

VERIFICATION OF THE 2021 “SUSTAINABILITY REPORT” OF PASUBIO GROUP

Scope

Certiquality S.r.l. received by Conceria Pasubio S.p.A. a limited assurance engagement regarding the Sustainability Report of Pasubio Group relating to the year 2021, in order to assess its consistency with the guidelines of the GRI (Global Reporting Initiative) Standards 2016, with reference to the “core” implementation level, which requires a reduced standard information and the quantification of at least one performance indicator for each aspect identified as material. This letter describes the activities carried out, it reports on the audit findings and the recommendations for improvement.

The verification has been carried out with reference to the “GRI Standards” published in 2016 by the Global Reporting Initiative and partly updated at a later time, and it has concerned in particular:

- the verification of the definition principles of the report content (stakeholder inclusiveness, sustainability context, materiality, completeness);
- the correct definition of the report boundaries;
- the verification of the principles for guaranteeing report quality (balance, comparability, accuracy, timeliness, clarity, reliability of the data and information management system);
- the compliance of the report contents with the ones set out by the GRI Standards guidelines for the “core” implementation level.

The verification has been carried out according to the procedures implemented by Certiquality for audits complying with the UNI EN ISO 19011:2018 standard. The audit has been partially carried out on site and partially off-site (especially for foreign companies), by interviewing the staff of interest by videoconference and checking the documentation shared on video.

Methods

The activity has been carried out in accordance with the following operating methods:

- analysis of the “2021 Sustainability Report of Pasubio Group”, with particular reference to the principles and contents set out by the guidelines of the GRI Standards 2016 (definition of the report boundaries, standard information and performance indicators);
- interviews with the functions directly or indirectly involved in the drawing up of the document and in the management of data and information (from collection to further processing);
- examination of documents and records in place at the operational headquarters of Conceria Pasubio S.p.A. of Via Vicenza – Arzignano (VI) and at a representative sample of the production plants included in the balance sheet boundary: GD – GDI Mexico + USA; Conceria Pasubio S.p.A. Zermeghedo; Conceria Pasubio S.p.A. Sabac (Serbia); Conceria Pasubio S.p.A. Arzignano;
- the analysis has concerned both the procedures implemented for the collection, filing and processing of data and the technical-normative aspects of the activities carried out.

The economic-financial data were taken from the consolidated balance sheet of Conceria Pasubio S.p.A., that was already audited, therefore they did not undergo a further verification.

The verification activities concerning the management of the data and information contained in the report have been carried out on samples, ensuring that all the aspects handled in the document have been adequately covered.

Results and recommendations

The examination of the “2021 Sustainability Report of Pasubio Group” highlighted a substantial compliance with the principles of the GRI Standards guidelines and the contents in terms of information and performance indicators, even though there are some margins for improvement. However, we deem that the Organization can take charge of the identified opportunities for improvement in view of the next editions, even considering the need to adjust the next edition to the new versions of the GRI standard issued in 2021.

The reported topics proved to be quite exhaustive with reference to the sustainability context in which the organization operates; the materiality analysis is based on a stakeholder engagement process implemented last year and confirmed for this edition; there are no particular lacks in the issues handled. Formal adherence to ESG criteria, for the second consecutive year, demonstrates the concreteness of the organization's commitment to sustainability.

The data management and consolidation system shows some margins for improvement as far as the processing traceability is concerned; also for this reason, the organization has decided to limit the boundary of some issues (e.g. direct economic value generated and distributed; injuries rates), to the parent company, and in some cases to the Italian sites only: this decision partially limits the completeness of the document, to the partial benefit, however, of the quality of the published data.

The stakeholder engagement process, implemented last year, can be improved in terms of documentation. For some of the information and indicators contained in the document (both in relation to general and specific information), the reporting methods are not completely aligned with the provisions of the reference standards, even if this does not introduce significant lacks and does not prejudice anyway the quality of the information reported, as well as its legibility. Furthermore, the information reported in the text on the methods of construction of the individual indicators, useful for correctly interpreting the reported data, in some cases can be improved.

The verifications carried out have confirmed some margins for improvement, concerning in particular:

- the data management system (preparation of a documented procedure; traceability of the processing; implementation of data consistency checks before entering the processed data in the report);
- the complete alignment of some indicators with the requirements of the reference standards;
- the documentation relating to the stakeholder engagement process and the materiality analysis.

Conclusions and asseveration

The verification of the “Sustainability Report of Pasubio Group” concerning the year 2021 has not highlighted any significant lacks as far as compliance with the principles of the GRI Standards guidelines and the contents in terms of information and performance indicators are concerned, even though there are some margins for improvement.

No significant elements came to light from the verifications carried out, such as to suggest that the report does not comply with the “core” implementation level of the GRI Standard 2016.

Milan, 21st July 2022



Certiquality S.r.l.
the President
Cesare Puccioni