <b>361</b> | <b>767</b> | <b>428</b>          | <b>406</b> | <b>834</b> | <b>747</b>          | <b>603</b> | <b>1.350</b> |

| TOTAL NUMBER OF INTERNAL EMPLOYEES BY GENDER AND GEOGRAPHY       |           |                     |            |              |
|--|-----------|---------------------|------------|--------------|
| FULL TIME / PART TIME  |           | AT 31 DECEMBER 2020 |            |              |
|  |           | Men                 | Women      | Total        |
| <b>Conceria Pasubio S.p.A - ITALIA</b>                           | Full Time | 314                 | 188        | 502          |
|  | Part Time | 1                   | 14         | 15           |
| <b>Conceria Pasubio S.p.A - SERBIA</b>                           | Full Time | 157                 | 293        | 450          |
|  | Part Time | 0                   | 0          | 0            |
| <b>Arzignanese S.r.l.</b>  | Full Time | 40                  | 3          | 43           |
|  | Part Time | 1                   | 1          | 2            |
| <b>GD Servicios Internacionales del Norte, s. de R.L. de C.V</b> | Full Time | 244                 | 197        | 441          |
|  | Part Time | 0                   | 0          | 0            |
| <b>Hewa Leder GmbH</b>   | Full Time | 75                  | 79         | 154          |
|  | Part Time | 0                   | 0          | 0            |
| <b>TOTAL</b>   |           | <b>832</b>          | <b>775</b> | <b>1.607</b> |

| TOTAL NUMBER OF INTERNAL EMPLOYEES AND EXTERNAL COLLABORATORS BY GENDER AND GEOGRAPHY |                     |            |            |                     |            |            |                     |            |              |
|---|---------------------|------------|------------|---------------------|------------|------------|---------------------|------------|--------------|
| FULL TIME/ PART-TIME  | AT 31 DECEMBER 2018 |            |            | AT 31 DECEMBER 2019 |            |            | AT 31 DECEMBER 2020 |            |              |
| Gender  | Men                 | Women      | Total      | Men                 | Women      | Total      | Men                 | Women      | Total        |
| <b>Conceria Pasubio S.p.A.</b>  | <b>365</b>          | <b>358</b> | <b>723</b> | <b>387</b>          | <b>402</b> | <b>789</b> | <b>426</b>          | <b>391</b> | <b>817</b>   |
| Full-time   | 359                 | 351        | 710        | 381                 | 395        | 776        | 425                 | 377        | 802          |
| Part-time   | 6                   | 7          | 13         | 6                   | 7          | 13         | 1                   | 14         | 15           |
| <b>Arzignanese S.r.l</b>  | <b>41</b>           | <b>3</b>   | <b>44</b>  | <b>41</b>           | <b>4</b>   | <b>45</b>  | <b>39</b>           | <b>4</b>   | <b>43</b>    |
| Full-time   | 40                  | 2          | 42         | 40                  | 3          | 43         | 38                  | 3          | 41           |
| Part-time   | 1                   | 1          | 2          | 1                   | 1          | 2          | 1                   | 1          | 2            |
| <b>GD Servicios Internacionales del Norte, s. de R.L. de C.V</b>                      | <b>-</b>            | <b>-</b>   | <b>-</b>   | <b>-</b>            | <b>-</b>   | <b>-</b>   | <b>282</b>          | <b>208</b> | <b>490</b>   |
| Full-time   | -                   | -          | -          | -                   | -          | -          | 282                 | 208        | 490          |
| Part-time   | -                   | -          | -          | -                   | -          | -          | 0                   | 0          | 0            |
| <b>TOTAL</b>  | <b>406</b>          | <b>361</b> | <b>767</b> | <b>428</b>          | <b>406</b> | <b>834</b> | <b>747</b>          | <b>603</b> | <b>1.350</b> |

## GRI STANDARDS NOTICE 401-1

| TOTAL NUMBER OF INTERNAL EMPLOYEES AND EXTERNAL COLLABORATORS BROKEN DOWN BY PROFESSIONAL CATEGORY, AGE GROUP AND GENDER |                     |             |            |              |
|--|---------------------|-------------|------------|--------------|
| PROFESSIONAL CATEGORIES  | AT 31 DECEMBER 2021 |             |            |              |
|  | <30 YEARS           | 30-50 YEARS | >50 YEARS  | TOTAL        |
| TOP MANAGERS   | 0                   | 3           | 12         | 15           |
| MIDDLE MANAGERS  | 2                   | 31          | 13         | 46           |
| WHITE COLLARS  | 73                  | 133         | 27         | 233          |
| BLUE COLLARS   | 553                 | 617         | 255        | 1.425        |
| <b>TOTAL</b>   | <b>628</b>          | <b>784</b>  | <b>307</b> | <b>1.719</b> |

| TOTAL NUMBER OF INTERNAL EMPLOYEES BY GENDER, AGE AND GEOGRAPHY |                     |            |           |            |                     |           |          |            |                     |            |           |            |
|---|---------------------|------------|-----------|------------|---------------------|-----------|----------|------------|---------------------|------------|-----------|------------|
| EMPLOYEES (YEARS)   | AT 31 DECEMBER 2018 |            |           |            | AT 31 DECEMBER 2019 |           |          |            | AT 31 DECEMBER 2020 |            |           |            |
|   | <30                 | 30-50      | >50       | Total      | <30                 | 30-50     | >50      | Total      | <30                 | 30-50      | >50       | Total      |
| <b>Conceria Pasubio S.p.A.</b>                                  | <b>145</b>          | <b>193</b> | <b>29</b> | <b>367</b> | <b>80</b>           | <b>92</b> | <b>7</b> | <b>179</b> | <b>83</b>           | <b>85</b>  | <b>10</b> | <b>178</b> |
| Men   | 84                  | 83         | 16        | 183        | 38                  | 45        | 2        | 85         | 48                  | 31         | 8         | 87         |
| Women   | 61                  | 110        | 13        | 184        | 42                  | 47        | 5        | 94         | 35                  | 54         | 2         | 91         |
| <b>Arzignanese S.r.l</b>  | <b>1</b>            | <b>3</b>   | <b>3</b>  | <b>7</b>   | <b>0</b>            | <b>2</b>  | <b>1</b> | <b>3</b>   | <b>0</b>            | <b>0</b>   | <b>0</b>  | <b>0</b>   |
| Men   | 0                   | 3          | 2         | 5          | 0                   | 2         | 1        | 3          | 0                   | 0          | 0         | 0          |
| Women   | 1                   | 0          | 1         | 2          | 0                   | 0         | 0        | 0          | 0                   | 0          | 0         | 0          |
| <b>GD Servicios Internacionales del Norte S. de R.L.</b>        | <b>-</b>            | <b>-</b>   | <b>-</b>  | <b>-</b>   | <b>-</b>            | <b>-</b>  | <b>-</b> | <b>-</b>   | <b>306</b>          | <b>89</b>  | <b>9</b>  | <b>404</b> |
| Men   | -                   | -          | -         | -          | -                   | -         | -        | -          | 236                 | 57         | 7         | 300        |
| Women   | -                   | -          | -         | -          | -                   | -         | -        | -          | 70                  | 32         | 2         | 104        |
| <b>TOTAL</b>  | <b>146</b>          | <b>196</b> | <b>32</b> | <b>374</b> | <b>80</b>           | <b>94</b> | <b>8</b> | <b>182</b> | <b>389</b>          | <b>174</b> | <b>19</b> | <b>582</b> |
| Men   | 84                  | 86         | 18        | 188        | 38                  | 47        | 3        | 88         | 284                 | 88         | 15        | 387        |
| Women   | 62                  | 110        | 14        | 186        | 42                  | 47        | 5        | 94         | 105                 | 86         | 4         | 195        |

| TOTAL NUMBER OF INTERNAL EMPLOYEES BROKEN DOWN BY PROFESSIONAL CATEGORY, AGE GROUP AND GENDER |                     |             |            |             |
|---|---------------------|-------------|------------|-------------|
| PROFESSIONAL CATEGORIES   | AT 31 DECEMBER 2021 |             |            |             |
|   | <30 YEARS           | 30-50 YEARS | >50 YEARS  | TOTAL       |
| EXECUTIVES  | 0%                  | 0%          | 1%         | 1%          |
| MANAGERS  | 0%                  | 2%          | 1%         | 3%          |
| EMPLOYEES   | 4%                  | 8%          | 2%         | 14%         |
| WORKERS   | 32%                 | 36%         | 15%        | 83%         |
| <b>TOTAL</b>  | <b>37%</b>          | <b>46%</b>  | <b>18%</b> | <b>100%</b> |



## APPENDIX TO CH.3 – ADDITIONAL TABLES CONCERNING PASUBIO PERSONNEL

| TOTAL NUMBER OF INTERNAL EMPLOYEES IN INSERTION BY GENDER, AGE AND GEOGRAPHY |                     |            |            |            |                     |            |           |            |                     |            |            |            |
|--|---------------------|------------|------------|------------|---------------------|------------|-----------|------------|---------------------|------------|------------|------------|
| EMPLOYEES (YEARS)  | AT 31 DECEMBER 2018 |            |            |            | AT 31 DECEMBER 2019 |            |           |            | AT 31 DECEMBER 2020 |            |            |            |
|  | <30                 | 30-50      | >50        | Total      | <30                 | 30-50      | >50       | Total      | <30                 | 30-50      | >50        | Total      |
| <b>Conceria Pasubio S.p.A.</b>   | <b>50%</b>          | <b>53%</b> | <b>42%</b> | <b>51%</b> | <b>25%</b>          | <b>24%</b> | <b>8%</b> | <b>23%</b> | <b>34%</b>          | <b>20%</b> | <b>7%</b>  | <b>22%</b> |
| Men  | 54%                 | 48%        | 43%        | 50%        | 23%                 | 25%        | 4%        | 22%        | 36%                 | 16%        | 8%         | 20%        |
| Women  | 46%                 | 57%        | 41%        | 51%        | 26%                 | 23%        | 14%       | 23%        | 31%                 | 24%        | 4%         | 23%        |
| <b>Arzignanese S.r.l.</b>  | <b>100%</b>         | <b>11%</b> | <b>19%</b> | <b>16%</b> | <b>0%</b>           | <b>8%</b>  | <b>6%</b> | <b>7%</b>  | <b>0%</b>           | <b>0%</b>  | <b>0%</b>  | <b>0%</b>  |
| Men  | -                   | 13%        | 13%        | 13%        | -                   | 9%         | 6%        | 7%         | -                   | 0%         | 0%         | 0%         |
| Women  | 100%                | 0%         | -          | 50%        | 0%                  | 0%         | -         | 0%         | 0%                  | 0%         | -          | 0%         |
| <b>GD Servicios Internacionales del Norte S. de R.L.</b>                     | <b>-</b>            | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>            | <b>-</b>   | <b>-</b>  | <b>-</b>   | <b>91%</b>          | <b>70%</b> | <b>36%</b> | <b>82%</b> |
| Men  | -                   | -          | -          | -          | -                   | -          | -         | -          | 115%                | 93%        | 47%        | 106%       |
| Women  | -                   | -          | -          | -          | -                   | -          | -         | -          | 53%                 | 48%        | 20%        | 50%        |
| <b>TOTAL</b>   | <b>50%</b>          | <b>50%</b> | <b>38%</b> | <b>49%</b> | <b>25%</b>          | <b>23%</b> | <b>8%</b> | <b>22%</b> | <b>67%</b>          | <b>30%</b> | <b>10%</b> | <b>43%</b> |
| Men  | 54%                 | 44%        | 34%        | 46%        | 23%                 | 23%        | 5%        | 21%        | 84%                 | 32%        | 11%        | 52%        |
| Women  | 46%                 | 56%        | 44%        | 51%        | 26%                 | 22%        | 14%       | 23%        | 43%                 | 29%        | 7%         | 32%        |

| TOTAL NUMBER OF INTERNAL EMPLOYEES IN EXIT BY GENDER, AGE AND GEOGRAPHY |       |                     |                    |                    |        |
|---|-------|---------------------|--------------------|--------------------|--------|
| EMPLOYEES (YEARS)   |       | AT 31 DECEMBER 2021 |                    |                    |        |
|   |       | <30 years           | 30-50 years        | >50 years          | Total  |
| Conceria Pasubio S.p.A - ITALY  | Men   | 13,00               | 15,00              | 17,00              | 45,00  |
|   | Women |                     |                    |                    |        |
| Conceria Pasubio S.p.A - SERBIA   | Men   | 80,00               | 71,00              | 1,00               | 152,00 |
|   | Women |                     |                    |                    |        |
| Arzignanese S.r.l.  | Men   | -                   | 2,00               | 2,00               | 4,00   |
|   | Women |                     |                    |                    |        |
| GD Servicios Internacionales del Norte, s. de R.L. de C.V               | Men   | 314,00              | 114,00             | 7,00               | 435,00 |
|   | Women |                     |                    |                    |        |
| Hewa Leder GmbH   | Men   | data not available  | data not available | data not available |        |
|   | Women |                     |                    |                    |        |
| TOTAL   |       | 407,00              | 202,00             | 27,00              | 636,00 |

| NUMBER OF INTERNAL EMPLOYEES IN EXIT BY GENDER, AGE AND GEOGRAPHY |                     |           |          |           |                     |           |           |            |                     |            |           |            |
|---|---------------------|-----------|----------|-----------|---------------------|-----------|-----------|------------|---------------------|------------|-----------|------------|
| EMPLOYEES (YEARS)   | AT 31 DECEMBER 2018 |           |          |           | AT 31 DECEMBER 2019 |           |           |            | AT 31 DECEMBER 2020 |            |           |            |
|   | <30                 | 30-50     | >50      | Total     | <30                 | 30-50     | >50       | Total      | <30                 | 30-50      | >50       | Total      |
| <b>Conceria Pasubio S.p.A.</b>                                    | <b>11</b>           | <b>16</b> | <b>1</b> | <b>28</b> | <b>42</b>           | <b>57</b> | <b>10</b> | <b>109</b> | <b>64</b>           | <b>68</b>  | <b>18</b> | <b>150</b> |
| Men   | 3                   | 7         | 1        | 11        | 19                  | 23        | 6         | 48         | 36                  | 21         | 10        | 67         |
| Women   | 8                   | 9         | 0        | 17        | 23                  | 34        | 4         | 61         | 28                  | 47         | 8         | 83         |
| <b>Arzignanese S.r.l.</b>   | <b>1</b>            | <b>2</b>  | <b>3</b> | <b>6</b>  | <b>0</b>            | <b>2</b>  | <b>0</b>  | <b>2</b>   | <b>0</b>            | <b>0</b>   | <b>2</b>  | <b>2</b>   |
| Men   | 1                   | 2         | 1        | 4         | 0                   | 2         | 0         | 2          | 0                   | 0          | 2         | 2          |
| Women   | 0                   | 0         | 2        | 2         | 0                   | 0         | 0         | 0          | 0                   | 0          | 0         | 0          |
| <b>GD Servicios Internacionales del Norte S. de R.L.</b>          | <b>-</b>            | <b>-</b>  | <b>-</b> | <b>-</b>  | <b>-</b>            | <b>-</b>  | <b>-</b>  | <b>-</b>   | <b>198</b>          | <b>62</b>  | <b>8</b>  | <b>268</b> |
| Men   | -                   | -         | -        | -         | -                   | -         | -         | -          | 116                 | 28         | 5         | 149        |
| Women   | -                   | -         | -        | -         | -                   | -         | -         | -          | 82                  | 34         | 3         | 119        |
| <b>TOTAL</b>  | <b>12</b>           | <b>18</b> | <b>4</b> | <b>34</b> | <b>42</b>           | <b>59</b> | <b>10</b> | <b>111</b> | <b>262</b>          | <b>130</b> | <b>28</b> | <b>420</b> |
| Men   | 4                   | 9         | 2        | 15        | 19                  | 25        | 6         | 50         | 152                 | 49         | 17        | 218        |
| Women   | 8                   | 9         | 2        | 19        | 23                  | 34        | 4         | 61         | 110                 | 81         | 11        | 202        |

| RATE OF INTERNAL EMPLOYEES IN EXIT BY GENDER, AGE AND GEOGRAPHY  |       |                     |             |           |             |
|--|-------|---------------------|-------------|-----------|-------------|
| EMPLOYEES (YEARS)  |       | AT 31 DECEMBER 2021 |             |           |             |
|  |       | <30 years           | 30-50 years | >50 years | Total       |
| <b>Conceria Pasubio S.p.A - ITALY</b>                            | Men   | 2%                  | 2%          | 3%        | 7%          |
|  | Women |                     |             |           |             |
| <b>Conceria Pasubio S.p.A - SERBIA</b>                           | Men   | 13%                 | 11%         | 0%        | 24%         |
|  | Women |                     |             |           |             |
| <b>Arzignanese S.r.l.</b>  | Men   | 0%                  | 0%          | 0%        | 1%          |
|  | Women |                     |             |           |             |
| <b>GD Servicios Internacionales del Norte, s. de R.L. de C.V</b> | Men   | 49%                 | 18%         | 1%        | 68%         |
|  | Women |                     |             |           |             |
| <b>Hewa Leder GmbH</b>   | Men   | -                   | -           | -         |             |
|  | Women |                     |             |           |             |
| <b>TOTAL</b>   |       | <b>64%</b>          | <b>32%</b>  | <b>4%</b> | <b>100%</b> |

| RATE OF INTERNAL EMPLOYEES IN EXIT BY GENDER, AGE AND GEOGRAPHY |                     |           |            |            |                     |            |            |            |                     |            |            |            |
|---|---------------------|-----------|------------|------------|---------------------|------------|------------|------------|---------------------|------------|------------|------------|
| EMPLOYEES (YEARS)   | AT 31 DECEMBER 2018 |           |            |            | AT 31 DECEMBER 2019 |            |            |            | AT 31 DECEMBER 2020 |            |            |            |
|   | <30                 | 30-50     | >50        | Total      | <30                 | 30-50      | >50        | Total      | <30                 | 30-50      | >50        | Total      |
| <b>Conceria Pasubio S.p.A.</b>                                  | <b>4%</b>           | <b>4%</b> | <b>1%</b>  | <b>4%</b>  | <b>13%</b>          | <b>15%</b> | <b>12%</b> | <b>14%</b> | <b>26%</b>          | <b>16%</b> | <b>12%</b> | <b>18%</b> |
| Men   | 2%                  | 4%        | 3%         | 3%         | 12%                 | 13%        | 13%        | 12%        | 27%                 | 11%        | 10%        | 16%        |
| Women   | 6%                  | 5%        | 0%         | 5%         | 14%                 | 17%        | 11%        | 15%        | 25%                 | 21%        | 16%        | 21%        |
| <b>Arzignanese S.r.l.</b>                                       | <b>100%</b>         | <b>7%</b> | <b>19%</b> | <b>14%</b> | <b>0%</b>           | <b>8%</b>  | <b>0%</b>  | <b>4%</b>  | <b>0%</b>           | <b>0%</b>  | <b>11%</b> | <b>5%</b>  |
| Men   | -                   | 8%        | 6%         | 10%        | -                   | 9%         | 0%         | 5%         | -                   | 0%         | 11%        | 5%         |
| Women   | 0%                  | 0%        | -          | 50%        | 0%                  | 0%         | -          | 0%         | 0%                  | 0%         | -          | 0%         |
| <b>GD Servicios Internacionales del Norte S. de R.L.</b>        | <b>-</b>            | <b>-</b>  | <b>-</b>   | <b>-</b>   | <b>-</b>            | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>59%</b>          | <b>48%</b> | <b>32%</b> | <b>55%</b> |
| Men   | -                   | -         | -          | -          | -                   | -          | -          | -          | 56%                 | 46%        | 33%        | 53%        |
| Women   | -                   | -         | -          | -          | -                   | -          | -          | -          | 63%                 | 51%        | 30%        | 57%        |
| <b>TOTAL</b>  | <b>4%</b>           | <b>5%</b> | <b>5%</b>  | <b>4%</b>  | <b>13%</b>          | <b>14%</b> | <b>10%</b> | <b>13%</b> | <b>45%</b>          | <b>23%</b> | <b>15%</b> | <b>31%</b> |
| Men   | 3%                  | 5%        | 4%         | 4%         | 12%                 | 12%        | 9%         | 12%        | 45%                 | 18%        | 13%        | 29%        |
| Women   | 6%                  | 5%        | 6%         | 5%         | 14%                 | 16%        | 11%        | 15%        | 45%                 | 27%        | 18%        | 33%        |

| TOTAL NUMBER OF INTERNAL EMPLOYEES AND EXTERNAL COLLABORATORS BROKEN DOWN BY PROFESSIONAL CATEGORY, AGE GROUP AND GENDER |                     |             |            |             |
|--|---------------------|-------------|------------|-------------|
| PROFESSIONAL CATEGORIES  | AT 31 DECEMBER 2021 |             |            |             |
|  | <30 YEARS           | 30-50 YEARS | >50 YEARS  | TOTAL       |
| TOP MANAGERS   | 0                   | 3           | 12         | 15          |
| MIDDLE MANAGERS  | 2                   | 31          | 13         | 46          |
| WHITE COLLARS  | 73                  | 133         | 27         | 233         |
| BLUE COLLARS   | 553                 | 617         | 255        | 1425        |
| <b>TOTAL</b>   | <b>628</b>          | <b>784</b>  | <b>307</b> | <b>1719</b> |

## APPENDIX TO CH.3 – ADDITIONAL TABLES CONCERNING PASUBIO PERSONNEL

| TOTAL NUMBER OF INTERNAL EMPLOYEES AND EXTERNAL COLLABORATORS BROKEN DOWN BY PROFESSIONAL CATEGORY, AGE GROUP AND GENDER |                     |       |             |       |           |       |       |
|--|---------------------|-------|-------------|-------|-----------|-------|-------|
| PROFESSIONAL CATEGORIES  | AT 31 DECEMBER 2018 |       |             |       |           |       |       |
|  | <30 YEARS           |       | 30-50 YEARS |       | >50 YEARS |       | TOTAL |
|  | MEN                 | WOMEN | MEN         | WOMEN | MEN       | WOMEN |       |
| TOP MANAGERS   | 3                   | 1     | 3           | 1     | 1         | 1     | 10    |
| MIDDLE MANAGERS  | 6                   | 2     | 11          | 7     | 2         | 1     | 29    |
| WHITE COLLARS  | 28                  | 16    | 29          | 17    | 6         | 2     | 98    |
| BLUE COLLARS   | 119                 | 116   | 153         | 170   | 44        | 28    | 630   |
| TOTAL  | 156                 | 135   | 196         | 195   | 53        | 32    | 767   |
| PROFESSIONAL CATEGORIES  | AT 31 DECEMBER 2019 |       |             |       |           |       |       |
|  | <30 YEARS           |       | 30-50 YEARS |       | >50 YEARS |       | TOTAL |
|  | MEN                 | WOMEN | MEN         | WOMEN | MEN       | WOMEN |       |
| TOP MANAGERS   | 2                   | 1     | 3           | 1     | 2         | 1     | 10    |
| MIDDLE MANAGERS  | 7                   | 1     | 11          | 7     | 2         | 3     | 31    |
| WHITE COLLARS  | 29                  | 19    | 36          | 25    | 8         | 2     | 119   |
| BLUE COLLARS   | 124                 | 139   | 151         | 176   | 53        | 31    | 674   |
| TOTAL  | 162                 | 160   | 201         | 209   | 65        | 37    | 834   |
| PROFESSIONAL CATEGORIES  | AT 31 DECEMBER 2020 |       |             |       |           |       |       |
|  | <30 YEARS           |       | 30-50 YEARS |       | >50 YEARS |       | TOTAL |
|  | MEN                 | WOMEN | MEN         | WOMEN | MEN       | WOMEN |       |
| TOP MANAGERS   | 0                   | 0     | 3           | 0     | 6         | 1     | 10    |
| MIDDLE MANAGERS  | 1                   | 2     | 18          | 6     | 7         | 1     | 35    |
| WHITE COLLARS  | 41                  | 25    | 51          | 59    | 14        | 10    | 200   |
| BLUE COLLARS   | 296                 | 218   | 205         | 232   | 105       | 49    | 1.105 |
| TOTAL  | 338                 | 245   | 277         | 297   | 132       | 61    | 1.350 |

| TOTAL NUMBER OF INTERNAL EMPLOYEES AND EXTERNAL COLLABORATORS BROKEN DOWN BY PROFESSIONAL CATEGORY, AGE GROUP AND GENDER |  |                     |             |           |       |      |
|--|--|---------------------|-------------|-----------|-------|------|
| PROFESSIONAL CATEGORIES  |  | AT 31 DECEMBER 2021 |             |           |       |      |
|  |  | <30 YEARS           | 30-50 YEARS | >50 YEARS | TOTAL |      |
|  |  | TOP MANAGERS        | 0%          | 0%        | 1%    | 1%   |
|  |  | MIDDLE MANAGERS     | 0%          | 2%        | 1%    | 3%   |
|  |  | WHITE COLLARS       | 4%          | 8%        | 2%    | 14%  |
|  |  | BLUE COLLARS        | 32%         | 36%       | 15%   | 83%  |
|  |  | TOTAL               | 37%         | 46%       | 18%   | 100% |

| TOTAL NUMBER OF INTERNAL EMPLOYEES AND EXTERNAL COLLABORATORS BROKEN DOWN BY PROFESSIONAL CATEGORY, AGE GROUP AND GENDER |                     |       |             |       |           |       |        |
|--|---------------------|-------|-------------|-------|-----------|-------|--------|
| PROFESSIONAL CATEGORIES  | AT 31 DECEMBER 2018 |       |             |       |           |       |        |
|  | <30 YEARS           |       | 30-50 YEARS |       | >50 YEARS |       | TOTAL  |
|  | MEN                 | WOMEN | MEN         | WOMEN | MEN       | WOMEN |        |
| TOP MANAGERS   | 0,4%                | 0,1%  | 0,4%        | 0,1%  | 0,1%      | 0,1%  | 1,3%   |
| MIDDLE MANAGERS  | 0,8%                | 0,3%  | 1,4%        | 0,9%  | 0,3%      | 0,1%  | 3,8%   |
| WHITE COLLARS  | 3,7%                | 2,1%  | 3,8%        | 2,2%  | 0,8%      | 0,3%  | 12,8%  |
| BLUE COLLARS   | 15,5%               | 15,1% | 19,9%       | 22,2% | 5,7%      | 3,7%  | 82,1%  |
| TOTAL  | 20,3%               | 17,6% | 25,6%       | 25,4% | 6,9%      | 4,2%  | 100%   |
| PROFESSIONAL CATEGORIES  | AT 31 DECEMBER 2019 |       |             |       |           |       |        |
|  | <30 YEARS           |       | 30-50 YEARS |       | >50 YEARS |       | TOTAL  |
|  | MEN                 | WOMEN | MEN         | WOMEN | MEN       | WOMEN |        |
| TOP MANAGERS   | 0,2%                | 0,1%  | 0,4%        | 0,1%  | 0,2%      | 0,1%  | 1,2%   |
| MIDDLE MANAGERS  | 0,8%                | 0,1%  | 1,3%        | 0,8%  | 0,2%      | 0,4%  | 3,7%   |
| WHITE COLLARS  | 3,5%                | 2,3%  | 4,3%        | 3,0%  | 1,0%      | 0,2%  | 14,3%  |
| BLUE COLLARS   | 14,9%               | 16,7% | 18,1%       | 21,1% | 6,4%      | 3,7%  | 80,8%  |
| TOTAL  | 19,4%               | 19,2% | 24,1%       | 25,1% | 7,8%      | 4,4%  | 100%   |
| PROFESSIONAL CATEGORIES  | AT 31 DECEMBER 2020 |       |             |       |           |       |        |
|  | <30 YEARS           |       | 30-50 YEARS |       | >50 YEARS |       | TOTAL  |
|  | MEN                 | WOMEN | MEN         | WOMEN | MEN       | WOMEN |        |
| TOP MANAGERS   | 0,0%                | 0,0%  | 0,2%        | 0,0%  | 0,4%      | 0,1%  | 0,7%   |
| MIDDLE MANAGERS  | 0,1%                | 0,1%  | 1,3%        | 0,4%  | 0,5%      | 0,1%  | 2,6%   |
| WHITE COLLARS  | 3,0%                | 1,9%  | 3,8%        | 4,4%  | 1,0%      | 0,7%  | 14,8%  |
| BLUE COLLARS   | 21,9%               | 16,1% | 15,2%       | 17,2% | 7,8%      | 3,6%  | 81,9%  |
| TOTAL  | 25,0%               | 18,1% | 20,5%       | 22,0% | 9,8%      | 4,5%  | 100,0% |

## INTERNAL EMPLOYEES IN PROTECTED CATEGORIES:

| INTERNAL EMPLOYEES IN PROTECTED CATEGORIES 2019 |          |          |           |
|---|----------|----------|-----------|
| NUMBER OF EMPLOYEES                             | MALE     | FEMALE   | TOTAL     |
| TOP MANAGERS                                    | 0        | 0        | 0         |
| MIDDLE MANAGERS                                 | 0        | 0        | 0         |
| WHITE COLLARS                                   | 0        | 1        | 1         |
| BLUE COLLARS                                    | 8        | 6        | 14        |
| <b>TOTAL</b>                                    | <b>8</b> | <b>7</b> | <b>15</b> |
| INTERNAL EMPLOYEES IN PROTECTED CATEGORIES 2020 |          |          |           |
| NUMBER OF EMPLOYEES                             | MALE     | FEMALE   | TOTAL     |
| TOP MANAGERS                                    | 0        | 0        | 0         |
| MIDDLE MANAGERS                                 | 0        | 0        | 0         |
| WHITE COLLARS                                   | 0        | 0        | 0         |
| BLUE COLLARS                                    | 5        | 5        | 10        |
| <b>TOTAL</b>                                    | <b>5</b> | <b>5</b> | <b>10</b> |
| INTERNAL EMPLOYEES IN PROTECTED CATEGORIES 2021 |          |          |           |
| NUMBER OF EMPLOYEES                             | MALE     | FEMALE   | TOTAL     |
| TOP MANAGERS                                    | 0        | 0        | 0         |
| MANAGERS  | 0        | 0        | 0         |
| WHITE COLLARS                                   | 1        | 2        | 3         |
| BLUE COLLARS                                    | 6        | 3        | 1         |
| <b>TOTAL</b>                                    | <b>7</b> | <b>5</b> | <b>12</b> |





# Ch. 4

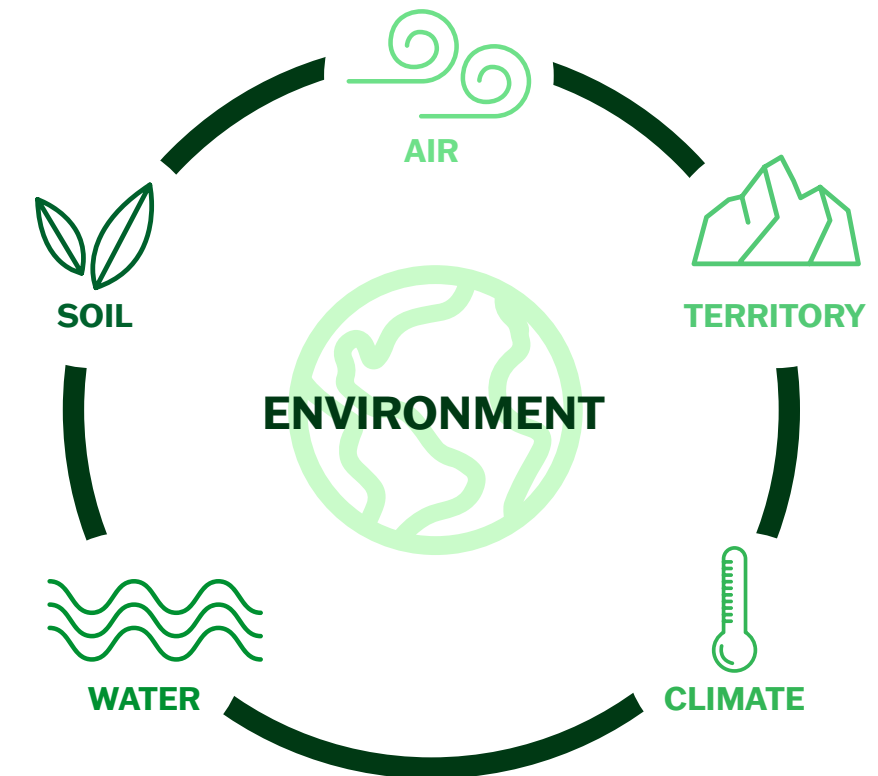


## ENVIRONMENT: THE FOCUS ON A SHARED RE- SOURCE



## CH 4

### FOR PASUBIO GROUP, THE ENVIRONMENT IS:



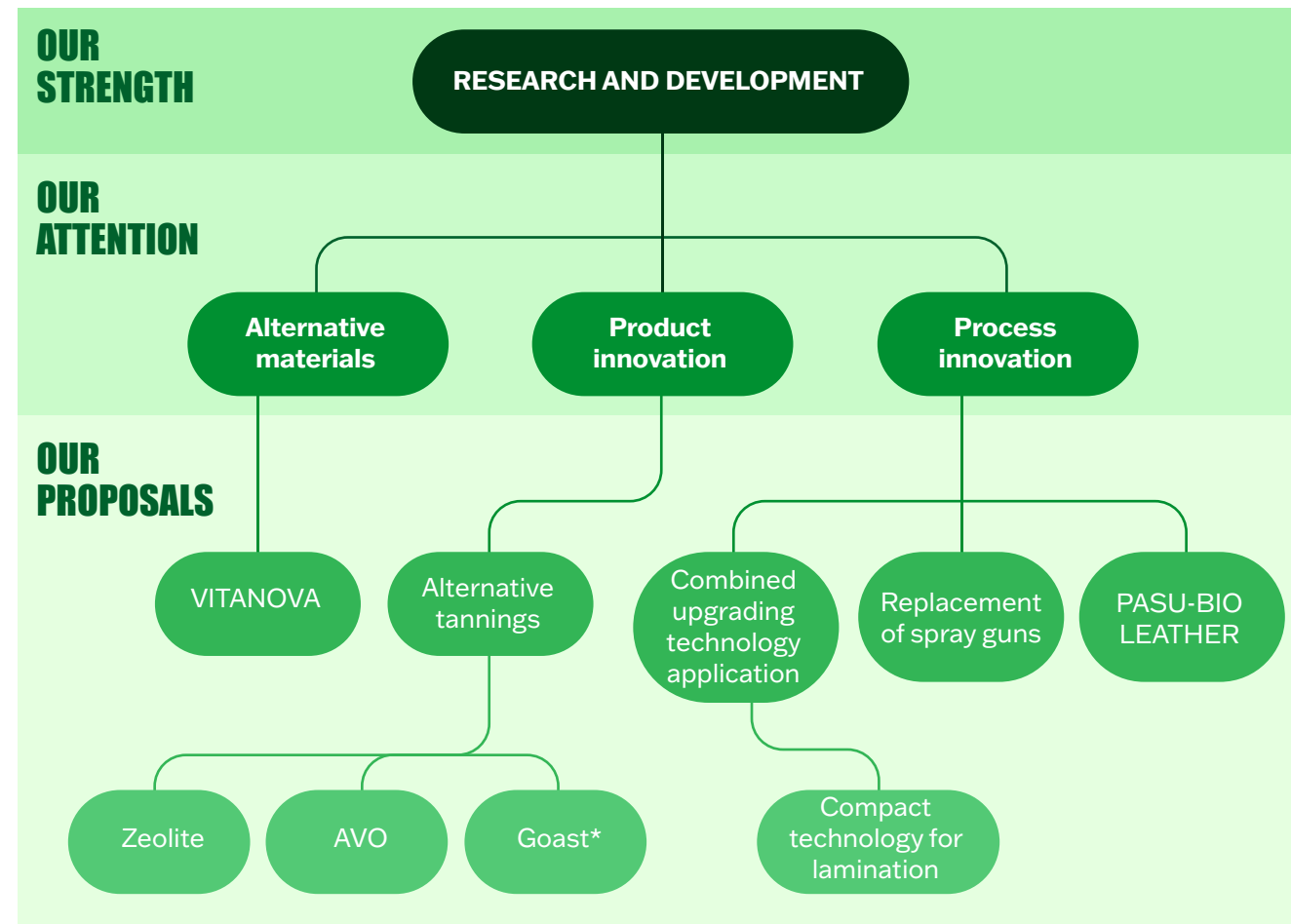
Pasubio Group demonstrates its daily commitment:

- 1** By respecting mandatory legislative compliance
- 2** By obtaining voluntary environmental certifications (LWG and ISO 14001)
- 3** By investing in Research & Development to ensure greater innovation and sustainability
- 4** By keeping to the life cycle approach to support the decision making for sustainable development

NOTE: Please note that, while the two German plants of Hewa Leder GmbH were purchased by Pasubio in June 2021, their impact report consider all 12 months of 2021.



## CH 4.1

A CIRCULAR  
MANUFACTURING  
MODEL

\* Green organic Agents for Sustainable Tanneries (GOAST)

## OUR STRENGTH

Is a team of 1.719 people who share a common effort across all departments and several Group facilities. The R&D department is a team of 33 people responsible for turning ideas and proposals into projects.

## OUR FOCUS

Is on the automotive market. The Group is working hard to identify sustainable environmental solutions through its products and processes.



## OUR PROPOSALS

## VITANOVA

Leather produced with the residues from the cutting, shaving, and trimming phases of the production. 60% waste of which (90% finished trim, 10% wet white shaving)

## PASUBIOLEATHER

The purpose of this proposal is to integrate recipes of the re-tanning and finishing processes with biobased chemicals.

## ALTERNATIVE TANNINGS

## ZEOLITE

This fertilizer is free of chromium, heavy metals and aldehydes, this agent ensures less chemical discharge into waste and waste water.

## AVO

This tanning is possible thanks to the recycling of waste water from the production of olive oil.

## GOAST

This process, supported by a European LIFE project, is metal-free and makes it possible to drastically reduce hazardous substances, with positive impacts both on the environment and on the health and safety risks associated with production.

COMBINED UPGRADING  
TECHNOLOGY APPLICATION  
[CUTA]

The goal of this process is to improve the quality of the leather at the finishing primer application stage, reducing the number of visible defects and ensuring the specified finishing thickness. "Compact Technology for Lamination" technology is the evolution of the "Combined Upgrading Technology Application" project: this manufacturing process enables the transfer of the topcoat by means of a polyethylene film that can drastically reduce the number of successive steps.

REPLACEMENT  
OF THE SPRAY  
GUNS

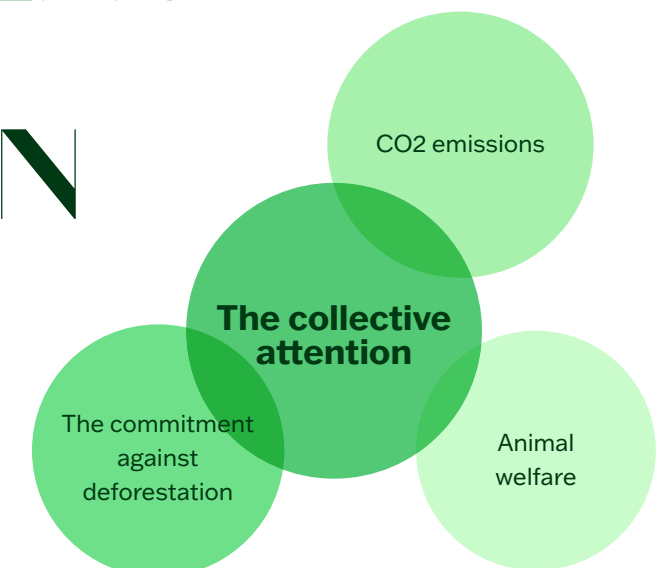
This activity consists of replacing paint guns with a new gun technology, which ensures:

- homogeneity of colour on the surface of the leather
- less overspray (approximately 60% of colour transfer reducing waste related to this process)

## CH 4.2

OUR  
COMMITMENT  
TO GREEN  
TRANSITION

Pasubio Group's collective attention to the environment has generated awareness in the following macro areas:



## CH 4.2.1

TOGETHER  
FOR ANIMAL  
WELFARE

**8**  
**DEVELOP**  
initiatives and  
practices to promote  
and divulge  
socioenvironmental  
responsibility

The Pasubio Group recognizes that it has a duty of care to safeguard animal welfare.

Pasubio is inspired by the internationally accepted Five Freedoms on animal welfare:

- **Freedom from hunger or thirst** thanks to immediate access to fresh water and a correct diet to

remain healthy and vigorous.

- **Freedom from discomfort**, provided by an appropriate environment that includes shelter and a comfortable resting area of rest.

- **Freedom from pain, injury or disease** by rapid prevention or diagnosis and treatment.

- **Freedom to express (more) normal behaviour** provided by suffi-

cient space, adequate structures, and companionship of the same species of the animal.

- **Freedom from fear and anguish** ensured by conditions and treatments that avoid mental suffering.

**OBJECTIVE**

Produce a global animal welfare policy for Pasubio that covers all animals in the supply chain

**RESULT**

Publication of the Animal Welfare Policy (September, 2021)

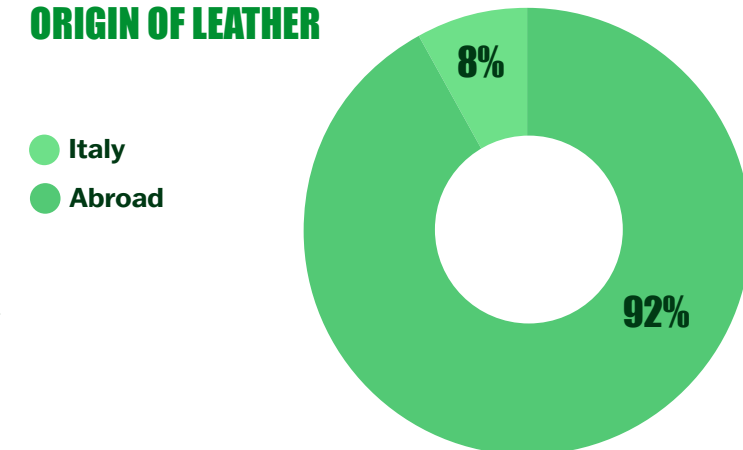


## CH 4.2.2

THE  
COMMITMENT  
AGAINST  
DEFORESTATION

**8**  
**DEVELOP**  
initiatives and  
practices to promote  
and divulge  
socioenvironmental  
responsibility

The Pasubio Group draw attention to the current issue of combating deforestation, because it is aware of this problem at world level. There are areas of the planet that are subject to deforestation, both for natural (desertification) and anthropic causes. The Pasubio Group wants to keep its supply chain under control through all the measures at its disposal (documentary analysis, on-site audit, traceability projects, etc.) to avoid deforestation, wanting instead to commit itself to becoming a solution to the problem by implementing projects aimed at improving our planet. The following graphic breaks down the provenance of the hides used by Pasubio Group.

**ORIGIN OF LEATHER**



CH 4.2.3

CLIMATE CHANGE AND CO2 EMISSIONS



DEVELOP  
initiatives and  
practices to promote  
and divulge  
socioenvironmental  
responsibility

OBJECTIVE

Quantify the CO2 emissions generated to produce a finished leather

RESULT

- Conceria Pasubio S.p.A is certified according to ISO 14067 “greenhouse gases — carbon footprint of products — requirements and guidelines for quantification”
- Maintaining EPD ISO 14025 certification “Environmental labels and declarations — Type III environmental declarations — Principles and procedures”

OBJECTIVE

Quantify CO2 emissions generated by Pasubio Group (as an organization)

RESULT

Conceria Pasubio S.p.A is certified according to ISO 14064-1 “Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals”

SOME CONSIDERATIONS TO HELP YOU UNDERSTAND OUR ISO14067 AND ISO 14025 CO2 EMISSIONS DATA:

The CO2 calculation tool is the SimaPro software.

No. 6 items certified in 2020 to EPD and CFP standards:

- Taurus Ebony Black Pvj
- Windsor So Ebony Black Pvj
- Windsor Cr Ebony Black Pvj
- Walknappa So Bordeauxrot
- Ultra Beluga Nappa 1
- Green Wolke Olea Standard Basalt Schwarz Ex Wn

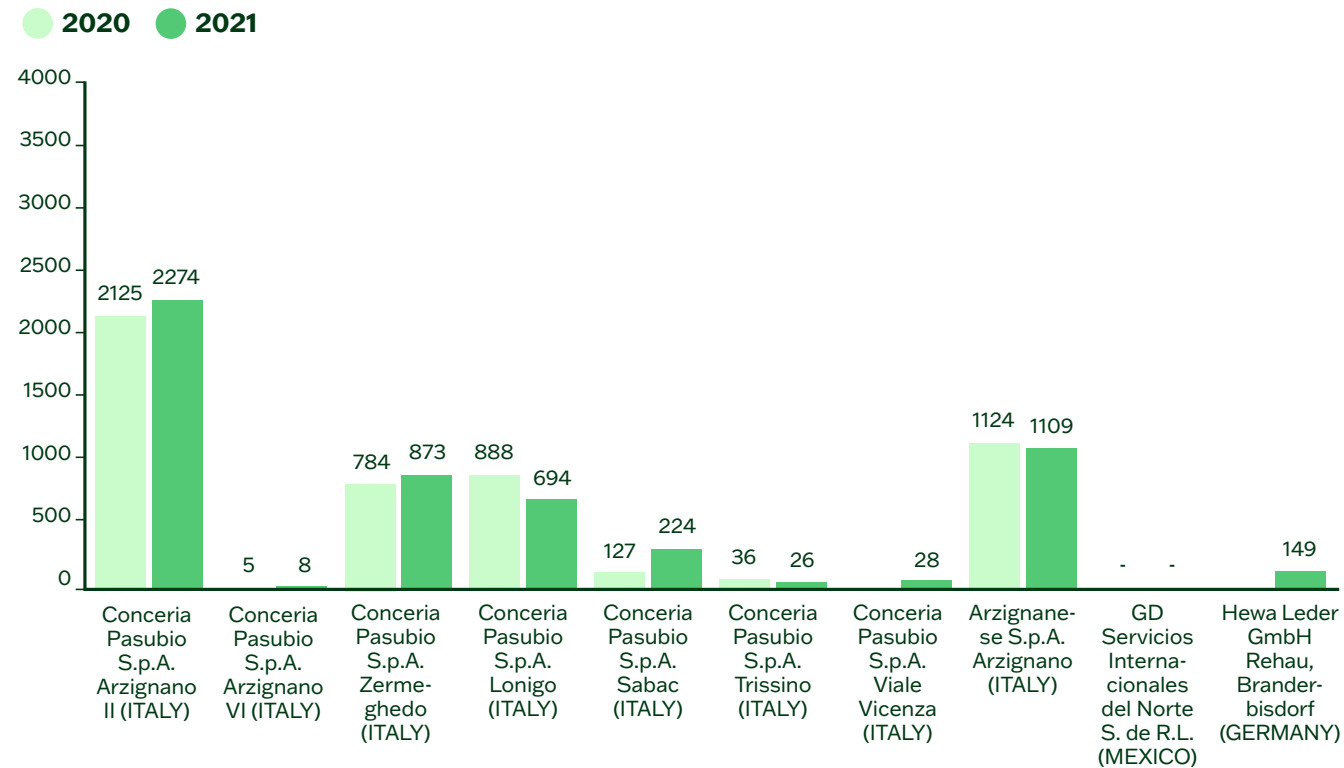
SOME CONSIDERATIONS TO HELP YOU UNDERSTAND OUR CO2 EMISSIONS DATA ACCORDING TO ISO 14064-1 STANDARD:

| ORGANIZATIONAL STRUCTURE                                   | REPORTING PERIOD | SCOPE              | CALCULATION TOOL | CLARIFICATIONS   |
|--|------------------|--------------------|------------------|--|
| Conceria Pasubio S.p.A.                                    | 2020             | Scope 1<br>Scope 2 | Simapro          | - Data subject to verification by third party entity<br>- The data for scope 2 reported in the 2020 budget contained a methodological error, which has been corrected in this budget |
| Arzignanese Srl  | 2020             | Scope 1<br>Scope 2 | Simapro          | Unverified data at present   |
| GD Servicios Internacionales del Norte, s. de R.L. de C.V. | 2020             | Scope 1<br>Scope 2 | Simapro          | Unverified data at present   |
| Conceria Pasubio S.p.A.                                    | 2021             | Scope 1<br>Scope 2 | Simapro          | - Data that will be subject to verification by third party entity in September 2022<br>- The data may vary slightly during audits  |
| Arzignanese Srl  | 2021             | Scope 1<br>Scope 2 | Simapro          | Unverified data, at present  |
| GD Servicios Internacionales del Norte, s. de R.L. de C.V. | 2021             | Scope 1<br>Scope 2 | Simapro          | Unverified data, at present  |
| Hewa Leder GmbH  | 2021             | Scope 1<br>Scope 2 | Simapro          | The 12 months were taken into account even though the company started to be part of the Group since June 2021  |

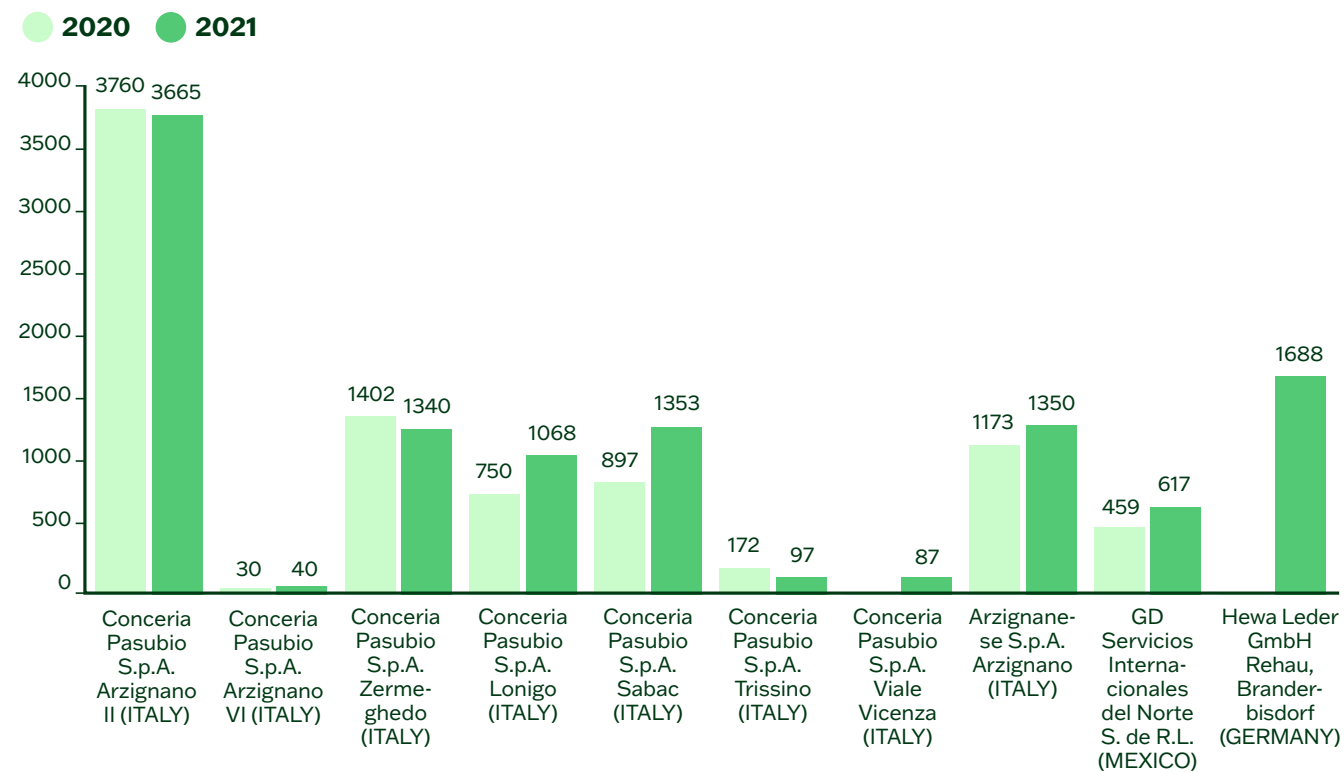
| OUR GROUP’S EMISSIONS | DETAIL  |
|-----------------------|---|
| Scope 1               | <b>Direct emissions from stationary combustion</b><br>- Emissions from gas consumption at the facility<br>- Boilers emissions<br><br><b>Direct emissions from mobile combustion</b><br>- Handling diesel        |
| Scope 2               | <b>Indirect emissions from imported electricity</b><br>- Facility electricity consumption<br><br><b>Indirect emissions from imported energy</b><br>- Emissions from the generation of gas as a source of energy |

## CH 4.2.3

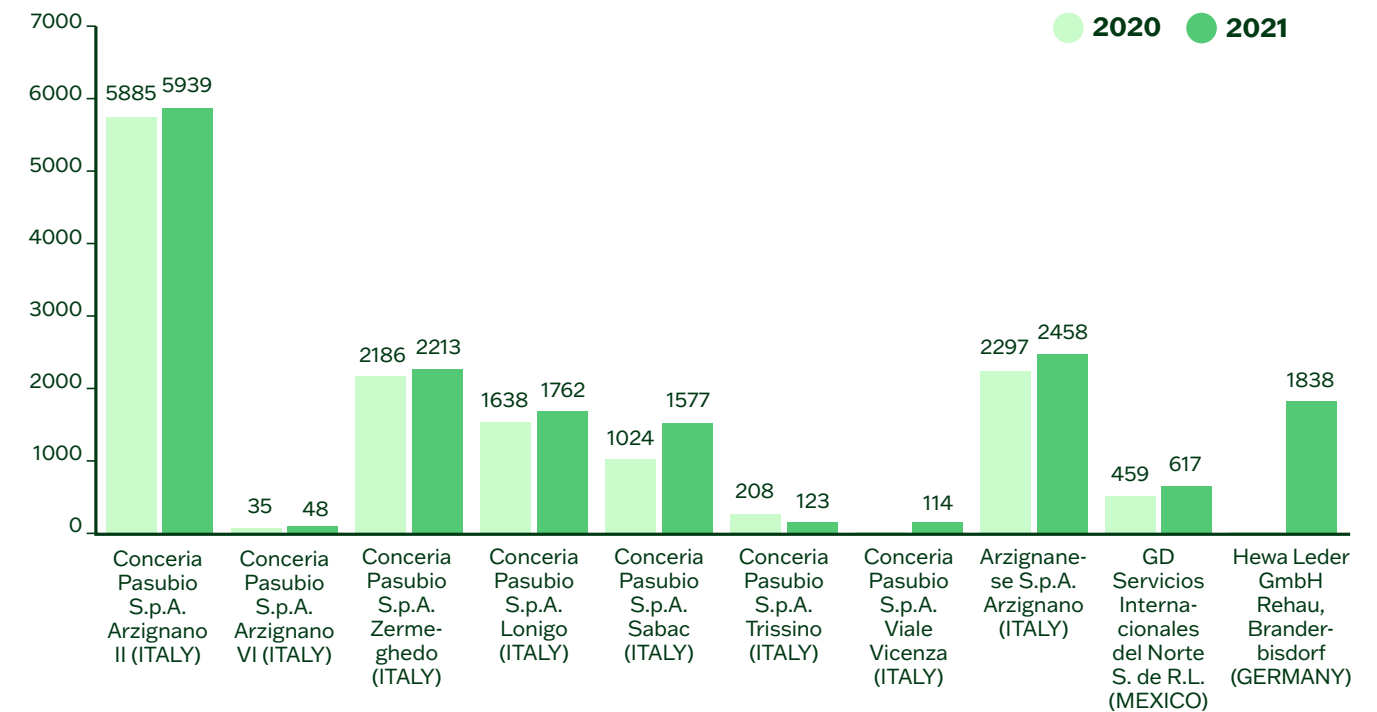
### OUR FOOTPRINT - SCOPE 1 (t CO<sub>2</sub>eq)



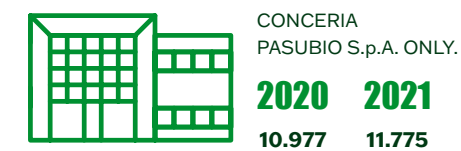
### OUR FOOTPRINT - SCOPE 2 (t CO<sub>2</sub>eq)



### OUR FOOTPRINT - SCOPE 1 + SCOPE 2 (t CO<sub>2</sub>eq)



### GROUPING



**TOTAL t CO<sub>2</sub>eq**

| 2020   | 2021   |
|--------|--------|
| 13.733 | 16.689 |

The significant increase is mainly due to the fact that:

- The 2021 report includes one more company within the Group than in 2020

- The production activities of the entire group have resumed at full capacity after COVID

#### DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS FROM CONCERIA PASUBIO

| TYPE OF CONSUMPTION                               | UNIT OF MEASURE          | JANUARY 1 TO DECEMBER 31, 2020 | JANUARY 1 TO DECEMBER 31, 2021 |
|---|--------------------------|--------------------------------|--------------------------------|
| SCOPE 1   | tCO <sub>2</sub> eq      | 3.966                          | 4.125                          |
| SCOPE 2 - LOCATION BASED                          | tCO <sub>2</sub> eq      | 7.011                          | 7.650                          |
| <b>TOTAL scope 1 and scope 2 (Location based)</b> | <b>tCO<sub>2</sub>eq</b> | <b>10.977</b>                  | <b>11.775</b>                  |

#### DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS CAUSED BY HEWA, GD-DGI, ARZIGNANESE

| TYPE OF CONSUMPTION                               | UNIT OF MEASURE          | JANUARY 1 TO DECEMBER 31, 2020 | JANUARY 1 TO DECEMBER 31, 2021 |
|---|--------------------------|--------------------------------|--------------------------------|
| SCOPE 1   | tCO <sub>2</sub> eq      | 1.124                          | 1.258                          |
| SCOPE 2 - LOCATION BASED                          | tCO <sub>2</sub> eq      | 1.632                          | 3.655                          |
| <b>TOTAL scope 1 and scope 2 (Location based)</b> | <b>tCO<sub>2</sub>eq</b> | <b>2.756</b>                   | <b>4.913</b>                   |

#### DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS FROM PASUBIO GROUP

| TYPE OF CONSUMPTION                               | UNIT OF MEASURE          | JANUARY 1 TO DECEMBER 31, 2020 | JANUARY 1 TO DECEMBER 31, 2021 |
|---|--------------------------|--------------------------------|--------------------------------|
| SCOPE 1   | tCO <sub>2</sub> eq      | 5.089                          | 5.383                          |
| SCOPE 2 - LOCATION BASED                          | tCO <sub>2</sub> eq      | 8.643                          | 11.305                         |
| <b>TOTAL scope 1 and scope 2 (Location based)</b> | <b>tCO<sub>2</sub>eq</b> | <b>13.733</b>                  | <b>16.689</b>                  |



CH 4.3

# THE RESPONSIBLE MANAGEMENT OF RESOURCES



CH 4.3.1

# A RESPONSIBLE USE OF WATER

8

**DEVELOP**  
initiavies and  
practices to promote  
and divulge  
socioenvironmental  
responsibility

| WATER CONSUMPTION DEDICATED TO PRODUCTION:         |                 |                              |
|--|-----------------|------------------------------|
| ORGANIZATIONAL STRUCTURE                           | UNIT OF MEASURE | WATER CONSUMPTION AUTHORIZED |
| Conceria Pasubio S.p.A - ARZIGNANO II (ITALY)      | m3/d            | 830                          |
| Conceria Pasubio S.p.A - ZERMEGHEDO (ITALY)        | m3/d            | 900                          |
| Conceria Pasubio S.p.A - LONIGO (ITALY)            | m3/d            | 350                          |
| Arzignanese Srl - ARZIGNANO (ITALY)                | m3/d            | 1.262                        |
| Hewa Leder GmbH - REHAU, BRAND-ERBISDORF (GERMANY) | m3/y            | 50.000                       |

A few useful considerations to better understand the data:

REPORTING ESTABLISHMENTS 2019 AND 2020

|   |
|---|
| Conceria Pasubio S.p.A - ARZIGNANO II (ITALY) |
| Conceria Pasubio S.p.A - ZERMEGHEDO (ITALY)   |
| Conceria Pasubio S.p.A - LONIGO (ITALY)       |
| Arzignanese Srl- ARZIGNANO (ITALY)            |

REPORTING PLANTS 2021

|  |
|--|
| Conceria Pasubio S.p.A - ARZIGNANO II (ITALY)      |
| Conceria Pasubio S.p.A - ZERMEGHEDO (ITALY)        |
| Conceria Pasubio S.p.A - LONIGO (ITALY)            |
| Arzignanese Srl- ARZIGNANO (ITALY)                 |
| Hewa Leder GmbH - REHAU, BRAND-ERBISDORF (GERMANY) |



- Classification of water resources according to AQUEDUCT Water Risk Atlas.
- The water used by the Pasubio Group's production process is almost entirely groundwater.

**FOR THE PRODUCTION OF LEATHER, PASUBIO GROUP MANAGES THE FOLLOWING RESOURCES:**

WATER

WASTE

ENERGY

AIR  
Emissions to atmosphere



CH 4.3.1

| WATER WITHDRAWAL      |                 |      |      |      |
|-----------------------|-----------------|------|------|------|
|                       | UNIT OF MEASURE | 2019 | 2020 | 2021 |
| LOW <10%              | ML              | -    | -    | -    |
| LOW-MEDIUM (10-20%)   | ML              | 858  | 837  | 843  |
| MEDIUM-HIGH (20-40%)  | ML              | -    | -    | 48   |
| HIGH (40-80%)         | ML              | -    | -    | 1    |
| EXTREMELY HIGH (>80%) | ML              | -    | -    |      |
| TOTAL                 | ML              | 858  | 837  | 891  |

| WATER WITHDRAWAL                     |      |      |      |
|--------------------------------------|------|------|------|
|                                      | 2019 | 2020 | 2021 |
| LOW <10% + LOW-MEDIUM (10-20%)       | 100% | 100% | 95%  |
| MEDIUM-HIGH (20-40%) + HIGH (40-80%) | -    | -    | 5%   |

| WASTEWATER DISCHARGE  |                 |      |      |      |
|-----------------------|-----------------|------|------|------|
|                       | UNIT OF MEASURE | 2019 | 2020 | 2021 |
| LOW <10%              | ML              | -    | -    | -    |
| LOW-MEDIUM (10-20%)   | ML              | 858  | 873  | 875  |
| MEDIUM-HIGH (20-40%)  | ML              | -    | -    | 34   |
| HIGH (40-80%)         | ML              | -    | -    | 1    |
| EXTREMELY HIGH (>80%) | ML              | -    | -    |      |
| TOTAL                 | ML              | 858  | 873  | 910  |

| WASTEWATER DISCHARGE                 |      |      |      |
|--------------------------------------|------|------|------|
|                                      | 2019 | 2020 | 2021 |
| LOW <10% + LOW-MEDIUM (10-20%)       | 100% | 100% | 96%  |
| MEDIUM-HIGH (20-40%) + HIGH (40-80%) | -    | -    | 4%   |

CH 4.3.2

THE ENERGY USED BY THE GROUP

Energy transition is the shift from the use of non-renewable energy sources to renewable energy sources in order to achieve a low-carbon system. The Pasubio Group interprets this transition by promoting:

- The adoption of rational and efficient energy consumption techniques;
- The development of innovative and tools for energy management.

The activities Pasubio have planned are:

- Installation of inverters and replacement of electric motors;
- Replacement of gas boilers with high-efficiency systems;
- Lighting interventions;
- Optimisation of compressed air production and distribution processes.

A few useful considerations to better understand the data:

| INCLUDED PLANTS WITHIN THE REPORTING PERIMETER            |   |  |
|---|---|--|
| 2019  | 2020  | 2021   |
| n. 5  | n. 8  | n. 10  |
| Conceria Pasubio S.p.A - Arz II, VI, Trissino, Zermeghedo | Conceria Pasubio S.p.A - Arz II, VI, Trissino, Zermeghedo, Almisano of Lonigo | Conceria Pasubio S.p.A.- Arz II, VI, Viale Vicenza, Zermeghedo, Almisano of Lonigo |
| Conceria Pasubio S.p.A - Serbia                           | Conceria Pasubio S.p.A - Serbia   | Conceria Pasubio S.p.A. - Serbia   |
| Arzignanese Srl - ARZIGNANO (ITALY)                       | Arzignanese Srl - ARZIGNANO (ITALY)   | Arzignanese Srl - ARZIGNANO (ITALY)  |
|   | GD Servicios Internacionales del Norte, s. de R.L. de C.V. (MEXICO)           | GD Servicios Internacionales del Norte, s. de R.L. de C.V. (MEXICO)                |
|   |   | Hewa Leder GmbH - REHAU, BRAND-ERBISDORF (GERMANY)                                 |

8



**DEVELOP**  
initiavies and  
practices to promote  
and divulge  
socioenvironmental  
responsibility

9



**PROMOTE**  
the development  
and dissemination  
of environmentally  
responsible  
tecnologies





CH 4.3.2

| ENERGY CONSUMPTION WITHIN THE ORGANISATION |                                 |                 |        |        |         |
|--|---------------------------------|-----------------|--------|--------|---------|
|  |                                 | UNIT OF MEASURE | 2019   | 2020   | 2021    |
| ENERGY SOURCE                              | Natural gas                     | GJ              | 83.452 | 73.427 | 120.069 |
|  | BTZ                             | GJ              | 0      | 6.540  | 5.109   |
|  | TOTAL                           | GJ              | 83.452 | 79.967 | 125.177 |
| ELECTRICITY PURCHASED FROM THE GRID        | of which from renewable sources | GJ              | 0      | 0      | 0       |
|  | of which non-renewable          | GJ              | 44.189 | 52.106 | 67.015  |
|  | TOTAL                           | GJ              | 44.189 | 52.106 | 67.015  |
| CAR FLEET FUEL                             | Diesel fuel                     | GJ              | 8.346  | 7.531  | 7.896   |
|  | Gasoline                        | GJ              | 611    | 535    | 551     |
|  | TOTAL                           | GJ              | 8.957  | 8.066  | 8.446   |

| ENERGY CONSUMPTION WITHIN THE ORGANISATION |                 |         |         |         |
|--|-----------------|---------|---------|---------|
| ENERGY SOURCE                              | UNIT OF MEASURE | 2019    | 2020    | 2021    |
|  | GJ              | 83.452  | 79.967  | 125.177 |
| ELECTRICITY PURCHASED FROM THE GRID        | GJ              | 44.189  | 52.106  | 67.015  |
| CAR FLEET FUEL                             | GJ              | 8.957   | 8.066   | 8.446   |
| TOTAL                                      | GJ              | 136.598 | 140.139 | 200.638 |

Sources used: Energy consumption is reported in GJ according to GRI. Conversion factors of national standard parameter tables for reporting greenhouse gases were used for the conversion of energy consumption to GJ.



CH 4.4

WASTE



**ASSUME**  
a responsible,  
preventive  
and proactive  
posture towards  
environmental  
challenges

The processing of leather results in the production of waste weighing more than 50% of the processed raw material’s weight.

The main waste types leather industry are:

|                     |  |
|---------------------|--|
| TANNING LIME PIT    | Sludge containing chromium   |
|                     | Tanned leather (offal)   |
|                     | Hides thatching salt   |
|                     | Bio-degradable waste   |
| RETANNING FINISHING | sludge, produced in particular by on-site effluent treatment, containing chromium          |
|                     | wooden packaging   |
|                     | tanned leather (waste, waste, cut-outs, polishing powders) containing chromium             |
|                     | waste paints and varnishes, other than those mentioned in heading 08 01 11                 |
|                     | tanned leather waste (waste, scraps, polishing powders) containing chromium                |
|                     | mixed material packaging   |
|                     | packaging containing residues of dangerous substances or contaminated with such substances |
|                     | packaging and finishing waste  |

Below is the waste generation of each company in the Group.

| ORGANIZATIONAL STRUCTURE                                   | PLANT                   |        | ACTIVITY                    | TYPE                 | TONS  |
|--|-------------------------|--------|-----------------------------|----------------------|-------|
| CONCERIA PASUBIO S.P.A                                     | ARZIGNANO II STRADA     | ITALY  | Tanning finishing           | Hazardous waste:     | 157   |
|  |                         |        |                             | Non-hazardous waste: | 951   |
|  | ARZIGNANO VI STRADA     | ITALY  | Internal Design Unit        | Hazardous waste:     | 0     |
|  |                         |        |                             | Non-hazardous waste: | 27    |
|  | ARZIGNANO VIALE VICENZA | ITALY  | Cutting & R&D               | Hazardous waste:     | 0     |
|  |                         |        |                             | Non-hazardous waste: | 29    |
|  | ZERMEGHEDO              | ITALY  | Tanning & Leather selection | Hazardous waste:     | 37    |
|  | LONIGO                  | ITALY  | Finishing                   | Hazardous waste:     | 1     |
|  |                         |        |                             | Non-hazardous waste: | 545   |
|  | SABAC                   | SERBIA | Cutting                     | Hazardous waste:     | 0     |
|  |                         |        |                             | Non-hazardous waste: | 620   |
| GD Servicios Internacionales del Norte, s. de R.L. de C.V. | MEXICO                  |        | Cutting and sewing          | Hazardous waste:     | 14    |
|  |                         |        |                             | Non-hazardous waste: | 0     |
| Arzignanese Srl  | ITALY                   |        | Tanning                     | Hazardous waste:     | 0     |
|  |                         |        |                             | Non-hazardous waste: | 1.427 |
| Hewa Leder GmbH  | GERMANY                 |        | Tanning and finishing       | Hazardous waste:     | 24    |
|  |                         |        |                             | Non-hazardous waste: | 1.101 |

CH 4.4

Some considerations about our waste:

- **Waste management** at the Conceria Pasubio plants **is carried out according to the use of PROMETEO software** (monitoring and accounting tool). The implementation of PROMETEO in the management of the Arzignanese S.r.l. plant is planned for 2022.
- **Each organizational plant is responsible** for its **own waste management**.

- **The waste** generated during 2021 **has increased significantly**, as production resumed at full capacity.
- During the year 2021 at Arzignanese Srl a type a type **of waste** (wastewater grating residues) **changed its CER code after verification of ARPAV**.
- Waste with CER code 040106 **is generated and handled differently** at the production sites of Arzignano II Strada, Zermeghedo and Arzignanese. This results

both from the production processes that are different from the outset and from the availability of the final waste disposal (the water purifiers of Chiampo and Medio Chiampo) that require them in different States (liquids, semi-solids, centrifuged solids).

GRI STANDARDS NOTICE 306-2

| WASTE GENERATED DURING THE YEAR (TON) |                                |                                |                                |
|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| TYPE OF WASTE                         | JANUARY 1 TO DECEMBER 31, 2019 | JANUARY 1 TO DECEMBER 31, 2020 | JANUARY 1 TO DECEMBER 31, 2021 |
| HAZARDOUS WASTE                       | 251                            | 222                            | 233                            |
| NON-HAZARDOUS WASTE:                  | 19.191                         | 17.579                         | 19.696                         |
| TOTAL                                 | 19.442                         | 17.801                         | 19.929                         |

| WASTE GENERATED DURING THE YEAR (TON) CONCERIA PASUBIO ITA |                                |                                |                                |
|--|--------------------------------|--------------------------------|--------------------------------|
| TYPE OF WASTE  | JANUARY 1 TO DECEMBER 31, 2019 | JANUARY 1 TO DECEMBER 31, 2020 | JANUARY 1 TO DECEMBER 31, 2021 |
| RECOVERED WASTE R  | 6.396 (37,9%)                  | 5.847 (36,9%)                  | 6.563 (39,2%)                  |
| WASTE DISPOSAL D   | 10.489 (62,1%)                 | 10.008 (63,1%)                 | 10.178 (60,8%)                 |
| TOTAL  | 16.885                         | 15.855                         | 16.742 (100%)                  |

CH 4.5

ATMOSPHERIC EMISSIONS



**ASSUME**  
a responsible,  
preventive  
and proactive  
posture towards  
environmental  
challenges

Atmospheric Emissions are one of the main environmental impacts of manufacturing operations.

The emission points of Pasubio Group are:

| ORGANIZATIONAL STRUCTURE                           | NO. OF POINTS  | POLLUTANTS             |
|--|--|------------------------|
| CONCERIA PASUBIO S.P.A - ARZIGNANO II (ITALY)      | 20   | NOX, PARTICULATES      |
| Conceria Pasubio S.p.A - ZERMEGHEDO (ITALY)        | 2  | NOX                    |
| Conceria Pasubio S.p.A - LONIGO (ITALY)            | 20   | NOX, H2S, PARTICULATES |
| Arzignanese Srl - ARZIGNANO (ITALY)                | 6  | NOX, H2S, PARTICULATES |
| Hewa Leder GmbH - REHAU, BRAND-ERBISDORF (GERMANY) | Details on the German plants will be included in the next edition of the sustainability report |                        |

Some considerations about our atmospheric emissions:

- Every company in the Pasubio Group operating in Italy is required to obtain a prior approval for atmospheric emissions. The current regulatory framework requires that any installation producing emissions into the air be approved in advance by the relevant bodies and comply with the limit values imposed.







# Ch. 5



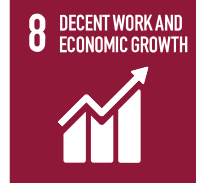
# QUALITY AND SUSTAINABLE INNOVATION



## CH 5

The company intends to differentiate the product offer and to enter the leather market with alternative solutions that will lead to better performing products.

The customer care aspect plays an important role, because the relationship with the customer is vital to the entire company. So, Pasubio offers:



1

A solution to basic product nonconformities.

2

The accessibility to the company information system to obtain data on complaints, returns, and shipments of products.

3

The consultation of data on the sustainability of the hides used.

### CH 5.1

# PASUBIO LEATHER IN THE WORLD

Conceria Pasubio's business is "B2B": It acts as a supplier to OEMs (Original Equipment Manufacturers) and sends its leather to Tier 1 suppliers (also suppliers of

OEMs who cut, sew and assemble the item for the automotive manufacturers: seats, steering wheels, dashboards, door panels, etc.).

The following is a schematic representation of the "supply chain" of the automotive leather industry:



Key customers include Jaguar, Ford, GM, Land Rover, Lamborghini, Bentley, PSA, Porsche, Citroen, VW, and Skoda.





## CH 5.1.1

# THE PRODUCTION CYCLE

The leather production can be divided into 3 macro-stages:

**1** from raw leather to tanned leather

## FROM RAW LEATHER TO TANNED LEATHER:

The objective of the first stage is to process raw leather from slaughterhouses, carrying out all the chemical and mechanical processes necessary to prepare hides for the tanning process.

**2** from tanned leather to crust leather

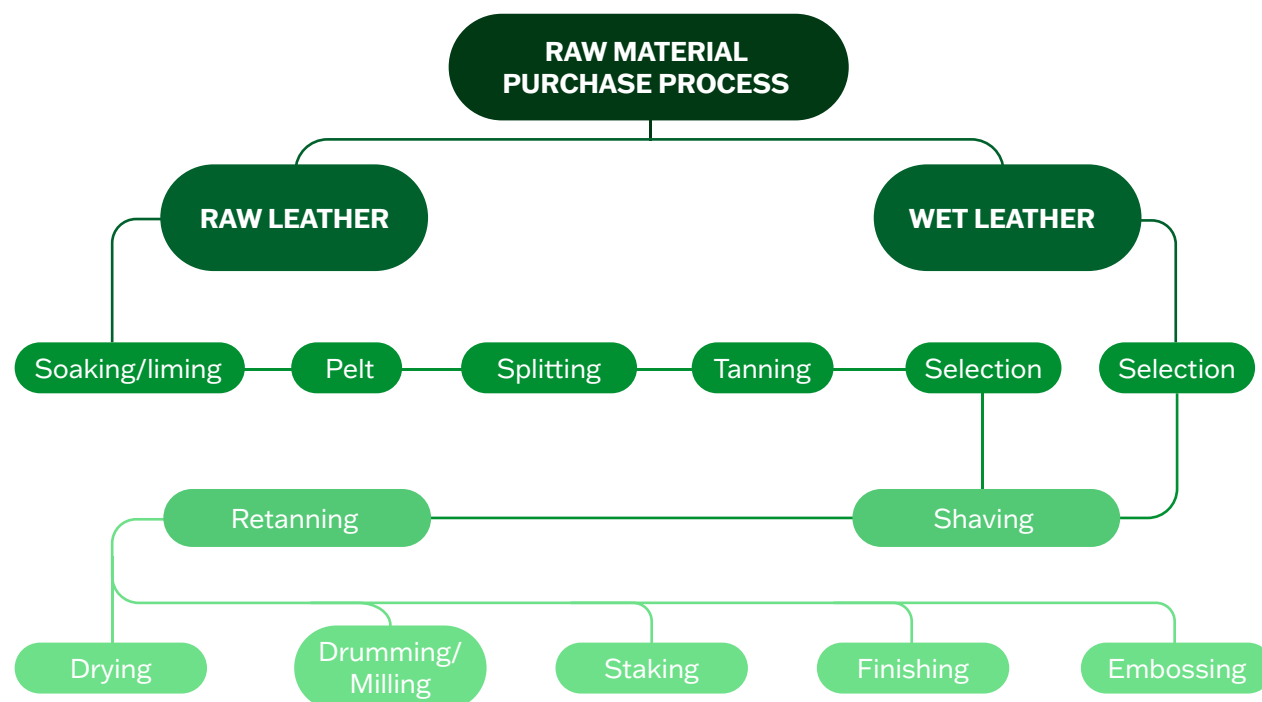
## FROM TANNED LEATHER TO CRUST LEATHER:

The objective of the second stage is to give the leather the colour, texture and softness required by the customer.

**3** from crust leather to finished leather

## FROM CRUST LEATHER TO FINISHED LEATHER:

The objective of the third stage is to ennoble the surface of the leather through the process of surface colouring, and mechanical working to give texture and softness to the final product.



A brief description of the production cycle is given in the appendix

## CH 5.1.2

# BUILDING CUSTOMER LOYALTY

## CUSTOMER ORIENTATION

The operating companies of the Group, to which we give autonomy and flexibility in their organization, have been structured with a service function to their customers. For the sake of transparency, the facilities are open and available to the customer for on-site visits. The customer relationship is focused on dialogue and cooperation, and the Customer Service department is committed to transform any purchase into a positive experience for the level of support it receives.

**We interact with the customer, and maintain the relationship with them through:**

- regular meetings,
- market research and surveys/questionnaires,
- customer service,

To ensure the best customer experience, the group has built a structure that can respond promptly to returns or complaints.

## THE RELATIONSHIP WITH CUSTOMERS IS FOCUSED ON DIALOGUE

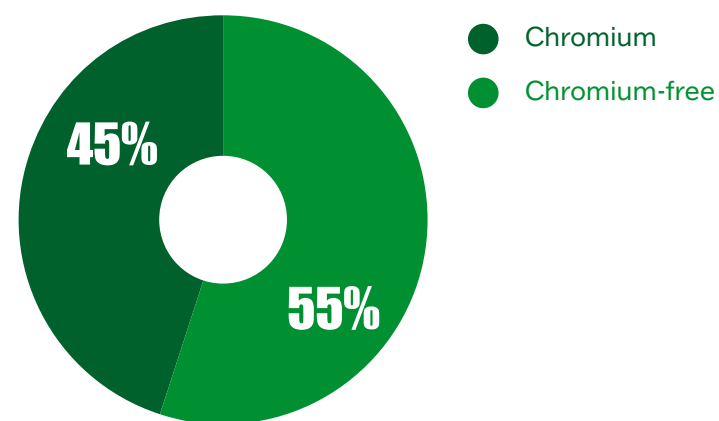


## CH 5.2

# THE ONGOING COMMITMENT TO SUSTAINABLE INNOVATION



## THE GLOBAL LEATHER MARKET IS MAINLY DIVIDED INTO CHROMIUM AND GLUTARALDEHYDE TANNING PROCESS.



Pasubio is studying alternative tanning methods in a sustainable perspective for the leather production process.

### Some of our efforts:

- Investments aimed at increasing the efficiency of our production processes;
- Selection of less impactful chemicals from a sustainability standpoint;

Currently most of the Group's leather is tanned without the use of chrome.

## MOST CUSTOMERS ARE INCREASINGLY INTERESTED IN NEW CHROMIUM-FREE TANNING ALTERNATIVES

- The minimization of organic and chemical content in wastewater discharges.

## AWARDS AND RECOGNITION 2021

Conceria Pasubio took part in the third edition of Compraverde Buygreen Veneto, a competition organized by the Veneto Region to reward companies dedicated to environmental sustainability. The company received the award

for **“best product” in the “Large Enterprises” section, with the article “VITANOVA”**. Conceria Pasubio also participated in the ninth edition of the Premio Impresa Ambiente, an event promoted by the Chamber of Commerce,

where it received **national recognition** for making an innovative **contribution in terms of sustainability and social responsibility**.

## CH 5.3

# THE CONTROL AND SAFETY OF LEATHER

In February 1996, the Pasubio Company was one of the first Italian leather producers to obtain the **ISO 9001** certification, attesting the quality in production, installation, and maintenance, and

was the first Italian company to obtain the **EAQF '94** automotive certification. A specialised team oversees the quality and safety of Pasubio products in all production sites. We are proud to reiterate

that there have been no non-compliances in 2021 that affect the health and safety of products and services.



## QUALITY SYSTEM MANAGEMENT TEAM



## CUSTOMER QUALITY CARE TEAM



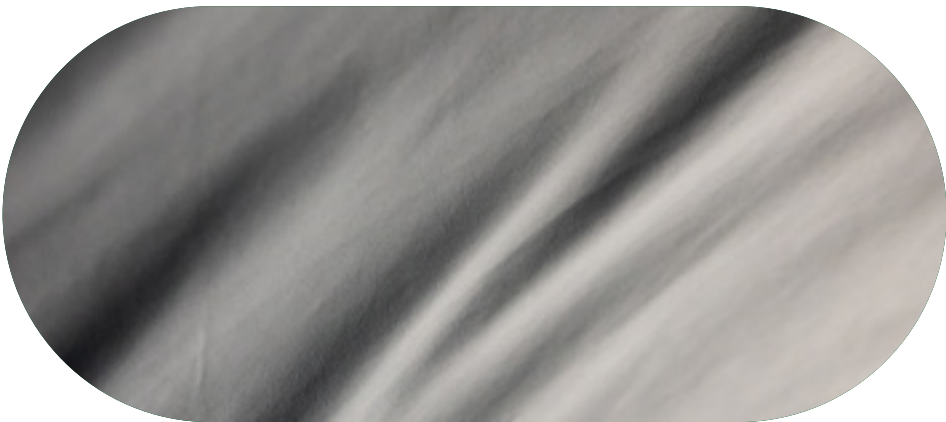


CH 5.4

A SUSTAINABLE  
QUALITY

By adopting sustainable processes, we are embarking on a path to high-quality products, as all parties are respected and can therefore deliver better results.

| OUR STANDARD  |  |               |  |
|---|--|---------------|--|
| ORGANIZATIONAL STRUCTURE                                    | PLANT                                    | LOCATION      | STANDARDS                                  |
| Conceria Pasubio S.p.A.                                     | Arzignano II StradaStrada (headquarters) | Italy         | ISO 9001 – Quality<br>IATF 16949 – Quality |
| Conceria Pasubio S.p.A.                                     | Arzignano VI Strada                      | Italy         |  |
| Conceria Pasubio S.p.A.                                     | Arzignano Viale Vicenza                  | Italy         | ISO 9001 – Quality<br>IATF 16949 – Quality |
| Conceria Pasubio S.p.A.                                     | Zermeghedo                               | Italy         | ISO 9001 – Quality<br>IATF 16949 – Quality |
| Conceria Pasubio S.p.A.                                     | Almisano di Lonigo                       | Italy         | ISO 9001 – Quality<br>IATF 16949 – Quality |
| Conceria Pasubio S.p.A.                                     | Sabac                                    | Serbia        | ISO 9001 – Quality<br>IATF 16949 – Quality |
| Arzignanese Srl*  | Arzignano                                | Italy         | ISO 9001 – Quality                         |
| GD Servicios Internacionales del Norte, s. de R.L. de C.V.* | Matamoros                                | Mexico        | ISO 9001 – Quality                         |
| GDI Assemblies LLC*   | Texas                                    | United States | ISO 9001 – Quality                         |
| Hewa Leder GmbH*  | Rehau                                    | Germany       | ISO 9001 – Quality<br>IATF 16949 – Quality |
| Hewa Leder GmbH*  | Brand-Erbisdorf                          | Germany       | ISO 9001 – Quality<br>IATF 16949 – Quality |



CH 5.4.1

CERTIFICATIONS

System certifications are the result of a process to introduce advanced organizational models to our business to improve our ability to meet the needs of our stakeholders. Management, organizational, and product systems are certified by independent third-party bodies to ensure transparency and correctness of communication. Listed below are the certifications held by each facility in the group (including quality certifications).

| ORGANIZATION CERTIFICATION  |  |               |   |
|---|--|---------------|---|
| ISO 14064-1   | Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals |               |   |
| PRODUCT/PROCESS CERTIFICATION   |  |               |   |
| ISO 14067   | Greenhouse gases - Carbon footprint of products - Requirements and guidelines for quantification   |               |   |
| EPD - ISO 14025   | Environmental labels and declarations - Type III environmental declarations - Principles and procedures  |               |   |
| SITE CERTIFICATIONS   |  |               |   |
| ORGANIZATIONAL STRUCTURE  | PLANT  | LOCATION      | STANDARDS   |
| Conceria Pasubio S.p.A.   | Arzignano II Strada (headquarters)   | Italy         | ISO 14001- Environment<br>ISO 45001- Safety<br>ISO 9001 – Quality<br>IATF 16949 – Quality<br>LWG GOLD – Of sector     |
| Conceria Pasubio S.p.A.   | Arzignano VI Strada  | Italy         | ISO 14001- Environment  |
| Conceria Pasubio S.p.A.   | Arzignano Viale Vicenza  | Italy         | ISO 9001 – Quality<br>IATF 16949 – Quality  |
| Conceria Pasubio S.p.A.   | Zermeghedo   | Italy         | ISO 14001- Environment<br>ISO 45001- Safety<br>ISO 9001 – Quality<br>IATF 16949 – Quality<br>LWG GOLD – Of sector     |
| Conceria Pasubio S.p.A.   | Almisano of Lonigo   | Italy         | ISO 14001- Environment<br>ISO 9001 – Quality<br>IATF 16949 – Quality<br>LWG GOLD – Of sector                          |
| Conceria Pasubio S.p.A.   | Sabac  | Serbia        | ISO 9001 – Quality<br>IATF 16949 – Quality  |
| Arzignanese Srl<br>Controlled by Conceria Pasubio S.p.A.  | Arzignano  | Italy         | ISO 9001 – Quality<br>LWG BRONZE – Of sector  |
| GD Servicios Internacionales del Norte, s. de R.L. de C.V.<br>Controlled by Conceria Pasubio S.p.A. | Matamoros  | Mexico        | ISO 9001 – Quality  |
| GDI Assemblies LLC<br>Controlled by Conceria Pasubio S.p.A.   | Texas  | United States | ISO 9001 – Quality  |
| Hewa Leder GmbH<br>Controlled by Conceria Pasubio S.p.A.  | Rehau  | Germany       | ISO 14001- Environment<br>ISO 50001 - Energy<br>ISO 9001 – Quality<br>IATF 16949 – Quality<br>LWG AUDITED – Of sector |
| Hewa Leder GmbH<br>Controlled by Conceria Pasubio S.p.A.  | Brand-Erbisdorf  | Germany       | ISO 14001- Environment<br>ISO 50001 - Energy<br>ISO 9001 – Quality<br>IATF 16949 – Quality<br>LWG AUDITED – Of sector |

## CH 5.4.1

### APPENDIX 2. DESCRIPTION OF THE PRODUCTION CYCLE

#### 1. RAW MATERIAL

The raw material can be purchased in distinct stages:

- RAW LEATHER
- WET LEATHER

#### 2. SOAKING/LIMING AND PELT

Process dedicated to hair removal and mechanical hides cleansing.

#### 3. SPLITTING

Mechanical process to equalize and reduce the entire hide's thickness.

#### 4. TANNING

A chemical process to prevent hide decomposition ensuring that it cannot be altered by external agents. The resulting product and the properties of the tanned hides depend on the tanning process applied (e.g., wet blue or wet white).

#### 5. SELECTION

Process for the selection of hides according to the number and types of natural or man-made defects.

#### 6. SHAVING

A mechanical process in which the hide can reach an even thickness over the entire surface.

#### 7. RETANNING

Process that gives the hides all the desired quality (colour, brightness, or opacity) and physical-mechanical properties (flexibility, softness, etc.).

#### 8. DRYING

A process which reduces moisture in hides and leather.

#### 9. DRUMMING OR MILLING

The process which gives the hides softness by the effect of spinning in a dry bottle.

#### 10. STAKING

A process which softens the hides through the action of a series of machines called staking machines.

#### 11. FINISHING

A series of operations to give the surface of the leather a series of features that enhance its aesthetics.

#### 12. EMBOSSING

A process that allows to emboss leather using a variety of techniques.

#### 13. CUTTING

Process in which leather is cut into panels or customized to reproduce the shape of a specific object.





# Ch. 6



## RESPONSIBLE SOURCING



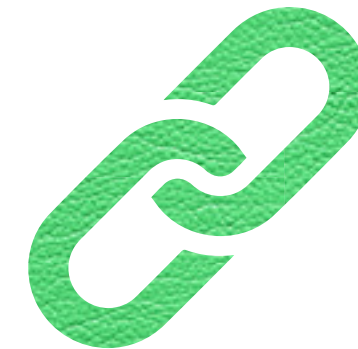
The leather industry is a symbol of how to recover a potential waste of the food industry and gain value from it by fully joining the circular economy. More and more companies in the sector, such as the Pasubio Group, are adopting corporate social responsibility (CSR) production systems, which in short means reducing the environmental impact and respecting

the health and rights of employees by paying attention to all their supply chain.



## CH 6.1

# PASUBIO SUPPLY CHAIN



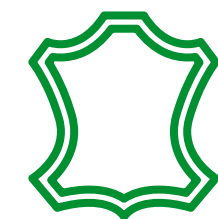
To guarantee the best for customers, by ensuring safe products and thus keeping track of each component, Pasubio believes it is essential to develop standards that go beyond the legal requirements. That is why it has focused its attention on the selection of raw

materials. It is considered essential to work closely with the supply chain and to jointly define the minimum requirements applicable to leather.

Pasubio's unified and cross-cutting approach to sustainability is also found in the supply chain manage-

ment: Supplier policy is focused on developing lasting relationships, based on loyalty, transparency, and mutual collaboration.

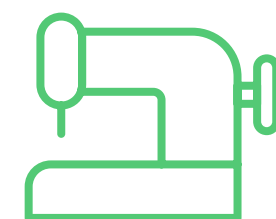
The main categories of suppliers in the group are:



**RAW AND/OR  
SEMI-FINISHED  
LEATHER**



**CHEMICALS**



**SUB-  
CONTRACTORS**



CH 6.1

Primary suppliers of hides, chemicals, and subcontractors supply the Company in a much higher proportion than the service providers which are considered secondary. The distribution of our suppliers by region is as follows:

| RAW AND/OR SEMI-FINISHED LEATHER (LEATHER ORIGIN) |        |
|---|--------|
| ORIGIN  | % 2021 |
| ABROAD  | 92,29% |
| ITALY   | 7,71%  |

| CHEMICALS |                                |                                |                                |
|-----------|--------------------------------|--------------------------------|--------------------------------|
| REGION    | JANUARY 1 TO DECEMBER 31, 2019 | JANUARY 1 TO DECEMBER 31, 2020 | JANUARY 1 TO DECEMBER 31, 2021 |
| ITALY     | 39%                            | 47%                            | 99%                            |
| ABROAD    | 61%                            | 53%                            | 1%                             |

| SUBCONTRACTORS |      |
|----------------|------|
| REGION         | 2021 |
| ITALY          | 100% |

| MATERIALS USED PER UNIT OF MEASURE (GRI 301-1) |                 |                                |                                |                                |
|--|-----------------|--------------------------------|--------------------------------|--------------------------------|
| MATERIALS USED                                 | UNIT OF MEASURE | JANUARY 1 TO DECEMBER 31, 2019 | JANUARY 1 TO DECEMBER 31, 2020 | JANUARY 1 TO DECEMBER 31, 2021 |
| Chemicals - Retanning                          | Ton             | 10.315                         | 10.108                         | 13.517                         |
| Chemicals - Finishing                          | Ton             | 3.447                          | 3.028                          | 3.440                          |
| Raw  | Kg              | 8.499.881                      | 11.631.349                     | 9.347.957                      |
| Wet Blue                                       | n. of pieces    | 1.118.800                      | 857.327                        | 696.243                        |
| Wet White                                      | n. of pieces    | 732.583                        | 741.275                        | 888.897                        |
| Crusts   | n. of pieces    | 127.128                        | 118.623                        | 133.226                        |

CH 6.1.1

SUPPLIER CODE OF CONDUCT



The Group's commitment to transparency and legality is clearly stated in the Code of Ethics. This document is complemented by a specific "Code of Conduct" dedicated to suppliers, which commits them to operate with integrity on environmental issues, animal rights issues, and respect for human rights.

| SUPPLIER CODE OF CONDUCT PRINCIPLES  |  |   |   |   |
|--|--|---|---|---|
| ETHICS AND LAW ENFORCEMENT   | PROTECTION OF PASUBIO'S ASSETS, INFORMATION AND REPUTATION   | WORK AND HUMAN RIGHTS   | HEALTH AND SAFETY   | ENVIRONMENT   |
| <ul style="list-style-type: none"><li>•Corruption</li><li>•Counterfeiting</li><li>•Antitrust and unfair competition</li><li>•Intellectual property</li><li>•Responsibility and accuracy in the keeping of tax and financial documents</li><li>•Export control</li><li>•Conflict of interest</li><li>•Gifts and Entertainment</li></ul> | <ul style="list-style-type: none"><li>•Intellectual property</li><li>•Confidential information, data security and privacy</li><li>•File management and cooperation with inspections, audits and investigations</li></ul> | <ul style="list-style-type: none"><li>•Contracts for workers</li><li>•Non-discrimination</li><li>•Prohibition of forced labour</li><li>•Prohibition of child labour</li><li>•Working hours</li><li>•Remuneration and Benefits</li><li>•Privacy and protection of personal identity</li><li>•Freedom of association and prohibition of retaliation</li></ul> | <ul style="list-style-type: none"><li>•Accidents, injuries and occupational diseases</li><li>•Emergencies</li><li>•Working conditions</li></ul> | <ul style="list-style-type: none"><li>•Environmental impact and hazardous substances</li><li>•Sustainability</li><li>•Resource protection and climate protection</li><li>•Biodiversity</li><li>•Deforestation and land grabbing</li></ul> |

CH 6.2

THE 3 TYPES OF STRATEGIC SUPPLIERS

The Pasubio Group believes it is important to support the territory by creating economic value. Aware of the importance of employment to ensure the social development of the environment in which it operates, it contributes to maintaining the level of employment not only through its direct employees but also by encouraging the use of local suppliers of raw materials and tanning operations, and labour services.

CH 6.2.1

LEATHER SUPPLIERS

The Percentage spent on local suppliers is:

| PERCENTAGE SPENT ON LOCAL SUPPLIERS – LEATHER (GRI 204-1) |                                |                                |                                |
|---|--------------------------------|--------------------------------|--------------------------------|
| REGION  | JANUARY 1 TO DECEMBER 31, 2019 | JANUARY 1 TO DECEMBER 31, 2020 | JANUARY 1 TO DECEMBER 31, 2021 |
| ITALY   | 39%                            | 47%                            | 56%                            |
| ABROAD  | 61%                            | 53%                            | 44%                            |

CH 6.2.2

A LINK IN OUR VALUE CHAIN: SUBCONTRACTORS

The hide travels a long way before becoming a “finished product” and passes through many factories. The contribution of contractors along this processing chain is indispensable.

| GEOGRAPHICAL DISTRIBUTION                 | % N. STRATEGIC SUPPLIERS – SUBCONTRACTORS |
|---|---|
| LOCAL – ARZIGNANO AND PROVINCE OF VICENZA | 94%                                       |
| VENETO REGION (NO VICENZA)                | 6%  |

This strategic choice allows the organization to be able to oversee all processes and to limit the environmental impact of leather transportation.

CH 6.2.3

CHEMICALS

Chemicals used for leather production are one of the main strategic supply categories for the group. Below is a table showing the quantities (in kg) purchased for each plant.

| CHEMICALS              | PLANT                      | KG            | PASUBIO   | %    |
|------------------------|----------------------------|---------------|---|------|
| Soaking                | ARZIGNANESE                | 3.275.830,00  | TANNING   |      |
| Pelt                   | ARZIGNANESE                | 3.581.635,00  | Italy   | 21%  |
| Tanning                | ARZIGNANESE                | 1.066.800,00  | Local (Arzignano and Province of Vicenza)   | 79%  |
| Tannning and Finishing | ARZIGNANESE PASUBIO - HEWA | 13.517.414,00 | World   | 1%   |
| Finishing              | PASUBIO - HEWA             | 3.718.293,00  | FINISHING   |      |
| Water treatment        | HEWA                       | 219.720       | Local   | 100% |
| Total                  |                            | 25.379.692,00 | The percentages are to be considered as an indicative figure, which is given here with the aim of being more precise in the coming years. |      |



## CH 6.3

SUPPLY CHAIN  
RELATIONSHIP,  
MANAGEMENT AND  
RETENTION

Supplier management is defined in a procedure that specifies the preliminary work, qualification and monitoring of the supplier.

## CH 6.3.1

## OBJECTIVES

2021 was characterized by building what it is and will be the path to increasing transparency in our supply chain.

Our supply chain management is integrating climate, environmental resources, human rights, animal welfare and responsible procurement objectives. In doing so, the Group recognizes that it must continue to pursue an integrated approach to ensure sustainable practices.

**We, participants in the United Nations global compact, have made our own the definition of sustainability in the supply chain: “The management of environmental, social, and economic impacts and the encouragement of good governance practices, along the life cycle of goods and services.”**

Pasubio is much more than just the sum of its individual employees, as the chain is not just the union of the individual companies that make it up.

## CH 6.4

GROUP  
LOGISTICS

OUR FUTURE  
EFFORTS:

**OPTIMIZE WAREHOUSE  
MANAGEMENT TO  
BETTER MEET CUSTOMER  
NEEDS.**







# Ch. 7

## METHODOLOGI- CAL NOTE



CH 7

REPORTING CRITERIA, STANDARDS, AND GOALS

The Sustainability Report is the tool through which we communicate to our stakeholders the results of our sustainability journey on an annual basis. Details of the content reported within the 2021 Sustainability Report perimeter are provided in “Reporting perimeter and period analysed”. The Environmental Group, Health & Safety Manager of Conceria Pasubio coordinated the preparation of the Sustainability Report, using a team of external consultants involving transversely, where necessary, the various area specialists for the collection of quantitative and qualitative data. This report is prepared in accordance with **Sustainability Reporting Standards** published in 2016 by the Global Reporting Initiative – GRI (with application level “**Core**”). It is noted that all reported GRI indicators refer to the version published in 2016, except for indicators 303 and 403, which refer to the 2018 indicator and indicator 306 of 2020.



The choice of the GRI indicators has been made taking into account the importance that the different material themes have for us.

The reported content was selected based on the results of an initial materiality analysis, which identified material aspects for the Group and its stakeholders, and which is contained within this document in the paragraph “Materiality Analysis”.

References to GRI Standards are given in the final indicators table. Finally, this Evaluation is the tool for reporting the company’s commitment to the ESG criteria. The group understands that data collection requires alignment work in addition to a systematisation process.

REPORTING PERIMETER AND PERIOD ANALYSED

The data entered in this document refer to the Pasubio Group as of 31.12.2021 and correlate with the previous two years 2019-2020. It is stated that the economic data presented in this document relate to Conceria Pasubio S.p.A. 31.12.2021.

With reference to social and environmental data and information, the reporting perimeter includes Conceria Pasubio S.p.A. (Hereinafter also “Parent Company”) and its subsidiaries: Arzignanese S.r.l., GDI Assemblies LLC (MEX) GD Servicios Internacionales del Norte D. de R.L. (MEX) and Hewa Leder GmbH (Germany). In relation to the controls some data has not been reported in this document, information that is appropriately reported in the individual sections. The data not reported will be the subject of an alignment process and will be reflected in the next publication of the Sustainability Report.

In 2021, it was noted that there were significant changes in size and ownership structure as HEWA Leder GmbH also became part of the perimeter, where a process of alignment in the data collection was found to be ongoing. Any additional perimeter restrictions on individual themes or indicators are expressly stated in the text.

SCOPE OF THE TOPICS OF THIS REPORT

| MATERIAL THEMES  | GRI STANDARD  | BOUNDARY OF IMPACT                | IMPACT TYPE  |
|--|---|-----------------------------------|--|
| Business Compliance, Ethics and Integrity                            | Size of the organization (GRI 102-7); Anti-corruption (GRI 205); anti-competitive behaviour (GRI 206); environmental compliance (GRI 307); socio-economic compliance (GRI 419); dIS | PASUBIO Group                     | Caused by the Group  |
| Indirect impacts on land and value creation                          | Market presence (GRI 202)   | PASUBIO Group                     | Caused by the Group  |
| Appropriate and timely management of emergencies                     | N/A   | PASUBIO Group                     | Caused by both the Group and external causes                               |
| Manage energy consumption and emissions to the atmosphere            | Energy (GRI 302); emissions (GRI 305)   | Pasubio Group and Power suppliers | Caused by the Group and directly connected through a business relationship |
| Responsible management of waste, chemicals and water discharges      | Waste (GRI 306); water and waste (GRI 303)  | PASUBIO Group                     | Caused by the Group  |
| Efficient water management   | Water and drains (GRI 303)  | PASUBIO Group                     | Caused by the Group  |
| Employee management, training and professional development           | Employment (GRI 401); Training (GRI 404)  | PASUBIO Group                     | Caused by the Group  |
| Occupational health and safety                                       | Occupational health and safety (GRI 403)  | PASUBIO Group                     | Caused by the Group and directly connected through a business relationship |
| Respect for human rights and working conditions                      | Non-discrimination (GRI 406); Human Rights Assessment (GRI 412)   | PASUBIO Group                     | Caused by the Group  |
| Promoting diversity and equal opportunities                          | Diversity and equal opportunities (GRI 405)   | PASUBIO Group                     | Caused by the Group  |
| Sustainable product design, innovation and technology                | Materials (GRI 301)   | PASUBIO Group                     | Caused by the Group  |
| Customer satisfaction, product quality and safety                    | Customer Health and Safety (GRI 416); Customer Privacy (GRI 418)  | PASUBIO Group                     | Caused by the Group  |
| Responsible and sustainable supply chain management & Animal Welfare | Market presence (GRI 202); Supplier Environmental Assessment (GRI 308); Supplier Social Assessment (GRI 414)  | PASUBIO Group                     | Caused by the Group and directly connected through a business relationship |
| Local community involvement and promotion of local initiatives       | N/A   | PASUBIO Group                     | Caused by the Group  |

To improve the effectiveness of the reporting process and the reliability of the reported information, the sustainability report has been subject to external audit by Certiquality, which ended with the release of the “audit report”. For further information and suggestions regarding the Pasubio Group's Sustainability Report, please contact **Laura.Cardozo@Pasubio.com**. This document is also available on the website of Pasubio Group **www.pasubio.com**.





# Ch. 8

## CONTENT INDEX



CH 8

The table below lists the indicators reported in this Sustainability Report.

A reference to the chapter or section or, where the data or information is not contained in the text, a description of the indicator shall be given next to each GRI indicator.

GRI STANDARD CONTENT INDEX

| GRI STANDARDS                        | INFORMATION  | PAGE NUMBER/NOTES                              | OMISSION |
|--------------------------------------|--|--|----------|
| GRI 102 – General Information (2016) |  |  |          |
| PROFILE OF THE ORGANIZATION          |  |  |          |
| Organizational profile               |  |  |          |
| 102-1                                | Name of the organization                                     | Ch. 7 Methodological note                      |          |
| 102-2                                | Activities, brands, products and services                    | Ch. 5 – Page 103                               |          |
| 102-3                                | Location of the main office                                  | Ch. 2 – Page 41 - 42                           |          |
| 102-4                                | Location of activities                                       | Ch. 2 – Page 41 - 42                           |          |
| 102-5                                | Ownership and legal form                                     | Ch. 2 – Page 41                                |          |
| 102-6                                | Markets served   | Ch. 2 – Page 52<br>Ch. 5 – Page 103            |          |
| 102-7                                | Size of the organization                                     | Ch. 2 – Page 41 - 42                           |          |
| 102-8                                | Information about employees and other workers                | Ch. 3  |          |
| 102-9                                | Supply chain   | Ch. 6  |          |
| 102-10                               | Significant changes to the organization and its supply chain | Ch. 7 Methodological note                      |          |
| 102-11                               | Precautionary principle                                      | Ch. 2 – Page 47                                |          |
| 102-12                               | External initiatives   | Ch. 1 – Page 29                                |          |
| 102-13                               | Membership of associations                                   | Ch.2 – Page 39                                 |          |
| Strategy                             |  |  |          |
| 102-14                               | Statement by a senior executive                              | Letters to stakeholders – Ch. 1 – Page 8       |          |
| Ethics and Integrity                 |  |  |          |
| 102-16                               | Values, principles, standards and rules of conduct           | Ch. 2  |          |
| Governance                           |  |  |          |
| 102-18                               | Structure of Governance                                      | Ch. 2 – Page 40 - 41 - 42 - 43<br>44 - 45 - 46 |          |
| Stakeholder engagement               |  |  |          |
| 102-40                               | List of stakeholder groups                                   | Ch. 1 – Page 21                                |          |
| 102-41                               | Collective bargaining agreements                             | Ch. 3 – Pag.5                                  |          |
| 102-42                               | Identify and select stakeholders                             | Ch. 1 – Page 21 - 22                           |          |
| 102-43                               | How stakeholders engage                                      | Ch. 1 – Page 21 - 22 - 23 - 24                 |          |
| 102-44                               | Key issues and concerns raised                               | Ch. 1 – Page 23                                |          |

| GRI STANDARDS                         | INFORMATION   | PAGE NUMBER/NOTES  | OMISSION |
|---------------------------------------|---|--|----------|
| Reporting practices                   |   |  |          |
| 102-45                                | Entities included in consolidated reporting statement         | Ch. 7 Methodological note  |          |
| 102-46                                | Report content definition and theme perimeters                | Ch. 7 Methodological note  |          |
| 102-47                                | List of material themes                                       | Ch. 1 – Page 23  |          |
| 102-48                                | Review information  | This document is the Group's second Sustainability Report, each revision has been contextualized in the individual sections. |          |
| 102-49                                | Changes in reporting  | It is noted that HEWA is also reported in this evaluation  |          |
| 102-50                                | Reporting period  | Ch. 7 Methodological note  |          |
| 102-51                                | Date of the most recent report                                | PASUBIO GROUP Sustainability Report 2020   |          |
| 102-52                                | Reporting periodicity   | Annually   |          |
| 102-53                                | Contact us to request information about the report            | Ch. 7 Methodological note  |          |
| 102-54                                | Reporting statement in accordance with GRI Standards          | Ch. 7 Methodological note  |          |
| 102-55                                | Index of GRI contents   | Ch. 8 Content Index  |          |
| 102-56                                | External assurance  | Statement of Assurance   |          |
| TOPIC-SPECIFIC STANDARDS              |   |  |          |
| GRI 200 – ECONOMIC SERIES (2016)      |   |  |          |
| Topic: Market presence                |   |  |          |
| GRI-103: Management Mode (2016)       |   |  |          |
| 103-1                                 | Explanation of the material theme and its perimeter           | Ch.1 – Page 23 - 24 - 25   |          |
| 103-2                                 | The management mode and its components                        | Ch. 3  |          |
| 103-3                                 | Evaluation of the management arrangements                     | Ch. 3  |          |
| GRI-202: Market presence (2016)       |   |  |          |
| 202-2                                 | Proportion of senior managers hired by the local community    | Ch. 3  |          |
| Topic: Procurement practices          |   |  |          |
| GRI-103: Management Mode (2016)       |   |  |          |
| 103-1                                 | Explanation of the material theme and its perimeter           | Ch.1 – Page 23 - 24 - 25   |          |
| 103-2                                 | The management mode and its components                        | Ch. 6  |          |
| 103-3                                 | Evaluation of the management arrangements                     | Ch. 6  |          |
| GRI 204: Procurement practices (2016) |   |  |          |
| 204-1                                 | Proportion of expenditure to local suppliers                  | Ch. 6  |          |
| Topic: Anti-Corruption                |   |  |          |
| GRI-103: Management Mode (2016)       |   |  |          |
| 103-1                                 | Explanation of the material theme and its perimeter           | Ch.1 – Page 23 - 24 - 25   |          |
| 103-2                                 | The management mode and its components                        | Ch. 2 – Page 48  |          |
| 103-3                                 | Evaluation of the management arrangements                     | Ch. 2 – Page 48  |          |
| GRI 205: Anti-Corruption (2016)       |   |  |          |
| 205-3                                 | Bribery and corruption incidents identified and actions taken | During 2021 there were no known cases of corruption  |          |

GRI STANDARD CONTENT INDEX

| GRI STANDARDS                               | INFORMATION   | PAGE NUMBER/NOTES   | OMISSION |
|---|---|---|----------|
| Topic: Anti-competitive Behaviours          |   |   |          |
| GRI-103: Management Mode (2016)             |   |   |          |
| 103-1                                       | Explanation of the material theme and its perimeter                           | Ch.1 – Page 23 - 24 - 25  |          |
| 103-2                                       | The management mode and its components  | Ch. 2 – Page 48   |          |
| 103-3                                       | Evaluation of the management arrangements                                     | Ch. 2 – Page 48   |          |
| GRI 206: Anti-competitive Behaviours (2016) |   |   |          |
| 206-1                                       | Lawsuits for anticompetitive behaviour, antitrust, and monopolistic practices | During 2021, no lawsuits were filed for anti-competitive behaviour, antitrust, and monopolistic practices |          |
| 300 – ENVIRONMENTAL SERIES (2016)           |   |   |          |
| Topic: Materials                            |   |   |          |
| GRI-103: Management Mode (2016)             |   |   |          |
| 103-1                                       | Explanation of the material theme and its perimeter                           | Ch.1 – Page 23 - 24 - 25  |          |
| 103-2                                       | The management mode and its components  | Ch. 6 – Page 116  |          |
| 103-3                                       | Evaluation of the management arrangements                                     | Ch. 6 – Page 116  |          |
| GRI 301: Materials (2016)                   |   |   |          |
| 301-1                                       | Materials used by weight or volume  | Ch. 6 – Page 116  |          |
| Topic: Energy                               |   |   |          |
| GRI-103: Management Mode (2016)             |   |   |          |
| 103-1                                       | Explanation of the material theme and its perimeter                           | Ch.1 – Page 23 - 24 - 25  |          |
| 103-2                                       | The management mode and its components  | Ch. 4 – Page 95 - 96  |          |
| 103-3                                       | Evaluation of the management arrangements                                     | Ch. 4 – Page 95 - 96  |          |
| GRI 302: Energy (2016)                      |   |   |          |
| 302-1                                       | Energy consumed across the organization                                       | Ch. 4 – Page 95 - 96  |          |
| Topic: Water                                |   |   |          |
| GRI-103: Management Mode (2016)             |   |   |          |
| 103-1                                       | Explanation of the material theme and its perimeter                           | Ch.1 – Page 23 - 24 - 25  |          |
| 103-2                                       | The management mode and its components  | Ch. 4 – Page 93 - 94  |          |
| 103-3                                       | Evaluation of the management arrangements                                     | Ch. 4 – Page 93 - 94  |          |
| GRI-303: Management Mode (2018)             |   |   |          |
| 303-1                                       | Interaction with water as a shared resource                                   | Ch. 4 – Page 93 - 94  |          |
| 303-2                                       | Management of impacts related to water drainage                               | Ch. 4 – Page 93 - 94  |          |
| GRI 303: Water (2018)                       |   |   |          |
| 303-3                                       | Water withdrawal  | Ch. 4 – Page 93 - 94  |          |
| 303-4                                       | Draining water  | Ch. 4 – Page 93 - 94  |          |
| Topic: Emissions                            |   |   |          |
| GRI-103: Management Mode (2016)             |   |   |          |
| 103-1                                       | Explanation of the material theme and its perimeter                           | Ch.1 – Page 23 - 24 - 25  |          |
| 103-2                                       | The management mode and its components  | Ch.4 – Page 88 - 89 - 90 - 91 - 96  |          |
| 103-3                                       | Evaluation of the management arrangements                                     | Ch.4 – Page 88 - 89 - 90 - 91 - 96  |          |
| GRI 305: Emissions (2016)                   |   |   |          |
| 305-1                                       | Direct emissions of GHG (scope 1)   | Ch.4 – Page 88 - 89 - 90 - 91   |          |
| 305-2                                       | Indirect GHG emissions from energy consumption (scope 2)                      | Ch.4 – Page 88 - 89 - 90 - 91   |          |

| GRI STANDARDS                                  | INFORMATION  | PAGE NUMBER/NOTES   | OMISSION |
|--|--|---|----------|
| Topic: Waste                                   |  |   |          |
| GRI-103: Management Mode (2016)                |  |   |          |
| 103-1  | Explanation of the material theme and its perimeter                                      | Ch.1 – Page 23 - 24 - 25  |          |
| 103-2  | The management mode and its components   | Ch. 4 – Page 97 - 98  |          |
| 103-3  | Evaluation of the management arrangements  | Ch. 4 – Page 97 - 98  |          |
| GRI 306: Waste (2020)                          |  |   |          |
| 306-3  | Waste generated  | Ch. 4 – Page 97 - 98  |          |
| Topic: Environmental compliance                |  |   |          |
| GRI-103: Management Mode (2016)                |  |   |          |
| 103-1  | Explanation of the material theme and its perimeter                                      | Ch.1 – Page 23 - 24 - 25  |          |
| 103-2  | The management mode and its components   | Ch. 4   |          |
| 103-3  | Evaluation of the management arrangements  | Ch. 4   |          |
| GRI 307: Environmental Compliance (2016)       |  |   |          |
| 307-1  | Non-compliance with environmental laws and regulations                                   | In 2021, there were no fines or non-monetary penalties for non-compliance with environmental laws and regulations |          |
| Topic: Environmental assessment of suppliers   |  |   |          |
| GRI-103: Management Mode (2016)                |  |   |          |
| 103-1  | Explanation of the material theme and its perimeter                                      | Ch.1 – Page 23 - 24 - 25  |          |
| 103-2  | The management mode and its components   | Ch. 6   |          |
| 103-3  | Evaluation of the management arrangements  | Ch.6  |          |
|  |  |   |          |
| 308-1  | New suppliers that have been evaluated using environmental criteria                      | Ch.6  |          |
| 400 – SOCIAL SERIES (2016)                     |  |   |          |
| Topic: Occupation                              |  |   |          |
| GRI-103: Management Mode (2016)                |  |   |          |
| 103-1  | Explanation of the material theme and its perimeter                                      | Ch.1 – Page 23 - 24 - 25  |          |
| 103-2  | The management mode and its components   | Ch.3  |          |
| 103-3  | Evaluation of the management arrangements  | Ch.3  |          |
| GRI 401: Employment (2016)                     |  |   |          |
| 401-1  | New hires and turnover   | Appendix Ch.3   |          |
| Topic: Occupational health and safety          |  |   |          |
| GRI-103: Management Mode (2016)                |  |   |          |
| 103-1  | Explanation of the material theme and its perimeter                                      | Ch.1 – Page 23 - 24 - 25  |          |
| 103-2  | The management mode and its components   | Ch.3 – Page 69 - 70   |          |
| 103-3  | Evaluation of the management arrangements  | Ch.3 – Page 69 - 70   |          |
| GRI 403: Occupational health and safety (2018) |  |   |          |
| 403-1  | Occupational health and safety management system   | Ch.3 – Page 69 - 70   |          |
| 403-2  | Hazard identification, risk assessment and accident investigation                        | Ch.3 – Page 69 - 70   |          |
| 403-3  | Occupational health services   | Ch.3 – Page 69 - 70   |          |
| 403-4  | Participation and consultation of workers and communication on health and safety at work | Ch.3 – Page 69 - 70   |          |



GRI STANDARD CONTENT INDEX

| GRI STANDARDS                                     | INFORMATION  | PAGE NUMBER/NOTES  | OMISSION  |
|---|--|--|---|
| GRI 403: Occupational health and safety (2018)    |  |  |   |
| 403-5   | Training of workers in the field of health and safety at work                              | Ch.3 – Page 69 - 70  |   |
| 403-6   | Promoting the health of workers  | Ch.3 – Page 69 - 70  |   |
| 403-7   | Prevention and mitigation of occupational health and safety impacts within trade relations | Ch.3 – Page 69 - 70  |   |
| 403-9   | Accidents at work  | Ch.3 – Page 69 - 70  | The indicator is compliant with the reference standard requirement a. |
| Topic: Training                                   |  |  |   |
| GRI-103: Management Mode (2016)                   |  |  |   |
| 103-1   | Explanation of the material theme and its perimeter  | Ch.1 – Page 23 - 24 - 25   |   |
| 103-2   | The management mode and its components   | Ch.3 – Page 66 - 67 - 68   |   |
| 103-3   | Evaluation of the management arrangements  | Ch.3 – Page 66 - 67 - 68   |   |
| GRI 404: Training (2016)                          |  |  |   |
| 404-1   | Average annual training hours per employee   | Ch.3 – Page 66 - 67 - 68   |   |
| Topic: Diversity and equal opportunities          |  |  |   |
| GRI-103: Management Mode (2016)                   |  |  |   |
| 103-1   | Explanation of the material theme and its perimeter  | Ch.1 – Page 23 - 24 - 25   |   |
| 103-2   | The management mode and its components   | Ch. 3  |   |
| 103-3   | Evaluation of the management arrangements  | Ch. 3  |   |
| GRI 405: Diversity and equal opportunities (2016) |  |  |   |
| 405-1   | Diversity in government bodies and among employees   | Ch. 3  |   |
| 405-2   | Ratio of basic salary and pay of women to men  | Ch. 3  | Conceria Pasubio S.p.A. excluding the plant in Serbia                 |
| Topic: Non-discrimination                         |  |  |   |
| GRI-103: Management Mode (2016)                   |  |  |   |
| 103-1   | Explanation of the material theme and its perimeter  | Ch.1 – Page 23 - 24 - 25   |   |
| 103-2   | The management mode and its components   | Ch. 3  |   |
| 103-3   | Evaluation of the management arrangements  | Ch. 3  |   |
| GRI 406: Non-discrimination (2016)                |  |  |   |
| 406-1   | Incidents of discrimination and corrective measures taken                                  | During 2021 there were no incidents of discrimination                            |   |
| Topic: Assessment of respect for human rights     |  |  |   |
| GRI-103: Management Mode (2016)                   |  |  |   |
| 103-1   | Explanation of the material theme and its perimeter  | Ch.1 – Page 23 - 24 - 25   |   |
| 103-2   | The management mode and its components   | Ch. 3  |   |
| 103-3   | Evaluation of the management arrangements  | Ch. 3  |   |
| GRI 412: Forced or compulsory Labour (2016)       |  |  |   |
| 412-2   | Training employees on human rights policies or procedures                                  | During 2021, no specific training was carried out on the subject of human rights |   |

| GRI STANDARDS   | INFORMATION   | PAGE NUMBER/NOTES  | OMISSION |
|---|---|--|----------|
| Topic: Health and safety of customers                                 |   |  |          |
| GRI-103: Management Mode (2016)                                       |   |  |          |
| 103-1   | Explanation of the material theme and its perimeter                           | Ch.1 – Page 23 - 24 - 25   |          |
| 103-2   | The management mode and its components  | Ch. 5 – Page 107   |          |
| 103-3   | Evaluation of the management arrangements                                     | Ch. 5 – Page 107   |          |
| GRI 416: Customer Health and Safety (2016)                            |   |  |          |
| 416-2   | Non-compliances related to health and safety impacts of products and services | During 2021 there were no non-compliances with regard to the health and safety impacts of products and services. |          |
| Topic: Customer Privacy   |   |  |          |
| GRI-103: Management Mode (2016)                                       |   |  |          |
| 103-1   | Explanation of the material theme and its perimeter                           | Ch.1 – Page 23 - 24 - 25   |          |
| 103-2   | The management mode and its components  | Ch. 2 – Page 48  |          |
| 103-3   | Evaluation of the management arrangements                                     | Ch. 2 – Page 48  |          |
| GRI 418: Customer Privacy (2016)                                      |   |  |          |
| 418-1   | Proven complaints of customer privacy violations and loss of customer data    | During 2021 there were no complaints resulting from breaches of customer privacy                                 |          |
| Topic: Socio-economic compliance                                      |   |  |          |
| GRI-103: Management mode  |   |  |          |
| 103-1   | Explanation of the material theme and its perimeter                           | Ch.1 – Page 23 - 24 - 25   |          |
| 103-2   | The management mode and its components  | Ch. 2 – Page 49  |          |
| 103-3   | Evaluation of the management arrangements                                     | Ch. 2 – Page 49  |          |
| GRI 419: Socio-economic compliance (2016)                             |   |  |          |
| 419-1   | Proven complaints of customer privacy violations and loss of customer data    | During 2021 there were no complaints resulting from breaches of customer privacy                                 |          |
| Topic: Local community involvement and promotion of local initiatives |   |  |          |
| GRI-103: Management mode  |   |  |          |
| 103-1   | Explanation of the material theme and its perimeter                           | Ch.1 – Page 23 - 24 - 25   |          |
| 103-2   | The management mode and its components  | Ch. 3 – Page 72  |          |
| 103-3   | Evaluation of the management arrangements                                     | Ch. 3 – Page 72  |          |



*The Pasubio Group thanks all the collaborators who have actively participated and also contributed to the realization of the second Sustainability Report.*

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